



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

JUNE 7, 2019

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at South Coast AQMD 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 South Coast 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 South Coast AQMD's web page (www.aqmd.gov) or contact the Clerk of the Boards, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

A webcast of the meeting is available for viewing at:

<http://www.aqmd.gov/home/library/webcasts>

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Wayne Nastri, Executive Officer
- Presentation to Outgoing Board Members Joseph K. Lyou and Dr. Clark E. Parker Burke

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 19)

Note: Consent Calendar items held for discussion will be moved to Item No. 20

1. Approve Minutes of May 3, 2019 Board Meeting Garzaro/2500
2. Set Public Hearings July 12, 2019 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations Nastri/3131
 - A. Determine That Proposed Amendment to Rule 301 – Permitting and Associated Fees, Is Exempt from CEQA; Amend Rule 301; and Submit Rule 301 to CARB for Submission into SIP Fine/2239

As part of its review of the 2016 AQMP, U.S. EPA has recently requested that Rule 301 be amended to include a requirement that facilities submitting emission reports certify that the information is accurate to the best knowledge of the individual submitting and certifying the report. Facilities already certify their emission reports in practice, and the proposed minor amendment will now place this requirement into the rule. This action is to adopt the Resolution: 1) Determining that the proposed amendment to Rule 301 – Permitting and Associated Fees, is exempt from the California Environmental Quality Act; 2) Amending Rule 301- Permitting and Associated Fees; and 3) Directing the Executive Officer to submit Rule 301 to CARB for submission into the SIP. (Review: Stationary Source Committee, June 21, 2019)

B. Determine That Proposed Amendments to Rule 2001 – Applicability, Are Exempt from CEQA and Amend Rule 2001 Nakamura/3105

On October 5, 2018, the Board adopted amendments to Rule 2001 that incorporated a provision to allow facilities to opt-out of the RECLAIM program. U.S. EPA is recommending that facilities remain in RECLAIM until all the rules associated with the transition to a command-and-control regulatory structure have been adopted and approved into the SIP. To address U.S. EPA's comments, Proposed Amended Rule 2001 will remove the opt-out provision so that facilities cannot exit RECLAIM. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 2001 – Applicability, are exempt from the California Environmental Quality Act, and 2) Amending Rule 2001 - Applicability. (Reviewed: Stationary Source Committee, May 17, 2019)

C. Determine That Proposed Amendments to Regulation IX - Standards of Performance for New Stationary Sources, and Regulation X – National Standards for Hazardous Air Pollutants, Are Exempt from CEQA and Amend Regulations IX and X Rees/2856

Regulations IX and X are periodically amended to incorporate new or amended federal emission performance standards that have been enacted by U.S. EPA for stationary sources. These standards are currently in effect and enforceable by the South Coast AQMD pursuant to the federal Clean Air Act, regardless of whether South Coast AQMD incorporates them into Regulations IX and X. The Board has historically adopted NSPS (40 CFR 60) and NESHAP (40 CFR 61) actions into Regulations IX and X by reference providing stationary sources with a single source of information for determining which federal and local requirements apply to their specific operations. Regulations IX and X were last amended October 2016 and April 2015, respectively. These proposed amendments incorporate new or revised NSPS and NESHAP actions that have occurred since. In 2016, U.S. EPA promulgated one new NSPS for municipal solid waste landfills that commence construction, reconstruction, or modification after July 17, 2014. In addition, U.S. EPA also amended existing provisions of six NSPS standards, two NSPS appendices, one NESHAP standard, and one NESHAP appendix. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Regulations IX – Standards of Performance for New Stationary Sources, and Regulation X – National Standards for Hazardous Air Pollutants, are exempt from the California Environmental Quality Act; and 2) Amending Regulation IX – Standards of Performance for New Stationary Sources, and Regulation X – National Emission Standards for Hazardous Air Pollutants. (Reviewed: Stationary Source Committee, May 17, 2019)

Budget/Fiscal Impact

3. Recognize Revenue, Authorize EV Charging Fees, Execute Contract for EV Charging, and Amend Contract to Implement DC Fast Charging Network Miyasato/3249

In March 2017, in an effort to promote EV charging, staff completed an upgrade of the EV chargers at the Diamond Bar headquarters. These actions are to recognize revenue from EV charging fees and authorize adjustment of the fees to recover electricity costs and encourage EV drivers to move their vehicles once fully charged. Additionally, in order to operate, maintain and network the large number of chargers, this action is to contract with Zeco Systems, Inc., DBA Greenlots, for up to three years in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31). In October 2018, the Board amended a contract with Clean Fuel Connection, Inc., (CFCI) for up to \$350,000 from the Clean Fuels Program Fund (31) as a substitution of CEC funds, but since only \$310,000 of CEC funds was previously recognized towards the CFCI contract, there was a shortfall. This action is to amend a contract with CFCI in an amount up to \$40,000 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, May 17, 2019; Recommended for Approval)

4. Recognize Revenue, Reimburse General Fund and Execute Agreement to Support Development of One-Stop-Shop Pilot Project Miyasato/3249

In June 2018, CARB selected GRID Alternatives as the project administrator for the FY 2017-18 One-Stop-Shop Pilot Project, which is a new project to increase awareness of low-income residents by expanding education and outreach on the state's clean transportation and mobility options. One of the key tasks of this project is to develop and maintain a single application for low-income consumers to apply and qualify for CARB's Low Carbon Transportation Equity projects, which includes the South Coast AQMD's Replace Your Ride Program. CARB and GRID Alternatives have requested support from staff to assist with the integration of the South Coast AQMD's Replace Your Ride Program as part of the One-Stop-Shop Pilot Project. These actions are to recognize revenue from GRID Alternatives in an amount up to \$75,000 into the HEROS II Special Revenue Fund (56), reimburse the General Fund from the HEROS II Special Revenue Fund (56) for staff time, and execute an agreement with GRID Alternatives to provide support in the development of the One-Stop-Shop Pilot Project. (Reviewed: Technology Committee, May 17, 2019; Recommended for Approval)

5. Adopt Resolution Recognizing Funds and Accepting Terms and Conditions for FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions Program, Reimburse General Fund for Administrative Costs and Amend Awards **Berry/2363**

In March 2019, CARB released a solicitation to apply for funding from the FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. South Coast AQMD submitted an application and CARB has announced a tentative allocation of \$1,814,511. In addition, in November 2018, the Board approved Carl Moyer and SOON Provision awards. Some of the project types require adjustment. These actions are to adopt a Resolution recognizing revenue up to \$1.9 million from CARB into the Carl Moyer Program Fund (32) and accepting terms and conditions of the FY 2018-19 FARMER Grant and reimburse the General Fund for administrative costs up to \$113,407. This action is to also amend awards under the Carl Moyer Program and SOON Provision. (Reviewed: Technology Committee, May 17, 2019; Recommended for Approval)

6. Recognize Revenue and Transfer and Appropriate Funds for Air Monitoring Programs, and Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle **Low/2269**

South Coast AQMD is expected to receive grant funds up to \$684,945 from the U.S. EPA for the PM2.5 Program, up to \$236,416 for the NATTS Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. These actions are to recognize revenue and appropriate funds for the PM2.5, NATTS and Enhanced Particulate Monitoring Programs; appropriate funds for the remaining balances of the U.S. EPA PM2.5, NATTS, PAMS and STAR Programs; transfer and appropriate funds for the Rule 1180 Program; and issue solicitations and purchase orders for air monitoring equipment and one vehicle. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

7. Execute Contracts for Community Leadership and Engagement Programs **Alatorre/3122**

South Coast AQMD seeks to engage with community leadership of disadvantaged and environmental justice communities throughout the South Coast Air Basin with two expert public relation firms. Each firm will host South Coast AQMD with influential leaders in a series of six meetings each that will provide an opportunity to educate and raise awareness on South Coast AQMD's mission to achieve clean air and the need to meet federal attainment deadlines. This action is to execute sole source contracts for community leadership and engagement programs with the Cordoba Corporation and Bakewell Media for \$150,000 each from the BP ARCO Settlement Project Fund (46), for an amount not to exceed \$300,000. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

8. Execute Lease Agreement for Operation of South Coast AQMD's On-Site Child Care Center Olvera/2309

The lease agreement for the child care center located at South Coast AQMD's Diamond Bar headquarters will expire on June 30, 2019. This action is to execute a new ten-year lease with the current operator, Priyalal and Lasanthi Kurera, Incorporated. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

9. Execute Contract for Maintenance, Service, and Repairs of Heating, Ventilation, Air Conditioning, and Refrigeration Equipment Olvera /2309

The current maintenance services contract for HVAC and refrigeration equipment at South Coast AQMD's Diamond Bar headquarters expires June 20, 2019. On March 1, 2019, the Board approved release of an RFP to solicit proposals from contractors interested in providing these services. This action is to execute a three-year contract with KLM to provide HVAC and refrigeration equipment maintenance, services and repairs at the South Coast AQMD Diamond Bar headquarters, for an amount not to exceed \$130,937. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years. (Reviewed: Administrative Committee, May 10, 2019, Recommended for Approval)

10. Execute Contract for Landscape Maintenance Services Olvera/2309

The current contract for landscape maintenance services at South Coast AQMD's Diamond Bar headquarters expires June 30, 2019. On March 1, 2019, the Board approved release of an RFP to solicit proposals from contractors interested in providing landscape maintenance services. This action is to execute a three-year contract with Tropical Plaza Nursery Inc. to provide landscape maintenance services at the South Coast AQMD headquarters, for an amount not to exceed \$277,515. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

11. Execute Contract for Tree Trimming and Plant Care Maintenance Services Olvera/2309

The current contract for landscape maintenance services at South Coast AQMD's Diamond Bar headquarters expires June 30, 2019. On February 1, 2019, an RFP was released to solicit proposals from landscape contractors interested in providing tree trimming and plant care maintenance services. This action is to execute a three-year contract with Gothic Landscape Maintenance Division to provide tree trimming and plant care maintenance services, for an amount not to exceed \$99,932. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

12. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services **Moskowitz/3329**

South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to amend a contract previously approved by the Board with Varsun eTechnologies to add additional funding for needed development and maintenance work in the amount of \$64,750 from Information Management's FY 2018-19 Budget. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

13. Appoint Members to South Coast AQMD Hearing Board **Garzaro/2500**

The terms of office for the Hearing Board Medical Member and Alternate, expire June 30, 2019. An Advisory Committee was appointed as required by law. The Advisory Committee reviewed the candidate application materials and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on May 10, 2019, and made a final recommendation. This action is to appoint the medical member and an alternate to fill the new terms. (Reviewed: Administrative Committee, May 10, 2019; Recommended for Approval)

Items 14 through 19 - Information Only/Receive and File

14. Legislative, Public Affairs, and Media Report **Alatorre/3122**

This Report highlights the April 2019 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State, and Local Government. (No Committee Review)

15. Hearing Board Report **Prussack/2500**

This reports the actions taken by the Hearing Board during the period of April 1 through April 30, 2019. (No Committee Review)

16. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This reports the monthly penalties from April 1 through April 30, 2019, and legal actions filed by the General Counsel's Office from April 1 through April 30, 2019. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, May 17, 2019)

17. Lead Agency Projects and Environmental Documents Received **Nakamura/3105**

This report provides, for the Board's consideration, a listing of CEQA documents received by the South Coast AQMD between April 1, 2019 and April 30, 2019, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA. (No Committee Review)

18. Rule and Control Measure Forecast **Fine/2239**
This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2019. (No Committee Review)
19. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, May 10, 2019)
20. Items Deferred from Consent Calendar

BOARD CALENDAR

Note: The May meetings of the Legislative and Mobile Source Committees were canceled. The next regular meetings of the Legislative and Mobile Source Committees are scheduled for June 14, 2019.

21. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**
22. Investment Oversight Committee (Receive & File) **Chair: Cacciotti Jain/2804**
23. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopoulos/3123**
24. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**
25. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Benoit Berry/2363**
26. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell Garzaro/2500**

27. Determine that Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard Is Exempt from CEQA and Approve Request for Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard Rees/2856

The Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019. Although the air quality in the Coachella Valley area has steadily improved over the years, higher ozone levels were experienced throughout the State of California, including Coachella Valley in 2017 and 2018, resulting in levels greater than the 1997 8-hour ozone standard. The ozone levels in Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin. As a result, additional time will be needed to bring the Coachella Valley into attainment of this standard. This action is to submit a request to the U.S. EPA through CARB to reclassify the Coachella Valley from Severe to Extreme nonattainment, with a new attainment date of June 15, 2024. The reclassification will ensure that the Coachella Valley will be given the needed extension of the attainment date to make attainment feasible. (No Committee Review; Governing Board Reviewed May 3, 2019)

PUBLIC HEARINGS

28. Determine That Proposed Amendments to Rule 301 – Permitting and Associated Fees, Are Exempt from CEQA and Amend Rule 301 (*Continued from May 3, 2019 Public Hearing*) Fine/2239

At the May 3, 2019 hearing, the Board adopted the FY 2019-20 Budget, and adopted amendments to Rule 209 – Transfer and Voiding of Permits, and Regulation III – Fees. As part of that adoption, that portion of Rule 301 addressing toxics emissions fees was continued to June 7, 2019. This proposed amendment would restructure how toxics emissions fees are collected from facilities, and also increase the level of these fees. At the May 3, 2019 hearing, the Board also approved a motion instructing staff to include an option for a two-year phase-in as an alternative to the proposed three-year phase-in of these fees. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 301 – Permitting and Associated Fees, are exempt from the California Environmental Quality Act; and 2) Amending Rule 301 - Permitting and Associated Fees, with either a two-year or a three-year phase-in of the new toxics emissions fees. (No Committee Review)

29. Determine That Proposed Submission of Amended Rule 1106 – Marine and Pleasure Craft Coatings, for Inclusion into the SIP and Proposed Withdrawal of Rescinded Rule 1106.1 – Pleasure Craft Coating Operations, from the SIP Are Exempt from CEQA and Submit Rule 1106 for Inclusion into the SIP and Rescinded Rule 1106.1 for Withdrawal from the SIP Rees/2856

This proposal is to include the May 3, 2019 amendments to Rule 1106 – Marine and Pleasure Craft Coatings, and the May 3, 2019 rescission of Rule 1106.1 – Pleasure Craft Coating Operations, for the limited purpose of incorporating Rule 1106 into the SIP and withdrawing Rule 1106.1 from the SIP. These actions were inadvertently not noticed for consideration at the May 2019 Board meeting. This action is to adopt the Resolution: 1) Determining that proposed submission of amended Rule 1106 - Marine and Pleasure Craft Coatings, for inclusion into the SIP and rescinded Rule 1106.1 – Pleasure Craft Coating Operations, for withdrawal from the SIP is exempt from CEQA; 2) Submitting Rule 1106 - Marine and Pleasure Craft Coatings, for inclusion into the SIP; and 3) Proposing Rule 1106.1 – Pleasure Craft Coating Operations, for withdrawal from the SIP. (No Committee Review)

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)

Gilchrist/3459

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session 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 SCAQMD is a party. The actions are:

- In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement);
- SCAQMD v. Anaplex, Los Angeles Superior Court Case No. BC608322 (Paramount Hexavalent Chromium);
- In the Matter of SCAQMD v. Browning-Ferris Industries of California, Inc. dba Sunshine Canyon Landfill, SCAQMD Hearing Board Case No. 3448-14;
- Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS161399 (RECLAIM);
- Communities for a Better Environment v. South Coast Air Quality Management District, Court of Appeals, Second Appellate District, Case No. B294732;

- People of the State of California, ex rel. SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case);
- In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, SCAQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No. 4861;
- In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement);
- State of California, et al. v. U.S. EPA, et al., U.S. Court of Appeals, D.C. Circuit, Case No. 18-1114 (mid-term evaluation for light-duty vehicles);
- People of the State of California, ex rel South Coast Air Quality Management District v. The Sherwin-Williams Company, an Ohio Corporation, and Does 1 through 50, Inclusive, Los Angeles Superior Court Case No. PSCV 00136; and
- Allan Kalpakoff v. SCAQMD, et al., Los Angeles Superior Court Case No. PSCV 00136.

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

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

Seek leave to intervene in Association of Irritated Residents v. U.S. EPA, Ninth Circuit No. 19-71223 (SJV 8-hr ozone).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the SCAQMD (two cases).

Letter from Steven J. Olson, O'Melveny & Myers LLP, on behalf of ExxonMobil Corporation, dated August 22, 2018.

Email from Somerset Perry, California Deputy Attorney General, dated March 13, 2019, regarding Notice of Violation P61321.

ADJOURNMENT

PUBLIC COMMENTS

Members of the public are afforded an opportunity to speak on any agenda item before 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 South Coast AQMD 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 South Coast AQMD's authority. Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar and three (3) minutes or less for other agenda items.

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 the Public Comment Period 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, PDF, 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

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NESHAP = National Emission Standards for Hazardous Air Pollutants
AQIP = Air Quality Investment Program	NGV = Natural Gas Vehicle
AQMP = Air Quality Management Plan	NOx = Oxides of Nitrogen
AVR = Average Vehicle Ridership	NSPS = New Source Performance Standards
BACT = Best Available Control Technology	NSR = New Source Review
BARCT = Best Available Retrofit Control Technology	OEHHA = Office of Environmental Health Hazard Assessment
Cal/EPA = California Environmental Protection Agency	PAMS = Photochemical Assessment Monitoring Stations
CARB = California Air Resources Board	PEV = Plug-In Electric Vehicle
CEMS = Continuous Emissions Monitoring Systems	PHEV = Plug-In Hybrid Electric Vehicle
CEC = California Energy Commission	PM10 = Particulate Matter \leq 10 microns
CEQA = California Environmental Quality Act	PM2.5 = Particulate Matter \leq 2.5 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	RECLAIM=Regional Clean Air Incentives Market
CNG = Compressed Natural Gas	RFP = Request for Proposals
CO = Carbon Monoxide	RFQ = Request for Quotations
DOE = Department of Energy	SCAG = Southern California Association of Governments
EV = Electric Vehicle	SIP = State Implementation Plan
FY = Fiscal Year	SOx = Oxides of Sulfur
GHG = Greenhouse Gas	SOON = Surplus Off-Road Opt-In for NOx
HRA = Health Risk Assessment	SULEV = Super Ultra Low Emission Vehicle
LEV = Low Emission Vehicle	TCM = Transportation Control Measure
LNG = Liquefied Natural Gas	ULEV = Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	U.S. EPA = United States Environmental Protection Agency
MOU = Memorandum of Understanding	VOC = Volatile Organic Compound
MSERCs = Mobile Source Emission Reduction Credits	ZEV = Zero Emission Vehicle
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	
NATTS =National Air Toxics Trends Station	

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BOARD MEETING DATE: June 7, 2019

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the May 3, 2019 meeting.

RECOMMENDED ACTION:

Approve Minutes of the May 3, 2019 Board Meeting.

Denise Garzaro
Clerk of the Boards

DG

FRIDAY, MAY 3, 2019

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

Council Member Ben Benoit, Vice Chairman
Cities of Riverside County

Supervisor Lisa A. Bartlett
County of Orange

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

Vanessa Delgado
Senate Rules Committee Appointee

Supervisor Janice Hahn
County of Los Angeles

Mayor Pro Tem Larry McCallon
Cities of San Bernardino County

Mayor Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor V. Manuel Perez
County of Riverside

Council Member Dwight Robinson
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

Member absent:

Council Member Joe Buscaino
City of Los Angeles

Vacant: Governor's Appointee

CALL TO ORDER: Chairman Burke called the meeting to order at 9:00 a.m.

- Pledge of Allegiance: Led by Supervisor Rutherford.
- Opening Comments

Supervisor Hahn announced that she attended the ACT Expo at the Long Beach Convention Center on April 23-26, 2019 where she presented on the partnership between South Coast AQMD and Daimler Trucks North America to fund the development of heavy-duty battery electric trucks. She noted that Daimler exhibited a class 6 and class 8 electric truck at the convention. She added that her presentation included a live video stream of the unveiling of a DC fast charging station in La Mirada for electric trucks.

Mayor Mitchell announced that she attended a press event of behalf of CARB which highlighted the collaboration between Toyota, Kenworth and Shell to introduce 10 fuel cell trucks into operation at the Port of Los Angeles. She added that heavy-duty battery charging stations are proposed in Wilmington and Ontario which will allow fuel cell trucks to travel between the Ports and distribution centers in the Inland Empire.

Council Member Robinson announced that he, along with Hector De La Torre from CARB, participated in a press event with Volvo Trucks North America where he accepted a \$44.8 million check to the South Coast AQMD for the Volvo Lights Project. This demonstration project proposes to introduce zero-emission trucks and equipment for freight operations at the Ports. He noted the importance of partnering with major manufacturers in order to quickly scale electric transportation solutions. He added that he and Supervisor Hahn attended Council Member Buscaino's State of the District event on May 2, 2019.

Supervisor Bartlett announced that she recently toured the Ports of Los Angeles and Long Beach and commented on the great strides that have been made in automation and electrification at both Ports. She added that she also was able to see the bonnet technology in use. Dr. Matt Miyasato, DEO/Science and Technology Advancement commented on the cargo handling projects that are currently in development at the Ports.

Council Member Cacciotti commented that BYD had exhibited a large electric dump truck at the ACT Expo and noted that it soon might be possible to convert refuse trucks to electric. He also inquired about the prospect of small electric air planes for short trips.

Dr. Matt Miyasato, DEO/Science and Technology Advancement, responded that several manufacturers have heavy-duty trucks in development and

commented on the need to build the charging stations necessary to support battery electric truck technology.

Mr. Nastri commented on the research and development in electric planes in Europe and recent developments in electric heavy-duty truck technology. He added that it is necessary to explore emission reductions in all possible areas in order to achieve attainment goals.

Supervisor Hahn noted that she is aware of a pilot project at the Ports that will include heavy-duty electric trucks and stressed the need to have charging infrastructure in place to support battery heavy-duty trucks and the importance of the federal infrastructure bill to support zero-emission technologies.

Mr. Nastri noted that staff has visited Washington, DC to discuss a clean air infrastructure fund that could be part of a national infrastructure fund to support these efforts.

Chairman Burke commented that a company in France is investing in air powered vehicle technology.

- Swearing in of Newly Appointed Board Member Vanessa Delgado

Chairman Burke administered the oath of office to Senator Vanessa Delgado who was appointed to the Board by the State Senate Rules Committee to a term ending January 15, 2020. Board Member Delgado expressed appreciation for the opportunity to serve on the Board.

- Election of Vice Chair for Term May 2019 – January 2020

The nominations for Vice Chair for the term May 2019 – January 2020 were opened. Mayor Mitchell nominated Council Member Benoit, Council Member Cacciotti seconded the nomination and the motion passed unanimously.

CONSENT CALENDAR

1. Approve Minutes of April 5, 2019 Board Meeting
2. Set Public Hearing June 7, 2019 to:

Submit Recently Amended (May 3, 2019) Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into, and Rule 1106.1 – Pleasure Craft Coating Operations for Withdrawal from U.S. EPA-Approved SIP

Budget/Fiscal Impact

3. Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Trucks and Amend Near-Zero Heavy-Duty Diesel Truck Replacement Award
4. Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs
5. Execute Contracts for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment
6. Transfer Funds for Enhanced Particulate Monitoring Program
7. Authorize Transfer of Monies from General Fund to Health Effects Research Fund
8. Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20
9. Revise Procurement Policy and Procedure
10. Authorize Purchase of OnBase Software Support
11. Transfer Funds and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services
12. Appoint Members to South Coast AQMD Hearing Board
13. Issue Solicitation Approved by MSRC

Items 14 through 19 – Information Only/Receive and File

14. Legislative, Public Affairs and Media Report
15. Hearing Board Report

16. Civil Filings and Civil Penalties Report
17. Lead Agency Projects and Environmental Documents Received
18. Rule and Control Measure Forecast
19. Status Report on Major Ongoing and Upcoming Projects for Information Management

Supervisor Hahn noted that she is a Supervisor for Los Angeles County which is involved with Item No. 4.

Council Member Cacciotti noted that he is a deputy attorney general with the State of California Department of Justice which is involved with Item No. 4.

Due to a number of requests to speak and Board member questions, Consent and Board Calendar items 2A, 3, 4, 5, 7, 8, 13, 14, 17, 18 and 22, the vote on the Consent and Board Calendar items was deferred until after comments were made, and Board member questions were answered.

20. Items Deferred from Consent Calendar

3. Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Trucks and Amend Near-Zero Heavy-Duty Diesel Truck Replacement Award

Ranji George expressed concerns regarding the impacts of battery recycling and waste and urged support for increased funding for hydrogen technologies. He added that the Volkswagen settlement funds and other funding for zero-emissions technology is not supporting hydrogen technologies which has less impacts on the environment than battery production and disposal. He urged that funds for zero-emission technology be available for small companies.

Mr. Nastri acknowledged the issues with battery waste and noted that very few battery recycling facilities exist. He added that companies are looking into repurposing automotive batteries to extend the life of batteries but more research is necessary. He noted that the South Coast AQMD continues to support funding for hydrogen technologies. In regards to the Volkswagen settlement funds, CARB is the lead agency and the South Coast AQMD is serving as statewide administrator for two funding categories.

Dr. Miyasato commented that funding has been allocated to smaller companies but it is necessary to partner with original equipment manufacturers such as Toyota and Kenworth to encourage the commercialization of new technologies.

Supervisor Hahn commented on the negative impacts of battery recycling facilities on Environmental Justice communities.

Council Member Cacciotti expressed support for the proposal and inquired about including a provision in contracts requiring companies to display and demonstrate their projects at a Board meeting or other community event. Mr. Nastri responded that future contracts could potentially include a provision for a demonstration event and suggested an annual event where various projects could be displayed.

2. Set Public Hearing June 7, 2019 to:

Submit Recently Amended (May 3, 2019) Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into, and Rule 1106.1 – Pleasure Craft Coating Operations for Withdrawal from U.S. EPA-Approved SIP

4. Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs
5. Execute Contracts for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment
7. Authorize Transfer of Monies from General Fund to Health Effects Research Fund
8. Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20
13. Issue Solicitation Approved by MSRC
17. Lead Agency Projects and Environmental Documents Received
18. Rule and Control Measure Forecast

Harvey Eder, Public Solar Power Coalition, commented on economic inequities and urged support for a low income solar power equity fund. He noted the cost effectiveness of solar energy and recommended that it be evaluated as BARCT.

14. Legislative, Public Affairs and Media Report

Supervisor Rutherford inquired if contact with Senator's Allen's office should have been listed on the monthly report since there would have been contact with his office regarding SB 732.

Derrick Alatorre, DEO/Legislative, Public Affairs and Media, explained that the monthly report provides information about staff contact with legislative offices and any contact that occurred with Senator Allen's office was by legislative consultants.

Supervisor Rutherford requested that communications by consultants be included in the monthly report.

(Subsequent to the meeting, staff confirmed that communications by consultants will be included in their written reports within the Legislative Committee Board Letter, which is a separate report from the Legislative, Public Affairs and Media Report.)

BOARD CALENDAR

21. Administrative Committee

22. Legislative Committee

Mayor Mitchell noted that there have been new developments since the Legislative Committee meeting and asked staff to provide an update on SB 732.

Mr. Nastri provided a status update on SB 732, noting that after extensive discussions, the bill did move forward and will go to the Senate Appropriations Committee. Staff is addressing opposition to the bill and will continue to keep the Legislative Committee apprised of efforts in this regard and the status of the bill.

Supervisor Rutherford expressed concern that discussion about adding proposed language to include taxpayer oversight and protections did not take place at the Legislative Committee because the committee was informed that the bill was being withdrawn. She asked if the proposed language had been sent to Senator Allen's office for inclusion in the bill.

Mr. Nastri noted that draft language has been prepared and will be distributed to members of the Legislative Committee and forwarded to Senator Allen's office.

Supervisor Bartlett expressed concerns about Senator Allen declining to withdraw the bill, the current direction of the bill, and whether the South Coast AQMD should continue to sponsor the bill. She added concern about high sales taxes in the state and noted that the bill may no longer reflect the original intent.

Chairman Burke stated that it was also his understanding that the bill would not be moving forward and expressed concerns about the amendments to the bill and the need to include taxpayer oversight language.

Supervisor Perez commented on the need to analyze next steps before moving forward. He concurred that taxpayer oversight language should be included in the bill.

Council Member Robinson commented that additional Legislative Committee meetings may be necessary when the legislature is in session and particularly when potential legislation impacting the South Coast AQMD is moving quickly.

Council Member Cacciotti commented on opposition to the bill and the push by many cities to increase sales taxes before SB 732 would go into effect.

Mayor Mitchell concurred with the comments and concerns noted by the Board members and commented that the Legislative Committee will meet to discuss next steps.

Mayor Pro Tem McCallon commented that he has opposed the bill from the beginning and expressed deeper concerns about recent developments to amend the bill to include transit projects.

Board Member Delgado commented on the need to brief Legislative Committee members about proposed amendments and the current direction of the bill.

Mr. Nastri noted that staff is working closely with Senator Allen's staff to address the concerns stated by Board members and to ensure the bill fulfills the original intent. The direction from the committee is to continue to work with stakeholders.

Chairman Burke noted that it may be necessary to hold a Special Board meeting to discuss updates to the bill.

Mr. Nastri noted that an update on the bill and proposed language amendments has been agendized for the Board retreat to be held on May 9-10, 2019 in Indian Wells.

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

CARB's meeting summary was not available, and therefore, Item 26 was pulled from consideration.

MOVED BY CACCIOTTI, SECONDED BY BENOIT, AGENDA ITEMS 1 THROUGH 19 AND 21 THROUGH 25, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE AND MSRC REPORTS, AND APPROVING THE FOLLOWING POSITIONS ON LEGISLATION, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Delgado, Hahn, McCallon, Mitchell, Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

Agenda Item	Recommendation/Action
*AB 836 (Wicks) <u>Bay Area Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Program</u>	Support
AB 1500 (Carrillo) Hazardous substances	Support with Amendments
*SB 44 (Skinner) Medium-duty and heavy-duty vehicles: comprehensive strategy	Support with Amendments
SB 633 (Stern) Santa Susana Field Laboratory: monitoring program	Support
S 747 (Carper) To Reauthorize the Diesel Emissions Reduction Program, and for Other Purposes	Support

*The bill title and language of AB 836 (Wicks) and SB 44 (Skinner) were amended.

Staff Presentation/Board Discussion

27. Informational Briefing on Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard

Dr. Sarah Rees, Assistant DEO/Planning, Rule Development and Area Sources, gave the staff presentation on Item No. 27.

Supervisor Perez thanked staff for conducting public meetings in the Coachella Valley and noted the importance of outreach to underserved communities. He expressed concerns about the future of economic development in the Eastern Coachella Valley and the need to proceed cautiously to balance economic development and meeting attainment goals. He asked about strategies for reaching attainment in the South Coast Basin by 2024.

Mayor Pro Tem McCallon noted that the data for the Coachella Valley indicates that the area may meet the 8-hour ozone standard and expressed concern for attainment in the South Coast Basin by 2024.

Mr. Nastri explained that a presentation on achieving attainment goals is on the agenda for the Board retreat on May 9-10, 2019.

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources, explained the challenges impacting attainment and noted that the amount of funding needed to implement the AQMP has not been fully achieved. He noted that by the end of 2019, the South Coast AQMD needs to report to U.S. EPA what measures will be implemented over the next three years.

PUBLIC HEARINGS

28. Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend Salary Resolution and Class Specification

Sujata Jain, Assistant DEO/Finance, gave the staff presentation on FY 2019-20 Proposed Goals and Priority Objectives, and the proposed budget.

Chairman Burke commented that for a number of years, in order to be fiscally responsible, the South Coast AQMD deferred maintenance to the headquarters building and increased the vacancy rate. The proposed budget includes expenditures for necessary building repairs and upgrades and increased personnel to lower the vacancy rate.

Dr. Fine gave the staff presentation on Regulation III and Rule 209 amendments. He noted that staff is recommending continuance of the portion of the public hearing related to the restructuring of toxic emissions fees to June 7, 2019. Copies of proposed revised language to the Resolution were distributed to Board members and made available to the public.

Supervisor Hahn asked if the funds expected to be generated from the toxics fees were included in the budget. Dr. Fine responded that the toxics fees were not included in the budget forecasts because they have not been approved by the Board.

Supervisor Hahn expressed support for increasing fees to recoup the costs for efforts related to toxic emissions and noted that the current fees fall short of the costs to do this work. She commented on the work done in Paramount related to hexavalent chromium and the need to charge fees to companies that continue to emit toxins. She expressed concerns for a three-year phase-in period and inquired if there is a reason why a two-year phase-in period could not be proposed.

Mr. Nastri explained that historically when there is a large fee increase, a two-year phase-in period is proposed. The three-year phase-in period for toxic fees is being proposed to allow for review of source testing processes and emission factors.

Supervisor Bartlett asked for more information about the \$20 million shortfall. She expressed concern that smaller facilities may be more impacted by the fee increase due to the high costs of source testing and related fees. She also inquired about the current backlog for source testing.

Dr. Fine noted that slide number 10 of the presentation contains information on revenue and expenditures by division related to toxics efforts and toxics emissions fees. He noted facilities have the option to use default emissions factors or conduct source testing. The goal is to develop updated emission factors that can be used by all facilities.

Mr. Nastri explained that source testing is utilized to inform a variety of areas including compliance and enforcement, permitting and rule making. The proposed revised language in the Resolution addresses source testing issues by prioritizing source tests based on their intended use and how the processes can be streamlined. Staff proposes using a process similar to the one that was used to reduce the permit backlog.

Dr. Miyasato responded that the source testing review timeframes are different based on priority. A non-expedited source test review can take one to four months to complete, non-expedited, non-priority can take two to eight months and an expedited review will be completed in two to three weeks. He confirmed that there is an extra fee for expedited review.

Council Member Benoit asked if an update on the progress of streamlining source testing could be provided to the Stationary Source Committee and the Board on a regular basis similar to the permit reduction backlog effort. He also asked if there was a way to digitize the source testing process.

Mr. Nastri responded that staff will provide a monthly report on streamlining efforts to the Stationary Source Committee.

Council Member Robinson asked for clarification on expenditures for AB 617.

Dr. Fine explained that the estimated costs to fully implement AB 617 is \$30 million per year and only \$20 million was allocated to the South Coast AQMD by the state in 2018 and 2019. The funding from the state for AB 617 is currently distributed on an annual basis and there is no guarantee that the funding will continue.

Mr. Nastri explained that the legislature expects air districts to assist in the program costs for AB 617 by increasing fees. He added that there is a need to seek additional sustained funding.

Supervisor Rutherford commented on the success of the permit backlog program and asked if source testing is done in-house or by outside companies and whether companies could be certified to set a standard to expedite the process.

Dr. Miyasato responded that testing is done based on approved protocols by approved labs and testing firms and their reports are reviewed by engineering staff.

Dr. Laki Tisopoulos, DEO/Engineering and Permitting, explained source test reports are reviewed on a case-by-case basis but it may be possible to streamline the review of less complicated equipment.

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

Mr. Eder expressed concern that the numbers for premature deaths from PM2.5 in the South Coast AQMD are under reported and commented that natural gas should be evaluated as toxic. He also expressed support for solar conversion technologies and opposition to renewable natural gas.

Michael Carroll, Regulatory Flexibility Group, expressed support for the proposal to address source test and emission factor issues and commented on projects that industry is investing in to reduce emissions and comply with recent amendments to RECLAIM and other new regulations. He added that he is opposed to shortening the fee implementation period from three to two years.

Bill LaMarr, California Small Business Alliance, expressed opposition to the proposed restructuring of toxic fees because of the financial impacts to small businesses. He commented on the importance of reducing the source testing backlog and expediting the process by considering an approved pool of testing companies. He added that calculating emissions can be complicated and CARB and air districts use different factors to calculate emissions. He urged an additional year for the phase-in of toxic fees.

Bridget McCann, Western States Petroleum Association (WSPA), expressed appreciation to staff for addressing source testing concerns and noted that WSPA looks forward to continuing to collaborate through the working group. She suggested a similar approach to the permit streamlining efforts to address source test backlog. She expressed opposition to a shorter phase-in period for implementation of toxics fees and commented that stakeholders will need time to determine whether source testing or updated emission factors are the best method to utilize.

Frances Keeler, California Council for Environmental and Economic Balance, expressed support for a budget that keeps to the CPI increase and for delaying adoption of toxics fees to allow more discussion on the phase-in period. (Submitted Written Comments)

Christopher Chavez, Coalition for Clean Air, expressed support for the toxics fees increase and a shorter phase-in period. (Submitted Written Comments)

Carlo De La Cruz, Sierra Club, commented on the importance of the work that is done by the South Coast AQMD in the area of toxics and urged the Board to adopt the proposed toxics fees. He commented on the costs of breathing unhealthy air and the need to recoup the true cost of air pollution from polluters and not tax payers through increased sales taxes. (Submitted Written Comments)

Karl Lany, Montrose Environmental, expressed concerns that many companies are unaware of the proposed fees. Data that is used to calculate emissions is outdated and could result in inequitable costs to businesses. He expressed support for a three-year phase-in period because the emission factors that are currently used for calculating fees do not reflect newer technologies and may overstate emissions. He also asked that the implications for emergency operations and equipment be reviewed.

Written Comments Submitted By:
Adriano L. Martinez, Earthjustice

Supervisor Hahn asked that staff present a recommendation for both a two-year and three-year phase-in period for the restructuring of toxics fees at the June Board meeting.

SUPERVISOR HAHN MOVED TO DIRECT STAFF TO PRESENT AT THE JUNE 7, 2019 BOARD MEETING, PROPOSALS FOR A TWO-YEAR AND THREE-YEAR PHASE-IN PERIOD FOR THE RESTRUCTURING OF TOXICS EMISSIONS FEES. THE MOTION WAS SECONDED BY COUNCIL MEMBER CACCIOTTI AND CARRIED BY THE FOLLOWING VOTE:

AYES: Benoit, Burke, Cacciotti, Delgado, Hahn, McCallon, Mitchell, Perez, Robinson, and Rutherford

NOES: Bartlett

ABSENT: Buscaino

MOVED BY MITCHELL, SECONDED BY BENOIT, AGENDA ITEM 28 APPROVED AS SET FORTH BELOW:

- 1) REMOVE FROM RESERVES AND DESIGNATIONS ALL AMOUNTS ASSOCIATED WITH THE FY 2018-19 BUDGET;
- 2) APPROVE TOTAL APPROPRIATIONS OF \$170,896,725;
- 3) APPROVE REVENUES FOR FY 2019-20 OF \$170,896,725;
- 4) APPROVE THE ADDITION OF 1 NET AUTHORIZED/FUNDED POSITION AS DETAILED IN THE FY 2019-20 BUDGET;
- 5) APPROVE THE EXECUTIVE OFFICER'S FY 2019-20 GOALS AND PRIORITY OBJECTIVES;

- 6) APPROVE A PROJECTED JUNE 30, 2020 RESERVES AND DESIGNATIONS FUND BALANCE OF \$22,550,673 AND TOTAL UNDESIGNATED FUND BALANCE OF \$43,597,488;
- 7) ADOPT RESOLUTION NO. 19-8, DETERMINING THAT THE PROPOSED AMENDMENTS TO REGULATION III—FEES, PROPOSED AMENDED RULES 301—PERMITTING AND ASSOCIATED FEES, 303—HEARING BOARD FEES, 304—EQUIPMENT, MATERIALS AND AMBIENT AIR ANALYSES, 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 FEES, 313—AUTHORITY TO ADJUST FEES AND DUE DATES, 314—FEES FOR ARCHITECTURAL COATINGS, 315—FEES FOR TRAINING CLASSES AND LICENSE RENEWAL, AND RULE 209—TRANSFER AND VOIDING OF PERMITS ARE EXEMPT FROM THE REQUIREMENTS OF CEQA AND AMENDING RULES 301 (EXCEPT FOR PORTIONS ADDRESSING RESTRUCTURED TOXICS EMISSION FEES), 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315 AND 209; WITH MODIFICATIONS TO THE RESOLUTION AS SET FORTH BELOW; AND
- 8) AMEND THE SALARY RESOLUTION TO DELETE THE CHIEF ADMINISTRATIVE OFFICER, ADD DEPUTY EXECUTIVE OFFICER POSITIONS FOR THE FINANCE, INFORMATION MANAGEMENT AND ADMINISTRATIVE & HUMAN RESOURCES DIVISION, INCLUDING CHIEF INFORMATION OFFICER AND CHIEF FINANCIAL OFFICER, INCREASE THE CHIEF OPERATING OFFICER POSITION

SALARY TO \$194,037, AND REVISE THE CLASS SPECIFICATION FOR THE HEALTH EFFECTS OFFICER POSITION TO CHANGE THE TITLE TO DIRECTOR OF COMMUNITY AIR PROGRAMS/HEALTH EFFECTS OFFICER.

BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Delgado, Hahn, McCallon, Mitchell, Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

Revise the Resolution as follows:

Add the paragraphs below on Page 8, second and third paragraphs—

BE IT FURTHER RESOLVED, that the Executive Officer is directed to assess the current source test, submittal, and approval process and develop a plan to set priorities for processing and evaluating the existing and anticipated inventory of source tests. The plan shall be developed in consultation with the working group and shall commit to a process and schedule to address the expected increase in source test review volume due to the restructure of the toxic emission fees including time frames for reducing the current inventory of source tests as well as targets for completion of reviews within specified periods of time. The plan shall be presented to the Stationary Source Committee within six months of adoption of their restructured toxic emission fee, and

BE IT FURTHER RESOLVED, that the portions of Proposed Amended Rule 301 related to restructuring of toxics emissions fees are not approved at this time, and consideration of approval of this portion of Proposed Amended Rule 301 is continued until the June 7, 2019 Board meeting, and

29. Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 - Pleasure Craft Coating Operations

Dr. Rees gave the staff presentation on Item No. 29.

The public hearing was opened, and the following individuals addressed the Board on Item 29.

Rita Loof, Radtech International, stated that they no longer oppose the rule amendments and thanked staff for their collaboration during the rulemaking process.

Mr. Eder expressed support for immediate and complete solar conversion, and stated that solar should be considered BARCT. He noted concern for premature deaths due to air pollution. He also added support for alternatively-fueled marine vessels.

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

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 29 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 19-9 CERTIFYING THE REVISED FINAL ENVIRONMENTAL ASSESSMENT FOR PROPOSED AMENDED RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS AND RECISSION OF RULE 1106.1 – PLEASURE CRAFT COATING OPERATIONS, AND AMENDING RULE 1106 AND RESCINDING RULE 1106.1, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Delgado, Hahn, McCallon, Mitchell, Perez, Robinson, and Rutherford

NOES: None

ABSENT: Buscaino

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

Mr. Eder commented that natural gas should be evaluated as a toxin and noted the issues with the Aliso Canyon gas release. He added concerns about premature deaths and climate change.

CLOSED SESSION

The Board recessed to closed session at 12:05 p.m., pursuant to Government Code sections:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- 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 South Coast AQMD is a party. The actions are:

In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement);

SCAQMD v. Anaplex, Los Angeles Superior Court Case No. BC608322 (Paramount Hexavalent Chromium);

People of the State of California, ex rel. SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;

In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case); and

People of the State of California, ex rel South Coast Air Quality Management District v. The Sherwin-Williams Company, an Ohio Corporation, and Does 1 through 50, Inclusive, Los Angeles Superior Court Case No. PSCV 00136.

Following closed session, Bayron Gilchrist, General Counsel, announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board's office and made available to the public upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned by Mr. Gilchrist at 12:30 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on May 3, 2019.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQMP = Air Quality Management Plan

BARCT = Best Available Retrofit Control Technology

CARB = California Air Resources Board

CEC = California Energy Commission

CEQA = California Environmental Quality Act

EJ = Environmental Justice

FY = Fiscal Year

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

NOx = Oxides of Nitrogen

RECLAIM = Regional Clean Air Incentives Market

RFP = Request for Proposals

SIP = State Implementation Plan

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compound

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 2

PROPOSAL: Set Public Hearings July 12, 2019 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations:

(A) Determine That Proposed Amendment to Rule 301 – Permitting and Associated Fees, Is Exempt from CEQA; Amend Rule 301; and Submit Rule 301 to CARB for Submission into SIP

As part of its review of the 2016 AQMP, U.S. EPA has recently requested that Rule 301 be amended to include a requirement that facilities submitting emission reports certify that the information is accurate to the best knowledge of the individual submitting and certifying the report. Facilities already certify their emission reports in practice, and the proposed minor amendment will now place this requirement into the rule. This action is to adopt the Resolution: 1) Determining that the proposed amendment to Rule 301 – Permitting and Associated Fees, is exempt from the California Environmental Quality Act; 2) Amending Rule 301 – Permitting and Associated Fees; and 3) Directing the Executive Officer to submit Rule 301 to CARB for submission into the SIP. (Reviewed: Stationary Source Committee, June 21, 2019)

(B) Determine That Proposed Amendments to Rule 2001 – Applicability, Are Exempt from CEQA and Amend Rule 2001

On October 5, 2018, the Board adopted amendments to Rule 2001 that incorporated a provision to allow facilities to opt-out of the RECLAIM program. U.S. EPA is recommending that facilities remain in RECLAIM until all the rules associated with the transition to a command-and-control regulatory structure have been adopted and approved into the SIP. To address U.S. EPA's comments, Proposed Amended Rule 2001 will remove the opt-out provision so that facilities cannot exit RECLAIM. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 2001 are exempt from the California Environmental Quality Act; and 2) Amending Rule 2001 – Applicability. (Reviewed: Stationary Source Committee, May 17, 2019)

- (C) Determine That Proposed Amendments to Regulation IX - Standards of Performance for New Stationary Sources, and Regulation X – National Standards for Hazardous Air Pollutants, Are Exempt from CEQA and Amend Regulations IX and X
Regulations IX and X are periodically amended to incorporate new or amended federal emission performance standards that have been enacted by U.S. EPA for stationary sources. These standards are currently in effect and enforceable by the South Coast AQMD pursuant to the federal Clean Air Act, regardless of whether South Coast AQMD incorporates them into Regulations IX and X. The Board has historically adopted NSPS (40 CFR 60) and NESHAP (40 CFR 61) actions into Regulations IX and X by reference providing stationary sources with a single source of information for determining which federal and local requirements apply to their specific operations. Regulations IX and X were last amended October 2016 and April 2015, respectively. These proposed amendments incorporate new or revised NSPS and NESHAP actions that have occurred since. In 2016, U.S. EPA promulgated one new NSPS for municipal solid waste landfills that commence construction, reconstruction, or modification after July 17, 2014. In addition, U.S. EPA also amended existing provisions of six NSPS standards, two NSPS appendices, one NESHAP standard, and one NESHAP appendix. This action is to adopt the Resolution:
1) Determining that the proposed amendments to Regulations IX – Standards of Performance for New Stationary Sources, and Regulation X – National Standards for Hazardous Air Pollutants, are exempt from the California Environmental Quality Act; and
2) Amending Regulation IX – Standards of Performance for New Stationary Sources, and Regulation X – National Emission Standards for Hazardous Air Pollutants. (Reviewed: Stationary Source Committee, May 17, 2019)

The complete text of the proposed amendments, staff reports and other supporting documents will be available from the South Coast AQMD's Public Information Center, (909) 396-2001 and on the Internet (www.aqmd.gov) as of June 12, 2019.

RECOMMENDED ACTION:

Set Public Hearings July 12, 2019 to Amend Rules 301, 2001 and Regulations IX and X.

Wayne Nastri
Executive Officer

dg

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 3

PROPOSAL: Recognize Revenue, Authorize EV Charging Fees, Execute Contract for EV Charging, and Amend Contract to Implement DC Fast Charging Network

SYNOPSIS: In March 2017, in an effort to promote EV charging, staff completed an upgrade of the EV chargers at the Diamond Bar headquarters. These actions are to recognize revenue from EV charging fees and authorize adjustment of the fees to recover electricity costs and encourage EV drivers to move their vehicles once fully charged. Additionally, in order to operate, maintain and network the large number of chargers, this action is to contract with Zeco Systems, Inc., DBA Greenlots, for up to three years in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31). In October 2018, the Board amended a contract with Clean Fuel Connection, Inc., (CFCI) for up to \$350,000 from the Clean Fuels Program Fund (31) as a substitution of CEC funds, but since only \$310,000 of CEC funds was previously recognized towards the CFCI contract, there was a shortfall. This action is to amend a contract with CFCI in an amount up to \$40,000 from the Clean Fuels Program Fund (31).

COMMITTEE: Technology, May 17, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue, as received, from EV charging fees into the General Fund;
2. Authorize the Executive Officer to adjust EV charging fees to recover electricity costs for the EV chargers and encourage EV drivers to move their vehicles once fully charged;
3. Authorize the Chairman to execute a contract for up to three years with Zeco Systems, Inc., DBA Greenlots, to operate, maintain and network the EV chargers in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31); and

4. Amend a contract with CFCI in an amount up to \$40,000 from the Clean Fuels Program Fund (31).

Wayne Nastri
Executive Officer

MMM:NB:JI:PSK

Background

In March 2017, in an overall effort to promote EV charging, staff completed an upgrade of the EV chargers at the Diamond Bar headquarters. A total of 92 Level 2 chargers and 1 DC fast charger were installed and have been operational for approximately 18 months, with a commensurate growth in the number of EVs being charged by staff and the public.

At the January 2017 Technology Committee meeting, staff proposed a fee structure of 6 cents per kWh for charging sessions five hours and under and 16 cents per kWh for the portion of charging sessions over five hours, after a pilot period of at least 12 months for data collection and agreement by the employee unions. Assessment of EV charging fees began in January 2018 and generated \$13,752 in 2018. Estimated electricity costs in 2018 for EV charging were \$42,637.

There is a need to outsource management of the EV chargers to a third party in order to respond more quickly and effectively to maintenance and repair issues and the needs of individual EV drivers. Greenlots, a leading U.S. EV charging and energy management software and solutions company that has deployed projects in 13 countries worldwide, was the subcontractor to the installer that upgraded the EV chargers at the Diamond Bar headquarters and has been providing support since the chargers were installed.

Staff also completed the installation of 10 DC fast chargers in the South Coast Air Basin through a CEC grant to provide additional public fast charging in Los Angeles and San Bernardino counties. During project implementation, the CEC declined to fund changes to the project in the amount of \$310,000. South Coast AQMD believed the project was beneficial to the region so in October 2018, the Board authorized up to \$350,000 of Clean Fuels Program Fund (31) as a substitution of CEC funds to complete the project. There is a need to clarify the Board's 2018 authorization to recognize that of the \$350,000 requested from Clean Fuels Program Fund (31), only \$310,000 is a substitution of CEC funds.

Proposal

Staff seeks approval to continue assessing EV charging fees beyond the initial pilot period of data collection in order to partially recover electricity costs for the EV chargers. Additionally, in order to encourage EV drivers to move their vehicles once fully charged, staff also recommends instituting a \$1 per hour fee once vehicles are fully charged and adjusting charging fees, as needed, for cost recovery. These actions are to recognize revenue from EV charging fees and authorize the Executive Officer to adjust EV charging fees to recover electricity costs and encourage EV drivers to move their vehicles once fully charged.

Greenlots will continue to provide networking software to monitor, collect data and handle payment processing of EV charging fees. In addition, they will operate and maintain the EV chargers. The management of the EV chargers requires coordination between hardware and software providers, the installer and agency staff to resolve issues as they occur. The proposal is to maintain these services for up to three years in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31).

Finally, to address the shortfall in funding for the ten DC fast charging stations, this action is to amend the contract with CFCI adding up to \$40,000 from the Clean Fuels Program Fund (31).

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.c.: The desired services are available from only the sole source, specifically, B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team. Greenlots' networking software has been deployed on South Coast AQMD's EV chargers since the installation was completed in March 2017 and they are uniquely familiar with the hardware and software, including issues pertaining to the chargers and experienced by EV drivers at this site.

Benefits to South Coast AQMD

These EV infrastructure projects will advance the state of PEV readiness in California by creating a viable public charging network that will be accessible, convenient, reliable and affordable for PEV drivers. The scope of this project is identified as a technical priority in the *Technology Advancement Office Clean Fuels Program 2019 Plan* under "Electric/Hybrid Technologies & Infrastructure."

Resource Impacts

The total cost for networking software, operation and maintenance of the EV chargers is estimated to be \$51,888 annually (or \$155,664 for three years) and \$40,000 for the DC fast charger project from the Clean Fuels Program Fund (31). The revenue from EV charging fees will be recognized into the General Fund to recover electricity costs.

Sufficient funds are available from the Clean Fuels Program Fund (31), established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 4

PROPOSAL: Recognize Revenue, Reimburse General Fund and Execute Agreement to Support Development of One-Stop-Shop Pilot Project

SYNOPSIS: In June 2018, CARB selected GRID Alternatives as the project administrator for the FY 2017-18 One-Stop-Shop Pilot Project, which is a new project to increase awareness of low-income residents by expanding education and outreach on the state's clean transportation and mobility options. One of the key tasks of this project is to develop and maintain a single application for low-income consumers to apply and qualify for CARB's Low Carbon Transportation Equity projects, which includes the South Coast AQMD's Replace Your Ride Program. CARB and GRID Alternatives have requested support from staff to assist with the integration of the South Coast AQMD's Replace Your Ride Program as part of the One-Stop-Shop Pilot Project. These actions are to recognize revenue from GRID Alternatives in an amount up to \$75,000 into the HEROS II Special Revenue Fund (56), reimburse the General Fund from the HEROS II Special Revenue Fund (56) for staff time, and execute an agreement with GRID Alternatives to provide support in the development of the One-Stop-Shop Pilot Project.

COMMITTEE: Technology, May 17, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize, upon receipt, up to \$75,000 from GRID Alternatives into the HEROS II Special Revenue Fund (56);
2. Reimburse the General Fund up to \$75,000 from the HEROS II Special Revenue Fund (56) for South Coast AQMD staff time to assist with the integration of the South Coast AQMD's Replace Your Ride Program as part of the One-Stop-Shop Pilot Project; and

3. Authorize the Chairman to execute an agreement with GRID Alternatives to support the development of the One-Stop-Shop Pilot Project.

Wayne Nastri
Executive Officer

MMM:NB:VW:MW

Background

In April 2018, CARB released a grant solicitation seeking an administrator to implement the One-Stop-Shop Pilot Project. In June 2018, CARB selected GRID Alternatives as the project administrator for the FY 2017-18 One-Stop-Shop Pilot Project, which is a new project to increase awareness of low-income residents by expanding education and outreach on the state's clean transportation and mobility options. One of the key tasks of this project is to develop and maintain a single application for low-income consumers to apply and qualify for CARB's Low Carbon Transportation Equity projects, which includes the South Coast AQMD's Enhanced Fleet Modernization Program branded as Replace Your Ride (RYR). CARB's Low Carbon Transportation Equity projects include the Clean Vehicle Rebate Project, Enhanced Fleet Modernization Program Plus-up, Financing Assistance for Low-Income Consumers and Clean Mobility Options for Disadvantaged Communities. CARB and GRID Alternatives have requested support from South Coast AQMD staff to assist with the integration of the South Coast AQMD's RYR Program as part of the One-Stop-Shop Pilot Project.

Proposal

These actions are to recognize revenue from GRID Alternatives in an amount up to \$75,000 into the HEROS II Special Revenue Fund (56), reimburse the General Fund up to \$75,000 from the HEROS II Special Revenue Fund (56) for South Coast AQMD staff time, and execute an agreement with GRID Alternatives to provide support in the development of the One-Stop-Shop Pilot Project. South Coast AQMD staff time will be spent working with GRID Alternatives per CARB's request to provide support during the next seven months including:

- Participation in the regular One-Stop-Shop coordination meetings with CARB staff, other low-carbon transportation equity program administrators and other key stakeholders;
- Sharing non-personal RYR participants data for user research;
- Providing RYR participant's eligibility criteria and application forms and assisting with the integration of the RYR Program into the One-Stop-Shop Pilot Project;
- Supporting the development and iteration of the initial One-Stop-Shop Pilot Project application; and
- Assisting with the initial verification of participant income.

The One-Stop-Shop Pilot Project focuses on providing coordinated community-based outreach and education to maximize program participation including the RYR Program. The project also promotes advanced technology vehicle adoption in disadvantaged communities and low-income households and communities.

Benefits to South Coast AQMD

The project will accelerate the deployment of cleaner technology vehicles and result in direct air quality benefits to disadvantaged and low-income households and communities.

Resource Impacts

Up to \$75,000 in revenue anticipated from GRID Alternatives will be recognized into the HEROS II Special Revenue Fund (56).

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 5

PROPOSAL: Adopt Resolution Recognizing Funds and Accepting Terms and Conditions for FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions Program, Reimburse General Fund for Administrative Costs and Amend Awards

SYNOPSIS: In March 2019, CARB released a solicitation to apply for funding from the FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. South Coast AQMD submitted an application and CARB has announced a tentative allocation of \$1,814,511. In addition, in November 2018, the Board approved Carl Moyer and SOON Provision awards. Some of the project types require adjustment. These actions are to adopt a Resolution recognizing revenue up to \$1.9 million from CARB into the Carl Moyer Program Fund (32) and accepting terms and conditions of the FY 2018-19 FARMER Grant and reimburse the General Fund for administrative costs up to \$113,407. This action is to also amend awards under the Carl Moyer Program and SOON Provision.

COMMITTEE: Technology, May 17, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Adopt the attached Resolution recognizing, upon receipt, up to \$1,814,511 from CARB into the Carl Moyer Program Fund (32) and authorize the Executive Officer to accept terms and conditions of the FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program;
2. Reimburse the General Fund from the Carl Moyer Program Fund (32) for administrative costs up to \$113,407, as needed, to implement the FY 2018-19 FARMER Program; and

3. Amend Carl Moyer Program and SOON Provision awards approved by the Board in November 2018 to Bill Higgins, Inc., Peed Equipment Company and Banning Unified School District as shown in Table 1.

Wayne Nastri
Executive Officer

MMM:NV:VW:WS:PG

Background

The agricultural industry in California and the South Coast Air Basin consists of many farms and ranches that produce commodities shipped throughout the world. This industry consists of producers, custom operators, first processors and rental companies that own and operate numerous off-road, diesel-fueled equipment. Even with increasingly stringent emission standards on engine manufacturers, emissions from these vehicles and equipment are a significant source of air pollution since most of this equipment is operated for decades. Natural turnover is not sufficient to meet South Coast AQMD's clean air needs. Reducing these emissions are necessary to meet federal ozone and particulate matter air quality standards.

In March 2019, CARB released a solicitation to apply for funding from the FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. South Coast AQMD submitted an application and CARB has announced a tentative allocation of \$1,814,511. The South Coast AQMD also requested additional funds in the application process in the event that additional FARMER funds become available. The current allocations are based on a 2008 agricultural survey that focused primarily on the San Joaquin Valley region. CARB is currently updating their off-road diesel agricultural inventory and conducting a new survey, and South Coast AQMD is actively conducting outreach in the Coachella Valley and other areas in the basin to encourage participation in the new survey, which may affect future allocations.

In addition, in November 2018, the Board approved Carl Moyer and SOON Provision awards, which were received in response to Program Announcements released for the "Year 20" Carl Moyer Program and SOON Provision. Subsequent to the awards, staff identified the need to adjust some of the project types.

Proposal

This action is to adopt the attached Resolution recognizing, upon receipt, up to \$1.9 million from CARB through the Greenhouse Gas Reduction Fund (GGRF) and the California Tire Recycling Management Fund into the Carl Moyer Program Fund (32) for implementation of the FY 2018-19 FARMER Program and authorize the Executive Officer to accept the terms and conditions of the FARMER Program Grant.

Of the \$1,814,511 anticipated from CARB, \$1,701,104 is designated for project funding and \$113,407 for administrative and outreach efforts. This action is to also reimburse the General Fund up to \$113,407 for administrative and outreach costs to implement the FARMER Program.

Projects that utilize FARMER funds will be evaluated based on the existing Carl Moyer Program Guideline approved by CARB. Proposals will be accepted through the currently open Carl Moyer Program Announcement (#PA2019-02), which was released on March 1, 2019, and will be due by 1:00 p.m. on Tuesday, June 4, 2019.

Finally, this action is to amend Carl Moyer Program and SOON Provision awards with Bill Higgins, Inc., and Peed Equipment Company to adjust the project type from repower to replacement and to increase the amount awarded to Banning Unified School District as specified in Table 1 below:

Table 1
Updates to Project Types for Carl Moyer and SOON Provision Awards

Applicant	Original Board Approved Project Type	Original Award	Recommended Project Type	Recommended Award
Bill Higgins, Inc.	2 Repower (Table 5)	\$421,084	1 Repower	\$65,781
			1 Replacement	\$355,303
	Total			\$421,084
Peed Equipment Company	21 Repower (Table 3)	\$5,275,540	17 Repower	\$3,854,483
			4 Replacement	\$1,421,057
	Total			\$5,275,540
Banning Unified School District	Infrastructure – Battery-Electric School Bus Charging (Table 2B)	\$122,500	N/A	\$397,500

The funding awards and project parameters for Bill Higgins, Inc., and Peed Equipment Company remain the same. The funding for Banning Unified School District will increase from \$122,500 to \$397,500 because school districts are eligible for 100 percent of project costs under the Carl Moyer Program. The original award was less than the project costs since the applicant had originally secured other cost-sharing funds. However, due to the unavailability of the other funding sources, the applicant requested an increase of the Carl Moyer award. Since some funds became available from projects that were canceled under the infrastructure category, staff recommends an increase in the award to Banning Unified School District.

Program Guidelines

On March 23, 2018, CARB approved the FARMER Program Guidelines. Staff will utilize these program guidelines to evaluate proposed projects.

Funding Distribution

The FARMER Guidelines includes the recommendation to allocate 50 percent of the total funds for projects within and benefiting disadvantaged communities and 5 percent for projects within and benefiting low-income households, based on CalEnviroScreen 3.0.

Disproportionately Impacted Areas Point Ranking

The requirements of the FARMER Program will be implemented according to the following criteria.

- 1) All projects must qualify by meeting the cost-effectiveness limits established in the Carl Moyer Program Guideline.
- 2) All projects will be evaluated according to the following criteria to qualify for funding as a disproportionately impacted area:
 - a) Disadvantaged communities: SB 535 and AB 1550 establish the requirements relating to the investment of auction proceeds in disadvantaged communities in order to provide economic and health benefits to these communities, and
 - b) Low-income households, based on CalEnviroScreen 3.0.

Benefits to South Coast AQMD

The South Coast AQMD has supported a number of activities directed to the advancement of new technologies and commercialization of low emission alternative fuel technologies. The successful implementation of the Carl Moyer Program is a direct result of these technology advancement activities. The FARMER Program is an extension of the current Carl Moyer Program. The vehicles and equipment funded under the FARMER Program will operate for many years, providing long-term emissions reductions.

Resource Impacts

CARB has tentatively allocated \$1,814,511 to the South Coast AQMD under the GGRF and the California Tire Recycling Management Fund for implementation of the FARMER Program. Of this amount, \$1,701,104 is designated for project funding and \$113,407 for administrative and outreach efforts. These funds will be recognized into the Carl Moyer Program Fund (32). The General Fund will be reimbursed for administrative and outreach costs up to \$113,407 for the implementation of the FARMER Program. The dollar increase for Banning Unified School District will come from the Community Air Protection AB 134 Fund (77).

Attachment

Resolution

RESOLUTION NO. 19-

**A Resolution of the South Coast Air Quality Management District Board
Recognizing Funds and Accepting the Terms and Conditions of the
FY 2018-19 Funding Agricultural Replacement Measures for
Emission Reductions (FARMER) Program Grant Award**

WHEREAS, in June 2018, Governor Brown signed into law Senate Bill (SB) 856 (Committee on Budget and Fiscal Review, Chapter 30, Statutes of 2018), which appropriates \$132 million from the State Budget for Fiscal Year (FY) 2018-19 to the California Air Resources Board (CARB) for reducing criteria, toxic and greenhouse gas (GHG) emissions from the agricultural sector;

WHEREAS, CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines to meet the Legislature's objectives and help meet the State's criteria, toxic and GHG reduction goals;

WHEREAS, the funding for the FARMER Program comes from the following sources: Greenhouse Gas Reduction Fund (GGRF) and the California Tire Recycling Management Fund;

WHEREAS, CARB has proposed an allocation of up to \$1,814,511 for South Coast Air Quality Management District (South Coast AQMD) to implement projects pursuant to the FARMER Program Guidelines;

WHEREAS, there are specific legislative requirements (e.g., expenditure records, quantification methodology, annual reporting, and disadvantaged/low income community investments) of the cap and trade proceeds that the South Coast AQMD will need to adhere to;

WHEREAS, the South Coast AQMD may need to transfer funds to other air districts, or may be invited to accept FARMER funds through inter-district transfer;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board, in regular session assembled on June 7, 2019, does hereby approve South Coast AQMD participation in the FARMER Program and authorize the Executive Officer to accept the terms and conditions of the FY 2018-19 FARMER Program funds awarded to South Coast AQMD and recognize up to \$1.9 million from CARB in FARMER Program funds.

BE IT FURTHER RESOLVED that South Coast AQMD will comply with FARMER Program requirements as specified in the applicable FARMER Guidelines and the South Coast AQMD's FARMER Policies and Procedures Manual.

BE IT FURTHER RESOLVED that the South Coast AQMD Governing Board authorizes the Executive Officer to enter into contracts or grants with other California air quality districts to transfer funds to other districts or accept FARMER funds through inter-district transfer as necessary.

BE IT FURTHER RESOLVED that the Executive Officer is hereby authorized and empowered to execute on behalf of South Coast AQMD grant agreements with CARB and all other necessary documents to implement and carry out the purposes of this Resolution.

Date

Denise Garzaro, Clerk of the Boards

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 6

PROPOSAL: Recognize Revenue and Transfer and Appropriate Funds for Air Monitoring Programs, and Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle

SYNOPSIS: South Coast AQMD is expected to receive grant funds up to \$684,945 from the U.S. EPA for the PM2.5 Program, up to \$236,416 for the NATTS Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. These actions are to recognize revenue and appropriate funds for the PM2.5, NATTS and Enhanced Particulate Monitoring Programs; appropriate funds for the remaining balances of the U.S. EPA PM2.5, NATTS, PAMS and STAR Programs; transfer and appropriate funds for the Rule 1180 Program; and issue solicitations and purchase orders for air monitoring equipment and one vehicle.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue up to \$1,908,962 and appropriate funds up to \$1,571,742, upon receipt, into the FYs 2018-19, 2019-20 and/or FY 2020-21 Budgets as set forth in Attachment 1 and further detailed in Attachments 2-8.
2. Transfer and appropriate up to \$750,000 remaining in the Rule 1180 Special Revenue Fund (78) to Science & Technology Advancement's FY 2019-20 Budget (Org 42) as detailed in Attachment 9.
3. Issue solicitations (RFP and/or RFQ) and authorize the Executive Officer or Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue purchase orders based on 'prior bid, last price', cooperative purchasing or the results of a solicitation process for the following (as listed in Table 1 and further described in this letter):
 - a. Up to two gas dilution systems not to exceed \$22,000;
 - b. Up to two PM10 samplers not to exceed \$19,000; and
 - c. One low emissions vehicle (sedan, truck or van) not to exceed \$40,000.

4. Authorize the Executive Officer or Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue sole source purchase orders for the following (as listed in Table 2 and further described in this letter):
 - a. Up to two Partisol PM2.5 FRM sequential monitors from Thermo Fisher Scientific, Inc., in an amount not to exceed \$40,000; and
 - b. One Met One Model 1022 PM2.5 continuous FEM monitor from Met One Inc. in an amount not to exceed \$20,000.

Wayne Nastri
Executive Officer

MMM:JCL:RB:AP

Background

PM2.5 Program

Since 1998, U.S. EPA has provided funds under Section 103 for a comprehensive PM2.5 Air Monitoring Program. To date, there are 19 ambient monitoring stations in the South Coast Air Basin (Basin) operating 23 Federal Reference Method (FRM) PM2.5 monitors under U.S. EPA funding and 17 Federal Equivalent Method (FEM/Non-FEM) PM2.5 continuous monitors. In addition, U.S. EPA has supported the expansion of the network to collect ongoing PM2.5 mass and chemical speciation at several sites within the Basin. The chemical speciation of fine particulate matter helps with the characterization of PM2.5 sources, air quality conditions and health impacts. South Coast AQMD is expected to receive up to \$684,945 from the U.S. EPA for the annually funded PM2.5 Program.

NATTS Program

There are currently 188 hazardous air pollutants (HAPs) or air toxics regulated under the Clean Air Act that are associated with a wide variety of adverse health effects including cancer and neurological effects. U.S. EPA Government Performance Results Act commitments specify a goal of reducing air toxic emissions by 75 percent from 1993 levels to significantly reduce health risks. The NATTS Program was developed to fulfill the need for long-term national HAP monitoring data. In 2007, U.S. EPA expanded the NATTS Program and awarded Section 103 funds to conduct monitoring for toxic air contaminants at two existing monitoring sites, Central Los Angeles and Rubidoux. The air toxics data serves as a continuum between past and future air toxic measurement programs, such as MATES, and allows for more accurate evaluation of toxic trends on a regional basis. South Coast AQMD is expected to receive up to \$236,416 from the U.S. EPA for the annually funded NATTS Program.

Enhanced Particulate Monitoring Program

South Coast AQMD has been providing enhanced particulate monitoring support as part of a national monitoring program since 2003. Sample collection began in early February 2003 and will continue for the foreseeable future. South Coast AQMD is expected to receive up to \$2,100,000 from the U.S. Government for the annually funded Enhanced Particulate Monitoring Program.

PAMS Program

In February 1993, the U.S. EPA promulgated PAMS regulations for areas classified as serious, severe or extreme non-attainment for ozone. These regulations require South Coast AQMD to conduct monitoring for ozone precursors with enhanced monitoring equipment at multiple sites. The PAMS Program also funds the meteorological upper air profilers at five locations. Since the onset of the PAMS Program, the U.S. EPA has annually allocated Section 105 supplemental grant funds in support of this requirement.

U.S. EPA STAR Grant

On June 9, 2014, the U.S. EPA, as part of its Science To Achieve Results (STAR) Program, solicited applications proposing research on empowering communities and individuals to take action to avoid air pollution exposure, using low-cost portable air pollution sensors. Specifically of interest was research on using low-cost portable sensors to understand and avoid air pollution exposure, on the ways that communities and individuals interact with air pollution sensors and their data, on methods for understanding and managing the quality of data from air pollution sensors, and on how sensors and sensor networks compare to existing state-of-the-art air quality monitoring methods. About 100 proposals were received by the U.S. EPA in response to this nationwide solicitation, and South Coast AQMD was awarded \$749,820 to provide California communities with the knowledge necessary to appropriately select, use and maintain sensors and correctly interpret sensor data. On October 7, 2016, the Board recognized \$749,820 in revenue and appropriated \$670,500 to Science & Technology Advancement's FYs 2016-17, 2017-18 and 2018-19 Budgets, Services and Supplies and Capital Outlays Major Objects, to work on this study (the remaining \$79,320 was already included in Salaries and Benefits within Science & Technology Advancement's Budgets).

Rule 1180

Rule 1180 – Refinery Fenceline and Community Air Monitoring, adopted in December 2017, requires real-time fenceline air monitoring systems and establishes a fee schedule to fund refinery-related community air monitoring systems that will provide air quality information to the public about levels of various criteria air pollutants, VOCs, metals and other compounds at or near the property boundaries of petroleum refineries and in nearby communities. Rule 1180 payments totaling up to \$7,151,297 have been received from the seven major petroleum refineries in the Basin for the planning and implementation of the community air monitoring in two installments on July 1, 2018, and January 30, 2019, and recognized into the Rule 1180 Special Revenue Fund (78).

Beginning January 2020, the refineries will also fund annual operating and maintenance costs for community air monitoring, work pursuant to Rule 301-Regulation III/Permitting and Associated Fees. Revenue in the amount of \$786,000 which had been transferred from the Rule 1180 Special Revenue Fund (78) was originally included in Science & Technology Advancement's FY 2018-19 Budget, Services and Supplies Major Object.

Proposal

The federal revenue to be recognized and FYs 2018-19, 2019-20 and/or 2021-21 appropriations are summarized in Attachments 1 and further described in Attachments 2-8. FY 2019-20 appropriations for Rule 1180 are described in Attachment 9.

PM2.5 Program (FYs 2018-19 and/or 2019-20)

U.S. EPA is expected to provide Section 103 Grant funding in an amount up to \$684,945 for the continuation of the PM2.5 Program through March 31, 2020. Revenue for this grant in the amount of \$461,000 has already been included in the budget. This action is to recognize, upon receipt, the remaining revenue up to \$223,945 into the FYs 2018-19 and FY 2019-20 Budgets and appropriate up to \$223,945 into Science & Technology Advancement's FYs 2018-19 and/or 2019-20 Budgets, as set forth in Attachment 2.

PM2.5 Program (FY 2018-19)

U.S. EPA provided Section 103 Grant funding to maintain the PM2.5 Program during FY 2018-19. This action is to recognize the remaining balance up to \$37,814 into the FY 2019-20 Budget and appropriate up to \$37,814 into Science & Technology Advancement's FY 2019-20 Budget, as set forth in Attachment 3. U.S. EPA concurs with staff's proposed reallocation.

NATTS Program (FY 2019-20)

U.S. EPA is expected to provide Section 103 Grant funding in an amount up to \$236,416 to continue the NATTS Program for the period from July 1, 2019, to June 30, 2020. Revenue for this grant in the amount of \$83,000 has already been included in the FY 2019-20 Budget. This action is to recognize, upon receipt, the remaining revenue up to \$153,416 into the FY 2019-20 Budget and appropriate up to \$153,416 to Science & Technology Advancement's FY 2019-20 Budget, as set forth in Attachment 4. U.S. EPA concurs with staff's proposed allocation.

NATTS Program (FY 2018-19)

U.S. EPA provided section 103 Grant funding to maintain the NATTS program during FY 2018-19. This action is to recognize the remaining balance up to \$88,017 into the FY 2019-20 Budget and appropriate up to \$88,017 into Science & Technology Advancement's FY 2019-20 Budget, as set forth in Attachment 5. U.S. EPA concurs with staff's proposed reallocation.

Enhanced Particulate Monitoring Program (FY 2019-20)

The South Coast AQMD is expected to receive funding from the U.S. Government for the ongoing Enhanced Particulate Monitoring Program for FY 2019-20 in an amount up to \$2,100,000. This action is to recognize, upon receipt, revenue up to \$896,000 into the FY 2019-20 Budget (\$1,204,000 was already included in the FY 2019-20 Adopted Budget) and appropriate up to \$447,433 into Science and Technology Advancement's FY 2019-20 Budget, Services & Supplies and Capital Outlays Major Objects, as set forth in Attachment 6. (\$1,652,567 relates to Salaries, Employee Benefits, and Indirect Costs).

PAMS Program (FY 2018-19)

As in previous years, there is a need to reallocate PAMS funding in the final quarter of the federal fiscal year ending September 30, 2019. This action is to recognize the remaining balance including savings from equipment purchases funded by FY 2018 early adopter funds, up to \$305,287 into the FY 2019-20 Budget and appropriate up to \$305,287 into Science & Technology Advancement's FY 2019-20 Budget, as set forth in Attachment 7. U.S. EPA concurs with staff's proposed reallocation.

U. S. EPA STAR Grant (FYs 2019-20 and/or 2020-21)

U.S. EPA has provided funding in Section 103 grant funds for the STAR Grant. Revenue for this grant in the amount of \$111,347 has already been included in the FY 2019-20 Budget. This action is recognize, upon receipt, the remaining revenue up to \$204,483 into the FY 2018-19 Budget and appropriate up to \$315,830 into Science & Technology Advancement's FY 2019-20 and/or 2020-21 Budget as set forth in Attachment 8.

Rule 1180

Rule 1180 payments in the amount of \$786,000 were included in the FY 2018-19 Budget from seven major petroleum refineries in the Basin for the planning and implementation of community air monitoring. There is a need to reallocate the estimated remaining balance into the FY 2019-20 Budget. This action is to transfer up to \$750,000 from the Rule 1180 Special Revenue Fund (78) to the General Fund and appropriate up to \$750,000 to Science & Technology Advancement's FY 2019-20 Budget (Org 42), as set forth in Attachment 9.

Proposed Purchases through Solicitation Process, 'Prior Bid, Last Price,' and/or Cooperative Agreement

Gas Dilution Systems

U.S. EPA's PAMS Program requires the measurement of ozone precursors with enhanced monitoring equipment at multiple sites. Periodic calibration of the air monitors is required to meet U.S. EPA quality control criteria. Gas dilution systems are necessary to provide a known concentration of gas standard required for the calibration of air monitoring equipment. The current gas dilution systems are greater than ten years old and are in need of replacement. The approximate cost for two gas dilution systems is \$22,000 (see Table 1). The purchase will be made by "Prior Bid, Last Price" or

through an informal solicitation process as allowed by the South Coast AQMD Procurement Policy and Procedure which authorizes informal bids for equipment under \$25,000.

PM10 Samplers

U.S. EPA's NATTS Program requires the analysis of air toxics samples collected on filters from PM10 samplers. The current collocated PM10 samplers have been in operation since the inception of the NATTS Program and are need of replacement. The approximate cost for two PM10 samplers is approximately \$19,000 (see Table 1). The purchase will be made by "Prior Bid, Last Price" or through an informal solicitation process as allowed by the South Coast AQMD Procurement Policy and Procedure which authorizes informal bids for equipment under \$25,000.

Vehicle

At the outset of the Enhanced Particulate Monitoring Program over 12 years ago, several dedicated vehicles were purchased to meet the mileage intensive needs of the program. Several of these original vehicles have now been driven over 200,000 miles, and the U.S. Department of Homeland Security, which is the funding agency for this program, concurs that replacing one of these vehicles is appropriate. At this time, staff proposes to replace one vehicle with the lowest possible emissions at an estimated cost of \$40,000 through "Prior Bid, Last Price," and/or a Cooperative Purchasing agreement. Low emission vehicles are available from vendors through cooperative purchasing under the State of California, Department of General Services, Procurement Division, and Alternative Fueled Vehicles Contract 1-18-23-23A through H. Low emission sedans, trucks and/or vans will be selected from the vendor on the list with the most competitive price for these types of vehicles. The cost of the vehicle will not exceed \$40,000 (see Table 1).

Proposed Purchases through Sole Source Purchase Orders

Partisol PM2.5 FRM Monitor

The U.S. EPA Section 103 grant award includes one-time funding for the purchase of two FRM sequential PM2.5 samplers from Thermo Fisher Scientific, Inc. The Partisol PM2.5 monitor is the only commercially available FRM sampler still in use in South Coast AQMD's air monitoring network, and it is the only monitor that would allow South Coast AQMD to satisfy U.S. EPA collocation requirements, which dictate that new FRM samplers added to the network must use the same sampler/method code as those that are already in operation without adding additional collocated monitors. The cost of the samplers will not exceed \$40,000 (see Table 2).

PM2.5 Continuous FEM Monitor

The U.S. EPA Section 103 Grant award includes one-time funding of \$20,000 for the purchase of one Met One 1022 PM2.5 continuous FEM monitor. The Met One Model 1022 is the only real-time, continuous PM2.5 mass monitor that employs a unique “in-situ” sampling technique where the beta measurement is kept at a near fixed temperature above ambient conditions minimizing error due to loss of semi-volatile particulate material or excessive moisture in the sample stream. This instrument is being purchased for evaluation of manufacturer claims and has the potential to reduce operational costs associated with running the PM2.5 monitoring network. The cost of the instrument from Met One Inc. will not exceed \$20,000 (see Table 2).

Sole Source Justification

Section VIII.B.3 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award funded, in whole or in part with federal funds, may be justified. Specifically, this request for sole source award is made under the provision B.3.a.: The item is available only from a single source. The Partisol PM2.5 FRM monitor from Thermo Fisher Scientific, Inc., is the only instrument that would allow South Coast AQMD to satisfy U.S. EPA collocation requirements, which dictate that new FRM samplers added to the network must use the same sampler/method code as those that are already in operation within the network. Similarly, Met One Inc. is the only manufacturer of a real-time, continuous PM2.5 mass monitor that employs a unique “in-situ” sampling technique. This purchase is to evaluate the Met One Model 1022 performance claims.

Resource Impacts

EPA Section 103 Grant funding will support the continuation of the PM2.5 Monitoring Program, including equipment and services and supplies necessary to meet the objectives of the PM2.5 Monitoring Program.

U.S. EPA Section 103 Grant funding will support the continuation of the NATTS Monitoring Program, including equipment, contracts and supplies necessary to meet the objectives of the NATTS Program.

U.S. Government funding will fully support the Enhanced Particulate Monitoring Program.

The U.S. EPA’s remaining FY 2018-19 PAMS Program funds will help support continued efforts under the PAMS Program.

The U.S. EPA remaining FY 2018-19 STAR Grant funds will help support continued efforts under the STAR Grant.

Initial and final payments required from petroleum refineries under Rule 1180 will provide sufficient resources to plan and establish the required community air monitoring program. Future annual funding will provide sufficient resources for the ongoing community air monitoring operation and maintenance through Rule 301-Regulation III/Permitting and Associated Fees.

Table 1
Proposed Purchases through Solicitation Process, ‘Prior Bid, Last Price,’ and/or Cooperative Agreement Purchase Orders

Description	Qty	Funding Source	Estimated Cost
Gas Dilution Systems	2	PAMS (26 th Year)	\$22,000
PM10 Samplers	2	NATTS FY 2019-20	\$19,000
Vehicle	1	U.S. Government FY 2019-20	\$40,000
Total			Not to Exceed \$81,000

Table 2
Proposed Purchases through Sole Source Purchase Orders

Description	Qty	Funding Source	Estimated Cost
Partisol PM2.5 FRM Monitor	2	PM2.5 FY 2019-20	\$40,000
PM2.5 Continuous FEM Monitor	1	PM2.5 FY 2019-20	\$20,000
Total			Not to Exceed \$60,000

Attachments

1. Proposed Federal Revenues and Expenditures for FYs 2018-19, 2019-20 and/or 2020-21
2. Proposed PM2.5 Expenditures for FYs 2018-19 and/or 2019-20
3. Proposed PM2.5 Expenditures for FY 2019-20 (Remaining Prior Year’s Balance)
4. Proposed NATTS Expenditures for FY 2019-20
5. Proposed NATTS Expenditures for FY 2019-20 (Remaining FY 2018-19 Balance)
6. Proposed Enhanced Particulate Monitoring Expenditures for FY 2019-20
7. Proposed 26th Year PAMS Expenditures for FY 2019-20 (Remaining FY 2018-19 Balance)
8. Proposed U.S. EPA STAR Grant Expenditures for FYs 2019-20 and/or 2020-21 (Remaining FY 2018-19 Balance)
9. Proposed Rule 1180 Expenditures for FY 2019-20 (Remaining FY 2018-19 Balance)

Attachment 1
Proposed Federal Revenues and Expenditures for FYs 2018-19, 2019-20, and/or 2020-21

Program Year	Funding Agency	Program Name	Proposed Revenues	Proposed Expenditures	Detailed Appropriations
FYs 2018-19 and/or 2019-20	EPA-Section 103	PM2.5 Program	\$223,945	\$223,945	Attachment 2
FY 2018-19*	EPA-Section 103	PM2.5 Program	\$37,814	\$37,814	Attachment 3
FY 2019-20	EPA-Section 103	NATTS	\$153,416	\$153,416	Attachment 4
FY 2018-19*	EPA-Section 103	NATTS	\$88,017	\$88,017	Attachment 5
FY 2019-20	U.S. Govt.	Enhanced Particulate Monitoring**	\$896,000	\$447,433	Attachment 6
FY 2018-19*	EPA-Section 105	PAMS	\$305,287	\$305,287	Attachment 7
FY 2018-19 and/or 2020-21*	EPA-Section 103	U.S. EPA STAR Grant**	\$204,483	\$315,830	Attachment 8
			\$1,908,962	\$1,571,742	

*Recognize revenue and appropriate funds representing the remaining balance from FY 2018-19.

**The difference between the proposed revenue and expenditure amounts is due to the revenue estimate included in the FY 2019-20 Budget that can vary from year to year.

Attachment 2
Proposed PM2.5 Expenditures for FYs 2018-19 and/or 2019-20

Account Description	Account Number	Program Code	Estimated Expenditures*
Services & Supplies Major Object:			
Rents and Leases Structure	67350	47500	\$10,000
Maintenance of Equipment	67600	47500	\$62,500
Building Maintenance	67650	47500	\$10,000
Travel	67800	47500	\$6,000
Laboratory Supplies	68050	47500	\$62,500
Office Expenses	68100	47500	\$2,945
Small Tools, Instruments, Equipment	68300	47500	\$10,000
Total Services & Supplies Major Object:			\$163,945
Capital Outlays Major Object:			
Partisol PM2.5 FRM Monitor (2)	77000	47500	\$40,000
PM2.5 Continuous FEM Monitor (1)	77000	47500	\$20,000
Total Capital Outlays Major Object:			\$60,000
Total Appropriations			\$223,945

Note: Salaries and Benefits are already included in the adopted FYs 2018-19 and 2019-20 Budgets.

*Funds not expended by June 30, 2019, will be carried over to FY 2019-20.

Attachment 3
Proposed PM2.5 Expenditures for FY 2019-20
(Remaining Prior Year's Balance)

Account Description	Account Number	Program Code	Initial Appropriation*	Appropriations not to Exceed
Maintenance of Equipment	67600	47500	\$4,000	\$18,907
Laboratory Supplies	68050	47500	\$4,000	\$18,907
Total Appropriations			\$8,000	\$37,814

*This is the estimated amount for the first quarter of FY 2019-20. Any remaining amount will be appropriated upon reconciliation of FY 2018-19 expenditures.

Attachment 4
Proposed NATTS Expenditures for FY 2019-20

Account Description	Account Number	Program Code	Estimated Expenditures
Services & Supplies Major Object:			
Professional and Specialized Services	67450	47468	\$1,000
Maintenance of Equipment	67600	47468	\$56,707
Travel	67800	47468	\$3,000
Laboratory Supplies	68050	47468	\$71,710
Office Expenses	68100	47468	\$1,000
Small Tools, Instruments, Equipment	68300	47468	\$999
Total Services & Supplies:			\$134,416
Capital Outlays Major Object:			
PM10 Monitors (2)	77000	47468	\$19,000
Total Capital Outlays:			\$19,000
Total Appropriations			\$153,416

Note: Salaries, Benefits and Indirect Costs are included in the FY 2019-20 Budget.

Attachment 5
Proposed NATTS Expenditures for FY 2019-20
(Remaining FY 2018-19 Balance)

Account Description	Account Number	Program Code	Initial Appropriation*	Appropriations not to Exceed
Services & Supplies Major Object:				
Professional and Specialized Services	67450	47468	\$600	\$2,429
Demurrage	67550	47468	\$1,000	\$4,350
Maintenance of Equipment	67600	47468	\$7,000	\$30,300
Travel	67800	47468	\$700	\$1,435
Laboratory Supplies	68050	47468	\$10,000	\$41,001
Office Expenses	68100	47468	\$250	\$1,002
Small Tools, Instruments, Equipment	68300	47468	\$1,500	\$7,500
Total Services & Supplies:			\$21,050	\$88,017
Total Appropriations			\$21,050	\$88,017

*This is the estimated amount for the first quarter of FY 2019-20. Any remaining amount will be appropriated upon reconciliation of FY 2018-19 expenditures.

Attachment 6
Proposed Enhanced Particulate Monitoring Expenditures for FY 2019-20

Account Description	Account Number	Program Code	Estimated Expenditures
Salaries & Employee Benefits Major Object:			
Overtime	52000	44505	\$50,000
Total Salaries & Employee Benefits Major Object:			\$50,000
Services & Supplies Major Object:			
Temporary Agency Services	67450	47505	\$254,000
Maintenance of Equipment	67600	47505	\$1,200
Building Maintenance	67650	47505	\$500
Auto Mileage	67700	47505	\$99,833
Clothing	68800	47505	\$500
Office Expenses	68100	47505	\$200
Small Tools, Instruments, Equipment	68300	47505	\$1,200
Total Services & Supplies:			\$357,433
Capital Outlays Major Object:			
Vehicle (1)	77000	47505	\$40,000
Total Capital Outlays:			\$40,000
Total Appropriations			\$447,433

Note: Salaries, Benefits and Indirect Costs (excluding overtime) are included in the FY 2019-20 Budget.

Attachment 7
Proposed 26th Year PAMS Expenditures for FY 2019-20
(Remaining FY 2018-19 Balance)

Account Description	Account Number	Program Code	Initial Appropriation*	Appropriations not to Exceed
Services & Supplies Major Object:				
Rents & Leases Equipment	67300	47530	\$100	\$500
Rents & Leases Structure	67350	47530	\$2,000	\$6,102
Professional and Specialized Services	67450	47530	\$25,000	\$85,602
Temp Agency Services	67460	47530	\$1,000	\$9,000
Demurrage Expenses	67550	47530	\$2,500	\$6,388
Maintenance of Equipment	67600	47530	\$17,500	\$50,102
Building Maintenance	67650	47530	\$2,000	\$19,048
Travel	67800	47530	\$1,000	\$6,749
Communications	67900	47530	\$500	\$5,973
Laboratory Supplies	68050	47530	\$10,000	\$36,502
Office Expense	68100	47530	\$1,000	\$10,800
Office Furniture	68200	47530	\$250	\$1,200
Small Tools, Instruments, Equipment	68300	47530	\$5,000	\$31,321
Training	69500	47530	\$1,500	\$14,000
Total Services & Supplies Major Object:			\$69,350	\$283,287
Capital Outlays Major Object:				
Gas Dilution Systems (Up to 2, partially paid with remaining \$19,722 Early Adopter funds)	77000	47530	\$0	\$22,000
Total Capital Outlays Major Object:			\$0	\$22,000
FY 2019-20 Appropriations			\$69,350	\$305,287

*This is the estimated amount for the first quarter of FY 2019-20. Any remaining amount will be appropriated upon reconciliation of FY 2018-19 expenditures.

Attachment 8

**Proposed U.S. EPA STAR Grant Expenditures for FYs 2019-20 and/or 2020-21
(Remaining FY 2018-19 Balance)**

Account Description	Account Number	Program Code	Initial Appropriation*	Appropriations not to Exceed
Services & Supplies/ Capital Outlays Major Objects:				
Sensor Purchase (@ \$1,000 per sensor)	68300	43246	\$500	\$2,456
Lab Consumables	68050	43246	\$2,500	\$9,678
Community Groups/Study Participants	67450	43246	\$35,000	\$140,386
UCLA (Sub-recipient)	67450	43246	\$12,500	\$50,500
BAAQMD, Sacramento AQMD, other participating Air Districts	67450	43246	\$22,500	\$90,000
Outreach Activities – Workshops / Public Meetings	67450	43246	\$5,500	\$22,810
Total Services & Supplies/ Capital Outlays Major Objects:			\$78,500	\$315,830
Total Appropriations			\$78,500	\$315,830

* This is the estimated amount for the first quarter of FY 2019-20. Any remaining amount will be appropriated upon reconciliation of FY 2018-19 expenditures.

Attachment 9
Proposed Rule 1180 Expenditures for FY 2019-20
(Remaining FY 2018-19 Balance)

Account Description	Account Number	Initial Appropriation*	Appropriations not to Exceed
Rents and Leases Structures	67350	\$60,000	\$250,000
Professional and Specialized Services	67450	\$40,000	\$175,000
Temporary Agency Services	67460	\$12,500	\$50,000
Maintenance of Equipment	67600	\$12,500	\$50,000
Building Maintenance	67650	\$25,000	\$100,000
Auto Mileage	67700	\$10,000	\$40,000
Communications	67900	\$2,500	\$10,000
Laboratory Supplies	68050	\$6,000	\$25,000
Office Expense	68100	\$6,000	\$25,000
Small Tools	68300	\$6,000	\$25,000
Total Appropriations		\$180,500	\$750,000

*This is the estimated amount for the first quarter of FY 2019-20. Any remaining amount will be appropriated upon reconciliation of FY 2018-19 expenditures.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 7

PROPOSAL: Execute Contracts for Community Leadership and Engagement Programs

SYNOPSIS: South Coast AQMD seeks to engage with community leadership of disadvantaged and environmental justice communities throughout the South Coast Air Basin with two expert public relation firms. Each firm will host South Coast AQMD with influential leaders in a series of six meetings each that will provide an opportunity to educate and raise awareness on the South Coast AQMD's mission to achieve clean air and the need to meet federal attainment deadlines. This action is to execute sole source contracts for community leadership and engagement programs with the Cordoba Corporation and Bakewell Media for \$150,000 each from the BP ARCO Settlement Project Fund (46), for an amount not to exceed \$300,000.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute sole source contracts for community leadership and engagement programs with the Cordoba Corporation for \$150,000 and Bakewell Media for \$150,000 from the BP Arco Settlement Project Fund (46).

Wayne Nastri
Executive Officer

DJA:jns

Background

South Coast AQMD continually seeks innovative ways to engage with community leadership (e.g., representatives from federal, state and local government, business, health, neighborhood, environmental and non-profit groups, and other organizations) to educate and increase air quality awareness within their communities in the South Coast Air Basin through programs and events, and the need to meet federal attainment deadlines by 2023 and 2031, especially within disadvantaged and environmental justice communities.

Past outreach efforts have been effective in raising awareness about South Coast AQMD and air quality issues among local communities, reaching thousands of program and event participants. Additionally, such interactions help make it possible for community leaders to better understand local air pollution problems and to encourage their residents to more actively participate in South Coast AQMD's mission to clean the air.

This program would specifically target community leaders in the disadvantaged and environmental justice areas in South Coast AQMD's jurisdiction. The series of meetings will provide a unique opportunity for South Coast AQMD to educate and engage leaders and decision-makers on the challenges of reaching attainment of the National Ambient Air Quality Standards (NAAQS) as required under the federal Clean Air Act. The meetings will also serve as a forum to facilitate discussion on policy and other solutions needed to reach attainment of the federal air quality standards. As a result of these educational outreach efforts, these leaders and decision-makers in turn can share the information with their constituents to promote community involvement and support for clean air which will lead to improved quality of life in the South Coast region.

Sole Source Justification

Section VIII.B.2. of the Procurement Policy and Procedure identifies provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.c: The desired services are available from only the sole-source based upon one or more of the following reasons: (1) The unique experience and capabilities of the proposed contractor or contractor team.

The Cordoba Corp and Bakewell Media were selected to be sole source contractors because they both are aware of South Coast AQMD and the unique relationships they have with key-leaders in their respective communities. They possess expertise in air quality, environmental justice and related issues in the South Coast Air Basin.

Proposal

Each contractor proposes to engage the South Coast AQMD in a series of six meetings each in the next twelve months with disadvantaged and environmental justice constituency. The programs will include a robust dialogue focusing on the South Coast AQMD's initiatives and priorities on air quality issues to reach NAAQS attainment, health effects, the need to take action, the role key leaders can play and methods of educating communities.

Resource Impacts

Sufficient funding will exist for these sole source contracts, of \$300,000 from BP ARCO Settlement Projects Fund (46).

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 8

PROPOSAL: Execute Lease Agreement for Operation of South Coast AQMD's On-Site Child Care Center

SYNOPSIS: The lease agreement for the child care center located at South Coast AQMD's Diamond Bar headquarters will expire on June 30, 2019. This action is to execute a new ten-year lease with the current operator, Priyalal and Lasanthi Kurera, Incorporated.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a lease agreement with Priyalal and Lasanthi Kurera, Incorporated for the operation of the child care center facility at South Coast AQMD's Diamond Bar headquarters for the period of July 1, 2019 through June 30, 2029, at an annual lease payment of \$43,929.36, plus increases of two percent per year beginning with the second year, and an option to extend the contract for up to two additional years at South Coast AQMD's discretion.

Wayne Nastri
Executive Officer

AJO:VMR:lm

Background

The original lease with Priyalal and Lasanthi Kurera, Incorporated for operation of South Coast AQMD's on-site child care center was for the period February 1, 2004 to February 5, 2007. Under provisions in the lease agreement, the lease was extended to January 31, 2009. In July 2008, the parties agreed to extend the lease an additional year. On November 7, 2008, the Board awarded Priyalal and Lasanthi Kurera, Incorporated a ten-year lease, from February 2, 2009 through June 30, 2019, with the option for South Coast AQMD to terminate the lease at any time, upon six months' notice, should it become necessary.

Staff has received a proposal from Priyalal and Lasanthi Kurera, Incorporated, owners and operators of Towne and Country Preschool and Infant Center, requesting to renew their contract for an additional ten years. The proposal offers a curriculum that meets the

expectations of South Coast AQMD parents, demonstrates an interest in, and commitment to, maintaining a quality child care center, while continuing to keep costs low for parents and South Coast AQMD, and meeting all licensing requirements. Further, staff has conducted a survey of South Coast AQMD parents with children who currently attend the child care center under the operation of Priyalal and Lasanthi Kurera, Incorporated, and obtained overwhelmingly positive feedback.

Proposal

Staff recommends South Coast AQMD enter into a new lease agreement without a formal bid process to allow the child care center to continue to operate without interruption. The Procurement Policy allows South Coast AQMD to enter into a sole source contract when specific circumstances make it in the best interest of South Coast AQMD (Section VIII.B.2.d). In this case, the best interests of South Coast AQMD is to enter into a lease with the current child care center operator, Priyalal and Lasanthi Kurera, Incorporated to continue to provide high-quality and reasonably-priced child care services. In addition, the possibility of bringing in another provider at this time would be disruptive to the parents and children who count on the child care center to provide those services in a stable environment.

Resource Impacts

Under the terms of the lease, the child care center operator is responsible for providing water, electricity, gas, telephone, janitorial, landscape, waste management, pest control, and security services and for maintaining and replacing appliances and internal furnishings. The monthly lease payment of \$3,660.78 generates \$43,929.36 in revenue annually and, during the term of the current lease, revenue has exceeded South Coast AQMD maintenance costs. Under the new lease, payments will increase by two percent each year beginning with the second year of the lease.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 9

PROPOSAL: Execute Contract for Maintenance, Service, and Repairs of Heating, Ventilation, Air Conditioning, and Refrigeration Equipment

SYNOPSIS: The current maintenance services contract for HVAC and refrigeration equipment at South Coast AQMD's Diamond Bar headquarters expires June 20, 2019. On March 1, 2019, the Board approved release of an RFP to solicit proposals from contractors interested in providing these services. This action is to execute a three-year contract with KLM to provide HVAC and refrigeration equipment maintenance, services and repairs at the South Coast AQMD Diamond Bar headquarters for an amount not to exceed \$130,937. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a three-year contract with KLM for a total amount not to exceed \$130,937 from July 1, 2019 through June 30, 2022 for maintenance, service, and repairs of heating, ventilation, air conditioning, and refrigeration equipment.

Wayne Nastri
Executive Officer

AJO:BJ:lm

Background

The current contract with KLM for HVAC and refrigeration maintenance, services and repairs expires June 20, 2019. On March 1, 2019, the Board authorized the release of RFP #P2019-15 to request bids for HVAC and refrigeration maintenance, services and repairs. South Coast AQMD maintains HVAC equipment requiring servicing, maintenance and repairs in the Computer Room, Print Shop, and Laboratory, as well as the Cafeteria and Child Care Center.

Contractors responding to RFP #2019-15 were asked to bid on HVAC and refrigeration equipment maintenance, services and repairs. In addition to these routine services, South Coast AQMD typically expects unanticipated equipment related repairs and parts replacements and based on past experience, this cost was approximately 4 percent of the routine maintenance cost. Since it is difficult to project what these unforeseen costs might be, the contract amount includes the three-year cost as submitted by the contractor for HVAC and refrigeration maintenance, service and repairs plus an additional \$5,000 annually, as a contingency to cover unanticipated HVAC and refrigeration related repairs and replacements.

Outreach

In accordance with South Coast AQMD'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's 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 South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

Three contractors attended the mandatory bidder's conference on March 14, 2019, and two proposals were received when final bidding closed at 2:00 p.m. on April 17, 2019. A panel of South Coast AQMD employees evaluated both proposals based on the criteria specified in the RFP (cost, understanding of requirements, contractor qualifications and references regarding past work experience). The panel determined that KLM was the only firm of the two proposers that submitted a complete, responsive and technically-qualified proposal.

The evaluation panel consisted of three South Coast AQMD staff: a Building Maintenance Manager, Building Supervisor, and Business Services Manager. Of the three panel members, one is Caucasian and two are Hispanic; one female and two male.

Proposal

Staff recommends the contract be awarded to KLM. KLM is a full-service HVAC and refrigeration contractor with over 35 years of experience in Southern California. In addition, KLM has serviced and maintained multiple components of South Coast AQMD's HVAC and refrigeration equipment for the past six years, and their references from other public and private facilities were excellent.

Resource Impacts

Annual costs for HVAC and refrigeration maintenance, services and repairs are: \$42,140 for FY 2019-20; \$43,626 for FY 2020-21; and \$45,171 for FY 2021-22. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 10

PROPOSAL: Execute Contract for Landscape Maintenance Services

SYNOPSIS: The current contract for landscape maintenance services at South Coast AQMD's Diamond Bar headquarters expires June 30, 2019. On March 1, 2019, the Board approved release of an RFP to solicit proposals from contractors interested in providing landscape maintenance services. This action is to execute a three-year contract with Tropical Plaza Nursery Inc. to provide landscape maintenance services at the South Coast AQMD headquarters, for an amount not to exceed \$277,515. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a three-year contract with Tropical Plaza Nursery Inc., for an amount not to exceed \$277,515 from July 1, 2019 through June 30, 2022 for landscape maintenance services.

Wayne Nastri
Executive Officer

AJO:BJ:lm

Background

South Coast AQMD contracts with a landscape maintenance contractor to provide routine landscape maintenance and tree trimming services at the Diamond Bar headquarters. The current contract expires June 30, 2019. On March 1, 2019, the Board approved release of RFP #2019-16 to solicit proposals from landscape maintenance contractors interested in providing landscape maintenance services at South Coast AQMD headquarters through June 30, 2022.

Contractors responding to RFP #2019-16 were asked to bid on landscape maintenance services. In addition to these routine services, South Coast AQMD typically has unanticipated landscape related repairs and replacements and based on past experience, this cost was approximately 2 percent of the routine maintenance cost.

These unanticipated costs result from things such as weather-related damage to landscape, vehicle related damage, pest infestation and disease. Since it is difficult to project what these unforeseen costs might be, the contract amount includes the three-year cost as submitted by the contractor for routine landscape maintenance services, plus an additional \$5,550 annually, as a contingency to cover unanticipated plant related repairs and replacements.

Outreach

In accordance with South Coast AQMD'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's 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 South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

Two contractors attended the mandatory bidders' conference on March 21, 2019 and two proposals were received when final bidding closed at 2:00 p.m. on April 19, 2019.

Evaluation of the two proposals was based on the criteria specified in the RFP (cost, understanding of requirements, contractor qualifications and references regarding past work experience).

The evaluation panel consisted of three South Coast AQMD employees: Building Maintenance Manager, Building Supervisor, and Business Services Manager. Of the panel members, one is Caucasian and two are Hispanic; one female and two male.

Proposal

Staff recommends the contract be awarded to Tropical Plaza Nursery Inc. who submitted the highest-rated responsive bid. Tropical Plaza Nursery Inc. has agreed to use the most environmentally safe tools and equipment available on the market. This shall include electric, battery-powered, or four-stroke blowers, edgers, trimmers, and other gardening equipment.

Resource Impacts

Annual costs for the landscape maintenance services are: \$91,905 for FY 2019-20; \$92,505 for FY 2020-21; and \$93,105 for FY 2021-22. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

Attachment

Evaluation of Proposals for RFP #2019-16

ATTACHMENT

EVALUATION OF PROPOSALS FOR RFP #2019-16

LANDSCAPE MAINTENANCE SERVICES

Bidder	Technical Score	Cost Score	Additional Points	Total Score
Tropical Plaza Nursery Inc.	65	25	5	95
Gothic Landscape Maintenance Division	57	30	7	94

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 11

PROPOSAL: Execute Contract for Tree Trimming and Plant Care Maintenance Services

SYNOPSIS: The current contract for landscape maintenance services at South Coast AQMD's Diamond Bar headquarters expires June 30, 2019. On February 1, 2019, an RFP was released to solicit proposals from landscape contractors interested in providing tree trimming and plant care maintenance services. This action is to execute a three-year contract with Gothic Landscape Maintenance Division to provide tree trimming and plant care maintenance services, for an amount not to exceed \$99,932. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a three-year contract with Gothic Landscape Maintenance Division to provide tree trimming and plant care maintenance services for an amount not to exceed \$99,932 from July 1, 2019 through June 30, 2022.

Wayne Nastri
Executive Officer

WJ:BJ:lm

Background

South Coast AQMD contracts with a landscape maintenance contractor to provide routine landscape maintenance and tree trimming services at the Diamond Bar headquarters. The current contract expires June 30, 2019. On February 1, 2019, RFP #2019-14 was released to solicit proposals from tree maintenance contractors interested in providing tree trimming and plant care maintenance services at South Coast AQMD headquarters through June 30, 2022.

Contractors responding to RFP #2019-14 were asked to bid on tree trimming and plant care maintenance services. In addition to these routine services, South Coast AQMD typically has unanticipated tree-related repairs and replacements and based on past experience, this cost was approximately four percent of the routine maintenance cost.

These unanticipated costs result from things such as weather-related damage to trees, vehicle related damages, pest infestations and diseases. Since it is difficult to project what these unforeseen costs might be, the contract amount includes the three-year cost as submitted by the contractor for routine tree trimming and plant care maintenance services, plus an additional \$4,325 annually, as a contingency to cover unanticipated tree related repairs and replacements.

Outreach

In accordance with South Coast AQMD'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's 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 South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

Four vendors attended the mandatory bidders' conference on February 21, 2019. Two proposals were received when final bidding closed at 2:00 p.m. on March 21, 2019.

Evaluation of the two responsive proposals was based on criteria specified in the RFP, which included cost, understanding of requirements, contractor qualifications, and past experience. The attached evaluation summary lists responsive bidders and their scores.

The evaluation panel consisted of three South Coast AQMD employees: Building Services Manager, Air Quality Specialist, and Principal Air Quality Instrument Specialist. Of the panel members, one is Caucasian, one is Asian-American and one is African-American; one female and two male.

Proposal

Staff recommends the contract be awarded to Gothic Landscape Maintenance Division, who submitted the highest-rated and lowest cost responsive bid, for tree trimming and plant care maintenance services. Gothic Landscape Maintenance Division has agreed to use the most environmentally safe tools and equipment available on the market.

This will include electric, battery-powered, or four-stroke blowers, edgers, trimmers, and other gardening equipment.

Resource Impacts

Annual costs for the tree trimming and plant care maintenance services are: \$26,271 for FY 2019-20; \$45,446 for FY 2020-21; and \$28,215 for FY 2021-22. Funding for the first year of this contract has been included in the FY 2019-20 Budget and will be requested in successive fiscal years.

Attachment

Evaluation of Proposals for RFP #2019-14

ATTACHMENT

EVALUATION OF PROPOSALS FOR RFP #2019-14

TREE TRIMMING AND PLANT CARE MAINTENANCE SERVICES

Bidder	Technical Score	Cost Score	Additional Points	Total Score
Gothic Landscape Maintenance Division	67	30	0	97
West Coast Arborist, Inc.	61	25	0	86

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 12

PROPOSAL: Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

SYNOPSIS: South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to amend a contract previously approved by the Board with Varsun eTechnologies to add additional funding for needed development and maintenance work in the amount of \$64,750 from Information Management's FY 2018-19 Budget.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute an amendment to the contract with Varsun eTechnologies for systems development services in the amount of \$64,750 from Information Management's FY 2018-19 Budget, Capital Outlays Major Object, Capital Outlays account, for the specific task orders listed in the Attachment.

Wayne Nastri
Executive Officer

RMM:XC:cj

Background

At the March 2, 2018 Board meeting, the Board authorized staff to initiate level-of-effort contracts with several vendors for systems development, maintenance and support services. At the time these contracts were executed, it was expected that they would be modified in the future to add funding from approved budgets as system development requirements were identified and sufficiently defined so that task orders could be prepared. The contracts are for one year with the option to renew for two one-year periods.

Systems development and maintenance efforts are currently needed (see Attachment) to enhance system functionality and to provide staff with additional automation for improving productivity. The estimated cost to complete the work on these additional tasks exceeds the amount of funding in the existing contract.

Proposal

Staff proposes to amend the contract with Varsun eTechnologies to add \$64,750 for the specific task orders listed in the Attachment.

Resource Impacts

Sufficient funding is available in Information Management's FY 2018-19 Budget.

Attachment

Task Order Summary

ATTACHMENT

Task Order Summary

Section A – Funding Totals for all Systems Development Contracts

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
Varsun eTechnologies	\$1,513,135	\$64,750	\$1,577,885

Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
Enhance and Automate Electronic Data Reporting System	Enhance and automate the electronic data reporting process in order to meet regulatory requirements and improve efficiency.	\$64,750	Varsun eTechnologies

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 13

PROPOSAL: Appoint Members to South Coast AQMD Hearing Board

SYNOPSIS: The terms of office for the Hearing Board Medical Member and Alternate expire June 30, 2019. An Advisory Committee was appointed as required by law. The Advisory Committee reviewed the candidate application materials and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on May 10, 2019, and made a final recommendation. This action is to appoint the medical member and an alternate to fill the new terms.

COMMITTEE: Administrative, May 10, 2019; Recommended for Approval

RECOMMENDED ACTION:

Appoint/reappoint the following individuals to the South Coast AQMD Hearing Board, effective July 1, 2019, with the term ending June 30, 2022:

Roger L. Lerner, MD, FACP, Medical Member
Alternate: Allan Bernstein, DPM, MBA

Wayne Nastri
Executive Officer

DG

Background

Health and Safety Code Section 40501.1(b) requires the South Coast AQMD to appoint a Hearing Board Advisory Committee (Advisory Committee) composed of one representative appointed by each of the Board members for the Counties of Los Angeles, Orange, Riverside, and San Bernardino, and the City of Los Angeles.

Based on criteria developed by the Advisory Committee, the Committee members evaluated the resumes of two medical member candidates. The Advisory Committee requested that South Coast AQMD staff also evaluate the resumes so they could consider that input. The staff that assisted were the Assistant Deputy Executive Officer (ADEO) of Finance and the ADEO of Information Management. Since only two resumes were submitted for the medical member/alternate positions, the current member and one other individual, the Advisory Committee waived the interviews for the two candidates and referred them to the Administrative Committee for interviews. On May 10, 2019, the

Administrative Committee interviewed Dr. Allan Bernstein and discussed Dr. Roger Lerner's experience and qualifications.

Proposal

The Administrative Committee recommends that the Board reappoint Dr. Roger Lerner as Medical Member, and appoint Dr. Allan Bernstein as Alternate Medical Member, for a term commencing July 1, 2019 and ending June 30, 2022. A summary of their qualifications is shown below.

Medical Member

Roger L. Lerner, M.D., F.A.C.P. – A physician specializing in Internal Medicine and Endocrinology, Dr. Lerner has been in private practice in Los Angeles since 1979. Dr. Lerner graduated from the University of Vermont, and received his clinical training at State University of New York in Syracuse, New York, and at Stanford University Medical Center in Palo Alto, California. After serving two years as Captain in the U.S. Army Medical Corps, he completed his clinical training at Veterans Administration Hospitals in Seattle, Washington. Dr. Lerner has held academic research positions at USC and UCLA medical schools, continuing the study of human hormonal physiology in health and disease. He has continued to teach over the years at UCLA and at Cedars-Sinai Medical Center, and has authored numerous articles and abstracts pertaining to insulin, glucose and diabetes.

Alternate Medical Member

Allan Bernstein, DPM, MBA – A physician specializing in reconstructive foot and ankle surgery, Dr. Bernstein has been in private practice in Orange County since 1984. Dr. Bernstein holds a BA from Boston University, MBA from the Healthcare Executive Program at the University of California, Irvine and received his DPM from the New York College of Podiatric Medicine. He also works as a healthcare consultant and serves as the Mayor Pro Tem of the City of Tustin where he serves on a number of committees with an environmental focus. He is an award winning author and lecturer.

Fiscal Impacts

Sufficient funds are budgeted each year to compensate those who serve on the Hearing Board.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 14

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the April 2019 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State, and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file.

Wayne Nastri
Executive Officer

DJA:LTO:KH:DM

BACKGROUND

This report summarizes the activities of the Legislative, Public Affairs and Media Office for April 2019. The report includes: Major Events; Community Events/Public Meetings; Environmental Justice Update; Speakers Bureau/Visitor Services; Communications Center; Public Information Center; Business Assistance; Media Relations; and Outreach to Community Groups and Governments.

MAJOR EVENTS (HOSTED AND SPONSORED)

Each year South Coast AQMD staff engage in holding and sponsoring a number of major events throughout the South Coast AQMD's four county areas to promote, educate and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality and the economy.

April 23 and April 25

Staff hosted the first Clean Air Ranger Education (CARE) Assemblies for first and second grade students at Valencia Academy of the Arts in Pico Rivera and Honey Hollow Elementary School in Moreno Valley, respectively. More than 330 students participated in the assemblies. Each assembly included information on South Coast AQMD, air pollution, the air quality flag program for schools, demonstration of zero emission equipment, and an experiment to show how smog is formed in the South Coast region. Staff also interacted with the students to discuss air quality, provide tips to help clean the air, and show them a vehicle and zero emission equipment that was on display.

COMMUNITY EVENTS/PUBLIC MEETINGS

Each year South Coast AQMD staff engage with thousands of residents, providing valuable information about the agency, incentive programs and ways individuals can help reduce air pollution through events and meetings sponsored solely by South Coast AQMD 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;
- South Coast AQMD incentive programs;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

South Coast AQMD staff attended and/or provided information and updates at the following events:

April 5

Staff exhibited at the City of San Bernardino's 2019 State of the City address at Indian Springs High School in San Bernardino. The attendees of the meeting represented a wide spectrum of interests including government, community members, and business representatives. Staff provided information on AQ-SPEC, AB 617, Carl Moyer and other South Coast AQMD programs. The exhibit also included a hydrogen fuel cell vehicle.

April 6

Staff represented South Coast AQMD at the Cucamonga Valley Water District Frontier Project Earth Day event in Rancho Cucamonga, and provided information on South Coast AQMD, Clean Choice Vehicles and other programs.

April 10

Staff exhibited at the all-day San Gabriel Valley Council of Governments General Assembly held in the City of Industry. The event was attended by local elected officials and city staff as well as other government agencies and industry representatives. Many of the attendees were interested in a VW Settlement Fund workshop which was being held on April 17 at South Coast AQMD headquarters.

April 11

Staff participated in Earth Day Los Angeles 2019 event held at Grand Park in downtown Los Angeles. Staff provided information on air quality and incentive programs, and conducted live demonstrations of the South Coast AQMD iPhone app to event participants.

April 13

Staff represented South Coast AQMD at the city of Diamond Bar's birthday party, "Going Green Display Event." The event attracted thousands of visitors who learned about environmental issues and programs. Staff provided information on the South Coast AQMD iPhone app and current residential incentive programs.

Staff participated in the 2019 Bolsa Chica Earth Day event in Huntington Beach and provided event goers with information on air quality, residential incentive programs and the South Coast AQMD iPhone app.

Staff also exhibited at the West Valley Water District's Earth Day event in Rialto, and provided information on residential incentive programs including EV charging stations, electric lawn mowers and energy efficient furnaces, as well as general air quality information.

Staff participated in the Sustainable Paramount: Eco-Friendly Fair in the City of Paramount, and provided information on air quality, the South Coast AQMD iPhone app, and incentive programs.

April 18

Staff exhibited at the San Bernardino City/County Conference in Lake Arrowhead. The event was attended by local elected officials, government, and business representatives who were able to view a large display of electric landscaping equipment including lawn mowers, trimmers and leaf blowers. Information was provided on the commercial electric lawn and garden program.

Staff participated in the Rolling Hills Estates Earth Day Celebration, and provided information on residential incentive programs including EV charging stations, electric lawn mowers and energy efficient furnaces, as well as general air quality information.

April 19

Staff exhibited at the Bear Valley Earth Day event in Big Bear Lake, and provided information on air quality, incentive programs and Clean Choice vehicles. Staff displayed and demonstrated a hydrogen fuel cell vehicle.

April 27

Staff participated in the Whittier Earth Day Fair held at the Greenleaf Grassy Area in Whittier and provided general air quality information and focused on incentive programs such as the residential electric lawn mower program.

April 28

Staff represented South Coast AQMD at the CicLavia Low-tech Transportation event in Wilmington. The event was attended by thousands of residents from Wilmington and the surrounding communities. Information was provided on general air quality, AB 617, residential incentive programs and the South Coast AQMD iPhone app.

ENVIRONMENTAL JUSTICE UPDATE

The following are key environmental justice-related activities in which staff participated throughout the month of April 2019. These events involve communities affected disproportionately from adverse air quality impacts.

April 11

Staff held the AB 617 Community Steering Committee meeting in Wilmington/Carson/West Long Beach. The purpose of the meeting was to gather input to help guide staff in drafting the Community Emissions Reduction Plan (CERP) and Community Air Monitoring Plan. Staff also presented information on specific rule development efforts related to the community and information on actions that can be included in the CERP to address air quality concerns.

April 12

Staff participated in a community meeting with East Yard Communities for Environmental Justice in Wilmington. The community members provided input on South Coast AQMD's public notification process and feedback regarding their participation in the AB 617 Community Steering Committees. Staff will meet with them again to continue to work on issues and concerns in the Wilmington community.

April 17

Staff hosted an Environmental Justice Community Partnership (EJCP) Advisory Council meeting, and provided an update on the EJCP's 2018 accomplishments and 2019 goals. A member of the advisory council also presented information on environmental justice work through Unite Here Local 11. Additionally, EJCP members provided environmental justice updates on current initiatives.

April 18

Staff held the fifth AB 617 Steering Committee meeting in San Bernardino, which was co-hosted by a member of Sierra Club, My Generation. The purpose of the meeting was to provide information on local efforts and programs that address air pollution concerns in the community, sources contributing to air pollution, and ideas to address concerns such as warehouse (onsite emissions), cement batch plants, Omnitrans bus yard, and schools.

April 25

Staff hosted an Environmental Justice Advisory Group (EJAG) meeting. Items presented by staff included an update on AB 617, Facility Information Detail (F.I.N.D.), and 2019 EJAG goals. Members provided their feedback on the AB 617 implementation process and requested more information on how to navigate FIND to locate information about facilities.

Staff also held the AB 617 Community Steering Committee meeting in East Los Angeles/Boyle Heights/ West Commerce. The purpose of the meeting was to gather input to help guide staff in drafting the Community Emissions Reduction Plan (CERP) and Community Air Monitoring Plan. Staff also presented information on specific rule development efforts related to the community and information on actions that can be included in the CERP to address air quality concerns.

April 27

Staff participated in the Latinxs and the Environment Summit: Designing our Future, which focused on bridging academia, public policy, and communities at the University of California, Berkeley. Some of the workshop topics included: Climate Change- What is in the future of the Latinx community in California and beyond; Urban and Rural Planning- Reimagining the blueprint for the future; and Environmental Justice- Understanding the crisis to build solutions. The featured keynote speaker was Ana Alvarez, Deputy General Manager of the East Bay Regional Park District.

April 30

Staff participated in a tour of the Salton Sea area sponsored by the Water Foundation in coordination with Alianza Coachella Valley, Audubon California, Defenders of Wildlife, Environmental Defense Fund, Kounkuey Design Initiative, Pacific Institute, and the Sierra Club. Agency leaders, key staff and decision makers were in attendance to see the Salton Sea first-hand, meet local community members, hear from experts, and learn more about the near-term threats and opportunities to protect public health, improve water security, and learn about air quality issues.

SPEAKERS BUREAU/VISITOR SERVICES

South Coast AQMD 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. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

April 4

Staff attended a meeting of the National Demolition Association, Southern California Chapter in the City of Industry and presented information on issues related to South Coast AQMD Rule 1403 - Asbestos Emissions from Demolition/Renovation Activities, and any proposed changes to the rule.

April 11

Staff presented information to undergraduate and graduate students at the University of California, Irvine on forecasting air quality and meteorological data and how air quality is related to weather.

April 23

Staff presented information at a California State University, San Bernardino Leonard Transportation Center Regional Mobility Dialogue Series meeting on the electrification of medium- and heavy-duty vehicles and charging infrastructure. Staff also provided an electric vehicle for display.

April 26

A group from GRID Alternatives, Greater Los Angeles, visited the South Coast AQMD to learn more about the agency and air quality issues. A tour of the laboratory, and alternative fueling stations and vehicles was also provided.

Students from the Civil Engineering Department at Cal Poly Pomona visited the South Coast AQMD. Staff presented information on the agency, air quality issues and clean air technologies. The visit also included a tour of the laboratory, and alternative fueling stations and vehicles.

COMMUNICATION CENTER STATISTICS

The Communication Center handles calls on South Coast AQMD's main line, the 1-800-CUT-SMOG® line, the Spanish line, and after-hours calls to each of those lines. Total calls received in the month of April were:

Calls to South Coast AQMD's Main Line and 1-800-CUT-SMOG® Line	3,284
Calls to South Coast AQMD's Spanish-language Line	50
Total Calls	3,334

PUBLIC INFORMATION CENTER STATISTICS

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

Calls Received by PIC Staff	157
<u>Calls to Automated System</u>	<u>613</u>
Total Calls	770
Visitor Transactions	243
Email Advisories Sent emails	9,020

BUSINESS ASSISTANCE

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. South Coast AQMD 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, as summarized below:

- Provided permit application assistance to 228 companies
- Processed 77 Air Quality Permit Checklists
- Conducted 4 on-site consultations
- Provided assistance in filing 1 request for variance

Types of businesses assisted

Auto Body Shops	Gas Stations	Furniture Refinishing Facilities
Auto Repair Centers	Restaurants	Construction Firms
Printing Facilities	Plating Facilities	Architecture Firms
Manufacturing Facilities	Dry Cleaners	Engineering Firms

MEDIA RELATIONS

The Media Office handles all South Coast AQMD outreach and communications with television, radio, newspapers and all other publications and media operations.

Total Media Inquiries: 28
Total Web Updates: 211
Press Releases: 4
Air Quality Advisories Issued: 4

Major Media Topics for April

(All inquiries closed unless noted as pending)

- **The Korean Drycleaners and Laundry Association's Cleaner News:** Requested to speak with staff regarding perchloroethylene emissions from dry cleaning businesses and any changes to Rule 1421 - Control of Perchloroethylene Emissions From Dry Cleaning Systems.
- **Coachella Valley:** An embargoed exclusive interview was held with the Desert Sun to discuss the proposed reclassification of Coachella Valley for ozone. The story ran on Friday, April 11. Following the exclusive, KNBC, KPCC, and Bloomberg Environment inquired about non-attainment of ozone in the Coachella Valley. Staff held interviews with reporters and provided further information.
- **Torrance Refinery:** The Daily Breeze inquired regarding a story about the use of modified hydrofluoric acid (MFH) at the Valero/Torrance refinery. Staff spoke with a reporter to provide an update.
- **Asbestos NOVs:** The Santa Clarita Signal requested an update regarding notices of violation that were issued at a mobile home park demolition site in Santa Clarita.
- **AQMP Funding:** The L.A. Times sought clarification on the amount of funding that South Coast AQMD has secured in relation to incentive funding as detailed in the 2016 AQMP.
- **Governing Board:** Canyon News requested further info on whether a new Senate Pro Tem appointee would be named for the Board.
- **American Lung Association (ALA) State of the Air:** KPCC and KNX Radio interviewed staff on the ALA State of the Air Report. The interview was aired on KPCC's "Air Talk".
- **MFH Phase-out at Refineries:** KQED, The Long Beach Business Journal, Capital & Main, and Chemical and Engineering News requested clarification and updates on the proposal to potentially phase out MFH use at refineries. A brief statement was sent to all reporters.

News Releases

- South Coast AQMD participates in Earth Day Events across Southern California, Encourages Americans to take Action- April 5, 2019.
In observance of Earth Day, South Coast AQMD released a calendar of events in which the district would be participating.
- Metrolink Offers Free Rides on Earth Day to Entice Commuters to Leave Cars at Home - April 12, 2019.
South Coast AQMD and Metrolink issued a joint press release informing consumers that Metrolink would be offering free rides on its regional rail system on Earth Day- April 22
- South Coast AQMD to request re-classification for ozone in Coachella Valley - April 12, 2019
South Coast AQMD has submitted a request to U.S. EPA regarding voluntary reclassification of the 1997 8-hour federal standard for ozone in the Coachella

Valley. If granted, the area will be reclassified to “extreme” status and will allow up to five additional years to reach attainment.

- Media Advisory and Joint Press Release: Volvo LIGHTS Project Check Presented at ACT Expo 2019 – April 24, 2019
South Coast AQMD, along with CARB and Volvo, participated in a joint press conference and issued a joint press release at the ACT Expo. CARB presented South Coast AQMD with a \$44.8M check for the Volvo Low Impact Green Heavy Transport Solutions (LIGHTS) Project. The press release was picked up nationally by more than 125 local and national media outlets.
- Dust Advisories: Coachella Valley
Four advisories were issued due to dust conditions in the Coachella Valley. The advisories were picked up across local media with KTLA re-tweeting our social media outreach because it occurred during the Coachella Music Festival.
- Op-Ed (Published by the Daily Breeze): What’s the air quality in SoCal Really Like?
An Op-Ed discussing current air quality improvements, issues and efforts to reduce smog was picked up by the Southern California News Group and ran in eight of its 11 Southern California papers including The L.A. Daily News, The Orange County Register, The San Bernardino Sun, and The Long Beach Press Telegram.

Social Media Notable posts:

Arturo Rodriguez at the Chavez Event: 2,365 Twitter Impressions
Hiring Post for Office Assistants: 1,533 Facebook Users Reached
Chavez Event Reminder Post: 1,113 Twitter Impressions
Earth Day LA Reminder: 2,057 Twitter Impressions
Lawn Mower Rebate Program: 1,472 Facebook Users Reached
Windblown Dust Advisory: 16,430 Twitter Impressions
Volvo LIGHTS ACT Expo Photo: 2,048 Twitter Impressions
Guardian Article: PM2.5 Photography: 1,926 Twitter Impressions
Metrolink Earth Day Promo: 1,799 Twitter Impressions

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

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

Alhambra	Buena Park	Coachella
Arcadia	Calimesa	Cypress
Anaheim	Carson	Diamond Bar
Azusa	Cathedral City	Duarte
Baldwin Park	Chino	El Monte
Beaumont	Claremont	Fontana
Big Bear	Colton	Glendale
Bradbury	Covina	Glendora

Huntington Beach	Montclair	San Dimas
Indio	Monterey Park	San Gabriel
Indian Wells	Murrieta	San Marino
Industry	Newport Beach	Santa Ana
Irvine	Ontario	Sierra Madre
Irwindale	Palm Desert	South El Monte
La Cañada Flintridge	Pasadena	South Pasadena
La Habra	Palm Springs	Temecula
La Quinta	Paramount	Temple City
La Puente	Pomona	Tustin
La Verne	Placentia	Upland
Laguna Niguel	Rancho Cucamonga	Walnut
Lake Forest	Rancho Mirage	West Covina
Long Beach	Rialto	Whittier
Los Angeles	Santa Ana	Wilmington
Mission Viejo	Rosemead	Yucaipa
Monrovia	San Bernardino	

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

- U.S. Representative Lou Correa
- U.S. Representative Grace Napolitano
- U.S. Representative Harley Rouda
- U.S. Representative Raul Ruiz
- Senator Bob Allen
- Senator Bob Archuleta
- Senator Connie Leyva
- Senator Mike Morrell
- Senator Anthony Portantino
- Senator Richard Roth
- Senator Susan Rubio
- Senator Jeff Stone
- Senator Tom Umberg
- Assembly Member Autumn Burke
- Assembly Member Ian Calderon
- Assembly Member Chris Holden
- Assembly Member Melissa Melendez
- Assembly Member James Ramos
- Assembly Member Eloise Goméz Reyes
- Assembly Member Blanca Rubio
- Assembly Member Cottie Petrie-Norris
- Assembly Member Eduardo Garcia

Staff represented South Coast AQMD and/or provided updates or a presentation to the following governmental agencies and business organizations:

American Green Zone Alliance
 Cabazon Band of Mission Indians
 Chino Basin Water Conservation District
 Chino Valley Area Chamber of Commerce
 Coachella Valley Association of Governments
 Coachella Valley Economic Partnership
 Costa Mesa Chamber of Commerce

Desert Valley Builders Association
Gateway Cities Council of Governments
Greater Coachella Valley Chamber of Commerce
Imperial Irrigation District
Lake Arrowhead Chamber of Commerce
League of California Cities, Riverside County Division
Move LA
National Demolition Association
Newport Beach Chamber of Commerce
Omnitrans
Orange County Council of Governments
Orange County Business Council
Orange County Transportation Authority
Pasadena Chamber of Commerce
Riverside County Transportation Commission
Riverside Transit Agency -Transportation Now:
 -San Gorgonio Pass Area Chapter
San Bernardino County Fire
San Bernardino Area Chamber of Commerce
San Bernardino County Transportation Authority
Santa Ana Chamber of Commerce
San Gabriel Valley Council of Governments
San Gabriel Valley Economic Partnership
San Gabriel Valley Conservation Corps
South Pasadena Chamber of Commerce
Southern California Association of Governments
Southern California Edison
Southern California Gas Company
Sunline Transit
United Here Local 11
US Green Building Council
Valley Industry Commerce Association Government Affairs Committee
Western Riverside Council of Governments

Staff represented South Coast AQMD and/or provided updates or a presentation to the following community and educational groups and organizations:

Alianza, Coachella Valley
Baldwin Hills Community Advisory Group
Big Bear Community Service District
Cal Poly Pomona
California State University, San Bernardino - Leonard Transportation Center
Center for Community Action and Environmental Justice, Jurupa Valley
Chino Valley Unified School District

Clinicas Salud Del Pueblo, Coachella Valley
Comité Civico Del Valle, Inc., Coachella Valley
Communities for a Better Environment
East Yard Communities for Environmental Justice
Honey Hollow Elementary School, Riverside
La Union Hace la Fuerza, Coachella Valley
Loma Linda University
Los Angeles County Office of Education
Los Angeles Unified School District
Orange County Department of Education
Pacoima Beautiful
Pasadena Neighborhood Connections Community Alliance
Perdue Elementary School
Riverside Department of Education
San Bernardino Department of Education
San Bernardino Valley College
Santa Ana College
Sierra Club, My Generation
Taking Responsibility and Control Neighborhood Watch, La Puente
University of California, Irvine
Valencia Academy of Arts, Pico Rivera

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BOARD MEETING DATE: June 7, 2019

AGENDA NO. 15

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of April 1 through April 30, 2019.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file.

Julie Prussack
Chairman of Hearing Board

DG

Two summaries are attached: **April 2019 Hearing Board Cases and Rules From Which Variances and Orders for Abatement Were Requested in 2019**. An Index of South Coast AQMD Rules is also attached.

The total number of appeals filed during the period April 1 to April 30, 2019 is 0; and total number of appeals filed during the period of January 1 to April 30, 2019 is 2.

Report of April 2019 Hearing Board Cases

Case Name and Case No. (Staff Attorney)	Rules	Reason for Petition/Hearing	South AQMD Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Carpenter Company Case No. 5356-3 (S. Hanizavareh)	1147(c)(1)	Petitioner sought to conduct source tests using fewer burners to meet NOx limits without new equipment.	Not Opposed/Granted	SV granted commencing 4/18/19 and continuing through 7/17/19, for seven (7) nonconsecutive days for testing.	NOx: 0.09 lb/hr during testing
2. County of San Bernardino Fleet Management Case No. 6070-3 (T. Barrera)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to inclement weather.	Not Opposed/Granted	RV granted commencing 4/3/19 and continuing through 12/31/19 or until final compliance is achieved, whichever comes first.	CO: 7.2 lbs/day NOx: 0.06 lb/day PM10: 1.5 lbs/day SOx: 0.1 lb/day VOC: 3.1 lbs/day
3. Eastern Municipal Water District Case No. 4937-57 (S. Pruitt)	N/A	Status Report	No Action	The Hearing Board received a status report and continued the hearing to 7/16/19.	N/A
4. FAA/Pomona VOR Facility – Case No. 5292-2 (S. Hanizavareh)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to vandalism.	Not Opposed/Granted	IV granted commencing 4/16/19 and continuing for 90 days or until the RV hearing currently scheduled for 5/14/19, whichever comes first.	CO: 0.4 lb/hr NOx: 0.3 lb/hr PM: 0.04 lb/hr SOx: 0.003 lb/hr VOC: 0.3 lb/hr
5. Mt. San Jacinto Winter Park Authority dba Palm Springs Aerial Tramway Case No. 5906-4 (K. Manwaring)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to inclement weather.	Not Opposed/Granted	RV granted commencing 4/9/19 and continuing through 12/31/19 or until final compliance is achieved, whichever comes first.	<u>ICE/Generators 1 & 2</u> CO: 0.8 lb/hr NOx: 3.6 lbs/hr PM: 0.1 lb/hr PM10: 0.1 lb/hr SOx: 0.004 lb/hr VOC: 0.2 lb/hr <u>ICE/Generators 3 & 4</u> CO: 0.5 lb/hr NOx: 2 lbs/hr PM: 0.06 lb/hr PM10: 0.06 lb/hr SOx: 0.003 lb/hr VOC: 0.08 lb/hr

Case Name and Case No. (Staff Attorney)	Rules	Reason for Petition/Hearing	South AQMD Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
6. Tamco Case No. 5972-2 (M. Reichert)	203(b) 1420.2(g)(3)(B) & Appendix 1 2004(f)(1) 3002(c)(1)	Petitioner requested additional time to achieve full compliance with negative air pressure requirements.	Not Opposed/Granted	MFCD/EXT granted commencing 4/25/19 and continuing through 12/30/20.	None
7. Veer Petro Partners, Inc. Case No. 6140-1 (S. Pruitt)	N/A	Appeal of P/C Conditions for a GDF.	Opposed/Denied	The Board determined the Executive Officer properly issued the P/C Conditions for a GDF to Veer Petro Partners, Inc. and therefore denied their appeal petition.	N/A
8. Verizon Wireless Case No. 6139-1 (M. Reichert)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to inclement weather.	Not Opposed/Granted	RV granted commencing 4/24/19 and continuing through 1/1/20, the FCD.	CO: 0.3 lb/hr NOx: 0.3 lb/hr PM: 0.03 lb/hr SOx: 0.002 lb/hr VOC: 0.3 lb/hr
9. South Coast AQMD vs. Gold Coast Baking Co., Inc. Case No. 6137-1 (T. Barrera)	203(a)	Require installation of BACT for ovens.	Not Opposed/Granted	O/A issued commencing 4/3/19; the Hearing Board shall retain jurisdiction over this matter until 12/1/19.	N/A

Acronyms

BACT: Best Available Control Technology

CO: Carbon Monoxide

FCD: Final Compliance Date

GDF: Gasoline Storage and Dispensing Facility

ICE: Internal Combustion Engine

IV: Interim Variance

MFCD/EXT: Modification of a Final Compliance Date and Extension of Variance

N/A: Not Applicable

NOx: Oxides of Nitrogen

O/A: Order for Abatement

P/C: Permit to Construct

PM: Particulate Matter

PM10: Particulate Matter \leq 10 micron

RTO: Regenerative Thermal Oxidizer

RV: Regular Variance

SV: Short Variance

SOx: Oxides of Sulfur

TBD: To Be Determined

VOC: Volatile Organic Compounds

**SOUTH COAST AQMD RULES AND REGULATIONS INDEX
FOR 2019 HEARING BOARD CASES AS OF APRIL 30, 2019**

REGULATION II – PERMITS

- Rule 201 Permit to Construct
- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate

REGULATION IV – PROHIBITIONS

- Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Engines
- Rule 1147 NOx Reductions from Miscellaneous Sources
- Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

REGULATION XIII – NEW SOURCE REVIEW

- Rule 1303 Requirements

REGULATION XIV – TOXICS

- Rule 1420.2 Emission Standards for Lead from Metal Melting Facilities
- Rule 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements

CALIFORNIA HEALTH AND SAFETY CODE

- §41960.2 Maintenance of Vapor Control System

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 16

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from April 1, 2019 through April 30, 2019, and legal actions filed by the General Counsel's Office from April 1 through April 30, 2019. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, May 17, 2019, Reviewed

RECOMMENDED ACTION:

Receive and file.

Bayron T. Gilchrist
General Counsel

BTG:ew

<u>Civil Filings</u>	<u>Violations</u>
1. Leticia Quinonez dba A&L Corona Auto Body & Paint Los Angeles Superior Court (Chatsworth)-Small Claims Case No. 19CHSC00877; Filed 4.11.19 (GV) P62921 R. 203 – Permit to Operate	1
	1 Violation

Attachments

April 2019 Penalty Report
Index of South Coast AQMD Rules and Regulations

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office

April 2019 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$228,500.00
MSPAP Settlements:	\$10,600.00
Hearing Board Settlements:	\$51,000.00

Total Cash Settlements:	\$290,100.00
Total SEP Value:	\$0.00

Fiscal Year through 4 / 2019 Cash Total:	\$5,871,281.50
Fiscal Year through 4 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
143132	ABSOLUTE ABATEMENT & DEMOLITION	1403	4/30/2019	KCM	P64858 P65926 P66408	\$10,500.00
175403	ASBESTOS CONTROL TESTING, INC	1403	4/17/2019	BST	P66415 P67252	\$1,800.00
13618	BARRY AVE PLATING CO INC	203	4/23/2019	WBW	P63092	\$15,000.00
185342	BEATRICE BABUCH - DUPLEX BUILDING	1403	4/25/2019	KCM	P63308	\$1,000.00
146448	BEO-MAG PLATING INC	203 1469	4/25/2019	BST	P63065 P63070 P63075 P63096	\$7,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
42645	BRITE PLATING CO INC	1469	4/17/2019	DH	P64856	\$500.00
86587	CONTROLLED ENVIRONMENTAL SOLUTIONS	1403	4/9/2019	BST	P65925	\$2,300.00
50098	D&D DISPOSAL INC,WEST COAST RENDERING CO	2004	4/10/2019	TRB	P63560 P66156 P66160	\$5,000.00
800091	EXXONMOBIL OIL CORP	462 463 3002	4/2/2019	DH	P59384 P59386	\$7,500.00
183897	IC2NET	203(a)	4/17/2019	KCM	P64071 P64072	\$500.00
173290	MEDICLEAN	2004	4/25/2019	DH	P66909 P68251	\$25,000.00
95252	MISSION COMMUNITY HOSPITAL	222 1146 1415 H&S 42401	4/4/2019	KCM	P62176 P66770	\$27,500.00
14437	SAN ANTONIO REGIONAL HOSPITAL	218 1110.2 3002	4/23/2019	VKT	P62049 P65369 P66558	\$65,000.00
178448	SENSITIVE ENVIRONMENT	1403	4/17/2019	KCM	P65910	\$1,800.00
101977	SIGNAL HILL PETROLEUM INC	463(c) 1173 2004 2012	4/19/2019	NSF	P57096 P67901 P67903 P67904 P67905	\$41,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
174703	TESORO LOGISTICS,CARSON PROD TERMINAL	462	4/18/2019	NSF	P56574	\$16,500.00
		3002			P65312	
					P65313	
					P66503	

Total Civil Settlements: \$228,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
176159	6228 FRANKLIN LLC, DBA JOE'S SERVICE CEN	461(c)(3)(Q)	4/30/2019	GV	P72651	\$300.00
83138	BEAR CREEK GOLF CLUB, INC	461(c)(3)(Q)	4/30/2019	GV	P71551	\$300.00
129093	JERRY'S UNION 76, JERRY I MADAIN, DBA	461(c)(3)(Q)	4/30/2019	GV	P72027	\$300.00
159449	KECK HOSPITAL OF USC	1146 203(b)	4/26/2019	GC	P64138	\$4,000.00
175275	KHA INC	461(c)(3)(Q)	4/30/2019	GV	P72634	\$300.00
131295	RIO PETROLEUM, INC.	461 H&S 41960	4/30/2019	TF	P64946	\$800.00
14479	SKANSKA USA CIVIL WEST CA DISTRICT INC	461(c)(3)(Q)	4/30/2019	GV	P71345	\$300.00
137146	SOUTH CITY GAS	461 H&S 41960	4/30/2019	TF	P64940	\$500.00
25304	VALLEY PLATING WORKS, INC	201 203(a)	4/26/2019	TF	P67453	\$1,600.00
25751	WALNUT VALLEY WATER DIST	461(c)(3)(Q)	4/30/2019	GV	P71391	\$300.00
31696	WORLD OIL CO #38	203(a)	4/5/2019	TF	P68113	\$400.00
151281	YUCAIPA FOOD MART 76	461	4/5/2019	TF	P66365	\$1,500.00

Total MSPAP Settlements: \$10,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	4/4/2019	KCM	5400-4	\$50,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	4/19/2019	TRB	6128-1	\$1,000.00

Total Hearing Board Settlements: \$51,000.00

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR APRIL 2019 PENALTY REPORT

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
- Rule 461 Gasoline Transfer and Dispensing
- Rule 462 Organic Liquid Loading
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds

REGULATION XIII - NEW SOURCE REVIEW

- Rule 1303 Requirements

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 RECLAIM Program Requirements
Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_X) Emissions

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements for Title V Permits

CALIFORNIA HEALTH AND SAFETY CODE

- 41960 Certification of Gasoline Vapor Recovery System
42401 Violation of Order for Abatement

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 17

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the South Coast AQMD between April 1, 2019 and April 30, 2019, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file.

Wayne Nastri
Executive Officer

PF:SN:DG:LS:LW

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, the South Coast AQMD 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 April 1, 2019 through April 30, 2019 is included in Attachment A. A list of active projects from previous reporting periods for which South Coast AQMD staff is continuing to evaluate or has prepared comments is included in Attachment B. A total of 74 CEQA documents were received during this reporting period and 39 comment letters were sent. A notable project in this report is the Los Angeles International Airport (LAX) Airfield and Terminal Modernization Project.

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 Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for FY 2002-03 approved by the Board in October 2002, each attachment notes proposed projects where the South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns.

The South Coast AQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact the South Coast AQMD 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 South Coast AQMD meetings or other meetings where South Coast AQMD staff is present. The attachments also identify, for each project, the dates of the public comment period and the public hearing date, if applicable. 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; general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures was 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 South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources.

Staff focuses on reviewing and preparing comments for projects: where the South Coast AQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g. special event centers, landfills, goods movement); 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 South Coast AQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "South Coast AQMD Letter" under the Project Description. In addition, if staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period April 1, 2019 through April 30, 2019, the South Coast AQMD received 74 CEQA documents as shown in Attachment A. Attachment B lists documents that are ongoing active projects. Of the total of 99 documents listed in both Attachments A and B:

- 39 comment letters were sent;
- 26 documents were reviewed, but no comments were made;
- 32 documents are currently under review;
- 1 document did not require comments (e.g., public notices);
- 0 documents were not reviewed; and
- 1 document was screened without additional review.

(The above statistics are from April 1, 2019 to April 30, 2019 and may not include the most recent “Comment Status” updates in Attachments A and B.)

Copies of all comment letters sent to lead agencies can be found on the South Coast AQMD’s CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

South Coast AQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, the South Coast AQMD 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 for action is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the South Coast AQMD, as lead agency, finds substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the South Coast AQMD determines that the 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 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 South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, the South Coast AQMD continued working on the CEQA documents for four active projects during April.

Attachments

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

ATTACHMENT A*
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers LAC190402-01 ENV-2018-6891: 12681 W. Jefferson Blvd	The proposed project consists of construction of a 120,426-square-foot warehouse on 3.25 acres. The project is located on the southwest corner of Westlawn Avenue and Jefferson Boulevard in the community of Palms-Mar Vista-Del Rey. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190402-01.pdf	Mitigated Negative Declaration	City of Los Angeles	South Coast AQMD staff commented on 4/9/2019
	Comment Period: 3/21/2019 - 4/10/2019	Public Hearing: N/A		
Warehouse & Distribution Centers LAC190416-02 CubeSmart Self-Storage Facility	The proposed project consists of construction of a 114,782-square-foot self-storage facility on 1.3 acres. The project is located at 919 South Lone Hill Avenue on the northwest corner of South Lone Hill Avenue and San Dimas Walsh.	Mitigated Negative Declaration	City of Glendora	Document reviewed - No comments sent
	Comment Period: 4/11/2019 - 5/1/2019	Public Hearing: 5/7/2019		
Warehouse & Distribution Centers RVC190404-12 Plot Plan No. 190005	The proposed project consists of construction of a 345,006-square-foot warehouse on 16.85 acres. The project is located on the northeast corner of Harvill Avenue and Daytona Cove in the community of Mead Valley. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190404-12.pdf	Site Plan	County of Riverside	South Coast AQMD staff commented on 4/4/2019
	Comment Period: 3/26/2019 - 4/4/2019	Public Hearing: N/A		

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

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

Documents received by the CEOA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers RVC190404-13 Plot Plan No. 190006	The proposed project consists of construction of a 286,242-square-foot warehouse on 12.969 acres. The project is located on the northwest corner of Harvill Avenue and Cajalco Road in the community of Mead Valley. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190404-13.pdf	Site Plan	County of Riverside	South Coast AQMD staff commented on 4/4/2019
Warehouse & Distribution Centers RVC190409-01 Major Modification 17-05075 to Integra Perris Distribution Center Project	The proposed project consists of construction of 273,000 square feet of warehouse uses to be added to existing 864,000-square-foot warehouse on 10.2 acres. The project is located at 657 West Nance Street on the northeast corner of Webster Avenue and Markham Street. Reference RVC181218-03, RVC180328-01, RVC141209-09, RVC141202-06, RVC140808-04, RVC140604-03, and RVC140523-06	Final Environmental Impact Report	City of Perris	Document reviewed - No comments sent
Warehouse & Distribution Centers RVC190409-06 Plot Plan No. 180028	The proposed project consists of construction of three warehouses totaling 1,185,400 square feet on 72.5 acres. The project is located on the northwest corner of Cajalco Expressway and Harvill Avenue in the community of Mead Valley. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190409-06.pdf	Site Plan (received after close of comments)	County of Riverside	South Coast AQMD staff commented on 4/9/2019
Warehouse & Distribution Centers RVC190423-01 K4 and Cactus Channel Improvements Project	The proposed project consists of construction of a 718,000-square-foot warehouse and improvements to 7,900 linear feet of the Cactus Channel on 35.4 acres. The project is located on the southwest corner of Cactus Avenue and Frederick Street. Reference RVC181127-07	Notice of Availability of a Draft Environmental Impact Report	March Joint Powers Authority	Under review, may submit written comments
	Comment Period: 3/26/2019 - 4/4/2019	Public Hearing: N/A		
	Comment Period: N/A	Public Hearing: 4/17/2019		
	Comment Period: 4/2/2019 - 4/4/2019	Public Hearing: N/A		
	Comment Period: 4/18/2019 - 6/3/2019	Public Hearing: N/A		

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

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers SBC190402-10 Ashley Way Logistics Center	The proposed project consists of construction of a 220,185-square-foot warehouse on 11.19 acres. The project is located on the southeast corner of Cooley Drive and Ashley Way. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190402-10.pdf	Notice of Intent of a Mitigated Negative Declaration	City of Colton	South Coast AQMD staff commented on 4/10/2019
	Comment Period: 3/26/2019 - 4/15/2019	Public Hearing: 4/23/2019		
Warehouse & Distribution Centers SBC190409-10 Park Avenue and Alabama Street Warehouse	The proposed project consists of construction of a 149,000-square-foot warehouse on 7.7 acres. The project is located on the northwest corner of West Park Avenue and Alabama Street.	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Redlands	Document reviewed - No comments sent
	Comment Period: 4/5/2019 - 4/25/2019	Public Hearing: 5/14/2019		
Warehouse & Distribution Centers SBC190416-05 Merrill Commerce Center Specific Plan	The proposed project consists of construction of 7,014,000 square feet of warehouses and 1,441,000 square feet of business park on 376.3 acres. The project is located on the southwest corner of Eucalyptus Avenue and Carpenter Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/SBC190416-05.pdf	Notice of Preparation	City of Ontario	South Coast AQMD staff commented on 5/10/2019
	Comment Period: 4/12/2019 - 5/13/2019	Public Hearing: 4/22/2019		

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEOA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Airports LAC190404-01 Los Angeles International Airport (LAX) Airfield and Terminal Modernization Project	The proposed project consists of westerly extension of one taxiway, reconfiguration of runway exits, and removal of remote gates. The project will also include construction of an automated people mover station, a pedestrian bridge across Sepulveda Boulevard, a 11-gate concourse facility, and a 12-gate terminal. The project is located in the north and south airfields within the Los Angeles International Airport. The north airfield is located near the northeast corner of Pershing Drive and Sepulveda Boulevard. The south airfield is located at Taxiway C between Sepulveda Boulevard and Aviation Boulevard. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190404-01.pdf	Notice of Preparation	Los Angeles World Airports	South Coast AQMD staff commented on 5/1/2019
Airports ORC190409-16 John Wayne Airport General Aviation Improvement Program	The proposed project consists of demolition of 134,000 square feet of existing facilities and construction of 97,000 square feet of airport facilities on 504 acres. The project is located at 18601 Airport Way on the southwest corner of Main Street and MacArthur Boulevard within the City of Santa Ana. Reference ORC180920-06 and ORC170330-14	Final Environmental Impact Report	County of Orange	Document reviewed - No comments sent
Industrial and Commercial LAC190402-06 4051 South Alameda Street Project	This document includes additional cumulative environmental analysis for freeway facilities in response to the Los Angeles County Superior Court's ruling for the proposed project. The proposed project consists of construction of 480,120 square feet of industrial uses on 14 acres. The project is located on the southeast corner of Alameda Street and Martin Luther King Jr. Boulevard in the community of Southeast Los Angeles. Reference LAC161101-15 and LAC150122-09	Recirculated Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
Industrial and Commercial RVC190402-02 Palomino Business Park	The proposed project consists of demolition of existing residential units and industrial buildings, and construction of 1,900,000 square feet of industrial, commercial, and office uses on 103 acres. The project is located on the southeast corner of Second Street and Pacific Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190402-02.pdf	Notice of Preparation	City of Norco	South Coast AQMD staff commented on 4/16/2019

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial RVC190416-01 MA18239 (CUP18011)	The proposed project consists of construction of a 15,000-square-foot truck repair building on 3.8 acres. The project is located on the northeast corner of Rubidoux Boulevard and 28th Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190416-01.pdf	Site Plan	City of Jurupa Valley	South Coast AQMD staff commented on 5/1/2019
Waste and Water-related LAC190405-06 Modern Plating Company	The proposed project consists of development of remedial actions to clean up contaminated soil and soil vapor with tetrachloroethene and trichloroethylene on 51,400 square feet. The project is located at 5400 West 104th Street on the southeast corner of Aviation Boulevard and West 104th Street within the City of Los Angeles.	Corrective Measures Study	Department of Toxic Substances Control	Document reviewed - No comments sent
Waste and Water-related LAC190409-03 Phillips 66 Carson Refinery	The proposed project consists of renewal of a hazardous permit to continue post-closure monitoring and maintenance activities. The project is located at 1520 East Sepulveda Boulevard near the southeast corner of East Sepulveda Boulevard and South Wilmington Avenue within the City of Carson. Reference LAC171013-05	Permit Renewal	Department of Toxic Substances Control	Document reviewed - No comments sent
Waste and Water-related LAC190409-04 Phibro-Tech, Inc. - Class 2 Permit Modification	The proposed project consists of request to continue to operate Tank C-40 to treat, store, transfer, and recycle inorganic hazardous wastes. The project is located at 8851 Dice Road on the southwest corner of Dice Road and Burke Street within the City of Santa Fe Springs. Reference LAC180711-03 and LAC180220-07	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent
	Comment Period: 4/16/2019 - 5/3/2019	Public Hearing: N/A		
	Comment Period: 3/11/2019 - 4/15/2019	Public Hearing: N/A		
	Comment Period: 4/4/2019 - 5/22/2019	Public Hearing: N/A		
	Comment Period: N/A	Public Hearing: N/A		

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

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Waste and Water-related LAC190409-05 American Oil Company Waste Management Facility	The proposed project consists of denial of a standardized hazardous waste facility permit renewal application in accordance with the California Health and Safety Code Section 25186 (d) and California Code of Regulation, Title 22, Section 66270.43. The project is located at 13736-13740 Saticoy Street on the southwest corner of Saticoy Street and Woodman Avenue within the City of Los Angeles. Reference LAC160714-09	Permit Renewal	Department of Toxic Substances Control	Document reviewed - No comments sent
	Comment Period: 4/11/2019 - 5/27/2019 Public Hearing: N/A			
Waste and Water-related ORC190402-09 Removal of Vegetation by Goats at the Former Gothard Street Landfill	The proposed project consists of use of goats to remove vegetation on 11.5 acres. The project is located at 18131 Gothard Street on the northwest corner of Gothard Street and Ellis Avenue within the City of Huntington Beach.	Negative Declaration	Orange County Department of Waste and Recycling	Document reviewed - No comments sent
	Comment Period: 3/26/2019 - 4/25/2019 Public Hearing: N/A			
Waste and Water-related ORC190405-02 Safety-Kleen Systems, Inc.	The proposed project consists of renewal of a hazardous waste facility permit to collect, provide, and distribute parts cleaning equipment, solvents, and solutions. The project is located at 2120 South Yale Street near the northwest corner of South Yale Street and West Peddleton Avenue within the City of Santa Ana.	Draft Hazardous Waste Treatment and Storage Permit	Department of Toxic Substances Control	Document reviewed - No comments sent
	Comment Period: 4/5/2019 - 5/24/2019 Public Hearing: N/A			
Waste and Water-related ORC190409-15 Wells No. 12 and No. 14 and Pipeline Project	The proposed project consists of construction of two potable water wells and 4,500 liner feet of pipelines on 0.89 acres. The project is located at 4011 West Chandler Avenue and 3120 South Croddy Way on the northwest corner of West MacArthur Boulevard and South Harbor Boulevard within the City of Santa Ana. Reference ORC190221-03	Response to Comments	Mesa Water District	Document reviewed - No comments sent
	Comment Period: N/A Public Hearing: N/A			

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related ORC190423-04 Wells No. 12 and No. 14 and Pipeline Project	The proposed project consists of construction of two potable water wells and 4,500 liner feet of pipelines on 0.89 acres. The project is located at 4011 West Chandler Avenue and 3120 South Croddy Way on the northwest corner of West MacArthur Boulevard and South Harbor Boulevard within the City of Santa Ana. Reference ORC190409-15 and ORC190221-03	Notice of Determination	Mesa Water District	Document does not require comments
Waste and Water-related RVC190409-12 Diamond Regional Sewer Lift Station and Dual Force Mains	The proposed project consists of construction of 3,400 linear feet of pipelines of 16 inches and 24 inches in diameters. The project is located on the northwest corner of Diamond Drive and Malaga Road within the City of Lake Elsinore. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190409-12.pdf	Mitigated Negative Declaration	Elsinore Valley Municipal Water District	South Coast AQMD staff commented on 4/16/2019
Waste and Water-related RVC190416-06 San Jacinto Valley Raw Water Conveyance Facilities Project	The proposed project consists of construction of a 2.5-mile raw water conveyance pipeline of 60 inches in diameter on 1.4 acres. The project is located between the intersection of Warren Road and Esplanade Avenue within the City of San Jacinto and the intersection of Commonwealth Avenue and Kirby Street within the City of Hemet.	Mitigated Negative Declaration	Eastern Municipal Water District	Document reviewed - No comments sent
Waste and Water-related RVC190418-02 East Side Dike Improvement Project - Phase 1	The proposed project consists of construction of 3,420 linear feet of concrete slope lining of 27 to 34.5 feet in width. The project is located between Dune Palms Road and Talavera Road within the City of Indio.	Notice of Intent to Adopt a Mitigated Negative Declaration	Coachella Valley Water District	Document reviewed - No comments sent
	Comment Period: N/A	Public Hearing: N/A		
	Comment Period: 4/4/2019 - 5/6/2019	Public Hearing: 6/13/2019		
	Comment Period: 4/12/2019 - 5/13/2019	Public Hearing: 6/19/2019		
	Comment Period: 4/18/2019 - 5/17/2019	Public Hearing: N/A		

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Transportation RVC190405-01 State Route 74 Widen Lanes, Add Shoulders, and Rumble Strips Project	The proposed project consists of widening of existing lanes to 12 feet and outside shoulders to four feet, and construction of a median of two feet in width and shoulder ground-in rumble strips of one feet in width on a six-mile segment of State Route 74 from the Orange County Line [Post Mile (PM) 0.0] to Monte Vista Street (PM 5.8) near the City of Lake Elsinore in Riverside County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190405-01.pdf	Mitigated Negative Declaration	California Department of Transportation	South Coast AQMD staff commented on 4/23/2019
Institutional (schools, government, etc.) LAC190402-04 LACMA Building for the Permanent Collection	The proposed project consists of demolition of five museum facilities totaling 392,871 square feet and construction of a 387,500-square-foot building on 2.5 acres. The project is located on the southeast corner of Wilshire Boulevard and Spaulding Avenue in the community of Wilshire. Reference LAC171026-03 and LAC160804-06 Comment Period: N/A	Final Environmental Impact Report	County of Los Angeles	Document reviewed - No comments sent
Institutional (schools, government, etc.) LAC190402-11 Ascot Avenue Elementary School Comprehensive Modernization Project	The proposed project consists of demolition of 59,836 square feet of buildings and construction of 63,773 square feet of classrooms and administrative buildings on 5.3 acres. The project is located at 1447 East 45th Street on the southwest corner of East Vernon Street and Compton Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190402-11.pdf	Notice of Intent to Adopt a Mitigated Negative Declaration	Los Angeles Unified School District	South Coast AQMD staff commented on 4/23/2019
Institutional (schools, government, etc.) LAC190409-13 92nd Street Elementary School Comprehensive Modernization	The proposed project consists of demolition of two existing classroom buildings, removal of six portable classrooms, and construction of two buildings with 17 classrooms on a three-acre portion of six acres. The project is located at 9211 Grape Street on the southwest corner of 92nd Street and Grape Street in the community of Watts. Comment Period: 4/10/2019 - 5/10/2019	Negative Declaration	Los Angeles Unified School District	Document reviewed - No comments sent

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Institutional (schools, government, etc.) LAC190409-14 Long-Range Development Plan Mt. San Antonio College 2018 Educational and Facilities Master Plan	The proposed project consists of demolition of 33 temporary buildings totaling 207,805 square feet, and construction of 13 buildings totaling 752,000 square feet on 418.44 acres. The project is located on the southeast corner of North Grand Avenue and Mountaineer Road within the City of Walnut. Reference LAC180905-05	Draft Environmental Impact Report	Mt. San Antonio College District	Under review, may submit written comments
	Comment Period: 4/8/2019 - 5/22/2019 Public Hearing: 6/5/2019			
Institutional (schools, government, etc.) ORC190409-08 Chapman University Campus Expansion Project	The proposed project consists of construction of a parking lot with 540 spaces and conversion of an office building to institutional uses to accommodate enrollment increases from 500 to 906 students and 125 to 227 staff members on 11.93 acres. The project is located at 9701 and 9750 Jeronimo Road on the southeast corner of Jeronimo Road and Alton Parkway.	Mitigated Negative Declaration	City of Irvine	Document reviewed - No comments sent
	Comment Period: 4/4/2019 - 5/6/2019 Public Hearing: N/A			
Institutional (schools, government, etc.) RVC190402-12 Casa Blanca Elementary School	The proposed project consists of construction of three academic buildings totaling 100,500 square feet and 240,870 square feet of recreational uses on 9.8 acres. The project is located at 7351 Lincoln Avenue on the northeast corner of Bunker Street and Lincoln Avenue within the City of Riverside. Reference RVC181031-02 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190402-12.pdf	Notice of Availability of a Draft Focused Environmental Impact Report	Riverside Unified School District	South Coast AQMD staff commented on 4/23/2019
	Comment Period: 3/27/2019 - 4/25/2019 Public Hearing: 5/7/2019			
Institutional (schools, government, etc.) RVC190404-10 Desert Hot Springs High School Career Tech Building	The proposed project consists of construction of a 13,630-square-foot building on one acre. The project is located at 65850 Pierson Boulevard on the southwest corner of 5th Street and Cholla Drive within the City of Desert Hot Springs.	Mitigated Negative Declaration	Palm Springs Unified School District	Document reviewed - No comments sent
	Comment Period: 4/2/2019 - 5/1/2019 Public Hearing: 5/28/2019			

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Medical Facility LAC190412-02 Queen of the Valley Hospital Specific Plan	The proposed project consists of demolition of 20,000 square feet of existing buildings and construction of 505,180 square feet of medical facilities on 28.8 acres. The project is located at 1115 and 1135 South Sunset Avenue on the southwest corner of Sunset Avenue and Merced Avenue. Reference LAC181030-15	Draft Environmental Impact Report	City of West Covina	Under review, may submit written comments
	Comment Period: 4/11/2019 - 5/28/2019	Public Hearing: N/A		
Retail LAC190402-13 Citadel Outlets Expansion & 10-acre Development Project	The proposed project consists of construction of 234,941 square feet of retail buildings, 279,000 square feet of commercial buildings, three hotels with 770 rooms, and a 55,000-square-foot warehouse on 36 acres. The project is located on the southeast corner of Telegraph Road and Hoefner Avenue. Reference LAC181204-06	Draft Environmental Impact Report	City of Commerce	South Coast AQMD staff commented on 5/10/2019
	http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190402-13.pdf	Comment Period: 3/27/2019 - 5/10/2019	Public Hearing: N/A	
Retail RVC190404-07 San Jacinto Retail Center	The proposed project consists of construction of a 2,956-square-foot convenience store, a 3,096-square-foot canopy, a gasoline service station with 12 pumps, a 7,869-square-foot automotive repair building, and a 2,934-square-foot restaurant on 2.2 acres. The project is located on the northwest corner of State Street and Cottonwood Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190404-07.pdf	Notice of Intent to Adopt a Mitigated Negative Declaration	City of San Jacinto	South Coast AQMD staff commented on 4/9/2019
	Comment Period: 3/29/2019 - 4/23/2019	Public Hearing: 4/23/2019		
Retail RVC190404-09 Colony 29, Case No. 5.1426-CUP	The proposed project consists of a conditional use permit to convert an existing building from vacation property to a seven-room hotel on 3.88 acres. The project is located on the northeast corner of South Tahquitz Drive and West Arenas Road.	Negative Declaration	City of Palm Springs	Document reviewed - No comments sent
	Comment Period: 4/1/2019 - 4/20/2019	Public Hearing: N/A		

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS	
Retail RVC190412-04 San Jacinto Retail Center	The proposed project consists of construction of a 2,956-square-foot convenience store, a 3,096-square-foot canopy, a gasoline service station with 12 pumps, a 7,869-square-foot automotive repair building, and a 2,934-square-foot restaurant on 2.2 acres. The project is located on the northwest corner of State Street and Cottonwood Avenue. Reference RVC190404-07	Response to Comments	City of San Jacinto	Document reviewed - No comments sent	
Retail RVC190417-01 Go Fresh Gas Station (PR 09-010)	Comment Period: N/A The proposed project consists of construction of a 4,250-square-foot convenience store, a 2,241-square-foot car wash, a 4,572-square-foot fuel canopy, and a gasoline service station with 16 pumps on four acres. The project is located on the northwest corner of Sanderson Avenue and Devonshire Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190417-01.pdf	Public Hearing: 4/23/2019	Site Plan	City of Hemet	South Coast AQMD staff commented on 5/1/2019
Retail SBC190402-07 Reche Canyon Plaza	Comment Period: 4/16/2019 - 5/2/2019 The proposed project consists of construction of 36,894 square feet of commercial and retail uses and a gasoline service station with six fueling pumps on 2.9 acres. The project is located at 2621 Reche Canyon Plaza on the northwest corner of Reche Canyon Road and Westwood Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190402-07.pdf	Public Hearing: N/A	Notice of Preparation	City of Colton	South Coast AQMD staff commented on 4/16/2019

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General Land Use (residential, etc.) LAC190402-03 777 North Front Street Project	<p>The proposed project consists of construction of 572 residential units, 1,067 square feet of retail uses, a hotel with 317 rooms, and subterranean parking on eight acres. The project is located on the northeast corner of North Front Street and West Magnolia Boulevard.</p> <p>Reference LAC180406-02</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190402-03.pdf</p> <p>Comment Period: 3/22/2019 - 5/6/2019 Public Hearing: 4/22/2019</p>	Notice of Availability of a Draft Environmental Impact Report	City of Burbank	South Coast AQMD staff commented on 5/3/2019
General Land Use (residential, etc.) LAC190402-15 Times Mirror Square (ENV-2016-4676-EIR)	<p>The proposed project consists of demolition of a 183,758-square-foot building and parking garage, and construction of two buildings totaling 1,135,803 square feet with 1,127 residential units on 3.6 acres. The project is located on the northwest corner of West 1st Street and South Spring Street in the community of Central City.</p> <p>Reference LAC170705-12</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190402-15.pdf</p> <p>Comment Period: 3/28/2019 - 5/20/2019 Public Hearing: N/A</p>	Draft Environmental Impact Report	City of Los Angeles	South Coast AQMD staff commented on 5/16/2019
General Land Use (residential, etc.) LAC190402-16 Rancho Cienega Celes King III Pool Demolition Project	<p>The proposed project consists of demolition of existing building, and construction of community playground with installation of utilities, playground, and shade structures on 0.4 acres. The project is located at 5001 Rodeo Road on the northeast corner of Rodeo Road and West Martin Luther King Jr. Boulevard in the community of West Adams-Baldwin Hills-Leimert.</p> <p>Reference LAC180620-01</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190402-16.pdf</p> <p>Comment Period: 3/28/2019 - 5/13/2019 Public Hearing: 4/11/2019</p>	Draft Environmental Impact Report	City of Los Angeles	South Coast AQMD staff commented on 5/10/2019

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General Land Use (residential, etc.) LAC190404-02 Angels Landing Project (ENV-2018-3272-EIR)	The proposed project consists of construction of two buildings totaling 1,269,186 square feet with 441 residential units, a hotel with 509 rooms, and commercial uses on 2.24 acres. The project will also include 56,881 square feet of open space. The project is located at 361 South Hill Street on the northwest corner of Hill Street and 4th Street in the community of Central City. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190404-02.pdf	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 4/16/2019
General Land Use (residential, etc.) LAC190404-05 Compton Hub City Specific Plan	The proposed project consists of construction of one million square feet of buildings with 4,800 residential units, 74,348 square feet of retail uses, and 76,426 square feet of office uses on 1.19 square miles. The project is located near the southeast corner of Bennet Street and South Wilmington Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190404-05.pdf	Notice of Preparation	City of Compton	South Coast AQMD staff commented on 4/16/2019
General Land Use (residential, etc.) LAC190404-08 2110 Bay Street Mixed-Used Project	The proposed project consists of construction of 110 dwelling units, 111,350 square feet of office uses, and 50,848 square feet of commercial uses on 1.78 acres. The project is located on the southeast corner of Santa Fe Avenue and Bay Street in the community of Central City North. Reference LAC181109-02 and LAC170308-01 Comment Period: N/A	Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent

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PROJECT TITLE				
General Land Use (residential, etc.) LAC190404-11 North Business Park Specific Plan	The proposed project consists of construction of 1,017 residential units and 1,631,392 square feet of retail, commercial, business park, and office uses on 128.63 acres. The project is located on the northwest corner of Lindero Canyon Road and Highway 101. Reference LAC180530-01 https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190404-11.pdf	Draft Environmental Impact Report	City of Westlake Village	South Coast AQMD staff commented on 5/15/2019
	Comment Period: 3/29/2019 - 5/15/2019	Public Hearing: N/A		
General Land Use (residential, etc.) LAC190405-03 Olympic and Hill Project	The proposed project consists of demolition of existing parking structure and construction of a 657,943-square-foot building with 700 residential units and subterranean parking. The project is located on the southwest corner of West Olympic Boulevard and Blackstone Court in the community of Central City. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190405-03.pdf	Notice of Availability of Sustainable Communities Environmental Assessment	City of Los Angeles	South Coast AQMD staff commented on 5/1/2019
	Comment Period: 4/4/2019 - 5/6/2019	Public Hearing: N/A		
General Land Use (residential, etc.) LAC190409-09 Promenade 2035 (ENV-2016-3909-EIR)	The proposed project consists of demolition of 641,164 square feet of existing buildings, and construction of 1,432 residential units, 244,000 square feet of retail and restaurant uses, 629,000 square feet of office uses, two hotels with 572 rooms, a 320,050-square-foot entertainment center with 15,000 seats, and 5.6 acres of open space on 34 acres. The project is located at the southeast corner of Topanga Canyon Boulevard and Erwin Street in the community of Canoga Park-Winnetka-Woodland Hills-West Hills. Reference LAC180426-05, LAC180426-05, and LAC161109-01	Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
	Comment Period: N/A	Public Hearing: 4/30/2019		

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PROJECT TITLE				
General Land Use (residential, etc.) LAC190409-11 The Terraces at Walnut	The proposed project consists of subdivision of 49 acres for future development of 290 residential units. The project is located on the northeast corner of Valley Road and North Grand Avenue. Reference LAC190321-02 and LAC180130-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190409-11.pdf	Site Plan	City of Walnut	South Coast AQMD staff commented on 4/9/2019
General Land Use (residential, etc.) LAC190410-01 ENV-2017-2051: 1525 W. Colorado Blvd.	The proposed project consists of demolition of a 2,254-square-foot automobile repair building, and construction of six residential units and 1,016 square feet of commercial uses on 9,461.4 square feet. The project is located on the northwest corner of Loleta Avenue and Colorado Boulevard in the community of Northeast Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190410-01.pdf	Mitigated Negative Declaration	City of Los Angeles	South Coast AQMD staff commented on 5/1/2019
General Land Use (residential, etc.) LAC190416-03 The Morrison Project (ENV-2018-2294-EIR)	The proposed project consists of demolition of 32,550 square feet of buildings, and construction of a 273,106-square-foot building with 135 residential units, a 450-room hotel, and subterranean parking on 1.29 acres. The project is located at 1220-1246 South Hope Street on the southeast corner of South Hope Street and West 12th Street in the community of Central City. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190416-03.pdf	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 5/1/2019

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General Land Use (residential, etc.) LAC190418-04 Modera Argyle (ENV-2016-3743-EIR)	The proposed project consists of demolition of 61,816 square feet of commercial buildings, and construction of a 237,159-square-foot building with 276 residential units, up to 27,000 square feet of retail uses, and subterranean parking on 1.1 acres. The project is located at 1546 North Argyle Avenue and 6224 West Selma Avenue on the southeast corner of Selma Avenue and Argyle Avenue in the community of Hollywood. Reference LAC170818-04	Draft Environmental Impact Report	City of Los Angeles	Under review, may submit written comments
	Comment Period: 4/18/2019 - 6/3/2019 Public Hearing: N/A			
General Land Use (residential, etc.) ORC190418-01 Ford Road Residential Project (PA 017-228)	The proposed project consists of construction of 21 residential units totaling 38,325 square feet and subterranean parking on 2.805 acres. The project is located on the southeast corner of Bonita Canyon Drive and MacArthur Boulevard.	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Newport Beach	Document reviewed - No comments sent
	Comment Period: 4/17/2019 - 5/6/2019 Public Hearing: 4/18/2019			
General Land Use (residential, etc.) ORC190418-03 Mission Foothills Residential Project	The proposed project consists of demolition of a 99,500-square-foot commercial building and construction of 105 residential units on 6.8 acres. The project is located at 28731-28841 Los Alisos Boulevard on the southwest corner of State Route 241 and Los Alisos Boulevard.	Mitigated Negative Declaration	City of Mission Viejo	Document reviewed - No comments sent
	Comment Period: 4/18/2019 - 5/7/2019 Public Hearing: 5/13/2019			
General Land Use (residential, etc.) RVC190404-06 Single Family Subdivision - TTM-37495	The proposed project consists of construction of 42 residential units on 11.5 acres. The project is located on the northeast corner of Black Cherry Street and 7th Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190404-06.pdf	Notice of Intent to Adopt a Mitigated Negative Declaration	City of San Jacinto	South Coast AQMD staff commented on 4/9/2019
	Comment Period: 3/29/2019 - 4/17/2019 Public Hearing: 4/23/2019			

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April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) RVC190423-03 Rancho Diamante Phase II Specific Plan Amendment SPA 15-001, General Plan Amendment (GPA 15-002), and Tentative Tract Map No. 36841	The proposed project consists of construction of 586 residential units and 19.6 acres of commercial uses on 245.07 acres. The project will also include 64.89 acres of parks and open space. The project is located on the southeast corner of Second San Diego Aqueduct and Burlington Northern Santa Fe railroad tracks. Reference RVC160804-04 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190423-03.pdf	Recirculated Notice of Preparation	City of Hemet	South Coast AQMD staff commented on 5/14/2019
General Land Use (residential, etc.) SBC190423-06 Belloro Residential Project	The proposed project consists of construction of 56 residential units totaling 203,563 square feet on 4.54 acres. The project is located on the southeast corner of Bonnie View Drive and Willow Avenue. Comment Period: 4/24/2019 - 5/13/2019 Public Hearing: 5/29/2019	Mitigated Negative Declaration	City of Rialto	Document reviewed - No comments sent
Plans and Regulations LAC190404-03 Southwest Valley Community Plans Update	The proposed project consists of adoption of changes to community plan boundaries, land use designations, zoning, and ordinances, and development of land use policies to accommodate and promote future growth in urbanized and transit-oriented areas in seven community plan areas that include: 1) Reseda-West Van Nuys, 2) Van Nuys-North Sherman Oaks, 3) Mission Hills-Panorama City-North Hills, 4) Northridge, 5) Chatsworth-Porter Ranch, 6) Canoga Park-Winnetka-Woodland Hills-West Hills, and 7) Encino-Tarzana. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190404-03.pdf	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 5/1/2019
	Comment Period: 3/28/2019 - 5/3/2019 Public Hearing: 4/8/2019			

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Plans and Regulations LAC190416-04 Monterey Park Focused General Plan Update and Title 21 Amendments	The proposed project consists of updates to the General Plan land use element to remove growth control zoning and create land use policies to attract economic and housing development with a horizon year of 2040. The project encompasses 4,270 acres and is bounded by Interstate 10 to the north, City of Rosemead to the east, State Route 60 to the south, and Interstate 710 to the west. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190416-04.pdf	Notice of Preparation	City of Monterey Park	South Coast AQMD staff commented on 5/1/2019
	Comment Period: 4/12/2019 - 5/13/2019	Public Hearing: 5/7/2019		
Plans and Regulations RVC190404-04 Northside Specific Plan	The proposed project consists of development of land use policies, development standards, and design guidelines for 1,700 acres. The project is located near the northeast corner of Santa Ana River and State Route 60 within the City of Riverside, City of Colton, and unincorporated areas of Riverside County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190404-04.pdf	Notice of Preparation	City of Riverside	South Coast AQMD staff commented on 4/16/2019
	Comment Period: 3/29/2019 - 4/29/2019	Public Hearing: 4/17/2019		
Plans and Regulations RVC190418-05 Winchester Community Plan (GPA No. 1207)	The proposed project consists of development of land use designations, community design guidelines, and zoning consistency program to identify and guide future land use growth opportunities in residential, commercial, mixed use, industrial, agricultural, and open space uses on 23,153 acres. The project is bounded by Stetson Road and Double Butt to the north, Diamond Valley Lake and City of Hemet to the east, Scott Road to the south, and Briggs Road to the west in the unincorporated areas of Riverside County between the cities of Menifee and Hemet. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190418-05.pdf	Notice of Preparation	County of Riverside	South Coast AQMD staff commented on 5/14/2019
	Comment Period: 4/18/2019 - 5/20/2019	Public Hearing: 4/30/2019		

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

Documents received by the CEOA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
April 1, 2019 to April 30, 2019

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations RVC190423-02 Etiwanda Avenue/Country Village Road Truck Restriction Ordinance	The proposed project consists of adoption of City ordinance to prohibit medium-heavy-duty trucks and heavy-heavy-duty trucks with gross vehicle weight rating over 16,000 pounds from accessing Etiwanda Avenue between State Route (SR) 60 and Hopkins Street and Country Village Road between SR-60 and Philadelphia Avenue. Reference RVC180208-07	Draft Environmental Impact Report	City of Jurupa Valley	Under review, may submit written comments
Plans and Regulations SBC190402-05 Chino Annexation Area Project (Francis Crossing)	Comment Period: 4/19/2019 - 6/3/2019 The proposed project consists of annexation of 4.4 acres form County of San Bernardino to the City of Chino. The project is located on the northwest corner of Francis Avenue and Telephone Avenue.	Public Hearing: N/A Notice of Intent of a Mitigated Negative Declaration	City of Chino	Document reviewed - No comments sent

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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

**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.

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> LAC190313-03 Walnut Ranch Park Expansion Project	The proposed project consists of construction of an aquatics center with four buildings totaling 21,000 square feet on 11.3 acres. The project is located at 20101 Amar Road on the northwest corner of Amar Road and Alta Sierra Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190313-03.pdf Comment Period: 3/11/2019 - 4/10/2019 Public Hearing: 3/19/2019	Notice of Preparation	City of Walnut	South Coast AQMD staff commented on 4/2/2019
<i>Industrial and Commercial</i> LAC190315-01 ENV-2017-4825: 15650 W. Sherman Way	The proposed project consists of demolition of existing automobile repair building and construction of a 1,080-square-foot car wash and 500-square-foot food kiosk on 25,298 square feet. The project is located on the southeast corner of Sherman Way and Haskell Avenue in the community of Van Nuys-North Sherman Oaks. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190315-01.pdf Comment Period: 3/14/2019 - 4/3/2019 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	South Coast AQMD staff commented on 4/2/2019
<i>Industrial and Commercial</i> LAC190321-06 The Park at Live Oak Specific Plan	The proposed project consists of construction of 1,550,000 square feet of industrial and commercial uses on 78.3 acres. The project is located on the northeast corner of Arrow Highway and Live Oak Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190321-06.pdf Comment Period: 3/18/2019 - 5/15/2019 Public Hearing: 4/22/2019	Draft Environmental Impact Report	City of Irwindale	South Coast AQMD staff commented on 5/15/2019
<i>Industrial and Commercial</i> RVC190322-03 Surface Mining Permit No. 162, Revised Permit No. 6	The proposed project consists of inclusion of five parcels totaling 39.59 acres to expand from 426.68 acres to 466.27 acres with annual production rate of up to 4.5 million tons of material. The project is located at 13990 Apache Trail south of Interstate 10 between Apache Trail and Fields Road in the community of Cabazon. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190322-03.pdf Comment Period: 3/18/2019 - 4/4/2019 Public Hearing: N/A	Site Plan	County of Riverside	South Coast AQMD staff commented on 4/2/2019

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

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> SBC190307-03 Chino Parcel Delivery Facility Project	The proposed project consists of construction of a 476,285-square-foot warehouse and four ancillary structures totaling 26,893 square feet on 74.4 acres. The project will also include a diesel fueling island with six stations. The project is located on the southwest corner of Merrill Avenue and Flight Avenue. Reference SBC170926-02 and SBC161222-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190307-03.pdf Comment Period: 2/23/2019 - 4/9/2019 Public Hearing: N/A	Draft Environmental Impact Report	City of Chino	South Coast AQMD staff commented on 4/4/2019
<i>Waste and Water-related</i> LAC190320-02 Biogas Renewable Generation Project	The proposed project consists of construction of a 12-megawatt power generation facility that will use landfill gas as fuel to generate renewable energy, a one-mile natural gas pipeline, a one-mile water pipeline, and two water tanks of 70,000 gallons on a 2.2-acre portion of 95 acres within the 535-acre Scholl Canyon Landfill. The project is located at 3001 Scholl Canyon Road on the northwest corner of North Figueroa Street and Scholl Canyon Road. Reference LAC180309-01, LAC170927-01, and LAC170912-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190320-02.pdf Comment Period: 3/21/2019 - 4/21/2019 Public Hearing: 4/4/2019	Notice of Preparation	City of Glendale	South Coast AQMD staff commented on 4/19/2019
<i>Waste and Water-related</i> LAC190321-01 San Pedro Boat Works	The proposed project consists of development of removal actions to clean up, remove, and dispose contaminated soil with metals, total petroleum hydrocarbons, polynuclear aromatic hydrocarbons, and polychlorinated biphenyls on 3.07 acres. The project is located at Berth 44 on the southwest end of Miners Street within the Port of Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190321-01.pdf Comment Period: 3/18/2019 - 4/17/2019 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	South Coast AQMD staff commented on 4/16/2019
<i>Waste and Water-related</i> ORC190321-03 East Garden Grove-Wintersburg Channel, Warner to 1,250 Feet Downstream of Goldenwest Street Sheet Pile Project	The proposed project consists of improvements to increase flood conveyance capacity of the channel and reduce erosion. The project is located on existing right-of-way between Warner Avenue and Goldenwest Street within the City of Huntington Beach. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/ORC190321-03.pdf Comment Period: 3/18/2019 - 4/16/2019 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	County of Orange	South Coast AQMD staff commented on 4/16/2019

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

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Utilities RVC190308-02 IP Athos Renewable Energy Project	The proposed project consists of construction of solar photovoltaic (PV) electrical generating and storage facility and a 11-mile 220 kilovolts (kV) generation tie transmission line on 3,400 acres. The project is located near the northeast corner of Interstate 10 and Rice Road in the community of Desert Center. Reference RVC180516-04 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190308-02.pdf Comment Period: 3/9/2019 - 4/24/2019 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	County of Riverside	South Coast AQMD staff commented on 4/18/2019
Institutional (schools, government, etc.) LAC190313-06 California Highway Patrol Santa Fe Springs Area Office Replacement Project	The proposed project consists of construction of four buildings totaling 45,500 square feet, a 3,500-square-foot fuel canopy, and a 12,000-gallon aboveground fuel storage tank with two dispensers on six acres. The project is located on the northwest corner of South Circle and Bloomfield Avenue within the City of Norwalk. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190313-06.pdf Comment Period: 3/8/2019 - 4/8/2019 Public Hearing: 3/19/2019	Notice of Preparation	California Highway Patrol	South Coast AQMD staff commented on 4/2/2019
Institutional (schools, government, etc.) LAC190314-05 McKinley Avenue Elementary School Comprehensive Modernization Project	The proposed project consists of demolition of 56,000 square feet of existing structures, construction of 72,478 square feet of new structures, and renovation of 1,850 square feet of existing structures on 4.2 acres. The project is located at 7812 McKinley Avenue on the northeast corner of East 79th Street and McKinley Avenue in the community of Southeast Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190314-05.pdf Comment Period: 3/13/2019 - 4/11/2019 Public Hearing: 3/28/2019	Notice of Intent to Adopt a Mitigated Negative Declaration	Los Angeles Unified School District	South Coast AQMD staff commented on 4/2/2019
Institutional (schools, government, etc.) RVC190305-02 North District Development Plan	The proposed project consists of construction of student housing facilities with a total of 5,200 beds on 51 acres. The project is located at 900 University Avenue near the southwest corner of Aberdeen Drive and North Campus Drive in the City of Riverside. Reference RVC190102-07 and RVC180621-05 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190305-02.pdf Comment Period: 2/25/2019 - 4/15/2019 Public Hearing: 4/4/2019	Notice of Availability of a Revised Draft Environmental Impact Report	Regents of the University of California	South Coast AQMD staff commented on 4/9/2019

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

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

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

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) LAC190321-05 Duarte Station Specific Plan Amendment Project	The proposed project consists of construction of 1,400 residential units, 12,500 square feet of retail uses, and 100,000 square feet of office uses on 19.09 acres. The project is located on the northwest corner of Highland Avenue and Duarte Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190321-05.pdf Comment Period: 3/18/2019 - 4/16/2019 Public Hearing: 3/26/2019	Notice of Preparation	City of Duarte	South Coast AQMD staff commented on 4/9/2019
General Land Use (residential, etc.) ORC190322-11 Tina-Pacific Neighborhood Development Plan Project	The proposed project consists of construction of 161 residential units and a 2,300-square-foot preschool on 10.27 acres. The project will also include 134,208 square feet of open space. The project is located on the southwest corner of Tina Way and Magnolia Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/ORC190322-11.pdf Comment Period: 3/22/2019 - 4/22/2019 Public Hearing: 4/1/2019	Notice of Preparation	City of Stanton	South Coast AQMD staff commented on 4/16/2019
General Land Use (residential, etc.) RVC190321-04 Nichols Ranch Specific Plan (Planning Application No. 2017-29 and Specific Plan No. 2018-01)	The proposed project consists of construction of 168 residential units, a hotel with 130 rooms, 49,000 square feet of restaurants, 12,400 square feet of retail uses, 43,000 square feet of office uses, 8.3 acres of recreational uses, 5.5 acres of drainage basin, 5.3 acres of roadways, 1.3 acres of open space, and a gasoline service station with 16 fueling pumps on 72.5 acres. The project is located on the southwest corner of Nichols Road and El Toro Road. Reference RVC180525-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/RVC190321-04.pdf Comment Period: 3/19/2019 - 5/3/2019 Public Hearing: 5/21/2019	Draft Environmental Impact Report	City of Lake Elsinore	South Coast AQMD staff commented on 5/2/2019
General Land Use (residential, etc.) RVC190322-08 Change of Zone No. 7949, General Plan Amendment No. 1224, Tentative Tract Map No. 37154	The proposed project consists of subdivision of 34 acres for future construction of 18 residential units. The project is located on the southwest corner of Santiago Canyon Road and Mayhew Canyon Road in the community of Temescal Canyon. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190322-08.pdf Comment Period: 3/12/2019 - 4/11/2019 Public Hearing: N/A	Site Plan	County of Riverside	South Coast AQMD staff commented on 4/2/2019

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

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations LAC190313-04 Los Cerritos Wetlands Restoration Plan	The proposed project consists of development of a program to restore wetland, transitional, and upland habitats on 503 acres. The project is located in the East Long Beach and North Seal Beach area along the border of Los Angeles County and Orange County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190313-04.pdf Comment Period: 3/8/2019 - 4/8/2019	Notice of Preparation	Los Cerritos Wetlands Authority	South Coast AQMD staff commented on 4/2/2019

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

ATTACHMENT C
ACTIVE SOUTH COAST AQMD LEAD AGENCY PROJECTS
THROUGH APRIL 30, 2019

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal, state and South Coast AQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the South Coast AQMD had used an inappropriate baseline and directed the South Coast AQMD 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 (EIR)	The Notice of Preparation/Initial Study (NOP/IS) was circulated for a 30-day public comment period on March 26, 2012 to April 26, 2012. The consultant submitted the administrative Draft EIR to South Coast AQMD in late July 2013. The Draft EIR was circulated for a 45-day public review and comment period from September 30, 2014 to November 13, 2014. Two comment letters were received and the consultant has prepared responses to comments. South Coast AQMD staff has reviewed the responses to comments and provided edits.	Environmental Audit, Inc.
Quemetco is proposing to modify existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke, and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.	Quemetco	Environmental Impact Report (EIR)	A Notice of Preparation/Initial Study (NOP/IS) was released for a 56-day public review and comment period from August 31, 2018 to October 25, 2018, and 154 comment letters were received. Two CEQA scoping meetings were held on September 13, 2018 and October 11, 2018 in the community. South Coast AQMD staff is reviewing the comments received.	Trinity Consultants

ATTACHMENT C
ACTIVE SOUTH COAST AQMD LEAD AGENCY PROJECTS
THROUGH APRIL 30, 2019

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Southern California Edison (SCE) is proposing to modify the air pollution control system for the Mira Loma Peaker unit to repair current and prevent future water damage by: 1) decreasing the water-injection rate into the turbine's combustor; 2) replacing the oxidation catalyst and increasing the overall area of catalyst beds in the Selective Catalytic Reduction (SCR) unit; 3) replacing the ammonia injection grid to improve the deliverability of ammonia to the catalyst; and, 4) increasing the concentration of the aqueous ammonia that is delivered to the facility, stored on-site, and injected into the SCR unit from 19% to 29%. In addition, SCE is proposing to revise its South Coast AQMD Title V Operating Permit to allow the turbine to generate power over its full operating range, from less than one megawatt (MW) to full load (e.g., 45 MW net), while continuing to meet the emission limits in the current permit.	Southern California Edison	Addendum to the April 2007 Final Mitigated Negative Declaration for the Southern California Edison Mira Loma Peaker Project in Ontario	South Coast AQMD staff provided revisions to the Draft Addendum for the consultant to incorporate, and the consultant has submitted a revised Draft Addendum, which is undergoing South Coast AQMD staff review.	Yorke Engineering, LLC
Tesoro is proposing to revise the project originally analyzed in the Final Environmental Impact Report for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC) to adjust the construction schedule and to modify its Title V permit to: 1) relocate the propane recovery component of the original project from the Carson Operations Naphtha Isomerization Unit to the Carson Operations C3 Splitter Unit; 2) increase the throughput of the Carson Operations Tank 35; and, 3) update the toxic air contaminant speciation for the six crude oil storage tanks at the Carson crude terminal with additional data.	Tesoro Refining & Marketing Company, LLC (Tesoro)	Addendum to the Final Environmental Impact Report for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)	The consultant provided a Draft Addendum. South Coast AQMD staff provided revisions for the consultant to incorporate.	Environmental Audit, Inc.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 18

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2019.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file.

Wayne Nastri
Executive Officer

PMF:SN:AK

2019 MASTER CALENDAR

The 2019 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for the 2016 AQMP, Toxics, AB 617, BARCT, or Other. Projected emission reductions will be determined during rulemaking. The following symbols next to the rule number indicates if the rulemaking will be a potentially significant hearing, reduce criteria pollutants, or part of the RECLAIM transition.

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
July		
301	<p>Permitting and Associated Fees Proposed Amended Rule 301 will add a requirement that facilities submitting annual emissions reports must include a certification that the information contained in the report is accurate to the best knowledge of the individual submitting the report. <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	Other
Reg. IX Reg. X	<p>Standards of Performance for New Stationary Sources (NSPS) National Emission Standards for Hazardous Air Pollutants (NESHAPS) Proposed amendments to Regulations IX and X are periodically made to incorporate by reference new or amended federal standards that have been enacted by U.S. EPA for stationary sources. Regulations IX and X provide stationary sources with a single point of reference for determining which federal and local requirements apply to their specific operations. <i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
2001# <i>(Previously listed as Regulation XX)</i>	<p>Applicability (RECLAIM) Proposed Amended Rule 2001 will remove the opt-out provision so that facilities cannot exit RECLAIM. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
September		
1110.2*+ [#]	<p>Emissions from Stationary Internal Combustion Engines Rule 1110.2 will update the NOx emission standard to reflect Best Available Retrofit Control Technology for RECLAIM and non-RECLAIM facilities. Proposed Rule 1110.2 will also establish an ammonia emission limit for pollution controls with ammonia emissions, and update monitoring, reporting, and recordkeeping requirements.</p>	AQMP/ AB 617 BARCT
1100	<p>Implementation Schedule for NOx Facilities Proposed Rule 1100 will establish the implementation schedule for NOx RECLAIM facilities that are transitioning to command-and-control. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
September (Continued)		
1147*+ [#] 1147.1 1100	<p>NOx Reductions from Miscellaneous Sources NOx Reductions from Large Miscellaneous Combustion Proposed Rule 1147.1 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for large miscellaneous combustion sources and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.1 and evaluate the existing NOx emission limits.</p> <p>Implementation Schedule for NOx Facilities Proposed Rule 1100 will establish the implementation schedule for NOx RECLAIM facilities that are transitioning to command-and-control. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other/ AB 617 BARCT
1407*	<p>Control of Emissions of Arsenic, Cadmium and Nickel from Non-Ferrous Metal Operations Proposed Amended Rule 1407 will establish additional requirements to minimize point source and fugitive toxic air contaminant emissions from non-chromium metal melting operations.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1480*	<p>Toxics Monitoring Proposed Rule 1480 will establish requirements for ambient monitoring of certain metal toxic air contaminants. The proposed rule will establish applicability, on-ramps and off-ramps for ambient monitoring, and provisions to address high ambient levels.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
October		
218*# 218.1	<p>Continuous Emission Monitoring Continuous Emission Monitoring Performance Specifications Proposed Amended Rule 218 will revise provisions for continuous emission monitoring systems for facilities exiting RECLAIM and transitioning to a command-and-control regulatory structure.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
461	<p>Gasoline Transfer and Dispensing Proposed Amendments to Rule 461 will reflect information from CARB, corrections, revisions and additions to improve the effectiveness, enforceability, and clarity of the rule.</p> <p><i>David De Boer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ Toxics

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
October (Continued)		
1109*+ [#]	Emissions of Oxides of Nitrogen from Boilers and Process Heaters in Petroleum Refineries	AQMP/ BARCT (AB 617)
1109.1	Reduction of Emissions of Oxides of Nitrogen from Refinery Equipment Proposed Rule 1109.1 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for NOx emitting equipment at petroleum refineries and related operations. Proposed Rule 1109.1 is an industry-specific rule, will establish an ammonia emission limit for pollution controls with ammonia emissions, and update monitoring, reporting, and recordkeeping requirements. Rule 1109 is proposed to be rescinded. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	
1142	Marine Tank Vessel Operations Proposed Amended Rule 1142 will further address VOC emissions from marine tank vessel operations and provide clarifications. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
November		
N/A	Airports MOU/Ports MOU/Potential Regulation The proposed MOUs with the marine ports and commercial airports will implement the facility-based mobile source measures MOB-01 and MOB-04 from the 2016 AQMP. In the event that an agreement is not reached for an MOU approach with the ports or airports staff will pursue a regulatory approach. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1147*+ [#] 1147.2	NOx Reductions from Miscellaneous Sources NOx Reductions from Metal Melting and Heat Treating Furnaces Proposed Rule 1147.2 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for metal melting and heat treating furnaces and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.2. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB617 BARCT

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
November (Continued)		
1410*	<p>Hydrogen Fluoride Use at Refineries Proposed Rule 1410 will establish requirements including mitigation measures, a performance standard, and potential phase-out of hydrogen fluoride or modified hydrogen fluoride for the use and storage of hydrogen fluoride at petroleum refineries.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1435*	<p>Control of Emissions from Metal Heat Treating Processes Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
Reg. XIII**# Reg. XX	<p>New Source Review RECLAIM Proposed Amendments to Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to command-and-control. Staff may be proposing a new rule within Regulation XIII to address offsets for facilities that transition out of RECLAIM. Proposed Amendments to Regulation XX also are needed to coordinate amendments to Regulation XIII.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
December	Title and Description	Type of Rulemaking
1117+#+	<p>Emissions of Oxides of Nitrogen from Glass Melting Furnaces Proposed Amended Rule 1117 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for glass melting furnaces and will apply to RECLAIM and non-RECLAIM facilities.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1147*+#+ 1147.3	<p>NOx Reductions from Miscellaneous Sources NOx Reductions for Equipment at Aggregate Facilities Proposed Rule 1147.3 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for NOx equipment at aggregate facilities and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.3.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
December (Continued)		
1150.3* ⁺	<p>NOx Emission Reduction from Combustion Equipment at Landfills Proposed Rule 1150.3 will establish NOx emission limits for boilers, process heaters, furnaces, and engines to reflect Best Available Retrofit Control Technology at landfills. The proposed rule will also include implementation schedules and monitoring, recordkeeping, and reporting requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1179.1* ⁺	<p>NOx Emission Reduction from Combustion Equipment at Publicly Owned Treatment Work Facilities Proposed Rule 1179.1 will establish NOx emission limits for boilers, process heaters, furnaces, and engines to reflect Best Available Retrofit Control Technology at publicly owned treatment works. The proposed rule will also include implementation schedules and monitoring, recordkeeping, and reporting requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1426*	<p>Reduction of Toxic Air Contaminants from Metal Finishing Operations Proposed amendments to Rule 1426 will establish requirements to reduce nickel, cadmium, hexavalent chromium, and other air toxics from plating operations. Proposed Amended Rule 1426 will establish requirements to control point source and fugitive toxic air contaminant emissions.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
Reg. XXIII* ⁺	<p>Facility-Based Mobile Sources Proposed rules within Regulation XXIII would reduce emissions from indirect sources (e.g., mobile sources that visit facilities). The rule or set of rules that would be brought for Board consideration in this month would reduce emissions from warehouses and distribution centers, consistent with Control Measure MOB-03 from the 2016 AQMP.</p> <p><i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176 Socio: Ian MacMillan 909.396.3244</i></p>	AQMP

* Potentially significant hearing

⁺ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 To-Be-Determined

2019	Title and Description	Type of Rulemaking
102	<p>Definition of Terms Staff may propose amendments to Rule 102 to add or revise definitions in order to support amendments to other Regulation XI rules. <i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
113*#	<p>Monitoring, Reporting, and Recordkeeping (MRR) Requirements for NOx and SOx Sources Proposed Rule 113 will establish MRR requirements for facilities exiting RECLAIM and transitioning to a command-and-control regulatory structure. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
209 301	<p>Transfer and Voiding of Permits; Permitting and Associated Fees Staff may propose amendments to clarify requirements for change of ownership and permits and the assessment of associated fees.</p>	Other
219	<p>Equipment Not Requiring a Written Permit Pursuant to Regulation II Proposed Amended Rule 219 will add or revise equipment not requiring a written permit. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
222	<p>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II Proposed Amended Rule 222 will add or revise equipment subject to filing requirements. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
223 1133.3	<p>Emission Reduction Permits for Large Confined Animal Facilities Proposed Amended Rules 223 and 1133.3 will seek additional emission reductions from large confined animal facilities by lowering the applicability threshold. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
416	<p>Odors from Kitchen Grease Processing Proposed Rule 416 will reduce odors from kitchen grease processing operations. The proposed rule will establish best management practices, and examine enclosure requirements for wastewater treatment operations and filter cake storage. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
425	<p>Odors from Cannabis Processing Proposed Rule 425 will establish requirements to control the odors from cannabis processing. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
429	<p>Start-Up and Shutdown Exemption Provisions for Oxides of Nitrogen Proposed Amendments to Rule 429 to address start-up/shutdown provisions related to the transition of NOx RECLAIM to a command-and-control regulatory program and if U.S. EPA requires updates to such provisions.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
445	<p>Wood Burning Devices (PM 2.5 Contingency) Proposed Amendments to Rule 445 will include provisions for contingency in the event of failure to attain, or make reasonable further progress toward, the PM2.5 federal ambient air quality standards and other provisions.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
462	<p>Organic Liquid Loading Proposed Amendments to Rule 462 will improve the effectiveness, enforceability, and clarity of the rule.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
463	<p>Organic Liquid Storage Proposed Amendments to Rule 463 will address the current test method and improve the effectiveness, enforceability, and clarity of the rule.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
464	<p>Wastewater Separators Proposed Amendments to Rule 464 will improve the effectiveness, enforceability, and clarity of the rule.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1107	<p>Coating of Metal Parts and Products Proposed Amended Rule 1107 will lower VOC emission limits for certain categories of coatings for metal parts and products and improve rule clarity and enforceability.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
1111.1	<p>Reduction of NOx Emissions from Natural Gas Fired Commercial Furnaces (CMB-01) Proposed Rule 1111.1 will establish equipment-specific NOx emission limits and other requirements for the operation of commercial furnaces.</p> <p><i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1113	Architectural Coatings Proposed Amended Rule 1113 may be needed to remove the tBAC exemption and pCBtF as a VOC exempt compound based on guidance from the Stationary Source Committee. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1118	Refinery Flares Proposed Amended Rule 1118 will revise provisions to improve the enforceability of the rule. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1123	Refinery Process Turnarounds Proposed Amended Rule 1123 will establish procedures that better quantify emission impacts from start-up, shutdown or turnaround activities. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1135	Emissions of Oxides of Nitrogen from Electricity Generating Facilities Proposed Amended Rule 1135 will revise monitoring, reporting, and recordkeeping provisions to reflect amendments to Proposed Rule 113 and possibly other amendments to address comments from U.S. EPA. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1136	Wood Products Coatings Proposed Amended Rule 1136 will revise VOC limits for wood product coatings and other clarifications. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1138 ⁺	Control of Emissions from Restaurant Operations Proposed Amended Rule 1138 will reduce PM2.5 emissions from establishments utilizing commercial cooking ovens, ranges, fryers, and charbroilers. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1146.2	Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters Proposed Amended Rule 1146.2 may be revised to lower the NOx emission limit to reflect a Best Available Retrofit Control Technology assessment. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB617 BARCT

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1148.1 1148.2	<p>Oil and Gas Production Wells</p> <p>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</p> <p>Proposed Amended Rules 1148.1 and 1148.2 may be revised to address community notification procedures, the inclusion of water injection wells, and potentially other measures based on an evaluation of information collected since the last rule adoption. Other amendments may be proposed to improve the enforceability.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1148.3	<p>Requirements for Natural Gas Underground Storage Facilities</p> <p>Proposed Rule 1148.3 will establish requirements to address public nuisance and VOC emissions from underground natural gas storage facilities.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1149	<p>Tank Degassing</p> <p>Proposed Amended Rule 1149 will improve the effectiveness, enforceability, and clarity of the rule.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1150.1	<p>Control of Gaseous Emissions from Municipal Solid Waste Landfills</p> <p>Proposed Amended Rule 1150.1 will address U.S. EPA revisions to the New Source Performance Standards for Municipal Solid Waste Landfills and Existing Guidelines and Compliance Timelines for Municipal Solid Waste Landfills, as well as CARB GHG requirements.</p> <p><i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1151	<p>Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations</p> <p>Based on input from the Stationary Source Committee, staff is considering removing the tBAC exemption and is evaluating the impact from removing pCBtF as a VOC exempt compound in Proposed Amended Rule 1151.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1153.1	<p>Emissions of Oxides of Nitrogen from Commercial Food Ovens</p> <p>Proposed Amendments to Rule 1153.1 may be needed to address applicability and technological feasibility of low-NOx burner technologies for new commercial food ovens.</p> <p><i>Michael Krause 909.396.2706 CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1157	PM10 Emission Reductions from Aggregate Related Operations Proposed Amended Rule 1157 will remove outdated language, revise opacity requirements, and improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1159.1	Nitric Acid Units – Oxides of Nitrogen Proposed Rule 1159.1 will address NOx emissions from processes using nitric acid and is needed as part of the transition of RECLAIM to command-and-control. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP AB 617 BARCT
1166	VOC Emissions from Decontamination of Soil Proposed Amended Rule 1166 will revise notification provisions, improve the effectiveness, enforceability, and clarity of the rule. <i>Michael Morris 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1173	Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants Proposed revisions to Rule 1173 are being considered based on recent U.S. EPA regulations and CARB oil and gas regulations and revisions to improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1190, 1191, 1192, 1193, 1194, 1195, 1196, & 1186.1	Fleet Vehicle Requirements Proposed amendments to fleet rules may be necessary to improve rule implementation. In addition, the current fleet rules may be expanded to achieve criteria pollutant and air toxic emission reductions pending new legislative authority. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1304.2 1304.3	California Public Utilities Commission Regulated Electrical Local Publicly Owned Electrical Utility Fee for Use of SOx, PM10 and NOx Offsets Local Publicly Owned Electrical Generating Facility Fee for Use of SOx, PM10 and NOx Offsets Proposed Rules 1304.2 and 1304.3 would allow new greenfield facilities and additions to existing electricity generating facilities conditional access to South Coast AQMD internal offset accounts for a fee, for subsequent funding of qualifying improvement projects consistent with the AQMP. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1401	New Source Review of Toxic Air Contaminants Proposed Amended Rule 1401 may be revised to add, remove, or revise toxic air contaminants based on changes from OEHHA. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1402	<p>Control of Toxic Air Contaminant Emissions from Existing Sources Proposed Amended Rule 1402 may be revised based on implementation of other toxic rules or programs.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1403	<p>Asbestos Emissions from Demolition/Renovation Activities Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary.</p> <p><i>David De Boer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1407.1	<p>Control of Toxic Air Contaminant Emissions from Chromium Alloy Melting Operations Proposed Rule 1407.1 will establish requirements to reduce point source and fugitive toxic air contaminant emissions from metal melting operations.</p> <p><i>Michael Morris 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1415 1415.1	<p>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems Amendments will align with the proposed CARB Refrigerant Management Program and U.S. EPA's Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons.</p> <p><i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1430	<p>Control of Emissions from Metal Grinding Operations at Metal Forging Facilities Proposed Amended Rule 1430 may be needed to establish requirements to reduce toxic air contaminant emissions from metal forging operations.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1445	<p>Control of Toxic Emissions from Laser Arc Cutting Proposed Rule 1445 will establish requirements to reduce toxic metal particulate emissions from laser arc cutting.</p> <p><i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1450	<p>Control of Methylene Chloride Emissions Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; and Socio: Ian MacMillan 909.396.3244</i></p>	Toxics

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1469.1	Spraying Operations Using Coatings Containing Chromium Proposed Amended Rule 1469.1 will establish additional requirements to address fugitive emissions from facilities that are conducting spraying operations using chromium primers or coatings to further reduce hexavalent chromium emissions. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1470	Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines Proposed Amended Rule 1470 will establish additional provisions to reduce the exposure to diesel particulate from new and existing small (≤ 50 brake horsepower) diesel engines located near sensitive receptors. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1902	Transportation Conformity Proposed Amended Rule 1902 may be necessary to align the rule with current U.S. EPA requirements. <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1905	Pollution Controls for Automotive Tunnel Vents Proposed Rule 1905 will address emissions from proposed roadway tunnel projects that could have air quality impacts. <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
2202	On-Road Motor Vehicle Mitigation Options Proposed Rule 2202 may be amended to address program streamlining for regulated entities, as well as reduce review and administration time for South Coast AQMD staff. Proposed Rule amendment concepts may include program components to facilitate the obtainment of average vehicle ridership (AVR) targets. <i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
Reg. XVI	Mobile Source Offset Programs Proposed Amendments to Regulation XVI rules will allow generation of criteria pollutant Mobile Source Emission Reduction Credits (MSERCs) from various on-road and off-road sources, such as on-road heavy-duty trucks, off-road equipment, locomotives, and marine vessels. Credits will be generated by retrofitting existing engines or replacing the engines with new lower-emitting or zero-emission engines. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
Reg. XVII	Prevention of Significant Deterioration (PSD) Proposed Amendments to Regulation XVII are being considered for possible revisions based on information from U.S. EPA. <i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
Reg. XXVII	Climate Change Changes may be needed to Regulation XXVII to add or update protocols for GHG reductions, and other changes. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
Reg. II, IV, XIV, XI, XXIII, XXIV, XXX and XXXV	Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA's 2015 revised risk assessment guidance, address variance issues/ technology-forcing limits, to abate a substantial endangerment to public health or additional reductions to meet the SIP short-term measure commitment. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing rules, new or amended rules to implement the 2012 or 2016 AQMP measures. This includes measures in the 2010 Clean Communities Plan (CCP) or 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, U.S. EPA's National Emission Standards for Hazardous Air Pollutants, or implementation of AB 617.	Other/ AQMP

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 19

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, May 10, 2019, Reviewed

RECOMMENDED ACTION:

Receive and file.

Wayne Nastri
Executive Officer

RMM:MAH:XC:agg

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD 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 and Board approved amendments to the Budget specify 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 ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
June 7, 2019 Board Meeting
Information Management Status Report on Major Ongoing and
Upcoming Projects During the Next Six Months

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year.	\$140,000	<ul style="list-style-type: none"> • Board approved funding May 3, 2019 	<ul style="list-style-type: none"> • Execute contract July 15, 2019
Telecommunications Services	Select vendor(s) to provide local, long distance, telemetry, internet, cellular services, and phone system maintenance for a three-year period	\$750,000	<ul style="list-style-type: none"> • Released RFP October 5, 2018 • Board approval January 4, 2019 • Migrated and upgraded services 	
Office 365 Implementation	Acquire and implement Office 365 for South Coast AQMD staff	\$350,000	<ul style="list-style-type: none"> • Pre-assessment evaluation and planning completed • Board approved funding on October 5, 2018 • Developed implementation and migration plan • Acquired Office 365 licenses • Implemented Office 365 email (Exchange) and migrated all users 	<ul style="list-style-type: none"> • Implement Office 365 file storage (OneDrive for Business) and migrate users • Implement Office 365 internal website (SharePoint) and migrate existing content

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 1	New Web application to automate the filing of all permit applications with immediate processing and issuance of permits for specific application types: Dry Cleaners, Gas Stations and Automotive Spray Booths	\$694,705	<ul style="list-style-type: none"> • Phase 1 Automated 400A form filing, application processing, and online permit generation for Dry Cleaner module deployed to production completed • Facility ID Creation Module deployed to production completed • Phase 1.1 Automated 400A form filing, application processing, and online permit generation for Automotive Spray Booth and Gas Station Modules deployed to production completed • Enhanced calculations of sensitive receptor distances • Enhanced processing of school locations with associated parcels • Upgraded GIS Map integration and enhanced sensitive receptor identification and distance measurement work • Enhanced calculations of sensitive receptor distances • Deployed new version of system to production 	<ul style="list-style-type: none"> • Continue Phase 1.1 project outreach support

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing process of Permit Applications, Rule 222 equipment, and registration process for IC engines; implement electronic permit folder and workflow for internal South Coast AQMD users	\$525,000	<ul style="list-style-type: none"> • Board- approved initial Phase 2 funding December 2017 • Phase 2 project startup and detail planning completed May 2018 • Business process model approved • Development of Negative Air Machines, Boilers/Water Heaters/Process Heaters, Cooling Towers, Portable Heaters, and Food Ovens filing process completed • Board approved remaining Phase 2 funding October 5, 2018 • Application submittals, and form filing of Negative Air Machines, Boilers/Water Heaters/Process Heaters, Cooling Towers, Portable Heaters, and Food Ovens, Char Broilers, Small Boilers, and Oil Wells processing completed 	<ul style="list-style-type: none"> • Wireframes, user stories, and code development for registered emergency IC engines with a certified equipment permit number

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2 (continued)			<ul style="list-style-type: none"> • Application submittals, and form filing of Tar Pots/Tar Kettles, Asphalt Day Tankers, and Asphalt Pavement Heaters completed • Application submittals, and form filing of Agricultural Engines, IC Engines at Radio Tower, Diesel Fuel Boiler, and Fuel Cell with Heater completed • Application submittals, and form filing of Diesel Fueled Boilers, Fuel Cell with a Non-Electric Supplemental Heater, Facilities with No Written Permit and Emits Four Tons or More of VOC Emissions Per Year Equipment, Internal Combustion Engines at Remote Radio Transmission Towers, Printing, Coating & Drying Equipment, Oil & Gas Production Wells, Natural Gas Well Heads, Well Pumps, Transfer Pumps & Re-pressurizing Equipment, and Agricultural Engine completed 	
Information Technology Review Implementation	Complete Board requested Information Technology review and initiate work on implementation of key recommendations	\$75,000 (funding included in \$350,000 Office 365 implementation-project)	<ul style="list-style-type: none"> • Initiated Implementation Planning and Resource Requirements for key recommendations • Completed Microsoft Project Plan training for all IM Managers, Supervisors and Secretaries 	<ul style="list-style-type: none"> • Office 365 deployment

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Information Technology Review Implementation (continued)			<ul style="list-style-type: none"> Established internal Information Technology Steering Committee, members and charter Configured and deployed Project Management software for IM team 	
Permit Application Status and Dashboard Statistics	New Web application to allow engineers to update intermediate status of applications; create dashboard display of status summary with link to FIND for external user review	\$100,000	<ul style="list-style-type: none"> Board -approved funding December 2017 April 2018 project startup and detail planning completed June 2018 wireframe and user story approved for Release 1 User story and wireframe approved for application search module User stories approved and coding completed for Dashboard Data Entry screens Code development for Release 1 completed Code development for application search module completed User acceptance testing for data capture module completed User acceptance testing for user reports completed Internal deployment of application for engineers to populate application related data completed 	<ul style="list-style-type: none"> Continue user data input for all open applications Deployment of external application (and linked to FIND) for regulated community to view application related data

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Agenda Tracking System Replacement	Replace aging custom agenda tracking system with state-of-the-art, cost-effective Enterprise Content Management (ECM) system, which is fully integrated with OnBase, South Coast AQMD's agency-wide ECM system	\$86,600	<ul style="list-style-type: none"> • Released RFP December 4, 2015 • Awarded contract April 1, 2016 • Continued parallel testing • Conducted survey of stakeholder satisfaction • As a result of the survey responses, the decision was made to develop a custom user interface for the application • Revised project scope to include custom user interface • Developed plan and schedule for revised scope 	Identify funding source
Document Conversion Services	Document Conversion Services to convert paper documents stored at South Coast AQMD facilities to electronic storage in OnBase	\$83,000	<ul style="list-style-type: none"> • Released RFQ October 5, 2018 • Approved qualified vendors January 4, 2019 • Converted over 350,000 rule administrative record documents for Planning and Rules 	<ul style="list-style-type: none"> • Execute purchase orders for scanning services • Convert over 1,000,000 contract documents for Technology Advancement Office
Replace Your Ride (RYR)	New Web application to allow residents to apply for incentives to purchase newer, less polluting vehicles	\$301,820	<ul style="list-style-type: none"> • Phase 2 Fund Allocation, Administration and Management Reporting modules deployed and in production 	<ul style="list-style-type: none"> • Phase 3 user approval for production • Implementation of Electric Vehicle Service Equipment and alternative mode of transportation in the RYR application

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Replace Your Ride (RYR) (continued)			<ul style="list-style-type: none"> • Final Phase 2 user requested enhancements: VIN Number, Case Manager, Auto e-mail and document library updates deployed to production • Phase 3 Data Migration development work completed 	<ul style="list-style-type: none"> • Approval of data migration • Approval of Phase 3 move to production
South Coast AQMD Mobile Application for Android devices Phase 1	New mobile application for Android devices which will have the same functionality as the new iOS application	\$133,010	<ul style="list-style-type: none"> • Project charter released • Proposal received • Task order issued • System design completed • System development • User Acceptance Testing 	<ul style="list-style-type: none"> • Beta Release
South Coast AQMD Mobile Application for iOS devices Phase 2	Enhancement of Mobile application with addition of Enhanced Notifications, Complaint Filing and Facility Information Detail	\$100,000	<ul style="list-style-type: none"> • Project charter released • Proposal received 	<ul style="list-style-type: none"> • Identify funding source
Legal Division New System Development	Develop new web-based case management system for Legal Division to replace existing JWorks System	\$500,000	<ul style="list-style-type: none"> • Task order issued, evaluated and awarded • Project initiated and project charter finalized • Business Process Model completed • Business Process Model completed • Sprint 1 functional and system design completed 	<ul style="list-style-type: none"> • Testing for Sprint 1 • Sprint 2 functional requirements • Sprint 2 Data model review, code development and testing

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Legal Division New System Development (continued)			<ul style="list-style-type: none"> • Sprint 1 data model received • Sprint 1 mock-up reviewed • Sprint 1 Data model approved and code developed 	
Flare Event Notification – Rule 1118	Develop new web-based application to comply with Rule 1118 to improve current flare notifications to the public and staff	\$100,000	<ul style="list-style-type: none"> • Vision and Scope issued • Charter Document and proposal approved • Task order to be issued • Requirement gathering for Sprint 1 & 2 completed • System Design for Sprint 1 & 2 completed • Requirement gathering for Sprint 3 completed • System design for Sprint 3 completed • Compliance integration design completed • Data model approved for Sprint 1, 2, and 3 	<ul style="list-style-type: none"> • Continuation of Sprint 4: Implementation of Sprint 1 and 2 • Beginning Sprint 5: Public Portal Implementation
VW Environmental Mitigation Action Plan Project	CARB has assigned South Coast AQMD to develop web applications for two projects: Zero-Emission Class 8 Freight and Port Drayage Truck Project & Combustion Freight and Marine Project	\$355,000	<ul style="list-style-type: none"> • Draft Charter Document issued • Project Initiation completed • Task order issued • Detailed system design for Phase 1 	<ul style="list-style-type: none"> • System Development for Phase 1

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
VW Environmental Mitigation Action Plan Project (continued)	South Coast AQMD is responsible for developing a web application for both incentive programs, and maintaining a database that will be queried for reporting perspectives for CARB			
AQ-SPEC Cloud Platform	Develop a cloud-based platform to manage and visualize data collected by low-cost sensors	\$385,500	<ul style="list-style-type: none"> • Task Order issued • Proposals received • Task Order awarded • Business Requirements Gathering completed • Sprint 1 completed (System Architecture, Data Storage Design, Data Ingestion) completed • Sprint 2 completed (Data Transformations, Calculations, and Averaging) • Sprint 3 Requirements Gathering (Dashboards, Microsites, Data Migration) completed 	<ul style="list-style-type: none"> • Sprint 3 Implementation

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
PeopleSoft Electronic Requisition	South Coast AQMD is implementing electronic requisition for PeopleSoft Financials. This will allow submittal of requisitions online. Additional benefits include tracking of multiple levels of approval, electronic archival of requisition documents, pre-encumbrance of budget, and streamlined workflow.	\$75,800	<ul style="list-style-type: none"> • Project Charter Approved • Task Order Issued • Proposal Received • Task Order Awarded • Requirement Gathering for Sprint 1 Completed • Design for Sprint 1 Completed • Code Development for Sprint 1 • User Acceptance Testing (UAT) for Sprint 1 • Design for Sprint 2 • Code Development for Sprint 2 • UAT for Sprint 2 	<ul style="list-style-type: none"> • Integrated user testing

Projects that have been completed within the last 12 months are shown below.

Completed Projects	
Project	Date Completed
Renewal of HP Server Maintenance & Support	April 30, 2019
Implementation of Enterprise Geographic Information System (EGIS) Phase II	March 11, 2019
CLASS Database Software Licensing and Support	November 30, 2018
South Coast AQMD Mobile Application for iOS devices Phase 1	November 2, 2018
Air Quality Index Rewrite and Migration	June 29, 2018
Fiber Cable Network Infrastructure Upgrade	May 30, 2018
Implementation of Enterprise Geographic Information System (EGIS) Phase I	May 30, 2018

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 21

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting on Friday, May 10, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

nv

Committee Members

Present: Dr. William A. Burke/Chair
Council Member Ben Benoit/Vice Chair
Mayor Judith Mitchell
Council Member Michael Cacciotti

Absent: None

Call to Order

Chair Burke called the meeting to order at 11:48 a.m.

ACTION ITEM:

This item was taken out of order.

8. **Appoint Members to South Coast AQMD Hearing Board:** Clerk of the Boards Denise Garzaro reported that this item is to interview candidates to fill the new terms for the Hearing Board medical member and alternate. Terms will expire on June 30, 2019, and the new terms will begin on July 1, 2019. The Advisory Committee reviewed the resumes and letters of two qualified candidates, conducted interviews and recommended both candidates to the Administrative Committee.

The Administrative Committee interviewed Dr. Allan Bernstein, and after discussion of Dr. Roger Lerner's experience and qualifications (he was not able to be interviewed) they recommended reappointing Dr. Lerner as the medical member with Dr. Bernstein as his alternate.

Moved by Benoit; seconded by Burke, unanimously approved.

Ayes: Benoit, Burke, Cacciotti, Mitchell
Noes: None
Absent: None

DISCUSSION ITEMS:

- 1. Board Members' Concerns:** None to report.
- 2. Chairman's Report of Approved Travel:** As noted on the travel report, Dr. Burke will meet with legislators on behalf of the South Coast AQMD in Sacramento on June 14, 2019. Mayor Mitchell will attend the monthly CARB Board meeting in Sacramento on May 22-23, 2019 and the Asilomar Conference on Transportation & Energy Policy in Pacific Grove, CA, on July 9-12, 2019.
- 3. Report of Approved Out-of-Country Travel:** None to report.
- 4. Review June 7, 2019 Governing Board Agenda:** None to report.
- 5. Approval of Compensation for Board Member Assistant(s)/Consultant(s):** None to report.
- 6. South Coast AQMD's FY 2018-19 Budget vs. Actual (Unaudited):** Assistant Deputy Executive Officer/Finance Sujata Jain provided a presentation regarding FY 2018-19 Budget vs. Actual for the third quarter, ending March 31, 2019.
- 7. Status Report on Major Ongoing and Upcoming Projects for Information Management:** Assistant Deputy Executive Officer-CIO/Information Management Ron Moskowitz reported that the Android mobile application is scheduled to be available in June, all Microsoft products have moved to the Cloud and cyber security improvements are progressing well. Mayor Mitchell stated that the new application is going to be a very dynamic tool for school children.

ACTION ITEMS:

- 9. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services:** Chairman Burke waived the staff presentation on this item and requested a motion in support of staff's recommendation.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Cacciotti, Mitchell
Noes: None
Absent: None

- 10. Recognize Revenue and Transfer and Appropriate Funds for Air Monitoring Programs, and Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle:** Assistant Deputy Executive Officer/Science & Technology Advancement Dr. Jason Low reported that this item is to recognize revenue from U.S. EPA and the federal government to appropriate funds into U.S. EPA monitoring programs, enhance particulate monitoring programs, the U.S. EPA star program, Rule 1180 – Refinery Fenceline and Community Air Monitoring, and to issue solicitations for the purchase of air monitoring equipment and one vehicle. Council Member Cacciotti inquired if a special type of vehicle is required. Dr. Low responded an alternative fuel vehicle will be used, but not a technology demonstration vehicle.

Moved by Cacciotti; seconded by Benoit, unanimously approved.

Ayes: Benoit, Burke, Cacciotti, Mitchell
Noes: None
Absent: None

- 11. Execute Lease Agreement for Operation of South Coast AQMD's On-site Child Care Center:** Assistant Deputy Executive Officer/Administrative & Human Resources John Olvera reported that this action is a proposal to execute a lease agreement with the current operators of South Coast AQMD's childcare center for a new 10-year lease, effective July 1, 2019. The annual lease payment is \$43,929, plus a 2 percent increase each year of the contract.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Cacciotti, Mitchell
Noes: None
Absent: None

- 12. Execute Contract for Maintenance, Service, and Repairs of Heating, Ventilation, Air Conditioning, and Refrigeration Equipment:** Mr. Olvera reported that that is a request to execute a three-year contract with KLM for maintenance, service and repairs of the HVAC and refrigeration equipment in an amount not to exceed \$130,937. Funding is in the FY 2019-20 budget and will be requested in successive fiscal years.
- 13. Execute Contract for Landscape Maintenance Services:** Council Member Cacciotti asked what type of services will be included in the contract and whether there a requirement for electric equipment. Mr. Olvera responded that this item is a contract for landscape services and Agenda Item #14 is a contract for tree trimming. Both contracts include a requirement for electric equipment. Council Member Cacciotti inquired about the diesel trucks that are being used. Mr. Olvera responded that he will follow-up with the contractors. Dr. Burke inquired if there is an immediacy in awarding the contracts. Mr. Olvera responded that the contracts will expire at the end of June. Dr. Burke stated that he would recommend this item be approved after the contractor has been contacted to discuss the truck issues.
- 14. Execute Contract for Tree Trimming and Plant Care Maintenance Services:** This item was discussed during the presentation of Agenda Item #13.

On the motion of Dr. Burke, moved by Mitchell, seconded by Benoit, the committee unanimously approved Agenda Items 12 through 14 to be forwarded to the full Board.

- 15. Authorize Funding and Execute Community Leadership and Engagement Programs:** Deputy Executive Officer/Legislative, Public Affairs & Media Derrick Alatorre reported that this item is to execute sole source contracts with Bakewell Media and Cordoba Corporation for \$150,000 each, for an amount not to exceed \$300,000 total, from the BP Arco Settlement Fund. The purpose of these contracts is to increase air quality awareness through programs and events in disadvantaged and environmental justice communities, and will target community leaders within those areas. Each contractor proposes to hold six meetings each, over the next 12 months, within environmental justice and disadvantaged communities.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Cacciotti, Mitchell
Noes: None
Absent: None

- 16. Recommendation to Appoint Member to South Coast AQMD Local Government & Small Business Assistance Advisory Group:** Mr. Alatorre reported that Vice Chairman Benoit has recommended to appoint Carlos Rodriguez to the Local Government & Small Business Assistance Advisory Group. Mr. Rodriguez is a Yorba Linda council member and also serves as the Chief Executive Officer of the Building Industry Association of Southern California Baldy View Chapter.

Moved by Benoit; seconded by Cacciotti, unanimously approved.

Ayes: Benoit, Burke, Cacciotti, Mitchell
Noes: None
Absent: None

OTHER MATTERS:

- 17. Public Comment:**

There were no public comments

- 18. Next Meeting Date**

The next regular Administrative Committee meeting is scheduled for June 14, 2019 at 10:00 a.m.

Adjournment

The meeting adjourned at 12:34 p.m.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 22

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee held a meeting on Friday, May 17, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Michael A. Cacciotti, Chair
Investment Oversight Committee

SJ:tm

Committee Members

Present: Council Member Michael Cacciotti/Chair (teleconference)
Committee Member Richard Dixon

Absent: Dr. William A. Burke, Vice Chair
Committee Member Brent Mason
Committee Member Patrick Pearce

Call to Order

Chair Cacciotti called the meeting to order at 12:04 p.m.

DISCUSSION ITEMS:

1. *Quarterly Report of Investments:* The Committee reviewed the quarterly investment report that was provided to the Board. For the month of March 2019, the South Coast AQMD's weighted average yield on total investments of \$874,239,235 from all sources was 2.19%. The allocation by investment type was 88.73% in the Los Angeles County Pooled Surplus Investment Fund (PSI) and 11.26% in the State of California Local Agency Investment Fund (LAIF) and Special Purpose Investments (SPI). The one-year Treasury Bill rate as of March 31, 2019 was 2.40%. Councilmember Cacciotti inquired about the Negotiable CD of Rabobank Nederland in the amount of \$25 million that matures on June 24, 2019, and the process for

reinvesting. Sujata Jain, Assistant Deputy Executive Officer of Finance, responded that she would consult with LA County and our financial consultant (PFM Asset Management LLC) on the best type of reinvestment vehicle.

2. *Cash Flow Forecast*: Ms. Jain reported on the cash flows for the current year and projected for the next three years. South Coast AQMD Investment Policy limits its Special Purpose Investments to 75% of the minimum amount of funds available for investment during the Cash Flow Horizon. That limit, which includes all funds (General, MSRC, Clean Fuels) is \$123.0 million. Current Special Purpose Investments are well below the maximum limit. Staff is looking at the current increase in interest rates and opportunities for additional interest yield.
3. *Financial Market Update*: Richard Babbe from PFM Asset Management provided the Committee with information on current investment markets, economic conditions, and the overall outlook. He presented market information which forecasts Treasury yields to decrease following the Federal Reserves decision to not increase interest rates in 2019. Long-term yield curves are expected to be inverted. Inflation seems to still be below the Federal target of 2.0% and is not expected to increase significantly in the near future. Economic indicators were presented showing an increase in GDP at approximately 3% average increase, which is higher than the 2% previously forecasted. Consumer confidence has slowed, there has been continued growth in the labor market, and the national unemployment rate was at a historical low of 3.6%.

OTHER MATTERS:

4. Other Business

There was no other business.

5. Public Comment Period

There were no public comments.

6. Next Meeting Date

The next regular meeting of the Investment Oversight Committee is scheduled for November 15, 2019 at noon.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 23

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, May 17, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:cr

Committee Members

Present: Council Member Ben Benoit/Chair (videoconference)
Supervisor Janice Hahn
Mayor Judith Mitchell
Supervisor Janice Rutherford (videoconference)

Absent: Supervisor V. Manuel Perez

Call to Order

Chair Benoit called the meeting to order at 10:30 a.m.

INFORMATIONAL ITEMS:

1. RECLAIM Quarterly Report – 5th Update

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, provided the quarterly update regarding transitioning the NOx RECLAIM program to a command-and-control regulatory structure.

Supervisor Rutherford asked how long it will take for U.S. EPA to approve all the rules. Ms. Nakamura replied that an estimate is difficult. Barbara Baird, Chief Deputy Counsel, responded that although the statutory requirement for taking any action is 18 months, rules have been approved beyond that timeframe.

Mayor Mitchell asked if the new large NOx source offset bank would use offsets from the existing internal bank. Ms. Nakamura highlighted the need to preserve the current internal bank and use some offsets to seed the large NOx source bank. Ms. Baird added that the new bank would not rely on open market emission reduction credits (ERCs). Because the supply of NOx offset credits is constrained, Dr. Tisopoulos noted that a fee is planned for accessing the new bank to ensure that the offsets are used judiciously.

Mayor Mitchell asked for confirmation that the new large NOx source bank would not be an open market and the existing internal bank would remain. Staff confirmed these comments. Mayor Mitchell asked how and when the current and next AQMP would coincide with the RECLAIM emission reductions and what would happen if the commitments in the 2016 AQMP are not accomplished. Ms. Nakamura responded that staff will have a better sense on being able to achieve the five tons per day NOx emission reductions from 2016 AQMP control measure CMB-05 as more command-and-control rules are adopted. Dr. Fine clarified that the next AQMP is due at the end of 2022 and that the RECLAIM component is separate from attainment of the 8-hour ozone standard by 2023.

2. Summary of Proposed Amended Rules 2001 – Applicability, and 2015 – Backstop Provisions

Michael Morris, Planning and Rules Manager, provided a summary of the proposed amendments.

Mike Carroll, Regulatory Flexibility Group, commented that the current backstop provisions in Rule 2015 provide a range of actions the agency could take if emissions exceed allocations, including transitioning RECLAIM to command-and-control. He explained that the current rule does not impose a requirement on the agency to make a demonstration that emissions will be below a specific threshold by a certain date and that it is unknown if that demonstration can even be made. Mr. Carroll added that staff is suggesting that the RECLAIM aggregate cap is permanent and if it cannot be demonstrated each year that emissions are below the cap, it may be considered backsliding. Mr. Carroll stated that they disagree that the cap is permanent and that both the RECLAIM cap and command-and-control rules represent BARCT. He stated that it is their understanding that the command-and-control rules replace the RECLAIM cap. He stated that the amendment to Rule 2015 is unnecessary and urged not to move forward with the amendment.

Frances Keeler, California Council for Environmental and Economic Balance (CCEEB), commented that the overlay of command-and-control and RECLAIM creates a disparate impact on RECLAIM facilities in conflict with Health and Safety Code Section 39616. Ms. Keeler recommended a future effective date for command-and-control rules to avoid the disparate impact on RECLAIM facilities.

She added that CCEEB would work with staff on rule language for Proposed Amended Rule 2015.

Ms. Nakamura responded that the concept behind the amendments to Rule 2015 is to acknowledge that the transition to command-and-control is occurring and providing an alternative to current backstop provisions. If the backstop provision is triggered, the proposed provision allows staff to make a demonstration that emission reductions with the adopted landing rules for the RECLAIM transition are imminent and avoids unnecessary backstop measures. Ms. Nakamura added that staff will re-examine Proposed Amended Rule 2015 and that the proposed rule language is an optional alternative to other backstop provisions.

Dr. Fine stated U.S. EPA will only approve the rules related to the transition as a whole and that South Coast AQMD's original intent was not to overlay RECLAIM with command-and-control rules. He added that if facilities were let out of RECLAIM, it would be uncertain what those facilities would be subject to until U.S. EPA approves the rules. The proposal does not impact the ability for facilities to remain in the RECLAIM program during the transition.

Mayor Mitchell asked what the proposed demonstration accomplishes. Dr. Fine replied that the demonstration can show that the 2016 AQMP obligations are being met to address U.S. EPA's concerns. Ms. Nakamura clarified that these backstop provisions are only applicable if emissions exceed allocations by five percent or more.

Mayor Mitchell asked if RECLAIM is over when the command-and-control rules are approved. Staff confirmed that RECLAIM will be done when the command-and-control rules are approved by EPA. Dr. Fine added that the additional five tons per day of NOx reduction will be achieved through command-and-control rules. Mr. Carroll made a suggestion for Rule 2015 rule language. Executive Officer Wayne Nastri stated that staff will continue to work with all stakeholders and if there isn't agreement, staff would reconsider amendments to Rule 2015.

3. Proposed Amendments to Regulation IX – Standards of Performance for New Stationary Sources, and Regulation X – National Standards for Hazardous Air Pollutants

Dr. Sarah Rees, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources presented an update on Regulations IX and X, which incorporate federal stationary source actions known as Standards of Performance for New Stationary Sources (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP). Dr. Rees noted that these standards are in effect around the country, but that South Coast AQMD includes them in Regulations IX and X for the regulated community to have one place to look for the regulations that they are subject to. The regulations capture U.S. EPA actions to Code of Federal

Regulations (CFR) Title 40, Parts 60 (NSPS) and 61 (NESHAP). Dr. Rees also stated that U.S. EPA has delegated its authority to South Coast AQMD for the enforcement of most standards.

Dr. Rees summarized one new NSPS, subpart XXX, for municipal solid waste landfills that commence construction, reconstruction, or modification after July 17, 2014; and summarized amendments to six existing NSPS standards, two NSPS Appendices, and one NESHAP Appendix, relating to technical, operational, and test requirements for various emission sources. Staff is preparing for the set hearing in June and Board consideration in July.

Mayor Mitchell asked whether the new NSPS would apply to existing landfills. Dr. Rees replied that there are emission guidelines that apply to existing landfills and that these are not the subject of the current amendments. Regulation IX is for new source performance standards only, and emission guidelines for existing landfills are incorporated into the Title V permits.

WRITTEN REPORTS:

4. Home Rule Advisory Group – March 2019 Meeting Minutes

The report was acknowledged by the Committee.

5. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

OTHER MATTERS:

6. Other Business

There was no other business.

7. Public Comment Period

There were no public comments.

8. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, June 21, 2019.

Adjournment

The meeting was adjourned at 11:17 a.m.

Attachments

1. Attendance Record
2. Home Rule Advisory Group – March 2019 Meeting Minutes
3. Draft Notice of Violation Penalty Summary

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
Attendance – May 17, 2019**

Council Member Ben Benoit (videoconference).....	South Coast AQMD Governing Board
Supervisor Janice Hahn	South Coast AQMD Governing Board
Mayor Judith Mitchell	South Coast AQMD Governing Board
Supervisor Rutherford (videoconference)	South Coast AQMD Governing Board
Tom Gross	Board Consultant (Benoit)
Michael Carroll.....	Regulatory Flexibility Group
Frances Keeler	California Council for Environmental and Economic Balance
Rita Loof.....	RadTech
Bridget McCann	Western States Petroleum Association
Bill Pearce	Boeing
David Rothbart	Los Angeles County Sanitation Districts
Peter Whittingham.....	Whittingham Public Affairs Advisors
Tammy Yamasaki.....	Southern California Edison
Barbara Baird.....	South Coast AQMD staff
Amir Dejbakhsh.....	South Coast AQMD staff
Marian Coleman	South Coast AQMD staff
Philip Fine	South Coast AQMD staff
Bayron Gilchrist	South Coast AQMD staff
Terrence Mann.....	South Coast AQMD staff
Matt Miyasato.....	South Coast AQMD staff
Michael Morris	South Coast AQMD staff
Susan Nakamura.....	South Coast AQMD staff
Wayne Nastri	South Coast AQMD staff
Sarah Rees.....	South Coast AQMD staff
Laki Tisopoulos	South Coast AQMD staff
Jill Whynot	South Coast AQMD staff



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP

Wednesday, March 13, 2019

MEETING MINUTES

CHAIR: Dr. Joseph Lyou, South Coast AQMD Governing Board Member

MEMBERS PRESENT:

Marc Carrel (Breathe California of Los Angeles County); Curt Coleman (Southern California Air Quality Alliance); Carlo De LA Cruz (Sierra Club); Martin Hansberger (Holliday Rock Company); Bill LaMarr (California Small Business Alliance); Rongsheng Luo (SCAG); Bridget McCann (Western States Petroleum Association); Dan McGivney (Southern California Gas); Art Montez (AMA International); TyRon Turner (Dakota Communications); and Janet Whittick (California Council for Environmental & Economic Balance).

The following members participated by conference call: Brian Clerico (CARB) and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Ben Benoit (South Coast AQMD Governing Board Member); Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy); Jaclyn Ferlita (Air Quality Consultants); Dr. Clark Parker (South Coast AQMD Governing Board Member); David Rothbart (Los Angeles County Sanitation District); and Larry Rubio (Riverside Transit Agency).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Rita Loof (RadTech) and Susan Stark (Marathon Petroleum).

The following attendees participated by conference call: Gerhard Achtelik (CARB); Patrick Gaffney (CARB) and Andrew Martinez (CARB).

SOUTH COAST AQMD STAFF:

Khadeeja Abdullah (Air Quality Specialist); Philip Crabbe (Public Affairs Manager); Philip Fine (Deputy Executive Officer); Wei Li (Air Quality Specialist), Zorik Pirveysian (Planning & Rules Manager), Ann Scagliola (Administrative Secretary), William Wong (Principal Deputy District Counsel).

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:06 a.m. by Dr. Philip Fine.

APPROVAL OF JULY 2018 MEETING MINUTES

Dr. Fine asked for comments on the January 9, 2019 meeting minutes. Carlo De La Cruz indicated that he arrived late to the meeting, but he was present. Bill La Marr indicated on page 2, under CARB regulatory activities, he asked a question about the criteria and toxics reporting regulation and would like the whole acronym for CTR defined. With these indicated changes, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Amy Zimpfer provided an update on recent U.S. Environmental Protection Agency (EPA) and federal activities.

- Partial approval of the 2006 NAAQS for Fine Particulate Matter PM2.5 Plan was published on February 12, 2019.
- Targeted Air Shed Program application process closed and applications are being reviewed.
- Diesel Emissions Reduction Act (DERA) National Clean Diesel Funding Assistance Program application deadline was extended to March 26, 2019.

Discussion

Art Montez asked if Carl Moyer is included in the \$40M available through DERA, and what the money can be used for. Ms. Zimpfer responded that they are accepting applications from state and local air districts, to replace truck engines, purchase new trucks and other sources of heavy duty equipment. Mr. Montez further inquired if they can replace the small, medium size trucks and who can he get the application from. Ms. Zimpfer responded that he could partner with South Coast AQMD or talk directly with EPA, and the contacts could be provided.

Amy Zimpfer later provided the EPA contacts Francisco Donez donez.francisco@epa.gov and Penny McDaniel mcdaniel.penelope@epa.gov, along with the program link <https://www.epa.gov/cleandiesel/clean-diesel-national-grants>.

CARB REGULATORY ACTIVITIES

Brian Clerico and other CARB staff members provided updates on proposed and recent regulatory activities.

Patrick Gaffney provided an overview of the regulation for the reporting of criteria air pollutants and toxic air contaminants (CTR) and a summary of the proposed 15-day changes as a result of direction from the CARB Board and comments received from stakeholders and public meetings throughout the State. CARB is soliciting informal comments on the draft proposed updates, and expects to release the proposed 15-day revisions and open the formal comment period at the end of April (*this has been changed to mid-Spring*). The proposed draft regulatory 15-day text and materials from the recent workshops are available at <https://ww2.arb.ca.gov/our-work/programs/criteria-pollutant-and-toxics-emissions-reporting/meetings-workshops>.

Discussion

Bill LaMarr asked for clarification on the CTR comment period. Mr. Gaffney responded that after the workshops they will be asking for informal comments by March 20, 2019. Once the workshops are done there will be a 15-day comment period for formal comments. Mr. LaMarr further inquired if in-formal comments will be considered. Mr. Gaffney responded that all comments will be considered.

Dr. Lyou inquired if the inventory captures the illegal engines data. Mr. Gaffney responded that the regulation will only focus on permitted sources, except in very limited cases. Dr. Lyou responded that this is striking because the intent of the AB 617 language was to capture all sources. Dr. Fine commented that there is a parallel effort with AB 617 to capture such sources and develop comprehensive emissions inventories.

Bill LaMarr inquired if the Rule 219 and 222 unpermitted, but registered sources, will be included in the regulation. Mr. Gaffney responded that currently it only includes permitted and registered sources. Dr. Fine commented that as of now in year 1 of the regulation, those registered under

Rule 219 and 222 will not be required to apply. Mr. LaMarr indicated that CARB has indicated that they will accept the districts estimated data. Dr. Fine commented that SCAQMD can provide emissions estimates for many different sources. Mr. Gaffney responded that in the regulation there is room for gathering information from districts on gas stations and other sources.

Gerhard Achtelik and Andrew Martinez presented information on CARB's green infrastructure projects in the current state and growth prospects of fuel-cell and hydrogen refueling infrastructure in Southern California. This includes current and projected growth in the number and types of fuel cell vehicles and hydrogen refueling stations. AB 8 requires that CARB issue an Annual Evaluation in June/July that discusses updated projects of vehicle deployments, current vehicle deployment and station status with an analysis of where additional hydrogen stations are needed (and at what capacity) and recommendations for technical specifications. Also required is a joint agency staff report by CEC and CARB in December that updates current vehicle deployment and station status, and discusses the costs and timing of implementing the regulation's hydrogen requirements. The three main web sites for hydrogen and fuel cell electric vehicles (FCEVs) in California are:

- 1) CARB - (<https://ww2.arb.ca.gov/our-work/programs/hydrogen-fueling-infrastructure>)
- 2) CEC - (<https://www.energy.ca.gov/altfuels/>)
- 3) California Fuel Cell Partnership - (www.cafcp.org).

Discussion

Art Montez commented that there has never been a comprehensive program that looks at hydrogen and electric vehicles stations in the communities of color, and where the stations would be located. Mr. Martinez indicated that the Energy Commission handles the siting of the hydrogen stations. He said that a tool was developed to analyze where hydrogen fueling cells will be placed, looking at many different factors. They have also determined that by 2030 the station access will equal the access provided to gasoline stations. That will allow 100% of disadvantaged communities to have access. Mr. Montez inquired what practices and actions have been implemented in these locations and would like information on the current site locations. Dr. Lyou indicated that the California fuel cell website has information on the stations.

Dr. Lyou commented that the infrastructure for heavy-duty vehicles is complicated. He asked if it is still the plan to complete 100 fuel cell stations and if there will be places where heavy-duty trucks can fill up. Mr. Martinez responded that most stations will be open by 2020, but there will be limitations for heavy-duty trucks at light-duty stations.

Dr. Lyou asked if reliability will be an issue with compressors going down at these stations. Mr. Martinez responded that the issue of reliability is dependent on hydrogen availability. Hydrogen storage is moving towards liquid storage, which allows for pumps that are cheaper and more reliable with lower maintenance costs.

Janet Whittick commented that at a recent CARB workshop, they projected very high ownership costs for hydrogen fuel cells vehicles (for medium-duty and heavy-duty applications) and asked if it was anticipated that these costs would come down. Mr. Achtelik responded that they expect the cost to decrease with scale, and in a recent study it showed that by having just 15 additional stations per year the price drops by 50 percent. Mr. Martinez responded that they were not involved with that workshop presentation, but they could find out what the assumptions were behind the numbers. Ms. Whittick added that it would be beneficial to build in communication around uncertainty. The numbers were dramatic and uncertainty could affect the efforts, because they do not look viable when compared to other options.

Art Montez asked for additional hard costs and facts on the hydrogen vehicle technology; indicating visions and concepts are not enough. He added that the priority should be for the public, government and legislative institutions, whose vehicles have license exemptions.

Bill LaMarr commented that his members include 2,700 gasoline stations. He indicated that no plans were provided to small businesses on what it would take to add these technologies. There needs to be a marketing plan and it should be approached as a profit motive, not an emissions reductions motive. Mr. Achtelik responded that those putting in the equipment are leasing the space from the station owner. Mr. Martinez commented that the hydrogen pumps have not replaced the gasoline pumps. He added that the initial adoption by gasoline stations was positive and stations owners want to advance environmental goals. There are permitting and operational hurdles to address, and the industry is working on this. Mr. LaMarr commented that he recognized that this could be an opportunity for a small business, but there is a need for a more user friendly plan to show the opportunities and incentives.

LEGISLATIVE UPDATE

Philip Crabbe reported on key legislative updates from the Legislative Committee meeting on Friday, March 8, 2019.

Update on Federal Legislative Issues

- South Coast AQMD's federal legislative consultants each provided a written report on various key Washington, D.C. issues.
- Some key verbal updates from the meeting were:
 - South Coast AQMD staff had a successful advocacy trip to Washington, D.C. Members of Congress and their staff, business representatives and other stakeholders were supportive of a timely and transparent rulemaking process for the U.S. EPA Ultra Low NOx Emission Standard for Heavy-Duty Trucks.
 - Mr. Andrew Wheeler was confirmed by the U.S. Senate as Administrator for the U.S. EPA.
 - President Trump's budget overview was presented on March 11, 2019, which will be followed by a more detailed document.
 - South Coast AQMD is working on annual appropriations requests to the Members of Congress.

Update on State Legislative Issues

- South Coast AQMD's state legislative consultants provided written reports on various key issues in Sacramento.
- Some key verbal updates from the meeting were:
 - The state bill introduction deadline recently passed, and overall the California state legislature introduced 2,621 state bills. This is a new record, about 500 more than were introduced in the last legislative year.
 - Also the California Assembly Natural Resources Committee will have an information hearing on March 18th regarding an AB 617 Program implementation update.
 - In late February, the most recent cap and trade revenue auction was held and all 80 million allowances were sold at a price of \$15.73 each, which is approximately 11 cents over the floor price. This generated about \$850 million for the state's Greenhouse Gas Reduction Fund which could potentially provide more clean air funding for the South Coast region.
 - The next auctions will be in May, August, and November of this year, which project to generate \$800-\$900 million each.

Update on SCAQMD Sponsored Legislation Regarding Voting District Authorization for Clean Air

Mr. Crabbe stated that there is now an author for the bill, Senator Ben Allen, and a spot bill was introduced, SB 732, but it currently has no substantive content. South Coast AQMD recently submitted a new, more refined and streamlined version of the bill language to Legislative Counsel in Sacramento. Additionally, staff was in Sacramento recently to meet with Senator Allen and staff is continuing to actively communicate with electeds and a wide spectrum of interested stakeholders, in order to educate and firm up support for the bill.

Mr. Crabbe stated that feedback was received from various stakeholders regarding the tax cap issue. It is important to make clear that any potential future funding measures under this bill would be exempt from the sales tax cap, and would preserve existing tax cap space for cities, counties, transportation agencies, etc.

Update on Potential Congressional Field Hearings

It was reported that several Congressional Committees mentioned the possibility of holding field hearings in the future on topics of interest to South Coast AQMD, including transportation and infrastructure, climate change and air quality. A field hearing could be an excellent opportunity to highlight the SCAQMD's efforts, accomplishments and future challenges in the South Coast Air Basin. There is a possibility that such hearings could be held within the South Coast region.

ACTION ITEM - Recommend Positions on State Bills

SB 210 (Leyva) Heavy-Duty Vehicle Inspections and Maintenance Program - This bill would authorize CARB to adopt and implement "smog check" requirements for heavy-duty non-gasoline trucks by modernizing emissions control enforcement through a comprehensive inspection and maintenance program.

This bill would enhance compliance, and ensure a more even playing field for those maintaining their vehicle emission systems properly. Additionally, staff would like to work with the author to suggest a couple of adjustments to the bill:

- First, staff recommends clarifying that zero emission vehicles are exempt from the new smog check program created by the bill; and
- Staff recommends that penalty monies collected by CARB as part of the Program be designated as funds meant to assist local air districts in mitigating heavy-duty truck emissions. Penalty monies would be distributed to air districts based on where the penalty originated.

The Committee adopted a SUPPORT position on this item.

AB 210 (Voepel) Smog Check: exemption - The bill would exempt all motor vehicles manufactured prior to the 1983 model-year from the smog check program. This would be a change from current law that exempts vehicles prior to 1976.

The Committee adopted an OPPOSE position on this item.

AB 285 (Friedman) California Transportation Plan - This bill would require the Department of Transportation (CalTrans) to address in the California Transportation Plan on how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of GHG emissions of 40% below 1990 levels by the end of 2030.

Staff would like to work with the author to require CalTrans to address how the state will achieve maximum feasible criteria pollutant emissions reductions to attain state and federal ambient air quality standards by the upcoming federal deadlines. South Coast AQMD is currently analyzing recent amendments to this bill.

The Committee adopted a Work with Author position on this item.

Discussion

Bill LaMarr inquired when the bill language would be available. Mr. Crabbe responded that the new draft bill language was submitted to Legislative Counsel in Sacramento and we are waiting for their input. Mr. LaMarr asked if it would be up to the cities to put the measure on their ballot, or would the district initiate this. Mr. Crabbe indicated that the language would allow for a voter driven initiative. Dr. Lyou clarified that it would be a voter initiative or Governing Board vote. Mr. LaMarr asked if the tax would be the same for all cities. Marc Carrel commented that the tax would have to be the same.

Art Montez asked if the cap-and-trade money is going into one pot, for the Governor. Mr. Crabbe responded that the funds go into the greenhouse gas reduction fund, which is allocated as part of the budget process. Dr. Fine added that sixty percent of the funds are already going to set projects.

Art Montez inquired about the incentive to promote such an authorization, if public polling was conducted, and if a fuel tax be passed instead of a sales tax. Dr. Lyou responded that the intent is to meet federal and state standards for cleaner air, polling has been conducted and a possible funding measure could be on the ballot in 2020.

Carlo De La Cruz asked if this is the same ballot measure that Move LA has been talking about, and if there is a possibility of competing ballot measures. Dr. Lyou responded that it is a coordinated effort, and there is the possibility of competing ballot measures. Mr. Crabbe added that any competing ballot measure would have to be focused on funding the air quality management plan to reduce emissions, be within South Coast AQMD's jurisdiction and a purpose for the money. Dr. Lyou commented that the agency can put a measure on the ballot, but we cannot lobby voters.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong had no updates to the April 2019 status report.

TRENDS IN TRANSPORTATION EMISSIONS

Zorik Pirveysian provided a presentation on the on-road vehicle emissions trend in the South Coast Air Basin. He also provided a brief overview of the existing regulations for new vehicles, including the Low Emission Vehicle regulation for light and medium-duty vehicles and heavy-duty diesel engine standards.

Discussion

Bill LaMarr asked if South Coast AQMD is projecting less emissions and more trucks. Mr. Pirveysian responded that the population is increasing, but cleaner technology is also being employed.

Dr. Lyou noted that the 2023 chart is different than what was projected in the 2016 AQMP. Mr. Pirveysian responded that some of the category names have changed, but the data has not.

Art Montez asked if the vehicle inventory data is broken down by age. Mr. Pirveysian responded that there is inventory and for some of the categories it is broken down by age. Dr. Lyou added that CARB has models that are used for the on-road and off-road equipment data.

Marc Carrell inquired if the data includes registered and unregistered vehicles. Dr. Fine responded that CARB provides this data, which also includes out-of-state vehicles. Mr. Carrell further inquired if this data also included unregistered vehicles. Dr. Fine indicated that this is a question for CARB.

Art Montez asked what the difference is between light-duty and medium-duty. Dr. Lyou responded that light-duty are vehicles like pick-up trucks and vans. Medium-duty vehicles are commercial delivery vehicles, but they are not as big as a semi-truck.

Rongsheng Luo, SCAG Program Manager of Air Quality and Conformity, presented background information on SCAG's Regional Transportation Plan, transportation conformity, and transportation control measures.

Discussion

Bill LaMarr inquired if the conformity budgets are pre-determined by the Clean Air Act. Mr. Luo replied that they are determined by the allowable planning inventory.

Janet Whittick asked if congestion is considered positive or negative in regards to emissions reductions. Mr. Luo indicated both, because low speed emissions are high and congestion deters people from driving. Ms. Whittick further inquired if the modeling treats it in both directions. Mr. Luo replied that SCAG's objective is to reduce congestion and the model takes into account several factors.

Marc Carrell asked if telecommuting is going to become a key component to reduce congestion and air pollution. Mr. Luo replied that it already is. Mr. Carrell inquired if the South Coast AQMD has a telecommuting program. Dr. Fine replied that the South Coast AQMD has a telecommuting program and applications are being submitted by interested eligible employees.

Dr. Lyou inquired if there are 80% of the emissions coming from mobile sources, how does it work affectively as a program in regards to transportation control measures. Mr. Luo indicated that SCAG does not have authority over land use and the effective reductions will come from technology. Dr. Fine added that the South Coast AQMD is collaborating with SCAG in the development of their Regional Transportation Plan, to build incentives into the transportation network.

Bill LaMarr commented that encouraging maintenance on engines is something to look at, such as changing filters, and having an inspection criteria.

Marc Carrell inquired if SCAG is in discussions with other groups. Mr. Luo indicated yes, especially with new technology (e.g. Hyperloop).

Art Montez expressed concern about additional taxes and inequities that are being placed on working families, and encouraged looking at ports or airports for a port of entry tax. Dr. Lyou indicated that the port container fee was vetoed earlier by legislature, but staff is considering every idea possible.

SUBCOMMITTEE STATUS REPORTS

A. *Freight Sustainability (Dan McGivney)*

- Advanced Clean Transportation Expo, April 23-26, 2019.

B. *Small Business Considerations (Bill LaMarr)*

No report was provided.

Mr. LaMarr made a recommendation for CARB's Criteria and Toxics Emissions Reporting Regulation (CTR) as a possible future Advisory Group topic. Dr. Fine replied that he planned to do this, but is waiting for CARB's regulation language.

C. Environmental Justice and AB 617 Implementation (Curt Coleman)

An update was provided on the following items.

- Wilmington/Carson/West Long Beach AB 617 Community Steering Committee meeting, March 14, 2019.
- San Bernardino/Muscoy AB 617 Community Steering Committee meeting, March 21, 2019.
- Boyle Heights/East Los Angeles/West Commerce AB 617 Community Steering Committee meeting, March 28, 2019.

Discussion

Bridget McCann inquired if the AB 617 community meeting information will be posted on the website. Dr. Fine indicated that the plan is to provide the materials, when they are available. Ms. McCann requested a notification when the materials are available for interested parties.

Bridget McCann inquired if source apportionment will be discussed at the March 14th meeting. Dr. Fine replied that there will be discussions on the specific actions that will go into community reduction plans.

Bill LaMarr noticed the differences in the interactive maps for the communities. Pedro Piqueras indicated that each community provided different levels of specifics. Dr. Fine added that the same format was used to identify the sources, but the community steering committee concerns are varied.

Bridget McCann expressed concern about a public comment made at the AB 617 Technical Advisory Group meeting indicating how the agency's data should drive community action, and one of the staff members agreed with the comment. Ms. McCann further indicated that the agency's data should not be anyone's advocacy, it should be just data. Dr. Fine indicated there was a miscommunication.

D. Climate Change (David Rothbart)

No report was provided.

REPORT TO AND FROM THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a summary of items on the February and March 2019 meeting agendas.

- RECLAIM audit report and transition;
- Rules 1111, 1134 and 1106; and
- AB 617 update.

OTHER BUSINESS

Art Montez requested a printout of future agency meetings and conferences. Dr. Lyou indicated that there is a calendar on the South Coast AQMD website.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 12:47 pm. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on May 8, 2019, and will be held at SCAQMD in Conference Room CC-8.

South Coast Air Quality Management District
HOME RULE ADVISORY GROUP – Attendance Record – 2019

	(Term: 1/1/19 - 1/1/21)	1/9	FEB	3/13	APR	5/8	JUN	7/10	AUG	9/11	OCT	11/13	DEC
	Board/Member, Business & Community Reps, SCAQMD Staff												
1	Dr. Joseph Lyou, Chair	X		X									
2	Council Member Ben Benoit, Vice Chair	A		A									
3	Dr. Clark E. Parker, Sr., Governing Board Member	A		A									
4	Dr. Philip Fine (Agency Member) - SCAQMD	X		X									
5	Zimpfer, Amy (Agency Member) - EPA Representing Elizabeth Adams	A		T									
6	Clerico, Brian (Agency Member) - CARB Representing Richard Corey	T		T									
7	Chang, Ping (Agency Member) - SCAG Alternate – Rongsheng Luo	T*		X*									
8	Carrel, Marc (Environmental Representative)	T		X									
9	Carroll, Mike (Business Representative) Alternate – Robert Wyman	A		A									
10	Coleman, Curtis (Business Representative) Alternate – Susan Stark	X		X									
11	De La Cruz, Carlo (Environmental Representative)	T		X									
12	McCann, Bridget (Business Representative) Alternate – Patty Senecal	A*		X									
13	LaMarr, Bill (Business Representative)	X		X									
14	McGivney, Dan (Business Representative) Alternate – Lauren Nevitt	A*		X									
15	Quinn, Bill (Business Representative) Alternate – Janet Whittick	T		X*									
16	Downs, Michael (Community Representative - McCallon)	A		A									
17	Ferlita, Jaclyn (Community Representative - Lyou)	X		A									
18	Hansberger, Martin (Community Representative - Rutherford)	X		X									
19	Montez, Art (Community Representative - Lyou)	A		X									
20	Rothbart, David (Community Representative - Mitchell)	X		A*									
21	Rubio, Larry (Community Representative - Ashley)	A*		A*									
22	Smith, Larry (Community Representative - Benoit)	A		A*									
23	Turner, TyRon (Community Representative - Burke)	A		X									

Attendance Codes					
X	Present	T	Teleconference	A	Absence
X*	Alternate in Attendance	T*	Alternate Teleconference Participation	A*	Absence Excused

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
DRAFT
April 2019 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$228,500.00
MSPAP Settlements:	\$10,600.00
Hearing Board Settlements:	\$51,000.00

Total Cash Settlements:	\$290,100.00
Total SEP Value:	\$0.00

Fiscal Year through 4 / 2019 Cash Total:	\$5,871,281.50
Fiscal Year through 4 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
143132	ABSOLUTE ABATEMENT & DEMOLITION	1403	4/30/2019	KCM	P64858 P65926 P66408	\$10,500.00
175403	ASBESTOS CONTROL TESTING, INC	1403	4/17/2019	BST	P66415 P67252	\$1,800.00
13618	BARRY AVE PLATING CO INC	203	4/23/2019	WBW	P63092	\$15,000.00
185342	BEATRICE BABUCH - DUPLEX BUILDING	1403	4/25/2019	KCM	P63308	\$1,000.00
146448	BEO-MAG PLATING INC	203 1469	4/25/2019	BST	P63065 P63070 P63075 P63096	\$7,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
42645	BRITE PLATING CO INC	1469	4/17/2019	DH	P64856	\$500.00
86587	CONTROLLED ENVIRONMENTAL SOLUTIONS	1403	4/9/2019	BST	P65925	\$2,300.00
50098	D&D DISPOSAL INC,WEST COAST RENDERING CO	2004	4/10/2019	TRB	P63560 P66156 P66160	\$5,000.00
800091	EXXONMOBIL OIL CORP	462 463 3002	4/2/2019	DH	P59384 P59386	\$7,500.00
183897	IC2NET	203(a)	4/17/2019	KCM	P64071 P64072	\$500.00
173290	MEDICLEAN	2004	4/25/2019	DH	P66909 P68251	\$25,000.00
95252	MISSION COMMUNITY HOSPITAL	222 1146 1415 H&S 42401	4/4/2019	KCM	P62176 P66770	\$27,500.00
14437	SAN ANTONIO REGIONAL HOSPITAL	218 1110.2 3002	4/23/2019	VKT	P62049 P65369 P66558	\$65,000.00
178448	SENSITIVE ENVIRONMENT	1403	4/17/2019	KCM	P65910	\$1,800.00
101977	SIGNAL HILL PETROLEUM INC	463(c) 1173 2004 2012	4/19/2019	NSF	P57096 P67901 P67903 P67904 P67905	\$41,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
174703	TESORO LOGISTICS,CARSON PROD TERMINAL	462 3002	4/18/2019	NSF	P56574 P65312 P65313 P66503	\$16,500.00

Total Civil Settlements: \$228,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
176159	6228 FRANKLIN LLC, DBA JOE'S SERVICE CEN	461(c)(3)(Q)	4/30/2019	GV	P72651	\$300.00
83138	BEAR CREEK GOLF CLUB, INC	461(c)(3)(Q)	4/30/2019	GV	P71551	\$300.00
129093	JERRY'S UNION 76, JERRY I MADAIN, DBA	461(c)(3)(Q)	4/30/2019	GV	P72027	\$300.00
159449	KECK HOSPITAL OF USC	1146 203(b)	4/26/2019	GC	P64138	\$4,000.00
175275	KHA INC	461(c)(3)(Q)	4/30/2019	GV	P72634	\$300.00
131295	RIO PETROLEUM, INC.	461 H&S 41960	4/30/2019	TF	P64946	\$800.00
14479	SKANSKA USA CIVIL WEST CA DISTRICT INC	461(c)(3)(Q)	4/30/2019	GV	P71345	\$300.00
137146	SOUTH CITY GAS	461 H&S 41960	4/30/2019	TF	P64940	\$500.00
25304	VALLEY PLATING WORKS, INC	201 203(a)	4/26/2019	TF	P67453	\$1,600.00
25751	WALNUT VALLEY WATER DIST	461(c)(3)(Q)	4/30/2019	GV	P71391	\$300.00
31696	WORLD OIL CO #38	203(a)	4/5/2019	TF	P68113	\$400.00
151281	YUCAIPA FOOD MART 76	461	4/5/2019	TF	P66365	\$1,500.00

Total MSPAP Settlements: \$10,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	4/4/2019	KCM	5400-4	\$50,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	4/19/2019	TRB	6128-1	\$1,000.00

Total Hearing Board Settlements: \$51,000.00

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR APRIL 2019 PENALTY REPORT**

REGULATION II - PERMITS

- | | |
|----------|--|
| Rule 201 | Permit to Construct |
| Rule 202 | Temporary Permit to Operate |
| Rule 203 | Permit to Operate |
| Rule 218 | Continuous Emission Monitoring |
| Rule 222 | Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II |

REGULATION IV - PROHIBITIONS

- | | |
|----------|---|
| Rule 403 | Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities |
| Rule 461 | Gasoline Transfer and Dispensing |
| Rule 462 | Organic Liquid Loading |
| Rule 463 | Storage of Organic Liquids |

REGULATION XI - SOURCE SPECIFIC STANDARDS

- | | |
|-------------|--|
| Rule 1110.2 | Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines |
| Rule 1146 | Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters |
| Rule 1153.1 | Emissions of Oxides of Nitrogen from Commercial Food Ovens |
| Rule 1173 | Fugitive Emissions of Volatile Organic Compounds |

REGULATION XIII - NEW SOURCE REVIEW

- | | |
|-----------|--------------|
| Rule 1303 | Requirements |
|-----------|--------------|

REGULATION XIV - TOXICS

- | | |
|-----------|--|
| Rule 1403 | Asbestos Emissions from Demolition/Renovation Activities |
| Rule 1415 | Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems |
| Rule 1469 | Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations |
| Rule 1470 | Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines |

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- | | |
|-----------|---|
| Rule 2004 | RECLAIM Program Requirements |
| Rule 2012 | Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO _x) Emissions |

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits

CALIFORNIA HEALTH AND SAFETY CODE

41960 Certification of Gasoline Vapor Recovery System
42401 Violation of Order for Abatement

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 24

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a meeting on Friday, May 17, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Joe Buscaino, Chair
Technology Committee

MMM:av

Committee Members

Present: Council Member Joe Buscaino/Chair (videoconference)
Supervisor Janice Hahn
Mayor Judith Mitchell
Council Member Dwight Robinson

Absent: Supervisor Lisa Bartlett
Supervisor V. Manuel Perez

Call to Order

Chair Buscaino called the meeting to order at 12:00 p.m.

ACTION ITEMS:

1. Adopt Resolution Recognizing Funds and Accepting Terms and Conditions for FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions Program, Reimburse General Fund for Administrative Costs and Amend Awards

In March 2019, CARB released a solicitation to apply for funding from the FY 2018-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. South Coast AQMD submitted an application and CARB has announced a tentative allocation of \$1,814,511. In addition, in November 2018, the Board approved Carl Moyer and SOON Provision awards. Some of the project types require adjustment. These actions are to adopt a Resolution recognizing

revenue up to \$1.9 million from CARB into the Carl Moyer Program Fund (32) and accepting terms and conditions of the FY 2018-19 FARMER Grant and reimburse the General Fund for administrative costs up to \$113,407. This action is to also amend awards under the Carl Moyer Program and SOON Provision.

Mayor Mitchell commented that she does not have a financial interest or conflict of interest, but is required to identify for the record that she is a Board Member of CARB which is involved in this item.

Council Member Robinson inquired about a Carl Moyer Program fund distribution that was approved in November 2018. Staff informed the committee that the contract execution period can vary based on several factors and the majority of the approved awards are in the process of contract execution or are fully executed. Council Member Robinson also asked if the administrative funds for the Carl Moyer Program have been adjusted in the past and if 6.25 percent is sufficient. Staff stated that administrative funds were previously 5 percent, but were increased to 6.25 percent in 2017. Council Member Robinson supported a five-year review cycle for administrative fees.

Moved by Mitchell; seconded by Hahn; unanimously approved.

Ayes: Buscaino, Hahn, Mitchell and Robinson
Noes: None
Absent: Bartlett and Perez

2. Recognize Revenue, Authorize EV Charging Fees, Execute Contract for EV Charging, and Amend Contract to Implement DC Fast Charging Network

In March 2017, in an effort to promote EV charging, staff completed an upgrade of the EV chargers at the Diamond Bar headquarters. These actions are to recognize revenue from EV charging fees and authorize adjustment of the fees to recover electricity costs and encourage EV drivers to move their vehicles once fully charged. Additionally, in order to operate, maintain and network the large number of chargers, this action is to contract with Zeco Systems, Inc., DBA Greenlots, for up to three years in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31). In October 2018, the Board amended a contract with Clean Fuel Connection, Inc., (CFCI) for up to \$350,000 from the Clean Fuels Program Fund (31) as a substitution of CEC funds, but since only \$310,000 of CEC funds was previously recognized towards the CFCI contract, there was a shortfall. This action is to amend a contract with CFCI in an amount up to \$40,000 from the Clean Fuels Program Fund (31).

Supervisor Hahn inquired about costs associated with solar to generate electricity for EV charging. Staff commented that electricity usage is supplemented with solar generation for the South Coast AQMD building. Using solar only for charging may be more feasible for locations without access to grid power, but use of grid electricity is more efficient for locations with direct grid supply. Supervisor Hahn inquired about reasons for increasing the cost to charge vehicles. Staff stated that charging rates were initially set low for a pilot period, in an effort to gauge the impact that charging would have on electricity usage. Based on the data collected during the pilot program, staff proposes to increase charging fees to establish a path for full electricity cost recovery. Council Member Robinson indicated that Lake Forest City Hall charges a fee of \$4 per hour once a vehicle is fully charged.

Ranji George, a member of the public, expressed concerns pertaining to the state's emphasis on funding battery electric vehicles over fuel cell vehicles. He also provided a video promoting hydrogen as a fuel vehicle.

Moved by Robinson; seconded by Mitchell; unanimously approved.

Ayes: Buscaino, Hahn, Mitchell and Robinson

Noes: None

Absent: Bartlett and Perez

3. Recognize Revenue, Reimburse General Fund and Execute Agreement to Support Development of One-Stop-Shop Pilot Project

In June 2018, CARB selected GRID Alternatives as the project administrator for the FY 2017-18 One-Stop-Shop Pilot Project, which is a new project to increase awareness of low-income residents by expanding education and outreach on the state's clean transportation and mobility options. One of the key tasks of this project is to develop and maintain a single application for low-income consumers to apply and qualify for CARB's Low Carbon Transportation Equity projects, which includes the South Coast AQMD's Replace Your Ride Program. CARB and GRID Alternatives have requested support from staff to assist with the integration of the South Coast AQMD's Replace Your Ride Program as part of the One-Stop-Shop Pilot Project. These actions are to recognize revenue from GRID Alternatives in an amount up to \$75,000 into the HEROS II Special Revenue Fund (56), reimburse the General Fund from the HEROS II Special Revenue Fund (56) for staff time, and execute an agreement with GRID Alternatives to provide support in the development of the One-Stop-Shop Pilot Project.

Mayor Mitchell commented that she does not have a financial interest or conflict of interest, but is required to identify for the record that she is a Board Member of CARB which is involved in this item.

Moved by Hahn; seconded by Robinson; unanimously approved.

Ayes: Buscaino, Hahn, Mitchell and Robinson

Noes: None

Absent: Bartlett and Perez

OTHER MATTERS:

4. Other Business

There was no other business.

5. Public Comment Period

Rita Loof, Director of Environmental Affairs for RadTech International, presented a cover from the organization's magazine when they received a Clean Air Award from South Coast AQMD in 2005. She also provided information on their RadLaunch program. They are working with academia, small businesses, and young entrepreneurs in support of start-up clean air projects. These are stationary sources using cutting edge technology, such as the Shark Skin Development Project that improves fuel efficiency. She added that it is a small program with a few thousand dollars in sponsorships and most recently supported by the Coalition for Clean Air.

6. Next Meeting Date

The next regular Technology Committee meeting is scheduled for Friday, June 21, 2019 at noon.

Adjournment

The meeting adjourned at 12:27 p.m.

Attachment

Attendance Record

ATTACHMENT

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TECHNOLOGY COMMITTEE MEETING
Attendance Record – May 17, 2019**

Supervisor Janice Hahn	SCAQMD Board Member
Mayor Judith Mitchell	SCAQMD Board Member
Council Member Dwight Robinson	SCAQMD Board Member
Council Member Joe Buscaino (videoconference)	SCAQMD Board Member
Andy Silva.....	Board Consultant (Rutherford)
Ranji George.....	Member of the Public
Rita Loof.....	RadTech
Bridget McCann	Western States Petroleum Association
Susan Stark	Marathon Petroleum
Tammy Yamasaki.....	Southern California Edison
Naveen Berry.....	SCAQMD Staff
Marjorie Eaton.....	SCAQMD Staff
Ping Gui.....	SCAQMD Staff
Drue Hargis	SCAQMD Staff
Joseph Impullitti	SCAQMD Staff
Matt Miyasato.....	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Penny Shaw Cedillo	SCAQMD Staff
Walter Shen	SCAQMD Staff
Veera Tyagi	SCAQMD Staff
Alejandra Vega.....	SCAQMD Staff
Mei Wang	SCAQMD Staff
Vicki White	SCAQMD Staff
Paul Wright.....	SCAQMD Staff
Alyssa Yan	SCAQMD Staff

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 25

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on May 16, 2019. The next meeting is scheduled for Thursday, June 20, 2019 at 2:00 p.m., in Conference Room CC8.

RECOMMENDED ACTION:

Receive and file.

Naveen Berry
SCAQMD Liaison to MSRC

MMM:NB:psc

MSRC Chair Appointed and MSRC Vice-Chair Appointed

Annually the MSRC elects its Chair and Vice-Chair. At its May 16, 2019 meeting, the MSRC unanimously appointed Larry McCallon as its Chair for a one-year term. Mr. McCallon is Mayor Pro Tem for the City of Highland and represents San Bernardino County Transportation Authority on the MSRC. The MSRC also unanimously elected Greg Winterbottom as its MSRC Vice-Chair for a one-year term. Mr. Winterbottom serves as the Public Member on the Orange County Transportation Authority (OCTA) Board of Directors and is also the Chairman of the OCTA Transit, Planning and Operations Committee and represents OCTA on the MSRC.

Update on Landscape for MSRC's Regional Goods Movement Program

As directed by MSRC, Better World Group Advisors (BWG) initiated an assessment of other funding providers' active and potential programs that would most closely align with the MSRC's priorities for their Regional Goods Movement Program. BWG reported their initial findings that big-box and online retailers have large distribution centers in the Inland Empire in the last few years that attract a high volume of trucks on a daily basis. The primary agencies and organizations providing incentives for and evaluating lower emitting heavy-duty vehicles in the goods movement sector are the California Air Resources Board (CARB), California Energy Commission (CEC), South Coast AQMD, California Transportation Commission, Ports of Los Angeles and Long Beach, Southern California Edison, and the Los Angeles Cleantech Incubator.

Recommendations for potential future investments and areas for additional exploratory outreach are: investing in clean technology initiatives at the Ports of Los Angeles and

Long Beach, expanding the clean truck trade-down program, investing in heavy-duty off-road vehicles and equipment, exploring collaborative opportunities beyond California entities, investing in charging/refueling infrastructure for heavy-duty vehicles, influencing state and regional clean transportation investments, building partnerships, and assessing needs and opportunities for Inland Empire warehouses.

Contract Modification Requests

1. For the City of Riverside, Contract #ML16034, to implement “Complete Streets” project, a nine-month term extension;
2. For the City of Santa Monica, Contract #MS16115, to repower transit buses with near-zero engines, retain one engine to be used for training purposes, in lieu of scrapping all 58 engines; and
3. For OCTA, Contract #MS16029, to implement regional bikeway projects, reduce the number of segments of the San Juan Capistrano Bicycle Lanes Gap Closure Project from seven to five, with a corresponding reduction in funding, and for the Lambert Road Bikeway, eliminate the lighting and bicycle locker elements with a corresponding reduction in funding.

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 March 28 through April 24, 2019 is attached (*Attachment 1*) for your information.

Attachment

Attachment 1 – March 28 through April 24, 2019 Contracts Administrator’s Report



MSRC Agenda Item No. 2

DATE: May 16, 2019
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 28 to April 24, 2019.
RECOMMENDATION: Receive and file report
WORK PROGRAM IMPACT: None

Contract Execution Status

2016-18 Work Program

On July 8, 2016, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On October 7, 2016, the SCAQMD Governing Board approved three awards under the Event Center Transportation Program and one award for a Regional Active Transportation Partnership Program. These contracts are executed.

On January 6, 2017, the SCAQMD Governing Board approved an award for development, hosting and maintenance of a new MSRC website. This contract is executed.

On April 7, 2017, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On June 2, 2017, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On July 7, 2017, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On September 1, 2017, the SCAQMD Governing Board approved one award under the Event Center Transportation Program and one award under the Natural Gas Infrastructure Program. These contracts are executed.

On October 6, 2017, the SCAQMD Governing Board approved two awards under the Event Center Transportation Program and one award under the Natural Gas Infrastructure Program. These contracts are executed.

On December 1, 2017, the SCAQMD Governing Board approved sole source awards for a Hydrogen Infrastructure Partnership Program, for a Southern California Future Communities Partnership Program, and for electric vehicle charging infrastructure planning analysis. These contracts are executed. The MSRC has replaced the award to the California Energy Commission with a Program Opportunity Notice for the Hydrogen Infrastructure Partnership Program.

On February 2, 2018, the SCAQMD Governing Board approved one award under the Event Center Transportation Program, two awards under the Natural Gas Infrastructure Program, four awards under the Local Government Partnership Program, and two awards under the County Transportation Commission Partnership Program. These contracts are executed.

On March 2, 2018, the SCAQMD Governing Board approved one award under the Major Event Center Transportation Program, two awards under the Natural Gas Infrastructure Program, and one award under the Local Government Partnership Program. These contracts are executed.

On April 6, 2018, the SCAQMD Governing Board approved one award under the Natural Gas Infrastructure Program and eight awards under the Local Government Partnership Program. These contracts are executed.

On May 4, 2018, the SCAQMD Governing Board approved twenty-seven awards under the Local Government Partnership Program and one award under the County Transportation Commission Partnership Program. These contracts are with the prospective contractor for signature or executed.

On June 1, 2018, the SCAQMD Governing Board approved six awards under the Local Government Partnership Program, one award under the Natural Gas Infrastructure Program, and one award under the County Transportation Commission Partnership Program. These contracts are with the prospective contractor for signature or executed.

On July 6, 2018, the SCAQMD Governing Board approved nine awards under the Local Government Partnership Program. These contracts are with the prospective contractor for signature or executed.

On September 7, 2018, the SCAQMD Governing Board approved nineteen awards under the Local Government Partnership Program, three awards under the County Transportation Commission Partnership Program, one award under the Major Event Center Transportation Program, and twenty awards under the Natural Gas Infrastructure Program. These contracts are under development, with the prospective contractor for signature, with the SCAQMD Board Chair for signature, or executed.

On October 5, 2018, the SCAQMD Governing Board approved forty-eight awards under the Local Government Partnership Program and one award under the Hydrogen Infrastructure Program. These contracts are under development, with the prospective contractor for signature, with the SCAQMD Board Chair for signature, or executed.

On November 2, 2018, the SCAQMD Governing Board approved two awards under the Local Government Partnership Program. These contracts are with the prospective contractor for signature or executed.

2018-21 Work Program

On April 5, 2019, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is under development.

Work Program Status

Contract Status Reports for work program years with open and/or pending contracts are attached.

FY 2007-08 Work Program Contracts

3 contracts from this work program year are open; and one is in “Open/Complete” status.

FY 2007-08 Invoices Paid

No invoices were paid during this period.

FY 2010-11 Work Program Contracts

2 contracts from this work program year are open; and 24 are in “Open/Complete” status.

FY 2010-11 Invoices Paid

No invoices were paid during this period.

FY 2011-12 Work Program Contracts

8 contracts from this work program year are open, and 24 are in “Open/Complete” status.

FY 2011-12 Invoices Paid

No invoices were paid during this period.

FYs 2012-14 Work Program Contracts

21 contracts from this work program year are open, and 28 are in “Open/Complete” status. One contract closed during this period: City of Rancho Cucamonga, Contract #ML14070 – Bicycle Trail Improvements. One contract passed into “Open/Complete” status during this period: City of Corona, Contract #ML14019 –Install EV Charging, Bicycle Racks, and Bicycle Lockers. Two replacement contracts are pending execution.

FYs 2012-14 Invoices Paid

No invoices were paid during this period.

FYs 2014-16 Work Program Contracts

58 contracts from this work program year are open, and 21 are in “Open/Complete” status. Two replacement contracts are pending execution.

FYs 2014-16 Invoices Paid

8 invoices totaling \$285,270.34 were paid during this period.

FYs 2016-18 Work Program Contracts

108 contracts from this work program year are open, and 2 are in “Open/Complete” status. Two contracts were declined/cancelled during this period: City of Norwalk, Contract #MS18018 – Vehicle Maintenance Facility Modifications; and Newport-Mesa Unified School District, Contract #MS18111 (proposed) – Expansion of Existing CNG Infrastructure. A total of \$250,000 reverted to the AB 2766 Discretionary Fund.

3 invoices totaling \$125,373.00 were paid during this period.

Administrative Scope Changes

3 administrative scope changes were initiated during the period of March 28 to April 24, 2019:

- City of Santa Clarita, Contract #ML18090 (proposed) (Install EV Charging Stations) – Increase from eight to nine stations with no change in contract value
- Los Angeles County Metropolitan Transportation Authority, Contract #MS16113 (Repower 125 Buses with Near-Zero Emission Engines) – Substitute updated list of buses
- City of Anaheim, Contract #ML18038 (Procure Five Light-Duty ZEVs and Install EV Charging Stations) – Change fleet stations from single-port to dual-port with no change in contract value

Attachments

- FY 2007-08 through FYs 2016-18 (except FY 2009-10) Contract Status Reports



AB2766 Discretionary Fund Program Invoices

March 28 to April 24, 2019

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2014-2016 Work Program</i>							
4/23/2019	4/26/2019	4/26/2019	5/1/2019	MS16097	Walnut Valley Unified School District	Final	\$75,000.00
4/19/2019	4/26/2019	4/26/2019	5/1/2019	ML16017	City of Long Beach	19-006	\$30,000.00
4/16/2019	4/18/2019	4/18/2019	4/23/2019	ML16010	City of Fullerton	1	\$27,896.71
4/10/2019	4/18/2019	4/18/2019	4/23/2019	MS16030	Better World Group Advisors	2021	\$8,348.75
4/10/2019	4/18/2019	4/18/2019	4/23/2019	MS16030	Better World Group Advisors	2014	\$3,781.25
4/5/2019	4/18/2019	4/18/2019	4/23/2019	MS16029	Orange County Transportation Authority	FA140542	\$82,000.00
4/2/2019	4/5/2019	4/5/2019	4/9/2019	MS16121	Long Beach Transit	1	\$14,250.00
4/23/2019	4/26/2019	4/26/2019	5/1/2019	ML16076	City of San Fernando	1-FINAL	\$43,993.88
Total: \$285,270.59							
<i>2016-2018 Work Program</i>							
4/17/2019	4/18/2019	4/18/2019	4/23/2019	ML18078	County of Riverside	2	\$75,000.00
4/11/2019	4/18/2019	4/18/2019	4/23/2019	ML18038	City of Anaheim	1	\$50,000.00
4/10/2019	4/18/2019	4/18/2019	4/23/2019	MS18003	Geographics	19-21453	\$373.00
Total: \$125,373.00							

Total This Period: \$410,643.59



FYs 2006-07 Through 2016-18 AB2766 Contract Status Report

5/9/2019

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2006-2007 Contracts									
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
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

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	Yes
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

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML07025	City of San Bernardino	8/12/2008	7/11/2010		\$350,000.00	\$350,000.00	Maintenance Facility Modifications	\$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
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
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
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
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
ML07042	City of La Quinta	8/15/2008	9/14/2010		\$100,000.00	\$100,000.00	Street Sweeping Operations	\$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
ML07044	City of Santa Monica	9/8/2008	3/7/2015	3/7/2017	\$600,000.00	\$600,000.00	24 H.D. Nat. Gas 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
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
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
MS07008	City of Los Angeles, Department of T	9/18/2009	5/17/2020	9/17/2017	\$1,900,000.00	\$1,900,000.00	Purchase 95 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
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
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
MS07019	City of Cathedral City	1/9/2009	6/8/2010		\$32,500.00	\$32,500.00	Maintenance Facility Modifications	\$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

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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	Yes
MS07058	Better World Group Advisors	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. Co	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
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	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	Yes
MS07064	Altfilisch 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
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	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	Yes
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	Yes
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
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
MS07080	City of Los Angeles Bureau of Sanita	10/31/2008	8/30/2010	8/28/2016	\$63,192.00	\$62,692.00	Off-Road Diesel Equipment Retrofit Program	\$500.00	No
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: 60

Closed/Incomplete Contracts

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
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

Total: 4

Open/Complete Contracts

MS07022	CSULA Hydrogen Station and Resea	10/30/2009	12/29/2015	10/29/2019	\$250,000.00	\$250,000.00	New Hydrogen Fueling Station	\$0.00	Yes
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Total: 1

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2007-2008 Contracts									
Open Contracts									
ML08028	City of Santa Monica	9/11/2009	9/10/2016	5/10/2019	\$600,000.00	\$200,000.00	24 CNG Heavy-Duty Vehicles	\$400,000.00	No
MS08007	United Parcel Service West Region	12/10/2008	10/9/2014	4/9/2019	\$300,000.00	\$270,000.00	10 H.D. Nat. Gas Vehicles	\$30,000.00	Yes
MS08013	United Parcel Service West Region	12/10/2008	10/9/2014	3/9/2019	\$480,000.00	\$432,000.00	12 H.D. Nat. Gas Yard Tractors	\$48,000.00	No
Total: 3									
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
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
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	Burtec 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	Burtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - San Bernardino	\$100,000.00	No
MS08060	Burtec 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: 17									
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
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	Yes
ML08026	Los Angeles County Department of P	7/20/2009	7/19/2016		\$250,000.00	\$250,000.00	10 LPG Heavy-Duty Vehicles	\$0.00	Yes
ML08027	Los Angeles County Department of P	7/20/2009	1/19/2011	1/19/2012	\$6,901.00	\$5,124.00	34 Vehicles (Diagnostic)	\$1,777.00	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
ML08030	City of Azusa	5/14/2010	3/13/2016		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	No
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
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
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
ML08035	City of La Verne	3/6/2009	11/5/2009		\$11,925.00	\$11,925.00	53 Vehicles (Diagnostic)	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML08036	City of South Pasadena	5/12/2009	7/11/2013		\$169,421.00	\$169,421.00	New CNG Station	\$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 an	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
ML08040	City of Riverside	9/11/2009	9/10/2016	3/10/2019	\$455,500.00	\$455,500.00	16 CNG Vehicles, Expand CNG Station & M	\$0.00	Yes
ML08042	City of Ontario, Housing & Municipal	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
ML08045	City of Santa Clarita	2/20/2009	6/19/2010		\$3,213.00	\$3,150.00	14 Vehicles (Diagnostic)	\$63.00	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
MS08001	Los Angeles County MTA	12/10/2010	6/9/2014		\$1,500,000.00	\$1,499,999.66	Big Rig Freeway Service Patrol	\$0.34	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 Progra	\$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 Progra	\$0.00	Yes
MS08005	Burtec 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	Burtec 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
MS08015	Yosemite Waters	5/12/2009	5/11/2015		\$180,000.00	\$117,813.60	11 H.D. Propane Vehicles	\$62,186.40	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
MS08017	Omnitrans	12/13/2008	12/12/2015	12/12/2016	\$900,000.00	\$900,000.00	30 CNG Buses	\$0.00	Yes
MS08018	Los Angeles County Department of P	8/7/2009	10/6/2016	4/6/2018	\$60,000.00	\$60,000.00	2 CNG Vehicles	\$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
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
MS08058	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$400,000.00	New CNG Station - Ontario Airport	\$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

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS08067	Trillium CNG	3/19/2009	6/18/2015	6/18/2016	\$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
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 Progra	\$60,000.00	Yes
MS09004	A-Z Bus Sales, Inc.	1/30/2009	3/31/2009		\$156,000.00	\$156,000.00	Alternative Fuel School Bus Incentive Progra	\$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 Progra	\$0.00	Yes

Total: 59

Closed/Incomplete Contracts

ML08025	Los Angeles County Department of P	10/30/2009	3/29/2011		\$75,000.00	\$0.00	150 Vehicles (Diagnostic)	\$75,000.00	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
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: 3

Open/Complete Contracts

ML08043	City of Desert Hot Springs	9/25/2009	3/24/2016	3/24/2021	\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
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Total: 1

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2008-2009 Contracts									
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 an	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 P				\$8,250.00	\$0.00	Remote Vehicle Diagnostics/15 Vehicles	\$8,250.00	No
ML09025	Los Angeles County Department of P	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
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	Yes
ML09009	City of South Pasadena	11/5/2010	12/4/2016	3/4/2019	\$125,930.00	\$125,930.00	CNG Station Expansion	\$0.00	Yes
ML09010	City of Palm Springs	1/8/2010	2/7/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
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
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
ML09023	Los Angeles County Department of P	12/10/2010	12/9/2017		\$50,000.00	\$50,000.00	2 Heavy-Duty Alternative Fuel Transit Vehicl	\$0.00	Yes
ML09024	Los Angeles County Department of P	10/15/2010	12/14/2012	6/14/2013	\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML09026	Los Angeles County Department of P	10/15/2010	10/14/2017	4/14/2019	\$150,000.00	\$80,411.18	3 Off-Road Vehicles Repowers	\$69,588.82	Yes
ML09027	Los Angeles County Department of P	7/23/2010	3/22/2012	6/22/2012	\$150,000.00	\$150,000.00	Freeway Detector Map Interface	\$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
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	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
ML09032	Los Angeles World Airports	4/8/2011	4/7/2018		\$175,000.00	\$175,000.00	7 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09033	City of Beverly Hills	3/4/2011	5/3/2017	1/3/2019	\$550,000.00	\$550,000.00	10 Nat. Gas Heavy-Duty Vehicles & CNG St	\$0.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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	6/16/2018	\$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 an	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
ML09047	Los Angeles County Department of P	8/13/2014	8/12/2015	11/12/2015	\$400,000.00	\$272,924.53	Maintenance Facility Modifications	\$127,075.47	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: 32

Open/Complete Contracts

ML09036	City of Long Beach Fleet Services B	5/7/2010	5/6/2017	11/6/2022	\$875,000.00	\$875,000.00	Purchase 35 Natural Gas Refuse Trucks	\$0.00	Yes
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Total: 1

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									
ML11029	City of Santa Ana	9/7/2012	3/6/2020	3/6/2023	\$262,500.00	\$75,000.00	Expansion of Existing CNG Station, Install N	\$187,500.00	No
ML11045	City of Newport Beach	2/3/2012	8/2/2018	3/2/2021	\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
Total: 2									
Declined/Cancelled Contracts									
ML11038	City of Santa Monica	5/18/2012	7/17/2018		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
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 Arhue				\$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 Showc	\$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
MS11084	Ivanhoe Energy Services and Develo				\$66,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$66,750.00	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
Total: 22									
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
ML11022	City of Anaheim	3/16/2012	7/15/2018		\$150,000.00	\$150,000.00	Purchase of 5 H.D. Vehicles	\$0.00	Yes
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
ML11027	City of Los Angeles, Dept. of Genera	5/4/2012	7/3/2015	1/3/2016	\$300,000.00	\$300,000.00	Maintenance Facility Modifications	\$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

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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
ML11034	City of Los Angeles, Department of	5/4/2012	1/3/2019		\$630,000.00	\$630,000.00	Purchase 21 H.D. CNG Vehicles	\$0.00	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
ML11039	City of Ontario, Housing & Municipal	1/27/2012	9/26/2018		\$180,000.00	\$180,000.00	Purchase 6 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11042	City of Chino	2/17/2012	4/16/2018		\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle, Repower	\$0.00	Yes
ML11043	City of Hemet Public Works	2/3/2012	2/2/2019		\$60,000.00	\$60,000.00	Purchase 2 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS11001	Mineral LLC	4/22/2011	4/30/2013	4/30/2015	\$111,827.00	\$103,136.83	Design, Develop, Host and Maintain MSRC	\$8,690.17	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 Progra	\$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 Progra	\$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
MS11017	CR&R, Inc.	3/2/2012	2/1/2018		\$100,000.00	\$100,000.00	Expansion of existing station - Garden Grove	\$0.00	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
MS11056	Better World Group Advisors	12/30/2011	12/29/2013	12/29/2015	\$206,836.00	\$186,953.46	Programmatic Outreach Services	\$19,882.54	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
MS11058	L A Service Authority for Freeway E	5/31/2013	4/30/2014		\$123,395.00	\$123,395.00	Implement 511 "Smart Phone" Application	\$0.00	Yes
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	Yes
MS11062	Load Center	9/7/2012	1/6/2016	12/6/2016	\$175,384.00	\$169,883.00	Retrofit Six Off-Road Vehicles under Showc	\$5,501.00	Yes
MS11065	Temecula Valley Unified School Distr	8/11/2012	1/10/2019		\$50,000.00	\$48,539.62	Expansion of Existing CNG Station	\$1,460.38	No
MS11066	Torrance Unified School District	11/19/2012	9/18/2018		\$42,296.00	\$42,296.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11068	Ryder System Inc.	7/28/2012	10/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Fontana)	\$0.00	Yes
MS11069	Ryder System Inc.	7/28/2012	8/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Orange)	\$0.00	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
MS11086	DCL America Inc.	6/7/2013	10/6/2016		\$500,000.00	\$359,076.96	Retrofit Eight H.D. Off-Road Vehicles Under	\$140,923.04	Yes
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	Yes
MS11091	California Cartage Company, LLC	4/5/2013	8/4/2016	2/4/2018	\$55,000.00	\$0.00	Retrofit Two H.D. Off-Road Vehicles Under	\$55,000.00	No
MS11092	Griffith Company	2/15/2013	6/14/2016	12/14/2017	\$390,521.00	\$78,750.00	Retrofit 17 H.D. Off-Road Vehicles Under Sh	\$311,771.00	No

Total: 36

Closed/Incomplete Contracts

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
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
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	\$4,350.00	Install DECS on Four Off-Road Vehicles	\$61,608.00	Yes
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

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 5									
Open/Complete Contracts									
ML11020	City of Indio	2/1/2013	3/31/2019	9/30/2020	\$15,000.00	\$9,749.50	Retrofit one H.D. Vehicles w/DECS, repower	\$5,250.50	Yes
ML11021	City of Whittier	1/27/2012	9/26/2018	6/26/2019	\$210,000.00	\$210,000.00	Purchase 7 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11023	City of Rancho Cucamonga	4/20/2012	12/19/2018	9/19/2020	\$260,000.00	\$260,000.00	Expand Existing CNG Station, 2 H.D. Vehicl	\$0.00	Yes
ML11024	County of Los Angeles, Dept of Publi	12/5/2014	6/4/2022		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11025	County of Los Angeles Department o	3/14/2014	9/13/2021		\$150,000.00	\$150,000.00	Purchase 5 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11032	City of Gardena	3/2/2012	9/1/2018	10/1/2020	\$102,500.00	\$102,500.00	Purchase Heavy-Duty CNG Vehicle, Install	\$0.00	Yes
ML11036	City of Riverside	1/27/2012	1/26/2019	3/26/2021	\$670,000.00	\$670,000.00	Install New CNG Station, Purchase 9 H.D. N	\$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
ML11040	City of South Pasadena	5/4/2012	1/3/2019	1/3/2022	\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle	\$0.00	Yes
ML11041	City of Santa Ana	9/7/2012	11/6/2018	1/6/2021	\$265,000.00	\$244,651.86	Purchase 7 LPG H.D. Vehicles, Retrofit 6 H.	\$20,348.14	Yes
ML11044	City of Ontario, Housing & Municipal	1/27/2012	6/26/2019		\$400,000.00	\$400,000.00	Expand Existing CNG Station	\$0.00	Yes
MS11008	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11009	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11010	Border Valley Trading	8/26/2011	10/25/2017	4/25/2020	\$150,000.00	\$150,000.00	New LNG Station	\$0.00	Yes
MS11011	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Signal Hill	\$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
MS11016	CR&R Incorporated	4/12/2013	10/11/2019		\$100,000.00	\$100,000.00	New CNG Station - Perris	\$0.00	Yes
MS11019	City of Corona	11/29/2012	4/28/2020		\$225,000.00	\$225,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11055	KEC Engineering	2/3/2012	8/2/2018	8/2/2019	\$200,000.00	\$200,000.00	Repower 5 H.D. Off-Road Vehicles	\$0.00	Yes
MS11060	Rowland Unified School District	8/17/2012	1/16/2019	1/16/2020	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11067	City of Redlands	5/24/2012	11/23/2018	11/23/2019	\$85,000.00	\$85,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11071	City of Torrance Transit Department	12/22/2012	1/21/2019	1/21/2020	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11073	Los Angeles Unified School District	9/11/2015	2/10/2022		\$175,000.00	\$175,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11079	Bear Valley Unified School District	2/5/2013	10/4/2019		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes

Total: 24

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									
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
ML12018	City of West Covina	10/18/2013	10/17/2020	8/17/2023	\$300,000.00	\$0.00	Expansion of Existing CNG Station	\$300,000.00	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	6/13/2022	\$400,000.00	\$0.00	Install New CNG Station	\$400,000.00	No
ML12057	City of Coachella	8/28/2013	8/27/2019	1/27/2022	\$57,456.00	\$40,375.80	Purchase One Nat. Gas H.D. Vehicle/Street	\$17,080.20	No
ML12090	City of Palm Springs	10/9/2015	10/8/2021		\$21,163.00	\$0.00	EV Charging Infrastructure	\$21,163.00	No
ML12091	City of Bellflower	10/5/2018	10/4/2019		\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
MS12060	City of Santa Monica	4/4/2014	8/3/2017	8/3/2019	\$500,000.00	\$434,202.57	Implement Westside Bikeshare Program	\$65,797.43	No
Total: 8									
Declined/Cancelled Contracts									
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
ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte				\$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
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
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	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-Acess CNG Station	\$100,000.00	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
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	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
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No
Total: 12									
Closed Contracts									
ML12013	City of Pasadena	10/19/2012	3/18/2015	9/18/2015	\$200,000.00	\$65,065.00	Electric Vehicle Charging Infrastructure	\$134,935.00	Yes
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$16,837.00	EV Charging Infrastructure	\$21,163.00	Yes
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$40,000.00	Four Medium-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$192,333.00	EV Charging Infrastructure	\$57,667.00	Yes
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	11/3/2015	11/3/2017	\$68,977.00	\$38,742.16	EV Charging Infrastructure	\$30,234.84	Yes
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
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$3,265.29	EV Charging Infrastructure	\$27,166.71	Yes
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$385,363.00	EV Charging Infrastructure	\$17,037.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$77,385.00	EV Charging Infrastructure	\$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
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$5,900.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$211,170.00	Clean Fuel Transit Service to Dodger Stadiu	\$88,830.00	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
MS12012	Rim of the World Unified School Dist	12/20/2012	5/19/2014		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$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
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$353,048.26	Purchase 23 Medium-Heavy Duty Vehicles	\$146,951.74	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
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	Yes
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$50,000.00	\$32,446.00	Purchase 2 Medium-Heavy Duty Vehicles	\$17,554.00	Yes
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	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
MS12059	Orange County Transportation Autho	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	Yes
MS12061	Orange County Transportation Autho	3/14/2014	3/13/2017		\$224,000.00	\$114,240.00	Transit-Oriented Bicycle Sharing Program	\$109,760.00	Yes
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$56,443.92	Implement Anaheim Circulator Service	\$70,852.08	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
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$21,250.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12076	City of Ontario, Housing & Municipal	3/8/2013	4/7/2015		\$75,000.00	\$75,000.00	Maintenance Facilities Modification	\$0.00	Yes
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$73,107.00	Maintenance Facility Modifications - Vernon	\$1,893.00	Yes
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$75,000.00	Maintenance Facility Modifications - Santa A	\$0.00	Yes
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$125,000.00	Implement Rideshare Incentives Program	\$0.00	Yes
MS12088	Orange County Transportation Autho	12/6/2013	3/5/2016		\$125,000.00	\$18,496.50	Implement Rideshare Incentives Program	\$106,503.50	Yes
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$249,136.00	\$105,747.48	Implement Rideshare Incentives Program	\$143,388.52	No
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	No

Total: 44

Closed/Incomplete Contracts

ML12051	City of Bellflower	2/7/2014	2/6/2016	5/6/2018	\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
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Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	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
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No

Total: 4

Open/Complete Contracts

ML12015	City of Fullerton	4/25/2013	11/24/2020	11/24/2021	\$40,000.00	\$40,000.00	HD CNG Vehicle, Expand CNG Station	\$0.00	Yes
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020	11/25/2021	\$950,000.00	\$950,000.00	32 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12020	City of Los Angeles, Department of	9/27/2012	3/26/2019	3/26/2020	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$110,000.00	2 Medium-Duty and Three Heavy-Duty CNG	\$0.00	Yes
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12008	Bonita Unified School District	7/12/2013	12/11/2019	4/11/2021	\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$150,000.00	Construct New Public-Access LNG Station	\$0.00	Yes
MS12010	Murrieta Valley Unified School Distric	4/5/2013	9/4/2019		\$242,786.00	\$242,786.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	5/28/2021	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12024	Southern California Gas Company	6/13/2013	12/12/2019	11/12/2020	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018	6/21/2021	\$148,900.00	\$148,900.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	No
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018	5/1/2022	\$133,070.00	\$133,070.00	Purchase 8 Medium-Heavy Duty Vehicles	\$0.00	No
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
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$100,000.00	Install New Limited Access CNG Station	\$0.00	Yes
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$100,000.00	Construct New CNG Station	\$0.00	Yes
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$150,000.00	Construct New CNG Station	\$0.00	Yes
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12075	CR&R Incorporated	7/27/2013	1/26/2021	1/26/2022	\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No
MS12080	City of Pasadena	11/8/2013	8/7/2020	2/7/2022	\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021	2/19/2023	\$175,000.00	\$175,000.00	Install New CNG Infrastructure	\$0.00	Yes
MS12083	Brea Olinda Unified School District	7/30/2015	2/29/2024		\$59,454.00	\$59,454.00	Install New CNG Infrastructure	\$0.00	Yes
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$225,000.00	Purchase 23 Medium-Heavy Duty Vehicles	\$0.00	Yes

Total: 24

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2012-2014 Contracts									
Open Contracts									
ML14012	City of Santa Ana	2/13/2015	10/12/2021		\$244,000.00	\$0.00	EV Charging and 7 H.D. LPG Vehicles	\$244,000.00	No
ML14018	City of Los Angeles, Department of	3/6/2015	9/5/2021	12/5/2022	\$810,000.00	\$720,000.00	Purchase 27 H.D. Nat. Gas Vehicles	\$90,000.00	No
ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016	9/30/2020	\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14023	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2019	\$230,000.00	\$0.00	Maintenance Fac. Modifications-Westcheste	\$230,000.00	No
ML14024	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2019	\$230,000.00	\$0.00	Maintenance Fac. Modifications-Baldwin Par	\$230,000.00	No
ML14025	County of Los Angeles Dept of Publi	10/2/2015	7/1/2018	7/1/2024	\$300,000.00	\$0.00	Construct New CNG Station in Malibu	\$300,000.00	No
ML14026	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	5/1/2024	\$300,000.00	\$0.00	Construct New CNG Station in Castaic	\$300,000.00	No
ML14027	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	6/1/2024	\$500,000.00	\$0.00	Construct New CNG Station in Canyon Coun	\$500,000.00	No
ML14030	County of Los Angeles Internal Servi	1/9/2015	3/8/2018	10/8/2019	\$425,000.00	\$25,000.00	Bicycle Racks, Outreach & Education	\$400,000.00	No
ML14062	City of San Fernando	3/27/2015	5/26/2021	10/31/2023	\$387,091.00	\$0.00	Expand Existing CNG Fueling Station	\$387,091.00	No
ML14067	City of Duarte	12/4/2015	1/3/2023	6/3/2024	\$60,000.00	\$0.00	Purchase Two Electric Buses	\$60,000.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015	1/11/2020	\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14069	City of Beaumont	3/3/2017	3/2/2025		\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
ML14072	City of Cathedral City	8/13/2014	1/12/2021	7/12/2022	\$66,000.00	\$0.00	Install EV Charging, Bike Racks & Education	\$66,000.00	No
MS14037	Penske Truck Leasing Co., L.P.	4/7/2017	6/6/2020		\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Carson	\$75,000.00	No
MS14057	Los Angeles County MTA	11/7/2014	10/6/2019	10/6/2020	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018	4/4/2020	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14072	San Bernardino County Transportatio	3/27/2015	3/26/2018	3/26/2020	\$1,250,000.00	\$887,566.17	Implement Various Signal Synchronization P	\$362,433.83	No
MS14076	Rialto Unified School District	6/17/2015	2/16/2022	6/5/2023	\$225,000.00	\$213,750.00	New Public Access CNG Station	\$11,250.00	No
MS14079	Waste Resources, Inc.	9/14/2016	8/13/2022	2/13/2024	\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14083	Hacienda La Puente Unified School	7/10/2015	3/9/2022		\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
Total: 21									
Pending Execution Contracts									
ML14096	County of Los Angeles Dept of Publi				\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14097	County of Los Angeles Internal Servi				\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
Total: 2									
Declined/Cancelled Contracts									
ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$32,000.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valle	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirad	\$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
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS14078	American Honda Motor Co., Inc.	9/4/2015	8/3/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14085	Prologis, L.P.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14086	San Gabriel Valley Towing I				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14091	Serv-Wel Disposal				\$100,000.00	\$0.00	New Limited-Access CNG Infrastructure	\$100,000.00	No

Total: 9

Closed Contracts

ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$25,000.00	Street Sweeping Operations	\$0.00	Yes
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$78,627.00	Bicycle Racks, Bicycle Outreach & Educatio	\$373.00	Yes
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14020	County of Los Angeles Dept of Publi	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$71,056.78	Bicycle Trail Improvements	\$19,443.22	Yes
ML14051	City of Brea	9/5/2014	1/4/2017	7/4/2018	\$450,000.00	\$450,000.00	Installation of Bicycle Trail	\$0.00	Yes
ML14054	City of Torrance	11/14/2014	4/13/2017	7/13/2017	\$350,000.00	\$319,908.80	Upgrade Maintenance Facility	\$30,091.20	Yes
ML14055	City of Highland	10/10/2014	3/9/2018	3/9/2019	\$500,000.00	\$489,385.24	Bicycle Lanes and Outreach	\$10,614.76	Yes
ML14056	City of Redlands	9/5/2014	5/4/2016	5/4/2018	\$125,000.00	\$125,000.00	Bicycle Lanes	\$0.00	Yes
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$10,000.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14070	City of Rancho Cucamonga	9/3/2016	12/2/2018		\$365,245.00	\$326,922.25	Bicycle Trail Improvements	\$38,322.75	Yes
ML14071	City of Manhattan Beach	1/9/2015	11/8/2018		\$22,485.00	\$22,485.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14094	City of Yucaipa	6/9/2017	6/8/2018		\$84,795.00	\$84,795.00	Installation of Bicycle Lanes	\$0.00	Yes
ML14095	City of South Pasadena	1/10/2019	7/9/2019		\$142,096.00	\$134,182.09	Bicycle Trail Improvements	\$7,913.91	Yes
MS14001	Los Angeles County MTA	3/6/2015	4/30/2015		\$1,216,637.00	\$1,199,512.68	Clean Fuel Transit Service to Dodger Stadiu	\$17,124.32	Yes
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	Yes
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$184,523.00	Implement Metrolink Service to Angel Stadiu	\$9,712.00	Yes
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	Yes
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$511,520.00	Provide Expanded Shuttle Service to Hollyw	\$3,680.00	Yes
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$189,622.94	Implement Special Metrolink Service to Ang	\$18,897.06	Yes
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$601,187.00	Implement Clean Fuel Bus Service to Orang	\$0.00	Yes
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014	3/31/2015	\$388,000.00	\$388,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS14039	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Irvine	\$0.00	Yes
MS14040	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Santa An	\$0.00	Yes
MS14047	Southern California Regional Rail Au	3/7/2014	9/30/2014		\$49,203.00	\$32,067.04	Special Metrolink Service to Autoclub Speed	\$17,135.96	Yes
MS14048	BusWest	3/14/2014	12/31/2014	5/31/2015	\$940,850.00	\$847,850.00	Alternative Fuel School Bus Incentive Progra	\$93,000.00	Yes
MS14058	Orange County Transportation Autho	11/7/2014	4/6/2016	4/6/2017	\$1,250,000.00	\$1,250,000.00	Implement Various Signal Synchronization P	\$0.00	Yes
MS14073	Anaheim Transportation Network	1/9/2015	4/30/2017		\$221,312.00	\$221,312.00	Anaheim Resort Circulator Service	\$0.00	Yes
MS14087	Orange County Transportation Autho	8/14/2015	4/30/2016		\$239,645.00	\$195,377.88	Implement Special Metrolink Service to Ang	\$44,267.12	Yes
MS14088	Southern California Regional Rail Au	5/7/2015	9/30/2015		\$79,660.00	\$66,351.44	Special Metrolink Service to Autoclub Speed	\$13,308.56	Yes
MS14089	Top Shelf Consulting, LLC	1/18/2017	8/4/2016	3/31/2017	\$200,000.00	\$200,000.00	Enhanced Fleet Modernization Program	\$0.00	Yes

Total: 31

Closed/Incomplete Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML14050	City of Yucaipa	7/11/2014	9/10/2015	7/1/2016	\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14060	County of Los Angeles Internal Servi	10/6/2017	1/5/2019		\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016	2/11/2018	\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14093	County of Los Angeles Dept of Publi	8/14/2015	1/13/2019		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
MS14092	West Covina Unified School District	9/3/2016	12/2/2022		\$124,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$124,000.00	No

Total: 5

Open/Complete Contracts

ML14013	City of Los Angeles, Bureau of Sanit	10/7/2016	2/6/2025		\$400,000.00	\$400,000.00	Purchase 14 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$56,000.00	EV Charging Infrastructure	\$0.00	Yes
ML14016	City of Anaheim	4/3/2015	9/2/2021		\$380,000.00	\$380,000.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$0.00	Yes
ML14019	City of Corona Public Works	12/5/2014	6/4/2020	3/6/2023	\$111,518.00	\$111,517.18	EV Charging, Bicycle Racks, Bicycle Locker	\$0.82	Yes
ML14022	County of Los Angeles Department o	10/2/2015	5/1/2022		\$270,000.00	\$270,000.00	Purchase 9 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$126,950.00	Expansion of Exisiting CNG Infrastructure	\$0.00	Yes
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$90,000.00	Purchase 3 H.D. CNG Vehicles	\$0.00	Yes
ML14032	City of Rancho Cucamonga	1/9/2015	1/8/2022		\$113,990.00	\$104,350.63	Expansion of Existing CNG Infras., Bicycle L	\$9,639.37	Yes
ML14033	City of Irvine	7/11/2014	2/10/2021	2/10/2022	\$60,000.00	\$60,000.00	Purchase 2 H.D. CNG Vehicles	\$0.00	Yes
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$56,700.00	EV Charging Stations	\$0.00	Yes
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$101,976.09	One HD Nat Gas Vehicle, EV Charging, Bicy	\$3,023.91	Yes
ML14061	City of La Habra	3/11/2016	3/10/2022		\$41,600.00	\$41,270.49	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$329.51	Yes
ML14064	City of Claremont	7/11/2014	7/10/2020	1/10/2021	\$60,000.00	\$60,000.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
MS14041	USA Waste of California, Inc.	9/4/2015	10/3/2021		\$175,000.00	\$175,000.00	Limited-Access CNG Station, Vehicle Maint.	\$0.00	Yes
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$150,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS14044	TIMCO CNG Fund I, LLC	5/2/2014	11/1/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Santa A	\$0.00	Yes
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Inglewoo	\$0.00	Yes
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020	11/14/2021	\$150,000.00	\$150,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$78,000.00	Expansion of an Existing CNG Fueling Statio	\$0.00	Yes
MS14053	Upland Unified School District	1/9/2015	7/8/2021		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No
MS14074	Midway City Sanitary District	1/9/2015	3/8/2021		\$250,000.00	\$250,000.00	Limited-Access CNG Station & Facility Modif	\$0.00	Yes
MS14075	Fullerton Joint Union High School Di	7/22/2016	11/21/2023		\$300,000.00	\$293,442.00	Expansion of Existing CNG Infrastructure/Ma	\$6,558.00	Yes
MS14077	County Sanitation Districts of L.A. Co	3/6/2015	5/5/2021		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14080	CR&R Incorporated	6/1/2015	8/31/2021	8/31/2022	\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure/Ma	\$0.00	No
MS14081	CR&R Incorporated	6/1/2015	5/30/2021		\$175,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure/Ma	\$75,000.00	No
MS14082	Grand Central Recycling & Transfer	12/4/2015	3/3/2023	3/3/2024	\$150,000.00	\$150,000.00	Construct New Public Access CNG Station	\$0.00	Yes
MS14084	US Air Conditioning Distributors	5/7/2015	9/6/2021		\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14090	City of Monterey Park	5/7/2015	5/6/2021		\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes

Total: 28

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2014-2016 Contracts									
Open Contracts									
ML16006	City of Cathedral City	4/27/2016	4/26/2022		\$25,000.00	\$0.00	Purchase 1 H.D. Nat. Gas Vehicle, Bicycle	\$25,000.00	No
ML16007	City of Culver City Transportation De	10/6/2015	4/5/2023		\$246,000.00	\$210,000.00	Purchase 7 H.D. Nat. Gas Vehicles, EV Cha	\$36,000.00	No
ML16008	City of Pomona	9/20/2016	11/19/2022	5/19/2025	\$60,000.00	\$0.00	Purchase 3 Medium-Duty and 1 Heavy-Duty	\$60,000.00	No
ML16009	City of Fountain Valley	10/6/2015	2/5/2018	5/5/2019	\$46,100.00	\$0.00	Install EV Charging Infrastructure	\$46,100.00	No
ML16010	City of Fullerton	10/7/2016	4/6/2023		\$370,500.00	\$27,896.71	Expand Existing CNG Station, EV Charging I	\$342,603.29	No
ML16013	City of Monterey Park	12/4/2015	7/3/2022	7/3/2024	\$90,000.00	\$0.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$90,000.00	No
ML16016	City of Los Angeles, Department of	2/5/2016	12/4/2022		\$630,000.00	\$540,000.00	Purchase 21 Heavy-Duty Nat. Gas Vehicles	\$90,000.00	No
ML16017	City of Long Beach	2/5/2016	8/4/2023		\$1,445,400.00	\$1,131,400.00	Purchase 50 Medium-Duty, 19 H.D. Nat. Ga	\$314,000.00	No
ML16018	City of Hermosa Beach	10/7/2016	1/6/2023		\$29,520.00	\$23,768.44	Purchase 2 M.D. Nat. Gas Vehicles, Bicycle	\$5,751.56	No
ML16019	City of Los Angeles, Dept of General	1/25/2017	3/24/2020		\$102,955.00	\$0.00	Install EV Charging Infrastructure	\$102,955.00	No
ML16021	City of Santa Clarita	10/7/2016	6/6/2024		\$49,400.00	\$49,399.00	Install EV Charging Infrastructure	\$1.00	No
ML16022	Los Angeles Department of Water an	5/5/2017	3/4/2024	9/4/2025	\$360,000.00	\$0.00	Purchase 13 H.D. Nat. Gas Vehicles	\$360,000.00	No
ML16025	City of South Pasadena	6/22/2016	4/21/2023	4/21/2024	\$160,000.00	\$0.00	Purchase H.D. Nat. Gas Vehicle, Expand Ex	\$160,000.00	No
ML16032	City of Azusa	9/9/2016	4/8/2019	4/8/2020	\$474,925.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$474,925.00	No
ML16034	City of Riverside	3/11/2016	10/10/2018	10/10/2019	\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16038	City of Palm Springs	4/1/2016	7/31/2022		\$230,000.00	\$0.00	Install Bicycle Lanes & Purchase 4 Heavy-D	\$230,000.00	No
ML16039	City of Torrance Transit Department	1/6/2017	9/5/2022		\$32,000.00	\$0.00	Install EV Charging Infrastructure	\$32,000.00	No
ML16040	City of Eastvale	1/6/2017	7/5/2022		\$110,000.00	\$0.00	Install EV Charging Infrastructure	\$110,000.00	No
ML16041	City of Moreno Valley	9/3/2016	1/2/2021	7/2/2023	\$20,000.00	\$0.00	Install EV Charging Infrastructure	\$20,000.00	No
ML16042	City of San Dimas	4/1/2016	12/31/2019	12/31/2021	\$55,000.00	\$0.00	Install EV Charging Infrastructure	\$55,000.00	No
ML16045	City of Anaheim	6/22/2016	8/21/2019		\$275,000.00	\$0.00	Maintenance Facility Modifications	\$275,000.00	No
ML16046	City of El Monte	4/1/2016	5/31/2021	5/31/2023	\$20,160.00	\$0.00	Install EV Charging Infrastructure	\$20,160.00	No
ML16047	City of Fontana	1/6/2017	8/5/2019		\$500,000.00	\$0.00	Enhance an Existing Class 1 Bikeway	\$500,000.00	No
ML16048	City of Placentia	3/26/2016	5/25/2021	6/25/2022	\$90,000.00	\$18,655.00	Install a Bicycle Locker and EV Charging Infr	\$71,345.00	No
ML16052	City of Rancho Cucamonga	9/3/2016	11/2/2019	9/30/2020	\$315,576.00	\$0.00	Install Two Class 1 Bikeways	\$315,576.00	No
ML16053	City of Claremont	3/11/2016	7/10/2018	5/10/2020	\$498,750.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$498,750.00	No
ML16054	City of Yucaipa	3/26/2016	7/26/2018	7/26/2019	\$120,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$120,000.00	No
ML16056	City of Ontario	3/23/2016	9/22/2020	9/22/2021	\$150,000.00	\$0.00	Expansion of an Existing CNG Station	\$150,000.00	No
ML16057	City of Yucaipa	4/27/2016	1/26/2019	1/26/2020	\$380,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$380,000.00	No
ML16058	Los Angeles County Department of P	10/7/2016	4/6/2024		\$491,898.00	\$0.00	Purchase 15 H.D. Nat. Gas Vehicles and Ins	\$491,898.00	No
ML16069	City of West Covina	3/10/2017	6/9/2021		\$54,199.00	\$0.00	Installation of EV Charging Infrastructure	\$54,199.00	No
ML16070	City of Beverly Hills	2/21/2017	6/20/2023		\$90,000.00	\$90,000.00	Purchase 3 H.D. Nat. Gas Vehicles	\$0.00	No
ML16071	City of Highland	5/5/2017	1/4/2020	1/4/2022	\$264,500.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$264,500.00	No
ML16075	City of San Fernando	10/27/2016	2/26/2019	2/26/2020	\$354,000.00	\$0.00	Install a Class 1 Bikeway	\$354,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16076	City of San Fernando	2/21/2017	8/20/2021		\$43,993.88	\$43,993.88	Install EV Charging Infrastructure	\$0.00	No
ML16077	City of Rialto	5/3/2018	10/2/2021		\$463,216.00	\$0.00	Pedestrian Access Improvements, Bicycle L	\$463,216.00	No
ML16083	City of El Monte	4/1/2016	4/30/2021	4/30/2023	\$57,210.00	\$0.00	Install EV Charging Infrastructure	\$57,210.00	No
ML16122	City of Wildomar	6/8/2018	6/7/2019		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
MS16029	Orange County Transportation Autho	1/12/2018	6/11/2020		\$851,883.00	\$82,000.00	TCM Partnership Program - OC Bikeways	\$769,883.00	No
MS16030	Better World Group Advisors	12/19/2015	12/31/2017	12/31/2019	\$256,619.00	\$187,359.18	Programmic Outreach Services to the MSR	\$69,259.82	No
MS16086	San Bernardino County Transportatio	9/3/2016	10/2/2021		\$800,625.00	\$229,589.91	Freeway Service Patrols	\$571,035.09	No
MS16090	Los Angeles County MTA	10/27/2016	4/26/2020		\$2,500,000.00	\$0.00	Expansion of the Willowbrook/Rosa Parks Tr	\$2,500,000.00	No
MS16094	Riverside County Transportation Co	1/25/2017	1/24/2022		\$1,909,241.00	\$0.00	MetroLink First Mile/Last Mile Mobility Strate	\$1,909,241.00	No
MS16096	San Bernardino County Transportatio	10/27/2016	12/26/2019		\$450,000.00	\$0.00	EV Charging Infrastructure	\$450,000.00	No
MS16097	Walnut Valley Unified School District	10/7/2016	11/6/2022		\$250,000.00	\$250,000.00	Expand CNG Station & Modify Maintenance	\$0.00	No
MS16102	Nasa Services, Inc.	2/21/2017	4/20/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	No
MS16106	City of Lawndale	3/1/2019	11/30/2025		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16110	City of Riverside	10/6/2017	2/5/2025		\$300,000.00	\$0.00	Expansion of Existing CNG Station and Main	\$300,000.00	No
MS16112	Orange County Transportation Autho	4/14/2017	3/13/2024		\$1,470,000.00	\$465,000.00	Repower Up to 98 Transit Buses	\$1,005,000.00	No
MS16113	Los Angeles County MTA	5/12/2017	4/11/2024		\$1,875,000.00	\$1,068,750.00	Repower Up to 125 Transit Buses	\$806,250.00	No
MS16115	City of Santa Monica	4/14/2017	7/13/2025		\$870,000.00	\$356,250.00	Repower 58 Transit Buses	\$513,750.00	No
MS16117	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$166,250.00	Expansion of Existing CNG Infrastructure	\$8,750.00	No
MS16118	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$166,250.00	Expansion of Existing CNG Infrastructure	\$8,750.00	No
MS16119	Omnitrans	4/21/2017	8/20/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS16120	Omnitrans	4/7/2017	5/6/2025		\$945,000.00	\$0.00	Repower 63 Existing Buses	\$945,000.00	No
MS16121	Long Beach Transit	11/3/2017	4/2/2024	11/30/2026	\$600,000.00	\$14,250.00	Repower 39 and Purchase 1 New Transit Bu	\$585,750.00	No
MS16123	Orange County Transportation Autho	12/7/2018	11/6/2023		\$91,760.00	\$0.00	Install La Habra Union Pacific Bikeway	\$91,760.00	No
MS16124	Riverside County Transportation Co	12/14/2018	12/14/2019		\$253,239.00	\$28,869.20	Extended Freeway Service Patrols	\$224,369.80	No

Total: 58

Pending Execution Contracts

ML16126	City of Palm Springs				\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycl	\$40,000.00	No
MS16125	San Bernardino County Transportatio				\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No

Total: 2

Declined/Cancelled Contracts

ML16014	City of Dana Point				\$153,818.00	\$0.00	Extend an Existing Class 1 Bikeway	\$153,818.00	No
ML16065	City of Temple City				\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16067	City of South El Monte				\$73,329.00	\$0.00	Implement an "Open Streets" Event	\$73,329.00	No
ML16074	City of La Verne	7/22/2016	1/21/2023		\$365,000.00	\$0.00	Install CNG Fueling Station	\$365,000.00	No
MS16043	LBA Realty Company LLC				\$100,000.00	\$0.00	Install Limited-Access CNG Station	\$100,000.00	No
MS16080	Riverside County Transportation Co				\$1,200,000.00	\$0.00	Passenger Rail Service for Coachella and St	\$1,200,000.00	No
MS16098	Long Beach Transit				\$198,957.00	\$0.00	Provide Special Bus Service to Stub Hub Ce	\$198,957.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS16104	City of Perris				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16107	Athens Services				\$100,000.00	\$0.00	Construct a Limited-Access CNG Station	\$100,000.00	No
MS16108	VNG 5703 Gage Avenue, LLC				\$150,000.00	\$0.00	Construct Public-Access CNG Station in Bell	\$150,000.00	No
MS16109	Sanitation Districts of Los Angeles C				\$275,000.00	\$0.00	Expansion of an Existing L/CNG Station	\$275,000.00	No
MS16111	VNG 925 Lakeview Avenue, LLC				\$150,000.00	\$0.00	Construct Public Access CNG Station in Pla	\$150,000.00	No

Total: 12

Closed Contracts

ML16015	City of Yorba Linda	3/4/2016	11/3/2017		\$85,000.00	\$85,000.00	Install Bicycle Lanes	\$0.00	No
ML16020	City of Pomona	4/1/2016	2/1/2018	8/1/2018	\$440,000.00	\$440,000.00	Install Road Surface Bicycle Detection Syste	\$0.00	No
ML16026	City of Downey	5/6/2016	9/5/2017		\$40,000.00	\$40,000.00	Install EV Charging Infrastructure	\$0.00	No
ML16028	City of Azusa	9/9/2016	4/8/2018		\$25,000.00	\$25,000.00	Enhance Existing Class 1 Bikeway	\$0.00	Yes
ML16031	City of Cathedral City	12/19/2015	2/18/2017		\$25,000.00	\$25,000.00	Street Sweeping in Coachella Valley	\$0.00	Yes
ML16033	Coachella Valley Association of Gov	4/27/2016	4/26/2018		\$250,000.00	\$250,000.00	Street Sweeping Operations in Coachella Va	\$0.00	Yes
ML16035	City of Wildomar	4/1/2016	11/1/2017		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
ML16036	City of Brea	3/4/2016	12/3/2018		\$500,000.00	\$500,000.00	Install a Class 1 Bikeway	\$0.00	Yes
ML16049	City of Buena Park	4/1/2016	11/30/2018		\$429,262.00	\$429,262.00	Installation of a Class 1 Bikeway	\$0.00	Yes
ML16051	City of South Pasadena	2/12/2016	1/11/2017	12/11/2017	\$320,000.00	\$258,691.25	Implement "Open Streets" Event with Variou	\$61,308.75	Yes
ML16060	City of Cudahy	2/5/2016	10/4/2017		\$73,910.00	\$62,480.00	Implement an "Open Streets" Event	\$11,430.00	No
ML16064	County of Orange, OC Parks	2/21/2017	10/20/2018		\$204,073.00	\$157,632.73	Implement "Open Streets" Events with Vario	\$46,440.27	No
ML16066	City of Long Beach Public Works	1/13/2017	9/12/2018		\$75,050.00	\$63,763.62	Implement an "Open Streets" Event	\$11,286.38	Yes
ML16068	Riverside County Dept of Public Heal	12/2/2016	8/1/2018		\$171,648.00	\$171,648.00	Implement "Open Streets" Events with Vario	\$0.00	Yes
ML16073	City of Long Beach Public Works	1/13/2017	7/12/2017		\$50,000.00	\$50,000.00	Implement an "Open Streets" Event	\$0.00	Yes
ML16078	City of Moreno Valley	5/6/2016	11/5/2017	5/5/2018	\$32,800.00	\$31,604.72	Install Bicycle Infrastructure & Implement Bi	\$1,195.28	Yes
MS16001	Los Angeles County MTA	4/1/2016	4/30/2017		\$1,350,000.00	\$1,332,039.84	Clean Fuel Transit Service to Dodger Stadiu	\$17,960.16	Yes
MS16002	Orange County Transportation Autho	10/6/2015	5/31/2016		\$722,266.00	\$703,860.99	Clean Fuel Transit Service to Orange Count	\$18,405.01	Yes
MS16003	Special Olympics World Games Los	10/9/2015	12/30/2015		\$380,304.00	\$380,304.00	Low-Emission Transportation Service for Sp	\$0.00	Yes
MS16004	Mineral LLC	9/4/2015	7/3/2017	1/3/2018	\$27,690.00	\$9,300.00	Design, Develop, Host and Maintain MSRC	\$18,390.00	Yes
MS16084	Transit Systems Unlimited, Inc.	5/6/2016	2/28/2018		\$565,600.00	\$396,930.00	Implement Special Shuttle Service from Uni	\$168,670.00	No
MS16085	Southern California Regional Rail Au	3/11/2016	9/30/2016		\$78,033.00	\$64,285.44	Special MetroLink Service to Autoclub Spee	\$13,747.56	No
MS16089	Orange County Transportation Autho	7/8/2016	4/30/2017		\$128,500.00	\$128,500.00	Implement Special Bus Service to Angel Sta	\$0.00	Yes
MS16092	San Bernardino County Transportatio	2/3/2017	1/2/2019		\$242,937.00	\$242,016.53	Implement a Series of "Open Streets" Event	\$920.47	No
MS16093	Orange County Transportation Autho	9/3/2016	3/2/2018	9/2/2018	\$1,553,657.00	\$1,499,575.85	Implement a Mobile Ticketing System	\$54,081.15	No
MS16095	Orange County Transportation Autho	7/22/2016	5/31/2017		\$694,645.00	\$672,864.35	Implement Special Bus Service to Orange C	\$21,780.65	Yes
MS16099	Foothill Transit	3/3/2017	3/31/2017		\$50,000.00	\$50,000.00	Provide Special Bus Service to the Los Ange	\$0.00	Yes
MS16100	Southern California Regional Rail Au	5/5/2017	9/30/2017		\$80,455.00	\$66,169.43	Provide Metrolink Service to Autoclub Speed	\$14,285.57	Yes

Total: 28

Closed/Incomplete Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16005	City of Palm Springs	3/4/2016	10/3/2017		\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycl	\$40,000.00	No
MS16082	Riverside County Transportation Co	9/3/2016	8/2/2018		\$590,759.00	\$337,519.71	Extended Freeway Service Patrols	\$253,239.29	No
MS16091	San Bernardino County Transportatio	10/7/2016	11/6/2018		\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No

Total: 3

Open/Complete Contracts

ML16011	City of Claremont	10/6/2015	6/5/2022		\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16012	City of Carson	1/15/2016	10/14/2022		\$60,000.00	\$60,000.00	Purchase 2 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16023	City of Banning	12/11/2015	12/10/2021		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16024	City of Azusa	4/27/2016	2/26/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16027	City of Whittier	1/8/2016	11/7/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16037	City of Rancho Cucamonga	2/5/2016	11/4/2022		\$30,000.00	\$30,000.00	Purchase One Heavy-Duty Natural Gas Vehi	\$0.00	Yes
ML16050	City of Westminster	5/6/2016	7/5/2020	5/5/2022	\$115,000.00	\$93,925.19	Installation of EV Charging Infrastructure	\$21,074.81	No
ML16055	City of Ontario	5/6/2016	5/5/2022		\$270,000.00	\$270,000.00	Purchase Nine Heavy-Duty Natural-Gas Veh	\$0.00	Yes
ML16059	City of Burbank	4/1/2016	2/28/2022		\$180,000.00	\$180,000.00	Purchase 6 H.D. Nat. Gas Vehicles	\$0.00	No
ML16061	City of Murrieta	4/27/2016	1/26/2020		\$11,642.00	\$9,398.36	Installation of EV Charging Infrastructure	\$2,243.64	Yes
ML16062	City of Colton	6/3/2016	7/2/2020		\$25,000.00	\$21,003.82	Installation of EV Charging Infrastructure	\$3,996.18	Yes
ML16063	City of Glendora	3/4/2016	4/3/2022		\$30,000.00	\$30,000.00	Purchase One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16072	City of Palm Desert	3/4/2016	1/4/2020	1/3/2022	\$56,000.00	\$56,000.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16079	City of Yucaipa	4/1/2016	3/31/2020		\$5,000.00	\$5,000.00	Purchase Electric Lawnmower	\$0.00	Yes
MS16081	EDCO Disposal Corporation	3/4/2016	10/3/2022		\$150,000.00	\$150,000.00	Expansion of Existing Public Access CNG St	\$0.00	Yes
MS16087	Burritec Waste & Recycling Services,	7/8/2016	3/7/2023		\$100,000.00	\$100,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS16088	Transit Systems Unlimited, Inc.	5/12/2017	1/11/2023		\$17,000.00	\$17,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS16103	Arrow Services, Inc.	2/3/2017	4/2/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16105	Huntington Beach Union High School	3/3/2017	7/2/2024		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16114	City of Norwalk	3/3/2017	6/2/2024		\$45,000.00	\$32,170.00	Purchase 3 Transit Buses	\$12,830.00	Yes
MS16116	Riverside Transit Agency	3/3/2017	1/2/2023		\$10,000.00	\$9,793.00	Purchase One Transit Bus	\$207.00	No

Total: 21

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2016-2018 Contracts									
Open Contracts									
ML18019	City of Hidden Hills	5/3/2018	5/2/2022		\$49,999.00	\$10,000.00	Purchase Two Light-Duty ZEVs and EVSE	\$39,999.00	No
ML18020	City of Colton	5/3/2018	4/2/2024		\$67,881.00	\$0.00	Purchase One Medium-Duty and One Heavy	\$67,881.00	No
ML18022	City of Desert Hot Springs	5/3/2018	1/2/2020		\$50,000.00	\$0.00	Traffic Signal and Synchronization Project	\$50,000.00	No
ML18028	City of Artesia	6/28/2018	3/27/2025		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18030	City of Grand Terrace	6/28/2018	3/27/2022	3/27/2025	\$45,000.00	\$0.00	Install EVSE	\$45,000.00	No
ML18031	City of Diamond Bar	9/7/2018	11/6/2025		\$73,930.00	\$0.00	Install EVSE, Purchase up to 2-LD Vehicles	\$73,930.00	No
ML18032	City of Arcadia	2/1/2019	4/30/2025		\$74,650.00	\$0.00	Purchase 1-HD ZEV & 1-HD Near-ZEV	\$74,650.00	No
ML18033	City of Duarte	8/8/2018	2/7/2025		\$50,000.00	\$0.00	Purchase 1-HD ZEV	\$50,000.00	No
ML18034	City of Calabasas	6/8/2018	3/7/2022		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18035	City of Westlake Village	8/8/2018	11/7/2022		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18036	City of Indian Wells	8/8/2018	5/7/2023		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18037	City of Westminster	6/28/2018	6/27/2024	12/27/2026	\$120,900.00	\$0.00	Install EVSE, Purchase up to 3-LD ZEV & 1-	\$120,900.00	No
ML18038	City of Anaheim	10/5/2018	5/4/2025		\$221,500.00	\$50,000.00	Purchase 5 Light-Duty ZEVs and Install EVS	\$171,500.00	No
ML18039	City of Redlands	6/28/2018	7/27/2024		\$87,000.00	\$0.00	Purchase 1 Medium/Heavy-Duty ZEV and In	\$87,000.00	No
ML18040	City of Agoura Hills	7/13/2018	6/12/2022		\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18041	City of West Hollywood	8/8/2018	12/7/2023		\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18043	City of Yorba Linda	9/7/2018	12/6/2023		\$87,990.00	\$0.00	Install EV Charging Infrastructure	\$87,990.00	No
ML18044	City of Malibu	8/8/2018	10/7/2022		\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18045	City of Culver City Transportation De	6/28/2018	6/27/2025		\$51,000.00	\$0.00	Purchase Eight Near-Zero Vehicles	\$51,000.00	No
ML18046	City of Santa Ana	11/9/2018	7/8/2026		\$385,000.00	\$0.00	Purchase 6 Light-Duty ZEVs, 9 Heavy-Duty	\$385,000.00	No
ML18047	City of Whittier	8/8/2018	4/7/2026		\$113,910.00	\$0.00	Purchase 5 Heavy-Duty Near ZEVs	\$113,910.00	No
ML18048	City of Lynwood	6/28/2018	10/27/2024		\$93,500.00	\$0.00	Purchase Up to 3 Medium-Duty Zero-Emissi	\$93,500.00	No
ML18049	City of Downey	7/6/2018	5/5/2023		\$148,260.00	\$0.00	Install EVSE	\$148,260.00	No
ML18050	City of Irvine	9/7/2018	8/6/2028		\$330,490.00	\$0.00	Purchase 1 Medium/Heavy-Duty ZEV and In	\$330,490.00	No
ML18051	City of Rancho Cucamonga	3/1/2019	10/31/2025		\$227,040.00	\$0.00	Purchase 9 Light-Duty ZEVs, 2 Med-Duty Z	\$227,040.00	No
ML18052	City of Garden Grove	8/8/2018	10/7/2022		\$53,593.00	\$0.00	Purchase 4 L.D. ZEVs and Infrastructure	\$53,593.00	No
ML18053	City of Paramount	9/7/2018	3/6/2023		\$64,675.00	\$0.00	Install EV Charging Infrastructure	\$64,675.00	No
ML18054	City of La Habra Heights	8/8/2018	4/7/2022		\$9,200.00	\$0.00	Purchase 1 L.D. ZEV	\$9,200.00	No
ML18055	City of Long Beach Fleet Services B	11/29/2018	11/28/2026		\$622,220.00	\$0.00	Install EV Charging Stations	\$622,220.00	No
ML18056	City of Chino	3/29/2019	9/28/2023		\$103,868.00	\$0.00	Install EV Charging Infrastructure	\$103,868.00	No
ML18057	City of Carson	10/5/2018	7/4/2023		\$106,250.00	\$0.00	Purchase 5 Zero-Emission Vehicles and Infr	\$106,250.00	No
ML18058	City of Perris	10/12/2018	11/11/2024		\$94,624.00	\$0.00	Purchase 1 Med. H.D. ZEV and EV Chargin	\$94,624.00	No
ML18059	City of Glendale Water & Power	2/1/2019	7/31/2026		\$260,500.00	\$0.00	Install Electric Vehicle Charging Infrastructur	\$260,500.00	No
ML18060	County of Los Angeles Internal Servi	10/5/2018	8/4/2026		\$1,367,610.00	\$0.00	Purchase 29 Light-Duty ZEVs, 1 Med/Heavy	\$1,367,610.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18062	City of Beaumont	8/8/2018	9/7/2024		\$25,000.00	\$0.00	Purchase 1 Heavy-Duty Near-ZEV	\$25,000.00	No
ML18064	City of Eastvale	11/29/2018	4/28/2026		\$80,400.00	\$0.00	Purchase 2 Med. H.D. Zero Emission Vehicl	\$80,400.00	No
ML18067	City of Pico Rivera	9/7/2018	11/6/2022		\$83,500.00	\$0.00	Instal EVSE	\$83,500.00	No
ML18069	City of Torrance	3/1/2019	7/31/2027		\$187,400.00	\$0.00	Purchase 4 Heavy-Duty Near ZEV and Instal	\$187,400.00	No
ML18070	City of Lomita	11/29/2018	6/28/2022		\$6,250.00	\$0.00	Purchase 1 Light-Duty ZEV	\$6,250.00	No
ML18071	City of Chino Hills	9/7/2018	10/6/2022		\$30,000.00	\$0.00	Purchase 2 Light-Duty ZEVs and Install EVS	\$30,000.00	No
ML18072	City of Anaheim	12/18/2018	11/17/2026		\$239,560.00	\$0.00	Purchase 9 Light-Duty ZEVs & 2 Med/Hvy-D	\$239,560.00	No
ML18074	City of Buena Park	12/14/2018	6/13/2026		\$107,960.00	\$0.00	EV Charging Infrastructure	\$107,960.00	No
ML18076	City of Culver City Transportation De	10/5/2018	10/4/2023		\$1,130.00	\$0.00	Purchase Light-Duty ZEV	\$1,130.00	No
ML18077	City of Orange	11/2/2018	10/1/2022		\$59,776.00	\$0.00	Four Light-Duty ZEV and EV Charging Infras	\$59,776.00	No
ML18078	County of Riverside	10/5/2018	10/4/2028		\$425,000.00	\$100,000.00	Purchase 17 Heavy-Duty Vehicles	\$325,000.00	No
ML18079	City of Pasadena	12/7/2018	11/6/2023		\$183,670.00	\$0.00	EV Charging Infrastructure	\$183,670.00	No
ML18080	City of Santa Monica	1/10/2019	12/9/2023		\$121,500.00	\$0.00	Install EV Charging Stations	\$121,500.00	No
ML18081	City of Beaumont	10/5/2018	10/4/2022		\$31,870.00	\$0.00	EV Charging Infrastructure	\$31,870.00	No
ML18083	City of San Fernando	11/2/2018	11/1/2022		\$20,000.00	\$0.00	Implement Traffic Signal Synchronization	\$20,000.00	No
ML18086	City of Los Angeles Bureau of Street	2/8/2019	4/7/2023		\$300,000.00	\$0.00	Install Sixty EV Charging Stations	\$300,000.00	No
ML18088	City of Big Bear Lake	11/29/2018	8/28/2020		\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18091	City of Temecula	1/19/2019	7/18/2023		\$141,000.00	\$0.00	Install Sixteen EV Charging Stations	\$141,000.00	No
ML18092	City of South Pasadena	2/1/2019	1/31/2025		\$50,000.00	\$0.00	Procure Two Light-Duty ZEVs and Install EV	\$50,000.00	No
ML18093	City of Monterey Park	2/1/2019	2/28/2026		\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18095	City of Gardena	11/9/2018	12/8/2024		\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18097	City of Temple City	11/29/2018	7/28/2022		\$16,000.00	\$0.00	Purchase Two Light-Duty ZEVs	\$16,000.00	No
ML18098	City of Redondo Beach	2/1/2019	3/31/2023		\$89,400.00	\$0.00	Install Six EV Charging Stations	\$89,400.00	No
ML18099	City of Laguna Hills	3/1/2019	5/31/2023		\$32,250.00	\$0.00	Install Six EV Charging Stations	\$32,250.00	No
ML18101	City of Burbank	2/1/2019	4/30/2024		\$137,310.00	\$0.00	Install Twenty EV Charging Stations	\$137,310.00	No
ML18126	City of Lomita	12/7/2018	1/6/2020		\$26,500.00	\$0.00	Install bicycle racks and lanes	\$26,500.00	No
ML18127	City of La Puente	2/1/2019	2/28/2023		\$27,800.00	\$0.00	Purchase One Light-Duty ZEV, One Heavy-	\$27,800.00	No
ML18129	City of Yucaipa	12/14/2018	3/13/2023		\$63,097.00	\$0.00	Install Six EV Charging Stations	\$63,097.00	No
ML18130	City of Lake Forest	3/1/2019	9/30/2022	9/30/2019	\$106,480.00	\$0.00	Install Twenty-One EVSEs	\$106,480.00	No
ML18132	City of Montclair	4/5/2019	9/4/2023		\$50,000.00	\$0.00	Puchase Light-Duty ZEV and Install Eight E	\$50,000.00	No
ML18133	City of Rancho Mirage	12/7/2018	11/6/2020		\$50,000.00	\$0.00	Traffic Signal Synchronization	\$50,000.00	No
ML18137	City of Wildomar	3/1/2019	5/31/2021		\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18138	City of La Canada Flintridge	2/8/2019	5/7/2023		\$50,000.00	\$0.00	Install Four EVSEs and Install Bicycle Racks	\$50,000.00	No
ML18140	City of Bell Gardens	12/14/2018	12/13/2028		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-ZEVs	\$50,000.00	No
ML18146	City of South Gate	3/1/2019	11/30/2023		\$127,400.00	\$0.00	Purchase Five Light-Duty ZEVs and Install T	\$127,400.00	No
ML18147	City of Palm Springs	1/10/2019	1/9/2024		\$60,000.00	\$0.00	Install Eighteen EV Charging Stations	\$60,000.00	No
ML18156	City of Covina	2/1/2019	3/31/2023		\$63,800.00	\$0.00	Purchase Four Light-Duty ZEVs and EV Cha	\$63,800.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18160	City of Irwindale	3/29/2019	12/28/2022		\$14,263.00	\$0.00	Purchase Two Light-Duty ZEVs	\$14,263.00	No
ML18163	City of San Clemente	3/8/2019	12/7/2024		\$75,000.00	\$0.00	Purchase Three Light-Duty ZEVs and EV Ch	\$75,000.00	No
ML18165	City of Baldwin Park	2/1/2019	1/30/2024		\$49,030.00	\$0.00	Expand CNG Station	\$49,030.00	No
ML18167	City of Beverly Hills	3/29/2019	6/28/2025		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emiss	\$50,000.00	No
ML18168	City of Maywood	3/29/2019	11/28/2022		\$7,059.00	\$0.00	Purchase EV Charging Infrastructure	\$7,059.00	No
ML18171	City of El Monte	3/1/2019	4/30/2025		\$119,757.00	\$0.00	Purchase One Heavy-Duty ZEVs and EV Ch	\$119,757.00	No
ML18172	City of Huntington Park	3/1/2019	2/28/2025		\$65,450.00	\$0.00	Purchase One Heavy-Duty ZEV	\$65,450.00	No
ML18173	City of Manhattan Beach	3/29/2019	2/28/2023		\$49,000.00	\$0.00	Purchase Two Light-Duty ZEVs and EV Cha	\$49,000.00	No
ML18176	City of Coachella	3/1/2019	11/30/2024		\$58,020.00	\$0.00	Install EV Charging Stations	\$58,020.00	No
MS18001	Los Angeles County MTA	6/29/2017	4/30/2018		\$807,945.00	\$485,893.68	Provide Clean Fuel Transit Service to Dodge	\$322,051.32	No
MS18002	Southern California Association of G	6/9/2017	11/30/2018	12/30/2019	\$2,500,000.00	\$419,111.87	Regional Active Transportation Partnership	\$2,080,888.13	No
MS18003	Geographics	2/21/2017	2/20/2021		\$62,953.00	\$53,498.86	Design, Host and Maintain MSRC Website	\$9,454.14	No
MS18004	Orange County Transportation Autho	8/3/2017	4/30/2019		\$503,272.00	\$456,145.29	Provide Special Rail Service to Angel Stadiu	\$47,126.71	No
MS18005	Orange County Transportation Autho	1/5/2018	4/30/2019		\$834,222.00	\$834,222.00	Clean Fuel Bus Service to OC Fair	\$0.00	No
MS18006	Anaheim Transportation Network	10/6/2017	2/28/2020		\$219,564.00	\$9,488.22	Implement Anaheim Circulator Service	\$210,075.78	No
MS18008	Foothill Transit	1/12/2018	3/31/2019		\$100,000.00	\$99,406.61	Special Transit Service to LA County Fair	\$593.39	No
MS18009	Penske Truck Leasing Co., L.P.	8/8/2018	12/7/2020		\$82,500.00	\$0.00	Modify Maintenance Facility & Train Technici	\$82,500.00	No
MS18010	Southern California Regional Rail Au	12/28/2017	7/31/2019		\$351,186.00	\$148,570.20	Implement Special Metrolink Service to Unio	\$202,615.80	No
MS18012	City of Hermosa Beach	2/2/2018	2/1/2024		\$36,000.00	\$0.00	Construct New Limited-Access CNG Station	\$36,000.00	No
MS18014	Regents of the University of Californi	10/5/2018	12/4/2019		\$254,795.00	\$58,574.02	Planning for EV Charging Infrastructure Inve	\$196,220.98	No
MS18015	Southern California Association of G	7/13/2018	2/28/2021		\$2,000,000.00	\$0.00	Southern California Future Communities Par	\$2,000,000.00	No
MS18023	Riverside County Transportation Co	6/28/2018	6/27/2021		\$500,000.00	\$60,720.54	Weekend Freeway Service Patrols	\$439,279.46	No
MS18024	Riverside County Transportation Co	6/28/2018	8/27/2021		\$1,500,000.00	\$148,825.00	Vanpool Incentive Program	\$1,351,175.00	No
MS18025	Los Angeles County MTA	11/29/2018	5/31/2019		\$1,324,560.00	\$0.00	Special Bus and Train Service to Dodger Sta	\$1,324,560.00	No
MS18026	Omnitrans	10/5/2018	1/4/2020		\$83,000.00	\$0.00	Modify Vehicles Maintenance Facility and Tr	\$83,000.00	No
MS18027	City of Gardena	11/2/2018	9/1/2026		\$365,000.00	\$0.00	Install New Limited Access CNG, Modify Mai	\$365,000.00	No
MS18029	Irvine Ranch Water District	8/8/2018	10/7/2024		\$185,000.00	\$0.00	Install New Limited Access CNG Station & T	\$185,000.00	No
MS18073	Los Angeles County MTA	1/10/2019	2/9/2026		\$2,000,000.00	\$0.00	Purchase 40 Zero-Emission Transit Buses	\$2,000,000.00	No
MS18103	Orange County Transportation Autho	2/8/2019	9/7/2020		\$642,000.00	\$0.00	Install Hydrogen Detection System	\$642,000.00	No
MS18105	Southern California Regional Rail Au	1/10/2019	6/30/2019		\$252,696.00	\$0.00	Special Train Service to the Festival of Light	\$252,696.00	No
MS18108	Capistrano Unified School District	2/1/2019	5/30/2025		\$116,000.00	\$0.00	Expansion of Existing Infrastructure & Train	\$116,000.00	No
MS18110	Mountain View Unified School Districe	2/1/2019	3/31/2025		\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18112	Banning Unified School District	11/29/2018	11/28/2024		\$275,000.00	\$0.00	Install New CNG Infrastructure	\$275,000.00	No
MS18118	City of Beverly Hills	3/29/2019	7/28/2025		\$85,272.00	\$0.00	Expansion of Existing CNG Infrastructure	\$85,272.00	No
MS18120	City of Redondo Beach	2/1/2019	9/30/2025		\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18122	Universal Waste Systems, Inc.	2/1/2019	3/31/2025		\$200,000.00	\$0.00	Install New Limited Acess CNG Infrastructur	\$200,000.00	No
MS18123	City Rent A Bin DBA Serv-Wel Dispo	12/14/2018	2/13/2025		\$200,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$200,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 108									
Pending Execution Contracts									
ML18061	City of Moreno Valley				\$25,000.00	\$0.00	Purchase 1 Heavy-Duty Near-ZEV	\$25,000.00	No
ML18063	City of Riverside				\$383,610.00	\$0.00	Expand Existing CNG Fueling Station	\$383,610.00	No
ML18068	City of Mission Viejo				\$125,690.00	\$0.00	Purchase 2 Light-Duty ZEVs, Install EVSE &	\$125,690.00	No
ML18082	City of Los Angeles Bureau of Sanita				\$900,000.00	\$0.00	Purchase Medium-Duty Vehicles and EV Ch	\$900,000.00	No
ML18084	City of South El Monte				\$30,000.00	\$0.00	EV Charging Infrastructure	\$30,000.00	No
ML18085	City of Orange				\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emiss	\$50,000.00	No
ML18087	City of Murrieta	3/29/2019	3/28/2025		\$143,520.00	\$0.00	Install Four EV Charging Stations	\$143,520.00	No
ML18089	City of Glendora				\$50,760.00	\$0.00	Purchase a medium-duty ZEV	\$50,760.00	No
ML18090	City of Santa Clarita				\$122,000.00	\$0.00	Install Eight EV Charging Stations	\$122,000.00	No
ML18094	City of Laguna Woods				\$50,000.00	\$0.00	Install Two EV Charging Stations	\$50,000.00	No
ML18096	City of Highland				\$70,210.00	\$0.00	Purchase Light-Duty ZEV and Install Three	\$70,210.00	No
ML18100	City of Brea				\$56,500.00	\$0.00	Install Thirteen EV Charging Stations	\$56,500.00	No
ML18128	City of Aliso Viejo				\$65,460.00	\$0.00	Purchase Two Light-Duty ZEVs and Install S	\$65,460.00	No
ML18131	City of Los Angeles, Police Departm				\$19,294.00	\$0.00	Purchase Three Light-Duty ZEVs	\$19,294.00	No
ML18134	City of Los Angeles, Department of				\$290,000.00	\$0.00	Purchase Five Medium-Duty ZEVs	\$290,000.00	No
ML18135	City of Azusa				\$55,000.00	\$0.00	Purchase Three Light-Duty ZEVs and One H	\$55,000.00	No
ML18136	City of Orange				\$42,500.00	\$0.00	Purchase Four Light-Duty ZEVs and Install	\$42,500.00	No
ML18139	City of Calimesa				\$50,000.00	\$0.00	Install Bicycle Lane	\$50,000.00	No
ML18141	City of Rolling Hills Estates				\$40,000.00	\$0.00	Purchase One Light-Duty ZEV and Install T	\$40,000.00	No
ML18142	City of La Quinta				\$51,780.00	\$0.00	Install Two EV Charging Stations	\$51,780.00	No
ML18143	City of La Habra				\$80,700.00	\$0.00	Install Two EVSEs	\$80,700.00	No
ML18144	City of Fontana				\$269,090.00	\$0.00	Install Twelve EVSEs	\$269,090.00	No
ML18145	City of Los Angeles Dept of Transpor				\$1,400,000.00	\$0.00	Provide One Hundred Rebates to Purchaser	\$1,400,000.00	No
ML18148	City of San Dimas				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18149	City of Sierra Madre				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18150	City of South El Monte				\$20,000.00	\$0.00	Implement Bike Share Program	\$20,000.00	No
ML18151	County of San Bernardino Departme				\$200,000.00	\$0.00	Purchase Eight Heavy-Duty Near Zero Emis	\$200,000.00	No
ML18152	County of San Bernardino Flood Con				\$108,990.00	\$0.00	Purchase Five Heavy-Duty Near Zero Emissi	\$108,990.00	No
ML18153	City of Cathedral City				\$52,215.00	\$0.00	Install EV Charging Infrastructure	\$52,215.00	No
ML18154	City of Hemet				\$30,000.00	\$0.00	Purchase Two Light-Duty ZEV and EV Char	\$30,000.00	No
ML18155	City of Claremont				\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18157	City of Los Angeles Bureau of Street				\$85,000.00	\$0.00	Purchase One Medium-Duty ZEV	\$85,000.00	No
ML18158	City of Inglewood				\$146,000.00	\$0.00	Purchase 4 Light-Duty Zero Emission, 4 Me	\$146,000.00	No
ML18159	City of Rialto				\$135,980.00	\$0.00	Purchase Nine Light-Duty ZEVs and EV Cha	\$135,980.00	No
ML18161	City of Indio				\$50,000.00	\$0.00	Purchase 1 Light-Duty Zero Emission, 1 Hea	\$50,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18162	City of Costa Mesa				\$148,210.00	\$0.00	Purchase Four Light-Duty ZEVs and EV Cha	\$148,210.00	No
ML18164	City of Pomona				\$200,140.00	\$0.00	Purchase Three Heavy-Duty ZEVs	\$200,140.00	No
ML18166	City of Placentia				\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
ML18169	City of Alhambra				\$111,980.00	\$0.00	Install EV Charging Infrastructure	\$111,980.00	No
ML18170	City of Laguna Niguel				\$85,100.00	\$0.00	Purchase Two Light-Duty ZEVs and EV Cha	\$85,100.00	No
ML18174	City of Bell				\$25,000.00	\$0.00	Purchase One Heavy-Duty ZEV	\$25,000.00	No
ML18177	City of San Bernardino				\$279,088.00	\$0.00	Purchase Medium- and Heavy-Duty Evs and	\$279,088.00	No
ML18178	City of La Puente				\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
MS18065	San Bernardino County Transportatio	3/29/2019	8/28/2023		\$2,000,000.00	\$0.00	Implement Metrolink Line Fare Discount Pro	\$2,000,000.00	No
MS18066	EI Dorado National				\$100,000.00	\$0.00	Install New Limited-Access CNG Station	\$100,000.00	No
MS18102	Orange County Transportation Autho				\$1,146,000.00	\$0.00	Implement OC Flex Micro-Transit Pilot Proj	\$1,146,000.00	No
MS18104	Orange County Transportation Autho				\$212,000.00	\$0.00	Implement College Pass Transit Fare Subsi	\$212,000.00	No
MS18106	R.F. Dickson Co., Inc.				\$265,000.00	\$0.00	Expansion of Existing Infrastructure/Mechani	\$265,000.00	No
MS18107	Huntington Beach Union High School				\$225,000.00	\$0.00	Expansion of Existing Infrastructure	\$225,000.00	No
MS18109	City of South Gate				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18114	Los Angeles County Department of P				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18115	City of Commerce				\$275,000.00	\$0.00	Expansion of Existing L/CNG Infrastructure	\$275,000.00	No
MS18116	Los Angeles County Department of P				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18117	City of San Bernardino				\$240,000.00	\$0.00	Expansion of Existing CNG Infrastructure/Me	\$240,000.00	No
MS18121	City of Montebello				\$70,408.00	\$0.00	Expansion of Existing CNG Infrastructure	\$70,408.00	No
MS18124	County Sanitation Districts of Los An				\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18125	US Gain				\$200,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$200,000.00	No
MS18175	Regents of the University of Californi				\$1,000,000.00	\$0.00	Expansion of Existing Hydrogen Station	\$1,000,000.00	No

Total: 58

Declined/Cancelled Contracts

ML18075	City of Orange				\$25,000.00	\$0.00	One Heavy-Duty Vehicle	\$25,000.00	No
MS18013	California Energy Commission				\$3,000,000.00	\$0.00	Advise MSRC and Administer Hydrogen Infr	\$3,000,000.00	No
MS18017	City of Banning				\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS18018	City of Norwalk	6/8/2018	9/7/2019		\$75,000.00	\$0.00	Vehicle Maintenance Facility Modifications	\$75,000.00	No
MS18111	Newport-Mesa Unified School Distric				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS18113	City of Torrance				\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS18119	LBA Realty Company XI LP				\$100,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$100,000.00	No

Total: 7

Closed Contracts

MS18011	Southern California Regional Rail Au	2/9/2018	6/30/2018		\$239,565.00	\$221,725.12	Special Train Service to Festival of Lights	\$17,839.88	Yes
MS18016	Southern California Regional Rail Au	1/10/2019	3/31/2019		\$87,764.00	\$73,140.89	Special Train Service to Auto Club Speedwa	\$14,623.11	No

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 26

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on April 25, 2019 and May 23, 2019. The following are summaries of the meetings.

RECOMMENDED ACTION:

Receive and file.

Judith Mitchell, Member
South Coast AQMD Governing Board

dg

The California Air Resources Board (CARB or Board) held a meeting on April 25, 2019 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

DISCUSSION ITEMS

19-4-1: Public Hearing to Consider Proposed Amendments to the Red Sticker Program for Off-Highway Recreational Vehicles

The Board approved amendments to the Red Sticker Program for Off-Highway Recreation Vehicles (OHRV), originally adopted by the Board in 1999. OHRV are primarily used in public State parks and federally designated lands, as well as on private tracks. The amendments will end the current Red Sticker Program that has allowed for seasonal use of OHRV that do not meet emissions standards. In place of the Red Sticker Program, the amendments include provisions that end the certification of new Red Sticker vehicles, end riding restrictions on public lands for existing Red Sticker vehicles, establish new OHRV emissions standards and increase incentives for fleet emissions averaging and zero emission OHRV. The amendment to the Red Sticker Program will reduce emissions from OHRV in California starting in 2022 while ensuring availability for California dealers and riders.

19-4-2: Public Hearing to Consider Proposed Amendments to the Regulation for the Certification of Vapor Recovery Systems for Cargo Tanks

The Board approved amendments to the Certification of Vapor Recovery Systems on Cargo Tanks Regulation (Cargo Tank Amendments). In order to ensure that the vapor recovery equipment on cargo tanks is properly functioning, each cargo tank operating in California is annually tested and certified. The annual certification fee was established at \$20.00 in 1996 and has not been changed despite significant increases in program costs over the last 23 years. The Cargo Tank Amendments establish a regulatory mechanism to periodically evaluate program costs and subsequently adjust the certification fee to recover these costs. In addition, the amendments require the Executive Officer to hold a public meeting prior to revising the fee, set the cost of replacement decals, and provide administrative requirements for refund requests. Appropriate funding of the Cargo Tank Vapor Recovery Program will ensure that the emission reductions expected from the existing regulation are achieved.

19-4-3: Public Meeting to Hear an Informational Update to the Board on International Engagement

The Board heard an informational update on CARB's 2018 climate and air quality collaborations with foreign jurisdictions, and on CARB's priorities for international engagement for 2019. CARB has been involved with many international bodies in relation to air pollution and climate change for many decades. California's programs related to air quality standards and vehicle technology have formed the basis of programs around the world. As the planning agency for California's climate agenda, CARB has built expertise in the monitoring, modeling and regulation of greenhouse gasses. The Board heard how CARB has shared this expertise with jurisdictions through bilateral and multilateral agreements, while also learning about effective tools and policies from our partners around the world.

The California Air Resources Board (CARB or Board) held a meeting on May 23, 2019 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

DISCUSSION ITEMS

19-5-1: Public Hearing to Consider Proposed Amendments to the California Air Resources Board's Certified Regulatory Program in the California Code of Regulations, Title 17, Sections 60000-60007

The Board approved amendments updating the procedures set forth in California Code of Regulations, title 17, sections 60000 through 60007. These sections, in part,

constitute CARB's "certified regulatory program" under Public Resources Code section 21080.5. The certified regulatory program is considered to be a CEQA equivalent process. The approved amendments to the certified regulatory program will further specify notice and comment requirements, exemptions, definitions, and the procedures that apply to different types of CARB environmental review. These changes will bring greater efficiency, transparency, and certainty to CARB's planning and rulemaking processes by creating a more uniform and clear environmental review process.

19-5-2: Public Meeting to Consider Proposed Updates to the Architectural Coatings Suggested Control Measure

The Board approved updates to the Suggested Control Measure (SCM) for Architectural Coatings. In California, the use of architectural coatings results in approximately 30 tons per day of VOC emissions. These emissions contribute to the formation of ozone and particulate matter air pollution. Under California law, the primary authority for controlling emissions from architectural coatings rests with the local air districts. To assist the air districts with developing rules to reduce emissions, CARB often provides model rules such as the SCM for Architectural Coatings. The amended SCM for Architectural Coatings will lower VOC limits for 10 of the 45 architectural coating categories, and reduce VOC emissions by 2.5 tons per day statewide.

19-5-4: Public Meeting to Consider Community Air Protection Incentives 2019 Guidelines

The Board approved the Community Air Protection Incentives 2019 Guidelines (CAP Guidelines). The CAP Guidelines addresses legislative direction of Senate Bill (SB) 856 to expand project source categories and to ensure transparency when meeting the goals of the Community Air Protection Program. The CAP Guidelines also codify guiding principles to inform air districts and other interested parties about the use of CAP incentives and establish guidance for two new high priority categories. The first project category utilizes stationary source funding authority to incentivize control technologies to reduce hexavalent chromium emissions at chrome plating facilities. The second project category provides funding authority for community-identified projects, including a suite of project types for schools that may be used by air districts seeking to maximize air quality benefits to protect sensitive receptors. The design of the CAP Guidelines will allow for these new categories to serve as models for future stationary source and community-identified project categories. In addition, the Board delegated authority to the Executive Officer to modify the CAP Guidelines, including modifications to existing project categories and the addition of new categories as needed. This authority allows for continued progress in bringing immediate air quality benefits to impacted communities and will ensure that newly identified concerns can be addressed in a timely manner.

19-5-5: Public Meeting to Hear an Informational Update on Active Transportation: Designing Communities for Health

The Board heard an informational update on active transportation. Active transportation is any form of transportation that uses physical activity, such as walking and biking. Active transportation decreases reliance on motor vehicles for transportation, which supports CARB's efforts to reduce vehicle miles traveled and help California meet its greenhouse gas reduction goals. These alternative modes of transportation have a positive impact on public health by increasing physical activity and reducing the emissions that cause air pollution. Active transportation is an important component of several laws and regulations implemented by CARB, such as SB 375, SB 350, and the Clean Miles Standard. The Board heard that local action is key to advance active transportation and CARB staff presented an update on the CARB policies and programs available to assist local decision makers to move communities towards sustainable and healthy community designs.

Attachments

CARB April 25, 2019 and May 23, 2019 Meeting Agendas



PUBLIC MEETING AGENDA

**Thursday,
April 25, 2019**

Webcast

LOCATION:
California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website:
<http://www.sacrt.com>
(This facility is accessible to persons with disabilities.)

**TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:
<http://www.arb.ca.gov/lispub/comm/bclist.php>**

**Thursday
April 25, 2019
9:00 a.m.**

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Items #

19-4-1: Public Hearing to Consider Proposed Amendments to the Red Sticker Program for Off-Highway Recreational Vehicles

The California Air Resources Board (CARB or Board) will consider amendments to the Red Sticker Program for Off-Highway Recreation Vehicles (OHRV). OHRV are primarily used in public state parks and federally designated lands, as well as on private tracks. The goal of the proposed amendments is to end the current red sticker program which allows for CARB certification of OHRV that do not meet emissions standards. The amendments include provisions that end the certification of new red sticker vehicles, end riding restrictions on public lands for existing red sticker vehicles, establish new OHRV emissions standards, and increase incentives for fleet emissions averaging and zero emission OHRV. The proposed amendments are intended to cause emissions reductions from OHRV in California while ensuring availability for California dealers and riders.

[More Information](#)

[Staff Presentation](#)

19-4-2: Public Hearing to Consider Proposed Amendments to the Regulation for the Certification of Vapor Recovery Systems for Cargo Tanks

The Board will consider the proposed amendments to the Certification of Vapor Recovery Systems on Cargo Tanks Regulation that establish a regulatory mechanism to periodically evaluate program costs and subsequently adjust the certification fee to recover these costs, per the authority under the Health and Safety Code section 41962. In addition, the proposed amendments will establish: (1) a requirement for a public meeting prior to adjusting fees, (2) an effective date of January 1 following a fee revision, (3) the cost of replacement decals, and (4) procedures to request a certification fee refund.

[More Information](#)

[Staff Presentation](#)

19-4-3: Public Meeting to Hear an Informational Update to the Board on International Engagement

The Board will hear an update on CARB's 2018 climate and air quality collaborations with foreign jurisdictions and priorities for international engagement for 2019.

[More Information](#)

[Staff Presentation](#)

CLOSED SESSION

The Board may 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):

American Fuel and Petrochemical Manufacturers, et al. v. Jane O'Keeffe, et al., U.S. District Court (D. Ore. Portland), Case No. 3:15-CV-00467; Plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 15-35834; Plaintiffs' petitions for Certiorari in United States Supreme Court, Case No. 18-881.

California Air Resources Board v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 18-1085.

Electric Power Supply Association, et al. v. Star, et al., U.S. Court of Appeals, Seventh Circuit, Case No. 17-2445.

Mexichem Fluor, Inc. v. U.S. EPA, (D.C. Cir. 2017) 866 F. 3d 451 (U.S. Court of Appeals, District of Columbia Circuit, Case Nos. 15-1328 and 15-1329).

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. 12-15131.

American Fuels and Petrochemical Manufacturers, 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.

Sowinski v. California Air Resources Board, et al., United States District Court for the Central District of California, No. 8:15-cv-02123.

State of California, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 18-1114.

State of California, et al., v. United States Environmental Protection Agency (United States District Court, Northern District of California, Case No. 4:18-cv-03237)

State of California, et al. v. Ryan Zinke, et al., United States District Court, Northern District of California, Case No. 3:18-cv-5712-DMR

State of New York, et al. v. United States Environmental Protection Agency, U.S. District Court, District of Columbia, Case No. 1:18-cv-00773.

State of California, et al. v. United States Environmental Protection Agency et al., U.S. District Court, Northern District of California, Oakland Division, Case No. 4:17-cv-6936-HSG.

State of North Dakota, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

State of North Dakota v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1381.

State of West Virginia et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1363.

State of Wyoming, et al. v. United States Department of the Interior, et al., U.S. District Court, District of Wyoming, Case No. 16-CV-285-SWS.

Truck Trailer Manufacturers Association, Inc. v. United States Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1430.

Alliance for California Business v. California State Transportation Agency, et al., Sacramento County Superior Court, Case No. 34-2016-80002491.

American Coatings Association, Inc. v. State of California and California Air Resources Board, Sacramento County Superior Court, Case No. 04CS01707.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283 (dismissed), U.S. Court of Appeals, Ninth Circuit, Case No. 13-74019.

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494; ARB's appeal, Court of Appeal, Fifth District, Case No. F074003.

John R. Lawson Rock & Oil, Inc. v. California Air Resources Board, and Richard Corey, Superior Court of California, County of Fresno, Central Division, Case No. 19CEGG00331.

Murray Energy Corporation v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1385.

Valero Refining Co. California v. Hearing Board of the Bay Area Air Quality Management District et al., Court of Appeal, First Appellate District, Case No. A151004.

Air Resources Board v. Key Disposal, Inc. and John Katangian, Los Angeles Superior Court, Case No. BC650014.

People v. Southern California Gas Company, Los Angeles Superior Court, Case No. BC 602973.

People v. Walgreens Co., Sacramento County, Case No. 34-2018-00244759.

In re Pacific Gas and Electric Company, U.S. Bankruptcy Court, Northern District of California, Case No. 19-30089.

California Air Resources Board vs. Cascade Sierra, Sacramento Superior Court, Case No. 34-2017-00223510.

Friends of Oceano Dunes, Inc. v. California Coastal Commission, et al., San Luis Obispo County Superior Court, Case No. 17CV-0576; U.S. District Court for the Central District of California, Case No. 2:17-cv-8733.

John Mahan v. California Air Resources Board, Sacramento County Superior Court, Case No. 34-2016-80002416.

The Two Hundred, et al. v. California Air Resources Board, et al., Fresno County Superior Court, Case No. 18CECG01494.

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:

<https://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

PLEASE NOTE: No outside memory sticks or other external devices may be used at any time with the Board audio/visual system or any CARB computers. Therefore, PowerPoint presentations to be displayed at the Board meeting must be electronically submitted via email to the Clerk of the Board at cotb@arb.ca.gov no later than noon on the business day prior to the scheduled Board meeting.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:

**1001 I Street, 23rd Floor, Sacramento, California 95814
(916) 322-5594**

CARB 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.



PUBLIC MEETING AGENDA

**Thursday,
May 23, 2019**

Webcast

LOCATION:
California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website:
<http://www.sacrt.com>
(This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:
<http://www.arb.ca.gov/lispub/comm/bclist.php>

**Thursday
May 23, 2019
9:00 a.m.**

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Items #

- 19-5-1: Public Hearing to Consider Proposed Amendments to the California Air Resources Board's Certified Regulatory Program in the California Code of Regulations, Title 17, Sections 60000-60007**

The California Air Resources Board (CARB or Board) will consider proposed amendments to CARB's Certified Regulatory Program in the California Code of Regulations, Title 17, Sections 60000 - 60007. The objectives of the proposed amendments are to more fully set forth the procedures CARB follows to align CARB's procedures with established California Environmental Quality Act principles as appropriate, to harmonize the regulation to the statutory requirements, to eliminate regulatory ambiguity, to add greater specificity to CARB's environmental review process, and to update reference citations.

[More Information](#)

[Staff Presentation](#)

- 19-5-2: Public Meeting to Consider Proposed Updates to the Architectural Coatings Suggested Control Measure**

The Board will consider proposed updates to the Suggested Control Measure (SCM) for Architectural Coatings. The proposed updates to the SCM would reduce volatile organic compound (VOC) limits for several coating categories, create two new coatings categories, and set limits for colorants (tints) added to architectural coatings at the point of sale. The updated SCM would serve as a model rule and assist air districts in their efforts to further reduce VOC emissions to meet ambient air quality standards for ozone.

[More Information](#)

[Staff Presentation](#)

19-5-4: Public Meeting to Consider Proposed Community Air Protection Funds 2019 Guidelines

Spanish translation will be provided at the Board Meeting for this item, Item 19-5-4.

The Board will consider approving the proposed Community Air Protection Incentive Funds 2019 Guidelines (Guidelines). These Guidelines would provide the framework for local Air Pollution Control and Air Quality Management Districts to implement new stationary source incentives in support of Assembly Bill 617, as well as community-identified projects. The proposed Guidelines also include two new project categories: incentives for the installation of emissions control technologies at hexavalent chrome plating facilities and a facility-wide measure for schools.

[More Information](#)

[Staff Presentation](#)

19-5-5: Public Meeting to Hear an Informational Update on Active Transportation: Designing Communities for Health

The Board will hear how community designs that promote active transportation (biking and walking) and transit can result in multiple health benefits for Californians. Replacing short trips taken by cars with active transportation represents a double win: improving health and reducing greenhouse gas emissions. The Board will also learn about the tools and studies funded by CARB to better understand and quantify the health benefits from active transportation.

[More Information](#)

[Staff Presentation](#)

CLOSED SESSION

The Board may 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):

American Fuel and Petrochemical Manufacturers, et al. v. Jane O'Keeffe, et al., U.S. District Court (D. Ore. Portland), Case No. 3:15-CV-00467; Plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 15-35834; Plaintiffs' petitions for Certiorari in United States Supreme Court, Case No. 18-881.

California Air Resources Board v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 18-1085.

Mexichem Fluor, Inc. v. U.S. EPA, (D.C. Cir. 2017) 866 F. 3d 451 (U.S. Court of Appeals, District of Columbia Circuit, Case Nos. 15-1328 and 15-1329).

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. 12-15131.

American Fuels and Petrochemical Manufacturers, 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.

Sowinski v. California Air Resources Board, et al., United States District Court for the Central District of California, No. 8:15-cv-02123.

State of California, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 18-1114.

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State of North Dakota, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

State of North Dakota v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1381.

State of West Virginia et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1363.

State of Wyoming, et al. v. United States Department of the Interior, et al., U.S. District Court, District of Wyoming, Case No. 16-CV-285-SWS.

Truck Trailer Manufacturers Association, Inc. v. United States Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1430.

Alliance for California Business v. California State Transportation Agency, et al., Sacramento County Superior Court, Case No. 34-2016-80002491.

American Coatings Association, Inc. v. State of California and California Air Resources Board, Sacramento County Superior Court, Case No. 04CS01707.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283 (dismissed), U.S. Court of Appeals, Ninth Circuit, Case No. 13-74019.

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494; ARB's appeal, Court of Appeal, Fifth District, Case No. F074003.

John R. Lawson Rock & Oil, Inc. v. California Air Resources Board, and Richard Corey, Superior Court of California, County of Fresno, Central Division, Case No. 19CEGG00331.

Murray Energy Corporation v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1385.

Valero Refining Co. California v. Hearing Board of the Bay Area Air Quality Management District et al., Court of Appeal, First Appellate District, Case No. A151004.

Air Resources Board v. Key Disposal, Inc. and John Katangian, Los Angeles Superior Court, Case No. BC650014.

People v. Southern California Gas Company, Los Angeles Superior Court, Case No. BC 602973.

Air Resources Board v. Fiat Chrysler Automobiles N.V. and FCA US LLC, U.S. District Court, Northern District of California, Case No. 3:17-md-02777-EMC, 3:17-cv-3446-EMC, 3:19-cv-00151-EMC.

People v. Walgreens Co., Sacramento County, Case No. 34-2018-00244759.

In re Pacific Gas and Electric Company, U.S. Bankruptcy Court, Northern District of California, Case No. 19-30089.

California Air Resources Board vs. Cascade Sierra, Sacramento Superior Court, Case No. 34-2017-00223510.

Friends of Oceano Dunes, Inc. v. California Coastal Commission, et al., San Luis Obispo County Superior Court, Case No. 17CV-0576; U.S. District Court for the Central District of California, Case No. 2:17-cv-8733.

John Mahan v. California Air Resources Board, Sacramento County Superior Court, Case No. 34-2016-80002416.

The Two Hundred, et al. v. California Air Resources Board, et al., Fresno County Superior Court, Case No. 18CECG01494.

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:

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PLEASE NOTE: No outside memory sticks or other external devices may be used at any time with the Board audio/visual system or any CARB computers. Therefore, PowerPoint presentations to be displayed at the Board meeting must be electronically submitted via email to the Clerk of the Board at cotb@arb.ca.gov no later than noon on the business day prior to the scheduled Board meeting.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:
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CARB 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.

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 27

PROPOSAL: Determine That Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard Is Exempt from CEQA and Approve Request for Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard

SYNOPSIS: The Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019. Although the air quality in the Coachella Valley area has steadily improved over the years, higher ozone levels were experienced throughout the State of California, including Coachella Valley in 2017 and 2018, resulting in levels greater than the 1997 8-hour ozone standard. The ozone levels in Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin. As a result, additional time will be needed to bring the Coachella Valley into attainment of this standard. This action is to submit a request to the U.S. EPA through CARB to reclassify the Coachella Valley from Severe to Extreme nonattainment, with a new attainment date of June 15, 2024. The reclassification will ensure that the Coachella Valley will be given the needed extension of the attainment date to make attainment feasible.

COMMITTEE: No Committee Review; Governing Board Reviewed, May 3, 2019

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

- 1) Determining that the reclassification of the Coachella Valley for the 1997 8-hour ozone standard, as requested, is exempt from the requirements of the California Environmental Quality Act; and
- 2) Approving the request for reclassification of Coachella Valley for the 1997 8-hour ozone standard and directing staff to submit the request to the U.S. EPA through CARB to reclassify the Coachella Valley from Severe to Extreme nonattainment for the 1997 8-hour ozone standard.

Wayne Nastri
Executive Officer

Background

The Coachella Valley Planning Area is defined as the desert portion of Riverside County in the Salton Sea Air Basin, and is under the jurisdiction of the South Coast AQMD. The Coachella Valley is the most populated area in this desert region, which encompasses several communities, including Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, and Mecca.

In 1979, U.S. EPA established primary and secondary national ambient air quality standards (NAAQS or standards) for ozone at 0.12 parts per million (ppm) averaged over a 1-hour period¹. On July 18, 1997, U.S. EPA revised the primary and secondary standards for ozone to 0.08 ppm, averaged over an 8-hour period (1997 8-hour ozone standards). The 1997 8-hour ozone standard was lowered to 0.075 ppm in 2008, and to 0.070 ppm in 2015. U.S. EPA classifies areas of ozone nonattainment (i.e., Extreme, Severe, Serious, Moderate or Marginal) based on the extent to which an area exceeds the standard. The higher the exceedance level, the more time is allowed to demonstrate attainment in recognition of the greater challenge involved. However, nonattainment areas with the higher classifications are also subject to more stringent requirements.

The Coachella Valley is currently classified as a Severe nonattainment area for the 1997 8-hour ozone NAAQS of 0.08 ppm, with an attainment date of June 15, 2019. The Coachella Valley is downwind of the South Coast Air Basin and its ozone levels are impacted by pollutants directly transported from the South Coast Air Basin as well as pollutants formed secondarily through photochemical reactions from precursors emitted upwind, with limited impact from local sources. Over the past fifteen years, the ozone levels in the Coachella Valley have steadily decreased largely due to the implementation of emission control measures by the South Coast AQMD and CARB. Design values² for the 8-hour ozone standard have declined from 0.108 ppm in 2003 to 0.088 ppm in 2015 and continued to decline to 0.087 ppm in 2016. However, in 2017 and 2018, higher ozone levels were experienced throughout the State of California due to warm and stagnant weather conditions. As a result, the design values in the Coachella Valley increased to 0.088 ppm and 0.091 ppm in 2017 and 2018, respectively. Because of the higher ozone experienced in 2017 and 2018, the Coachella Valley cannot practically attain the 1997 8-hour ozone standard by the attainment deadline of June 15, 2019.

¹ U.S. EPA revoked the 1-hour ozone standard entirely in 2005. However, U.S. EPA regulations require the continuation of certain control measures in areas that were formerly in nonattainment for the 1-hour standard.

² A design value is a statistic that describes the air quality status of a given area relative to the level and form of the NAAQS. For the 8-hour ozone standard, the design value is a 3-year average and takes into account the form of the short-term standard (i.e., 99th percentile).

Under the Clean Air Act, states and local agencies are able to voluntarily request that U.S. EPA reclassify a nonattainment area to a higher classification of nonattainment. U.S. EPA is required to approve such a request. This “bump up” request can provide additional time for the area to reach attainment, as the new classification will have a later attainment date. However, the area would be subject to the additional requirements of the new classification. For a reclassification of the Coachella Valley to Extreme, the new attainment date would be June 15, 2024. Based on current modeling, South Coast AQMD staff expects that the area will attain the standard by that date.

U.S. EPA will make a finding of failure to attain the 1997 8-hour ozone standard for Coachella Valley by December 2019 unless South Coast AQMD submits a voluntary request for reclassification to Extreme and that request is approved by the U.S. EPA. If the South Coast AQMD does not request the bump up, the Coachella Valley would fail to attain the standard, and the South Coast AQMD would then have to adopt a rule requiring all major stationary sources to pay a non-attainment fee. Under either a finding of failure to attain or a reclassification request, the major source threshold will be lowered from 25 tons per year to 10 tons per year (tpy) of NOx and VOC emissions with additional requirements under Title V and New Source Review (NSR) programs. Also, a revision to the State Implementation Plan (SIP) will be required which will include any additional measures that may reasonably be prescribed to attain the standard.

Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending submittal of a formal request to U.S. EPA to reclassify the Coachella Valley from Severe to Extreme nonattainment, with a new attainment date of June 15, 2024.

This action will necessitate the development of a new Extreme area SIP, including an attainment demonstration with a new deadline as early as practicable but no later than June 15, 2024. The Extreme nonattainment area SIP will necessarily continue to rely on emission reductions in the South Coast Air Basin, upwind of Coachella Valley. The reclassification will require South Coast AQMD rule amendments to lower the major stationary source threshold for NOx and VOC from the 25 tpy to 10 tpy within 12 months after the reclassification is approved by U.S. EPA. Stationary sources in Coachella Valley with a potential to emit between 10 and 25 tpy of NOx and VOC would be subject to the applicable requirements for major stationary sources in Title V permitting and NSR programs. Based on staff analysis, only one existing facility in Coachella Valley may be potentially subject to these new requirements. Moreover, under the Clean Air Act, the South Coast AQMD would be required to lower the major source threshold even if we do not request a “bump up” but instead are subject to a finding of failure to attain.

Considering the overall downward ozone trends in recent years, notwithstanding 2017 and 2018, Coachella Valley is anticipated to attain the standard under an Extreme nonattainment classification earlier than the new attainment deadline of June 15, 2024. Existing regulations that are already implemented or will fully be implemented in the next few years will continue to reduce emissions in future years. The reduced baseline emissions are expected to be sufficient to demonstrate attainment as early as practicable but no later than June 15, 2024.

More details on this issue are provided in the draft staff report, Attachment B.

Proposal

Since additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending submittal of a formal request to U.S. EPA through CARB to reclassify the Coachella Valley from Severe to Extreme nonattainment, with a new attainment date of June 15, 2024. This reclassification is exempt from the requirements of the California Environmental Quality Act, as described in the California Environmental Quality Act section below.

Public Process

Staff provided an informational briefing at the South Coast AQMD Board meeting on May 3, 2019. Public outreach was conducted to notify interested parties regarding the Coachella Valley reclassification request for the 1997 8-hour ozone standard.

Notifications including newspaper postings, mass mailings, and email notifications sent to all permitted facilities and interested parties in Coachella Valley. Staff conducted two public consultation meetings on May 1, 2019 in Coachella Valley with almost 40 representatives attending from the public, local communities, businesses, environmental groups, and local governments. Comments provided at these meetings and staff responses are included in the attached draft staff report. Staff also gave a presentation to the Coachella Valley Association of Governments on May 9, 2019. Written comments on the reclassification request for Coachella Valley and associated draft staff report were accepted until May 15, 2019. Two comment letters were received prior to the May 15, 2019 deadline. The comment letters and staff responses are incorporated into the draft staff report, Attachment B.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD Rule 110, the South Coast AQMD, as lead agency, has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the reclassification of the Coachella Valley, as requested, is strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Also, the

proposed project is categorically exempt because it is intended to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Resource Impacts

Reclassification of the Coachella Valley will necessitate development of a SIP update within 12 months of U.S. EPA's approval of the bump-up request. In addition, minor updates to South Coast AQMD rules will be required to change the major source threshold to 10 tpy of VOC and NOx. These updates will be implemented with South Coast AQMD existing resources.

Attachments

- A. Resolution
- B. Draft Staff Report - Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard
- C. Notice of Exemption from the California Environmental Quality Act
- D. Board Meeting Presentation

ATTACHMENT A
RESOLUTION NO. 19-_____

A Resolution of the South Coast Air Quality Management District (South Coast AQMD) Governing Board determining that the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone national ambient air quality standard (NAAQS) is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD approving the request for reclassification of Coachella Valley for the 1997 8-hour ozone standard and directing staff to forward the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS to the California Air Resources Board (CARB) for submission to the United States Environmental Protection Agency (U.S. EPA).

WHEREAS, the South Coast AQMD Governing Board finds and determines that the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS is considered a "project" pursuant to CEQA per CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS is determined to be exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that the proposed project may have any significant adverse effects on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that the proposed project is also categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment, because the proposed project is intended to further protect or enhance the environment; and

WHEREAS, the South Coast AQMD Governing Board has considered whether proposed project may have significant environmental impacts due to unusual circumstances, as set forth in CEQA Guidelines Section 15300.2, and has determined that none exist for the proposed project; and

WHEREAS, the South Coast AQMD staff has prepared a Notice of Exemption for the proposed project, that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, the proposed project and supporting documentation, including but not limited to, the Notice of Exemption, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, and has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the Coachella Valley, defined as the desert portion of Riverside County in the Salton Sea Air Basin, is designated as a Severe-15 nonattainment area for the 1997 8-hour ozone NAAQS with an attainment date of June 15, 2019; and

WHEREAS, the air quality monitoring data for the Coachella Valley indicates that the Coachella Valley will not be able to achieve attainment of the 1997 8-hour ozone NAAQS by the deadline of June 15, 2019; and

WHEREAS, the ozone air quality in Coachella Valley is primarily impacted by transport of air pollutants from the South Coast Air Basin; and

WHEREAS, the South Coast AQMD may submit a voluntary request to the U.S. EPA to request for reclassification of Coachella Valley from Severe-15 nonattainment to Extreme nonattainment, pursuant to CAA Section 181(b)(3) – Classifications and Attainment Date, to provide up to five additional years to meet the 1997 8-hour ozone NAAQS; and

WHEREAS, The U.S. EPA will make a finding of failure to attain the 1997 8-hour ozone standard for Coachella Valley by December 2019 unless South Coast AQMD submits a voluntary request for reclassification to Extreme nonattainment; and

WHEREAS, the reclassification of Coachella Valley to an Extreme Area will provide a new attainment deadline of June 15, 2024 for the 1997 8-hour ozone NAAQS; and

WHEREAS, the South Coast AQMD Governing Board has held a public meeting to consider approval of the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS; and

WHEREAS, the South Coast AQMD specifies the manager of the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS 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 AQMD, 21865 Copley Drive, Diamond Bar, CA 91765; and

WHEREAS, the South Coast AQMD Governing Board has determined that no socioeconomic assessment is required under Health and Safety Code Section 40440.8(a), and further that no socioeconomic impact will result from the reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS; and

NOW, THEREFORE, BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption, and CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. No exception to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2, including the “unusual circumstances” exception, applies to the proposed project. This information was presented to the South Coast AQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on the proposed project; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby approve, pursuant to the authority granted by law, the South Coast AQMD's Request for Reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS, Attachment B to the board letter and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Executive Officer is hereby directed to forward a copy of this Resolution and the South Coast AQMD's request for reclassification of Coachella Valley for the 1997 8-hour ozone NAAQS to CARB, and to request that these documents be forwarded to the U.S. EPA for its approval to reclassify Coachella Valley to Extreme nonattainment for the 1997 8-hour ozone NAAQS. In addition, the South Coast AQMD Executive Officer is directed to forward any other information requested by the U.S. EPA for informational purposes.

DATE: _____

Clerk of the Boards

ATTACHMENT B

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Draft Staff Report

Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard

May 17, 2019

Executive Officer

Wayne Nastri

Deputy Executive Officer

Planning, Rule Development, and Area Sources

Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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Supervisor, Second District
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VACANT
Governor's Appointee

EXECUTIVE OFFICER:

WAYNE NASTRI

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APPENDIX A: RESPONSE TO COMMENTS (TO BE ADDED)

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Executive Summary

The Coachella Valley is classified as a Severe-15 nonattainment area for the 1997 8-hour ozone national ambient air quality standard (NAAQS) of 0.08 ppm, with an attainment date of June 15, 2019. Over the past 15 years, the air quality in the Coachella Valley has steadily improved because of the implementation of emission control measures by South Coast AQMD and California Air Resources Board (CARB). Ozone levels in the Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin as well as pollutants formed secondarily through photochemical reactions from precursors emitted upwind. Local sources therefore have limited impact on the Coachella Valley's ozone levels. Design values for the 8-hour ozone standard have declined from 0.108 ppm in 2003 to 0.087 ppm in 2016. However, in 2017 and 2018, higher ozone levels were experienced throughout the State of California due to changes in meteorology, biogenic emissions, and/or anthropogenic emissions. For example, 2017 and 2018 summers were particularly warm and stagnant throughout the West. As a result of the higher ozone experienced in 2017 and 2018, the Coachella Valley cannot practically attain the 1997 8-hour ozone standard by the attainment deadline of June 15, 2019. The inability to attain the standard is largely due to weather conditions that are impacting not only the Coachella Valley and the South Coast Air Basin, but the entire State of California and Western United States.

Under the Clean Air Act, states and local agencies are able to voluntarily request that U.S. EPA reclassify a nonattainment area to a higher classification of nonattainment. This "bump-up" request can provide additional time for the area to reach attainment, as the new classification will have a later attainment date. However, the area would be subject to the additional requirements of the new classification.

The U.S. EPA will make a finding of failure to attain the 1997 8-hour ozone standard for Coachella Valley by December 2019 unless South Coast AQMD submits a voluntary request for a reclassification to Extreme and that request is approved by the U.S. EPA. If the South Coast AQMD does not request the bump-up, the Coachella Valley would fail to attain the standard, and the South Coast AQMD would then have to adopt a rule requiring all major stationary sources to pay a nonattainment fee. In either case, the major source threshold will be lowered from 25 tons per year to 10 tons per year of NOx and VOC emissions with additional requirements under Title V and New Source Review (NSR) programs. Finally, a revision to the State Implementation Plan (SIP) will likely be required which will include additional measures that may reasonably be prescribed to attain the standard.

Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending to submit a formal request to U.S. EPA to reclassify the area Coachella Valley from Severe-15 to Extreme nonattainment, with a new attainment date of June 15, 2024. The reclassification ensures that the Coachella Valley will be given the needed extension of the attainment date to make attainment feasible, and prevent the imposition of the nonattainment fee imposed on major stationary sources. This action will necessitate the development of a new Extreme area SIP, including an attainment demonstration with a new deadline as early as practicable but no later than June 15, 2024. Based on current modeling and existing control measures, South Coast AQMD staff anticipate that the area will be able to attain the standard by that date. The Extreme nonattainment area SIP will necessarily continue to rely on emission reductions in the South Coast Air Basin, upwind of Coachella Valley. Furthermore, the reclassification will require South Coast AQMD rule amendments to lower the major stationary source threshold for NOx and VOC from the 25 tpy to 10 tpy within 12 months after the

reclassification is approved by U.S. EPA. Stationary sources in Coachella Valley with a potential to emit between 10 and 25 tpy of NOx and VOC would be subject to the applicable requirements for major stationary sources in Title V permitting and NSR Programs. Based on staff's analyses, oneonly a few existing facility~~facilities~~ in Coachella Valley may be potentially impacted by these new requirements. Although the reclassification request may potentially impose additional requirements on these facilities, it will ensure that the Coachella Valley is given the needed extension of the attainment date to make attainment feasible. Moreover, the change in the major source threshold must be implemented even if reclassification is not requested and U.S. EPA makes a finding of nonattainment.

1. Introduction

The Coachella Valley Planning Area is defined as the desert portion of Riverside County in the Salton Sea Air Basin, and is under the jurisdiction of the South Coast Air Quality Management District (South Coast AQMD or District). The Coachella Valley Planning Area excludes the tribal lands which are under the jurisdiction of the U.S. EPA. The Coachella Valley is the most populated area in this desert region, which encompasses several communities, including Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, and Mecca. Figure 1-1 provides a map of the area and the surrounding topography.

The Coachella Valley Planning Area is located downwind of the South Coast Air Basin, which is also under the jurisdiction of South Coast AQMD. The topography and climate of Southern California combine to make the South Coast Air Basin an area of high air pollution potential. Ozone levels in the Coachella Valley Planning Area are impacted by pollutants directly transported from the South Coast Air Basin as well as pollutants formed secondarily through photochemical reactions from precursors emitted upwind with limited impact from local emission sources. While local emissions controls benefit Coachella Valley air quality, the area must rely on emissions controls being implemented upwind to demonstrate improved air quality and attainment of the federal ozone standard.

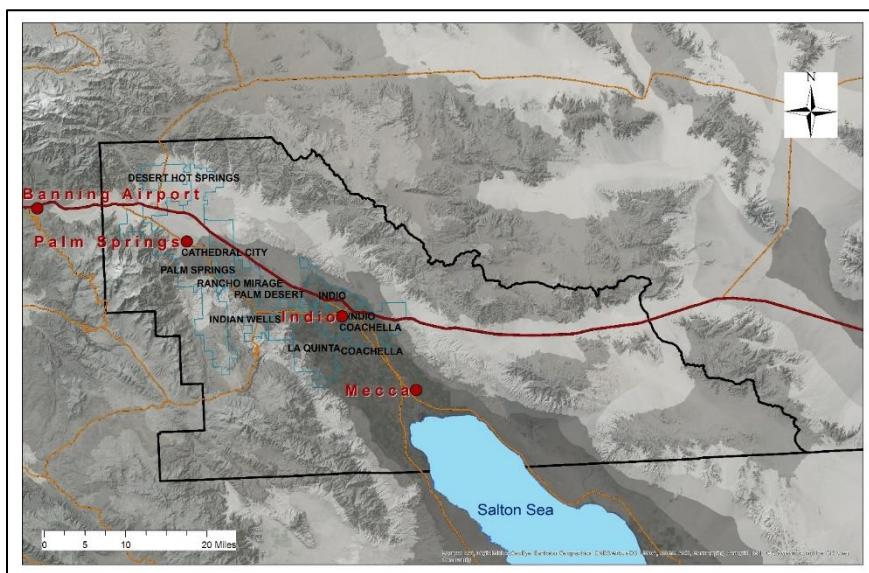


FIGURE 1-1
LOCATION AND TOPOGRAPHY OF THE COACHELLA VALLEY PLANNING AREA

Attainment Status of Coachella Valley for Ozone National Ambient Air Quality Standards

In 1979, the U.S. EPA established primary and secondary national ambient air quality standards (NAAQS or standards) for ozone at 0.12 parts per million (ppm) averaged over a 1-hour period¹. On July 18, 1997, the U.S. EPA revised the primary and secondary standards for ozone to 0.08 ppm, averaged over an 8-hour period (“1997 8-hour ozone standards”). The 1997 8-hour ozone standard was lowered to 0.075 ppm in 2008, and to 0.070 ppm in 2015. The U.S. EPA classifies areas of ozone nonattainment (i.e., Extreme, Severe, Serious, Moderate or Marginal) based on the extent to which an area exceeds the standard. The higher the current exceedance level, the more time is allowed to demonstrate attainment in recognition of the greater challenge involved. However, nonattainment areas with higher classifications are also subject to more stringent requirements.

The Coachella Valley is designated by U.S. EPA as a nonattainment area for the 2015 8-hour ozone standard of 0.070 ppm, the 2008 8-hour ozone standard of 0.075 ppm, and for the 1997 8-hour ozone standard of 0.08 ppm. For the three 8-hour ozone federal standards, the Coachella Valley is classified as a Severe-15 or Severe ozone nonattainment area, indicating that the area has 15 years from the nonattainment designation date to attain the standard. The Coachella Valley is already in attainment of the revoked federal standard for 1-hr ozone. Table 1 summarizes the attainment date and the attainment status for each of the federal ozone air quality standard for Coachella Valley.

TABLE 1-1

ATTAINMENT STATUS OF THE FEDERAL OZONE AIR QUALITY STANDARDS OF THE COACHELLA VALLEY PLANNING AREA

Criteria Pollutant	Averaging Time	Designation	Attainment Date
Ozone (O_3)	(1979) 1-Hour (0.12 ppm)	Attainment	11/15/2007 (attained 12/31/2013)
	(1997) 8-Hour (0.08 ppm)	Nonattainment (Severe-15)	6/15/2019
	(2008) 8-Hour (0.075 ppm)	Nonattainment (Severe-15)	7/20/2027
	(2015) 8-Hour (0.070 ppm)	Nonattainment (Severe)	8/3/2033

In contrast, the South Coast Air Basin is classified as an Extreme nonattainment area for all three 8-hour ozone standards because of even higher ozone levels, and has 20 years to attain each standard from the effective date of the final designation. For the 1997 and 2008 8-hour ozone standards, the attainment dates for the South Coast Air Basin are June 15, 2024 and July 20, 2032, respectively.

¹ U.S. EPA revoked the 1-hour ozone standard entirely in 2005. However, U.S. EPA regulations require the continuation of certain control measures in areas that were formerly in nonattainment for the 1-hour standard.

History of Air Quality Planning for the 1997 8-Hour Ozone Standards in Coachella Valley

The federal Clean Air Act (CAA or Act) requires nonattainment areas to develop and implement an emission reduction plan that will bring the area into attainment in a timely manner by the statutory deadline. This plan and the underlying technical analyses are integrated into Air Quality Management Plans (AQMPs or Plans) for the region. The South Coast AQMD, with contributions from and collaborations with the California Air Resources Board (CARB) and Southern California Association of Governments (SCAG), has developed several comprehensive AQMPs since the mid 1990s to address updates to air quality standards and attainment deadlines.

The following SIP submittals addressed the CAA planning requirements for attaining the 1997 8-hour ozone standards for the Coachella Valley:

1. “Final 2007 Air Quality Management Plan,” South Coast Air Quality Management District, June 2007 (2007 AQMP); and “2007 State Strategy for the California State Implementation Plan,” September, 2007 (2007 State Strategy);

The 2007 AQMP addressed attainment of the 1997 ozone standard for both the South Coast Air Basin and Coachella Valley including the following components:

- Emissions estimates, reasonable further progress (RFP) demonstrations, and motor vehicle emission budgets in Chapter 8;
- Detailed base and future emission inventories in Appendix III;
- Modeling for the attainment demonstration in Chapters 5 and 8, and Appendix V;
- Control strategy in Chapters 4 and 7; and
- Reasonably Available Control Measures (RACM) discussion in Chapter 6 and Appendix VI.

The 2007 State Strategy, as amended by the 2009 State Strategy Status Report² and 2011 State Strategy Progress Report³, provided a RACM demonstration for mobile sources (Chapter 3, Chapter 5, Appendix A, etc.). Appendix F of the 2011 State Strategy Progress Report provided revised control measure commitments and a revised rule implementation schedule for the 2007 AQMP.

Based on the 2007 AQMP and the 2007 State Strategy, the Coachella Valley was projected to attain the 1997 8-hour ozone standard (0.08 ppm) by 2018.

² “Status Report on the State Strategy for California’s 2007 State Implementation Plan (SIP) and Proposed Revision to the SIP Reflecting Implementation of the 2007 State Strategy,” CARB, Release Date: March 24, 2009 (2009 State Strategy Status Report).

³ “Progress Report on Implementation of PM2.5 State Implementation Plans (SIP) for the South Coast and San Joaquin Valley Air Basins and Proposed SIP Revisions,” CARB, Release Date March 29, 2011 (2011 State Strategy Progress Report).

2. "Proposed Updates to the 1997 8-Hour Ozone Standard, State Implementation Plans; Coachella Valley and Western Mojave Desert," CARB, October, 2014 (2014 SIP Update).

The 2014 SIP Update, which covered both the Coachella Valley and Western Mojave Desert 1997 8-hour ozone nonattainment areas, reflected the new U.S. EPA guidance⁴ for the RFP demonstration and updated emission inventories. The 2014 SIP Update included updated emissions inventories, reasonable further progress (RFP) demonstration, vehicle miles travelled (VMT) offset demonstration, motor vehicle emissions budgets and revision to the attainment targets for NOx and VOC emissions. The 2014 Update demonstrated that the adopted regulations would provide the emission reductions necessary to achieve attainment of the 0.08 ppm 8-hour ozone standard in the Coachella Valley by the attainment date and meet RFP requirements in the milestone years. Finally, the 2014 SIP Update (and 2007 AQMP) contained contingency measures to be implemented in the event the area fails to meet an RFP milestone or fails to attain by the applicable date.

While the 2007 AQMP and the 2014 SIP Update addressed and satisfied the CAA planning requirements for the Coachella Valley, the 2012 AQMP provided the projections of future ozone levels based on the updated emissions inventories and modeling efforts for informational purposes. With the latest emissions and modeling projections provided in the 2012 AQMP, staff confirmed that the strategy towards attainment of the federal ozone standards in the Coachella Valley remained effective.

The 2016 AQMP outlined the strategy to attain the 2008 8-hour ozone standard (0.075 ppm) for the Coachella Valley Planning Area, and discussed the attainment status towards the 1997 8-hour ozone standard (0.08 ppm). The 2016 AQMP evaluated the number of days exceeding the 1997 standard at the highest Coachella Valley monitoring station from 1990 through 2015. The ozone levels showed progressive improvement, from 18 exceedance days in 2012 base year to only 6 days in 2015. The 8-hour ozone standard is based on the 99th percentile highest value, which is the fourth highest value each year. As such, staff expected that Coachella Valley would attain the 1997 ozone standard by the end of 2018, corroborating the ozone SIP attainment demonstration in the 2007 AQMP and the CARB 2014 SIP Update.

Current Attainment Status for the 1997 8-Hour Ozone Standard in Coachella Valley Planning Area

The Coachella Valley is downwind from the South Coast Air Basin (Basin), and is directly impacted by the air quality in the Basin. Implementation of the South Coast AQMD and the CARB emissions control measures over the past several decades have resulted in demonstrable progress in reducing ozone levels in the Basin. As a result, air quality in the Coachella Valley has also steadily improved, as demonstrated by the ambient air quality data. Design values⁵ for the 8-hour ozone standard declined from 0.108 ppm in 2003 to 0.088 ppm in 2015 and continued to decline to 0.087 ppm in 2016, as presented in the 2016

⁴ Since the submission of the 2007 AQMP, U.S. EPA determined it was no longer appropriate to include emissions from sources outside the nonattainment area in the RFP demonstration and revised its RFP policy to limit emission reductions to sources within the nonattainment area.

⁵ A design value is a statistic that describes the air quality status of a given area relative to the level and form of the NAAQS. For the 8-hour ozone standard, the design value is a 3-year average and takes into account the form of the short-term standard (i.e., 99th percentile).

AQMP. However, in 2017 and 2018, the State of California experienced a series of high ozone episodes due to unexpected changes in meteorology including warm and stagnant weather conditions, biogenic emissions, and/or anthropogenic emissions. As a result, the design values in 2017 and 2018 were higher than the previous years and increased to 0.088 ppm and 0.091 ppm respectively, (more detailed discussion in Chapter 2), indicating that additional time is needed to meet the standard.

As discussed previously, Coachella Valley is a Severe-15 nonattainment area for the 1997 8-hour ozone standard, with an attainment deadline of June 15, 2019. Because the attainment date is mid-year, the demonstration of attainment must take place by the previous calendar year, which is 2018. Within six months after the applicable attainment date, U.S. EPA is required to make a determination as to whether the area attained the standard by that date. If U.S. EPA determines that a nonattainment area has failed to attain the air quality standard by the applicable attainment date, the consequences for failure to attain are listed under CAA section 179(d) and CAA section 181 (b)(4), and are summarized below:

- All major stationary sources are required to pay a nonattainment fee (about \$10,000 per ton of VOC and NOx emissions per year) beginning the year after the attainment deadline;
- The threshold for both major sources and major stationary sources will be lowered from 25 tons per year to 10 tons per year for VOC and NOx;
- A revision to the State Implementation Plan within 1 year of U.S. EPA's notice of failure to attain;⁶ and
- The State Implementation Plan revision should meet the requirements of CAA section 110 and section 172, and include additional measures that may reasonably be prescribed for a nonattainment area.

Under CAA Subpart 2, section 182(a)(5), the U.S. EPA allows for a one year extension of the attainment date, if no more than one exceedance of the 1997 standard has occurred in the area in the preceding year. The standard was exceeded on four days in 2016, 15 days in 2017, and 13 days in 2018. This increase in exceedance days was not unique to the Coachella Valley. Similar increases in ozone concentrations occurred in the South Coast Air Basin and throughout California. Since more than one exceedance of the standard occurred in Coachella Valley, the one year attainment date extension is not available. Furthermore, based on the air quality trends in the Coachella Valley, a one year extension would not be a suitable amount of time to practically bring the Coachella Valley into attainment.

On the other hand, under Subpart 2, section 181(b)(2) of the CAA, the U.S. EPA may reclassify a nonattainment area to a higher classification if the area cannot practically attain the NAAQS by the attainment date and the area voluntarily requests reclassification. Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending that the South Coast AQMD formally request the U.S. EPA to reclassify the Coachella Valley as an Extreme nonattainment area for the 1997 8-hour ozone standard. This reclassification will provide an extension of

⁶ U.S. EPA staff has indicated that for the finding of failure to attain, a SIP revision is not required since the 1997 8-hour ozone standard has been revoked; however, this remains unclear because of uncertainties related to revoked standards

the attainment date to make attainment feasible. Upon reclassification, the new attainment deadline for the Extreme nonattainment status will be June 159, 2024.

This document outlines the action to request reclassification to an Extreme nonattainment area for the 1997 8-hour ozone standard in Coachella Valley. Chapter 2 of this document presents the air quality trends. Chapter 3 describes the voluntary reclassification request with potential implications for major stationary sources. The staff recommendation is presented in Chapter 4.

2. Air Quality Trends

The South Coast AQMD currently monitors Coachella Valley ozone concentrations at Indio and Palm Springs. The Palm Springs air monitoring station is located closer to the San Gorgonio Pass (also known as the Banning Pass), predominantly downwind of the densely populated South Coast Air Basin. The Indio station is located further east in the Coachella Valley, on the predominant downwind side of the main population areas of the Coachella Valley. Both of these sites routinely measure ozone, particulate matter with a diameter less than 10 micron (PM10), particulate matter with a diameter less than 2.5 micron (PM2.5), sulfates (from PM10), and several meteorological parameters. The Palm Springs station also measures carbon monoxide, and nitrogen dioxide. This chapter summarizes recent and historic ozone air pollution data collected in the Coachella Valley.

Factors that Influence Ozone Concentrations

Ozone (O_3) is not emitted directly into the atmosphere; near-surface ozone, in contrast to stratospheric ozone, is formed by the reaction of volatile organic compounds (VOCs) with oxides of nitrogen (NO_x) in the presence of sunlight. Figure 2-1 illustrates the processes influencing ozone concentrations in the Coachella Valley. NO_x is generated from combustion processes whereas VOCs are emitted from a wide variety of sources such as consumer products, mobile sources, and vegetation. Wildfires generate both NO_x and VOCs. However, the chemical reactions that form ozone are highly complex and depend not only on NO_x and VOC levels, but also on the ratio of VOC to NO_x concentrations, temperature, the amount of sunlight, and other meteorological conditions. NO_x emissions can even reduce ozone concentrations in the immediate vicinity of an emission source, but will contribute to ozone formation downwind.

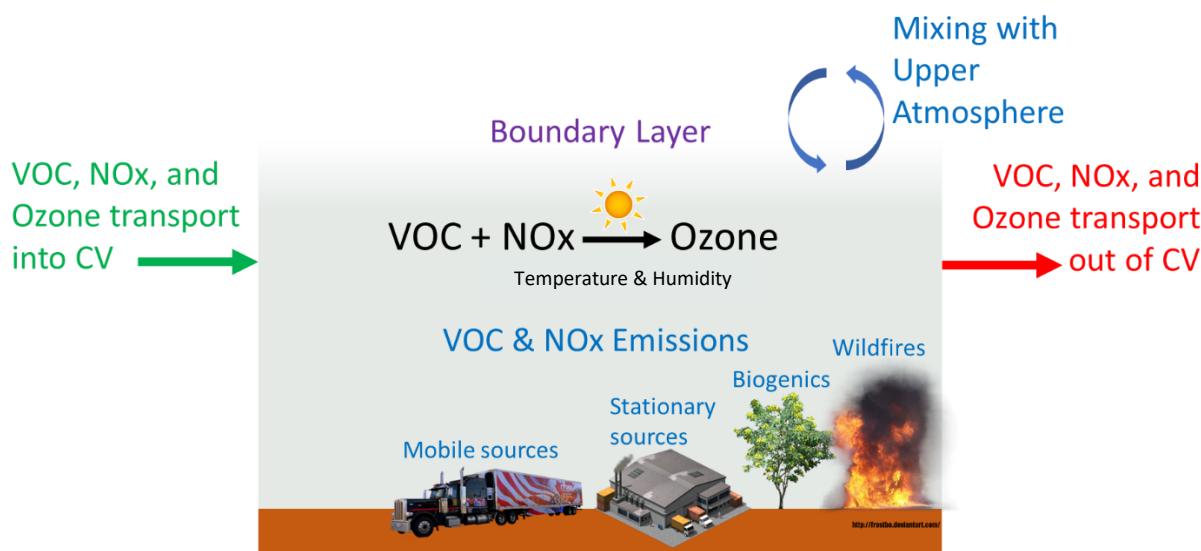


FIGURE 2-1

SCHEMATIC OF PROCESSES INFLUENCING OZONE CONCENTRATIONS IN THE COACHELLA VALLEY.

Atmospheric ozone in the Coachella Valley is both directly transported from the Basin and formed photochemically from precursors emitted upwind and within the Coachella Valley. The precursors are emitted in the greatest quantity in the coastal and central Los Angeles County areas of the South Coast

Air Basin (Basin). The Basin's prevailing sea breeze causes polluted air to be transported inland. As the air is being transported inland, ozone is formed, with peak concentrations occurring in the inland valleys of the Basin, extending from eastern San Fernando Valley through the San Gabriel Valley into the Riverside-San Bernardino area and the adjacent mountains. As the air is transported further inland into the Coachella Valley through the San Gorgonio Pass, ozone concentrations typically decrease due to dilution, although ozone standards can still be exceeded — wind speed and wind direction further influence ozone concentrations throughout the Coachella Valley.

Ozone concentrations are also heavily dependent on meteorological conditions. Concentrations in the Coachella Valley, and the number of days exceeding the federal ozone standards, are greatest in the late spring and summer months, with no exceedances during the winter. Ozone concentrations are a strong function of season for several reasons. The rate of reactions that produce ozone in the atmosphere proceeds faster at higher temperatures. In addition, elevated temperatures lead to increased ozone precursor concentrations by hastening the evaporation into the air of VOCs. Ozone concentrations are also dependent on sunlight intensity, which is stronger during the summer months. The stability of the atmosphere also influences ozone concentrations. Strong inversions inhibit mixing with the upper atmosphere, leading to elevated concentrations at the surface.

Ozone Monitoring Data

Several metrics are used to quantify progress towards attaining the ozone standards in the Coachella Valley. The number of days exceeding the 1997 8-hour ozone standard anywhere in the Coachella Valley is a basic, yet useful tool for assessing progress. This metric has decreased markedly over the past few decades. However, year-to-year variabilities are evident throughout the historical record. Figure 2-2 shows the trend in Coachella Valley ozone exceedance days for the 1979 1-hour standard and the 1997 8-hour standard. Note that the Coachella Valley attained the 1-hour standard in 2013.

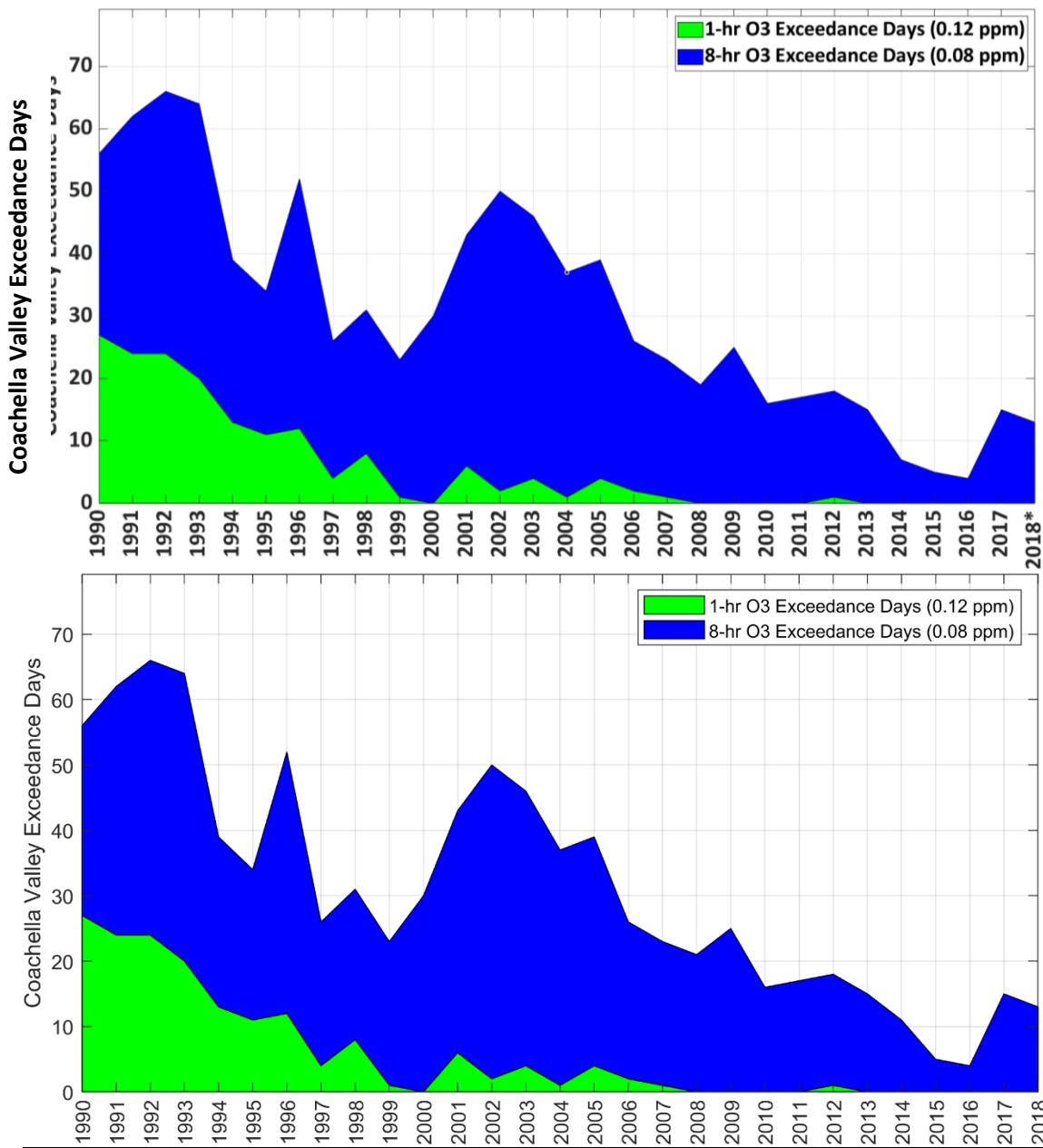


FIGURE 2-2: TRENDS IN OZONE EXCEEDANCE DAYS IN THE COACHELLA VALLEY, 1990–2018 (*2018 DATA IS PRELIMINARY AND SUBJECT TO CHANGE).

The Coachella Valley exceeded the 1997 standard on four days in 2016, 15 days in 2017, and 13 days in 2018. This increase in exceedance days was not unique to the area. Similar increases in ozone concentrations occurred in the South Coast Air Basin. Figure 2-3 shows the trend in ozone exceedance days in both the South Coast Air Basin and the Coachella Valley.

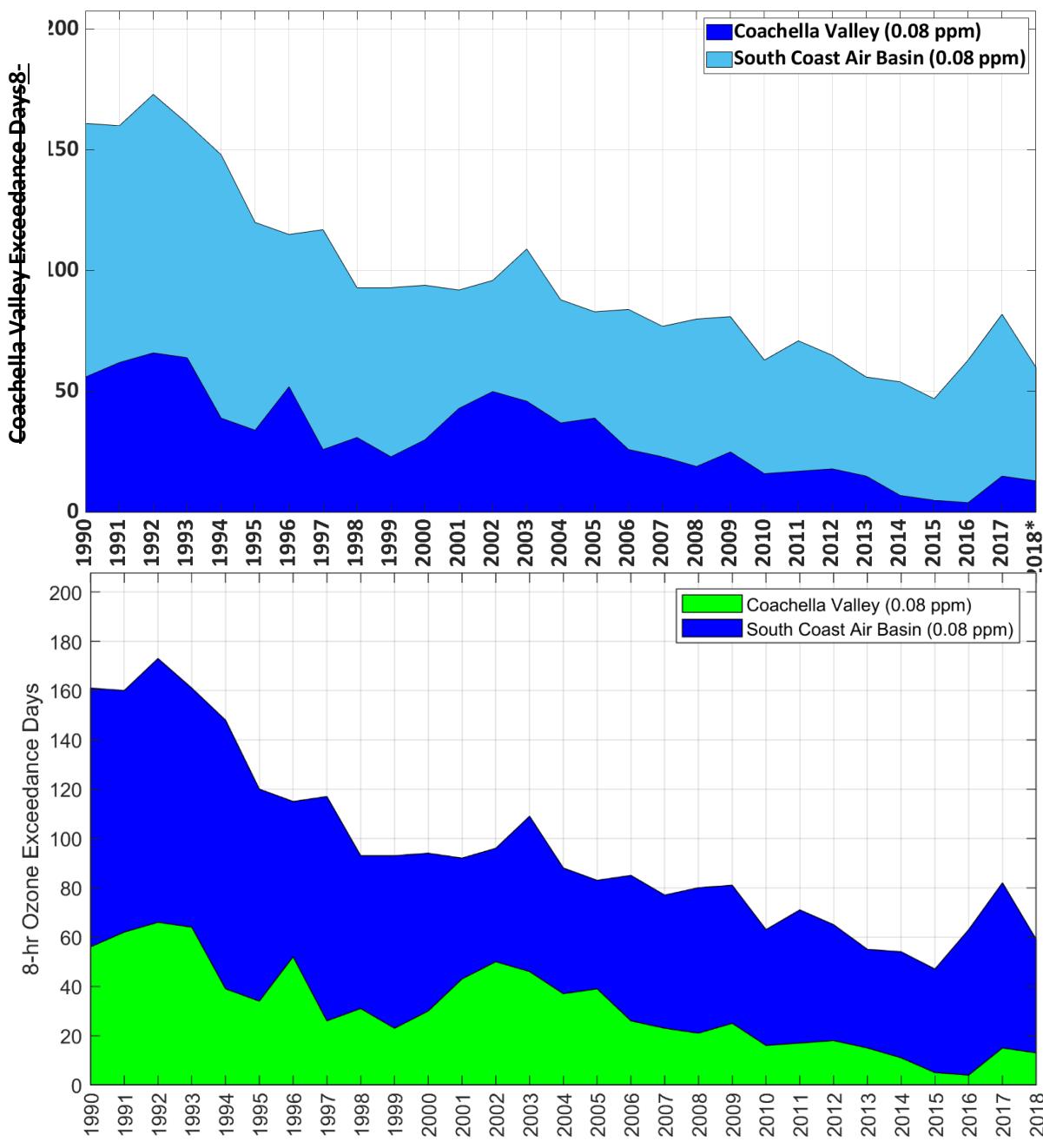


FIGURE 2-3: TRENDS IN OZONE EXCEEDANCE DAYS IN THE COACHELLA VALLEY AND THE SOUTH COAST AIR BASIN, 1990–2018 (*2018 DATA IS PRELIMINARY AND SUBJECT TO CHANGE).

The similarity in the trends in ozone exceedances seen in Figure 2-3 are not unexpected due to typical transport patterns of ozone precursors and ozone from the South Coast Air Basin to the Coachella Valley. In addition, while there are differences in meteorological conditions between the two areas, regional meteorological trends influence conditions in both areas.

The Clean Air Act requires attainment of the ozone standard at the most ozone polluted monitoring station, which for the case of the Coachella Valley, is in Palm Springs. The 8-hour ozone design value is based on the 99th percentile highest value (4th highest daily maximum of 8-hour-average concentrations) in a year, averaged over a ~~three~~^{three}-year period. Therefore the 4th highest 8-hour daily max value is a useful metric to assess yearly progress towards attainment of the standard. Figure 2-4 details the 8-hour daily maximum ozone concentrations at the Palm Springs and Indio monitoring stations during the ozone season⁷ for 2016, 2017, and 2018, which are the three years considered for ozone attainment by the 2019 deadline. The four highest values each year are indicated with filled circles, with the fourth highest value further noted with a black “X”.

⁷ The ozone season is defined as May 1 – September 30 by the U.S. EPA.

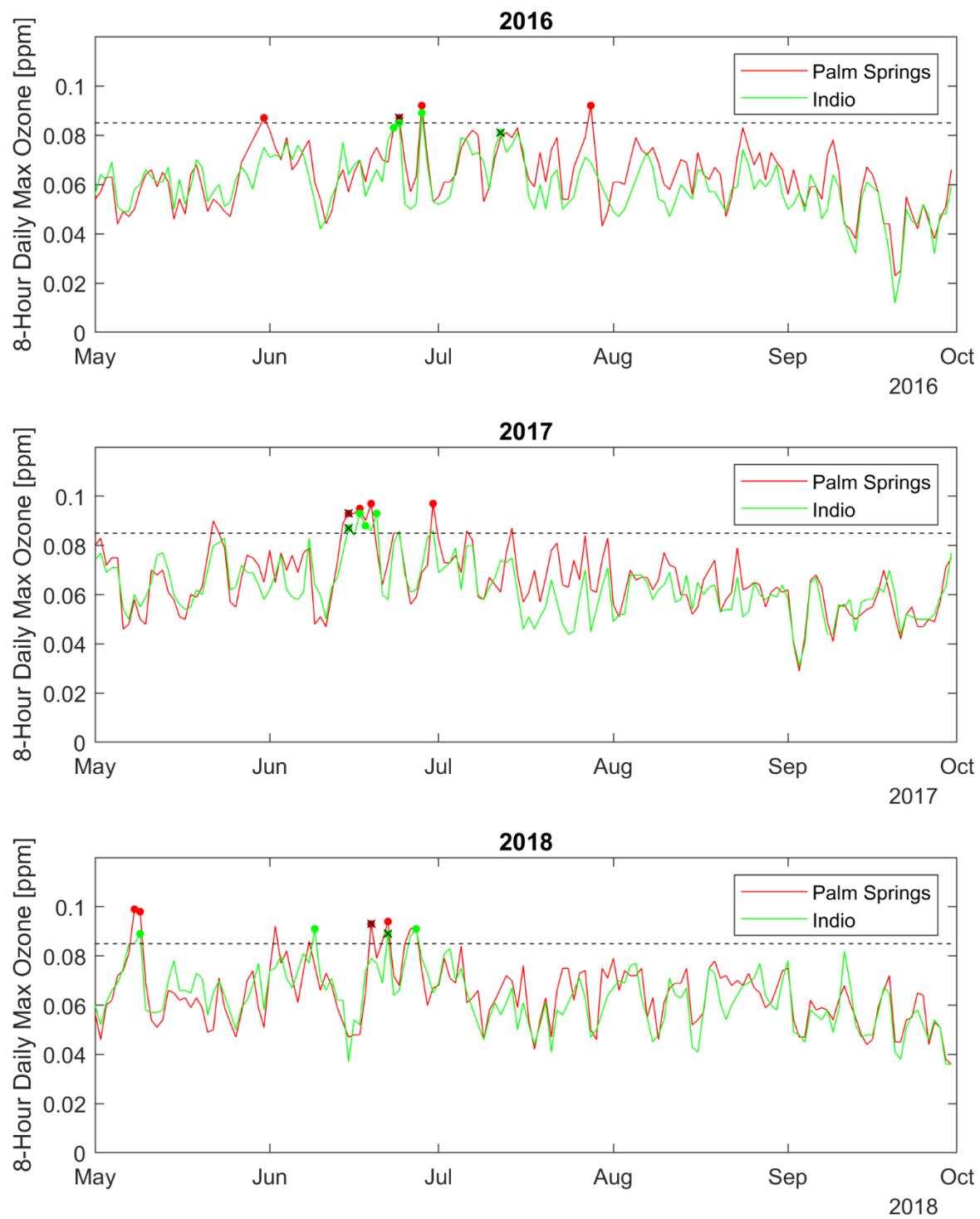


FIGURE 2-4: OZONE MONITORING DATA IN COACHELLA VALLEY FROM 2016-2018. FILLED CIRCLES INDICATE THE FOURTH HIGHEST VALUES IN A YEAR. A BLACK "X" INDICATES THE FOURTH HIGHEST VALUE. THE 1997 8-HOUR OZONE STANDARD IS SHOWN WITH A HORIZONTAL DASHED LINE.

The four highest ozone concentrations in 2016 occurred in four separate episodes. It is possible that the high values recorded on June 23rd and June 27th were influenced by the San Gabriel Complex Fire in Duarte, CA. It is also possible, but less likely, that the high value recorded on July 27th was influenced by the Sand Fire, burning east of the Santa Clarita Valley in northern Los Angeles County. A single multi-day ozone episode in 2017 is responsible for generating three of the four highest values recorded that year. It is possible, but unlikely due to the distances involved that high values recorded on June 17th and June 18th were influenced by emissions from the Lake Fire, which burned near Castaic Lake. The Mart Fire north of Highland may have influenced the elevated ozone concentrations measured on June 29th, 2017.

The U.S. EPA's Exceptional Events Rule allows air authorities to exclude monitoring data in calculating design values if the data was influenced by an event that is not reasonably controllable nor preventable. There must also be a clear causal relationship between the exceedance and the event. Under the Exceptional Events Rule, the U.S. EPA may approve the exclusion of ozone exceedances caused by wildfires in calculating attainment status~~may be approved to be excluded by the U.S. EPA upon successful demonstration by states or local air districts~~. While there are some exceedances that may be smoke-influenced due to the presence of satellite-detected smoke and/or an active smoke advisory, even if the U.S. EPA approved all of these as exceptional events, the Coachella Valley would still fail to attain the 1997 8-Hour ozone standard.

The increase in ozone concentrations seen in 2017 in the Coachella Valley and the South Coast Air Basin were also seen throughout California (Figure 2-5) and the Western United States (Figure 2-6).

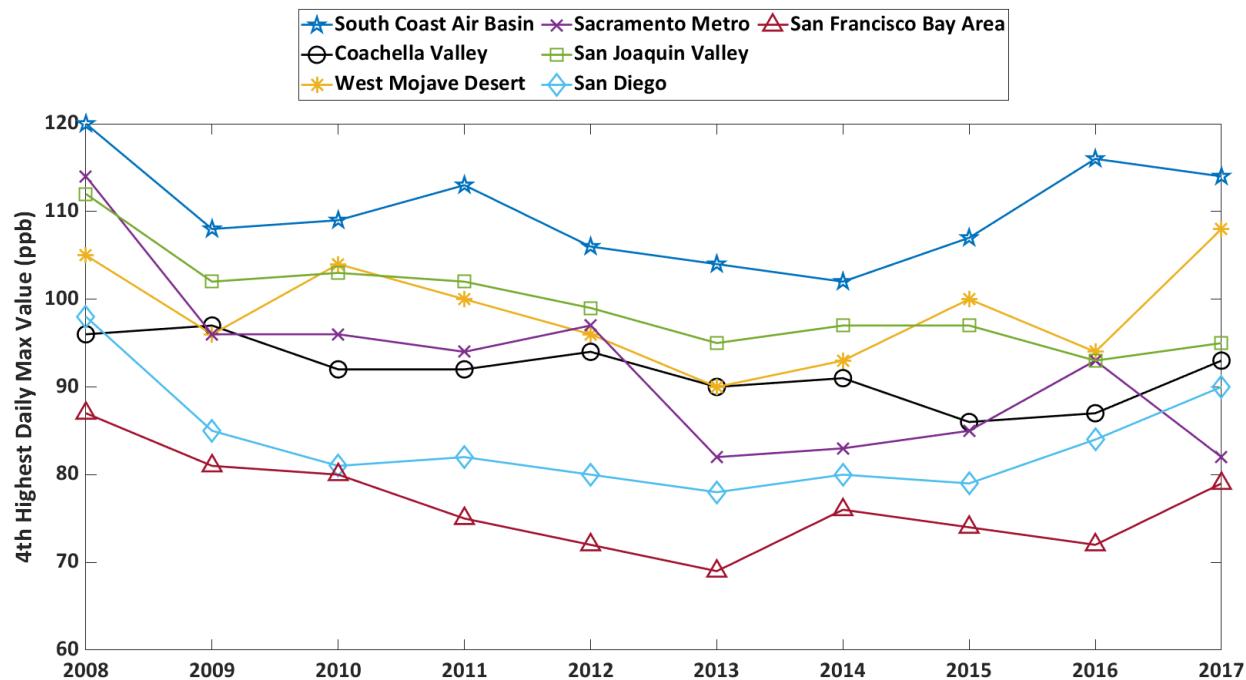


FIGURE 2-5: FOURTH HIGHEST DAILY MAXIMUM OZONE VALUES IN SEVERAL NEARBY CALIFORNIA AIR BASINS FROM 2008 TO 2017. 2018 DATA FOR AIR BASINS OUTSIDE OF THE SOUTH COAST AQMD JURISDICTION IS NOT YET AVAILABLE.

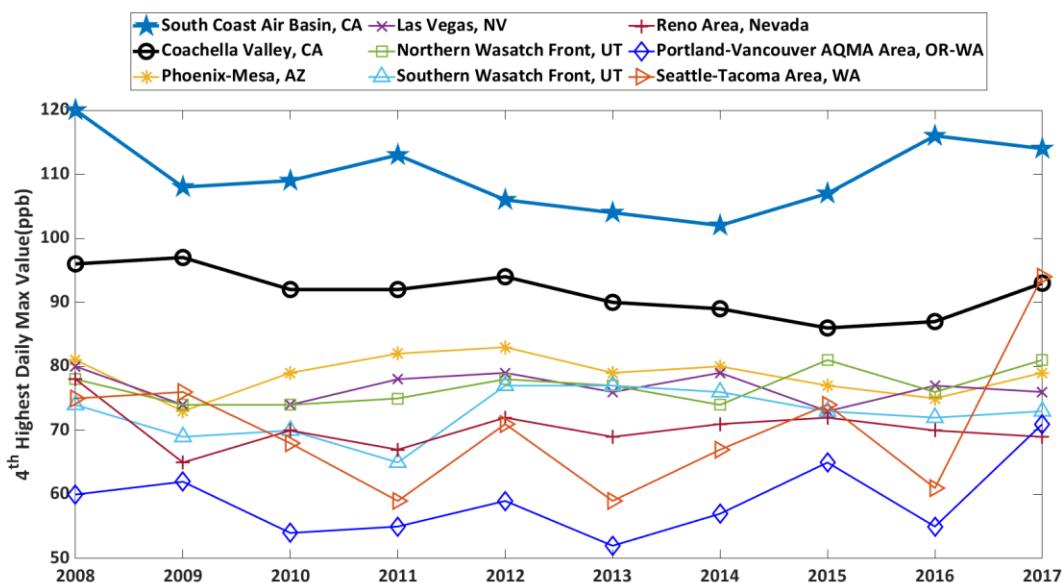


FIGURE 2-6: FOURTH HIGHEST 8-HOUR DAILY MAXIMUM OZONE VALUES AT THE MOST POLLUTED MONITORING SITE IN SEVERAL DESIGNATED AREAS IN WESTERN STATES FROM 2008 TO 2018⁷.

South Coast AQMD staff and other researchers in the air quality and meteorology communities are still investigating the reasons for the increase in ozone concentrations starting in 2017 experienced throughout the Western United States. However, the fact that these increases were seen over wide areas can help explain the elevated ozone concentrations. Both unexpected changes in meteorology and/or emissions (e.g., biogenic, anthropogenic) can contribute to this unexpected increase. However, year-to-year increases in ozone are not uncommon in the historical record and one should be careful to not over-interpret temporary increases.

While local wildfires cannot explain all exceedances in the 2016-2018 period in the Coachella Valley, it is possible that wildfire emissions from distant fires could have influenced ozone concentrations throughout the West. 2017 and 2018 were particularly active wildfire seasons in California (Figure 2-7), with total acreage burned surpassing all years since 2008.

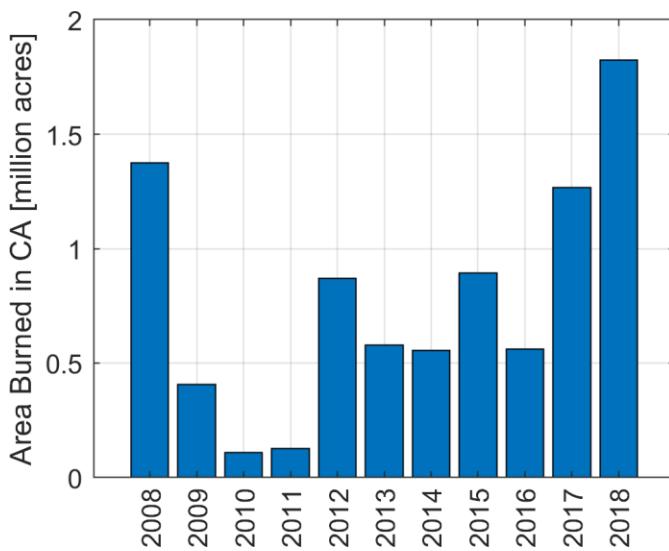


FIGURE 2-7: TOTAL ACRES BURNED BY YEAR WITHIN CALIFORNIA. DATA FROM THE NATIONAL INTERAGENCY FIRE CENTER.

Biogenic VOC emissions (those deriving from vegetation) may also exhibit large year-to-year variations. Vegetation is a large source of VOCs, especially during summer months. Vegetative growth is highly dependent on rainfall during the growing season, which exhibits significant year-to-year variations throughout California.

While it is difficult to measure anthropogenic emissions (emissions from human activity) of NOx and VOCs directly, emission inventory projections indicate that emissions from anthropogenic sources in the South Coast Air Basin have declined and will continue to decline (Figure 2-8). Emissions in the South Coast Air Basin are the primary contributor to ozone concentrations in the Coachella Valley.

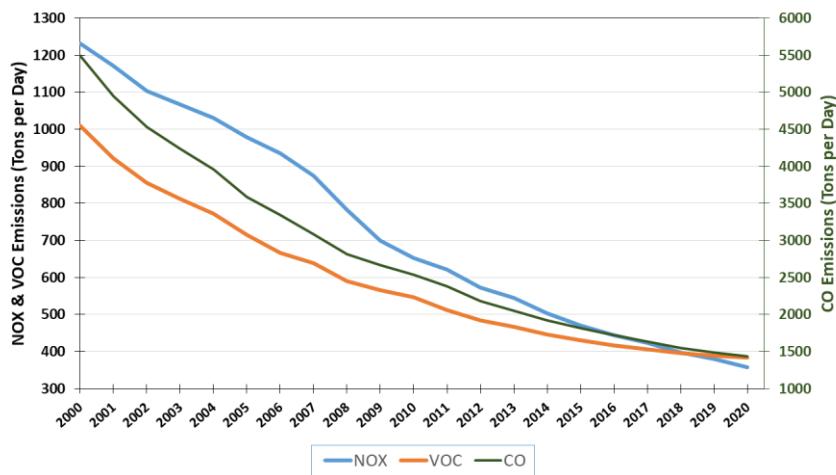


FIGURE 2-8: EMISSION INVENTORY PROJECTIONS IN THE SOUTH COAST AIR BASIN.

Nitrogen dioxide (NO_2) concentration is measured hourly throughout the South Coast AQMD boundaries and can be used as a surrogate for NOx emissions. An analysis of monitoring data between 1990 and 2018 indicate that NO_2 concentration have been reduced by over 60% and have continued to decline year-to-year since 1999 (Figure 2-9).

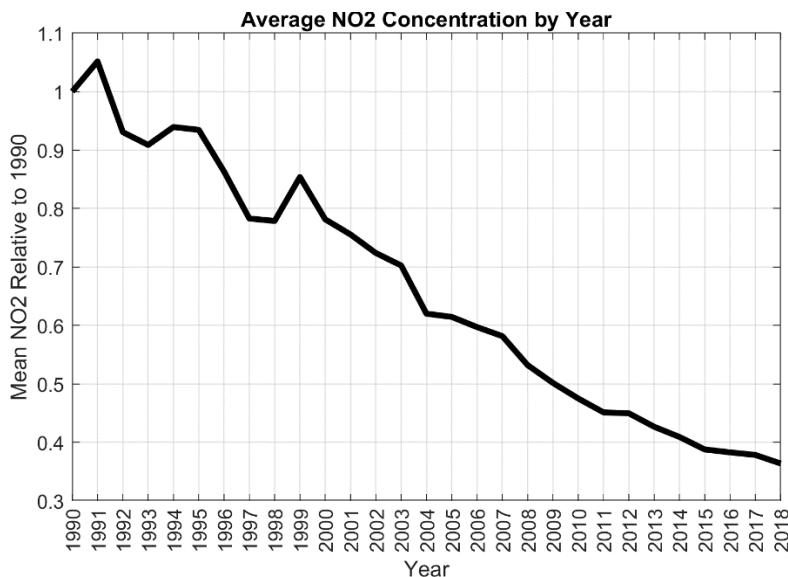


FIGURE 2-9: NO_2 CONCENTRATIONS AT MONITORS IN THE SOUTH COAST AIR BASIN AND THE COACHELLA VALLEY. ONLY MONITORS WITH DATA IN AT LEAST 75% OF THE YEARS ARE INCLUDED IN THIS ANALYSIS.

Meteorology is also an important factor governing ozone concentrations. Year-to-year changes in meteorology can alter transport patterns, leading to changes in precursors and upwind ozone entering the Coachella Valley. Elevated temperatures and reduced atmospheric mixing can also contribute to additional ozone formation. In addition, the North American Monsoon, which can bring an increase in humidity and afternoon thunderstorms into the Coachella Valley between July and September can also affect ozone concentrations.

Ozone Attainment Status

Trends in the 8-hour ozone design value and the 1-hour ozone design value are plotted in Figure 2-10.

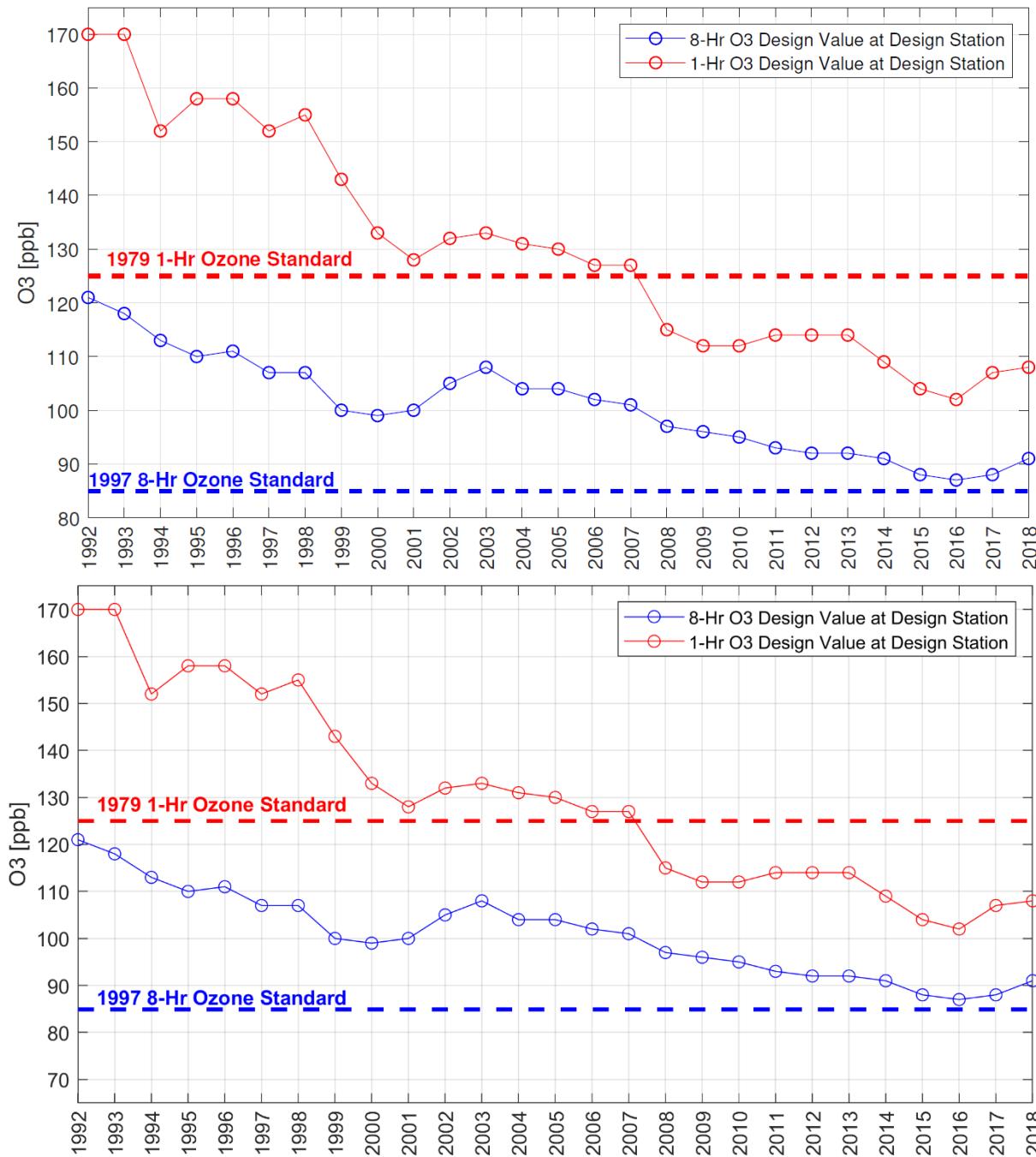


FIGURE 2-10

COACHELLA VALLEY 3-YEAR DESIGN VALUE TRENDS OF OZONE, 1992–2018*

(THE YEAR PLOTTED IS THE END YEAR OF THE 3-YEAR DESIGN VALUE, *2018 DATA IS PRELIMINARY AND SUBJECT TO CHANGE).

While the Coachella Valley attains the former 1-hour federal ozone standard, the area exceeds the 8-hour NAAQS. In 2016, the 3-year design value (2014-2016) for the Coachella Valley was 0.087 ppm. The 2017 and 2018 design value increased to 0.088 ppm and 0.091 ppm, respectively. In each of these cases, the Palm Springs monitoring station had the highest design value, and therefore the Palm Springs measurement data reflects the design location for the Coachella Valley. The 2018 design value exceeds the 1997 8-hour standard. The standard is met if the design value is less than or equal to 0.084 ppm, due to rounding conventions associated with the 0.08 ppm standard.

In summary, the Coachella Valley has experienced a multi-decadal trend of steady ozone improvements over the years, however, additional improvements are needed to achieve the 8-hour ozone standard.

3. Request for Reclassification

The Coachella Valley is currently classified as a Severe ozone nonattainment area for the 1997 8-hour standard, with an attainment deadline of June 154, 2019. As previously described in Chapter 2 – Air Quality Trends, the monitoring data shows that the Coachella Valley will not achieve attainment by the attainment deadline and is not eligible to request for a one-year extension of the attainment date due to the number of exceedances in the prior year.

The CAA under section 181(b)(3) allows for a “voluntary reclassification” request by any State to reclassify to a higher classification for a nonattainment area in order to provide additional time to meet the standard. The voluntary request for reclassification to a higher classification is commonly referred to as a “bump up.” Since additional time is needed to bring Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending requesting a voluntary reclassification from Severe to Extreme nonattainment.

Requirements upon Reclassification to an Extreme Nonattainment Area

After the bump-up request is submitted to the U.S. EPA and the U.S. EPA takes final action granting the reclassification request, a revision to the State Implementation Plan (SIP) is required. The new SIP revision will have to include an attainment demonstration with the pathway to attain the 1997 8-hour ozone NAAQS as expeditiously as practicable, but no later than the maximum attainment period set forth in CAA section 182, Table 1. Currently, the Severe classification of Coachella Valley allows for 15 years to reach attainment in 2019. With the approval of the bump-up request to Extreme, the attainment period will be extended to 20 years, or an additional 5 years from the Severe classification, to June 15, 2024. Therefore, upon reclassification to Extreme nonattainment status, the attainment date for Coachella Valley will be updated from June 15, 2019 to as expeditiously as practicable, but no later than June 15, 2024. The updated SIP for an Extreme nonattainment area will require the same elements as the previously developed SIP for a Severe nonattainment area together with the requirements for an Extreme nonattainment area described under CAA section 182 including:

- Section 182(e) - Definition of major sources and major stationary sources
- Section 182(e)(1) - Offset requirement
- Section 182(e)(2) - Modifications
- Section 182(e)(3) - Use of clean fuels or advanced control technology
- Section 182(e)(4) - Traffic control measures during heavy traffic hours
- Section 182(e)(5) - New technologies
- Section 182(f) – NOx Requirements

Each of these requirements is discussed below.

CAA Section 182(e) Requirements

Currently under the Severe nonattainment designation, the definition of major stationary sources includes facilities with the potential to emit (PTE)⁸ of 25 tons per year (tpy) of VOC and NOx or higher. Following reclassification to an Extreme nonattainment area, the threshold for major stationary sources will be lowered to include facilities with the PTE of 10 tpy of VOC and NOx or higher. This change makes the definition stricter and will cause additional facilities to be subject to requirements (major sources). The potential impacts on stationary sources are discussed later in this chapter. However, this change must also occur even if a “bump-up” is not requested.

CAA Section 182(e)(1) - Offset requirement

Section 182(e)(1) requires a modified offset ratio of 1.5 to 1 of total emission reductions of VOCs to total increased VOC emissions of each air pollutant (due to permit modifications), unless federal best available control technology (BACT) is required for all new or modified existing major sources. South Coast AQMD’s regulations implement best available retrofit control technology (BARCT) which is the equivalent of federal BACT for major and non-major sources, and therefore an offset ratio of 1.2 to 1 is used for NSR offset requirements for all nonattainment criteria air contaminants (Rule 1303). South Coast AQMD’s NSR rules already include these requirements for VOC and NOx sources.

CAA Section 182(e)(2) – Modifications

Section 182(e)(2) requires any increase of emissions at a major stationary source to be considered a modification. South Coast AQMD Regulation XIII requires any new or modified source that results in an emissions increase of any nonattainment air contaminant to be subject to NSR. Therefore, the modification requirement is already addressed in existing NSR rules and no additional action is needed upon reclassification.

CAA Section 182(e)(3) - Use of clean fuels or advanced control technology

Section 182(e)(3) requires each new, modified, and existing electric utility and industrial and commercial boiler that emits more than 25 tpy of NOx to burn a low polluting fuel or use advanced NOx control technology. Existing boilers are already subject to South Coast AQMD Rule 1146 (Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters) and Rule 1135 (Emissions of Oxides of Nitrogen from Electricity Generating Facilities), which require the use of South Coast AQMD’s BARCT for existing equipment. Any new or modified sources with emission increases are also subject to California BACT (federal lowest achievable emission rate [LAER] for the case of major sources) requirements. As such, the implementation of existing California BARCT and BACT already require new, modified, and existing electric utility and industrial and commercial boilers to use advanced NOx control technology, and therefore, no additional action is needed upon reclassification.

⁸ “Potential to emit” is the maximum capacity of a stationary source to emit under its physical and operational design. Any physical or operational limitation on the source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation, or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation is enforceable by the U.S. EPA.

CAA Section 182(e)(4) - Traffic control measures during heavy traffic hours

Section 182(e)(4) allows for control measure programs to reduce use of high polluting or heavy-duty vehicles during heavy traffic hours. These are not required measures and do not require any additional action upon reclassification.

CAA Section 182(e)(5) - New technologies

Section 182(e)(5) allows for Extreme nonattainment area attainment demonstrations to be based on the anticipated development of new technologies or improvement of existing control technologies. These long-term control measures are often referred to as “black box” measures and go beyond the short-term control measures that are based on known and demonstrated technologies. For Extreme nonattainment areas, the “black box” measures may be used as part of the attainment strategy. The ability to use 182(e)(5), however, ceases 3 years prior to the attainment date. Since Coachella Valley is only about 5 years from its new attainment date (June 2024), these long term measures might not be appropriate or needed for the attainment demonstration for the new Extreme area SIP.

CAA Section 182(f) – NOx requirements

Pursuant to Section 182(f), all provisions required for major stationary sources of VOC shall also apply to major stationary sources of NOx as defined in 182(e)(1), including the modified offset ratio. Since the offset requirement for an Extreme nonattainment area has already been incorporated into South Coast AQMD’s existing NSR rules, there will not be any additional offset requirements due to reclassification of Coachella Valley to Extreme nonattainment.

Impacts on Major Stationary Sources

U.S. EPA defines a major source as a facility that emits, or has the potential to emit, any criteria pollutant or hazardous air pollutant at levels equal to or greater than the major source thresholds. As a Severe nonattainment area, the definition of a major stationary source in Coachella Valley includes facilities with a PTE of 25 tpy of VOC or NOx or higher. For the Extreme nonattainment reclassification in Coachella Valley, the major source thresholds will be lowered to 10 tpy or higher of VOC or NOx. Even if the South Coast AQMD were not to request a reclassification of Coachella Valley from Severe to Extreme and, consequentially, the U.S. EPA issued a finding of a failure to attain the standard, the lower major source thresholds would still apply.⁹ As such, under either scenario, a major source in Coachella Valley will include facilities with a PTE of 10 tpy or higher of VOC or NOx.

Following reclassification of Coachella Valley to an Extreme nonattainment area, Rule 3001 will need to be amended to lower the threshold for major stationary sources in Coachella Valley to include facilities with a PTE of 10 tpy or higher for VOC or NOx. This change will cause additional facilities to be subject to requirements for major sources. The threshold for major stationary source is also used to define applicability in the Title V Operating Permit program (Title V Program) and the New Source Review Program. As such, more facilities in Coachella Valley could be subject to the requirements under these programs. To assess the potential impact of the reclassification request, staff conducted an preliminary analysis was done to identify the facilities within the Coachella Valley with a VOC or NOx PTE between 10

⁹ Clean Air Act Section 181(b)(4)((B); 42 U.S.C. Section 7511(b)(4)(B).

and 25 tpy, and the results of the preliminary analysis are included in the sections below. Based on the preliminary analysis, eight facilities were initially identified as potentially being impacted because of change in major source threshold from 25 to 10 tpy. However, further analysis conducted by South Coast AQMD staff has indicated that only four existing facilities will potentially be impacted as shown in table 3-1. The facility is Armtec Defense Prod. Co., located in Coachella, which may become a major source, or may choose to accept a permit limit to avoid becoming a major source.

The South Coast AQMD staff preliminary analysis identified the following eight stationary-source facilities, shown in Table 3-1 as potentially impacted by a change of the VOC and NOx major source threshold from 25 tpy to 10 tpy.

TABLE 3-1
LIST OF POTENTIALLY IMPACTED FACILITIES IN COACHELLA VALLEY

Facility Name	City
Imperial Irrigation District/Coachella*	Coachella
Sentinel Energy Center LLC*	North Palm Springs
Wildflower Energy LP/Indigo Gen., LLC*	North Palm Springs
Armtec Defense Prod. Co.	Coachella
Eisenhower Medical Center	Rancho Mirage
Palm Springs Aerial Tramway	Palm Springs
County of Riverside (IN702)	Indio
Desert Hospital	Palm Springs

* Existing South Coast AQMD Title V Permit Facility

Title V Program

The Title V permitting program was created in the 1990 amendments to the Clean Air Act to establish a national permit program to standardize air quality permits and the permitting process for major sources of emissions across the country. Title V only applies to "major sources." The South Coast AQMD adopted Regulation XXX – Title V Permits in 1993 to align the permitting requirements with the federal Title V permit program (approved by U.S. EPA on November 30, 2001). The current major source thresholds for the South Coast Air Basin (currently designated as Extreme nonattainment) and Coachella Valley within South Coast AQMD's jurisdiction are defined in Rule 3001, and are summarized in Table 3-1 below for VOC and NOx:

TABLE 3-12:

MAJOR SOURCE PTE EMISSION THRESHOLDS (TONS PER YEAR)

Pollutant	South Coast Air Basin	Coachella Valley
VOC	10	25
NOx	10	25

Following approval of the reclassification, Rule 3001 will be amended to lower the major source thresholds from 25 tpy to 10 tpy for VOC and NOx in Coachella Valley.

Under the South Coast AQMD Title V Program, all facilities whose PTE¹⁰ is equal to or greater than the major source thresholds must comply with the Title V regulations unless they have an enforceable permit limit(s) keeping their actual emissions below the applicable major source threshold(s) or if they satisfy specific requirements for certain industries through Rule 3008. Title V does not include any new requirements for reducing emissions, but it does include a Title V permit that consolidates and subsumes all of the previously issued air permits for individual pieces of equipment at a major source facility into one Title V permit. It includes public noticing, U.S. EPA approvals, and enhanced monitoring recordkeeping, reporting, and compliance requirements.

South Coast AQMD currently exempts facilities from the Title V permitting requirements if they demonstrate that their actual emissions have been permanently reduced through accepting an enforceable permit condition(s) to limit the actual permitted and non-permitted emissions to levels less than the major source emission threshold. These facilities would still be required to comply with major source BACT (synonymous with U.S. EPA LAER). The South Coast AQMD exempts facilities from the Title V permitting requirements as well as the major source BACT if they demonstrate that their PTE has been permanently reduced by accepting an enforceable permit condition(s) to limit the PTE to levels less than the major source emission threshold.

New Source Review

New Source Review (NSR) is a preconstruction review program required under both federal and state statutes for new and modified stationary sources located in nonattainment areas for Clean Air Act standards. NSR applies to both individual permits and entire facilities.

The Federal NSR requirements are reflected in South Coast AQMD Regulation XIII - New Source Review. Among other requirements, Regulation XIII (New Source Review) requires applicants to use Best Available Control Technology (BACT, equivalent to federal LAER for the case of major sources) for new sources, relocated sources, and modifications to existing sources that may result in an emission increase of any

¹⁰ PTE is based on permit conditions that limit emissions or throughput. If there are no such permit conditions, PTE is based on the maximum rated capacity; and the maximum daily hours of operation; and physical characteristics of the materials processed.

nonattainment air contaminant. Major source facilities that are subject to NSR are required by the Clean Air Act to have the lowest achievable emission rate (LAER) under South Coast AQMD Reg XIII. LAER is determined through the BACT process at the time the permit is issued, with little regard for cost, and pursuant to U.S. EPA's LAER policy as to what is achieved in practice. For non-major source facilities, BACT will be determined in accordance with state law¹¹ at the time an application is deemed complete unless a more stringent rule requirement becomes applicable prior to permit issuance. For non-major facilities, BACT takes economic feasibility (cost-effectiveness, measured in terms of control costs per ton of air emissions reduced) into account. The BACT guidelines for major and non-major polluting facilities are listed separately¹². Given the potentially different BACT emission limits between a major source and a non-major source, the change in the major source threshold upon reclassification could affect the level of controls needed for facilities that trigger NSR requirements upon modification or installation, namely, the major source threshold, which requires implementing LAER, will be a potential to emit of 10 tpy of VOC or NOx. However, this will occur regardless of whether the area is reclassified or, instead, is declared to have failed to attain.

In addition, facilities with a net increase in emissions are required to offset the emission increase by use of Emission Reduction Credits (ERCs). Low emitting facilities (PTE < 4 tpy of VOC/NOx), as defined in Rule 1304 Table A, are exempt from the emission offset requirement. Instead, the South Coast AQMD maintains an internal bank that can be used to provide the required offsets. These offset requirements will not change as a result of reclassification.

Three existing facilities namely Imperial Irrigation District/Coachella, Sentinel Energy Center LLC, and Wildflower Energy LP/Indigo Gen., LLC will not be impacted by the “bump-up” to Extreme as they are already major sources under the Severe classification. One facility may be potentially impacted. Palm Springs Aerial Tramway, County of Riverside, Desert Hospital, Armtec Defense Prod. Co. and Eisenhower Medical Center currently hasve actual emissions under 10 tpy of NOx or VOC, but may have a potential to emit over of 10 tpy or higher or higher of of NOx or VOC and, thus, may become a major source. Thisese facilityies may decide to apply for permit changes to limit their actual and PTE emissions to below the major source thresholds to avoid Title V permit or major source BACT. All new stationary source facilities with over 10 tpy of NOx or VOC or any existing non-major facilities that become a major stationary source will be subject to the new requirements under the Extreme classification.

¹¹ See Health & Safety Code 40440.11.

¹² See BACT Guidelines: <http://www.aqmd.gov/home/permits/bact/guidelines>.

4. Staff Recommendation

Considering the overall downward ozone trends in recent years notwithstanding 2017 and 2018, Coachella Valley is anticipated to attain the standard earlier than the attainment deadline of June 15, 2024 under an Extreme nonattainment classification. Therefore, apart from uncertainties in meteorology, the amount of emission reductions required for attainment in Coachella Valley is not as great as what is required upwind in the South Coast Air Basin. Existing regulations that are already implemented or will fully be implemented in the next few years will continue to reduce baseline emissions (business-as-usual situation with no new regulations) in future years. The reduced baseline emissions are expected to be sufficient to demonstrate attainment in 2024. In addition, South Coast AQMD has an aggressive NOx emission reduction strategy in the 2016 AQMP to attain the 1997 federal 8-hour ozone standard in South Coast Air Basin by 2023. Since the transport of ozone and its precursors from the South Coast Air Basin is the primary cause of the ozone air quality in Coachella Valley, the additional NOx strategies implemented in the South Coast Air Basin will also contribute to further improvement of ozone air quality in Coachella Valley. Therefore, attainment of the 1997 federal 8-hour ozone standard may occur earlier than June 15, 2024. While the federal ozone standard needs to be attained as expeditiously as possible, uncertainties in meteorological conditions and changes in emissions and chemistry as a possible consequence of changing climate cause greater challenges in attainment efforts and will be considered in the SIP revision to the extent possible. South Coast AQMD is currently conducting a study to evaluate the meteorological trends contributing to recent poor air quality in the South Coast Air Basin. The results from the study are expected to shed more light on the uncertainties associated with changing climate and their implications on air quality. The emissions inventory and numerical modeling platform developed for the 2016 AQMP will be utilized in the attainment demonstration. The new SIP will necessarily continue to rely on emission reductions to be achieved in the South Coast Air Basin.

Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending formally requesting U.S. EPA reclassify the Coachella Valley as an Extreme nonattainment area for the 1997 8-hour ozone standard based on the monitoring data indicating attainment is not practicable by the current attainment date. The reclassification will provide the Coachella Valley the needed extension of the attainment date to make attainment feasible and alleviate the nonattainment fees imposed on major stationary sources. The reclassification request would have to be approved by the South Coast AQMD Governing Board and then be submitted to CARB for forwarding to U.S. EPA for their approval in their proposed actions on the attainment status of Coachella Valley for the 1997 8-Hour ozone standard. This action will necessitate the development of a new Extreme area SIP, including an attainment demonstration with an attainment deadline as early as practicable but no later than June 15, 2024. Furthermore, the reclassification will require South Coast AQMD rule amendments to lower major stationary source threshold for NOx and VOC from the 25 tpy to 10 tpy within 12 months after reclassification is final; however, this would also occur if reclassification is not requested. A full analysis for implementation of these requirements and the attainment demonstration will be included in a subsequent SIP submittal following U.S. EPA's final approval of the reclassification.

5. *Public Process*

Public outreach ~~is—was being~~—conducted to notify interested parties regarding the Coachella Valley reclassification request for the 1997 8-hour ozone standard. Notifications including newspaper postings, mass mailings, and email notifications ~~are being~~were sent to all permitted facilities and interested parties in Coachella Valley. Additionally, staff ~~will hold~~held two public consultation meetings on ~~Wednesday~~, May 1, 2019, in Coachella Valley, with representatives from the public, local communities, environmental groups, and local governments. Staff also gave a presentation to the Coachella Valley Association of Governments on May 9, 2019. Written comments on the reclassification request for Coachella Valley and associated staff report ~~will be~~were accepted until May 15, 2019. Two written comment letters were received prior to the May 15, 2019 deadline. The comment letters and staff responses aResponse to the comments received will be incorporated into the staff report as —Appendix~~ttachment~~ BA. The South Coast AQMD Governing Board will consider approval of the reclassification request at its June 7, 2019, meeting.

Appendix A – Response to Comments

The following comments received during the two public consultation meetings are presented below along with staff's responses:

Public Consultation Meeting - Coachella Branch Library – May 1, 2019, 6:00 p.m.**Steven Hernandez, City of Coachella Mayor**

Comment 1: Thank you for being here. How are the facilities in Coachella Valley performing in terms of emissions? What actions are taking place to curtail emissions in the South Coast Air Basin which are impacting Coachella Valley? There should be some consideration of economic impacts in the region due to the reclassification given the high unemployment rate in Riverside County. What can be done to address the higher cost of doing business in Coachella Valley given that most of the ozone pollution in Coachella Valley is transported from the South Coast Air Basin?

Response to Comment 1: Emissions from facilities continue to decrease in the South Coast Air Basin because of existing regulations. In addition, facilities' actual emissions are much lower than the levels allowed under their permit requirements. Existing mobile and stationary source regulations with future effective dates are expected to result in emission reductions that would benefit both the South Coast Air Basin and Coachella Valley and would help Coachella Valley meet the 1997 8-hour ozone standard.

The threshold for major stationary sources in Coachella Valley will be lowered from 25 tons per year to 10 tons per year for VOC and NOx regardless of whether the Coachella Valley reclassifies to Extreme nonattainment with the 1997 8- hour ozone standard or if it remains as a Severe nonattainment and the U.S. EPA issues a finding of failure to attain. So, the potential economic impacts associated with the change in major source threshold will be the same. The South Coast AQMD staff has identified one existing stationary source facility that may be impacted by this change in major source threshold. New facilities in Coachella Valley will also be subject to the new major source threshold. Facilities would still have the option to apply for permit conditions that limit their actual and potential to emit (PTE) emissions to below the major source thresholds to avoid a Title V permit or major source BACT requirements. South Coast AQMD staff will work with facilities and present options available to any facility that is potentially a major stationary source to minimize potential impacts. Further, the reclassification to Extreme nonattainment avoids the imposition of a nonattainment penalty fee that would otherwise be imposed upon all major stationary sources.

Rebecca Zaragoza, Senior Policy Advocate for Leadership Counsel for Justice and Accountability

Comment 2: Thank you for coming to the community to make this presentation and for reaching out personally to community organizations. Focusing on achieving emission reductions in the South Coast Air Basin to improve air quality in Coachella Valley ignores the community demands for local emission reductions. There should be more focus on local mitigation measures and these efforts should be prioritized. The Eastern Coachella Valley should be selected as an AB 617 community in order to implement additional local air quality monitoring and establish an emission reduction plan.

Response to Comment 2: The South Coast AQMD acknowledges and appreciates your comment. The particular ozone air quality issue in Coachella Valley is one where upwind emission reductions from South Coast Air Basin will be most effective in reducing ozone levels. South Coast AQMD staff is aware of local

issues in the Coachella Valley and will continue to work to address these issues and reduce emissions in Coachella Valley. AB 617 is a statewide program that selects specific disadvantaged communities for focused efforts to achieve emission reductions. Eastern Coachella Valley has received strong community support and thus is under serious consideration to be nominated as an AB 617 community in this coming year. The AB 617 process will be happening in parallel with the reclassification process and there will be opportunities to engage with the South Coast AQMD over the next several months regarding local sources of air pollution.

Luis Olmedo, Comite Civico Del Valle

Comment 3: Thank you for having these two meetings. As the deadline for the prior SIP will not be met, does this bring opportunity for the community to include local priorities in a revised SIP? This is an unusually expedited timeline for this process. How will priorities be addressed in this timeline? The Mecca Community is impacted by Colmac Energy Inc. Is this facility included as part of the emission inventory? What can be done about the facility's impact on the Mecca community?

Response to Comment 3: South Coast AQMD staff acknowledges that this is an expedited process which was prompted by the U.S. EPA's strict interpretation of the Clean Air Act requirements regarding its approval of a reclassification request prior to the attainment deadline of June 15, 2019. The implications are very similar for a reclassification of the Coachella Valley to an Extreme nonattainment area and for the U.S. EPA's issuance of a finding of failure to attain the 1997 8-hour ozone standard. If a finding of failure to attain the standard is issued by the U.S. EPA, an additional consequence will be that all major stationary sources will be required to pay a nonattainment penalty fee (about \$10,000 per ton of VOC and NOx emissions per year) beginning the year after the attainment deadline. Three existing facilities (Imperial Irrigation District/Coachella, Sentinel Energy Center LLC, and Wildflower Energy LP/Indigo Gen., LLC) are already major sources and one additional facility (Armtec Defense Prod. Co.) may become a major source upon amendment of NSR rules as required after the U.S. EPA issues a finding of failure to attain or approves the reclassification.

Once the reclassification is granted by the U.S. EPA, the South Coast AQMD will have 12 months from the effective date of reclassification to submit a revision to the State Implementation Plan (SIP) in order to meet the new attainment deadline of June 15, 2024 as expeditiously as possible. Revision to the SIP will be made through a public process and the South Coast AQMD welcomes engagement and collaboration in the development of this revision. During the SIP revision process, the South Coast AQMD staff will address how much reductions will be needed, where the emission reductions will come from, when the reductions will occur, and how they will be achieved. There may be additional opportunities to address local priorities if Eastern Coachella Valley is selected as an AB 617 community.

Colmac Energy, Inc. is a biomass-fueled power plant located on tribal land which is under U.S. EPA's jurisdiction. The facility operates under a Title V permit issued by the U.S. EPA and is subject to the U.S. EPA regulations. The facility is not under South Coast AQMD's jurisdiction and is not subject to South Coast AQMD regulations. The South Coast AQMD does have an enforcement agreement with the U.S. EPA allowing the South Coast AQMD to enforce federal regulations. South Coast AQMD staff has conducted joint inspections of the facility with the U.S. EPA and has not issued any violations to the facility. Even though the South Coast AQMD has limited control over this facility, its emissions are accounted for in our planning processes. The facility's Title V permit is up for renewal every five years. During the renewal

process, the Title V permit is released for public comment. Additional information about the facility may be found on the U.S. EPA's website or though contacting the U.S. EPA directly.

Humberto Lugo, Comite Civico Del Valle

Comment 4: We have never been in attainment for ozone in the Coachella Valley and now we may be reclassified to an Extreme Area. The reclassification is prolonging the poisoning of the Coachella Valley community. Coachella Valley continues to develop so what are the plans for the facilities that will develop by 2024? The South Coast AQMD should work collaboratively with local agencies and community groups to protect communities. What safeguards can be placed for protection of the communities? The area should move towards zero emission technologies in warehousing and in goods movement. How can we get to attainment by 2024?

Response to Comment 4: South Coast AQMD staff appreciates your comments. However, the comment that the Coachella Valley has never been in attainment for ozone standards is incorrect. On December 13, 2013, the Coachella Valley was designated as being in attainment with the 1979 1-hour ozone standard. The majority of emissions contributing towards nonattainment of the 1997 8-hour ozone standard in Coachella Valley and South Coast Air Basin come from activities associated with the transportation of people and goods. Reductions in these mobile source sectors are challenging for the South Coast AQMD because they are regulated by state and federal agencies with South Coast AQMD having limited authority over these sources. Nevertheless, the South Coast AQMD has been implementing programs over the last 20 years that offer financial incentives for cleaner mobile source technologies including near-zero and zero emission technologies. South Coast AQMD staff is also working to develop indirect source rules, applicable to facilities that attract mobile sources, in order to expedite the transition to near-zero or zero emission technologies. Additionally, CARB has an existing regulation that requires all existing heavy duty trucks to meet the 2010 engine standard by 2023, which should provide substantial reductions by then. Based on current modeling, South Coast AQMD staff anticipates that the Coachella Valley should attain the standard on or before the June 15, 2024 attainment date.

Once the reclassification is granted, the South Coast AQMD will have 12 months from the effective date of reclassification to submit a revision to the SIP in order to meet the new attainment deadline of June 15, 2024 as expeditiously as possible. The SIP will be revised through a public process and the South Coast AQMD welcomes engagement and collaboration in the development of this SIP revision, which will also consider future growth. The South Coast AQMD will use air quality modeling to project anticipated air quality improvements in the Coachella Valley associated with implementation of future emission reductions.

Joey Acuna, Jr., Board President of the Coachella Valley Unified School District

Comment 5: Thank you for coming out. The South Coast AQMD was aware that attainment would not be achieved in advance of this month, but did not present this information until directly before the attainment deadline. The community now has no options, but to go through an expedited process to prolong exposure. South Coast AQMD plans have not come to fruition. It is hoped that, in the future, more advance notice will be provided and that implementation can move faster. Coachella Valley is quickly developing and punishing a local hospital is not going to help anyone. Coachella Valley has high unemployment and low income jobs. The residents will have to choose between clean air or jobs; they will have to choose if they want to breathe or eat.

Response to Comment 5: South Coast AQMD staff acknowledges your concerns and the challenge an expedited schedule to request a reclassification presents. Based on the U.S. EPA's guidance, the demonstration of attainment for the 1997 8-hour ozone standard is based on the air quality monitoring data for ozone over the last three years prior to attainment deadline of June 2019 (i.e., 2016, 2017, and 2018). The air monitoring data for 2018 had to go through a quality assurance process and was not finalized until several months after the end of the year. This is a standard procedure by air districts and, for this reason, the U.S. EPA has traditionally allowed air districts an extended timeline for submitting reclassification requests. However, in this instance, the U.S. EPA has insisted that a request for reclassification of Coachella Valley must be submitted by South Coast AQMD and approved by U.S. EPA before the June 15, 2019 attainment deadline. U.S. EPA has further advised that they would issue a finding of failure to attain the standard by December 15, 2019 if they have not approved our request before the June 15, 2019 date, which would trigger the imposition of nonattainment penalty fees. South Coast AQMD is acting expeditiously to avoid this consequence.

Once the reclassification is granted, the South Coast AQMD will have 12 months from the effective date of reclassification to develop and submit a SIP revision to demonstrate attainment of the 1997 8-hour ozone standard on or before June 15, 2024. The South Coast AQMD welcomes engagement and collaboration in the development of this SIP revision, which will be developed through a public process. As an environmental regulatory agency, the South Coast AQMD is always cognizant of economic growth when considering air quality measures. Over the last couple of decades, emissions have dropped dramatically due to planning and implementation of regulations by South Coast AQMD and CARB. Air quality improvements have continued despite a growth in population, vehicles, and the economy. These improvements have been possible because of cleaner growth with cleaner vehicles, buildings, and facilities.

The major stationary source threshold will change regardless of whether the Coachella Valley reclassifies to an Extreme Area for nonattainment with the 1997 8-hour ozone standard or if it remains as a Severe Area and the U.S. EPA issues a finding of failure to attain. If the Coachella Valley is reclassified to an Extreme area, the South Coast AQMD will continue to work towards reaching attainment of the standard as expeditiously as possible.

Luis Olmedo

Comment 6: Exposure will continue until attainment is achieved. Immediate investments in local projects and strategies to improve air quality can limit exposure and provide justice locally.

Response to Comment 6: The South Coast AQMD will assist in identifying possible funding for any project proposals with potential for early and effective emission reductions. AB 617 may be another avenue to obtain funding for local projects.

Manuel Arredoalo, Member of Environmental Justice

Comment 7: Thank you for being here. To reduce the fugitive emissions of PM locally, the roads around mobile home parks in Coachella Valley should be paved. Local projects of relatively minimal value can bring significant relief to residents. The South Coast AQMD should collaborate with other agencies, community groups, and stakeholders to work towards attainment. The South Coast AQMD should better

promote clean air achievements and what is needed to attain the standards. It is necessary for everyone to work together towards attainment.

Response to Comment 7: South Coast AQMD staff acknowledges your comment and will continue with collaborative efforts towards attainment of all standards. The CARB and the South Coast AQMD will soon begin the process of selecting new AB 617 communities and the South Coast AQMD encourages these types of comments and engagement regarding the possible selection of Eastern Coachella Valley.

Joey Acuna, Jr., Board President of the Coachella Valley Unified School District

Comment 8: The school district is willing to continue to partner with South Coast AQMD and is available to be a conduit to the community. Notices can be provided to parents and the school sites can be available for community meetings.

Response to Comment 8: South Coast AQMD appreciates the ongoing support of Coachella Valley Unified School District and looks forward to continuing to work collaboratively.

Humberto Lugo, Comite Civico Del Valle

Comment 9: The South Coast AQMD should look at SB 1000 and work collaboratively with counties. Comite Civico Del Valle is also available to support the South Coast AQMD.

Response to Comment 9: The South Coast AQMD appreciates the ongoing collaboration with Comite Civico Del Valle. South Coast AQMD staff acknowledges your comment and will continue to create partnerships in working towards improving air quality. It should be noted that CARB has published a free air quality and land use handbook to assist local planning agencies in making wise decisions regarding the establishment of land use requirements.

Public Consultation Meeting - Palm Desert Civic Center – May 1, 2019, 2:00 p.m.

Alex Matthews, Desert Cremation Society

Comment 1: Operational efficiencies being implemented in cremation processes increase energy efficiency and reduce emissions.

Response to Comment 1: Thank you for your comment. We will work with your industry regarding future permitting requirements.

Scott McCabe, Director of Facilities for Eisenhower Health

Comment 2: When would facilities be subject to the Title V requirements?

Response to Comment 2: The reclassification to Extreme nonattainment will require South Coast AQMD rule amendments to lower the major stationary source threshold for NOx and VOC from the 25 tpy to 10 tpy within 12 months after the reclassification is approved by U.S. EPA. Stationary sources in Coachella Valley with a potential to emit equal to or greater than 10 tpy of NOx and VOC would be subject to the applicable requirements for major stationary sources in Title V permitting. Facilities will have the option to voluntarily take an emissions cap under 10 tpy to avoid being subject to Title V requirements. South

Coast AQMD staff will work with the affected facilities to determine baseline emissions and options available.

Katie Barrows, Director of Environmental Resources for Coachella Valley Association of Governments

Comment 3: Coachella Valley Association of Governments (CVAG) has requested and is looking forward to a presentation by South Coast AQMD staff on the Coachella Valley reclassification at the upcoming Energy and Environmental Resources Committee meeting on Thursday, May 9, 2019.

Response to Comment 3: Staff is happy to give a presentation at the upcoming CVAG meeting and is grateful for the opportunity.

Dan McGivney, Environmental Affairs Program Manager for Southern California Gas

Comment 4: Do Rules 1100's apply in Coachella Valley?

Response to Comment 4: Yes, the South Coast AQMD Regulation XI (Rules 1100's) apply in Coachella Valley.

Speaker Not Identified

Comment 5: For the upcoming SIP update, would that include the same measures as the Air Quality Management Plan? Will there be any additional measures needed for attainment in Coachella Valley?

Response to Comment 5: South Coast AQMD has an aggressive NOx emission reduction strategy in the 2016 AQMP to attain the 1997 federal 8-hour ozone standard in South Coast Air Basin by 2023. Since the transport of ozone and its precursors from the South Coast Air Basin is the primary cause of the ozone air quality in Coachella Valley, the additional NOx strategies implemented in the South Coast Air Basin will contribute to further improvement of ozone air quality in Coachella Valley. Any potential additional measures in Coachella Valley will be further evaluated and determined during the development of the SIP update.

Speaker Not Identified

Comment 6: What happens in five years if the Coachella Valley does not meet the standard and a finding of failure to attain is issued? What would be the consequences?

Response to Comment 6: Considering the overall downward ozone trends in recent years, notwithstanding 2017 and 2018, Coachella Valley is anticipated to attain the standard earlier than the attainment deadline of June 15, 2024 under an Extreme nonattainment classification. Existing regulations that are already implemented or will fully be implemented in the next few years will continue to reduce baseline emissions in future years. Although not anticipated, if the U.S. EPA finds that the area failed to attain, due to failure to implement its approved plan, then the region could be subject to potential federal sanctions such as loss of transportation funding, increased offset ratios (for new facilities and expansion of existing facilities) and a federal implementation plan. Also, the major source penalty fees would apply.

Jayne Powell, Environmental Manager for Granite Construction Company

Comment 7: If emissions are being transported from the South Coast Air Basin, is the additional traffic expected in Coachella contributing to emissions?

Response to Comment 7: Except for 2017 and 2018, the overall ozone trends have been decreasing in Coachella Valley mainly because of upwind emission reductions in South Coast Air Basin with smaller contributions from local sources in Coachella Valley. Existing regulations that are already implemented or will fully be implemented in the next few years will continue to reduce emissions in future years. The anticipated emission reductions already take into consideration growth in the transportation sector. Therefore, apart from uncertainties in meteorology, the Coachella Valley is anticipated to attain the standard on or before the new attainment deadline.

Speaker Not Identified

Comment 8: How will federal financing be affected by non-attainment?

Response to Comment 8: If the U.S. EPA finds that the area failed to attain, due to failure to implement its approved plan, then sanctions can be imposed, such as federal highway project awards or grants can be prohibited or U.S. EPA can develop a federal implementation plan for the area.

Luis Olmedo, Comite Civico Del Valle

Comment 9: Both the South Coast Air Basin and Coachella Valley should be treated equally with the same regulations including BACT requirements.

Response to Comment 9: If the voluntary reclassification for Coachella Valley is submitted and approved by the U.S. EPA, the threshold for major stationary sources will be lowered from 25 tons per year to 10 tons per year for VOC and NOx, which will be the same threshold that is currently in effect in the South Coast Air Basin.

Speaker Not Identified

Comment 10: Is there any concern that transportation funds will be held?

Response to Comment 10: If the U.S. EPA finds that the area failed to attain, due to failure to implement its approved plan, then sanctions can be imposed, such as federal highway project awards or grants can be prohibited. However, the CAA allows for the voluntary reclassification request to reclassify to a higher classification for a nonattainment area in order to provide additional time to meet the standard. If the South Coast AQMD requests a reclassification of Coachella Valley from Severe to Extreme and we submit an approvable plan within 12 months, then transportation funds will not be withheld.

Juan Bautista, Program Manager for Alianza Coachella Valley

Comment 11: Does South Coast AQMD have a plan?

Response to Comment 11: The voluntary reclassification request will necessitate the development of a new Extreme Area SIP, including an attainment demonstration within 1 year of the reclassification approval.

The following written comments were submitted during the open comment period. Staff responses are presented below:

Comment Letter from Greater Coachella Valley Chamber of Commerce (Comment Letter #1)

From: Patrick Swarthout <advocacy@gcvcc.org>

Date: April 26, 2019 at 4:48:42 PM PDT

To: Nydia Ibarra <nibarra@aqmd.gov>

Subject: Re: Coachella Valley Meetings-South Coast AQMD

Sorry I just fixed my voicemail not sure why it was full. I did receive the invite and the Chamber support the additional time to comply with attainment. The Chambers concerns relates to how this could affect permitting or increase fees.

Comment
1

If you have any input on this please let me know.

Thanks

Patrick

Response to Comment 1: Thank you for your comments. The threshold for major stationary sources in Coachella Valley will be lowered from 25 tons per year to 10 tons per year for VOC and NOx regardless of whether the Coachella Valley reclassifies to Extreme nonattainment with the 1997 8-hour ozone standard or if it remains as a Severe nonattainment area and the U.S. EPA issues a finding of failure to attain. So, the potential economic impacts associated with the change in major source threshold will be the same. The South Coast AQMD staff has preliminarily identified one existing stationary source facility that may be impacted by this change in major source threshold. New facilities in Coachella Valley will also be subject to the new major source threshold. Facilities would still have the option to apply for permit conditions that limit their actual and potential to emit (PTE) emissions to below the major source thresholds to avoid a Title V permit or major source BACT requirements. South Coast AQMD staff will work with facilities and present options available to any facility that is potentially a major stationary source to minimize potential impacts. Further, the reclassification to Extreme nonattainment avoids the imposition of a nonattainment penalty fee that would otherwise be imposed upon all major stationary sources.

Comment Letter from Leadership Counsel for Justice and Accountability (Comment Letter #2)

May 15, 2019

Kelly Trainor Gamino
Air Quality Specialist
South Coast Air Quality Management District
21865 Copley Dr.
Diamond Bar, CA 91765

RE: Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard

Dear Ms. Kelly Trainor Gamino,

Leadership Counsel for Justice and Accountability submits the following comments in response to the South Coast Air Quality Management District's (District) voluntary reclassification request for the Coachella Valley to be an extreme nonattainment area for the 1997 8-hour ozone national ambient air quality standard. We welcome the opportunity to work with Coachella Valley residents and the Air District to address high levels of ozone and to prioritize and protect public health. In particular, we look forward to working with the District to develop an action oriented and enforceable State Improvement Plan as required by the reclassification request.

We have a history of working in direct partnership with residents around air quality in the Eastern Coachella Valley, and in recent comments, particularly concerning the Community Air Protection Program, we have highlighted community concerns regarding the District's presence and action steps to improve air quality and make the Eastern Coachella Valley a healthier and safer place to live in.

Comment
1

While the District maintains it needs more time to reach attainment for the 8-Hour Ozone Standard in the Coachella Valley, it is clear that the District is falling incredibly behind in addressing the air quality issues in the region, rendering the Eastern Coachella Valley communities the most vulnerable to pollution impacts and repercussions. It is also our understanding, that the District plans on reducing ozone levels within the South Coast Air Basin as a primary solution. On one hand, the reclassification request itself further illuminates the District's history of inaction in the region, and secondly, the direction that's being followed does not provide meaningful assistance to the communities that are suffering from pollution that's

Comment
2

being produced elsewhere in addition to the local sources of pollution that residents are exposed to.

Comment
2
Con't

In the Draft Staff Report on the "Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard," District staff details the current air monitoring stations that exist throughout the Coachella Valley on page 2-1. As stated, there are only two monitors that measure ozone: one in Palm Springs and the other in Indio. The existing air monitoring stations in the Coachella Valley are insufficient and would require an expanded regulatory system to identify the impact in other areas of the Valley. While the staff report notes some efforts including meteorological studies and measures in air quality management plans, it fails to disclose what actions will be taken to reach attainment levels in its request to the U.S. Environmental Protection Agency. It is crucial for the District to provide concrete and detailed plans that answer the following questions as part of the reclassification request:

- What regulatory measures will be taken to ensure that the Coachella Valley reaches attainment in 2024 as part of the State Improvement Plan (SIP)?
- How will the District respond to climate change threats, events, and potential opportunities in order to stay on track for their 2024 timeline?
- How will the District increase collaboration with impacted communities, U.S. EPA, California Air Resources Board and Tribal Governments to ensure that community and tribal members residing in the Coachella Valley are engaged in the development of the SIP?

Comment
4

The Draft Staff Report also states that the SIP would be based on existing and planned regulations and would not include specific regulations for local sources in the Coachella Valley. This action would further perpetuate lack of attention and fail to address all stationary and mobile sources that contribute to high ozone levels in the Coachella Valley. To date, staff has failed to provide detailed information as to why the required SIP would not include development of new regulations for stationary and mobile sources specific to the Coachella Valley. To fully address and mitigate high levels of ozone and other air quality impacts the required SIP must go beyond existing regulations and be inclusive of expanded and new stationary and mobile source regulations in the Coachella Valley. To do this effectively, the District must expand its limited regulatory air monitoring network, which as already mentioned, consists of only two monitors.

Comment
5

Additionally, we would like to see an enhanced public outreach and participation process on behalf of the District, especially as it seeks to develop the SIP. The communities that we work with in the Eastern Coachella Valley do not rely on email or newspaper ads to learn about community meetings or events. The District must hold meetings at accessible locations and at times that are convenient for working families in the Coachella Valley. More accessible locations

Comment
6

for public meetings in the ECV include, the Desert Mirage High School Complex in Thermal, the Mecca Library, the Mecca Boys and Girls Club, the North Shore Beach and Yacht Club, and the San Jose Community Center in Oasis. It is also important to provide materials related to this matter in accessible formats to allow for meaningful review and input by community residents. The District must take steps to ensure more robust outreach as an agency and not solely rely on community organizations. A robust public participation process would ensure meaningful input and must be prioritized given public health impacts as a result of poor air quality in the region.

Comment
6
Con't

* * * *

Thank you for the opportunity to provide comments. We reiterate our request that the District include detailed actions it will take to reach attainment status in its request for reclassification, ensure a robust public process and request that the SIP is inclusive of new and expanded regulations for local sources in the Coachella Valley. We look forward to working together to improve air quality and public health in the region. For questions or concerns, please do not hesitate to contact Rebecca Zaragoza at rzaragoza@leadershipcounsel.org or call (442) 400-3357.

Comment
7

Sincerely,

Rebecca Zaragoza
Senior Policy Advocate
Leadership Counsel for Justice and Accountability

Response to Comment 1: The South Coast AQMD appreciates the submitted comments and acknowledges the Leadership Counsel efforts and involvement in community concerns including the reclassification request for the Coachella Valley to be an extreme nonattainment area for the 1997 8-hour ozone national ambient air quality standard.

Response to Comment 2: Over the past few decades, the ozone levels in the Coachella Valley have steadily decreased largely due to the implementation of emission control measures by the South Coast AQMD and CARB, with the exception of 2017 and 2018, when higher ozone levels were experienced throughout the State of California due to warm and stagnant weather conditions. The continued implementation of existing regulations is expected to help achieve the ozone standard in Coachella Valley on or before the June 15, 2024 attainment date. Because the ozone levels in the Coachella Valley are primarily due to NOx, VOC and ozone being transported from the South Coast Air Basin, reducing these upwind emissions will be the most effective strategy in reducing Coachella Valley ozone levels. South Coast AQMD staff is also aware of local air quality issues in the Coachella Valley and will continue to work to address these issues. AB 617 is a statewide program that selects specific disadvantaged communities for focused efforts to achieve emission reductions. Eastern Coachella Valley has received strong community support and thus is under serious consideration to be nominated as an AB 617 community in this coming year. The AB 617 process will be happening in parallel with the reclassification process and there will be opportunities to engage with the South Coast AQMD over the next several months regarding local sources of air pollution.

Response to Comment 3: Although chapter 2 of this draft staff report identifies the types of monitoring data collected at the South Coast AQMD's monitoring stations in Indio and Palm Springs, these are not the only monitoring stations that exist in the Coachella Valley. The South Coast AQMD operates and maintains a monitoring station in Mecca that routinely measures particulate matter with a diameter less than 10 microns (PM10) and several meteorological parameters. The Torres-Martinez Cahuilla Indians tribe, in collaboration with South Coast AQMD, operates and maintains a monitoring station on tribal land in Mecca that routinely measures hydrogen sulfide (H₂S), particulate matter with a diameter less than 2.5 microns (PM2.5), and several meteorological parameters. Additionally, the National Park Service operates and maintains a monitoring station in Monument that routinely measures ozone, PM2.5, and several meteorological parameters and the Imperial Irrigation District operates and maintains a monitoring station in North Shore that routinely measures PM10, PM2.5, and several meteorological parameters.

The South Coast AQMD has also performed the following short to mid-term monitoring projects in the Coachella Valley:

- Continuous PM2.5 Monitoring at Competitive Power Ventures Sentinel
- Cal Biomass
- Agricultural Burning Tests
- Mecca Fire (2015)
- Numerous Torres Martinez Fires (2017 Reported Trash Fires)
- Western Environmental (2011 Odor Complaint)
- Coachella Valley Supplemental Meteorological Network
- College of the Desert PM10 and Meteorological Measurements
- Coachella Valley Salton Sea H₂S Monitoring and Alert System

There will be additional opportunities to address local priorities for monitoring if Eastern Coachella Valley is selected as an AB 617 community.

The Indio and Palm Springs monitoring stations are the only South Coast AQMD maintained and operated sites in Coachella Valley that measure ozone concentrations. Monitoring stations are situated to capture the maximum expected concentrations of criteria pollutants. In conjunction with air quality modeling, the ozone concentrations from these two sites are used to demonstrate the status of attainment with the 1997 8-hour ozone standard in Coachella Valley. The ambient air monitoring network undergoes an assessment every five years to identify the need for additional air monitoring sites in underrepresented areas and removal in areas where sites are redundant. Although there are no current plans for the development of new monitoring stations in the Coachella Valley, we have noted your comment for future consideration.

Response to Comment 4: Once the reclassification for Coachella Valley is granted by the U.S. EPA, the South Coast AQMD will have 12 months from the effective date of reclassification to submit a revision to the State Implementation Plan (SIP) in order to meet the new attainment deadline of June 15, 2024 as expeditiously as possible. The SIP will be revised through a public process and the South Coast AQMD welcomes engagement of the public and all stakeholders and collaboration in the development of this

plan revision. During the SIP revision process, the South Coast AQMD staff will address how much reductions will be needed, where the emission reductions will come from, when the reductions will occur, and how they will be implemented. Based on current modeling, South Coast AQMD staff anticipates that the Coachella Valley should attain the standard on or before the June 15, 2024 attainment date with the implementation of existing regulations with future compliance dates. Also, South Coast AQMD is currently conducting a study to evaluate the meteorological trends contributing to recent poor air quality in the South Coast Air Basin. The results from the study are expected to shed more light on the uncertainties associated with changing climate and their implications on air quality.

Response to Comment 5: South Coast AQMD has an aggressive NOx emission reduction strategy in the 2016 AQMP to attain the 1997 federal 8-hour ozone standard in South Coast Air Basin by 2023. Since the transport of ozone and its precursors from the South Coast Air Basin is the primary cause of the ozone air quality in Coachella Valley, continued implementation of NOx strategies implemented in the South Coast Air Basin will contribute to further improvement of ozone levels in Coachella Valley. Moreover, it is likely that any new feasible measures to reduce ozone precursors in the Coachella Valley would also be applicable in the South Coast Air Basin. Any potential local measures in Coachella Valley will be further evaluated during the development of the SIP update. Please see response to comment 3 regarding air monitoring network.

Response to Comment 6: The South Coast AQMD emailed public notifications to over 48,000 residents of Coachella Valley and nearly 900 subscribers and interested parties, mailed public notifications to 1,039 facilities in Coachella Valley, performed outreach to media outlets, and posted information on South Coast AQMD social media. The South Coast AQMD held two public consultation meetings on Wednesday, May 1, 2019 at 2:00 p.m., in Palm Desert, at the Palm Desert Civic Center Council Chamber, and at 6:00 p.m., in Coachella, at the Coachella Branch Library. These public consultation meetings were attended by representatives from the public, local communities, environmental groups, and local governments. Additionally, the South Coast AQMD held private briefings for community organizations, local South Coast AQMD governing board members, local government staff, and legislative staff. South Coast AQMD staff is exploring additional avenues to enhance the public outreach for future community events and welcomes your suggestions as to how we can improve outreach.

Two public consultation meetings were held at different locations and times in order to increase community outreach and accessibility for these meetings. South Coast AQMD staff considered the Desert Mirage High School Complex, the Mecca Library, the Mecca Boys and Girls Club, and the North Shore Beach and Yacht Club as possible venues for these public meetings. The availability, accommodations, resources, amenities, room capacity, security, cost, and schedules of expected meeting participants were considered when selecting the venues and times for these public consultation meetings. The Palm Desert Civic Center Council Chamber at 2:00 p.m. and the Coachella Branch Library at 6:00 p.m. were determined to be the best options for these public consultation meetings. The San Jose Community Center was not considered, but may be considered for future meetings. The suggested meeting locations may also be considered for possible meetings during the process of developing recommendations for Year 2 AB617 communities.

In support of this request for reclassification, South Coast AQMD staff made the following relevant materials publicly available on South Coast AQMD's website under the Air Quality Management Plan section (<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan>):

- [Draft Staff Report - Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard](#)
- [Notice of Public Consultation Meetings \(English and Spanish\)](#)
- [Flyer for Public Consultation Meetings \(English and Spanish\)](#)
- [Fact Sheet \(English and Spanish\)](#)
- [Public Consultation Meeting Presentation \(Spanish interpretation was provided at the 6:00 p.m. meeting\)](#)

Response to Comment 7: The South Coast AQMD appreciates the submitted comment letter and also looks forward to working together with all stakeholders to improve air quality and public health in the region.



South Coast Air Quality Management District

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

SUBJECT: **NOTICE OF EXEMPTION FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**

**PROJECT TITLE: REQUEST FOR RECLASSIFICATION OF COACHELLA VALLEY FOR
1997 8-HOUR OZONE STANDARD**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above. South Coast AQMD staff has reviewed the request for reclassification of the Coachella Valley for 1997 8-hour ozone standard pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

Because the proposed project is administrative and procedural in nature, South Coast AQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. The proposed project is also considered categorically exempt because it is intended to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemption apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption, and if the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Barbara Radlein (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Radlein can also be reached at (909) 396-2716. Mr. Zorik Pirveysian is also available at (909) 396-2431 to answer any questions regarding the proposed project.

Date: May 15, 2019

Signature:

Barbara Radlein
Program Supervisor, CEQA
Planning, Rule Development, and Area
Sources

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks
Counties of Los Angeles, Orange,
Riverside, and San Bernardino

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title: Request for Reclassification of the Coachella Valley for 1997 8-hour Ozone Standard

Project Location: The project location is the portion of the South Coast Air Quality Management District (South Coast AQMD) jurisdiction which covers the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the Salton Sea Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Due to higher ozone levels experienced in the Coachella Valley in 2017 and 2018 which caused exceedances of the 1997 8-hour ozone standard, the South Coast AQMD is submitting a request to the U.S. EPA to reclassify the Coachella Valley from Severe to Extreme nonattainment for the 1997 8-hour ozone standard. The reclassification request is also seeking to establish a new attainment date of June 15, 2024 to provide additional time to bring the Coachella Valley into attainment with this standard.

Public Agency Approving Project:
South Coast Air Quality Management District

Agency Carrying Out Project:
South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment

Reasons why project is exempt: South Coast AQMD staff has reviewed the proposed project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the proposed project is administrative and procedural in nature, South Coast AQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. The proposed project is also considered categorically exempt because it is intended to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemption apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions.

Date When Project Will Be Considered for Approval (subject to change):

South Coast AQMD Governing Board Hearing: June 7, 2019; South Coast AQMD Headquarters

CEQA Contact Person: Ms. Barbara Radlein	Phone Number: (909) 396-2716	Email: bradlein@aqmd.gov	Fax: (909) 396-3982
Rule Contact Person: Mr. Zorik Pirveysian	Phone Number: (909) 396-2431	Email: zpirveysian@aqmd.gov	Fax: (909) 396-3324

Date Received for Filing: _____ **Signature:** _____ *(Signed Upon Board Approval)*
Barbara Radlein
Program Supervisor, CEQA
Planning, Rule Development, and Area Sources



Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard

Governing Board Meeting

June 7, 2019

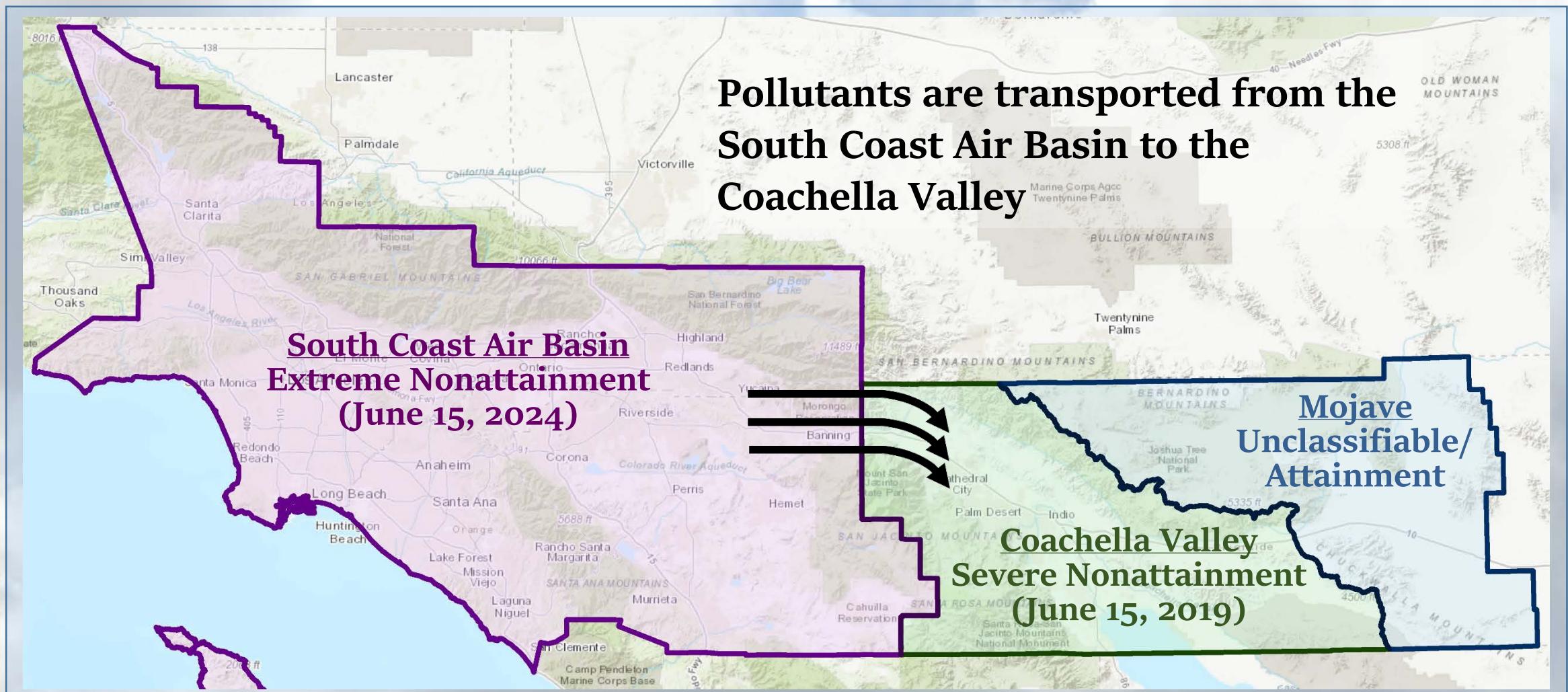


Summary

- Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019
- Based on recent monitoring data, the area will not attain the standard by the attainment date
- The Clean Air Act allows reclassification to the next level of ozone nonattainment
 - Recommend asking U.S. EPA to reclassify the area as Extreme nonattainment
 - This provides an additional 5 years to attain the standard

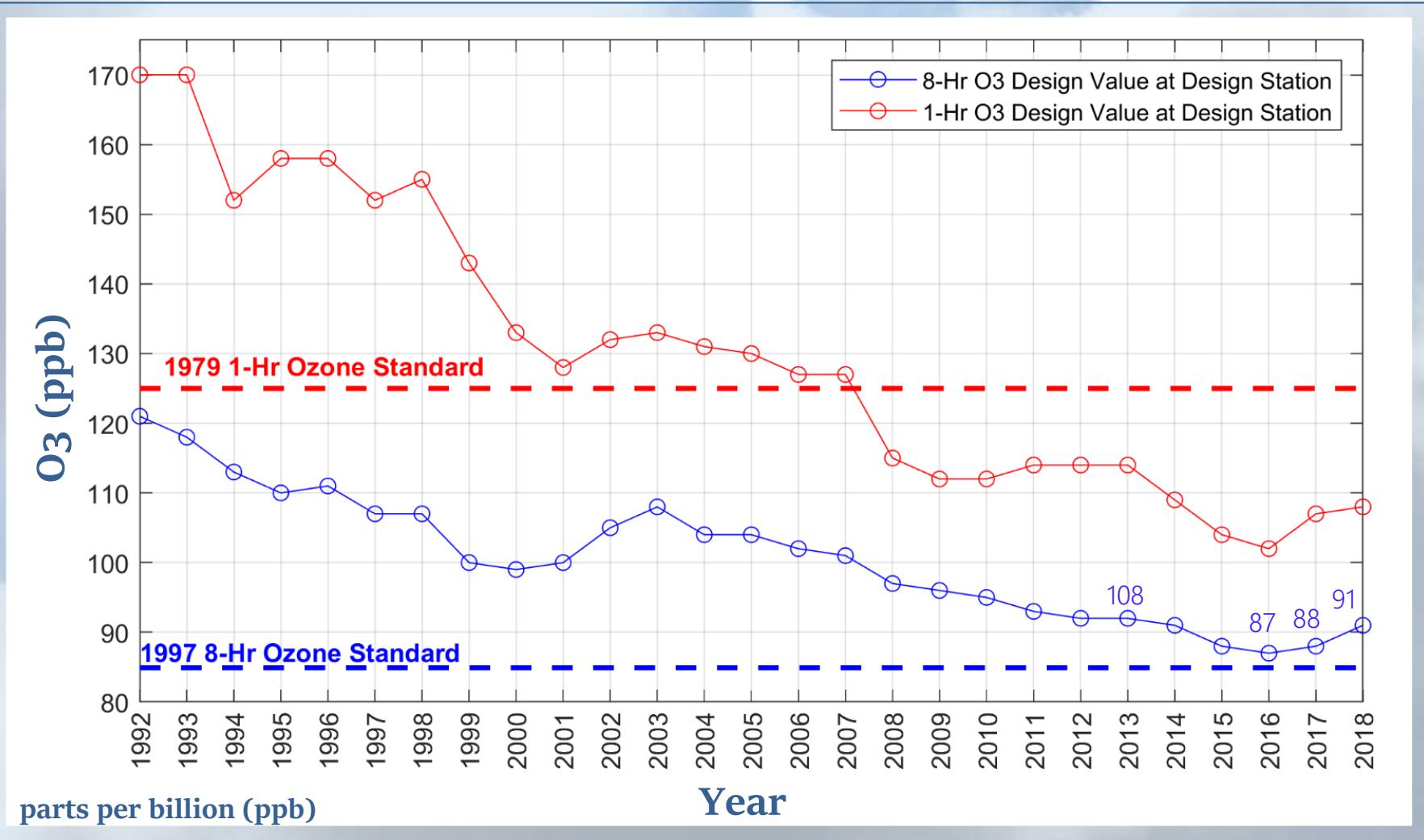


Regional Classifications for the 1997 8-Hour Ozone Standard

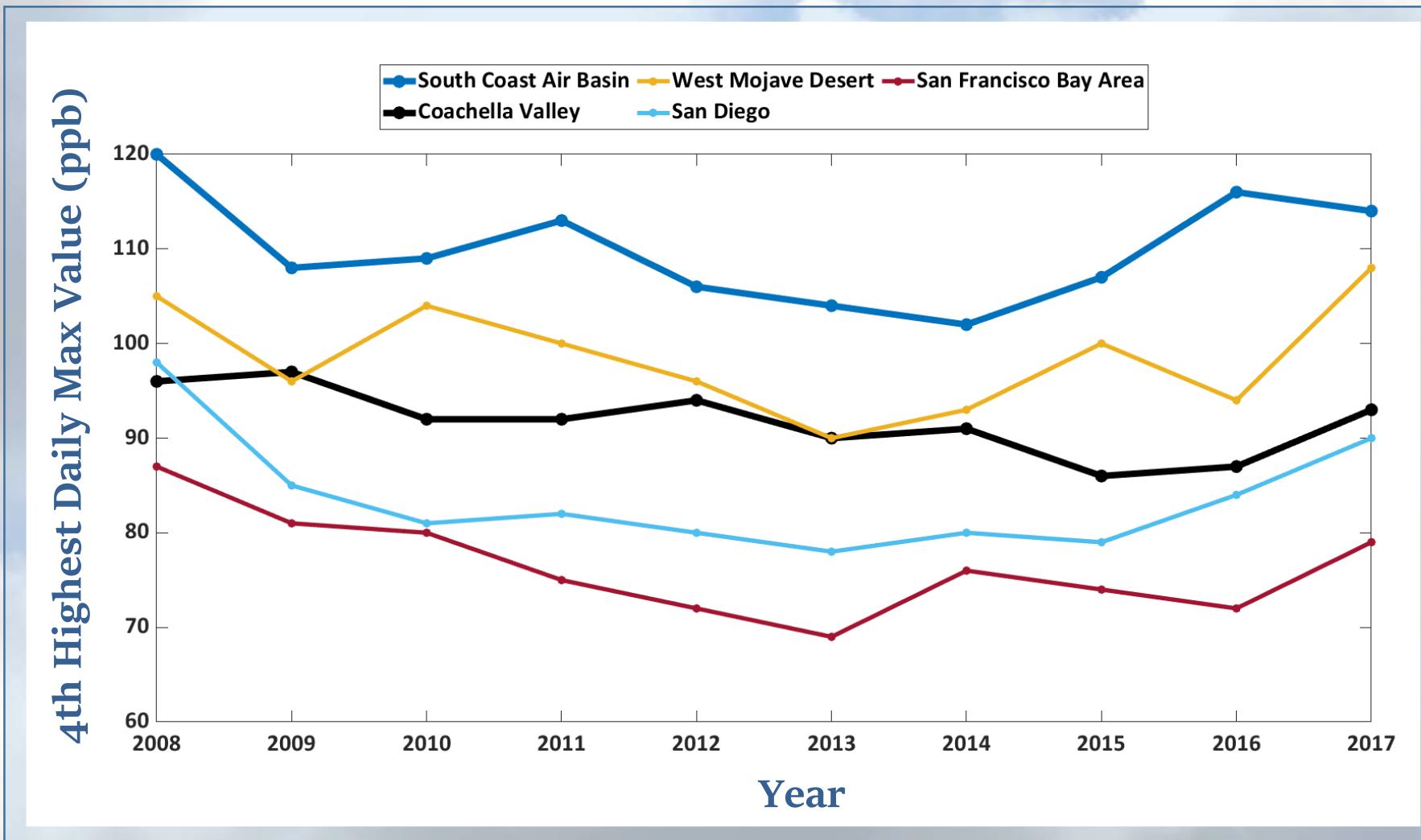




Ozone Design Value Trend in Coachella Valley

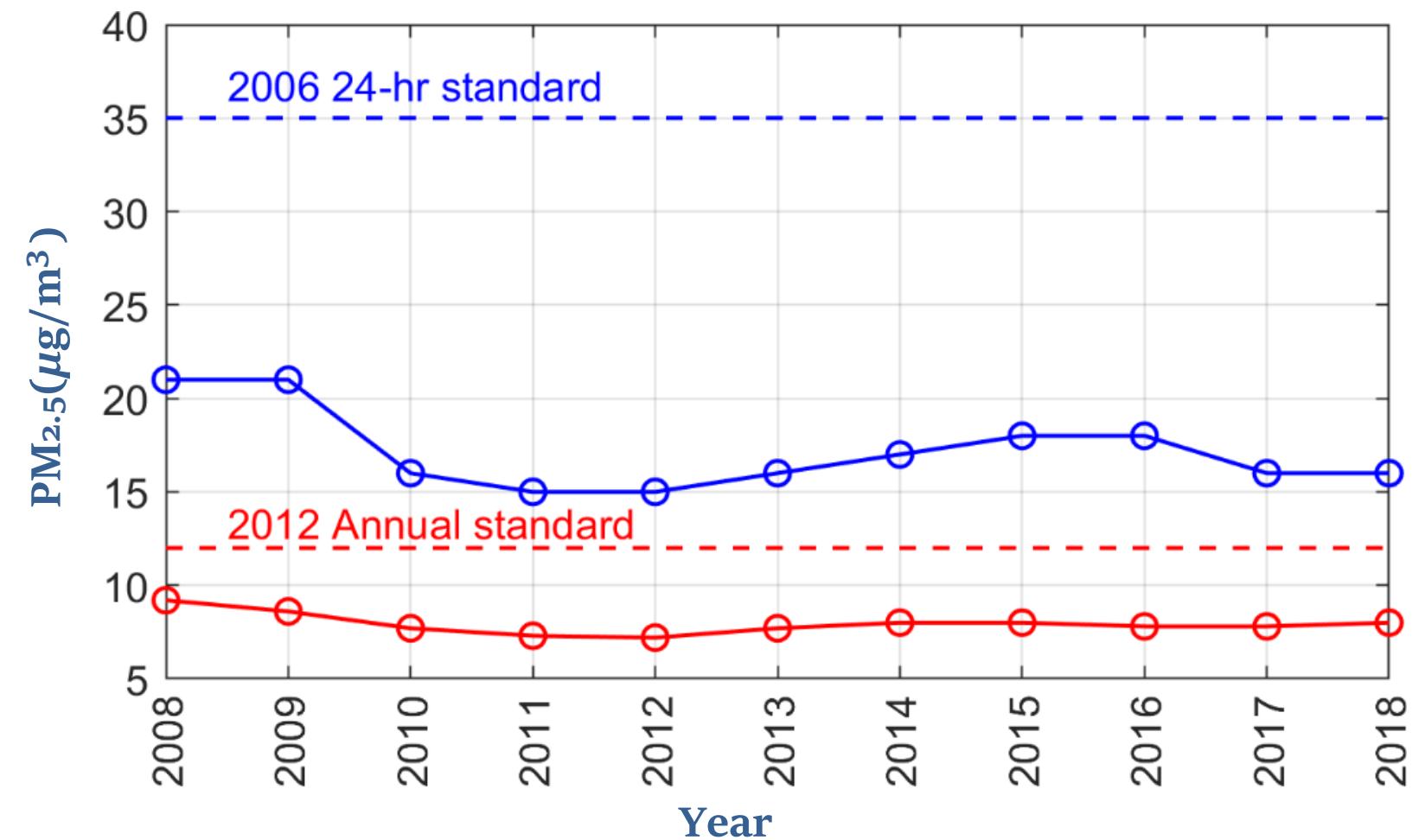


Ozone Trends in Other CA Air Basins





Coachella Valley Meets the Federal PM_{2.5} Standards

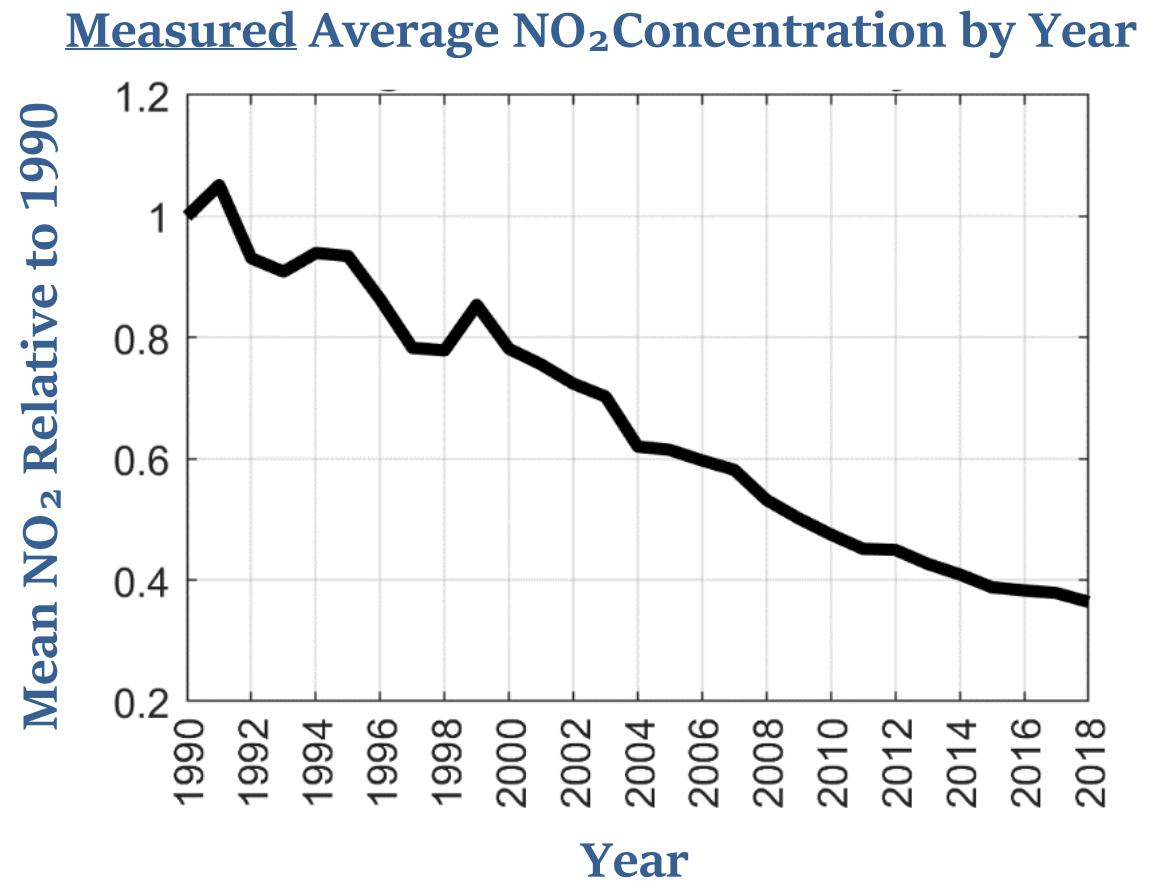
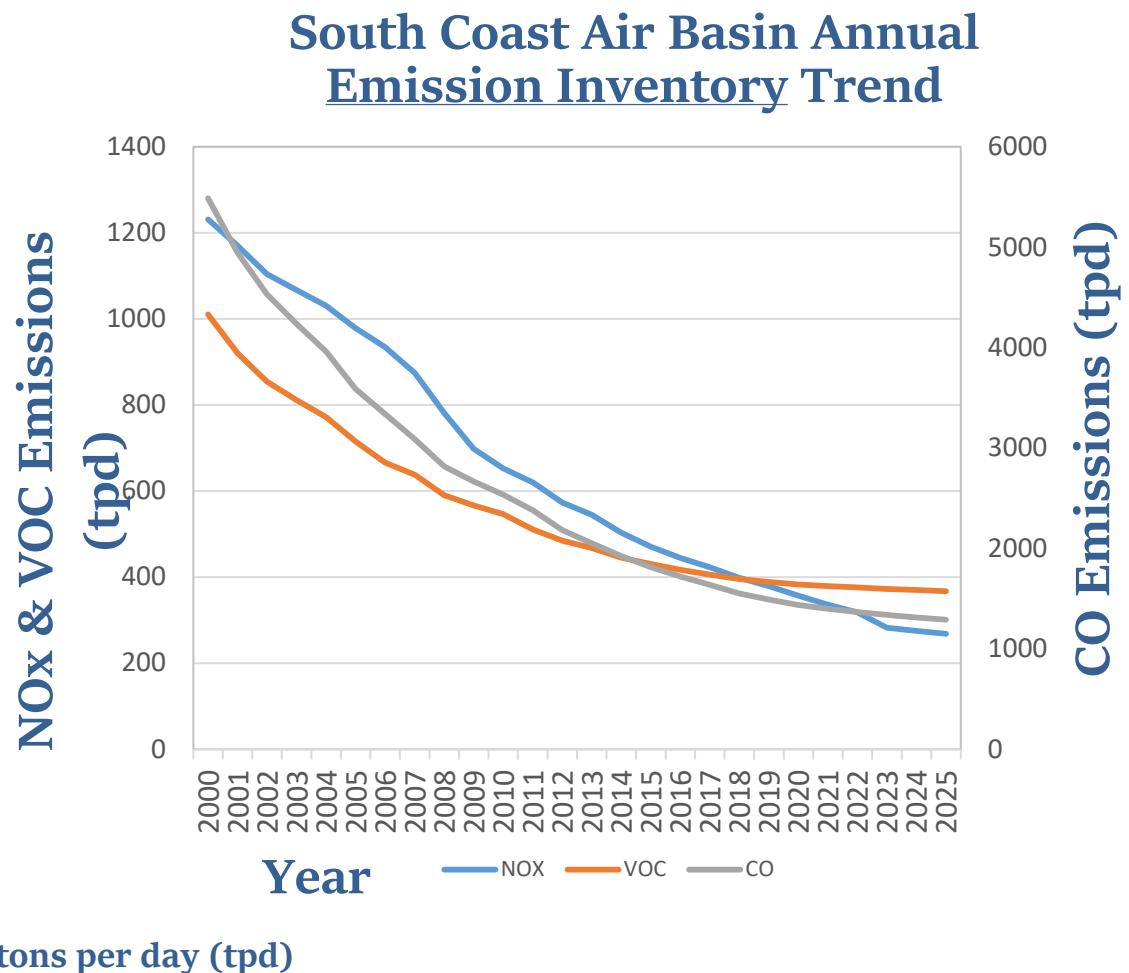




PM₁₀ Attainment in the Coachella Valley

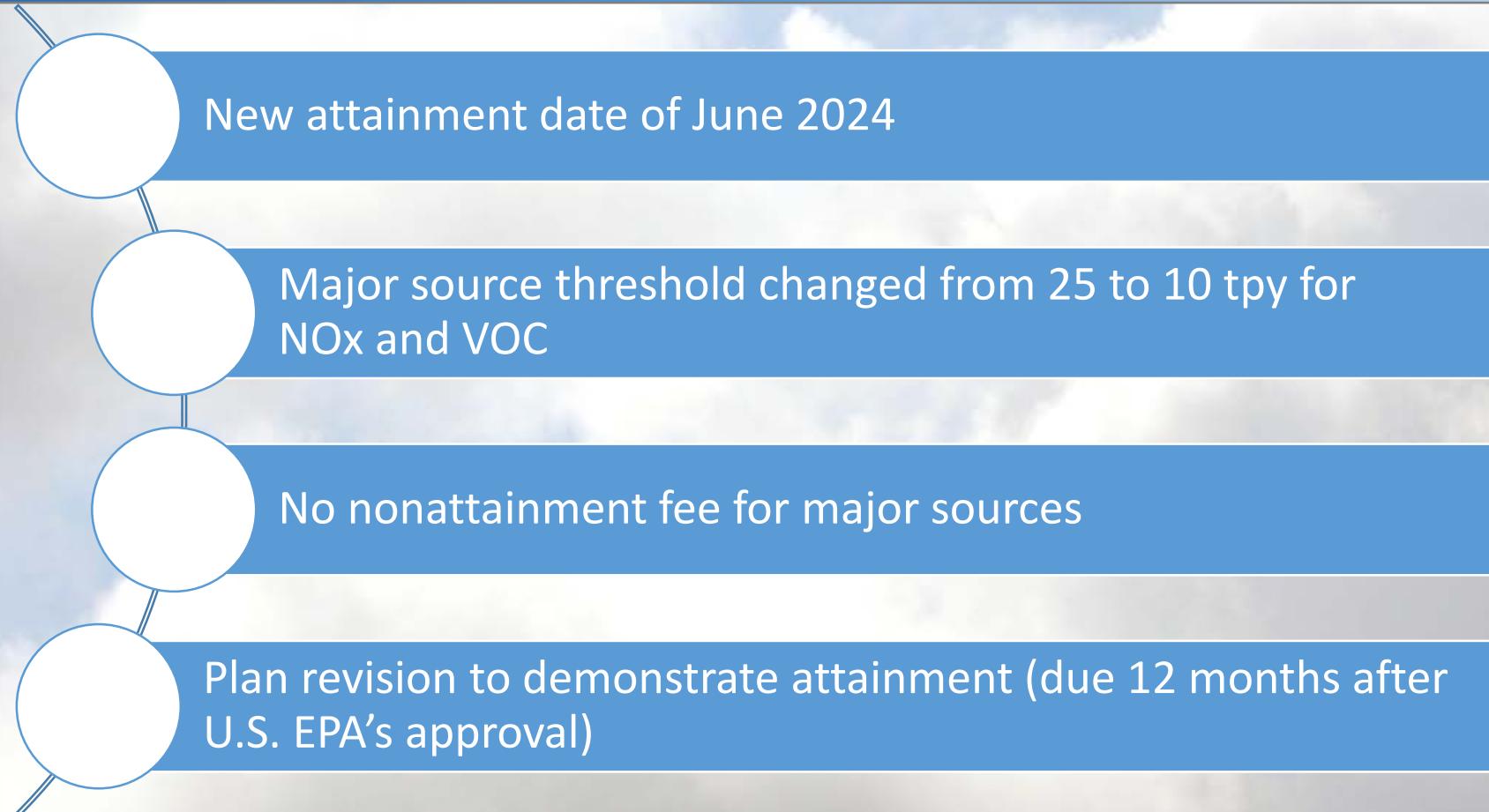
- PM₁₀ measured at Indio, Palm Springs, and Mecca
- Days that exceed the federal 24-hour PM₁₀ standard are associated with high-wind natural events
- Coachella Valley PM₁₀ Attainment Re-Designation Request was postponed by U.S. EPA pending additional monitoring and analysis in Mecca
- Staff plans to recommend re-designation once sufficient data is finalized and evaluated for exceptional events

Trends in Emissions and Measurements





Implications of Reclassification



If no action is taken, U.S. EPA will issue a finding of failure to attain with similar consequences for major source thresholds and plan revision. In addition, nonattainment fees will apply for major sources.



Number of Facilities Under Severe and Extreme Classifications

Attainment Designation	Major Source Threshold for VOC & NOx (tons per year)	# of Facilities	Facility Potential to Emit (tons per year)	Title V	New Source Review
Severe	25	3	≥25	No additional impacts	
Extreme	10	4	≥10	Potential Impacts	Potential Impacts



Impact on Facilities

- One additional existing facility potentially impacted
 - Option to apply for permit changes to limit actual and/or potential to emit (PTE) emissions to below the major source threshold
- Expanding existing facilities becoming major sources
- New major source facilities



Public Process





Staff Recommendation

- Submit request to U.S. EPA for reclassification of Coachella Valley to Extreme nonattainment status
 - Avoids nonattainment fee for major sources
 - Provides additional time to demonstrate attainment (up to 5 years)
 - SIP revision to demonstrate attainment as expeditiously as possible, but not later than June 2024

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 28

PROPOSAL: Determine That Proposed Amendments to Rule 301 – Permitting and Associated Fees Are Exempt from CEQA and Amend Rule 301
(Continued from May 3, 2019 Public Hearing)

SYNOPSIS: At the May 3, 2019 hearing, the Board adopted the FY 2019-20 Budget, and adopted amendments to Rule 209 – Transfer and Voiding of Permits, and Regulation III – Fees. As part of that adoption, that portion of Rule 301 addressing toxics emissions fees was continued to June 7, 2019. This proposed amendment would restructure how toxics emissions fees are collected from facilities, and also increase the level of these fees. At the May 3, 2019 hearing, the Board also approved a motion instructing staff to include an option for a two-year phase-in as an alternative to the proposed three-year phase-in of these fees.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that the proposed amendments to Rule 301 – Permitting and Associated Fees, are exempt from the requirements of the California Environmental Quality Act; and
2. Amending Rule 301 – Permitting and Associated Fees, with either:
 - a. A two-year phase-in of proposed new toxic emissions fees; or
 - b. A three-year phase-in of proposed new toxic emissions fees.

Wayne Nastri
Executive Officer

PF:IM:SD

Background

This proposed rule amendment was initially considered by the Board on May 3, 2019 along with other proposed amendments to Regulation III – Fees, and Rule 209-Transfer and Voiding of Permits. At that time, the Board approved the FY 2019-20 budget, the proposed amendments to Rule 209, and the majority of proposed amendments to

Regulation III. In addition, the Board approved a Resolution directing staff to: 1) report back to the Board on implementation of toxics fees, if approved; 2) initiate an assessment and improvement of the South Coast AQMD source test review and approval process; and 3) review and update default emission factors.

The Board continued the portion of Rule 301 pertaining to the proposed increase to toxics emissions fees [found in subdivision 301 (e) and Table IV] to the June 7, 2019 Board hearing. This consideration also includes: Option A) a two-year phase-in beginning January 1, 2020; or Option B) a three-year phase-in, with no change in 2020, and a subsequent two-year phase-in beginning January 1, 2021. Attachment F includes Proposed Amended Rule 301 as presented to the Board at the May hearing, but also includes highlighted text just for the portion of the rule that was continued.

Proposal

Proposed Amended Rule (PAR) 301 would restructure and increase toxics emissions fees for facilities required to annually report emissions to South Coast AQMD. These proposed fees are necessary to meet the requirements of recent state mandates and to improve cost recovery for toxics-related work performed by the agency.

In recent years, staff efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants. As a result of these efforts, the amount of time spent on monitoring, inspecting, and auditing facilities' toxics emission inventories as well as planning and rule development related to permitted sources of toxics emissions has substantially increased. Because of this recent increased workload and its expected continuation into the future, staff estimated the amount of work currently performed annually associated with toxics emissions and compared it with the amount of fees collected from toxics emissions. Facilities paid a total of about \$19.5 million in emission fees for emissions that occurred in calendar year 2017, of which about \$0.5 million was attributable to emissions of toxic air contaminants. The South Coast AQMD currently conducts about \$20 million of work annually for which toxics emissions fees could be applied, about half of which is from AB 617 work and the remaining half from other ongoing work on stationary source toxics. There is additional work conducted on toxic air contaminants that is not reflected in this analysis (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). The difference between the amount collected and the amount of staff resources expended has been paid from a variety of sources, including emissions fees from criteria pollutants (because toxics emissions fees are a component of all emissions fees), one-time penalties, and most recently from portions of one-time allocations from the state legislature of about \$31 million for the implementation of the first two years of AB 617. There is no guarantee that these one-time revenues will continue into the future.

With respect to costs incurred by the South Coast AQMD, there are two key drivers when considering how resources are spent to conduct work related to the permitting, investigation, audit, enforcement and development of limits on toxics emissions.

First, facilities with high toxicity-weighted emissions require greater effort because permitting, rule development, and enforcement related activities in large part are driven by the potential for public health impacts. Second, staff spends extra time working on facilities with more permitted devices with toxics emissions than facilities with the same emissions but fewer permitted devices. The current fee schedule in Rule 301 does not result in higher fees for facilities with higher toxicity of emissions or with more emission sources.

In order to address the workload disparity staff is proposing to change both the structure of how facilities pay air toxics fees, and how much they pay. The proposal seeks to more closely connect fees to current workload from higher toxic emitting facilities. Specifically, the following fee levels are proposed.

- A new Base Toxics Fee of \$78.03 to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report emissions to South Coast AQMD. This fee would apply to any permitted facility that reports any toxic air contaminant above existing reporting thresholds in Table IV of Rule 301.
- A new Flat Rate Device Fee of \$341.89 applied per emission source at a permitted facility that emits a toxic air contaminant above reporting thresholds in Table IV of Rule 301. These fees would be equal to the resources needed to run the entire toxics inventory program, including inventory, auditing, coordination with CARB and U.S. EPA, as well as reporting data to those agencies.
- A new Cancer-Potency Weighted Fee of \$10 per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301.

As described above, staff conducts about \$19.7 million of work every year for which toxics emissions fees could be used as a funding source. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million from facilities that currently report emissions to the South Coast AQMD, leaving a significant shortfall. Much of the remaining work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Also, work conducted in a particular community leads to work having region-wide benefits, such as monitoring and investigations in Paramount and Compton leading to rules to reduce emissions from metals facilities. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other South Coast AQMD programs. Facilities with higher potential public health

concern due to their emissions will pay higher fees to cover the higher level of effort for monitoring investigation, enforcement, and planning and rulemaking related to those facilities.

These newly proposed fees are expected to have the following effect after final phase in.

Fee	New Revenue
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total New Toxics Fees	\$4.9 million
Current Toxics Fees	(\$0.5 million)
Net New Toxics Fees Revenue	\$4.4 million

The new fee schedule would affect all permitted facilities already required to report toxic emissions pursuant to Rule 301, but would not expand the number of facilities required to report emissions or pay associated fees. CARB is currently working on its Criteria and Toxics Reporting (CTR) regulation that may require more facilities to report emissions to the South Coast AQMD separate from any amendments proposed for Regulation III. However, most of those facilities are expected to have relatively low emissions, and associated toxics fees are expected to be lower than has been estimated for facilities already reporting emissions. In addition, the latest draft of CARB's CTR regulation includes 'abbreviated reporting' for many classes of smaller facilities (e.g., facilities with only diesel backup engines or natural gas boilers, gas stations, etc.). This abbreviated reporting will not require these facilities to report emissions, and it would, as a result, also exempt them from paying any of the proposed toxics fees in Rule 301 as these fees only applies to facilities that 'report emissions.'

The proposed amendment included in the Board package currently has a delayed start for implementing toxic fees. These fees would be phased in over a three-year period, including no new fees in 2020 with the new fee structure and increase starting in the year beginning January 1, 2021. The Board also instructed staff to include an alternative option for a two-year phase-in starting January 1, 2020. Staff will modify the dates to remove the currently drafted one-year lag in the phase-in in the final rule posted on the website if the Board votes to approve the two-year option.

Public Process

During the rulemaking process for Proposed Amended Regulation III in 2019, two Public Consultation Meetings were held: March 22 and April 9. Proposed Amended Regulation III was also discussed at the Budget Advisory Committee on April 5, the Board Budget Study Session on April 12, and at the May 3 Board meeting. In addition, South Coast AQMD hosted a webinar on the proposed increase in toxics emission fees on April 19, 2019. Lastly, an additional working group meeting was held on May 22 to

discuss the proposed new toxic emissions fees. Documents related to Proposed Amended Regulation III, including draft rule language, staff report, socioeconomic impact assessment, and presentation materials, have been made available on South Coast AQMD's website at <http://www.aqmd.gov/home/rules-compliance/rules/proposed-rules#REG%20III>.

Key Issues

At the May 3, 2019 public hearing, a question was raised about the breakdown of the estimated annual \$20 million workload associated with toxics emissions. This analysis is included in Appendix C on pages 66-67 of the Final Staff Report. Page 66 contains the detailed breakdown of the \$9.3 million in costs of existing toxics programs and page 67 contains the breakdown of the \$10.2 million in costs associated with projected AB 617 work programs.

A question was also raised about whether the new proposed toxic emissions fees could have significant financial impacts for a subset of affected facilities. As described in the staff report and the socioeconomic report, the facilities that will experience the highest financial impact are those for which the South Coast AQMD must expend the most resources to monitor, enforce, and conduct related activities. Staff expects that facilities will seek paths to reduce financial impacts through more accurate facility emissions reporting. While some facilities can report more accurate emissions data on their own, staff is also committed to taking measures to improve emissions reporting, including assessing and improving the source test approval process, and updating default emission factors where appropriate. The resources provided through this proposed amendment are expected to assist with this effort.

A final question was asked seeking clarification on the current and future funding status for South Coast AQMD's AB 617 work programs and how state funding might affect the current budget shortfall relating to the South Coast AQMD's toxics workload.

Funding for the work programs that are funded by toxics emissions fees primarily comes from three sources: emissions fees, one-time state grants to implement AB 617, and one-time penalties and settlements. Facilities pay about \$19.5 million annually in emissions fees, mostly from criteria pollutants. Toxics emissions fees are part of all emissions fees, and this source of revenue funds work on criteria pollutants and toxics. For AB 617, in 2018 the state provided \$10.8 million in funding for the initial implementation of the AB 617 program and committed an additional \$20 million (not yet received) to help cover the annual costs for FY 2019-20. The legislature is currently crafting this year's state budget, and staff is actively advocating for more resources to be dedicated to this effort, but there is no guarantee that the previous one-time funding distributions will continue. In addition, the authorizing legislation for AB 617 stated that the state does not need to provide resources because air districts can raise fees to fund AB 617 efforts. Finally, one-time penalties can be used to address work programs covering toxics from stationary sources. These penalty revenues fluctuate year-to-year, but are typically budgeted at \$5 million annually.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD Rule 110, the South Coast AQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Rule 301 pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed restructuring of how toxics emissions fees are collected from facilities and the increase in toxics emissions fees in Proposed Amended Rule 301, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Rule 301 is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed increased fees involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 301 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 301 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Socioeconomic Impact Assessment

A socioeconomic report that analyzed the economic impacts of the proposed amendments to PAR III with fee changes was prepared for inclusion in the Proposed Amended Regulation III May 3, 2019 Board Package. This analysis included the proposed toxics emissions fees increase, along with other Regulation III amendments that were already approved in May. For toxics emissions fees, facilities within the petroleum and coal products manufacturing and utilities sectors are expected to incur 33 and 17 percent of the additional fee increase, respectively, due to the overall increase in fees on toxic emissions and proposed new toxicity-weighted emission fee.

The cumulative effect of all proposed amendments to Regulation III, including the toxic emissions fee increase with the proposed three-year phase-in period, is estimated to lead to approximately four jobs foregone annually in the manufacturing sector, while leading to job gains in other sectors, such as finance and insurance, health care and social assistance, and the state and local government sector including South Coast AQMD. Overall, an annual average increase of 21 jobs is projected between 2019 and 2028.

Staff evaluated the potential impact of a two-year phase-in of toxics fees and found only slight differences from what is described in the socioeconomic report. By bringing the fees forward one year, the economic impacts are also brought forward, resulting in a slight increase in job loss in the manufacturing sector (one extra job loss annually), and a slight increase in job gains overall (two extra jobs gained annually). This change over a ten-year period is due to removing the gap of one year with no fee change, thus increasing by one the number of years expected to have a fee increase.

Implementation and Resource Impacts

Based on the proposed amendments with the three-year phase-in schedule, the fee impact of all of PAR III (including amendments adopted in May 3, 2019) is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter. Under a two-year phase-in, the fee impact of PAR III is estimated to be \$1.76 million in FY 2019-20 and \$4.12 million in FY 2020-21 and thereafter.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process for Rule 301
- D. Key Contacts List
- E. Resolution
- F. Proposed Amended Rule 301
- G. Final Staff Report for Proposed Amended Regulation III - Fees
- H. Final Socioeconomic Impact Assessment for Proposed Amended Regulation III - Fees
- I. Responses to Comment Letters Sent After Deadline for May Public Hearing
- J. Notice of Exemption
- K. Board Meeting Presentation

ATTACHMENT A

SUMMARY OF PROPOSAL

Proposed Amended Rule 301 – Permitting and Associated Fees

Proposed Amended Rule 301 would restructure and increase toxics emissions fees for facilities that annually report emissions. Facilities would be required to pay three fees including a Base Toxics Fee (\$78.03), a Flat Rate Device Fee (\$341.89 per device), and a Cancer Potency-Weighted Fee (\$10 per cancer potency-weighted pound of emissions).

The Board has the option to phase these fees in over A) a two-year period, or B) a three-year period (one year lag, then a two-year phase-in).

ATTACHMENT B

KEY ISSUES AND RESPONSES

<p>Proposed Amended Regulation III – Fees & Proposed Amended Rule 209 – Transfer and Voiding of Permits</p>
Through the rulemaking process, staff has reached out broadly to all permitted facilities as well as through targeted outreach to those facilities most impacted by the proposed amendments. Seven key issues related to increased toxics emissions fees have been raised by industry stakeholders.
<p>1) <i>South Coast AQMD staff review and approval of source tests used for emissions reporting should be streamlined, including faster review times and allowing the use of industry pooled source tests.</i></p> <p>As directed in the Resolution adopting Regulation III in May 2019, staff is committed to improving the source test review process, and identifying and implementing mechanisms to improve turnaround times. The increased resources provided by this proposed amendment can assist specifically in this effort. The board Resolution also commits staff to work with industry to review and update emissions estimation methods. An increased focus on developing new, uniform emissions estimation methods (including through source testing) is one of the required elements of AB 617, and pooled source testing could be one of the key methods used to achieve these goals.</p>
<p>2) <i>The proposed three-year phase-in of toxics emissions fees should be extended to four years.</i></p> <p>Staff's proposal already delays the phase in one year to allow facilities an opportunity to prepare for the modified fee structure. The Board Resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources. The Board has requested that staff present two options for the phase-in, including</p> <p>A) a phase-in of two years, or B) a phase-in of three years (a one-year lag, followed by a two-year phase-in).</p> <p>However, should the evidence support a different phase-in, this would not be precluded.</p>
<p>3) <i>Staff should conduct more outreach for the proposed amendments.</i></p> <p>Based on these comments, the portion of Rule 301 related to toxics emissions fees was delayed one month. Staff increased its outreach for this rule compared to previous years, including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and extra working group meetings to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.</p>
<p>4) <i>Many facilities will pay higher fees due to CARB's Criteria and Toxics Reporting (CTR) regulation.</i></p> <p>CARB has not yet finalized its CTR regulation and it is not clear exactly how many additional facilities may or may not be required to report emissions to South Coast AQMD. The proposed amendments to Rule 301 will not require any new facilities to report emissions that aren't already reporting. Because the existing Rule 301 already captures the highest emitting</p>

ATTACHMENT B

permitted facilities in our jurisdiction, any new facilities that would be required to report pursuant to CARB's CTR are expected to typically have lower fees than those already required to report pursuant to Rule 301. The structure of the rule has been set to also try to minimize the fiscal impact on these lower emitting facilities, consistent with the expected South Coast AQMD workload. Finally, CARB's latest draft regulation includes abbreviated reporting for many small facilities (e.g., facilities with only one boiler, or one backup engine). These facilities would not pay toxics fees because 'abbreviated reporting' will not include reporting emissions, and fees only apply to facilities who report emissions.

5) South Coast AQMD's legal authority regarding fees is overstated.

Statute and case law provides clear legal authority for these fees. Specifically, California Health & Safety Code § 40510 provides broad authority for the District to adopt fees. Subdivision (b) provides for adoption of fees for "variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto." Subdivision (d) states that "this section shall not prevent the district from establishing or amending an individual permit renewal or operating permit fee applicable to a class of sources to recover the reasonable district costs of permitting, planning, enforcement, and monitoring which that class will cause to district programs." Together these sections clearly authorize the proposed toxic air contaminant fees. These emissions-based fees are related to permitting, planning, enforcement and monitoring and are within the scope of § 40510.

6) South Coast AQMD's justification for the increased fees is not adequately supported.

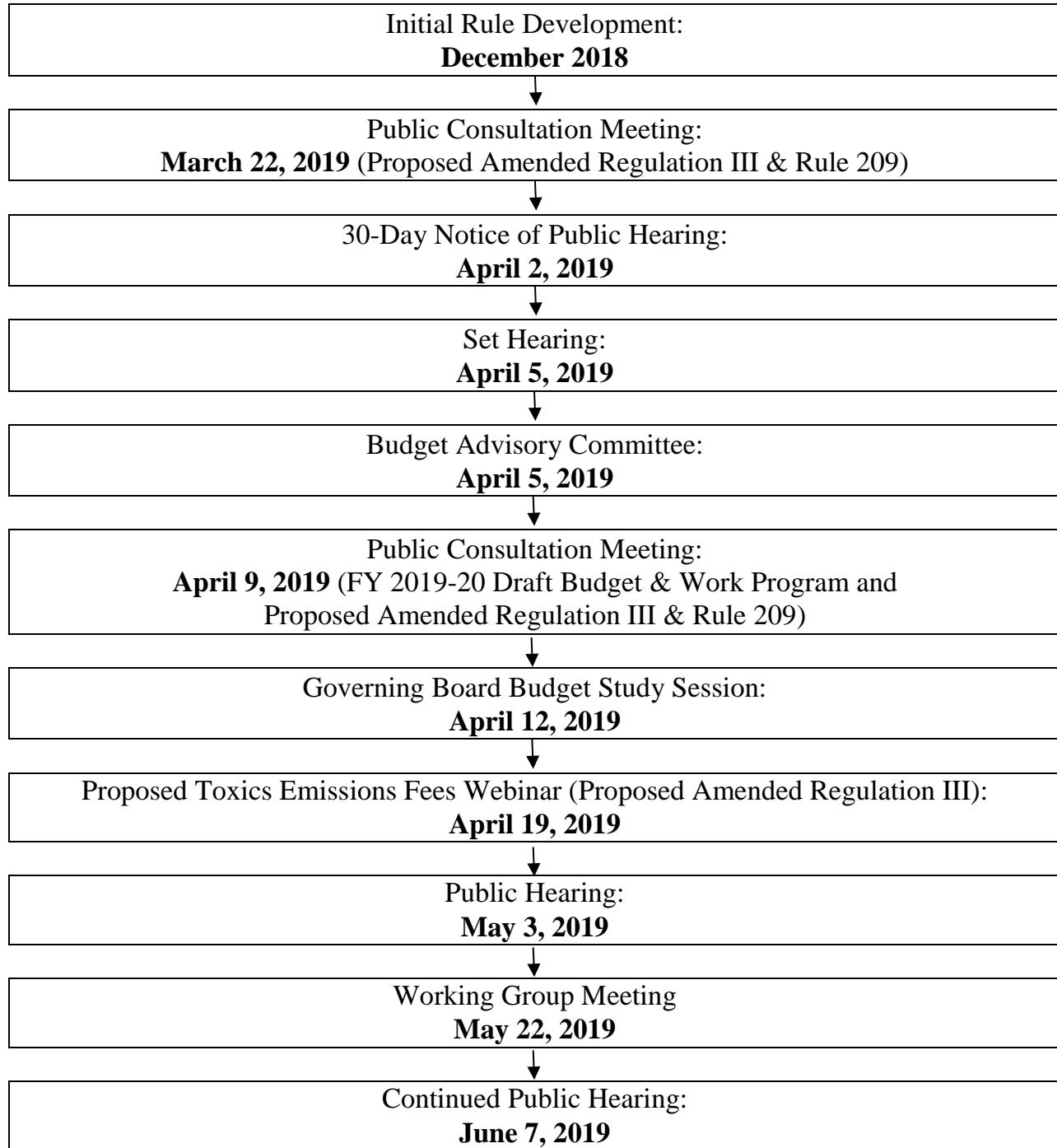
The proposed amendments are necessary to recover reasonable costs of regulatory work performed by the South Coast AQMD and the proposed fee structure is equitable. Current fees are relatively low and fall short of the costs associated with work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program.

7) Small facilities with emergency diesel backup engines will be burdened by the inclusion of Diesel Particulate Matter (DPM) to the list of toxic air contaminants.

Facilities with emissions of criteria pollutants less than 4 tons per year are not required to report toxic emissions. Clarifying language that ensures these smaller facilities are not required to report or pay toxics fees was added to Rule 301 at the May 3, 2019 public hearing.

ATTACHMENT C

RULE DEVELOPMENT PROCESS Proposed Amended Rule 301



Six (6) months spent in rule development
Two (2) Public Consultation Meetings, (1) Webinar, (1) Working Group
One (1) Budget Advisory Committee Meeting
One (1) Governing Board Budget Study Session

ATTACHMENT D

KEY CONTACTS LIST

Curtis Coleman	Budget Advisory Committee and Southern California Air Quality Alliance
Jean Kayano	Budget Advisory Committee and Center for Community Action and Environmental Justice
Bill LaMarr	Budget Advisory Committee and California Small Business Alliance
Priscilla Hamilton	Budget Advisory Committee and Southern California Gas Company
Janet Whittick	Budget Advisory Committee and California Council for Environmental and Economic Balance
Frances Keeler	California Council for Environmental and Economic Balance
Mike Carroll	Latham and Watkins
Julia Lester	Ramboll
Susan Stark	Marathon
Bridget McCann	Western States Petroleum Association
Neal Davenport	Davenport Engineering Inc.
Karl Lany	Montrose Environmental

ATTACHMENT E

RESOLUTION NO. 19-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that the toxics fee increase proposal contained within Proposed Amended Rule 301 – Permitting and Associated Fees is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board approving the toxics fee increase proposal by amending Rule 301 – Permitting and Associated Fees.

WHEREAS, the South Coast AQMD Governing Board met on May 3, 2019 to consider multiple amendments to Rule 301, and other rules including 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and 209;

WHEREAS, on May 3, 2019, the South Coast AQMD Governing Board decided to continue consideration of the toxics fee increase proposal within PAR 301 until June 7, 2019;

WHEREAS, the South Coast AQMD Governing Board finds and determines that the toxics fee increase proposal contained within Proposed Amended Rule 301 is considered a "project" pursuant to CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and has conducted a CEQA review pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Amended Rule 301 is determined to be exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that Proposed Amended Rule 301, which includes a restructuring of how toxics emissions fees are collected from facilities and an increase in toxics emissions fees collected, may have any significant effects on the environment because the proposed changes would not cause any physical changes that would affect any environmental topic area, and therefore, are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 301 involves fees charged by the South Coast AQMD and is statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendment involves charges by a public agency for the purpose of meeting operating expenses and financial reserve needs and requirements; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 301 is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment, because the proposed amendments are designed to further protect or enhance the environment; and

WHEREAS, the South Coast AQMD Governing Board has considered whether Proposed Amended Rule 301 may have significant environmental impacts due to unusual circumstances, as set forth in CEQA Guidelines Section 15300.2, and has determined that none exist for Proposed Amended Rule 301; and

WHEREAS, the South Coast AQMD staff has prepared a Notice of Exemption for Proposed Amended Rule 301 that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, Proposed Amended Rule 301, including the Notice of Exemption and other supporting documentation, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Amended Rule 301, since the Notice of Public Hearing was published are not so substantial as to significantly

affect the meaning of Proposed Amended Rule 301, within the meaning of Health and Safety Code Section 40726 because: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rules, or significantly affect the impact of the rule on such sources, (c) the changes are consistent with the information contained in the notice of public hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because the proposed project is exempt from CEQA; and further, that the option of a two-year rather than three-year phase-in was specifically requested at the May 3, 2019 Board meeting to be presented at the June meeting; and

WHEREAS, Proposed Amended Rule 301, is not a control measure in the 2016 Air Quality Management Plan (AQMP) and was not ranked by cost-effectiveness relative to other AQMP control measures in the 2016 AQMP; and

WHEREAS, Proposed Amended Rule 301, will not be submitted for inclusion into the State Implementation Plan, except to the extent necessary to satisfy Clean Air Act Section 182 (a)(3)(B), emission statements, following appropriate notice and a later hearing before the South Coast AQMD Governing Board; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that in order to add rule clarity and to recover reasonable and actual costs incurred by South Coast AQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs, a need exists to amend Rule 301 to fund the Proposed Budget in Fiscal Year 2019-2020 and thereafter; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment for Proposed Amended Rule 301 is consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule adoption; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment is consistent with the provisions of Health and Safety Code Section 40440.8, even though such assessments are not statutorily required in these circumstances; and

WHEREAS, the South Coast AQMD Governing Board has determined Proposed Amended Rule 301 – Permitting and Associated Fees will result in increased costs to the affected industries, yet are considered to be reasonable, with a total annualized cost as specified in the Socioeconomic Impact Assessment; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Socioeconomic Impact Assessment and has made a good faith effort to minimize such impacts; and

WHEREAS, Health and Safety Code Section 40510.5(a) requires the South Coast AQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the CPI. Based on relevant information presented at the public hearing and in the staff report, the proposed new fees and proposed increases in fee rates beyond the CPI in Proposed Amended Rule 301 are found to be equitably apportioned because such fees are necessary to better align program costs and revenues, are based on the reasonable costs to South Coast AQMD, and are reasonably related to the benefits received and burdens imposed by the fee payers; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 40000, 40001, 40440, 40500, 40500.1, 40502, 40506, 40510, 40510.5, 40511, 40522, 40522.5, 40523, 40701.5, 40702, 41512, 42705.6, and 44380, and Clean Air Act Section 502(b)(3) [42 U.S.C. Section 7661(b)(3)]; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 301 is written or displayed so that the meaning can be easily understood by the persons directly affected by them; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 301 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 301 does 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 South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in amending Rule 301, references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40500, 40500.1, , 40506, 40510, 40510.5, 40522.5, and 40523; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code Section 40725; and

WHEREAS, the South Coast AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the South Coast AQMD Governing Board has determined that Health and Safety Code Section 40920.6 is not applicable to Proposed Amended Rule 301 since the proposed amendments do not impose limits on air contaminants or implement Best Available Retrofit Control Technology requirements; and

WHEREAS, the South Coast AQMD Governing Board specifies the Planning and Rules Manager overseeing the rule development for Proposed Amended Rule 301 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast AQMD, 21865 Copley Drive, Diamond Bar, California.

NOW, THEREFORE BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 301 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. The South Coast AQMD Governing Board does also hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 301 is statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges. Finally, the South Coast AQMD Governing Board does also hereby determine, pursuant to the authority granted by law that Proposed Amended Rule 301 is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. No exception to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2, including the “unusual circumstances” exception, applies to Proposed Amended Rule 301. This information was presented to the South Coast AQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on Proposed Amended Rule 301; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board finds that Proposed Amended Rule 301 establishes fees charged for the purposes of meeting operating expenses and financial reserve needs and requirements and the South Coast AQMD Governing Board hereby incorporates by reference the Board letter for the toxic fee amendments and the staff report for Regulation III and Rule 209, plus responses to comments, and the proposed Fiscal Year 2019-2020 Budget and Fiscal Year 2020-2021 budget forecast as setting forth the basis for these findings; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board finds, based on the evidence in the rule-making record, that the increases in fees that exceed the CPI for Fiscal Year 2019-2020 and thereafter are necessary to recover reasonable and actual costs incurred by South Coast AQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs and are equitably apportioned; and the Governing Board hereby incorporates by reference the explanation in the Board letter for the toxic fee amendments and the staff report for Regulation III and Rule 209, plus responses to comments ; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby approve the Socioeconomic Impact Assessment for Proposed Amended Regulation III, which includes Proposed Amended Rule 301; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby amend Rule 301, pursuant to the authority granted by law as set forth in the attached, and incorporated herein by reference.

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board directs a [two-year/three-year] phase-in for the proposed new toxic emissions fees commencing January 1, 2020:

DATE: _____

CLERK OF THE BOARDS

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)(Amended May 1, 2015)(Updated July 1, 2016)
(Amended June 2, 2017)(Amended January 5, 2018)(Amended May 4, 2018)
 (Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 (l), (m), and (n)], Facility Registrations [see subdivision (t)], 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 (l)].
 - (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 (l)].
 - (9) Non-Tradeable Allocation Credit Mitigation Fee [see subdivision (l)].
 - (10) Environmental Impact Analysis, Air Quality Analysis, Health Risk Assessment, Public Notification for Projects and Emission Reduction Credits (pursuant to Regulation XIII - New Source Review) [see paragraph (c)(4) and subdivision (j) of this rule].
 - (11) Asbestos demolition and renovation activities [see subdivision (o)].
 - (12) Lead abatement activities [see subdivision (p)].
 - (13) Evaluation of permit applications submitted for compliance under a National Emission Standard for Hazardous Air Pollutants (NESHAP) [see subdivision (q)].
 - (14) Certification of Clean Air Solvents [see subdivision (r)].
- (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 paragraph (j)(5) 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 paragraph (j)(5) but, as an alternative to directly monitoring SOx emissions at sources required to have SOx CEMS (at the same facility), SOx 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 paragraph (j)(5), 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 Table FEE RATE-A) 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 Table FEE RATE-A 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 IA or Table IB shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.
 - (iv) 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 Owner/Operator table according to the applicable schedule under the Change of Owner/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 sent by mail, electronic mail, or other electronic means, and shall be due thirty (30) days from the date of personal service, mailing, or electronic transmission. For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is delivered, postmarked , or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) 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 Table FEE RATE-A 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 Table FEE RATE-A. 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.
- (iii) This clause shall apply to applications for a Permit to Operate for equipment already constructed without first obtaining a required Permit to Construct. 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) Small Business
When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(G)(i), (c)(1)(C) or paragraph (c)(3) for a Small Business as defined in Rule 102 – Definition of Terms, the fees assessed shall be fifty percent (50%) of the amount set forth in Table FEE RATE-A.
- (E) 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)(C), (c)(1)(D), (c)(1)(H), 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 subparagraphs (c)(3)(A), (c)(3)(B), and (c)(3)(C).
- (F) Discounts for Small Business and Identical Equipment
Applications qualifying with the provisions of both subparagraph (c)(1)(D) and (c)(1)(E) shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.
- (G) 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 Table FEE RATE-A. No annual operating permit renewal fee shall be charged.
 - (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A shall be assessed to a person applying for a Change of Owner/Operator for a Certified Equipment Permit.
 - (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A 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)(G)(iii) of Rule 301.
- (H) 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)(E), 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 of Table FEE RATE-A.
- (I) Standard Streamlined Permits
- The Streamlined Standard Permit application processing fee shall be ~~\$930.20962.75~~, 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 ~~\$930.20962.75~~. 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)(C). 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 Owner/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 owner/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 Table FEE RATE-C for equipment at one location so long as the new owner/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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the owner/operator will not be billed for any additional fees billed to the previous owner/operator.

(B) If an application for change of owner/operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous owner/operator, the new owner/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)(C), 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 Table FEE RATE-A. 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 the applicable fee as shown in the table below in this subparagraph:

Facility Type	Non-Title V	Title V
FY 2018-19	\$930.20	\$1,053.34
FY 2019-20 and thereafter	\$930.20 <u>962.75</u>	\$1,165.62 <u>206.41</u>

- (B) Permits that must be reissued to reflect the permanent removal of a standby fuel supply, or to render equipment non-operational shall pay the applicable reissue permit fee as shown in the tables below in this subparagraph, as follows:

- (i) Does not result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment or reissued permit)	Title V (per equipment or reissued permit)
FY 2018-19	\$681.13	\$771.30
FY 2019-20 and thereafter	\$681.13 <u>704.97</u>	\$853.53 <u>883.40</u>

- (ii) Does result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment)	Title V (per equipment)
FY 2018-19	\$1,785.79	\$2,022.19
FY 2019-20 and thereafter	\$1,785.79 848.29	\$2,237.76 316.08

- (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	Non-Title V	Title V	
	FY 2018-19 and thereafter	FY 2018-19	FY 2019-20 and thereafter
A	\$681.14 <u>704.98</u>	\$771.30	\$853.53 <u>883.40</u>
A1	\$681.14 <u>704.98</u>	\$771.30	\$853.53 <u>883.40</u>
B	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
B1	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
C	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
D	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
E	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
F	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
G	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
H	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>

- (D) For permits reissued because of Rule 109, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in Table FEE RATE-A.
- (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 Table

FEE RATE-B. Additionally, the applicant shall, if required by Rule 1310(c), either:

- (A) Pay a fee for publication of public notice and a preparation fee as per Rule 301(j)(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 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 Table FEE RATE-B.

(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 in Tables IA and IB	Non-Title V Annual Operating Permit Renewal Fee	Title V Annual Operating Permit Renewal Fee
A1	\$203.04210.11	\$229.88 for FY 2018-19 and \$254.38263.28 for FY 2019-20 and thereafter
A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$406.79421.02	\$460.64 for FY 2018-19 and \$509.74527.58 for FY 2019-20 and thereafter
C and D	\$1,456.96507.95	\$1,649.83 for FY 2018-19 and \$1,825.70889.60 for FY 2019-20 and thereafter
E, F, G, and H	\$3,498.33620.77	\$3,961.46 for FY 2018-19 and \$4,383.76537.19 for FY 2019-20 and thereafter
Rule 461 liquid fuel dispensing system	\$120.26124.46 per product dispensed per nozzle	\$136.19 for FY 2018-19 and \$150.71 for 155.98 for FY 2019-20 and thereafter 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	\$667.85 for FY 2018-19 and \$739.04764.90 for FY 2019-20 and thereafter per facility
RECLAIM Facility	\$978.671,012.92 per Major Device
	\$195.74202.59 per Large Device
	\$195.74202.59 per Process Unit Device
RECLAIM and Title V Facility	RECLAIM fee + Title V fee

(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 \$1,972.03 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 owner/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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid 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 Fees

(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 fees ~~based on if any of the criteria in subparagraphs (e)(1)(A) through (e)(1)(C) are met.~~

(A) The owner/operator of a facility operates equipment under at least one permit.

(B) The total weight of emissions at a facility are greater than or equal to the thresholds for each any of the contaminants specified in Table III paragraph (e)(5), except for ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons, from all equipment used by the owner/operator at all locations; including The total weight of emissions of each of the contaminants specified in Table III paragraph (e)(5) includes:

(i) Emissions from permitted equipment

(ii) Emissions 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.

(iii) Emissions from equipment or processes not requiring a written permit pursuant to Regulation II.

(A)(C) The owner/operator of a facility that reports emissions to the District pursuant to CARB's Criteria and Toxics Reporting Regulation (17 California Code of Regulations section 93400 et seq.) or pursuant to CARB's AB 2588 Air Toxics "Hot Spots" Emission Inventory Criteria

and Guidelines Regulation (17 California Code of Regulations section 93300.5).

(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~~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, e~~Each facility subject to subparagraph (e)(1)(B) 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 annually report all emissions for all pollutants above thresholds listed in paragraph (e)(5) and Table IV 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 subject to paragraph (e)(1)(A) ~~operating under at least one permit~~ (not including certifications,

registrations or plans) shall each year be assessed a flat annual emissions fee of \$131,791,364.40.

(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-~~

Air Contaminant(s)	Annual Emissions Threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥ 4 TPY
Total organic gases (excluding methane, and exempt compounds as specified defined in Rule 102 paragraph (e)(13), and specific organic gases as specified in paragraph subdivision(b)(28))	≥ 4 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥ 4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥ 4 TPY
Total particulate matter	≥ 4 TPY
Carbon monoxide	≥ 100 TPY
<u>Ammonia</u>	<u>>0.1 TPY</u>
<u>Chlorofluorocarbons</u>	<u>>1 lb per year</u>
1,1,1 Trichloroethane	<u>>1 lb per year</u>

(6) Clean Fuels Fee Thresholds

Each facility emitting 250 tons or more per year (≥ 250 TPY) of Volatile Organic Compounds, Nitrogen Oxides, Sulfur Oxides and Particulate Matter 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 subject to subparagraph (e)(1)(B) or (C) 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 fees as indicated in subparagraphs (e)(7)(A) ~~therein~~. The annual emissions fees 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) For emissions reported ~~B~~before January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall pay the fees listed in Table IV. For emissions reported ~~A~~after January 1, 2021, Any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall not pay the fees in Table IV and shall instead pay the following fees:

- (i) A Base Toxics Fee of \$78.03;
- (ii) A Flat Rate Device Fee of \$170.95, and \$341.89, starting January 1, 2021, and January 1, 2022, respectively, for each device, including permitted and unpermitted equipment and activity including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks) with emissions of any pollutant above the annual thresholds listed in Table IV;
- (iii) A Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022, respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV. The cancer-potency weighted emissions of each toxic air contaminant listed in Table IV shall be calculated as follows:

$$\text{CPWE} = \text{TAC} \times \text{CPF} \times \text{MPF}$$

Where:

CPWE = Cancer Potency Weighted Emissions

TAC = Emissions (pounds) of a Table IV toxic air contaminant

CPF = Cancer Potency Factor for the reported toxic air contaminant

MPF = Multi-Pathway Factor for the reported toxic air contaminant

The CPF and MPF shall be equal to those specified in the Rule 1401 Risk Assessment Procedures that were current at the time that the emissions were required to be reported.

(B) The following facilities are exempt from paying specified toxics emissions fees:

(i) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene, and qualifies as a small business as defined in the general definition of Rule 102 shall be exempt from paying any fees listed in subparagraph (e)(7)(A), 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.

(ii) Any facility that emits less than two (2) tons per year, 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 fees for formaldehyde, perchloroethylene, or methylene chloride fees as required in subparagraph (e)(7)(A) 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.

(iii) Any facility that is located more than one mile from a residential or other sensitive receptor shall be exempt from paying fees in clause (e)(7)(A)(iii).

(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 eoneerned listed in Table III and Table IV 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) 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.
 - (C) 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 seventy five (75) days from the official due date of the subject annual emissions report shall include a non-refundable standard evaluation fee of \$343.96~~\$355.99~~ for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of \$172.04~~\$178.03~~ per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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 The facility owner/operator shall submit an annual emissions report and pay any associated emissions fees if a notice to report emissions and pay the any associated emission fees will be is sent by mail, electronic mail, or other electronic means, annually to the owners/operators of all equipment (as shown in District records) to for which this subdivision applies.~~ A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be sent by mail, electronic mail, or other electronic means, 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~~ payment submittals are the responsibility of the owner/operator regardless of whether the owner/operator was notified.

If both the fee payment and the completed emissions report are not received by the seventy-fifth (75th) day following July 1 (for semi-annual reports), or January 1 (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 delivered, postmarked, or electronically paid on or before the seventy-fifth (75th) day following the official due date. If the seventy-fifth (75th) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been delivered, postmarked, or electronically paid on the seventy-fifth (75th) day.

(B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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 seventy-fifth (75th) 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 seventy five (75) 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)(C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and paragraph (e)(7) 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) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75th) day from the official due date, 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 paid after one year after the seventy-fifth (75th) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

(E)(F) 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.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane <u>and</u> , exempt compounds as specified <u>defined in paragraph (e)(13)Rule 102</u> , and specific organic gases as specified in <u>paragraph subdivision (b)(28)</u>)	≥10 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥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 (January 1 through June 30). By January 1 of the year following the reporting period, 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. 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~~shall be considered late ~~and is subject to a surcharge if not received by the District, or postmarked, on or before the within seventy five (75) days~~seventy-fifth (75th) day following July 1 of the current reporting period~~of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).~~
- (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 reporting period of January 1 through December 31, emission fees shall be determined in accordance with fee rates specified in Tables III, IV and V, and paragraphs (e)(2) and (e)(7). Installment fees that have been paid for Semi-Annual Emission Fees shall not be subject to this provision.

- (15) **Deadline for Filing Annual Emissions Report and Fee Payment**
Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period January 1 through December 31, the fee payment and the completed annual emissions report shall be delivered, postmarked, or electronically paid on or before the seventy-fifth (75th) day following January 1 of the subsequent year to avoid any late payment surcharges specified in subparagraph (e)(10)(B).
- (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 \$135.77145.43 in addition to a verification fee assessed at \$140.52145.43 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 owner/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) Certified Permit Copy

Facility Type	Non-Title V	Title V
FY 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19 <u>31.24</u>	\$37.84 <u>39.16</u>

(2) Reissued Permit

Facility Type	Non-Title V	Title V
FY 2018-19	\$233.77	\$264.71
FY 2019-20 and thereafter	\$233.77 241.95	\$292.93 303.18

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:

Permit Holder Per Equipment Fee	Title V Facility	Non-Title V Facility	Other Facility Type
FY 2018-19	\$280.86	\$248.03	\$248.03
FY 2019-20 and thereafter	\$310.79 321.66	\$248.03 256.71	\$248.03 256.71 1

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)(10).

(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 for 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

~~\$172.04~~178.03 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)	\$344.00 <ins>356.04</ins>
Negative Declaration (ND), including Supplemental or Subsequent ND	\$5,187.47 <ins>369.0</ins> <u>3</u>
Mitigated Negative Declaration (MND), including Supplemental or Subsequent MND	\$5,187.47 <ins>369.0</ins> <u>3</u>
Environmental Impact Report (EIR), including Supplemental or Subsequent EIR	\$6,916.58 <ins>7,158.</ins> <u>66</u>
Addendum to EIR, including Addendum to ND/MND	\$3,584.56 <ins>710.0</ins> <u>2</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 ~~\$172.04~~178.03 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 ~~\$172.04~~178.03 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 shall pay the applicable fee, for preparation of any public notice as required by the rules, as shown below in this paragraph:

Public Notification Type	Non-Title V Source	Title V Source
For a project requiring notification as defined in Rule 212(c)	\$1,084.50 <u>122.45</u>	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter
For emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c)	\$1,084.50 <u>122.45</u>	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter
Requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs)	\$1,084.50 <u>122.45</u>	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter
Significant revision of a Title V permit	---	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter

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 the actual cost as invoiced 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 IIB 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 IIB 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 \$907.51939.27; and additional fees will be assessed at a rate of \$172.04178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$5,738.49939.33.

- (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 IIB, 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 SOx 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 IIB, 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 \$907.51939.27; and additional fees will be assessed at a rate of \$172.01178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$5,738.49939.33.
- (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 \$907.51939.27, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of \$172.01178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$5,738.49939.33.
- (D) Periodic Assessment of an Existing CEMS, FSMS, or ACEMS
An existing CEMS, FSMS, or ACEMS must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District regulations. The applicant shall pay a minimum processing fee of \$907.51939.27 for this evaluation, if required. Additional fees will be assessed at a rate of \$172.01178.03 per hour for time

- spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.
- (E) CEMS, FSMS, or ACEMS Change of ~~Ownership~~Owner/Operator
Every applicant who files an application for a change of ~~owner/operator~~ of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of ~~owner~~/operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$273.61~~283.18 for the first CEMS, FSMS, or ACEMS, plus ~~\$54.57~~56.48 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 ~~\$678.79~~702.54 per product certified, and additional fees will be assessed at the rate of ~~\$135.77~~145.43 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 ~~\$339.42~~351.30 for the first certificate issued, and additional fees will be assessed at the rate of ~~\$135.77~~145.43 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 ~~\$67.85~~70.22 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 Table FEE RATE-B. Additional fees shall be assessed at a rate based on the number of hours 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).

Facility Type	Non-Title V	Title V
FY 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 192.55 /hr	\$233.13 241.29 /hr

- (8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities
A fee of ~~\$341.74~~353.70 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 Owner/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 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 Fees for an application or group of applications are listed in Table VII and shall be based on the type of facility permit. Facility Permit Amendment Fees are in addition to the sum of applicable fees assessed for each application required for affected equipment as specified in subparagraph (c)(3)(C) (for administrative equipment applications) or Table FEE RATE-A (for non-administrative equipment applications) or Rule 306 (i)(1). 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.
- (5) 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 Table FEE RATE-A. 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.
- (6) Fee for Change of Owner/Operator
The Permit Processing Fee for a Change of Owner/Operator of a RECLAIM facility permit shall be determined from Table FEE RATE-C. In addition, a Facility Permit Amendment fee as specified in paragraph (l)(4) 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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/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 owner/operator.

- (7) 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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday as if it had been delivered, postmarked, or electronically paid on the expiration date.
- (8) 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 \$175.37181.50 at the time the transaction is registered with the SCAQMD.

(9) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(A), 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 (l)(9)(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 as shown in the following table in this subparagraph:

Facility Type	Non-Title V	Title V
FY 2018-19	\$725.37	\$821.41
FY 2019-20 and thereafter	\$725.37 <u>750.75</u>	\$908.97 <u>940.78</u>

and an additional fee assessed at the applicable hourly rate, for time spent on evaluation in excess of 3 hours, as shown in the table below in this subparagraph:

Facility Type (After 3 hours)	Non-Title V	Title V
FY 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 <u>192.55</u> /hr	\$233.13 <u>241.29</u> /hr

(10) 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 a fee for the first page as follows:

Facility Type	Non-Title V	Title V
FY 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19	\$37.84

and the applicable fee per page for each additional page in the Facility Permit as shown below:

Facility Type	Non-Title V	Title V
FY 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(11) 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 a fee for the first page as follows:~~

Facility Type	Non Title V	Title V
FY 2018-19	\$233.78	\$264.71
FY 2019-20 and thereafter	\$233.78	\$292.93

~~and the applicable fee per page for each additional page in the facility permit as shown below:~~

Facility Type	Non Title V	Title V
FY 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(12) 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 one (1) hour based on the fee rates shown in the table below in this paragraph, at the time of filing of a Breakdown Emission Report, and shall be assessed an evaluation fee at the hourly rate shown in the same table.

Facility Type (After 3 hours)	Non-Title V	Title V
FY 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 192.55 /hr	\$233.13 241.29 /hr

(4311) 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.

(4412) 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 per ton of credits requested as shown below:

Facility Type	Non-Title V	Title V
FY 2018-19	\$12,414.43/ton	\$14,057.88/ton
FY 2019-20 and thereafter	\$12,414.43 <u>848.93/t</u> on	\$15,556.45 <u>16,100.9</u> <u>2/ton</u>

plus a non-refundable processing fee as shown below:

Facility Type	Non-Title V	Title V
FY 2018-19	\$123.74	\$140.13
FY 2019-20 and thereafter	\$123.74 <u>128.07</u>	\$155.07 <u>160.50</u>

(4513) 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 applicable hourly rate as shown in the table below:

Facility Type (After 3 hours)	Non-Title V	Title V
FY 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 <u>192.55</u> /hr	\$233.13 <u>241.29</u> /hr

(4614) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NOx RECLAIM program pursuant to Rule 2002(f)(78) shall be assessed a Facility Permit Reissuance Fee for the conversion of its RECLAIM Facility Permit to a Command-and-Control Facility Permit. The conversion consists of removal of non-applicable RECLAIM provisions and addition of requirements for applicable command-and-control rules. The Facility Permit Reissuance Fee includes an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility's Title V status.

The initial flat fee to transition from NOx RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(78) shall be paid at the time of filing and assessed according to the following fee schedule.

Number of Permitted RECLAIM NOx Sources	Non-Title V	Title V
Less than 10	\$2,310.12 <u>\$2,232</u>	\$3,270.60 <u>\$3,160</u>
Greater than or equal to 10 and less than 20	\$4,813.78 <u>\$4,651</u>	\$6,541.20 <u>\$6,320</u>
20 or more	\$9,627.57 <u>\$9,302</u>	\$13,082.40 <u>\$12,640</u>

An additional T&M charge shall be assessed for time spent on the permit conversion in excess of the number of hours and at the hourly rate specified in the following fee schedule and billed following permit reissuance.

Number of Permitted RECLAIM NOx Sources	Non-Title V		Title V	
	Begin Charging Hourly Rate After (hrs)	T&M Rate (\$/hr)	Begin Charging Hourly Rate After (hrs)	T&M Rate (\$/hr)
Less than 10	12	\$186.04 <u>192.55</u>	15	\$210.67 <u>218.04</u>
Greater than or equal to 10 and less than 20	25	\$186.04 <u>192.55</u>	30	\$210.67 <u>218.04</u>
20 or more	50	\$186.04 <u>192.55</u>	60	\$210.67 <u>218.04</u>

(17)15) Optional Conversion of Transitioned RECLAIM Facility Permit

A Facility that has transitioned out of the RECLAIM program in accordance with paragraph (1)(146) and that elects to convert all permitted equipment described on the RECLAIM Facility Permit to equipment/process based Permits to Operate (pursuant to Regulation II) shall pay a fee equal to the Change of Condition fee specified in Table FEE RATE-A, in accordance with the Schedule identified in Table IA or IB, for each equipment/process converted.

(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 Facilities 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, 2018 through June 30, 2019	\$2,106.89	\$6,742.71	\$15,171.75	\$25,708.01
Applications submitted on or after July 1, 2019	\$2,331.48 <u>41</u> <u>3.08</u>	\$7,461.49 <u>72</u> <u>2.64</u>	\$16,789.06 <u>1</u> <u>7,376.67</u>	\$28,448.48 <u>2</u> <u>9,444.17</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.

- (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, 2018 through June 30, 2019	\$210.67 per hour; up to a maximum total fee of \$25,718.81	\$210.67 per hour; up to a maximum total fee of \$51,437.58	\$210.67 per hour; up to a maximum total fee of \$131,671.29	\$210.67 per hour; up to a maximum total fee of \$192,890.92
On or after July 1, 2019	<u>\$233.13<u>241.29</u></u> per hour; up to a maximum total fee of <u>\$28,460.43<u>29.4</u></u> <u>56.54</u>	<u>\$233.13<u>241.29</u></u> per hour; up to a maximum total fee of <u>\$56,920.83<u>58.9</u></u> <u>13.05</u>	<u>\$233.13<u>241.29</u></u> per hour; up to a maximum total fee of <u>\$145,707.44<u>150</u></u> <u>.807.20</u>	<u>\$233.13<u>241.29</u></u> per hour; up to a maximum total fee of <u>\$213,453.10<u>220</u></u> <u>.923.95</u>

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 (j) 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 (m)(3)(B).
- (D) If a new facility is required to obtain a Title V facility permit to construct, the facility shall submit initial Title V fees as specified in

paragraph (m)(3). These fees are in addition to the sum of all the applicable fees in subdivisions (c) and (j) for all equipment at the facility.

- (E) If an existing facility is required to obtain a Title V facility permit because of a modification, the facility shall submit initial Title V fees as specified in paragraph (m)(3). These fees are in addition to the sum of all the applicable fees in subdivisions (c) and (j) for all new and modified equipment at the facility.

(4) **Permit Revision Fee**

The permit processing fees for a Facility Permit Amendment or Revision shall be based on the Facility Permit type as specified in Table VII. Facility Permit Amendment or Revision includes any administrative permit revision or amendment, minor permit revision or amendment, de minimis significant permit revision or amendment, and any significant permit revision or amendment.

(5) **Renewal Fees**

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, are specified in Table VII. Renewal fees include both an initial processing fee that is due when the application is submitted, and a final fee assessed after SCAQMD evaluation is complete and the permit is issued, and is due upon notification by the SCAQMD of the amount due.

(6) **Public Notice Fees**

The holder of, or applicant for, a Title V permit shall either:

- (A) pay the actual cost as invoiced 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.

(7) 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 ~~\$4,217.11 for FY 2018-19 and \$4,666.65~~829.98 for FY 2019-20 and thereafter plus ~~\$1,311.16 for FY 2018-19 and \$1,450.93~~501.71 for FY 2019-20 and thereafter per hour for a public hearing held on a permit action.

(8) 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.

(9) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or sent by mail, electronic mail, or other electronic means, and shall be due thirty (30) days from the date of personal service, mailing, or electronic transmission. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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.

(10) 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 (m)(4) and (m)(5), 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 (j). For a non-Title V facility, the facility permit revision fee shall be the applicable facility permit fee in Table VII.

(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 (j).

(5) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a facility permit shall be determined from Table FEE RATE-C. In addition, an administrative permit revision fee, as specified in Table VII, 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 Owner/Operator or Additional Operator application is filed, and all facility specific fees (such as "Hot Spots" fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received, and the SCAQMD determines that additional fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new owner/operator will not be billed for any additional fees billed to the previous owner/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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday as if it had been delivered, postmarked, or electronically paid 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 \$27.92 for the first page and \$1.97 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 \$216.14 for the first page plus \$1.97 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 \$348.01360.19. Additional fees shall be assessed at a rate of \$172.01178.03 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 Table FEE RATE-A.

- (2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service, mailing, or electronic transmission 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday, with the same effect as if it had been delivered, postmarked, or electronically paid 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**

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of \$1,503.77556.40 for each product to be tested. Additional fees will be assessed at the rate of \$135.77145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

(s) **Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities**

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 \$1,503.77556.40 for each product to be tested, plus an additional fee of \$300-310.50 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of \$135.77145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

- (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 \$27.9228.89 for the first page and \$1.972.03 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 owner/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 \$216.14223.70 for the first equipment listed in the Facility Registration plus \$1.972.03 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 \$209.98217.32 for each emission source.

(2) Change of Owner/Operator or 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 \$209.98217.32 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 \$209.98217.32 (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 mail, electronic mail, or other electronic means, 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 mail, electronic mail, or other electronic means, 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 as shown in the table below in this paragraph, expedited processing fees will include an additional hourly fee, as set forth in the applicable “Non-Title V Added Base Hourly Fee” or “Title V Added Base Hourly Fee” columns, when the processing time exceeds times as indicated in the “Processing Time Exceeding” column; but not to exceed the total amounts in the applicable “Non-Title V Maximum Added Base Cap Fee” or “Title V Maximum Added Base Cap Fee” columns.

Processing Time Exceeding	Schedule	Non-Title V Added Base Hourly Fee	Non-Title V Maximum Added Base Cap Fee	Title V Added Base Hourly Fee	Title V Maximum Added Base Cap Fee
FY 2018-19					
99 hours	F	\$279.08	\$52,454.40	\$316.02	\$59,398.44
117 hours	G	\$279.08	\$89,866.71	\$316.02	\$101,763.49
182 hours	H	\$279.08	\$114,265.30	\$316.02	\$129,392.03
FY 2019-20					
99 hours	F	\$279.08 <u>288. 84</u>	\$52,454.40 <u>54. 290.30</u>	\$349.71 <u>361 .95</u>	\$65,730.31 <u>68 .030.87</u>
117 hours	G	\$279.08 <u>288. 84</u>	\$89,866.71 <u>93. 012.04</u>	\$349.71 <u>361 .95</u>	\$112,611.47 <u>1 16.552.87</u>
182 hours	H	\$279.08 <u>288. 84</u>	\$114,265.30 <u>11 8.264.58</u>	\$349.71 <u>361 .95</u>	\$143,185.22 <u>1 48,196.70</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 \$172.01178.03 plus \$89.2192.33 per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301(j) 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 \$172.01178.03 plus \$89.2192.33 per hour (one half of hourly plus mileage). The established "Basic Fee" schedule found in the CEMS, FSMS, and ACEMS Fee Schedule in TABLE IIB 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 and HRA Fees

Fees for requested expedited review and evaluation of air dispersion modeling and health risk assessments 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 \$144.05149.09 plus \$74.7277.33 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 \$172.01178.03 plus \$89.2192.33 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(o) 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 \$98.00115.00 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~~590.00 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~~90.00.

(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~~115.00 per hour; or
(2) A unit cost of ~~\$75.00~~90.00 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~~115.00 per hour; or
(2) A unit cost of ~~\$75.00~~90.00 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~~60.00~~ 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 sent by mail, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) **Notification Fees for Rules 1118.1, 1149, 1166, and 1466**~~Rule 1149, Rule 1166, and Rule 1466 Notification Fees~~

- (1) Any person who is required by the District to submit a written notice pursuant to Rules 1118.1, 1149, Rule 1166, Rule 1466, or for soil vapor extraction projects shall pay a notification fee of \$62.92~~65.12~~ per notification.
- (2) Notifications pursuant to Rule 1466 paragraph (f)(2) shall be exempt from this subdivision.

(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 \$579.97~~600.26~~ 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 \$290.00~~300.15~~ 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 and/or tester 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 \$426.45~~441.37~~ shall be charged to the testing company and/or tester. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future tests within SCAQMD jurisdiction until all overdue fees are paid in full.

(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 \$426.45~~441.37~~ shall be charged to the contracting company. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future pre-backfill inspections within SCAQMD jurisdiction until all overdue fees are paid in full.

(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

- (1) The owner or operator of a petroleum refinery subject to Rule 1180 shall pay an annual operating and maintenance fee for a refinery-related community air monitoring system designed, developed, installed, operated, and maintained by SCAQMD in accordance with California Health and Safety Code Section 42705.6.
- (2) The annual operating and maintenance fee per facility required by paragraph (aa)(1) shall be as follows:

Facility Name* and Location	Annual Operating and Maintenance Fee
Andeavor Corporation (Carson)	\$871,086.00 901,574.01
Andeavor Corporation (Wilmington)	\$435,543 450,787.00
Chevron U.S.A, Inc. (El Segundo)	\$871,086.00 901,574.01
Delek U.S. Holdings, Inc. (Paramount)	\$217,771.50
Phillips 66 Company (Carson)	\$435,543 450,787.00
Phillips 66 Company (Wilmington)	\$435,543 450,787.00
PBF Energy, Torrance Refining Company (Torrance)	\$871,086.00 901,574.01
Valero Energy (Wilmington)	\$435,543 450,787.00

*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

- (3) The annual operating and maintenance fee required by this subdivision shall be billed with the annual operating permit renewal fee required by subdivision (d) beginning in calendar year 2020. If the annual operating and maintenance fee required by this subdivision is not paid in full within sixty (60) calendar days of its due date, a ten-percent (10%) penalty shall be imposed every sixty (60) calendar days from the due date.
- (4) No later than January 1, 2022 and every three years thereafter, the Executive Officer shall reassess the annual operating and maintenance fee required by

this subdivision to ensure that the fee is consistent with the requirements of the California Health and Safety Code Section 42705.6 (f)(1) and (f)(2).

(ab) 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~~applicant or permit holder. 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.

(ac) 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.

TABLE FEE RATE A. FY 2018-19
**SUMMARY PERMIT FEE RATES—PERMIT PROCESSING, CHANGE OF
CONDITIONS, ALTERATION/MODIFICATION**

Schedule	Non Title V			Title V		
	Permit Processing	Change of Condition	Alteration/ Modification	Permit Processing	Change of Condition	Alteration/ Modification
A	\$1,785.79	\$930.20	\$1,785.79	\$2,022.19	\$1,053.34	\$2,022.19
A1	\$1,785.79	\$930.20	\$1,785.79	\$2,022.19	\$1,053.34	\$2,022.19
B	\$2,846.14	\$1,409.95	\$2,846.14	\$3,222.92	\$1,596.61	\$3,222.92
B1	\$4,501.77	\$2,440.17	\$4,501.77	\$5,097.71	\$2,763.20	\$5,097.71
C	\$4,501.77	\$2,440.17	\$4,501.77	\$5,097.71	\$2,763.20	\$5,097.71
D	\$6,213.19	\$4,173.34	\$6,213.19	\$7,035.72	\$4,725.82	\$7,035.72
E	\$7,143.30	\$6,127.48	\$7,143.30	\$8,088.94	\$6,938.66	\$8,088.94
F	\$17,951.51+ T&M	\$8,945.72+ T&M	\$14,230.75+ T&M	\$20,327.97+ T&M	\$10,129.97+ T&M	\$16,114.65+ T&M
G	\$21,188.37+ T&M	\$15,180.30+ T&M	\$17,467.57+ T&M	\$23,993.33+ T&M	\$17,189.91+ T&M	\$19,779.97+ T&M
H	\$32,833.37+ T&M	\$19,247.37+ T&M	\$29,112.58+ T&M	\$37,179.92+ T&M	\$21,795.39+ T&M	\$32,966.58+ T&M

Schedule	Begin Charging Hourly Rate After (hrs)	Non Title V T & M Rate (\$/hr)	Non Title V Not to Exceed (\$)	Title V T & M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	\$186.04	\$34,969.61	\$210.67	\$39,598.97
G	117	\$186.04	\$59,911.11	\$210.67	\$67,842.29
H	182	\$186.04	\$76,176.86	\$210.67	\$86,261.34

**TABLE FEE RATE-A. FY 2019-20 and thereafter
SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF
CONDITIONS, ALTERATION/MODIFICATION**

Schedule	Non-Title V			Title V		
	Permit Processing	Change of Condition	Alteration/Modification	Permit Processing	Change of Condition	Alteration/Modification
A	\$1,785.7984 8.29	\$930.20962. 75	\$1,785.7984 8.29	\$2,237.7631 6.08	\$1,165.6220 6.41	\$2,237.76316. 08
A1	\$1,785.7984 8.29	\$930.20962. 75	\$1,785.7984 8.29	\$2,237.7631 6.08	\$1,165.6220 6.41	\$2,237.76316. 08
B	\$2,846.1494 5.75	\$1,409.9545 9.29	\$2,846.1494 5.75	\$3,566.4869 1.30	\$1,766.8182 8.64	\$3,566.48691. 30
B1	\$4,501.7765 9.33	\$2,440.1752 5.57	\$4,501.7765 9.33	\$5,641.1383 8.57	\$3,057.7616 4.78	\$5,641.13838. 57
C	\$4,501.7765 9.33	\$2,440.1752 5.57	\$4,501.7765 9.33	\$5,641.1383 8.57	\$3,057.7616 4.78	\$5,641.13838. 57
D	\$6,213.1943 0.65	\$4,173.3431 9.40	\$6,213.1943 0.65	\$7,785.738.0 58.23	\$5,229.6041 2.63	\$7,785.738.05 8.23
E	\$7,143.3039 3.31	\$6,127.4834 1.94	\$7,143.3039 3.31	\$8,951.229.2 64.51	\$7,678.3294 7.06	\$8,951.229.26 4.51
F	\$17,951.511 8,579.81+ T&M	\$8,945.729.2 58.82+ T&M	\$14,230.757 28.82+ T&M	\$22,494.942 3,282.26+ T&M	\$11,209.836 02.17+ T&M	\$17,832.4818, 456.61+ T&M
G	\$21,188.379 29.96+ T&M	\$15,180.307 11.61+ T&M	\$17,467.571 8,078.93+ T&M	\$26,551.022 7,480.30+ T&M	\$19,022.356 88.13+ T&M	\$21,888.5422, 654.60+ T&M
H	\$32,833.373 3,982.53+ T&M	\$19,247.379 21.02+ T&M	\$29,112.583 0.131.52+ T&M	\$41,143.304 2,583.31+ T&M	\$24,118.779 65.12+ T&M	\$36,480.8437, 757.63+ T&M

Schedule	Begin Charging Hourly Rate After (hrs)	Non-Title V T& M Rate (\$/hr)	Non-Title V Not to Exceed (\$)	Title V T& M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	\$186.04192.55	\$34,969.6136,193.54	\$233.13241.29	\$43,820.2345,353.93
G	117	\$186.04192.55	\$59,911.1162,007.99	\$233.13241.29	\$75,074.2877,701.88
H	182	\$186.04192.55	\$76,176.8678,843.05	\$233.13241.29	\$95,456.7998,797.77

**TABLE FEE RATE-B. SUMMARY OF ERC PROCESSING RATES, BANKING,
CHANGE OF TITLE, ALTERATION/MODIFICATION, CONVERSION TO SHORT
TERM CREDITS, RE-ISSUANCE OF SHORT TERM CREDITS, RETIREMENT OF
SHORT TERM CREDITS FOR TRANSFER INTO RULE 2202, and TRANSFER OF
ERCs OUT OF RULE 2202**

Schedule I	Non-Title V	Title V	
		FY 2018-19	FY 2019-20 and thereafter
Banking Application	\$4,608.06 <u>76</u> <u>9.34</u>	\$5,218.08	\$5,774.33 <u>97</u> <u>6.43</u>
Change of Title	\$814.00 <u>842.</u> <u>49</u>	\$921.75	\$1,020.01 <u>05</u> <u>5.71</u>
Alteration/Modification	\$814.00 <u>842.</u> <u>49</u>	\$921.75	\$1,020.01 <u>05</u> <u>5.71</u>
Conversion to Short Term Credits	\$814.00 <u>842.</u> <u>49</u>	\$921.75	\$1,020.01 <u>05</u> <u>5.71</u>
Re-Issuance of Short Term Credits	\$814.00 <u>842.</u> <u>49</u>	\$921.75	\$1,020.01 <u>05</u> <u>5.71</u>
Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202	\$273.76 <u>283.</u> <u>34</u>	\$310.01	\$343355.06

**TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES
CHANGE OF OWNER/OPERATOR^a**

Facility Type	Non-Title V	Title V
Small Business	<u>\$248.03</u> <u>256.71</u>	<u>\$280.86 for FY 2018-19 and</u> <u>\$310.79</u> <u>321.66 for FY 2019-</u> 20 and thereafter
Non-Small Business	<u>\$681.14</u> <u>704.98</u>	<u>\$771.30 for FY 2018-19 and</u> <u>\$853.53</u> <u>883.40 for FY 2019-</u> 20 and thereafter

^aFees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of owner/operator fee for Non-RECLAIM Title V facilities shall not exceed \$9,593.22 for FY 2018-19 and \$10,615.86987.41 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed \$16,943.4317,536.45 per facility. There is no limit to the change of operator feesThe change of owner/operator fee for RECLAIM facilities shall not exceed \$50,000.00.

Rule 301 (Cont.) (Amended May 4, 2018)

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Abatement System/HEPA, Asbestos, Lead	B	Dry Filter (> 500 FT ²)	C
Activated Carbon Adsorber, Venting Single Source (s.s.=single source)	B	Dust Collector/HEPA, other Rule 1401 toxics	C
Activated Carbon Adsorber, Venting Multiple Source (m.s.=multiple sources)	C	Electrostatic Precipitator, Restaurant	B
Activated Carbon Adsorber, Other	D	Electrostatic Precipitator, Asphalt Batch Equipment	C
Activated Carbon Adsorber, Drum Venting Toxic Source (t.s. = toxic source)	C	Electrostatic Precipitator, Extruder	B
Activated Carbon Adsorber, with regeneration	E	Electrostatic Precipitator, < 3000 CFM	B
Afterburner (<= 1 MMBTU/hr,venting s.s.)	B	Electrostatic Precipitator, => 3000 CFM	D
Afterburner (<= 1 MMBTU/hr,venting m.s.)	C	Electrostatic Precipitator for Fluid Catalytic Cracking Unit (FCCU)	H
Afterburner, Catalytic for Bakery Oven	C	Ethylene Oxide Sterilization, Control, Hospital	B
Afterburner, Direct Flame	D	Flare, Landfill/Digester Gas, Enclosed	E
Afterburner/Oxidizer: Regenerative Ceramic/Hot Rock Bed Type, Recuperative Thermal	D	Flare, Landfill/Digester Gas, Open	C
Afterburner/Oxidizer, Catalytic	D	Flare, Portable	B
Air Filter, Custom	C	Flare System, Refinery ²	F
Amine (or DEA) Regeneration Unit ¹	D	Flare Other	C
Amine Treating Unit ¹	D	Flue Gas Desulfurization ¹	D
Baghouse, Ambient (<= 100 FT ²)	A	Gas Absorption Unit ³	D
Baghouse, Ambient (> 100 - 500 FT ²)	B	Gas Scrubbing System ¹	F
Baghouse, Ambient (> 500 FT ²)	C	Incinerator, Afterburner	D
Baghouse, Hot (> 350 F)	D	Mesh pads, for toxics gas stream	C
Biofilter (<= 100 cfm)	B	Mesh pads, for other acid mists	B
Biofilter (> 100 cfm)	C	Mist Control	B
Boiler as Afterburner	D	Mist Eliminator with HEPA	C
CO Boiler	F	Negative Air Machine/HEPA, Asbestos, Lead	A
Condenser	C	Non-Selective Catalytic Reduction	B
Control Systems, two in series	C	Odor Control Unit	D
Control Systems, three in series	D	Relief and Blowdown System ⁴	D
Control Systems, four or more in series	E	Scrubber, Biofiltration	C
Control Systems, Venting Plasma Arc Cutters	B1	Scrubber Controlling NO _X venting	D
Cyclone	B	Scrubber Controlling SO _X venting	D
Dry Filter (<= 100 FT ²)	A	Scrubber Controlling HCL or NH ₃ venting s.s.	B
Dry Filter (> 100 - 500 FT ²)	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

Rule 301 (Cont.) (Amended May 4, 2018)

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Scrubber, Other venting s.s.	B
Scrubber, Other venting m.s.	C
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

Equipment/Process	Schedule
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
Sulfur Recovery Equipment ⁷	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,

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

Compressors, Condensers, Drums, Filters, Filter Presses, Heat Exchangers, Knock Out Pots, Pits, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels	Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks
⁸ Including, but not limited to, all or part of the following: Process Tanks, 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
⁹ Including, but not limited to, all or part of the following: Air Floatation Units, Floatation	¹¹ Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Saturators

Rule 301 (Cont.)

(Amended May 4, 2018)

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Abatement System, Asbestos, Lead	B	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
Abrasive Blasting (Cabinet, Mach., Room)	B	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
Abrasive Blasting (Open)	A	Aggregate Screening Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Cyclones, Screens, Weigh Stations	C
Absorption Chillers, Gas-Fired, < 5 MM Btu/hr	B	Air Strippers	C
Absorption Chillers, Gas-Fired, => 5 MM Btu/hr	C	Aircraft Fueling Facility Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
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	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
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	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
Adhesives Organic Additions Including, but not limited to, all or part of the following: Reactors, Mixers, Process Tanks, 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
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		

Rule 301 (Cont.)

(Amended May 4, 2018)

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B	Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C
Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders	C	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
Anodizing (sulfuric, phosphoric)	B	Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses,	C
Aqueous Ammonia Transfer & Storage	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
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	Blending, Other	B
Asphalt Air Blowing	B	Boiler/hot water heater, various locations, diesel/oil fired (< 300,000 BTU/hr)	A
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	Boiler/hot water heater, single facility, portable, diesel/oil fired (< 600,000 BTU/hr)	A
Asphalt Coating	C	Boiler, Landfill/Digester Gas (< 5 MMBTU/hr)	B
Asphalt Day Tanker/Tar Pot	A	Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr)	C
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	Boiler, Landfill/Digester Gas (> 20 to 50 MMBTU/hr)	D
Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters	C	Boiler, Landfill/Digester Gas (>50MMBTU/hr)	F
Asphalt Roofing Saturator	D	Boiler, Natural gas-fired, 5 – 20 MM BTU/hr	C
Asphalt-Rubber Spraying	B	Boiler, Other Fuel (< 5MMBTU/hr)	B
Auto Body Shredding	C	Boiler, Other Fuel (5 - 20 MMBTU/hr)	C
Autoclave, Non-sterilizing Type	B	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

Rule 301 (Cont.)

(Amended May 4, 2018)

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Bulk Loading/Unloading Stn (< 50,000 GPD)	B	Charbroiler, Eating Establishment	A
Bulk Loading/Unloading Rack (50,000 - 200,000 GPD)	D	Charbroiler with Integrated Control	B
Bulk Loading/Unloading Rack (> 200,000 GPD)	E	Charbroiler, Food Manufacturing	C
Bulk Loading/Unloading	C	Chemical Additive Injection System Including, but not limited to, all or part of the following: Injectors, Compressors, Pumps	C
Carbon Dioxide Production Facility Including, but not limited to, all or part of the following: Separator, Knockout Pot, Scrubber, Chiller, Pumps, Blowers, Oil Separator, Compressor, Intercoolers, Filters, Cooling Tower	F	Chip Dryer	D
Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears	D	Chippers, Greenwaste, not including I.C. Engine	A
Catalyst Handling System Including, but not limited to, all or part of the following: Centrifuge, Bins, Conveyors, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	C	Circuit Board Etchers	B
Catalyst Mfg./Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	D	Cleaning, Miscellaneous	B
Catalyst Storage (Hoppers)	C	Coal Bulk Loading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	E
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	Coal Research Pilot / Equip (0-15 MMBTU/hr)	C
Caustic Treating Unit Including, but not limited to, all or part of the following: Knock Out Pots, Tanks, Towers, Vessels	E	Coal Research Pilot / Equip (> 15 MMBTU/hr)	D
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	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
Cement Packaging Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	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
Cement Truck Loading	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

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
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	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
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	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
Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers	C	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	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
Confined Animal Facility	A	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
Container Filling, Liquid	B	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
Conveying, Other	B	Decorating Lehr	C
Cooling Tower, Petroleum Operations	C	Decorator	B
Cooling Tower, Other	B	Deep-Fat Fryer	C
Core Oven	B	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
Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers	D	Degreaser, Cold Solvent Dipping	B
Crankcase Oil, Loading and Unloading	C		
Crematory	C		

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Degreaser, Cold Solvent Spray	C	Emission Reduction Credits [Rule 301(c)(4) and (c)(5)]	I
Degreaser, (<= 1 lb VOC/day)	B	End Liner, Can	B
Degreaser (> 1 lb VOC/day)	B	Ethylene Oxide Sterilization, Hospital	B
Degreaser, (VOCw/Toxics)	C	Evaporation, 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	Evaporator, Other	B
Deposition on Ceramics (< 5 pieces)	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
Deposition on Ceramics (5 or more pieces)	C	Extruder	B
Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels	C	Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders	C
Die Casting Equipment	C	Fatty Acid Mfg.	C
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	Feathers, Size Classification	A
Dip Tank, Coating	B	Feed Handling (combining conveying and loading)	D
Dip Tank, (<= 3 gal/day)	B	Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles	C
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	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
Drilling Rig, Crude Oil Prod.	C	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
Drop Forge	B	Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters	C
Dry Cleaning & Associated Control Equipment	A	Filament Winder, Rule 1401 Toxics	C
Dryer for Organic Material	C	Filament Winder, Other	B
Drying/Laundry	A	Filling Machine, Dry Powder	C
Drying, Other	B	Film Cleaning Machine	B
		Flour Handling (combining conveying, packaging, and loadout)	E

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Flour Manufacturing (combining milling and conveying)	E	Furnace, Burn-Off, Engine Parts	C
Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations	D	Furnace, Burn-Off, Paint	C
Flow Coater	B	Furnace, Burn-Off, Wax	C
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	Furnace, Burn-Off, Other	C
Fluid Elimination, Waste Water	B	Furnace, Cupola	D
Foam-in-Place Packaging	A	Furnace, Electric, Induction and Resistance	C
Food Processing Grinding, Blending, Packaging, Conveying, Flavoring	C	Furnace, Frit	C
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	Furnace, Galvanizing	C
Fruit and Vegetable Treating	A	Furnace, Graphitization and Carbonization	C
Fuel Gas Mixer	C	Furnace, Heat Treating	B
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	Furnace, Other Metallic Operations	C
Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A	Furnace, Pot/Crucible	C
Fumigation	A	Furnace, Reverberatory	D
Furnace, Arc	D	Furnace, Wire Reclamation	C
Furnace, Burn-Off, Armature	C	Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters	C
Furnace, Burn-Off, Drum	D	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, <0.3 MW	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

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
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 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, 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	Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment) Glass Forming Machine Glass Furnace < 1TPD Glass Furnace, > 1 - 50 TPD Pull Glass Furnace, > 50 TPD Pull	C B D E
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	Grain Cleaning Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Screens, Weigh Stations Grain Handling (combining storage and cleaning) Grain Storage Grinder, Size Reduction	C E C B
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	Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations	C E
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	Halon/Refrigerants, Recovery and Recycling Equipment Heater, (< 5 MMBTU/hr) Heater, (5 - 20 MMBTU/hr) Heater, (> 20-50 MMBTU/hr) Heater, (> 50 MMBTU/hr) Hot End Coating, (Glass Mfg. Plant) Hydrant Fueling, Petrol. Middle Distillate Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A1 B C D E B D

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
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	Ink Mfg./Blending Including, but not limited to, all or part of the following: Process Tanks, Mixers	B
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	Inorganic Chemical Mfg. Including, but not limited to, all or part of the following: Process Tanks, Mixers, Reactors	D
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	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
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	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
IC Engine, (51-500 HP) Cogeneration	B	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
IC Engine, (> 500 HP) Cogeneration	C	Jet Engine Test Facility	C
IC Engine, Emergency	B	Kiln, Natural Gas	C
IC Engine, Landfill/Digester Gas	D	Landfill Condensate/Leachate Collection/Storage	B
IC Engine, Other, 51-500 HP	B	Landfill Gas, Collection, (< 10 Wells)	B
IC Engine, Other, > 500 HP	C	Landfill Gas, Collection, (10 -50 Wells)	C
Impregnating Equipment	C	Landfill Gas, Collection, (> 50 Wells)	D
Incineration, Hazardous Waste	H	Landfill Gas, Treatment	E
Incinerator, < 300 lbs/hr, Non-Hazardous	E	Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Incinerator, >= 300 lbs/hr, Non-Hazardous	F	Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks	D
Indoor Shooting Range	B		

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
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	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
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	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
LPG, Tank Truck Loading	D	Metal Deposition Equipment	C
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	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
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	Misc. Solvent Usage at a Premise	B
Lube Oil Additive/Lubricant Mfg.	B	Mixer, Chemicals	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	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
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	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
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	Natural Gas Odorizers	C

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
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	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
Nut Roasters Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C	Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	F
Nut Shell Drying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Dryers, Coolers	C	Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	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	B	Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers	C
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	Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs	C
Open-Air resin operations	A	Pipe Coating, Asphaltic	B
Oven Bakery	C	Plasma Arc Cutting	B1
Oven, Curing (Rule 1401 toxics)	C	Plastic Mfg., Blow Molding Machine	B
Oven, Other	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
Packaging, Other	B	Plastic/Resins Reforming	C
Paint Stripping, Molten Caustic	C	Plastic/Resins Treating	C
Paper Conveying	A	Plastisol Curing Equipment	B
Paper Pulp Products	D	Polystyrene Expansion/Molding	C
Paper Size Reduction	C	Polystyrene Expansion/Packaging	C
Pavement Grinder	B	Polystyrene Extruding/Expanding	B
Pavement Heater	B	Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers	C	Polyurethane Mfg/Production	B
Perlite Furnace	C	Polyurethane Mfg/Rebonding	B
Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C	Process Line, Chrome Plating (Hexavalent)	C

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TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Process Line, Chrome Plating (Trivalent)	B	Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Precious Metal, Recovery, Other	B	Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	D
Precious Metal, Recovery, Catalyst	D	Screening, Green Waste	A
Printing Press, Air Dry	B	Screening, Other Including, but not limited to, all or part of the following: Screens, Conveyors, Bins, Hoppers, Bucket Elevators	C
Printing Press With IR, EB or UV Curing	B	Semiconductor, Int. Circuit Mfg (< 5 pieces)	B
Printing Press, Other	C	Semiconductor, Int. Circuit Mfg (5 or more)	C
Printing Press, Screen	B	Semiconductor, Photo resist (< 5 pieces)	B
Production, Other	B	Semiconductor, Photo resist (5 or more pieces)	C
Railroad Car Loading/Unloading, Other	C	Semiconductor, Solvent Cleaning (< 5 pieces)	B
Railroad Car Unloading, liquid direct to trucks	B	Semiconductor, Solvent Cleaning (5 or more pieces)	C
Reaction, Other	C	Sewage Sludge Composting	C
Recovery, Other	B	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
Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels	B	Sewage Sludge Digestion	D
Refrigerant Recovery/Recycling	A1	Sewage Sludge Dryer	D
Rendering Equipment, Blood Drying	C	Sewage Sludge Incineration	H
Rendering Equipment, Fishmeal Drying	C	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
Rendering Equipment, Rendering	D	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
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		
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		

Rule 301 (Cont.)

(Amended May 4, 2018)

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Sewage Treatment, (> 5 MGD), Anaerobic		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
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	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
Sheet Machine	B	Spray Equipment, Open	B
Shell Blasting System	B	Spray Machine, Adhesive	B
Shipping Container System	B	Spray Machine, Coating	B
Sintering	C	Spray Machine, Powder Coating	B
Size Reduction, Other		Spraying, Resin/Gel Coat	C
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	Sterilization Equipment	C
Size Reduction, Petroleum Coke		Stereolithography	A
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	Storage, Petroleum Coke	C
Sludge Dewatering, Other		Storage Container, Baker-Type	B
Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks	D	Storage Container, Baker-Type w/Control	C
Sludge Dryer, Other	B	Storage Silo, Other Dry Material	A
Sludge Incinerator	H	Storage Tank, w/o Control, Crude Oil/Petroleum Products	B
Smoke Generator	B	Storage Tank, Acid with sparger	B
Smokehouse	C	Storage Tank, Ammonia with sparger	B
Soap/Detergent Mfg		Storage Tank, Asphalt <= 50,000 gallons	B
Including, but not limited to, all or part of the following: Process Tanks, Mixers, Tanks, Conveyors, Bins, Hoppers, Bucket Elevators	D	Storage Tank, Asphalt > 50,000 gallons	C
Soil Treatment, Other		Storage Tank, Degassing Unit	D
Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens	D	Storage Tank, Fixed Roof with Internal Floater	C
Soil Treatment, Vapor Extraction		Storage Tank, Fixed Roof with Vapor Control	C
Including, but not limited to, all or part of the following: Adsorbers, Afterburners	C	Storage Tank, Fuel Oil	A
Solder Leveling	B	Storage Tank, Lead Compounds	C
Soldering Machine	B	Storage Tank, LPG	A
Solvent Reclaim, Still (Multistage)	C		
Solvent Reclaim, Still (Single stage)	A		

Rule 301 (Cont.)

(Amended May 4, 2018)

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Storage Tank, LPG w/Vaporizing System	C	Tank/Line, Other Plating	B
Storage Tank, Other	A	Tank/Line Nitric Acid Process Emitting NOx	C
Storage Tank, Other w/ Control Equipment	B	Tank/Line, Other Process Using Aqueous Solutions	B
Storage Tank, with Passive Carbon s.s.	B	Tank, Paint Stripping w/Methylene Chloride	C
Storage Tank, with Passive Carbon m.s.	C	Textiles, Recycled, Processing	C
Storage Tank, with Passive Carbon t.s.	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
Storage Tank, Rendered Products	C	Tire Buffer	A
Storage Tank, Waste Oil	A	Treating, Other	B
Storage Tank with condenser	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
Storage Tank, with External Floating Roof	C	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
Stove-Oil Filter/Coalescer Facility	D	Vacuum Machine	C
Striper, Can	B	Vacuum Metalizing	B
Striper, Pavement	B	Vacuum Pumps	C
Stripping, Other	B	Vegetable Oil Extractor Including, but not limited to, all or part of the following: Bins, Conveyors, Cookers, Presses, Tanks, Kilns	E
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	Warming Device, Electric	A
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		
Tank/Line, Other Process Emitting Nickel or Cadmium	B1		

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(Amended May 4, 2018)

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

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	\$1,406.78 <u>456.01</u>
B	\$1,406.78 <u>456.01</u>
C	\$1,406.78 <u>456.01</u>
D	\$5,036.43 <u>212.70+T&M</u>
E	\$5,036.43 <u>212.70+T&M</u>
F	\$5,036.43 <u>212.70+T&M</u>
G	\$5,036.43 <u>212.70+T&M</u>
H	\$6,716.44 <u>951.51+T&M</u>

D through G: T&M = Time and Material charged at \$144.05 per 149.09 per hour above 35 hours.

H: T&M = Time and Material charged at \$144.05 per 149.09 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 \$2,411.61496.01 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 \$16,077.38640.08.

TABLE IIB
CEMS, FSMS, & ACEMS FEE SCHEDULE

Certification Review		
CEMS and FSMS Review ¹	Basic Fee ²	Maximum Fee
Any combination of pollutants, diluent, flow, or other parameter ³ for: One to two components Three to four components	\$3,894.504,030.80 \$4,684.79848.75	\$6,972.947,216.99 \$12,831.7213,280.83
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	\$3,169.68280.61
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	\$3,169.68280.61
ACEMS Review	Basic Fee ⁴	Maximum Fee
	\$3,894.504,030.80	\$12,831.7213,280.83

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 \$172.01178.03 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

Annual Emissions (tons/yr)	Organic Gases* (\$/ton)	Specific Organics** (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4 – 25	\$625.176 47.05	\$111.85115 .76	\$365.7537 8.55	\$433.63448. 80	-	\$478.05494.7 8
>25 – 75	\$1,015.03 050.55	\$177.23183 .43	\$580.9760 1.30	\$700.97725. 50	-	\$774.62801.7 3
>75 and <100	\$1,519.37 572.54	\$265.82275 .12	\$874.9790 5.59	\$1,052.4108 9.24	-	\$1,159.81200 .40
≥100	\$1,519.37 572.54	\$265.82275 .12	\$874.9790 5.59	\$1,052.4108 9.24	\$7.4975	\$1,159.81200 .40

* 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.

Annual Emissions (tons/year)	≥1 (lb/year)	>0.1–200 (lb/year)	4 – 25 (ton/year)	>25 – 75 (ton/year)	>75 – <100 (ton/year)	>100 (ton/year)
Organic Gases* (\$/ton)		=	\$647.05	\$1,050.55	\$1,572.54	\$1,572.54
Specific Organics** (\$/ton)		=	\$115.76	\$183.43	\$275.12	\$275.12
Nitrogen Oxides (\$/ton)		=	\$378.55	\$601.30	\$905.59	\$905.59
Sulfur Oxides (\$/ton)		=	\$448.80	\$725.50	\$1,089.24	\$1,089.24
Carbon Monoxide (\$/ton)		=	=	=	=	\$7.75
Particulate Matter (\$/ton)		=	\$494.78	\$801.73	\$1,200.40	\$1,200.40
Ammonia (\$/lb)		\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Chlorofluorocarbons (\$/lb)	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43
1,1,1-trichloroethane (\$/lb)	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06

* Excluding methane, and exempt compounds as defined in Rule 102 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.

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

<u>CAS</u>	<u>TOXIC COMPOUNDS</u>	<u>Annual Emission Thresholds (lbs)</u>	<u>Fees Before January 1, 2021</u>
			<u>\$/1 lb</u>
<u>1332214</u>	<u>Asbestos</u>	<u>0.0001</u>	<u>6.74</u>
<u>71432</u>	<u>Benzene</u>	<u>2</u>	<u>2.27</u>
<u>7440439</u>	<u>Cadmium</u>	<u>0.01</u>	<u>6.74</u>
<u>56235</u>	<u>Carbon tetrachloride</u>	<u>1</u>	<u>2.27</u>
<u>106934</u>	<u>Ethylene dibromide</u>	<u>0.5</u>	<u>2.27</u>
<u>107062</u>	<u>Ethylene dichloride</u>	<u>2</u>	<u>2.27</u>
<u>75218</u>	<u>Ethylene oxide</u>	<u>0.5</u>	<u>2.27</u>
<u>50000</u>	<u>Formaldehyde</u>	<u>5</u>	<u>0.5</u>
<u>18540299</u>	<u>Hexavalent chromium</u>	<u>0.0001</u>	<u>9.01</u>
<u>75092</u>	<u>Methylene chloride</u>	<u>50</u>	<u>0.09</u>
<u>7440020</u>	<u>Nickel</u>	<u>0.1</u>	<u>4.49</u>
<u>127184</u>	<u>Perchloroethylene</u>	<u>5</u>	<u>0.5</u>
<u>106990</u>	<u>1,3-Butadiene</u>	<u>0.1</u>	<u>6.74</u>
<u>7440382</u>	<u>Inorganic arsenic</u>	<u>0.01</u>	<u>6.74</u>
<u>7440417</u>	<u>Beryllium</u>	<u>0.001</u>	<u>6.74</u>
<u>75014</u>	<u>Vinyl chloride</u>	<u>0.5</u>	<u>2.27</u>
<u>7439921</u>	<u>Lead</u>	<u>0.5</u>	<u>2.27</u>
<u>123911</u>	<u>1,4-Dioxane</u>	<u>5</u>	<u>0.5</u>
<u>79016</u>	<u>Trichloroethylene</u>	<u>20</u>	<u>0.18</u>
<u>1086</u>	<u>Chlorinated dioxins, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1746016</u>	<u>2,3,7,8-TCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>3268879</u>	<u>1-8OctaCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>19408743</u>	<u>1-3,7-9HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>35822469</u>	<u>1-4,6-8HpCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39227286</u>	<u>1-4,7,8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>40321764</u>	<u>1-3,7,8PeCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>57653857</u>	<u>1-3,6-8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>1080</u>	<u>Chlorinated dibenzofurans, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>39001020</u>	<u>1-8OctaCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>51207319</u>	<u>2,3,7,8-TCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>55673897</u>	<u>1-4,7-9HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117314</u>	<u>2-4,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117416</u>	<u>1-3,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117449</u>	<u>1-3,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>60851345</u>	<u>2-4,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>

<u>67562394</u>	<u>1-4,6-8HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>70648269</u>	<u>1-4,7,8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>72918219</u>	<u>1-3,7-9HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>1151</u>	<u>Polycyclic aromatic hydrocarbons, PAHs (without individual isomers reported)</u>	<u>0.2</u>	<u>6.74</u>
<u>50328</u>	<u>Benzo[a]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>53703</u>	<u>Dibenz[a,h]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56495</u>	<u>3-Methylcholanthrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56553</u>	<u>Benz[a]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57976</u>	<u>7,12-Dimethylbenz(a)Anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>91203</u>	<u>Naphthalene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189559</u>	<u>Dibenzo[a,i]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189640</u>	<u>Dibenzo[a,h]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>191300</u>	<u>Dibenzo[a,l]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>192654</u>	<u>Dibenzo[a,e]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>193395</u>	<u>Indeno[1,2,3-cd]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>194592</u>	<u>7H-Dibenzo(c,g)Carbazole [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205823</u>	<u>Benzo[j]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205992</u>	<u>Benzo[b]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>207089</u>	<u>Benzo[k]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>218019</u>	<u>Chrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>224420</u>	<u>Dibenz(a,j)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>226368</u>	<u>Dibenz(a,h)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>602879</u>	<u>5-Nitroacenaphthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>607578</u>	<u>2-Nitrofluorene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>3697243</u>	<u>5-Methylchrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>5522430</u>	<u>1-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>7496028</u>	<u>6-Nitrochrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397648</u>	<u>1,6-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397659</u>	<u>1,8-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57835924</u>	<u>4-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>9901</u>	<u>Diesel Particulate Matter</u>	<u>0.1</u>	<u>0</u>

TABLE V
ANNUAL CLEAN FUELS FEES

Volatile Organic Compounds (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Particulate Matter (\$/ton)

<u>\$48.71</u> <u>49.01</u>	<u>\$27.31</u> <u>28.26</u>	<u>\$33.85</u> <u>35.03</u>	<u>\$27.31</u> <u>28.26</u>
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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
<u>\$62.92</u> <u>65.12</u>	<u>\$192.40</u> <u>199.</u> <u>13</u>	<u>\$450.38</u> <u>466.</u> <u>14</u>	<u>\$706.21</u> <u>730.</u> <u>92</u>	<u>\$1,023.47</u> <u>05</u> <u>9.29</u>	<u>\$1,705.79</u> <u>76</u> <u>5.49</u>

Additional Service Charge Fees				
<u>Revision to Notification for Start Date, Quantity, and/or End Date²</u>	<u>Special Handling Fee²</u> <u>Fee³</u>	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee ³ <u>Fee⁴</u>
<u>\$62.92</u> <u>25.00</u>	<u>\$62.92</u> <u>65.12</u>	<u>\$706.21</u> <u>730.92</u>	<u>\$706.21</u> <u>730.92</u>	<u>\$353.10</u> <u>365.45</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.

For renovation, the fee is based on the amount of asbestos/lead removed.

² For revisions to notifications to change the End Date, service charge fees will only be charged if revisions result in a later End Date

²³ For all notifications postmarked received less than 14 calendar days prior to project start date.

³⁴ For all expedited Procedure 4 or 5 plan evaluation requests postmarked received 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
FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM & TITLE V

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
<p>Facility Permit Amendment/Revision Fee</p> <ul style="list-style-type: none"> • RECLAIM Only <u>or non-</u> <u>RECLAIM/non-Title V</u> • Title V Only* • RECLAIM & Title V* <p>* Includes administrative, minor, deminimis significant, or significant amendment/revision</p>	(l)(4) (m)(4)	\$1,170.63 \$1,325.61 \$2,496.24	\$1,170.63 <u>211.</u> <u>60</u> \$1,466.92 <u>518.</u> <u>26</u> \$2,637.55 <u>729.</u> <u>86</u>
<p>Facility Permit Change of <u>Owner/Operator</u></p> <ul style="list-style-type: none"> • Facility Permit Amendment Fee <p>Plus</p> <ul style="list-style-type: none"> • Application Processing Fee for Each Application 	(c)(2) (l)(6) (m)(4) (n)(5)	<p style="text-align: center;"><i>Facility Permit Amendment/Revision Fee (See Above)</i></p> <p style="text-align: center;">Plus</p> <p style="text-align: center;"><i>Processing Fees (See Table FEE RATE-C))</i></p>	
<p>Title V Facility Permit Renewal Fee (Due at Filing)</p> <p>Plus</p> <p>Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)</p>	(m)(5) (m)(9)	\$3,010.95 Plus \$210.67 per hour	\$3,331.91 <u>448.</u> <u>52</u> Plus \$233.13 <u>241.2</u> <u>9</u> per hour

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Regulation III – Fees; and Proposed Amended Rule 209 – Transfer and Voiding of Permits

Including:

Proposed Amended Rule 209 – Transfer and Voiding of Permits
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 and Regulation XXV
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 – Fees for Architectural Coatings
Proposed Amended Rule 315 – Fees for Training Classes and License Renewal

May 2019

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EXECUTIVE SUMMARY

Regulation III - Fees establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services, primarily to permitted sources. The Permitted Source Program is principally supported by three types of fees, namely permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emission-based annual operating fees, all of which are contained in Rule 301. Rule 209 – Transfer and Voiding of Permits defines the conditions applicable to a transfer of ownership with respect to permitted equipment. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, including but not limited to Transportation Programs fees and Area Source fees (architectural coatings).

In 2017, the SCAQMD Governing Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities for permit processing fees and included equipment-based annual renewals. With respect to Title V facilities, the Governing Board approved an increase of 10.67% in each of Fiscal Years (FY) 2017-18 and 2018-19, and 10.66% in FY 2019-20. With respect to non-Title V facilities, the Governing Board approved an increase of 4% in each of FY 2017-18 and 2018-19. There is no non-Title V facility fee increase scheduled for this fiscal year. These fee increases were necessary because SCAQMD was not collecting fees sufficient to recover the reasonable costs of its regulatory programs. In addition, the increases for the Title V facilities were a necessary response to an EPA review of SCAQMD's Title V program that found SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue.

With this proposal, SCAQMD's cost recovery efforts continue. Staff is proposing the following amendments to Regulation III and Rule 209:

- Pursuant to Rule 320, an automatic increase of most fees by 3.5% consistent with the increase in California Consumer Price Index from December 2017 to December 2018.
- Two targeted proposals for new fees and three proposals for increased fees, all of which are necessary to either meet the requirements of recently adopted rules and state mandates or to provide more specific cost recovery for other regulatory actions taken by the agency. These proposals include:
 - 1) A fee increase for Toxic Air Contaminants (TAC) listed in Rule 301 Table IV;
 - 2) A new fee to include recently adopted Rule 1118.1 in the notification fees outlined in Rule 301(x);
 - 3) An increase for California Air Resources Board's (CARB) Portable Equipment Registration Program (PERP) inspection fees, consistent with recent increases adopted by CARB;
 - 4) A new fee for Clean Air Solvent (CAS)and Clean Air Choices Cleaner (CACC) certification renewals;

- 5) A proposal to correct fees in Rule 309 whereby they reflect an increase that was previously authorized but not applied due to administrative error.
- Six targeted proposals for fee reduction or relief including:
 - 1) Removal of a fee for worksite deletion from a multi-site or geographic program pursuant to Rule 308(c)(2)(F);
 - 2) Removal and reduction of certain fees related to Rule 1403 notifications;
 - 3) Creation of a cap for change of owner/operator fees in Rule 301 Table Fee Rate-C and Table VII;
 - 4) Removal of Paramount (Delek U.S. Holdings) from the list of facilities in 301(aa)(2), as it is now exempt from Rule 1180 O&M fees;
 - 5) Eliminating the surcharge for certain late AER amendments pertaining to emissions developed from source tests; and
 - 6) Reducing certain certified copy and permit reissuance fees.
- Four proposed administrative changes to Regulation III and one for Rule 209, which have no fee impact, but include clarifications, deletions, or corrections to existing rule language.

SCAQMD continues to be fiscally prudent by seeking out cost-containment opportunities and by maintaining reserves in an effort to address challenges expected in future years. These challenges include, but are not limited to: changes in federal grant funding levels, increased retirement costs due to actuarial and investment adjustments, variations in one-time penalties, and uncertainty associated with external factors affecting the economy.

I. BACKGROUND

A. LEGAL AUTHORITY, DESCRIPTION OF SCAQMD'S PERMITTED SOURCE PROGRAM AND OTHER FEES, AND RELATIONSHIP OF FEES TO SCAQMD'S BUDGET

The California Health and Safety Code (H&SC) provides SCAQMD with the authority to adopt various fees to recover the costs of its programs. Section 40510(b) authorizes 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.” Virtually every cost related to regulating permitted sources may be recovered under this type of fee (H&SC Section 40506). Entities regulated through the Permitted Source Program receive two types of permits: facility permits and equipment-based permits. These permits apply to each permitted facility or each piece of permitted equipment. RECLAIM¹ and Title V facilities receive a facility permit, in addition to equipment-based permits; whereas other sources receive equipment-based permits.

The SCAQMD has adopted three basic types of Permitted Source Program fees: permit processing fees, annual renewal operating fees (equipment-based), and emissions-based operating fees.

¹ RECLAIM stands for REgional CLean Air Incentives Market, a cap-and-trade program that regulates the emissions of NOx and SOx in the South Coast Air Basin.

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 necessary to overall Permitted Source Program regulatory activities, including related planning, monitoring, rule development and outreach programs, from emissions-based operating fees.² In recent years, some of these indirect costs 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 necessary rulemaking efforts and other permit-related activities.

The current structure for permit processing fees derives ultimately from a study of actual time spent processing permits, conducted by KPMG Peat Marwick for the 1990 fee amendments. Permit processing fee schedules were subsequently developed and updated based on actual time spent processing various types of equipment as gathered by permit processing staff.³ 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 fee for equipment-based permits to construct or operate are based on the type of equipment involved, with higher fees for equipment with higher emissions and/or more complex relationships between operation and emissions, which require a higher level of staff effort to review and evaluate the associated permit applications for compliance with applicable rules and regulations. Each type of basic equipment and control equipment is assigned a fee schedule, A through H, as set forth in Rule 301, Tables IA and IB. For some equipment, a permit to construct is issued prior to issuing a permit to operate. For other equipment or application types, a permit to operate is issued directly.

The fees for renewal of permits to operate are further divided into two components: an equipment-based permit renewal fee and an emissions-based annual operating fee. The equipment-based permit renewal fee is based on the same equipment schedules used for the permit to construct/operate fee, i.e., the categories A through H, but some of the schedules are grouped together, resulting in only four fee rates for the equipment-based annual permit renewal fees. Each equipment fee schedule is assigned to one of the four annual permit renewal fee rates, based on the complexity of inspection and compliance activities and the emissions potential.

The emissions-based annual 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., volatile organic

² California courts have upheld the use of emissions-based fees to cover these types of 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) 203 Cal. App. 3d 1132, 1148).

³ In November 1989, the consulting firm of Peat Marwick Main and Co. "...began a comprehensive study, in concert with SCAQMD staff to assess the status of District fee programs which are outlined in Regulation III." The resulting "Recommendation Regarding Fee Assessment Study" report was presented to the SCAQMD Governing Board on March 28, 1990 (Agenda Item #10).

On August 11, 1994, the SCAQMD Governing Board authorized an independent study of the SCAQMD's fee structure and authority. A panel composed of representatives from Chevron, LA County Sanitation District, Hughes Environmental Corporation, Orange County Transportation Authority and the SCAQMD recommended the firm of KPMG to perform the study. A final "Report on the Study of the AQMD's Fee Structure and Authority" was presented to the SCAQMD Governing Board on March 10, 1995 (Agenda Item #11).

compounds (VOCs), nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM)) and lesser 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 annual permit-related renewal fees to recover the additional costs associated with these types of facilities. SCAQMD uses schedules based on equipment type to ensure that permit to construct/operate fees and the equipment-based annual permit renewal fees reflect the costs required for permit processing and ongoing enforcement-related activities. For sources with fee schedules F, G, and H, the potential variability in time required for permit processing of large/complex sources is addressed through the use of a minimum permit processing fee, with an option for billing hours above a specified baseline, up to a maximum total fee. For other types of equipment, permit processing fees are flat fees.

SCAQMD has further subdivided certain permit-related activities and imposed fees to at least partially recover their costs, such as Source Testing Review, CEQA analysis, and newspaper noticing, rather than grouping these costs into the basic permit processing or operating fees. This enables SCAQMD to more closely allocate the costs of specific permit-related activities to the payor responsible for the costs. While there are many sub-types of fees within the basic structure, such as special processing fees for CEQA analysis or health risk assessments (HRA), the three permit-related fees (permit processing, equipment-based annual permit renewal, and emissions-based annual operating fee) comprise the basic fee structure.

Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply (H&SC Sections 40510(b), 40522; Rules 301(u) and 306).

Additional fees also have been authorized by the legislature and are included in SCAQMD's existing fee regulation. These fees include: variance and other Hearing Board fees (H&SC 52510(b); Rule 303); fees for the costs of programs related to indirect sources and area-wide sources (H&SC Section 40522.5 and Rules 2202 and 314); fees to recover the costs to the air district and state agencies of implementing and administering the Air Toxics Hot Spots Program (AB 2588) (H&SC Section 44380 et seq; 17 CCR Section 90700; and Rule 307.1); fees for refinery-related community air monitoring systems (H&SC Section 42705.6); and fees for notices and copying documents (H&SC Section 40510.7 and Rule 301(f).)⁴

The above-referenced fees comprise approximately 62% of SCAQMD's revenue. Other sources of revenue for SCAQMD include revenue from mobile sources, including the Clean Fuels Fee, Carl Moyer and Proposition 1B funds. These are special revenue funds outside of the General Fund budget which 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 SCAQMD's General

Both these documents are on file and available at the SCAQMD Library, 21865 East Copley Drive, Diamond Bar, CA 91765, (909-396-2600).

⁴ The rule references are intended to provide examples of the different types of statutorily authorized fees. They are not intended to be a comprehensive listing of all applicable rule provisions.

Fund budget. A second type of mobile source revenue is provided by AB 2766 (Motor Vehicle Subvention Program) from the 1992 legislative session, which provides SCAQMD with 30% of a four-dollar fee assessed on each motor vehicle registered within SCAQMD's jurisdiction. 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 Section 44223). Specific mobile-source related programs are funded with 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 motor vehicle fees are currently set at the statutory maximum. AB 2766 fees have not been increased in over 20 years. Thus, based on CPI, the real value of AB 2766 fees has declined by about 59%. The remainder of the AB 2766 revenues provided to SCAQMD is divided between a share that is subvened 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.

The legislature also has imposed certain limits on SCAQMD's fee authority. If SCAQMD proposes to increase existing permit fees by more than the change in 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(a)). These findings will be included in the SCAQMD Governing Board Resolution presented for the Public Hearing on Regulation III.

Moreover, the total amount of fees collected by 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 (H&SC Section 40523). 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). SCAQMD has consistently complied with this limit. Total fees (other than mobile source fees which are not covered by this section) collected in FY 1993-94 were approximately \$69.6 million; adjusted by CPI since that time the cap would be approximately \$125.4 million.⁵ Total projected fees (except mobile source fees) for FY 2019-20 are approximately \$107 million,⁶ which remains below the CPI adjusted cap and includes the projected revenue impacts associated with the proposed rule amendments discussed below.

⁵ H&SC Section 40523 specifies that the limit for the total amount of fees collected by SCAQMD "may be adjusted annually in the 1994-95 fiscal year and subsequent fiscal years to reflect any increase in the California Consumer Price Index for the preceding calendar year, from January 1 of the prior year to January 1 of the current year, as determined by the Department of Industrial Relations." However, the California CPI is compiled bi-monthly and no data is available for the month of January. Therefore, the adjustment has been made using the December CPI's, similar to the CPI-based adjustment pursuant to Rule 320.

⁶ Preliminary estimate as of March 2019, subject to revisions in the next versions of Staff Report. Note that this estimate is inclusive of fees adopted pursuant to new state or federal mandates imposed on and after January 1, 1994. Even so, it still remains below the CPI adjusted cap.

B. PROPOSITION 26 COMPLIANCE

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 governments. Proposition 26 broadly defines a tax to mean any charge imposed by a local government that does not fall within seven enumerated exceptions for valid 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. 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.

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. XIIIIC §1. In this report, staff has provided a detailed explanation of the Permitted Source Program and the method of allocating program costs to the fee payors.

Proposition 26 also provides that an agency must establish by a preponderance of the evidence that the fee fits within one of the fee exceptions. (Cal. Const., art. XIIIIC, §1). In addition to the enumerated exceptions found in Proposition 26, courts have found that the proposition does not apply to fees adopted before its effective date. (*Brooktrails Township County. Servs. Dist. v. Bd. of Supervisors of Mendocino County* (2013), 218 Cal. App. 4th 195, 206).

All of the proposed fee increases discussed in this report fall within a recognized exception. In addition, all of the proposed increases bear a fair and reasonable relationship to a payor’s burdens on, or benefits received from SCAQMD’s activities.

II. RULE 320 AUTOMATIC ADJUSTMENT BASED ON CPI FOR REGULATION III

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 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.

Pursuant to Rule 320, most fees as set forth in Regulation III “[...] shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in H&SC Section 40500.1(a)” (Appendix A). Therefore, staff is planning, where applicable, to update fees in Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 on July 1, 2019, to correspond with the increase in the Calendar Year 2018 CPI of 3.5%.

Appendix B – Summary of Proposed Amended Rules lists specific fees in Regulation III that would be adjusted based on the CPI increase. Table 1 lists the fees in Regulation III that are specifically excluded from CPI-based fee rate increase and the reason for exclusion.

With respect to the proposed CPI adjustment, this increase is not subject to Proposition 26 because it is based on Rule 320, which was adopted prior to the effective date of Proposition 26. Rule 320 provides for an automatic adjustment of all SCAQMD fees by the change in the CPI from the previous year. By design, the CPI increase is reasonable because it recovers only the increase in SCAQMD's costs as a result of inflation and the manner in which those increased costs are allocated bears a fair and reasonable relationship to the burdens on SCAQMD's activities as established by the underlying fee schedule.

TABLE 1: FEES EXCLUDED FROM CPI-BASED FEE RATE ADJUSTMENT

Fee	Reason for exclusion from CPI-based fee rate increase
Returned check service fee in various rules	Currently set by state law at \$25 (California Civil Code § 1719(a)(1))
Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP) fees	Fee rates set by the state (California Code of Regulations title 13, §2450 et. seq.)
Rule 307.1(d)(2)(D) – Maximum fee for a small business as defined in Rule 307.1	Currently set by state law at \$300 (California Code of Regulations title 17, §90704(h)(2))
Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only	Fee rates set by the state (H&SC Section 44380 et. seq.)
Rule 311(c) Air Quality Investment Program Fees	These fees pay for programs to reduce emissions under Rule 2202 – On Road Vehicle Mitigation Options and do not support SCAQMD's Budget.

III. PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

In addition to Rule 320 CPI-based fee rate increase, staff is proposing to amend Rule 301 to include new or increased fees for toxic emissions, Rule 1118.1 notification fees, PERP inspection fees, and Rule 309 fees for certain plans required by Regulation XVI and XXV. These fees are necessary to recover the reasonable costs of SCAQMD's regulatory activities. In addition, SCAQMD is proposing to reduce or limit several other fees. These include: the elimination of a fee under Rule 308 for adding or deleting a worksite from a Rule 2202 multi-site or geographic program; the reduction of certain asbestos notification fees; the capping of change of owner/operator fees for RECLAIM facilities; the new CAS/CACC renewal fees; and the elimination of a late surcharge for certain AER fees based on sources tests that are submitted but later disapproved of by the District.

1. INCREASE AIR TOXIC CONTAMINANT (TAC) FEES TO RECOVER TAC-RELATED REPORTING, AUDITING, MONITORING AND INVESTIGATION COSTS ASSOCIATED WITH CURRENT AND UPCOMING DISTRICT TOXICS WORK, INCLUDING RECENTLY ADOPTED AB 617, AND CLARIFY OUTDATED AND REDUNDANT RULE LANGUAGE

Description of Proposed Amendment: Staff is proposing to update both the fee structure and the fee level for toxic emissions fees paid for by permitted facilities. Upon final phase-in, the current requirements in Rule 301(e)(7) and fee rates in Table IV would be replaced as follows:

- Any facility that emits Toxic Air Contaminants (TACs) above reporting thresholds in Table IV would pay a new Base Toxics Fee of \$78.03 per facility.
- A new Flat Rate Device Fee of \$341.89 for each piece of permitted and unpermitted equipment that emits any toxic air contaminant above reporting thresholds in Table IV.
- A new Cancer Potency-Weighted Fee of \$10 for each cancer-potency weighted pound of emissions
- Three pollutants currently listed in Table IV would not be subject to the above fees, including ammonia and the two ozone depleters, (chlorfluorocarbons and 1,1,1 trichloroethane). The fees for these pollutants would not change (other than regular CPI adjustments) and their fee rates would be moved to Table III. Finally, Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions.

In addition, some language within Rule 301(e) is unclear, outdated, or redundant. Rule language is proposed to be clarified to remove outdated and redundant language, and to ensure that existing rule provisions are consistent with the proposed new toxics fees. In particular, general applicability provisions have been consolidated into paragraph (e)(1) in subparagraphs (A), (B), and (C). Later paragraphs in Rule 301(e) then refer back to these subparagraphs in paragraph (e)(1) [e.g., facilities subject to subparagraph (e)(1)(A) pay fees according to paragraph (e)(4), facilities subject to subparagraph (e)(1)(B) pay fees according to paragraphs (e)(2), (e)(7), and Tables III and IV, facilities subject to subparagraph (e)(1)(C) pay fees according to paragraph (e)(7) and Table IV]. Clarifying text has been added to paragraph (e)(7)(A) on the proposed phase-in of

the toxics emissions fees to make clear that the phase-in of the new toxics emissions fee structure begins in 2021 for emissions that occurred in 2020.

**Proposed
Amended
Rule(s):**

Rule 301

(e) Annual Operating Emissions Fees

(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 fees based on if any of the criteria in subparagraphs (e)(1)(A) through (e)(1)(C) are met.

(A) The owner/operator of a facility operates equipment under at least one permit.

(B) The total weight of emissions at a facility are greater than or equal to the thresholds for each any of the contaminants specified in Table III paragraph (e)(5), except for ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons, from all equipment used by the owner/operator at all locations, including The total weight of emissions of each of the contaminants specified in Table III paragraph (e)(5) includes:

(i) Emissions from permitted equipment

(ii) Emissions 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.

(iii) Emissions from equipment or processes not requiring a written permit pursuant to Regulation II.

(A)(C) The owner/operator of a facility that reports emissions to the District pursuant to CARB's Criteria and Toxics Reporting Regulation (17 California Code of Regulations section 93400 et seq.) or pursuant to CARB's AB 2588 Air Toxics "Hot

Spots" Emission Inventory Criteria and Guidelines Regulation
(17 California Code of Regulations section 93300.5).

(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 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,~~ ~~e~~Each facility subject to subparagraph (e)(1)(B) 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 annually report all emissions for all pollutants above thresholds listed in paragraph (e)(5) and Table IV 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 subject to paragraph (e)(1)(A) ~~operating under at least one permit~~ (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of \$131.79~~136.40~~.

(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.~~

Air Contaminant(s)	Annual Emissions Threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥4 TPY
Total organic gases (excluding methane, <u>and</u> exempt compounds as <u>specified defined in Rule 102</u> paragraph (e)(13) , and specific organic gases as specified in paragraph subdivision(b)(28))	≥4 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥4 TPY
Total particulate matter	≥4 TPY
Carbon monoxide	≥100 TPY
<u>Ammonia</u>	<u>≥0.1 TPY</u>
<u>Chlorofluorocarbons</u>	<u>>1 lb per year</u>
<u>1,1,1 Trichloroethane</u>	<u>>1 lb per year</u>

(6) Clean Fuels Fee Thresholds

Each facility emitting 250 tons or more per year (≥ 250 TPY) of Volatile Organic Compounds, Nitrogen Oxides, Sulfur Oxides and Particulate Matter 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 subject to subparagraph (e)(1)(B) or (C) 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 fees as indicated in subparagraphs (e)(7)(A) ~~therein~~. The annual emissions fees 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) For emissions reported ~~B~~before January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall pay the fees listed in Table IV. For emissions reported ~~A~~after January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall not pay the fees in Table IV and shall instead pay the following fees:

- (i) A Base Toxics Fee of \$78.03;
- (ii) A Flat Rate Device Fee of \$170.95, and \$341.89, starting January 1, 2021, and January 1, 2022, respectively, for each device, including permitted and unpermitted equipment and activity including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks) with emissions of any pollutant above the annual thresholds listed in Table IV;
- (iii) A Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022,

respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV. The cancer-potency weighted emissions of each toxic air contaminant listed in Table IV shall be calculated as follows:

$$\text{CPWE} = \text{TAC} \times \text{CPF} \times \text{MPF}$$

Where:

CPWE = Cancer Potency Weighted Emissions

TAC = Emissions (pounds) of a Table IV toxic air contaminant

CPF = Cancer Potency Factor for the reported toxic air contaminant

MPF = Multi-Pathway Factor for the reported toxic air contaminant

The CPF and MPF shall be equal to those specified in the Rule 1401 Risk Assessment Procedures that were current at the time that the emissions were required to be reported.

(B) The following facilities are exempt from paying specified toxics emissions fees:

- (i) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene, and qualifies as a small business as defined in the general definition of Rule 102 shall be exempt from paying any fees listed in subparagraph (e)(7)(A), 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.
- (ii) Any facility that emits less than two (2) tons per year, 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 fees for formaldehyde, perchloroethylene, or methylene chloride fees as required in subparagraph (e)(7)(A) 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.

(ii)(iii) Any facility that is located more than one mile from a residential or other sensitive receptor shall be exempt from paying fees in clause (e)(7)(A)(iii).

(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 listed in Table III and Table IV 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) 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.

- (C) 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 seventy five (75) days from the official due date of the subject annual emissions report shall include a non-refundable standard evaluation fee of ~~\$343.96355.99~~ for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$172.04178.03~~ per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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—the facility owner/operator shall submit an annual emissions report and pay any associated emissions fees if a notice to report emissions and pay the any associated emission fees will be is sent by mail, electronic mail, or other electronic means, annually to the owners/operators of all equipment (as shown in District records) to—for which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be sent by mail, electronic mail, or other electronic means, 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 payment submittals are the responsibility of the owner/operator regardless of whether the owner/operator was notified.~~

If both the fee payment and the completed emissions report are not received by the seventy-fifth (75th) day following July 1 (for semi-annual reports), or January 1 (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 delivered, postmarked, or electronically paid on or before the seventy-fifth (75th) day following the official due date. If the seventy-fifth (75th) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be delivered, postmarked, or electronically paid on the

next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been delivered, postmarked, or electronically paid on the seventy-fifth (75th) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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 seventy-fifth (75th) 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 seventy five (75) 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)(C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and paragraph (e)(7) 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) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75th) day from the official due date, 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 paid after one year after the seventy-fifth (75th) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

(F) 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.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane <u>and</u> , exempt compounds as <u>specified defined in paragraph (e)(13)Rule 102</u> , and specific organic gases as specified in <u>paragraph subdivision (b)(28)</u>)	≥10 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥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 (January 1 through June 30). By January 1 of the year following the reporting period, 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. 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 shall be considered late and is subject to a surcharge if not received by the District, or postmarked, on or before the within seventy five (75) days seventy-fifth (75th) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).

(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 (PCBT), and volatile methylated siloxanes (VMS), shall not be subject to the requirements of Rule 301(e).

(14) Reporting Emissions and Paying Fees

For the reporting period of January 1 through December 31, emission fees shall be determined in accordance with fee rates specified in Tables III, IV and V, and paragraphs (e)(2) and (e)(7). Installment fees that have been paid for Semi-Annual Emission Fees shall not be subject to this provision.

TABLE III - EMISSION FEES

Annual Emissions (tons/yr.)	Organic Gases* (\$/ton)	Specific Organics* (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4—25	\$625.17 <u>647.0</u> <u>5</u>	\$111. <u>8511</u> <u>5.76</u>	\$365.75 <u>3</u> <u>78.55</u>	\$433.6 <u>3448.8</u> <u>0</u>	-	\$478.05 <u>494.78</u>
>25—75	\$1,015.03 <u>050.55</u>	\$177. <u>2318</u> <u>3.43</u>	\$580.97 <u>6</u> <u>01.30</u>	\$700.9 <u>7725.5</u> <u>0</u>	-	\$774.62 <u>801.73</u>

≥ 75 and <100	\$1,519.37572. <u>54</u>	\$265. <u>8227</u> <u>5.12</u>	\$874.979 <u>05.59</u>	\$1,052. <u>41089.</u> <u>24</u>	-	\$1,159.8 <u>1200.40</u>
≥ 100	\$1,519.37572. <u>54</u>	\$265. <u>8227</u> <u>5.12</u>	\$874.979 <u>05.59</u>	\$1,052. <u>41089.</u> <u>24</u>	\$7.50	\$1,159.8 <u>1200.40</u>

<u>Annual Emissions</u> <u>(tons/year)</u>	<u>≥ 1</u> <u>(lb/year)</u>	<u>≥ 0.1</u> <u>≥ 200</u> <u>(lb/year)</u>	<u>4 – 25</u> <u>(ton/year)</u>	<u>$>25 - 75$</u> <u>(ton/year)</u>	<u>$\geq 75 - <100$</u> <u>(ton/year)</u>	<u>>100</u> <u>(ton/year)</u>
Organic Gases* (\$/ton)	-	-	\$647.05	\$1,050.5 <u>5</u>	\$1,572.5 <u>4</u>	\$1,572.54
Specific Organics** (\$/ton)	-	-	\$115.76	\$183.43	\$275.12	\$275.12
Nitrogen Oxides (\$/ton)	-	-	\$378.55	\$601.30	\$905.59	\$905.59
Sulfur Oxides (\$/ton)	-	-	\$448.80	\$725.50	\$1,089.2 <u>4</u>	\$1,089.24
Carbon Monoxide (\$/ton)	-	-	-	-	-	\$7.75
Particulate Matter (\$/ton)	-	-	\$494.78	\$801.73	\$1,200.4 <u>0</u>	\$1,200.40
Ammonia (\$/lb)	-	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Chlorofluorocarbons (\$/lb)	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43
1,1,1-trichloroethane (\$/lb)	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06

* Excluding methane, and exempt compounds as defined in Rule 102, and specific organic gases as defined in subdivision (b) of this rule.

** See specific organic gases as defined in subdivision (b) of this rule.

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

<u>TOXIC AIR CONTAMINANTS CAS</u>	<u>TOXIC COMPOUNDS</u>	<u>Annual Emission Thresholds (lbs)</u>	<u>Fees Before January 1, 2021 \$/1 lb</u>
<u>1332214</u>	<u>Asbestos</u>	<u>0.0001</u>	<u>6.74</u>
<u>71432</u>	<u>Benzene</u>	<u>2</u>	<u>2.27</u>
<u>7440439</u>	<u>Cadmium</u>	<u>0.01</u>	<u>6.74</u>
<u>56235</u>	<u>Carbon tetrachloride</u>	<u>1</u>	<u>2.27</u>
<u>106934</u>	<u>Ethylene dibromide</u>	<u>0.5</u>	<u>2.27</u>
<u>107062</u>	<u>Ethylene dichloride</u>	<u>2</u>	<u>2.27</u>
<u>75218</u>	<u>Ethylene oxide</u>	<u>0.5</u>	<u>2.27</u>
<u>50000</u>	<u>Formaldehyde</u>	<u>5</u>	<u>0.50</u>
<u>18540299</u>	<u>Hexavalent chromium</u>	<u>0.0001</u>	<u>9.01</u>
<u>75092</u>	<u>Methylene chloride</u>	<u>50</u>	<u>0.09</u>
<u>7440020</u>	<u>Nickel</u>	<u>0.1</u>	<u>4.49</u>
<u>127184</u>	<u>Perchloroethylene</u>	<u>5</u>	<u>0.50</u>
<u>106990</u>	<u>1,3-Butadiene</u>	<u>0.1</u>	<u>6.74</u>
<u>7440382</u>	<u>Inorganic arsenic</u>	<u>0.01</u>	<u>6.74</u>
<u>7440417</u>	<u>Beryllium</u>	<u>0.001</u>	<u>6.74</u>
<u>75014</u>	<u>Vinyl chloride</u>	<u>0.5</u>	<u>2.27</u>
<u>7439921</u>	<u>Lead</u>	<u>0.5</u>	<u>2.27</u>
<u>123911</u>	<u>1,4-Dioxane</u>	<u>5</u>	<u>0.50</u>
<u>79016</u>	<u>Trichloroethylene</u>	<u>20</u>	<u>0.18</u>
<u>1080</u>	<u>Chlorinated dibenzofurans, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1086</u>	<u>Chlorinated dioxins, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1746016</u>	<u>2,3,7,8-TCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>3268879</u>	<u>1-8OctaCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>19408743</u>	<u>1-3,7-9HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>35822469</u>	<u>1-4,6-8HpCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39227286</u>	<u>1-4,7,8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>40321764</u>	<u>1-3,7,8PeCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>57653857</u>	<u>1-3,6-8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39001020</u>	<u>1-8OctaCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>51207319</u>	<u>2,3,7,8-TCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>55673897</u>	<u>1-4,7-9HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117314</u>	<u>2-4,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117416</u>	<u>1-3,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117449</u>	<u>1-3,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>60851345</u>	<u>2-4,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>67562394</u>	<u>1-4,6-8HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>70648269</u>	<u>1-4,7,8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>

<u>72918219</u>	<u>1-3,7-9HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>1151</u>	<u>Polycyclic aromatic hydrocarbons, PAHs (without individual isomers reported)</u>	<u>0.2</u>	<u>6.74</u>
<u>50328</u>	<u>Benzo[a]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>53703</u>	<u>Dibenz[a,h]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56495</u>	<u>7,12-Dimethylbenz(a)Anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56553</u>	<u>Benz[a]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>91203</u>	<u>Naphthalene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189559</u>	<u>Dibenzo[a,i]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189640</u>	<u>Dibenzo[a,h]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>191300</u>	<u>Dibenzo[a,l]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>192654</u>	<u>Dibenzo[a,e]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>193395</u>	<u>Indeno[1,2,3-cd]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>194592</u>	<u>7H-Dibenzo(c,g)Carbazole [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205823</u>	<u>Benzo[j]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205992</u>	<u>Benzo[b]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>207089</u>	<u>Benzo[k]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>218019</u>	<u>Chrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>224420</u>	<u>Dibenz(a,j)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>226368</u>	<u>Dibenz(a,h)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>602879</u>	<u>5-Nitroacenaphthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>607578</u>	<u>2-Nitrofluorene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>

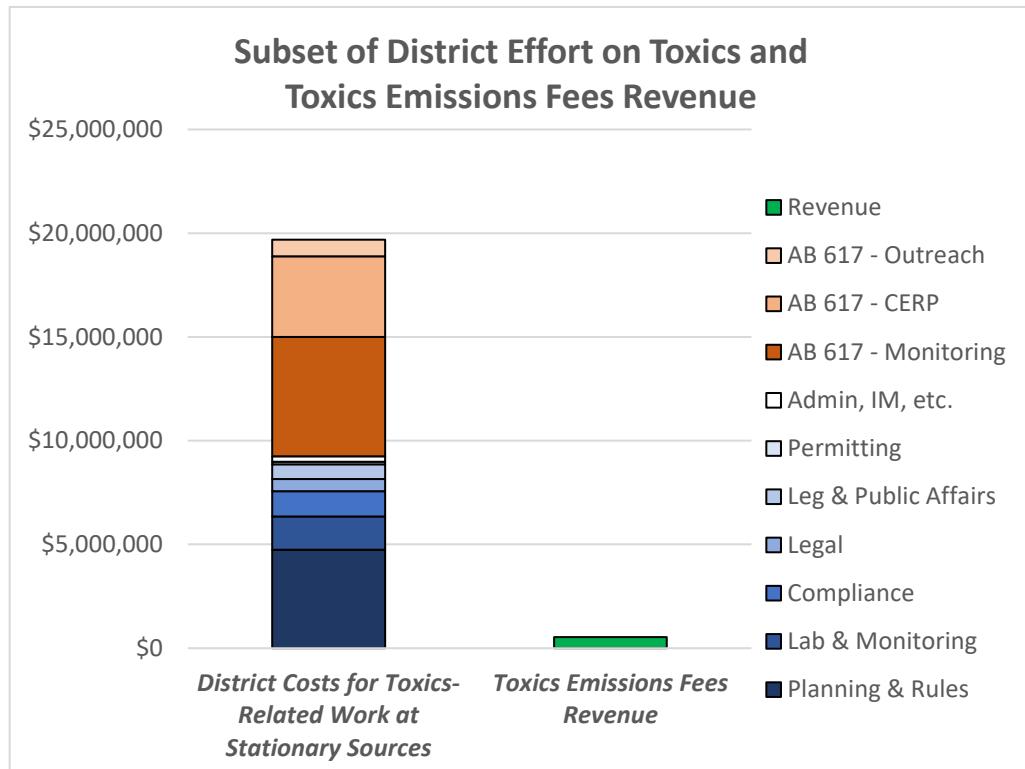
<u>3697243</u>	<u>5-Methylchrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>5522430</u>	<u>1-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>7496028</u>	<u>6-Nitrochrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397648</u>	<u>1,6-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397659</u>	<u>1,8-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57835924</u>	<u>4-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>9901</u>	<u>Diesel Particulate Matter</u>	<u>0.1</u>	<u>0.00</u>

**Justification/
Necessity/
Equity:**

Health and Safety Code 40510 authorizes use of emissions fees to pay for planning, monitoring, and enforcement functions of the District. Toxic emissions fees are one component of total emissions fees that are paid annually by permitted facilities subject to Rule 301(e). In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions (e.g., nickel, arsenic, lead) from other facilities such as battery recyclers and others in the metal-working industry, fugitive hydrocarbon emissions from oil production and refining facilities, and significant new work just getting under way with the implementation of AB 617.⁷ Much of this work has come about due to the emerging science and understanding of fugitive emissions, as well as recent updates to state risk assessment guidance that has found a nearly three-fold increase of cancer risk associated with TACs compared to previous estimates (and even higher increases for many pollutants in Table IV). As a result of these efforts, the amount of time staff spends monitoring, inspecting, and auditing facilities' TAC emission inventories has substantially increased. Because of this recent increased workload and the expectation that it will continue into the future, staff has estimated the costs associated with the amount of toxics work conducted by the District at stationary sources (see chart below). More specifically, in FY 2017-18, the District spent approximately \$19.5 million for

⁷ AB 617 work includes monitoring, enforcement, development of Community Emission Reduction Plans (CERPs), and rulemaking on stationary sources of toxics emissions. (www.aqmd.gov/ab617)

work at stationary sources related to toxic emissions even though the toxic air contaminant fees collected amounted to just \$0.5 million during the same period.



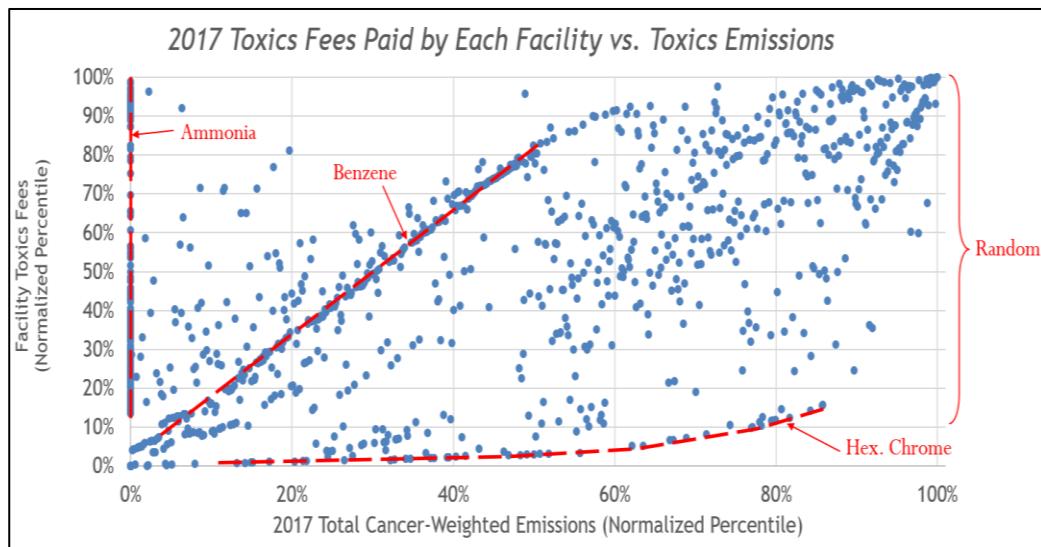
This work identified in the chart does not include additional work that the District conducts on toxic air contaminants in other contexts (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). [Additional explanation of these costs is presented in Appendix C.](#) Revenue for stationary source toxics work has come from existing emissions fees revenues and one-time sources, including penalties, grants, or allocations from the state legislature. In particular, the District has received two one-time allocations totaling about \$31 million to implement AB 617 for the first two years of the program. While the District will continue to pursue these revenue streams, there is no guarantee that these one-time revenues will continue.⁸

With respect to costs incurred by the District, there are two key drivers when considering how District resources are spent to conduct work related to the permitting, investigation, auditing, and enforcement of limits on toxics emissions.

⁸ As an example, Section 9 of the authorizing bill for AB 617 states: “*No reimbursement is required by this act ... because a local agency ... has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act...*”

First, facilities with high toxicity-weighted emissions require greater effort because the District informs its permitting and enforcement-related activities in large part by the potential for public health impacts.⁹ While high toxicity-weighted emissions do not necessarily directly equate to higher health risk due to factors such as how pollutants disperse from a facility and the distance to nearby receptors, overall more District resources are spent to monitor, enforce, and conduct associated planning work such as inventorying, auditing, and rulemaking on facilities with higher toxicity-weighted emissions.¹⁰

Second, staff spends more overall time working on facilities with more emissions sources (e.g., permitted devices) with toxics emissions than facilities with the same level of toxic emissions but fewer emissions sources. The staff time therefore is also a function of the number of permitted devices, because the emissions from each device and process must be confirmed by staff. Despite these two drivers between District workload and toxic emissions, the current fee schedule in Table IV does not result in higher fees collected from facilities with higher toxicity of emissions or with more emission sources (see chart below).



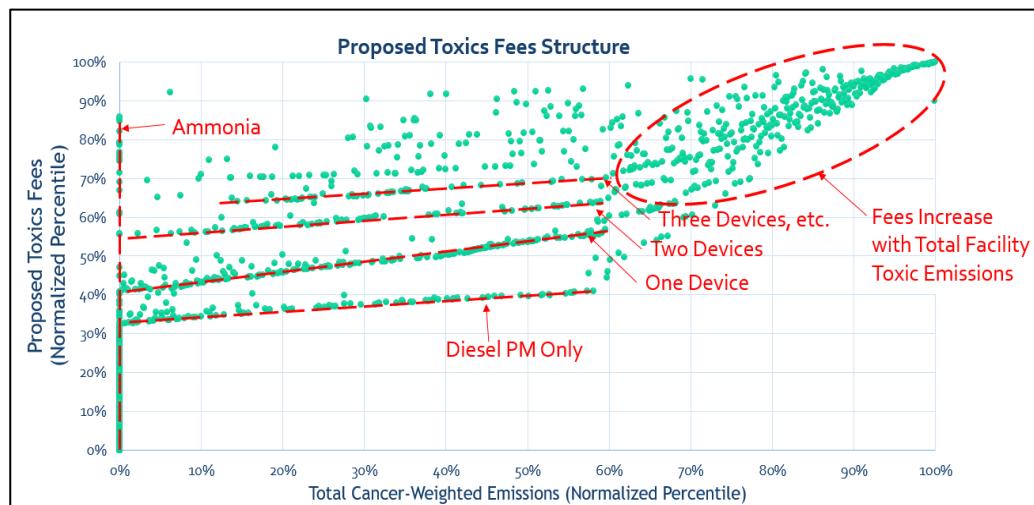
Further, because of DPM's high cancer potency, its prevalence throughout the South Coast Air Basin (Basin) as indicated in the District's Multiple Air Toxics Exposure studies (MATES) and the 2016 Air Quality Management Plan

⁹ Due to health risk assessment methodologies, cancer-causing pollutants are the most common risk driver and a much higher focus of District efforts compared to non-cancer causing toxic pollutants.

¹⁰ 301(e)(7)(B)(iii) of the proposed amendment exempts a facility from the cancer potency-weighted fees in 301(e)(7)(A)(iii) if it is located more than one mile from a sensitive receptor.

(AQMP)¹¹, and the subsequent amount of District resources spent on this pollutant, staff is proposing to add DPM¹² as a toxic air contaminant that must be reported and for which fees must be paid. In addition, there are three pollutants currently in Table IV (ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons) that are being moved to Table III.¹³ The fees for those pollutants are not being changed other than typical CPI adjustments because the toxics-related work described above does not apply to these pollutants. Most staff work associated with ammonia is related to criteria pollutants as it is a precursor to regional particulate matter. The ozone depleters – 1,1,1 trichloroethane and chlorofluorocarbons – do not have cancer potency factors and there is no associated toxics workload associated with them, though limited inventory work on these pollutants will continue in the future and can be supported at the current fee level.

In order to address the disparity that has developed between District workload and fees paid by facilities, staff is proposing to change the structure of how facilities pay air toxics fees as indicated in the previous section. The result of this change in structure provides toxics fee revenues that are more closely connected to current District workload from higher toxic emitting facilities (see chart below).



¹¹ Multiple Air Toxics Exposure Studies

<http://www.aqmd.gov/home/air-quality/air-quality-studies/health-studies>

Air Quality Management Plan

<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan>

¹² The addition of DPM to the list of toxic air contaminants with fees pertain only to emissions from permitted stationary sources.

¹³ Table III is also being reformatted to simplify and clarify the presentation of information.

Further explanation of the proposed structure and level of toxics fees is included below.

- The new Base Toxics Fee of \$78.03 would cover the basic annual software needs (\$50,000 annually) and minimal staffing needed (0.1 FTE at \$230,037 fully burdened rate) to ensure that facilities can readily report toxics emissions to the District. The necessary base cost of \$73,000 is evenly divided among facilities reporting emissions of any toxic air contaminant above existing reporting thresholds¹⁴ in Table IV. \$78.03 is the projected minimum necessary to recover the base costs of reporting.
- A new Flat Rate Device Fee¹⁵ of \$341.89 would be applied per emission source at a permitted facility that emits a toxic air contaminant above existing reporting thresholds in Table IV. These fees would be equal to the District resources needed to run the entire toxics emissions inventory program that is necessary to support enforcement of District rules. This work includes inventorying, auditing, and coordinating with CARB and EPA to whom the data must be reported, and totals approximately \$1.4M annually. The workload requires approximately 5.8 FTE staff at an average fully burdened rate of \$233,353 (which includes different types of staff – air quality specialists, engineers, supervisors, etc.) to handle the toxics workload in these inventory programs annually. The fee rate of \$341.89 per emission source was derived by dividing the \$1.4M of staff work by the 3,968 devices for which facilities reported toxics emissions above Table IV thresholds from the 2017 emissions reporting year.
- A new Cancer-Potency Weighted Fee of \$10 would be applied per cancer-potency weighted pound of emissions above reporting thresholds in Table IV. As described above, the District conducts approximately \$20 million of work every year in connection with toxics emissions. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million from facilities that currently report emissions

¹⁴ New reporting thresholds are added for DPM and the carcinogenic speciates of dioxins, furans, and PAH's. The threshold for DPM is derived from AB2588 Quadrennial Reporting Guidance, which is consistent with all other Table IV pollutants. The speciates for dioxins, furans, and PAH's were added as an option for facilities to reduce their fee burden. In particular, facilities can choose to report more specific information that indicates that their total cancer-potency weighted speciated emissions are lower than if emissions were reported at the unsplicated level.

¹⁵ Devices would continue to be reported in the same way as is currently required for the Annual Emissions Reporting program through its web-tool. Existing guidance for reporting emissions at the device level will continue to be used and is available on the AER website at: <http://www.aqmd.gov/home/rules-compliance/compliance/annual-emission-reporting>

to the District, leaving a significant shortfall. Much of the remaining District work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other District programs. Those facilities with higher potential public health concern due to their emissions will therefore pay higher fees to cover the higher level of effort from the District for investigating and enforcing rules on those facilities.

These newly proposed fees are expected to have the following effect:

Fee	New Revenue
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total Toxics Fees	\$4.9 million

This fee increase represents approximately an average 22% increase in total emissions fee revenue, including criteria pollutants. The three new fees (Base Toxics Fee, Flat Rate Device Fee, and Cancer-Potency Weighted Fee) would start on January 1, 2021.¹⁶ These fees would phase in over a two year period (50% each year for the Flat Rate Device and the Cancer-Potency Weighted Fees and 100% of the Base Toxicity Fee in 2021). Once phased in, total new net revenue is expected to be approximately \$4.4 million per year because the District will be losing the \$0.5 million which it currently collects. In anticipation of the potential for this work to fluctuate, as well as the uncertainty associated with one-time funding from the Legislature, staff anticipates revisiting this fee and District

¹⁶ The fee would apply to emissions that occurred in 2020 and that are required to be reported in 2021.

workload in future years and will propose rebalancing this fee up or down as necessary.

A sample equation below shows how the fee would be calculated for a facility with one pound of hexavalent chromium emissions split equally between two permitted devices. A table with cancer potency factors, multi-pathway factors, and reporting thresholds is included as an appendix to this staff report.

- Base Toxics Fee = \$78.03 because 1 lb. Cr VI is >0.00001 threshold
- Flat Rate Device Fee = \$683.78 = \$341.89 x 2 devices (each with Cr VI emissions above threshold)
- Cancer-Potency Weighted Fee
 - = CPF x MPF x Emissions (pounds) x \$10
 - = 510 x 1.6 x 1 x \$10 = \$8,160.00
- Total toxics Fees = \$8,921.81 = \$78.03 + \$683.78 + \$8,160.00

Some minor clarifications to the proposed amendments have been made since the draft rule was made available publicly on April 2, 2019 in sections (e)(2), (e)(5), (e)(7)(A), (e)(7)(B)(ii), and Tables III and IV. The update to (e)(2) removes a duplicate reference to thresholds that is already specified in (e)(1) and clarifies that reporting facilities must continue to report emissions from all pollutants listed in (e)(5) and Table IV, consistent with the existing rule.
Paragraph (e)(5) has been updated to be consistent to previously proposed amendments in (e)(11) and Table III. Clarifying text has been added to paragraph (e)(7)(A) on the proposed phase-in of the toxics emissions fees to make clear that the phase-in of the new toxics emissions fee structure begins in 2021 for emissions that occurred in 2020. Clause (e)(7)(B)(ii) includes a grammatical edit. Table III now includes greater than or equal to symbols (>) before the 1 lb/year and 200 lb/year thresholds to clarify that these fees apply above these levels, consistent with all other thresholds in this table. Table IV includes those PAHs with a cancer potency factor that were inadvertently omitted from the April 2, 2019 draft.

2. ADD NEW RULE 1118.1 NOTIFICATION FEE TO RULE 301(x)

Description of Proposed Amendment:	In order to recover costs incurred by SCAQMD to process required notifications, Rule 1118.1 would be subject to the notification fee described in Rule 301(x). The fee for the Rule 1118.1 notification is \$65.12 per notification, and is subject to the annual automatic CPI adjustment pursuant to Rule 320.
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**Proposed
Amended
Rule(s):*****Rule 301*****(x) Rule 1149, Rule 1166, and Rule 1466 Notification Fees Notification Fees for Rules 1118.1, 1149, 1166, and 1466**

- (1) Any person who is required by the District to submit a written notice pursuant to Rules 1118.1, 1149, Rule 1166, Rule 1466, or for soil vapor extraction projects shall pay a notification fee of \$62.9265.12 per notification.

**Justification/
Necessity/
Equity:**

Rule 1118.1 was adopted on January 4, 2019, to control emissions from non-refinery flares. This rule establishes emission limits for NOx and VOC, as well as for CO for new, replaced, or relocated flares, and establishes an industry specific capacity threshold for existing flares. Owners and operators of flares that require a SCAQMD permit at certain non-refinery facilities are required to submit several notifications to the SCAQMD to comply with Rule 1118.1 requirements. Required notifications include:

- Notification of Flare Inventory and Capacity
- Notification of Intent
- Notification of Annual Percent Capacity Greater than Threshold
- Notification of Flare Throughput Reduction
- Notification of Increments of Progress

The deadline to submit the Notification of Flare Inventory and Capacity occurred before the amendments to Rule 301; therefore, no fee will be required for that notification. New or replaced flares will pay for submittal of a permit application, for which a fee is already included in Rule 301. Therefore, and per Rule 1118.1(d)(10), this proposed amendment impacts only the remaining notification types under Rule 1118.1.

This new fee is necessary to recover the reasonable regulatory costs related to the notification requirements of Rule 1118.1. The fee is identical to the amount charged for Rule 1149, 1166, and 1466 notifications. Moreover, the amount to be charged is necessary to recover the costs to the District for processing the notifications. As set forth in the table below, staff estimates that it will take an Office Assistant approximately 30 minutes to receive the notification, enter the information, and file the notification, and 20 minutes for a Staff or Air Quality Specialist to review the notification. Therefore, the recovery cost is calculated to be approximately \$69.27 based on the FY 2018-19 hourly burdened rates. This estimate is approximate and does not exceed the CPI adjusted rate of \$65.12. The proposed Rule 1118.1 notification fee will be the same fee rate as Rules 1149, 1166, and 1466 notification fees for

similar notification requirements. Thus, the proposed Rule 1118.1 notification fee does not exceed the estimated cost of processing required notifications and is apportioned equitably because it will be paid by the permit holder required to submit the specified notification.

Table 1: Cost Estimates for Processing the Rule 1118.1 Notifications

Staff Position	Estimated Processing Time (in Hours)	×	FY 2018-19 Hourly Burdened Rate	=	Estimated Cost
Office Assistant	0.50		\$66.88		\$33.44
Staff Specialist	0.33		\$108.58		\$35.83
Total Cost	0.83				\$69.27

3. INCREASE PERP ENFORCEMENT INSPECTION FEES

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD to inspect portable equipment units and Tactical Support Equipment (TSE) registered in the California Air Resources Board's (CARB) Portable Equipment Registration Program (PERP), staff is proposing to amend Rule 301 (w) to increase the TSE and hourly inspection fees. These proposed increases are consistent with the fees recently updated and authorized by CARB in the PERP regulation.

Proposed Amended Rule(s):

Rule 301

(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 \$98.00115.00 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 \$500.00590.00 per unit.

(2)(A)(i)(a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of \$75.0090.00.

(2)(A)(i)(b)(1) The actual time to conduct the inspection the rate of \$100.25115.00 per hour, or

(2)(A)(i)(b)(2) A unit cost of \$75.0090.00 per registered TSE unit inspected.

- (2)(A)(ii)(b)(1) The actual time to conduct the inspection the rate of ~~\$100.25~~115.00 per hour, or
- (2)(A)(ii)(b)(2) A unit cost of ~~\$75.00~~90.00 per registered TSE unit inspected.
- (3) 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~~60.00 per hour for the time necessary to complete the inspection.
- (4) 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 due 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.~~

**Justification/
Necessity/
Equity:** CARB has established the Statewide Portable Equipment Registration Program (PERP) to facilitate the operation of portable equipment throughout California without having to obtain individual permits from local air districts. Under PERP, the District conducts inspections of that equipment and is authorized to charge fees consistent with amounts determined by CARB. On November 30, 2018, CARB amended the PERP Regulation to increase the uniform fee schedule for all districts enforcing PERP through inspections of registered portable equipment and TSE equipment. PERP Regulation Section 2461 (g) allows districts to collect fees that do not exceed the fees listed in Section 2461.1 of the PERP Regulation.

The fees set forth in PAR 301(w) reflect the reasonable regulatory costs of the SCAQMD and do not exceed the maximums set forth by CARB. Table 2 provides the cost estimates for a PERP equipment inspection. Based on staff estimates it takes a Staff Assistant approximately 20-25 minutes to receive an

inspection request, enter the information, assign to an inspector, receive the billing from the inspector, create an invoice and mail to the facility. Based on staff estimates it takes an inspector approximately 60-65 minutes to arrange the inspection, inspect the equipment, submit a PERP field inspection survey, fill out a billing form, and submit the forms to a Staff Assistant. These activities result in cost to the District of approximately \$124.32 - \$131.87 per hour at the FY 2018-19 hourly burdened rates. Although this cost estimate slightly exceeds the maximum hourly inspection fee of \$115.00 fee authorized by CARB in Section 2461.1, the proposed fees are necessary to recover the reasonable costs of the District and they will be equitably apportioned because they will be paid by the owners of the equipment subject to inspection.

Table 2: Cost Estimates for a PERP Inspection

Staff Position	Range of Processing time (in Hours)		x	FY 2017-19 Hourly Burdened Rate		= Range of Cost
	Min	Max				
Staff Assistant	0.33	0.42		\$73.62		\$30.85 \$30.92
AQ Inspector II	1.0	1.08		\$93.47		\$93.47 \$100.95
Total Cost						\$124.32 \$131.87

4. ADDING A RENEWAL FEE FOR CAS AND CACC CERTIFICATION FEES

Description of Proposed Amendment:

The Clean Air Solvents (CAS) and Clean Air Choices Cleaners (CACC) Certifications are voluntary programs that issue certificates for clean air solvents and cleaners. Manufacturers can apply for a CAS certification, which is valid for five years and can be renewed upon approval by the SCAQMD. Similarly, manufacturers can apply for a CACC certification, which is valid for three years and can be renewed upon approval by the SCAQMD. Current Rule 301 (r) and (s) provide a flat fee covering the laboratory analysis of product samples submitted for testing for certification. These sections do not provide a fee for certificate renewal; instead facilities have to pay the larger application fee even though the level of work associated with issuance of a renewal may be substantially lower.

Proposed Amended Rule(s):

Rule 301

(r) Fees for Certification of Clean Air Solvents

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of \$1,503.77556.40 for each product to be tested. Additional fees will be assessed at the rate of \$135.77145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

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 \$1,503.77556.40 for each product to be tested, plus an additional fee of \$300310.50 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of \$135.77145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

**Justification/
Necessity/
Equity:** This amendment is necessary in order to specify costs associated with CAS and CACC certificate renewal. The protocol for issuing a CAS or CACC certification includes laboratory analysis of submitted products for testing, and if the product is approved as a CAS or CACC, an issuance of the certificate.

The current fee for the certifications is \$1,556.40 per sample, plus an additional fee of \$310.50 for additional analysis required for CACC certification, with time spent on the analysis/certification process in excess of 12 hours assessed at the current CPI-adjusted hourly rate of \$145.43 per hour. The flat fee covers costs for the laboratory staff's analysis and review of the submitted sample, but it does not include cost of the certificate. Certificate renewal involves approximately an hour to review the product and subsequently issue a renewed certificate. In keeping with the current fee mechanism laid out for these certifications, the \$145.43 per hour rate would address the cost for time spent to issue a renewed certificate.

This proposed fee is for voluntary certification programs and is not being imposed on any payor. Participation in these programs is not a result of any

SCAQMD rule requirements. The fee is not part of SCAQMD's Permitted Source Program. The VOC content of the product is performed by the SCAQMD laboratory pursuant to SCAQMD Method 313.

Currently, after five years, a facility would have to re-submit the full fee for another five or three year certificate. In circumstances where a new certificate is being sought for a formula that is identical to a formula previously analyzed by the District, then it makes sense to charge a reduced renewal fee of \$145.43. This amount covers the amount of time necessary to issue a renewed certificate and is necessary to recover the reasonable cost of services provided. The proposed fee is equitable because it is paid by the person requesting services to certify a product for a voluntary certification program.

5. ALIGNING INSPECTION FEE RATES IN RULE 306 AND 309

Description of Proposed Amendment: This amendment corrects fee amounts Rule 309. The 3% fee increase authorized in 2014 was inadvertently not applied and that failure created a confusing discrepancy with Rule 306. The fees in Rule 306 and 309 have typically been aligned because the services provided are similar.

Proposed Amended Rule(s):

Rule 309

(c) Fee Assessments

(1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,936.382,004.15~~. The fee shall be paid at the time of plan submittal.

(2) Regulation XVI and Regulation XXV as defined in paragraph (b)(2), except Scrapping Plans, shall be assessed a filing fee of \$161.25 and an evaluation fee of \$489.61 at the time of submittal. Evaluation fees shall be billed for the amount of total actual and reasonable time incurred by District staff, assessed at the hourly rate of \$161.25.

(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 ~~\$117.42~~\$128.94 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.

**Justification/
Necessity/
Equity:** In 2006, the filing and inspection fees in Rule 309(c)(2) and (d) were aligned with the filing and inspection fees in Rule 306. This alignment of fees recognized the equivalent amount of resource expenditure for these services whether conducted pursuant to Rule 306 or Rule 309. The filing and inspection fees remained the same for both rules until June 6, 2014. For FY 2014-15 most Regulation III fees including Rule 309 were increased by the Consumer Price Index (CPI) rate of 1.6%. In addition, permit and plan fees were increased by a further 3% resulting in a cumulative 4.64% increase. Even though the fee assessments and inspection fees in Rule 309 reference Regulation XVI and XXV Plans and Rule 1610 Scrapping Plans, respectively, these fees were inadvertently only increased by the 1.6% increase in the CPI and were not given the additional 3% fee increase for plan fees.

The actual amount of resources expended for Rule 1610 implementation is equivalent to similar types of fees already in Rule 306. Although the majority of the Reg. XVI and XXV rules are either credit or investment based, they do require plans and, as such, should have also received the additional 3% increase. This increase, is in line with the 3% increase in Rule 306 fees and correctly recovers the cost associated with Rule 1610 plan filings, evaluations and inspections.

The proposed filing, evaluation, and inspections fees for plans submitted for Reg. XVI and XXV are necessary to recover the cost of staff resources expended in implementation of these plans, which require similar time, personnel, and materials associated with other plans typically assessed per Rule 306. Reg. XVI and XXV plans are subject to similar plan verification procedures as other plans assessed per Rule 306, and therefore, it is equitable for Reg. XVI and XXV plan holders to pay the proposed fees. Furthermore, these fees are equitable since they are paid by the entities to which the service is provided.

6. ELIMINATE FEE IN RULE 308 FOR ADDING/DELETING SITE FROM A MULTI-SITE OR GEOGRAPHIC PROGRAM

**Description
of Proposed
Amendment:** Staff is proposing to eliminate the fee for employers who are amending their Rule 2202 Employee Commute Reduction Program strategies by adding or deleting a worksite from their program. Rule 308(c)(2)(F) requires that regulated entities be charged a CPI-adjusted fee of \$182.81 each time a worksite is added to or deleted from a multi-site or geographic program.

**Proposed
Amended
Rule(s):** *Rule 308*
(c)(2)(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 \$176.63~~182.81~~ 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 \$176.63 per worksite being added or deleted, unless the worksite being deleted is no longer subject to Rule 2202.~~

**Justification/
Necessity/
Equity:** Under Rule 2202, employers with more than 250 employees are required to annually register with the District and implement an emissions reduction program, including but not limited to Employee Commute Reduction Programs (ECRP). Rule 308 sets forth the registration fees and the specific ECRP fees. Covered facilities with multiple sites pay various submittal and amendment fees. On occasion, facilities seek to amend their program strategies with either substantive amendments to the strategies or through the addition or deletion of a work-site from a multi-site or geographic program. The addition or deletion of a site from a multi-site or geographic program does not result in any significant additional work that would not sufficiently be covered by the initial registration fees. The fee would remain for any substantive amendment of strategies. This change is necessary because charging a separate fee for adding or deleting a worksite from a multi-site program appears to discourage regulated entities from accurately reporting real-time worksite population levels and inaccurate records of sites covered by the plan increases the compliance costs for the District. Removing the fee promotes accurate reporting and is not expected to have a significant impact on revenue.

7. REDUCING CERTAIN NOTIFICATION FEES IN TABLE VI TO RULE 1403 (ASBESTOS EMISSIONS FROM DEMOLITION/RENOVATION ACTIVITIES)

**Description
of Proposed
Amendment:** Rule 1403 specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities. Table VI in Rule 301 sets forth the applicable demolition, asbestos, and lead notification fees as well as additional service charge fees. Staff proposes the following clarifications and amendments to Table VI:

- a) Remove “and Lead” from the title of the table;

- b) Under “Additional Service Charge Fees,” add a new Footnote 2 to clarify that the proposed \$25 fee applies to notifications changing the End Date to a later date only. Existing footnotes 2 and 3 would be renumbered as footnotes 3 and 4;
- c) Under “Additional Service Charge Fees,” eliminate fees for revisions for earlier End Date only, and reduce the Revision to Notification fee (\$62.92) to \$25.00 because automation of the process has reduced staff costs. Also clarify that the Revision to Notification fee applies, save for the exception outlined in Footnote 2, to Revision to Notification for Start Date, Quantity, and/or End Date; and,
- d) Under “Additional Service Charge Fees,” change “postmarked” to “received” in Footnotes 3 and 4, as renumbered.

**Proposed
Amended
Rule(s):**

Rule 301

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
\$62.92 <u>65.1</u> <u>2</u>	\$192.40 <u>19</u> <u>9.13</u>	\$450.38 <u>46</u> <u>6.14</u>	\$706.21 <u>73</u> <u>0.92</u>	\$1,023.470 59.29	\$1,705.79 <u>7</u> <u>65.49</u>

Additional Service Charge Fees				
Revision to Notification for Start Date, Quantity, and/or End Date ²	Special Handling Fee ²³	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee ³⁴
\$62.92\$25.00	\$62.92 <u>65.1</u> <u>2</u>	\$706.21 <u>730.9</u> <u>2</u>	\$706.21 <u>730.</u> <u>92</u>	\$353.10 <u>365.4</u> <u>5</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.

For renovation, the fee is based on the amount of asbestos/lead removed.

² For revisions to notifications to change the End Date to a later date only.

²³ For all notifications ~~postmarked~~ received less than 14 calendar days prior to project start date.

³⁴ For all expedited Procedure 4 or 5 plan evaluation requests ~~postmarked~~ received 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).

- Justification/
Necessity/
Equity:** These amendments are necessary to clarify and reduce certain fees in circumstances where District costs have been reduced by certain automated processes. More specifically:
- a) Staff is proposing to amend the title of Table VI (Demolition, Asbestos and Lead Notifications) because there is no lead removal rule requiring notifications.
 - b) Staff is proposing to remove the fee to revise End Dates in circumstances where the end date is being advanced. Doing so removes a disincentive for facilities to update notifications for completed asbestos removal and demolition projects, and reduces District costs which are triggered when an inspector unnecessarily travels to a job that has already been completed. The expected loss of revenue is offset by the reduction of inspection-related costs of travelling to and from a completed job in circumstances where there is nothing left to inspect.
 - c) Staff is also proposing to reduce the fee for revising notifications regarding start dates, quantity, and end dates. Originally this fee of \$62.92 was determined based on the amount of time SCAQMD office staff required to update paper notifications in the CLASS database. Presently, the information is entered by the notifier directly via the Rule 1403 Web App rather than SCAQMD office staff. Staff proposes that the fee be reduced to \$25, but not eliminated, so as to still account for Compliance staff time reviewing inspection plans affected by revisions to notifications, particularly for project dates. The revised column header simply specifies the typical instances (start date, quantity, and/or end date) where a Revision to Notification Fee would be charged.
 - d) Staff is proposing to change language in Footnotes 2 and 3, which are being re-numbered to Footnotes 3 and 4. Previously, Rule 1403 notifications were typically submitted via standard mail. With the implementation of the Rule 1403 Web App, the notifications are now received electronically and there is no postmark.

8. CREATION OF A FEE CAP FOR CERTAIN CHANGE OF OWNER/OPERATOR APPLICATIONS

Description of Proposed This proposal will provide fee relief for larger RECLAIM facilities that apply for a change of owner/operator by adding a new fee cap.

Amendment:

In addition, all references to “change of operator” will be replaced with “change of owner/operator” to clarify the applicability of this administrative change to both changes of owner and changes of operator permit applications. Currently, Rule 301 consistently refers to owner/operator in all instances except when referring to change of operator. These edits will add consistency and clarity and reflects current practice.

Proposed

Amended

Rule(s):

- Rule 301***
- (c) Fees for Permit Processing
 - (1) Permit Processing Fee
 - (A) Permit Processing Fee Applicability
 - ...
 - (iv) 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 Owner/Operator table according to the applicable schedule under the Change of Owner/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.
 - ...
 - (G) Fees for Permit Processing for Certified Equipment Permits and Registration Permits
 - (i) ...
 - (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A shall be assessed to a person applying for a Change of Owner/Operator for a Certified Equipment Permit.

...

(2) Fee for Change of Owner/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 owner/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 Table FEE RATE-C for equipment at one location so long as the new owner/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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the owner/operator will not be billed for any additional fees billed to the previous owner/operator.

(B) If an application for change of owner/operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous owner/operator, the new owner/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)(C), shall apply.

(d) Annual Operating Permit Renewal Fee

...

(7) Annual Renewal Date for Change of Owner/Operator

The same annual renewal date shall apply from one change of owner/operator to another.

...

(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 owner/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.

...

(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 owner/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:

...

(j) Special Permit Processing Fees - California Environmental Quality Act (CEQA) Assistance, Air Quality Analysis, Health Risk Assessment, and Public Notice for Projects

...

(5) Payment for Review of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS), and Alternative Continuous Emissions Monitoring System (ACEMS)

...

(E) CEMS, FSMS, or ACEMS Change of Owner/Operator

Every applicant who files an application for a change of owner/operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of owner/operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to \$273.61283.18 for the first CEMS, FSMS,

or ACEMS, plus \$~~54,575~~⁶6.48 for each additional CEMS, FSMS, or ACEMS.

...

(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 Owner/Operator;

...

(6) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a RECLAIM facility permit shall be determined from Table FEE RATE-C. In addition, a Facility Permit Amendment fee as specified in paragraph (l)(4) 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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely the new owner/operator will not be billed for any additional fees billed to the previous owner/operator.

...

(n) All Facility Permit Holders

...

(5) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a facility permit shall be determined from Table FEE RATE-C. In addition, an administrative permit revision fee, as specified in Table VII, 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 Owner/Operator or Additional Operator application is filed, and all facility specific fees (such as “Hot Spots” fees), must

be paid before the Change of Owner/Operator or Additional Operator application is accepted. If, after an application is received, ~~and the~~ SCAQMD determines that additional fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new owner/operator will not be billed for any additional fees billed to the previous owner/operator.

...

(t) All Facility Registration Holders

...

(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 owner/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 \$216,142~~23~~.70 for the first equipment listed in the Facility Registration plus \$1,972~~03~~ for each additional equipment listed in the Facility Registration.

(u) Fees for Non-permitted Emission Sources Subject to Rule 222

...

(2) Change of Owner/Operator or 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 \$209,982~~17~~.32 for each emission source.

...

(ab) 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~~ applicant or permit holder. 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.

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES
CHANGE OF OWNER/OPERATOR^a

Facility Type	Non-Title V	Title V
Small Business	\$248.03 <u>256.71</u>	\$280.86 for FY 2018-19 and \$310.79 <u>321.66</u> for FY 2019-20 and thereafter
Non-Small Business	\$681.14 <u>704.98</u>	\$771.30 for FY 2018-19 and \$853.53 <u>883.40</u> for FY 2019-20 and thereafter

^a Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of owner/operator fee for Non-RECLAIM Title V facilities shall not exceed \$9,593.22 for FY 2018-19 and \$10,615.86987.41 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed \$16,943.4317,536.45 per facility. The change of owner/operator fee There is no limit to the change of operator fees for RECLAIM facilities shall not exceed \$50,000.

TABLE VII
FACILITY PERMIT FEES FOR FACILITIES THAT ARE
~~RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM &~~
~~TITLE V~~

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee <ul style="list-style-type: none"> • RECLAIM Only or non- <u>RECLAIM/non-Title V</u> • Title V Only* • RECLAIM & Title V* 	(l)(4) (m)(4)	\$1,170.63 \$1,325.61 \$2,496.24	\$1,170.63 <u>211.60</u> \$1,466.92 <u>518.26</u> \$2,637.55 <u>729.86</u>
* Includes administrative, minor, deminimis significant, or significant amendment/revision			
Facility Permit Change of Owner/Operator <ul style="list-style-type: none"> • Facility Permit Amendment Fee 	(c)(2), (l)(6), (m)(4), (n)(5)		Facility Permit Amendment/Revision Fee (See Above)
Plus <ul style="list-style-type: none"> • Application Processing Fee for Each Application 			Plus Processing Fees (See Table FEE RATE-C))
Title V Facility Permit Renewal Fee (Due at Filing) Plus Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5), (m)(9)	\$3,010.95 Plus \$210.67 per hour	\$3,331.91 <u>448.52</u> Plus \$233.13 <u>241.29</u> per hour

**Justification/
Necessity/
Equity:**

This proposal will reduce fees associated with filing applications for changes of owner/operator at large facilities. Recent implementation of streamlined procedures for processing change of owner/operator applications has made cost recovery possible at lower fees. Change of owner/operator is an administrative process that requires no engineering evaluation, but creates a new facility ID and new application numbers for every permit transferred to the new owner/operator. For RECLAIM facilities, the current fees associated with this administrative change can be as high as \$300,000 due to the absence of a fee cap. The proposal is to add a cap of \$50,000 for RECLAIM (or RECLAIM/TV) facilities (which is equivalent to the per-permit fee for ~65 permits). There are currently 23 RECLAIM (or RECLAIM/TV) facilities anticipated to benefit from this proposed fee cap.

Additional amendments are also being proposed for purposes of clarification and consistency. The edits to replace “change of operator” with “change of owner/operator”. There are currently 52 instances in Rule 301 of the term “owner/operator”, and consistently using the term per the proposed changes will not change the way these actions have been historically treated.

9. AMEND RULE 301 PARAGRAPH (aa) TO REMOVE DELEK U.S. HOLDINGS, INC. (PARAMOUNT), AS IT IS NO LONGER SUBJECT TO RULE 1180 REQUIREMENTS (301(aa))

Description of Proposed Amendment: This amendment is necessary will remove Delek U.S. Holdings Inc. (Paramount) from the list of affected facilities responsible for paying the annual O&M fees listed in paragraph (aa) of Rule 301as it is no longer subject to the Rule 1180 requirements.¹⁷

- Proposed Amended Rule(s):** *Rule 301*
- (aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees
- (1) The owner or operator of a petroleum refinery subject to Rule 1180 shall pay an annual operating and maintenance fee for a refinery-related community air monitoring system designed, developed, installed, operated, and maintained by SCAQMD in accordance with California Health and Safety Code Section 42705.6.
 - (2) The annual operating and maintenance fee per facility required by paragraph (aa)(1) shall be as follows:

Facility Name* and Location	Annual Operating and Maintenance Fee
Andeavor Corporation (Carson)	\$871,086.00 901,574.01
Andeavor Corporation (Wilmington)	\$435,543.45 450,787.00
Chevron U.S.A, Inc. (El Segundo)	\$871,086.00 901,574.01
Delek U.S. Holdings, Inc. (Paramount)	\$217,771.50
Phillips 66 Company (Carson)	\$435,543.45 450,787.00
Phillips 66 Company (Wilmington)	\$435,543.45 450,787.00
PBF Energy, Torrance Refining Company (Torrance)	\$871,086.00 901,574.01
Valero Energy (Wilmington)	\$435,543.45 450,787.00

¹⁷ Changes to the remaining O&M fees in the table within 301(aa) reflect CPI increases as a result of Rule 320.

*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

**Justification/
Necessity/
Equity:** Rule 1180 – Refinery Fenceline And Community Air Monitoring (*approved in December 2017*), which implements Health and Safety Code §42705.6, requires affected facilities to pay an annual operating and maintenance (O&M) fee for refinery-related community air monitoring system(s) in communities near these refineries, pursuant to paragraph (aa) of Rule 301, when applicable. Petroleum refineries that have a maximum capacity to process less than 40,000 barrels per day are exempt from Rule 1180. One facility, Delek U.S. Holdings Inc. (Paramount) now known as AltAir Fuels was originally subject to the rule requirements, including the capital cost to establish a refinery-related community monitoring system and applicable annual O&M fees specified in paragraph (aa) of Rule 301. Since the latest amendment of Rule 301 in May 2018, Paramount has voluntarily accepted a permit condition limiting the operator's throughput of crude oil to no more than 39,500 barrels per day, thus qualifying for the exemption under Rule 1180 requirements. In turn, Paramount is alleviated from paying the cost for a community monitoring system and the corresponding annual O&M fees set-forth in paragraph (aa) of Rule 301. This is an equitable approach as only those facilities with a community monitoring system should be responsible for annual O&M fees.

10. ELIMINATING SURCHARGE FOR CERTAIN LATE AER AMENDMENTS PERTAINING TO EMISSIONS DEVELOPED FROM SOURCE TESTS

**Description
of Proposed
Amendment:** The revision provides relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the SCAQMD Source Test Unit prior to or at the time the AER was due, but had to base AER emissions on these source tests before they were approved.

**Proposed
Amended
Rule(s):** *Rule 301*

(e)(10)(E) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75th) day from the official due date, 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 paid after one year after the seventy-fifth (75th) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

(EE) 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.

**Justification/
Necessity/
Equity:** According to Rule 301 (e)(10)(C), if emission fees are paid timely, and if, within one year after the 75th day from the official due date is determined to be less than 90 percent of the full amount that should have been paid, a 15 percent surcharge should be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid. According to Rule 301 (e)(10)(D), one year and 75 days after the official due date of the AER, any fees due and payable for emissions reported or reportable pursuant to subparagraph Rule 301 (e)(8)(C) are assessed fees according to Rule 301 Tables III, IV, and V; and further increased by a penalty of 50 percent.

This amendment would eliminate the surcharge/penalty for emissions developed from source tests, where the source tests were submitted in good faith for approval to the SCAQMD Source Test Unit prior to or at the time the AER was due, but the source tests were not approved before the date surcharges/penalties would be currently assessed. Fees would still be required for any emissions that were underreported related to these source tests pursuant to fee rates discussed in Rule 301 (e)(10)(C) and (D). This amendment is necessary because of delays that sometimes occur in SCAQMD approval of source tests. SCAQMD staff believes surcharges/penalties are not appropriate in circumstance where emissions are reported based on source tests that were promptly submitted to the District, but were not approved by the District until a later date.

11. REDUCING CERTAIN CERTIFIED COPY FEES

**Description
of Proposed
Amendment:** This is a clarification and simplification of existing fees currently referenced in multiple (overlapping) sections. Currently, the fees to obtain a certified copy of a permit and the fees to obtain a reissued permit are mentioned in three locations. In Section (f)(1)-(2), flat fees are listed for non-Title V and Title V permits. In (l)(10)-(11), nearly identical fees are listed for RECLAIM facilities (both RECLAIM-only and RECLAIM/TV), but additional per-page fees apply for each page after the first page. In (n)(7)-(8), a single fee is listed for non-RECLAIM facility permits (notably lower than the other fees from sections (f) and (l)), with an additional fee (also lower than in section (l)), for each page after the first page. All Title V permits are facility permits, as are all

RECLAIM and RECLAIM/TV permits. This makes the rates in (n)(7)-(8) appear to be in conflict with those in sections (f) and (l).

By consolidating all certified copy and permit reissue fees in a single section that requires payment at the lowest rate in all three sections, the discrepancy between sections would be eliminated and future discrepancies would be avoided. The currently implemented procedure for printing certified copies or reissued permits has been streamlined and makes the per-page fee no longer necessary. Although this may result in a decrease in revenue for facility permits, the current annual number of requests for facility permit copies and reissued facility permits is negligible, so there is no anticipated impact on revenue. Also, in most cases, facility permits are not reissued, but instead required to submit an administrative amendment fee to reflect the types of changes that result in a reissuance.

**Proposed
Amended
Rule(s):**

(note that sections (f), (f)(1), and (f)(2) are unchanged, but are provided here for clarity)

Rule 301

(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) Certified Permit Copy

Facility Type	Non-Title V	Title V
FY 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19 <u>31.24</u>	\$37.84 <u>39.16</u>

(2) Reissued Permit

Facility Type	Non-Title V	Title V
FY 2018-19	\$233.77	\$264.71
FY 2019-20 and thereafter	\$233.77 <u>241.95</u>	\$292.93 <u>303.18</u>

...

(l) RECLAIM Facilities

(10) 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 a fee for the first page as follows:

Facility Type	Non Title V	Title V
FY 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19	\$37.84

and the applicable fee per page for each additional page in the Facility Permit as shown below:

Facility Type	Non Title V	Title V
FY 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(11) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee when 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 a fee for the first page as follows:

Facility Type	Non Title V	Title V
FY 2018-19	\$233.78	\$264.71
FY 2019-20 and thereafter	\$233.78	\$292.93

and the applicable fee per page for each additional page in the facility permit as shown below:

Facility Type	Non Title V	Title V
FY 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(n) All Facility Permit Holders

(1) Applicability

The requirements of this subdivision apply to all non-RECLAIM holders of a Facility Permit.

(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 \$27.92 for the first page and \$1.97 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 \$216.14 for the first page plus \$1.97 for each additional page in the Facility Permit.~~

**Justification/
Necessity/
Equity:** The discrepancy between certified copy and permit reissuance fees was introduced as an error during rule amendment in 2017. The intent to recover increased costs from the Title V program is not met by assessing a lower fee for Title V-only Facility Permits, and the current configuration of multiple conflicting references is confusing and unclear.

By removing references to certified copy and reissuance fees in sections (l)(10)-(11) and (n)(7)-(8), fees are reduced and the correct fees are more clearly identified in sections (f)(1)-(2).

The adjustment is warranted to correct a mistake from an earlier rule revision. The adjustment will align and consolidate the fees for certified copies and reissuance of permits (and facility permits). In addition, for Title V-only facilities, the fee adjustment will continue to recover costs required to implement the Title V program, which is required by the Clean Air Act.

IV. PROPOSED RULE AMENDMENTS WITH NO FEE IMPACTS AND/OR ADMINISTRATIVE CHANGES

The proposed rule amendments in this section do not have fee impacts. Rather, these amendments generally include administrative changes, including clarifications, deletions, re-numbering, and corrections to existing rule language.

In addition to the proposed amendments to specific rule language as discussed below, and additional amendments that represent renumbering of rule sections/tables, due solely to any proposed addition and/or deletion of preceding rule sections/tables, are not separately listed below. Finally, all of the amended fee rates shown below reflect the proposed CPI-based fee increase and do not include any additional increase beyond the CPI-based adjustment.

1. CREATION OF “NON-RECLAIM/NON-TITLE V” FACILITY CATEGORY IN TABLE VII OF RULE 301

Description of Proposed Amendment: Table VII of Rule 301 specifies fees applicable to holders of facility permits. In particular, Table VII identifies three separate categories of facility permits: Title V, RECLAIM, and Title V/RECLAIM. Currently, there are about 130 facilities in the “RECLAIM” category. As the RECLAIM program ends, and these non-Title V facilities exit the RECLAIM program, they will continue to hold their facility-wide permits unless they voluntarily apply to convert their facility-wide permit to individual equipment-based permits. The sunsetting of the RECLAIM program results in a re-naming of the category pertaining to these facilities. They will no longer be known as “RECLAIM” facilities. Instead, they will be known as “non-RECLAIM/non-Title V” facilities. This category name change requires an updating/clarification of Table VII to capture their new name/status/category. These facilities will continue to possess their same facility-wide permit and the fee they were paying for that facility permit will be unchanged.

Proposed Amended Rule(s):

Rule 301

(n) All Facility Permit Holders

(3) Facility Permit Revision

Except as provided in paragraphs (m)(4) and (m)(5), 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 (j). For a non-Title V facility, the facility permit revision fee shall be the applicable facility permit fee in Table VII.

TABLE VII

~~FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM & TITLE V~~

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
<p>Facility Permit Amendment/Revision Fee</p> <ul style="list-style-type: none"> • RECLAIM Only or <u>non-RECLAIM/non-Title V</u> <ul style="list-style-type: none"> • Title V Only* • RECLAIM & Title V* <p>* Includes administrative, minor, deminimis significant, or significant amendment/revision</p>	(l)(4) (m)(4) (n)(3)	<p>\$1,170.63</p> <p>\$1,325.61</p> <p>\$2,496.24</p>	<p>\$1,170.63<u>211.60</u></p> <p>\$1,466.92<u>518.26</u></p> <p>\$2,637.55<u>729.86</u></p>
<p>Facility Permit Change of <u>Owner/Operator</u></p> <ul style="list-style-type: none"> • Facility Permit Amendment Fee <p>Plus</p> <ul style="list-style-type: none"> • Application Processing Fee for Each Application 	(c)(2) (l)(6) (m)(4) (n)(5)	<p><i>Facility Permit Amendment/Revision Fee (See Above)</i></p> <p><i>Plus</i></p> <p><i>Processing Fees (See Table FEE RATE-C))</i></p>	
<p>Title V Facility Permit Renewal Fee (Due at Filing)</p> <p>Plus</p> <p>Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)</p>	(m)(5) (m)(9)	<p>\$3,010.95</p> <p>Plus</p> <p>\$210.67 per hour</p>	<p>\$3,331.91<u>448.52</u></p> <p>Plus</p> <p>\$233.13<u>241.29</u> per hour</p>

Justification/

Necessity/ Facility permits have additional administrative costs due to their comprehensive nature. The creation of a new category in Table VII is necessary to ensure the continued recovery of administrative costs associated with the processing of facility permits. The proposed revision makes clear that facility permit fees continue to apply to non-Title V facilities that exit the RECLAIM program.

2. UPDATE RULE 2002 REFERENCE FOR PERMIT REISSUANCE FEE

Description of Proposed Amendment: This proposed amendment to Rule 301(l)(16) changes the reference from “Rule 2002(f)(7)” to “Rule 2002(f)(8)” to reflect renumbering that occurred as a result of the Rule 2002 amendment process in 2018.

Proposed Amended Rule(s):**Rule 301**

(l) RECLAIM Facilities

Renumbered as a result of another proposed amendment

(16)(14) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NOx RECLAIM program pursuant to Rule 2002(f)(78) shall be assessed a Facility Permit Reissuance Fee for the conversion of its RECLAIM Facility Permit to a Command-and-Control Facility Permit. The conversion consists of removal of non-applicable RECLAIM provisions and addition of requirements for applicable command-and-control rules. The Facility Permit Reissuance Fee includes an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility’s Title V status.

The initial flat fee to transition from NOx RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(78) shall be paid at the time of filing and assessed according to the following fee schedule.

Justification/

Necessity/ The proposed amendment would simply revise Rule 301 to reflect updated rule language by properly referencing Rule 2002(f)(8) instead of 2002(f)(7). No new fee or revision to existing fees would occur because of this amendment.

3. LATE SURCHARGE CLARIFICATION

Description of Proposed Amendment: This amendment would clarify rule references with respect to late surcharges. Rule 301(e)(11)(C) currently refers to Rule 301(e)(10) in regards to the surcharge if an installment fee payment is considered late. Since Rule 301(e)(10) has several subsections that apply to different conditions, some clarification/amendment to the rule language seem to be necessary to prevent confusion. The proposed amendment to Rule 301(e)(11)(C) would more specifically identify the subsections which is applicable, i.e. Rule 301(e)(10)(B). Subparagraph (e)(10)(B) would also be amended to include an appropriate cross-reference to subparagraph (e)(11)(C).

Proposed Amended Rule(s):

Rule 301

(e)(10)(B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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))

(e)(11)(C) An installment fee payment shall be ~~is~~ considered late ~~and is subject to a surcharge if not received by the District, or postmarked, on or before the within seventy five (75) days~~ ~~seventy-fifth (75th) day following July 1 of the current reporting period of the due date~~ and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).

Justification/ Necessity/ Equity: The proposal would clarify which subparagraph should be used to estimate the surcharge in Rule 301(e)(10) to prevent confusion.

4. OWNER/OPERATOR CLARIFICATION IN RULE 209

Description of Proposed Amendment: Staff is proposing to amend Rule 209 with language that clarifies when a change of owner/operator occurs.

**Proposed
Amended
Rule(s):**

Rule 209

A permit shall not be transferable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another.

When equipment which has been granted a permit is altered, changes location, or no longer will be operated by the permittee, the permit shall become void. For the purposes of this rule, ~~mergers, name changes, or incorporations by an individual owner or partnership composed of individuals shall not constitute a transfer. Other transactions shall be deemed a transfer for purposes of this rule and shall require a change of operator or change of ownership as specified in the Change of Owner/Operator Guidelines adopted by the Executive Officer and in effect as of July 1, 2019 or as subsequently modified. The Executive Officer may update those Guidelines as appropriate in accordance with principles of California corporate law, and shall publish such updated Guidelines on the District's website.~~

**Justification/
Necessity/
Equity:**

Rule 209 currently states that a merger does not result in a transfer of owner/operator at a facility. This position is inconsistent with the principles of California corporate law. The rule is being amended to remove that inconsistency. In addition, the rule is being updated to include a reference to District issued Change of Operator/Owner Guidelines prepared by the District.

5. SEVERABILITY IN RULE 301

**Description
of Proposed
Amendment:**

**Proposed
Amended
Rule(s):**

Rule 301

(ac) 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.

**Justification/
Necessity/
Equity:** Rule 301 contains multiple fees associated with the District's permit processing program. These fees constitute a significant portion of the District's revenue. Staff is proposing to add a severability clause to protect revenue in circumstances when one or more of these fees are successfully challenged.

V. IMPACT ASSESSMENT

A. FISCAL IMPACT FOR SCAQMD

The fiscal impact of the proposed amendments, ~~including except for those impacted only by the CPI increase, have not been taken into consideration by the FY 2019-20 budget and the related five year projections~~ is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter.

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The proposed project is comprised of amendments to Regulation III, and Rule 209. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees consistent with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; 4) the removal, reduction, and capping of certain fees to provide fee reduction and relief; and 5) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 – Transfer and Voiding of Permits, consists of a clarification on how permit transfers are considered when there is a change of owner/operator. Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Regulation III and Rule 209 pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 209 isare categorically exempt because they are it is designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of

the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

C. SOCIOECONOMIC IMPACT ASSESSMENT

A draft socioeconomic impact assessment for the automatic CPI increase has been prepared as a separate report and was posted online on March 15, 2019 (available on SCAQMD's website at: http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase_2019.pdf.) A socioeconomic impact assessment of other proposed rule amendments with fee impacts will be conducted and released for public review and comment at least 30 days prior to the SCAQMD Governing Board Hearing on Proposed Amended Regulation III and Fiscal Year 2018-19 Proposed Draft Budget and Work Program, which is anticipated to be heard on May 4, 2019.

VI. DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE

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 in H&SC Section 40727, as well as findings of equity under H&SC Section 40510.5(a). The draft findings are as follows:

A. NECESSITY

Based on the analysis provided in Sections II, III, and IV of this report, ~~the SCAQMD Governing Board has determined that~~ a need exists to add or increase certain fees in Rules 301 and 309 in order to recover reasonable and actual costs incurred by SCAQMD in implementing necessary clean air programs. These fees include fees for toxic emissions, Rule 1118.1 notification fees, PERP inspection fees, Rule 309 fees for certain plans required by Regulation XVI and XXV, and new renewal fees for CAS/CACC certifications. In addition, ~~the SCAQMD Governing Board has determined that~~ other fees in Rule 301 and 308, should be eliminated, reduced, or capped because such fees are resulting in collateral and unanticipated costs to the District and/or are no longer necessary due to process improvements at the SCAQMD. Finally, the amendments set forth in the no fee impact/administrative change section of this report are necessary to add rule clarity or make necessary administrative changes to Rule 301. CPI updates to Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 are necessary to recover SCAQMD's costs as a result of inflation. All fees are necessary to fund the Fiscal Year 2019-20 Budget. It is also necessary to amend Rule 209 to clarify when a change of owner/operator occurs. As currently written, it is inconsistent with California corporate law insofar as it provides that a merger that does not result in a transfer of owner/operator at a facility.

B. EQUITY

H&SC Section 40510.5(a) 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. Based on the analysis provided in Section III of this report, the proposed new fees or increases in fee rates in Proposed Amended Rules 301, 308, and Rule 209 are found to be equitably apportioned.

C. AUTHORITY

The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from H&SC Sections 40000, 40001, 40440, 40500, 40501.1, 40502, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C. §7661(b)(3)].

D. CLARITY

~~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, 315 and 209, 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, 311, 313, 314, 315, and Rule 209 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, 311, 313, 314, 315, and Rule 209, 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 references, implements, interprets, or makes specific:~~ H&SC Sections 40500, 40500.1, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 41512, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C.S. 7661 (b)(3)].

APPENDIX A – 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 B – SUMMARY OF PROPOSED AMENDED RULES

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(aa)	Amend Rule 301 Paragraph (aa) to remove Delek U.S. Holdings, Inc. (Paramount)	✓	✓	
301(e)	TAC Fee Increases for AER, AB 2588, and Special Monitoring Cost Recovery	✓	✓	
301 (e)(10)(E)	New subparagraph Rule 301 (e)(10)(E), existing subparagraph Rule 301 (e)(10)(E) would be renumbered Rule 301 (e)(10)(F)	✓		✓
301(e)(10)(B)	Clarification to Rule 301(e)(10)(B)	✓		✓
301(e)(11)(C)	Clarification to Rule 301(e)(11)(C)	✓		✓
301(f)(1)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(l)(10)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(l)(16)	Change Reference to Rule 2002 (f)(7) to Rule 2002 (f)(8)	✓		✓
301(n)(3)	Creation of “former RECLAIM/non-Title V” facility category in Table VII of Rule 301	✓		✓
301(n)(7)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(r)	Clean Air Solvent Certification Fees	✓	✓	
301(v)	Update Rule 301 Fee and update Table VI applying to Rule 1403	✓	✓	
301(w)	Enforcement Inspection Fees for PERP Regulations		✓	
301(x)	Include Rule 1118.1 in rules subject to fees in Rule 301 (x)	✓	✓	

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301 Table IV	TAC Fee Increases for AER, AB 2588, and Special Monitoring Cost Recovery	✓	✓	
301 Table VI	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
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(c)(2)	Remove Fee in Rule 308 for Adding/Deleting Site from a Multi-Site or Geographic Program	✓	✓	
308	On-Road Motor Vehicle Mitigation Options Fees	✓		
309(c)(2)	Aligning Inspection Fee Rates in Rule 306 and 309	✓	✓	
309(c)	Aligning Inspection Fee Rates in Rule 306 and 309	✓	✓	
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	✓		
315	Fees for Training Classes and License Renewal	✓		

APPENDIX C – DETAILED BREAKDOWN OF DISTRICT COSTS FOR STATIONARY SOURCE TOXICS: EXISTING SOUTH COAST AQMD PROGRAMS

SCAQMD Division	District Work Programs Eligible to be Paid for by Emissions Fees*	Total FTE Staff in Work Programs (FY 18-19)	Portion of Program Paid for with Emissions Fees (FY 18-19)	Percent of Program Effort on Stationary Source Toxics**	Program Cost for Stationary Source Toxics	Division Total	This analysis used as a baseline every South Coast AQMD work program that is at least partially paid for with emissions fees. The amount of emissions fees used to pay for each work program is listed in the middle column. Staff from each program then provided estimates for the resources that were spent on toxics emissions from permitted facilities. This percentage was then multiplied by the middle column. The subtotals from this calculation were then summed, resulting in the total of ~\$9.25 million.
Compliance	Public Complaints/Breakdowns	14.1	\$1,140,113	60%	\$684,068	\$1,207,708	
	Compliance Guidelines		\$316,698	50%	\$158,349		
	Compliance Testing		\$219,132	50%	\$109,566		
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
	Compliance/IM Related Activities		\$108,566	100%	\$108,566		
	Emergency Response		\$20,480	100%	\$20,480		
Permitting	Perm Proc/IM Programming	4.3	\$58,131	25%	\$14,533	\$137,343	
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
	School Siting		\$56,991	100%	\$56,991		
	Rulemaking		\$50,722	41%	\$20,796		
	Environmental Justice		\$302,926	50%	\$151,463		
	Customer Service		\$17,097	50%	\$8,549		
Planning & Rules	Rulemaking/Toxics	31.1	\$2,492,700	100%	\$2,492,700	\$4,747,199	
	Annual Emission Reporting		\$2,297,884	60%	\$1,378,730		
	Socio-Economic		\$1,024,833	41%	\$415,218		
	SCAQMD Projects		\$326,949	25%	\$81,737		
	CEQA Document Projects		\$106,598	50%	\$53,299		
	Regional Modeling		\$197,933	25%	\$49,483		
	AQMP/Emissions Inventory		\$117,384	10%	\$11,738		
	Emissions Inventory Studies		\$83,845	50%	\$41,923		
	Health Effects		\$66,283	100%	\$66,283		
	Cln Communities Pln		\$28,326	100%	\$28,326		
	MATES V		\$27,136	100%	\$27,136		
	EJ-AQ Guidance Document		\$5,212	100%	\$5,212		
	Intergov/Geographic Deployment		\$571,483	50%	\$285,742		
Leg & Public Affairs	Environmental Justice	22.1	\$302,926	50%	\$151,463	\$695,360	
	Small Business/Permit Streamlining		\$230,107	30%	\$69,032		
	Outreach/Business		\$93,208	35%	\$32,623		
	Public Education/Public Events		\$76,504	30%	\$22,951		
	Clean Air Connections		\$53,595	30%	\$16,078		
	Public Notification		\$47,778	90%	\$43,001		
	Fee Review		\$14,318	0%	\$0		
	Public Information Center		\$41,993	90%	\$37,793		
	Environmental Education		\$25,632	30%	\$7,690		
	Advisory Group/Ethnic Comm		\$21,438	70%	\$15,006		
Lab & Monitoring	Ambient Air Analysis	18.6	\$347,848	50%	\$173,924	\$1,605,125	
	ST Methods Development		\$307,811	75%	\$155,838		
	Quality Assurance		\$131,249	33%	\$43,312		
	Spec Monitoring/Emerg Response		\$109,374	50%	\$54,687		
	ST Sample Analysis/Air Program		\$54,687	75%	\$41,015		
	ST Sample Analysis/Air Program		\$54,687	75%	\$41,015		
	VOC Sample Analysis/Rules		\$52,500	41%	\$21,525		
	Air Quality Data Management		\$28,437	10%	\$2,844		
	NATTIS/Natl Air Tox Trends Sta		\$22,969	100%	\$22,969		
	Environmental Justice		\$302,926	50%	\$151,463		
	DB/Computerization		\$14,437	33%	\$4,764		
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
Legal	Ongoing lab/monitoring consumables	10.7	\$1,046,000	85%	\$887,264	\$600,306	
	Case Disposition		\$810,146	25%	\$202,536		
	Legal Rep/Litigation		\$699,670	25%	\$174,917		
	Rules/Legal Advice		\$341,114	41%	\$139,857		
	CEQA Document Projects		\$106,598	50%	\$53,299		
	Interagency Coordination		\$52,304	33%	\$17,260		
Admin, IM, etc.	Legal Rep/Legislation	20.8	\$49,746	25%	\$12,436	\$257,166	
	New System Development		\$473,234	15%	\$70,985		
	Systems Maintenance		\$387,287	25%	\$96,822		
	Annual Emission Reporting		\$2,297,884	60%	\$1,378,730		
	Billing Services		\$165,182	10%	\$16,518		
TOTAL		121.6				\$9,250,209	

* Consistent with Health and Safety Code 40510

** Estimates provided by each Division

DETAILED BREAKDOWN OF DISTRICT COSTS FOR STATIONARY SOURCE TOXICS: AB 617 WORK PROGRAMS

AB 617 Work Programs	Full Time Equivalent Staff***	AB 617 Sub-Programs	Anticipated Costs for Year 1 of AB 617 Sub-Programs	Anticipated Percent of Sub-Program Focused on Stationary Source Toxics****	Anticipated Sub-Program Costs for Stationary Source Toxics	Anticipated Program Total for Stationary Source Toxics
Community Monitoring and Analysis	23	Equipment, Sensors, Monitoring Sites, Vehicles	\$3,271,500	50%	\$1,635,750	\$5,752,056
		Recurring Costs (hazardous waste, license, software, etc)	\$1,145,000	50%	\$572,500	
		Recurring Costs (Equipment, Vehicles, real estate)	\$302,000	50%	\$151,000	
		Contract (remote sensing, laboratory)	\$1,380,000	50%	\$690,000	
		Staff Expense	\$5,385,612	50%	\$2,692,806	
		Travel	\$20,000	50%	\$10,000	
Community Emission Reduction Plans	23.5	Software & Website	\$100,000	70%	\$70,000	\$3,363,941
		Steering Committee/Community Meetings	\$404,440	70%	\$283,108	
		Steering Committee/Community Engagement	\$44,400	70%	\$31,080	
		Staff Expense	\$4,256,791	70%	\$2,979,754	
Uniform Emissions Reporting	6.0	Inventory Protocol Implementation Staff	\$1,457,065	60%	\$874,239	\$1,054,239
TOTAL	52.5	Software, Data Enhancements & Programming	\$300,000	60%	\$180,000	\$10,170,236.3

*** Estimate based on expected workload to implement AB 617 and is consistent with previous Board approvals when recognizing one time revenues from the state in January and December 2018.

**** Estimated percentages for Community Monitoring and Emission Reduction Plans based on expected long-term implementation of AB 617 across many communities. In addition, District efforts on Emission Reduction Plans are expected to focus on stationary sources while CARB resources are expected to focus more on mobile sources. Estimated percentages for Emissions Reporting are consistent with current Annual Emissions Reporting workload.

This analysis used as a baseline a budgeting analysis conducted for Year 1 implementation of the South Coast AQMD AB 617 program. This baseline estimate is consistent what has previously been discussed with Community Steering Committees (e.g., <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/wilmington/presentation-feb12-2019.pdf>). The baseline total estimated workload is \$27.7 million for all South Coast AQMD AB 617 work. Note that costs are expected to increase in future years due to the addition of more AB 617 communities. Costs for all work programs that may address toxics emissions from permitted facilities, at least in part, are listed in the middle column.

Staff then estimated the amount of work dedicated to toxics emissions from permitted facilities for each program. Because AB 617 is a new program, these estimates are uncertain as work proceeds, and as new communities are added, each with its own unique needs. These estimated percentages are based on staff's experience in conducting similar work in the past in other communities (e.g., Paramount), and in the recognition that South Coast AQMD has primary authority over stationary sources while CARB has primary authority over mobile sources. Hence, while many communities may be impacted largely by mobile sources, much of that work would be conducted by CARB, while South Coast AQMD would focus on permitted stationary sources.

Similar to the analysis for existing South Coast AQMD work programs on the previous page, the percentages for each program were multiplied by the middle column, and the resulting subtotals were summed to arrive at the estimate of approximately \$10.2 million for AB 617 work on toxics emissions from permitted sources. This estimate comes out to about one third of all AB 617 work being focused on toxics emissions from permitted facilities.

APPENDIX D – PUBLIC COMMENTS

From: jmeyer@aviation-repair.com [mailto:jmeyer@aviation-repair.com]
Sent: Friday, April 12, 2019 8:15 PM
To: Shah Dabirian <SDabirian@aqmd.gov>
Cc: john.kabateck@nfib.org; 'Wesley Turnbow' <wturnbow@emeplating.com>
Subject: FW: Webinar To Discuss Proposed New Toxics Emissions Fees

HI Shah,

These are not ready for a review by the board. You should consider:

- 1) How would a facility determine how many devices to which it should apply the “flat rate device fee” to? How would we count the “unpermitted” items? What are they? and how would you define what is countable? Are you counting my stacks (1), or my tanks (6), or my rectifiers (many)? And what unit of measure would be used to count an activity? Is duration of activity important? This seems to be a pretty fundamental problem with the proposal. Obviously without these definitions the public from whom you are seeking comment input can only estimate the MINIMUM they would pay based on their known number of permits. The maximum is an undefined unknown. I hope this is not intentional. }
1-1
- 2) I am curious how the “TEF Impact by Industry” analysis dealt with my business. We are an FAA repair facility, a 100% service business, and a small business with 16 employees but somehow not included in the 146 establishments the industry analysis has in the “Services: Repair and Maintenance” category. Our fees ALONE would total more than are attributed as the entire amount that segment of 146 companies would pay. The proper inclusion of us in that category would cause the category average to more than double and we would be the top impacted business in the category. We are NAICS 488190. What category does AQMD think we are in? What category are the other metal finishers in? They are all service businesses. Makes me suspicious of the entire page. Obviously this also taints the line purporting to represent the impact on small business as well. I would think the small business advocates might take more interest if higher values are shown in the small business line. }
1-2
- 3) My kids and grandkids sometimes fly in airplanes. When they do, I am very happy that the following systems, which are designed to include hexavalent chromium, cadmium, and nickel work effectively: Landing Gear, Thrust Reversers, Rudder Actuators, Ball-screws, and Propeller Actuators. I am glad that police forces are able to fly safely in helicopters that use the same materials in Rotor Servos and Actuators. I am glad that our Armed Forces are able to rely on the safe operation of aircraft. We maintain all of the above. We are keeping you and your children safe, every day. As you consider how beneficial it would be to the nation to roll AQMD policies nationwide, consider the impact on lives if critical aircraft maintenance could only be performed economically in countries without the same environmental rules we have. }
1-3

Best Regards,

Jim Meyer

Response to Comment 1-1

As stated in the staff report on page 28, footnote 15, devices will continue to be reported in the same manner as is currently required for the Annual Emissions Reporting (AER) program through its web tool. Since 2014, all facilities have been required to report emissions through AER at the device level (often called an ‘Emission Source’ within the web-tool). Therefore, the methodology for reporting the number of devices within AER is not changed. Several guidance documents are available online to guide facilities in reporting emissions for their facility, including instructions for reporting emissions at the device level (<http://www.aqmd.gov/home/rules-compliance/compliance/annual-emission-reporting>). For example, in the Frequently Asked Questions document located on the AER website, Questions 18 and 19 state:

18. What is An Emission Source (ES)?

Emission source (ES) and its numbers are generated by the reporting tool for tracking purposes. It is designated to a source of emission, whether permitted or not. Each ES is assigned to a device/equipment in facility’s permit profile. User can always add ES to the list for the missing source of emissions, permitted or not.

19. How Do I Add an Emission Source (ES)?

User can add an emission source for the operation that either does not require a written permit (Rule 219 equipment or un-permitted operations) or missing from the uploaded permit profile. Please see “Add an Emission Source” section in Help and Support manual for detailed instructions.

The number of devices for each facility will vary depending on the specific nature of each facility’s operations. In general, every permitted device is an emissions source, as are unpermitted non-vehicular equipment with emissions (e.g., Rule 219 registered equipment). Facilities may contact AER staff to discuss how many devices must be reported for their facility [(909) 396-3660, aer@aqmd.gov].

Response to Comment 1-2

The commenter’s facility is not included in the ‘TEF Impact by Industry’ table because Proposed Amended Rule 301 will not require the facility to report emissions. This facility’s emissions are below the thresholds required to report emissions in paragraphs (e)(1) and (e)(5). CARB is proposing a new regulation (Criteria and Toxics Reporting [CTR]) that may require more facilities to report their emissions to air districts, however this regulation has not been finalized, and the additional reporting requirements from that regulation are unknown. Because the commenter’s facility is not required to report emissions (or pay the proposed toxics emissions fees) to South Coast AQMD pursuant to Proposed Amended Rule 301, no socioeconomic impacts for this facility are presently expected if the Board approves this rule. Staff confirms the commenter’s facility categorization, *Other Support Activities for Air Transportation*, which is classified as 488190 in NAICS.

If this facility is required to report emissions (and subsequently pay toxics emissions fees) by the new state regulation, then the South Coast AQMD’s workload is expected to increase in proportion to all other facilities currently reporting under Rule 301 – and fees will be tied to the facility’s reported toxics emissions level and number of devices.

Response to Comment 1-3

Proposed amendments to Regulation III do not prohibit the use of hexavalent chromium, cadmium, and nickel in industrial and commercial applications. The South Coast AQMD has no plan or authority to “roll [its] policies nationwide.” Unfortunately, the use of toxic metals, even if necessary or beneficial, creates work and costs for the South Coast AQMD. The new fee schedule is proposed to recover costs incurred by the agency in relation to activities such as monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples of recent efforts undertaken by the South Coast AQMD include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions (e.g., nickel, arsenic, lead) from facilities such as battery recyclers and others in the metal-working industry and fugitive hydrocarbon emissions.

The proposed increased in toxic emission fees would increase the cost of services rendered by the affected industries in the region. The magnitude of the impact depends on the size and diversification, and infrastructure in a local economy as well as interactions among industries. The socioeconomic analysis for Regulation III found that our region’s large, diversified, and resourceful economy is expected to absorb the impact described above with minimal impact. The socioeconomic assessment of the proposed amendments shows that nearly 40 percent of the facilities currently subject to toxic emission fees will have no future difference in their total annual toxics fees compared with the 2017 reporting year, and only about 132 out of about 22,000 permitted facilities are expected to incur more than \$5,000 in toxics emissions fees annually.

From: Ahn, Terry [mailto:tahn@ocsd.com]
Sent: Friday, April 19, 2019 2:28 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: [EXTERNAL]

1. There should be a discount given for device fee for identical equipment similar to discount given for permit processing fee.
2. AB 617 work related costs should be recovered only from those facilities that are located in the communities that are selected by CARB.

} 2-1
}
} 2-2

Thank you!



Terry Ahn
Orange County Sanitation District
Laboratory, Monitoring, and Compliance | Regulatory Specialist
Office: 714.593.7082
www.ocsd.com

Response to Comment 2-1

The current proposal for the device-level fee corresponds with the workload associated for each individual device in auditing by South Coast AQMD staff the emission reporting. While some devices may be similar for permitting purposes, their annual emissions often vary due to differences in throughput, etc., hence the toxics inventory workload for each device generally cannot be streamlined even for similarly permitted equipment.

Response to Comment 2-2

Under the new fee structure, higher toxics emitting facilities will pay higher fees, consistent with the expected increased South Coast AQMD workload. This is more equitable than allocating fees based on geography, as suggested by the commenter. With respect to AB617 new communities need to be added every year, and many facilities located outside of AB 617 communities impact residents inside AB 617 communities. This fact, along with the nature of the work required for the South Coast AQMD, means that AB 617 has impacts that extend beyond the initially chosen communities. For example, monitoring-related investigations instigated at the request of a particular community will generate knowledge that has impacts beyond that individual community. The District's past work at specific lead or metal finishing facilities contributed immensely to the District's knowledge about the behavior of fugitive emissions. That knowledge has been applied in other contexts. In addition, work in an AB 617 community is expected to result in additional rulemaking responsibilities for the agency. That rulemaking will not be targeted at a single facility in a single community. Instead, it will be a rule of general application throughout the South Coast Air Basin. Under these circumstances, it would not be equitable to seek recovery of these expenses from a single or limited number of facilities in a single community.

It is also significant that much of the current South Coast AQMD work on toxics emissions from permitted sources is also associated with non-AB 617 work as illustrated in the Final Staff Report in Chapter III and Appendix C. Finally, the Board resolution also contains a requirement for staff to report back to the Administrative Committee within one year of final phase in of the toxics emissions fee on the revenues raised by the fee, the costs of toxics work covered by the fee, and the District's efforts to obtain funding for toxics work covered by this fee.

From: Natasha Meskal [mailto:nmeskal@ecotek.com]

Sent: Friday, April 19, 2019 2:29 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]So when will toxic emissions fee be assigned for emissions < 1 pound?

Hi,

So when will toxic emissions fee be assigned for emissions < 1 pound?

} 3-1

Are you planning to re-evaluate default emission factors?

} 3-2

Will you add option to add control, when applicable, to combustion worksheets?

} 3-3

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

Response to Comment 3-1

The current proposal uses thresholds specific to each Table IV listed pollutant, and therefore some compounds have thresholds that exceed 1 pound per year, while others have thresholds that are significantly less than one pound. The thresholds used are consistent with thresholds used for reporting emissions under the AB 2588 Toxics Hot Spots Program. Reporting under the new toxics emissions fee structure is proposed to begin in January 1, 2021 for emissions that occurred in 2020.

Response to Comment 3-2

South Coast AQMD is committed to improving default emission factors for emission reporting, which are largely based on source testing. As estimation methods improve, emission reporting will reflect the best available methodologies. California Air Resources Board is similarly looking into new reporting methods as part of AB617 and the requirement for uniform emission reporting of toxic air contaminants. In addition, the Board resolution contains a requirement for South Coast AQMD staff to convene a working group and review and update default emission factors as appropriate, and report back to its Stationary Source Committee within 12 months on the status of this work.

Response to Comment 3-3

The current AER web tool allows users to include the effect of controls to all emission sources, including combustion worksheets. If the commenter has detailed suggestions for improvements to the web-tool, she is encouraged to contact AER staff directly at [(909) 396-3660, aer@aqmd.gov].

From: Natasha Meskal [mailto:nmeskal@ecotek.com]

Sent: Friday, April 19, 2019 2:32 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Questions

Hi,

What will be toxic fee threshold?

} 4-1

Will toxic emissions affect AER applicability?

} 4-2

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

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714-596-8837 Fax

WWW.ECOTEK.COM

Response to Comment 4-1

The requirements for toxics fees are stated in Rule 301 (e) and thresholds are listed in TABLE IV.

Response to Comment 4-2

These amendments are not designed to require more facilities to report emissions. The requirements for reporting emissions to the South Coast AQMD are listed in paragraph 301(e)(1). If a facility emits more than 4 TPY of any criteria pollutant, that facility must report all criteria pollutant emissions and the emissions for all toxics listed in TABLE IV of Rule 301. CARB is currently in the process of drafting a regulation related to criteria pollutant and toxics emissions reporting. This regulation entitled Criteria Toxics Reporting (CTR) may require additional facilities to report toxic emissions in the future to air districts, however proposed amendments to Rule 301 do not duplicate any potential requirements from CARB's proposed CTR regulation.

From: James Simonelli [mailto:james@metalscoalition.com]
Sent: Friday, April 19, 2019 2:27 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: [EXTERNAL]Questions

Hi Ian:

- 1) Slide 7. Since the phase-in of the TAC fee is not imminent, what is the objection to taking more time to discuss these fees? Is there a deadline to hear this May 3? } 5-1
- 2) Slide 6. Many companies will see a 400-600% increase in a TAC fee (ex: fee would increase from \$2000 to \$8000). Was this was addressed in Slide 6. And how often does SCAQMD increase fees at this high level? } 5-2
- 3) General question. Does the SCAQMD acknowledge that the same companies are getting hit with higher fees and taxes from 10-20+ California government agencies? Each agencies takes \$5,000-\$10,000 each, but it adds up to hundreds of thousands of dollars every year. } 5-3
- 4) General comment. Friday afternoon of a major holiday weekend is probably the worst timing. Any reason why this webinar couldn't have been done next week? } 5-4

Thank you!

James Simonelli, Executive Director
California Metals Coalition
<http://www.metalscoalition.com>
916-933-3075

Response to Comment 5-1

The Commenter's questions are in reference to the slide presentation made on April 19, 2019. Regulation III is customarily packaged with the annual budget update, and staff is proposing rule amendments and the budget together at the May 3 Governing Board hearing. One of the objectives of the delayed implementation schedule and proposed three year phase-in was to offer facilities ample time to evaluate the proposed amendments and their potential impacts. Delaying implementation allows facilities to take a closer look at their current emissions profile and to also look into the possibility of more source testing. The current phase-in allows facilities the opportunity to look at their emissions profile and plan for the optimal way to report their emissions under this new fee structure.

Response to Comment 5-2

Some facilities would experience increases in toxic fees relative to current toxic fees, consistent with the level indicated by the commenter. Some facilities are expected to pay even higher fees, as shown in Table 4 of the Socioeconomic Assessment. The current fee level is relatively low and does not cover all costs associated with current and anticipated work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program. The SCAQMD is committed to reasonable cost recovery and equitable allocation of its fees. Looking across all emissions fees, including criteria pollutants,

staff anticipates these amendments will result in an approximately 22% increase in total emissions fees collected. Staff continually evaluates the level of fees collected from facilities relative to the workload associated with permitting and other activities related to permitted facilities. Fees are increased or decreased as appropriate. For example, most recently in 2017 Regulation III was amended to include an increase in Title V fees that totaled approximately \$4 million in additional revenue to address that program's needs. In contrast, staff also proposes fee reductions when appropriate. The proposed amendments this year also include an approximate \$300,000 reduction in fees for asbestos demolition notifications consistent with expected streamlining of staff work for that program.

Response to Comment 5-3

The South Coast AQMD provided a detailed Socioeconomic Impact Assessment for the proposed amendments to Regulation III. As part of the socioeconomic analysis, staff projects the macroeconomic impacts resulting from the proposed amendments using Regional Economic Model, Inc. (REMI). The REMI model takes the projected incremental costs to various economic sectors as an input and estimates job impacts for each sector relative to a baseline scenario. This baseline scenario attempts to account for all regulatory and other costs that all regional economic sectors currently encounter.

In general, the South Coast AQMD is not in a position to address the impacts of additional fees imposed by other California government agencies. The proposed toxic air contaminants (TACs) fees are necessary to recover the recent increases in South Coast AQMD's efforts on monitoring, inspecting, auditing facilities' TAC emission inventories, rulemaking, and enforcement of rules for toxic air contaminants. The proposed fees were based on actual costs incurred for toxics related work which is expected to continue.

Response to Comment 5-4

The Governing Board's request to conduct the Regulation III Webinar in response to stakeholder feedback was made on April 12, with the Public Hearing scheduled on May 3. Staff scheduled the Webinar at the earliest opportunity (on April 19), in order to allow stakeholders the most time to provide comment. This Webinar was provided to supplement the previous public meetings that served as opportunities for public comment. In addition, staff has made and will continue to make themselves available to discuss any and all inquiries regarding the proposed amendments to Regulation III. In addition, a recording of this April 19th Regulation III Webinar is available online (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>).

From: Bill LaMarr [mailto:billlamarr@msn.com]
Sent: Friday, April 19, 2019 2:34 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: QUESTION

The terms in the pie chart only shows percentages and is too vague (e.g., “manufacturing”). Can staff delineate what industry “families” are included in manufacturing” (e.g., auto body shops, dry cleaners, metal finishing job shops, restaurants, etc.)

{ 6-1}

Response to Comment 6-1

Additional material was made available on April 16 to provide more detailed information on the impacts to industry resulting from the proposed TAC fee increase. This table “Toxic Emissions Fee Impact by Industry” is currently available online (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>) and provides percentile, average, and maximum estimates of the fee increase resulting from the proposed amendments for various industry sectors. In addition, this same information can also be found in Table 4 in the Final Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees.

From: Davenport, Neal [mailto:neal.davenport@davenport-co.com]

Sent: Friday, April 19, 2019 2:35 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: Reg III Question

Is the District planning to update its default EF profile for natural gas external combustion to replace the 1151 PAH listing with individual species?

It would seem that many reporters that burn utility natural gas would benefit.

7-1
}

Neal Davenport

Davenport Engineering, Inc. | Principal Engineer

Los Angeles: (310) 787-4600 x15 | Houston: (832) 317-6530 | Cell: (310) 625-0025
23705 Crenshaw Blvd., Suite 101, Torrance, California 90505
2600 South Shore Blvd., Suite 300, League City, Texas 77573
neal.davenport@davenport-co.com

Response to Comment 7-1

Please refer to the response to comment 3-2 regarding the improvement of the AER reporting methodologies.

From: Natasha Meskal [mailto:nmeskal@ecotek.com]
Sent: Friday, April 19, 2019 2:37 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: [EXTERNAL]Question

Hi,

Did I understand correctly that the current Toxic reporting thresholds will become Toxic fee thresholds?

}

8-1

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47
Huntington Beach, CA 92647
714-596-8836 Ext. 304
714-596-8837 Fax
WWW.ECOTEK.COM

Response to Comment 8-1

Correct. The proposed amendment to Rule 301(e)(7) requires facilities to pay toxics emissions fees if facility-wide emissions exceed thresholds in Table IV, and to pay Flat Rate Device fees if device-level emissions exceed Table IV thresholds per Rule 301(e)(7)(A)(ii).¹⁸

¹⁸ Emissions thresholds in Table IV are derived from CARB guidelines. See Appendix A of CARB's Emission Inventory Criteria and Guidelines Report (<https://www.arb.ca.gov/ab2588/2588guid.htm>)

From: Bob Rost [mailto:brost@cla-val.com]
Sent: Friday, April 19, 2019 2:44 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: Rule III

Will the socio-economic study be release to the public, and when?

} 9-1

Response to Comment 9-1

The Final Socioeconomic Impact Assessment for Regulation III- Fees is being released with the entire May 3 Board package. The Draft Socioeconomic Impact Assessment for Regulation III- Fees was previously released on April 2, 2019.

From: Suzanne Gornick [mailto:sgornick@worldoilcorp.com]

Sent: Friday, April 19, 2019 2:46 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Question

Ian,

Is the number of devices the total number contributing to an over-threshold TAC or only an individual device that is over the threshold?

} 10-1

Sue

Response to Comment 10-1

In the proposed amendments, the Flat Rate Device fee applies only to those devices that emit any toxic pollutant above the thresholds listed in Table IV. If a device emits toxics below all Table IV thresholds, then the Flat Rate Device fee will not be applied to that device.

From: Natasha Meskal [mailto:nmeskal@ecotek.com]
Sent: Friday, April 19, 2019 2:52 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: [EXTERNAL]Question

Hi,

Is Flat Device fee applicable to permitted and non-permitted devices?

} 11-1

Thank you.

Best Regards,

Natasha Meskal

Ecotek

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Huntington Beach, CA 92647

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714-596-8837 Fax

WWW.ECOTEK.COM

Response to Comment 11-1

The flat device fee applies to any device (permitted and non-permitted) that has emissions exceeding the thresholds listed in Rule 301 Table IV

From: Torres, Alison [mailto:torresa@emwd.org]
Sent: Monday, April 22, 2019 8:13 AM
To: Shah Dabirian <SDabirian@aqmd.gov>
Subject: Regulation III Estimates -Fee calculator

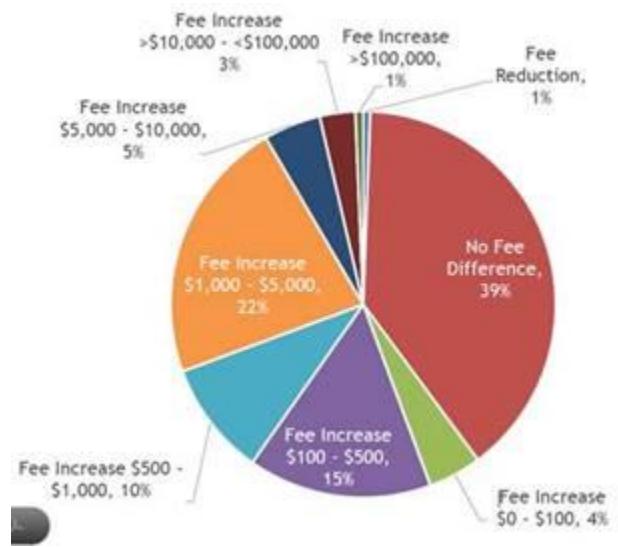
Good morning Shah,

Thank you for the distribution of the Toxic Fee Calculator for the proposed Regulation III changes. It is very helpful in estimating the fee impacts.

Staff has presented the fee increases as less than \$5,000 for a large majority of facilities.

What total number of facilities is used for these estimates?

} 12-1



Thank you in advance for your help.

Alison Torres

Senior Air Quality Compliance Analyst
Environmental & Regulatory Compliance Dept
Eastern Municipal Water District
(951) 928-3777, ext. 6345
torresa@emwd.org

Serving our community today and tomorrow

Response to Comment 12-1

The total number of facilities reflected in this chart is 1,541. The number of facilities with fee impacts greater than \$5,000 increase annually was determined to be 132. The numerical breakdown associated with the different categories in this chart can be found in Table A1 of the Final Socioeconomic Impact Assessment.

From: Suzanne Gornick [mailto:sgornick@worldoilcorp.com]

Sent: Friday, April 19, 2019 3:08 PM

To: Ian MacMillan <imacmillan@aqmd.gov>

Cc: Shah Dabirian <SDabirian@aqmd.gov>

Subject: Question about Toxics fee calculations

Ian,

I'm trying to calculate the new proposed toxics fees with the calculator. Can you confirm which one is correct?

Scenario 2 - Total Individual devices that "individually" are over a TAC threshold - 12

Scenario 1 - Total individual devices that "contribute" to over-threshold quantities - 315

-
I'm including fugitives as devices. Double counting devices is a given with either approach - not sure how you get around that. Ammonia, fluorocarbons, and 1,1,1 trichloroethane are calculated at set fees independent of device count.

13-1

Regards,

Sue Gornick

VP, EHS

World Oil Corp.

562-307-6353

-

TAC Group	TAC / ODC	Annual Emissions (lbs)	Threshold
<u>14</u>	<u>Arsenic and Compounds (inorganic)</u>	<u>0.011</u>	<u>0.01</u>
<u>2</u>	<u>Benzene</u>	<u>27.851</u>	<u>2</u>
<u>3</u>	<u>Beryllium</u>	<u>0.003</u>	<u>0.001</u>
<u>4</u>	<u>Butadiene [1,3]</u>	<u>0.539</u>	<u>0.1</u>
<u>13</u>	<u>Chromium, hexavalent (and compounds)</u>	<u>0.001</u>	<u>0.0001</u>
<u>12</u>	<u>Formaldehyde</u>	<u>14.263</u>	<u>5</u>
<u>19</u>	<u>PAHs [PAH, POM]</u>	<u>1.829</u>	<u>0.2</u>
<u>21</u>	<u>Vinyl chloride</u>	<u>0.992</u>	<u>0.5</u>

-

Scenario 1

ALL FACILITIES PAY FLAT RATE FEE of \$78.03		2021 Facility Fee	2022 Facility Fee	2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
		\$78.03	\$78.03			
ENTER NUMBER OF PERMITTED DEVICES, UNPERMITTED DEVICES, OR REPORTABLE TAC ACTIVITY ABOVE ANNUAL THRESHOLDS LISTED IN TABLE IV		2021 Device Fee	2022 Device Fee	\$173.31	\$54,865.80	\$109,565.78
		315	\$53,849.25			

Scenario 2

ALL FACILITIES PAY FLAT RATE FEE of \$78.03		2021 Facility Fee	2022 Facility Fee	2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
		\$78.03	\$78.03			
ENTER NUMBER OF PERMITTED DEVICES, UNPERMITTED DEVICES, OR REPORTABLE TAC ACTIVITY ABOVE ANNUAL THRESHOLDS LISTED IN TABLE IV		2021 Device Fee	2022 Device Fee	\$173.31	\$3,067.95	\$5,973.11
		12	\$2,051.40			

Chemical Abstract #	Ammonia and Ozone Depleters	ENTER EMISSIONS (in lbs.) FOR EACH COMPOUND LISTED IN COLUMN 'D'	2020 Emissions Fee	2021 Emissions Fee	2022 Emissions Fee
7664417	Ammonia	2116.12	\$84.64	\$84.64	\$84.64
1104	Chlorofluorocarbons	0	\$0.00	\$0.00	\$0.00
71556	1,1,1-trichloroethane	0.0361	\$0.00	\$0.00	\$0.00
		Total	\$84.64	\$84.64	\$84.64

Response to Comment 13-1

It should be scenario 2. All devices need to report all toxics in Table IV. Also facility-wide emissions over threshold will be used to determine the cancer-potency weighted fees. But devices are only counted if they emit at least one toxic over a Table IV threshold.



Strengthening the Voice of Business Since 2008

April 23, 2019

Mr. Wayne Nastri
Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Proposed Amended Regulation III (Fees)
Significant concerns over proposed air toxics fee changes

Dear Mr. Nastri,

We are writing on behalf of the Los Angeles County Business Federation (BizFed) - a grassroots alliance of more than 180 top business groups representing 390,000 employers with 3.5 million employees throughout Los Angeles County. Our members include large and small employers, minority business owners, and job creators from a wide range of industries. We appreciate the opportunity that the South Coast Air Quality Management District (AQMD or District) has given our members to participate in working groups on various rulemakings.

BizFed is writing to express our concerns regarding the proposed amendments to Regulation III. Specifically, we are very concerned about the proposed modifications to the toxics emissions fees in Rule 301(e).

- 1. Proposed changes to Rule 301(e) would significantly alter the applicable fee structure, reportedly increasing the fees collected by over 800 percent.¹ As of the writing of this letter, these proposed updates to the rule have not been adequately disclosed to all the affected stakeholders.**

The District's proposed changes to Rule 301(e) would significantly alter the fee structure applied to Southern California business with applicable toxics emissions. Some stakeholders will be subject to large increases in fees, driven largely by a complicated new "cancer potency-weighted fee" which would recover costs for District enforcement and related efforts for facilities with higher emissions of toxics. District have estimated a large increase in air toxics fees from a baseline of \$0.4M (2018) to \$4.9M (2022 for the 2021 reporting year) from this provision alone.² The District cites recent and anticipated District workload as part of the justification for the need to recover increasing costs for addressing toxics emissions from stationary sources. However, the claim that costs derived from workload is directly correlated to the toxicity and the complexity of emission sources at a facility (e.g., number of devices) does not appear to be sufficiently supported in the rulemaking documents made public thus far. These proposed changes were not presented to a Working Group at first, and thus stakeholders were not afforded sufficient opportunity to digest the proposed changes and provide comments. Simply put, more time is needed.

- 2. The notice period provided for the proposed changes to Rule 301(e) has not been sufficient given the potential for significant impacts and limited timeframe for public comment.**

14-1

¹ SCAQMD, Presentation for Proposed Amended Regulation III, Public Consultation Meeting, Draft, March 22, 2019. See slide 9.

² Ibid.

The District's notice of this radical change in Rule 301's fee structure and (projected) fees collected has been inadequate for public review and comment necessary for proposed changes of this magnitude. The first time any information regarding proposed toxics fee increases was made public appears to be the slideshow for the March 22, 2019 Public Consultation Meeting.³ However, neither the meeting notice nor the subsequent April 2, 2019 Draft Staff Report⁴ indicate that some facilities would be significantly impacted by the proposed changes. The Draft Staff Report does not explain that for certain industrial sectors, the annual toxics fees could increase as much as \$15,000 to \$427,000).

Another example highlighting this issue is that the March 27, 2019 "Notice of Public Hearing" letter⁵ does not mention the word "toxics". This is a concern, considering the most consequential of the proposed fee changes are associated with toxics emissions fees. Assuming no other notifications were distributed directly, facilities reporting air toxics were given no indication that their fees would be significantly increased by the proposed changes. The Draft Staff Report also describes how the increased toxics fees would represent a significant increase in total emissions fees collected (for both criteria and air toxics) but does not detail the potential range of impacts on individual facilities, including those which do not report air toxics emissions. More detailed information on impacts to specific industry sectors and subsectors, is only found in the April 2, 2019 Socioeconomic Report.⁶ According to that report, more than 1500 facilities are expected to be affected by the proposed increases to toxics fees. It has not been made clear that AQMD conducted any outreach to these facilities beyond the public hearing and public workshop notices that omitted important information.

14-2

Finally, AQMD is also proposing to apply these new toxics fees to diesel particulate matter (DPM). This would impact every facility with a diesel generator (including emergency generators), including local government facilities, hospitals, etc. which may assume that they would not be affected by the fee proposal. This important proposed change does not appear to have been detailed or even disclosed in the Public Hearing notice.

3. The justification for the proposed Rule 301(e) fee increases have not been adequately supported.

The District's justification of the fee increases is presented in a stack chart in the Draft Staff Report that claims to detail AQMD efforts on toxics that can be paid for with toxics emissions fees. However, supporting information is not provided to explain the specific District efforts or their relation to existing toxics emissions at facilities, nor to explain the justification that those efforts are related solely to stationary source emissions. In addition, over half of these efforts are (according to the District presentations) related to the AB617 program. We cannot tell if the District has partitioned those efforts between stationary sources and area or mobile source emissions. Nor can we determine if the District has accounted for the new AB 617 mandates (and related resources) already affecting some of the facilities that would also be affected by these fees. On top of this, the District has also introduced the new concept of "cancer potency-weighted fees" without sufficient justification

14-3

³ SCAQMD, Presentation for Proposed Amended Regulation III, Public Consultation Meeting, Draft, March 22, 2019.

⁴ SCAQMD, Preliminary Draft Staff Report for Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, March 15, 2019.

⁵ SCAQMD, Notice of Public Hearing for Proposed Amended Regulation III, March 27, 2019.

⁶ SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

for the claim that Staff workload is correlated to the toxicity of the emissions. Facilities with greater reported emissions often are paying higher permit fees and other District fees.

There is no known analysis of the program costs for specific air toxics and how these program costs might relate to the toxicity, if at all. Justification of how this fee structure was developed according to the anticipated level of effort on the part of the District would be important and may actually be necessary per California state laws covering tax/fee increases. In short, the proposed changes to the Rule 301(e) toxics emissions fees have not been sufficiently workshopped and are not ready for consideration by the Governing Board.

BizFed strongly recommends that the proposed amendments to Rule 301(e) toxics emissions fees should be considered separately from the less significant Regulation III amendments and postponed to a later Governing Board hearing. This bifurcation is necessary to allow time for additional working group consideration for Staff's proposed modifications to the toxics emissions fees in Rule 301(e). These changes are significant and are subject to Prop 26 limitations, and therefore should not be hurriedly rushed to decision. Working groups are needed so that stakeholders are given the opportunity to fully understand and provide comments on these proposed changes.

Sincerely,

Steve Bullock
BizFed Chair
Cerrell Associates

David Fleming
BizFed Founding Chair

Tracy Hernandez
BizFed Founding CEO
IMPOWER, Inc.

cc:
Philip Fine
AQMD Board Members

14-3 cont.

14-4

Response to Comment 14-1

For a justification of the correlation between District workload and the proposed new toxic emissions fee structure, please see Response to Comment 14-3.

The commenter states that the rule concept was not discussed first with a Working Group, and notes that the proposed amendments were first discussed publicly at a Public Consultation meeting. Unlike many rules the South Coast AQMD adopts or amends that are focused on specific industries or specific emissions sources, the annual Regulation III update affects every permitted facility. Outreach is therefore focused on providing an opportunity for all permitted facilities to provide feedback. Even so, as shown in the table on the following page, staff conducted extensive outreach above and beyond what was legally required for these proposed amendments including reaching out to all stakeholders through multiple mailings, targeted emails, newspaper notices, two public consultation meetings (with supplemental conference call-in access), a Budget Advisory Committee meeting, a webinar, a Special Governing Board Meeting, in addition to many phone conversations and meetings with individual facilities.

<u>Public Outreach Activity</u>	<u>Type of Outreach*</u>	<u>Date of Activity</u>
<u>Notice of Public Consultation Meetings</u>	<ul style="list-style-type: none"> -Newspaper notice (3/6 & 3/8) -Letters mailed to all ~22,000 permitted facilities** -Email to 881 facilities and stakeholders -Posted online (3/15) 	<u>3/13/19</u>
<u>Preliminary Draft Staff Report and Rule</u>	-Materials posted to website	<u>3/15/19</u>
<u>Public Consultation Meeting #1</u>	<ul style="list-style-type: none"> -Public meeting -Slides emailed and posted online (3/20) 	<u>3/22/19</u>
<u>Notice of Budget Advisory Committee</u>	<ul style="list-style-type: none"> -Email notice with entire Committee package attached 	<u>3/29/19</u>
<u>Draft Staff Report, Rule, Socioeconomic Assessment, and Toxics Fees Calculator</u>	<ul style="list-style-type: none"> -Posted online -Paper copies made available in SCAQMD Public Information Center 	<u>4/2/19</u>
<u>Notice of Public Hearing</u>	<ul style="list-style-type: none"> -Newspaper notice -Letters mailed to all ~22,000 permitted facilities** -Posted online & -Email to 6,533 facilities** and stakeholders 	<u>4/3/19</u>
<u>Budget Advisory Committee</u>	-Public Meeting	<u>4/5/19</u>
<u>Governing Board Meeting - Set Hearing</u>	<ul style="list-style-type: none"> -Agenda noticed (3/29) -Public Meeting 	<u>4/5/19</u>
<u>Notice of Governing Board Special Meeting - Budget Study Session</u>	<ul style="list-style-type: none"> -Agenda provided to county clerks and newspapers -Board package posted online 	<u>4/9/19</u>
<u>Public Consultation Meeting #2</u>	-Public Meeting	<u>4/9/19</u>
<u>Targeted Emails to All Facilities with >\$5,000 Increase in Toxics Fees</u>	-132 Emails to facilities	<u>4/11/19</u>
<u>Governing Board Budget Study Session</u>	-Public Meeting	<u>4/12/19</u>
<u>Supplemental Materials on Toxics Emissions Fees</u>	<ul style="list-style-type: none"> -Emailed materials to 6,214 facilities** and stakeholders -Posted online (4/16) 	<u>4/12/19</u>
<u>Toxics Emissions Fees Webinar</u>	<ul style="list-style-type: none"> -Email notice of meeting to 6,214 facilities** and stakeholders (4/12) -Public webinar -Recording of webinar posted (4/23) 	<u>4/19/19</u>
<u>Notice of Governing Board Meeting - Public Hearing</u>	-Agenda and Board package posted online	<u>4/26/19</u>
<u>Governing Board Public Hearing</u>	-Public Meeting	<u>5/3/19</u>

* Items in **bold** include specific discussion of Proposed Toxics Emissions Fees

**Including all facilities subject to toxics emission fees

Response to Comment 14-2

The commenter states that the first time any information regarding the proposed toxics fee increase was made public was the slideshow for the March 22, 2019, Public Consultation Meeting. However, in the Notice of Public Consultation, which was published in newspapers in each county on March 6th and 8th, 2019, emailed to 881 facilities and stakeholders and mailed to approximately 22,000 permitted facilities on March 13, 2019, and posted online on March 15, 2019, the South Coast AQMD lists a summary of Proposed Amendments to Regulation III. This summary included, among other things, notice that amendments to Regulation III would consist of “new or increased fees for cost recovery in Rule 301, including but not limited to fees for toxic emissions[.]” The Preliminary Draft Staff Report (“PDSR”), also published on March 15, 2019, included a description of the proposed toxic emissions fee amendment along with suggested rule language and a description of the justification for the proposed amendment. See South Coast AQMD, Preliminary Draft Staff Report, pgs. 24-44. The PDSR clearly delineates the three proposed fee levels, noting the need to cover software and staff needs as well as fees required for inventorying, auditing, monitoring, enforcement, and rulemaking. *Id.* at 41. At its March 22, 2019, Public Consultation Meeting, the South Coast AQMD presented information regarding the potential toxic emissions fee impact, the number of facilities within each impacted sector, and the potential average and maximum differences in fees. See South Coast AQMD, NOPC Slideshow, Slide 11. Note that the Public Consultation Meeting was still held in spite of the fact that California Health and Safety Code Section 40440.7 only requires a public workshop “[w]henever the south coast district intends to propose the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.”

The commenter states that “neither the [Public Consultation] meeting notice nor the subsequent April 2, 2019 Draft Staff report indicate that some facilities would be significantly impacted by the proposed changes.” As relevant here, the South Coast AQMD prepared a socioeconomic assessment consistent with California Health and Safety Code Section 40440.8(a) even though such a report is not statutorily required in these circumstances. Section 40440.8 states that a socioeconomic impact report must provide, among other things, “only the following:” (1) the type of industries affected by the rule or regulation and (2) the range of probable costs, including costs to industry, of the rule or regulation. See *Sherwin-Williams Co. v. South Coast Air Quality Management District* (2001) 86 Cal. App. 4th. 1258, 1276 (“[S]ection 40440.8 defines socioeconomic impact as the type of industries affected by the rule, the impact of the rule on employment and the economy, and the range of probable costs.”). Line 1 of Table 2 of the Draft Socioeconomic Report, published on April 2, 2019, provides estimated fee impacts of the proposed toxics fee amendment, while Table 3 provides detailed information regarding the Fee Impact of Proposed Amended Regulation III by industry. Table A1 (Appendix) of the report breaks down the estimated number of affected facilities per industry by proposed amendment. In response to stakeholder feedback, additional analysis was also released on April 16 detailing sub-industry impacts, and percentile breakdowns in a Table titled “Toxics Emissions Fee Impact by Industry” (now incorporated as Table 4 in the Final Socioeconomic Report). It should also be noted that a socioeconomic impact report was not statutorily required for the Proposed Amended Regulation III – Fees. Per Section 40440.8, a socioeconomic impact assessment is to be completed whenever the south coast district intends to propose adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.

Still, as shown in the table in Response to Comment 14-1, South Coast AQMD staff efforts to notify facilities of the rule and its impact included extensive public outreach efforts above and beyond any legal requirements. In particular, staff mailed over 20,000 Notices of Public Consultation Meetings on March 13, 2019 (including to every permitted facility). On March 20, 2019 a targeted email with additional updates including the presentation materials was sent to more than 880 stakeholders who had previously requested information on Regulation III updates. The ensuing Public Consultation Meeting on March 22, 2019 discussed the initial concepts of the proposed Toxic Air Contaminant fee modifications among stakeholders, including showing the range of potential costs to industry. On April 3, 2019, another email was sent to a wider list of 6,500+ facilities and stakeholders with links to updated materials posted on the South Coast AQMD Proposed Rules webpage including Draft Socioeconomic Impact Assessment for Rule 320 – CPI Adjustment, the Draft Socioeconomic Impact Assessment for Regulation III – Fees, the Draft Staff Report for Regulation III and Rule 209, proposed amended rule language for all of Reg. III and Rule 209, and a spreadsheet calculator to estimate potential fee impacts. For the FY2019-20 Draft Budget Work Program, CPI Fee Adjustment, and proposed amendments to Regulation III and Rule 209 the following events were also hosted by the South Coast AQMD:

- April 5th: Budget Advisory Committee meeting
- April 9th: Public Consultation Meeting
- April 12th: Governing Board Budget Workshop

On April 11, 2019, an email was sent to all 132 facilities identified to have a projected \$5,000 or more increase in toxics fee as a result of the proposed amendments. This email provided specific fee estimates for each facility, and encouraged recipients to contact staff for more information. Following this email, staff received and responded to about a dozen emails and phone calls regarding the use of the TAC fee calculator for facility-specific fee estimations. At the request of stakeholders and the Board, staff hosted a webinar on April 19, 2019 to discuss the proposed toxics emissions fees in Regulation III as a follow up to previous public consultation meetings. On April 12, 2019 a subsequent email was sent to more than 6,200 recipients (some of the original 6,500+ recipients email addresses had been dropped due to their servers blocking email notifications) that included an update to the previously posted TAC Fee calculator, a table showing toxic emissions fee impacts by industry, and a table showing stationary source toxics work programs giving more detail to the cost recovery for toxic work in South Coast AQMD programs.

The webinar took place on April 19, 2019, with approximately 65 people participating via the web and three attending in person. The webinar audio recording was also made available online as a reference for stakeholders unable to listen in real-time. Staff reviewed the proposed fees, and walked through several example calculations using a spreadsheet available online. Staff then answered clarifying questions submitted by webinar participants (and included in this appendix). Most comments focused on clarifying questions about the fee or emission estimation methodologies. Only one commenter inquired why the fee was being brought in May instead of a later date.

The commenter further states that the March 27, 2019, Notice of Public Hearing (“NOPH”) letter did not mention the word “toxics” and so facilities reporting air toxics were given no indication that their fees would be significantly increased by the proposed changes. The commenter also states that South Coast AQMD staff’s proposal to apply new toxics fees to Diesel Particulate Matter (“DPM”) was not detailed or disclosed in the NOPH. Per Health and Safety Code

Sections 40440.5 and 40725, the South Coast AQMD was required, among other things, to include a summary description of the effect of the proposal. As is required by state law, the NOPH issued on April 3, 2019, indicated that Proposed Amended Regulation III will add new or increased fees necessary to provide more specific cost recovery for other regulatory actions taken by the agency. See South Coast AQMD, NOPH, pg. 1. The proposed toxic fees provide a means for the South Coast AQMD to recover costs associated with recently increased efforts in monitoring, rulemaking, and enforcement of rules for toxic air contaminants. To that end, the NOPH and the proposed amended rule language both specifically contemplate the District's need to recover its costs in relation to a significant uptick in regulatory action. See *Western Oil and Gas Association v. Air Resources Board* (1984) 37 Cal.3d 502, 527 ("the regulation adopted need not be the same as that proposed as long as it deals with the same subject or issue dealt with by the notice.") The NOPH additionally listed all documents prepared for consideration in conjunction with the proposed amended regulation, including the Staff Report and Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits. The proposed toxics fee amendment was detailed in both the PDSR, published on March 15, 2019, and the DSR, published April 2, 2019. See PDSR at pgs. 24-44; DSR at pgs. 8-28. Note that the PDSR and the DSR also both clearly indicate that DPM is proposed to be added as a pollutant that must be reported and for which fees would be paid. See PDSR at 25; DSR at 8. Both reports clearly state that DPM is proposed to be added as toxic air contaminant because of its high cancer potency, its prevalence throughout the Basin, and the amount of District resources spent on this pollutant. PDSR at pgs. 39-40; DSR at pgs. 24-25. The commenter's statement that the requirement to report DPM will also cause more facilities to report emissions (and subsequently pay fees due to the reporting requirement) is incorrect. The proposed amendments do not require any additional facilities to report emissions. Only those facilities already required to annually report emissions (e.g., those that emit > four tons per year of criteria pollutants) will be required to report DPM if they emit it (see proposed amended Rule 301(e)(1), (e)(2), and (e)(7)).

Response to Comment 14-3

The stacked bar chart in Section III-1 of the Staff Report and the accompanying tables and explanation in Appendix C lists the South Coast AQMD's annual expenditures that relate to emissions of toxic air contaminants. The accompanying tables in Appendix C were previously provided on the South Coast AQMD proposed rules website and emailed to 6,200+ recipients on April 12. In all, the South Coast AQMD annually conducts approximately \$20 million of work in connection with stationary source toxics emissions for which emissions fees can be used as a revenue source. Currently, the South Coast AQMD only collects approximately \$0.5 million in toxic emission fees and the proposed amendments are seeking to increase the total toxic emissions fees collection to \$4.9 million annually. If this shortfall is allowed to continue, it has the potential to create inequities in the overall permitted source program.

As explained in Appendix C of the Final Staff Report, and in all public meetings on the topic, the stacked bar chart was created based on an analysis of South Coast AQMD work program codes that address toxics emissions from permitted facilities. These work program codes, also known as work program codes, are used by staff on their timecards to categorize the work they perform. Rules staff met with Finance staff to identify the costs/work program codes that are at

least partially paid for with emissions fees. These work program codes are set forth in Column 2 of Appendix C of the Final Staff Report. Work program codes that include work on activities unrelated to permitted facilities, like mobile sources, were not included in this analysis. Rules staff then met with responsible Division managers familiar with the work of their subordinates to develop estimates for the subset of activities in that program focused on toxics emissions from permitted facilities. All work program codes are assigned to one or more revenue sources. In creating the stacked bar chart, staff was careful to exclude costs from programs that address toxics emission from permitted facilities that use funding sources besides emissions fees to recover costs (e.g., the AB 2588 Toxics Hot Spots Program). Those costs are not included in this analysis.

Staff has also made a concerted effort to align the new proposed toxic fees to current and anticipated future District workload related to toxic emissions from permitted facilities. As explained in the Preliminary Draft Staff Report, Draft Staff Report, and Final Staff Report, the Base Toxics Fee is intended to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report toxics emissions to the District. The Flat Rate Device Fee is tied to the number of devices with toxics emissions at each facility. The number of devices each facility has is highly correlated with the amount of time staff spends auditing each facility's emissions inventory. Revenues generated from this fee are anticipated to fully recover costs for staff conducting toxics inventory work in support of enforcing South Coast AQMD rules.

Finally, the Cancer-Potency Weighted Fee shall be applied per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301. Facilities with high toxicity-weighted emissions require greater effort because the District informs its permitting and enforcement-related activities in large part by the potential for public health impacts.¹⁹ While high toxicity-weighted emissions do not necessarily directly equate to higher health risk due to factors such as how pollutants disperse from a facility and the distance to nearby receptors, overall more South Coast AQMD resources are spent to monitor, enforce, and conduct associated planning work such as inventorying, auditing, and rulemaking on facilities with higher toxicity-weighted emissions. Given the role of South Coast AQMD as a public health agency, and expecting that the workload will continue to be most correlated with facilities posing the highest potential public health impact, the most reasonable structure for toxics emissions fees should include a component tied to public health impact. Staff believes that the proposed allocation of fees based on cancer-potency weighted emissions is reasonable. In *San Diego Gas & Electric Co. v. San Diego Air Quality Management District* (1988) 203 Cal. App. 3d 1132, 1147-48, the Court stated:

There is no reason to require the district to show precisely how more emissions generate more costs to justify the emissions-based apportionment formula. The purpose for the district's existence is to achieve and maintain air quality standards [citation omitted], thus from an overall perspective it is reasonable to allocate costs based on a premise that the more emissions generated by a pollution source, the greater the regulatory job of the district.

¹⁹ Due to health risk assessment methodologies, cancer-causing pollutants are the most common risk driver and a much higher focus of District efforts compared to non-cancer causing toxic pollutants.

Fees must only bear a fair or reasonable relationship to the fee payers' burden on or benefits from regulatory activity. "A 'regulatory fee, to survive as a fee, does not require a precise cost-fee ratio.'" *California Building Industry Association v. State Water Resources Control Board* (2018) 4 Cal. 5th 1032, 1052.

With respect to AB 617, those communities have been (and will be) chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Toxics emissions from many facilities located outside of AB 617 communities also contribute to the air quality impacts for those living within AB 617 communities. Similar work is conducted outside of AB 617 communities on other facilities, again focused on those with the potential greatest public health impact.

The commenter also states that facilities with greater reported emissions often pay higher permit fees and other South Coast AQMD fees. While this may be true in some instances, these other fee categories pay for other South Coast AQMD programs, such as permitting, AB 2588, etc. The proposed toxics emissions fee is not designed to recover costs to pay for these separately funded programs.

Response to Comment 14-4

In response to stakeholder feedback received throughout the rulemaking process, staff increased its outreach for this rule compared to previous years (see summary table in Response to Comments 14-1), including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and an extra webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.



Bridget McCann

Manager, Technical and Regulatory Affairs

April 23, 2019

Dr. Philip Fine

Deputy Executive Officer, Planning and Rules
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

sent via email: pfine@aqmd.gov

Re: WSPA Comments on Proposed Amended Regulation III, Fees

Dear Dr. Fine:

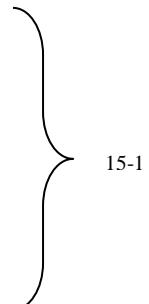
Western States Petroleum Association (WSPA) appreciates the opportunity to participate in South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Regulation III, Fees, Working Group. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in five western states including California. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA-member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the RECLAIM Program administered by the SCAQMD and will be impacted by Proposed Amended Regulation III. We offer the following comments:

- 1. Proposed changes to the Toxics Emissions Fees under Rule 301(e) would significantly alter the District's fee structure. Given the complexity and materiality of the proposed changes to the Toxics Emissions Fees, they need to be more fully workshopped with affected facilities before Governing Board consideration.**

District Staff's proposed changes to Rule 301(e) would significantly change the fee structure for toxics emissions. Staff has proposed a "cancer potency-weighted fee" which would apply radically higher costs to emissions with higher cancer potency (per unit mass). The Staff Report suggests this change would recover staff costs for facilities deemed to have higher toxicity emissions; a change which Staff estimate would increase air toxics fees from a 2018 level of \$0.4M to \$4.9M (2022 estimated fees for the 2021 reporting year).¹

The District suggests this change would cover current "and anticipated" Staff costs for facilities with higher toxic emissions. However, the claim that Staff workload correlates to emissions toxicity or to the complexity of emission sources at a facility (e.g., number of devices) appears to be weak. The proposal needs to be more fully workshopped with affected facilities before Governing Board consideration.

15-1



¹ SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

Dr. Philip Fine
April 23, 2019
Page 2

2. The notice period for Proposed Amended Rule 301(e) has been insufficient given the significant financial impact. Given the ongoing and continuing disclosures by Staff, the public comment time for this rule should be extended.

While the District's Staff Report clearly acknowledges the significance of the proposed amendments to the Toxic Emissions Fees in Rule 301(e), the District's "Notice of Public Hearing"² letter did not even include the word "toxics" or otherwise identify proposed changes to the Toxic Emissions Fees. This public notice was inadequate given the scope and significance of the proposed amendments. Therefore, facilities which report air toxics were initially given no indication that their fees would be significantly increased by the proposal.

The first public information on the proposed toxics fee increases appears to be the District's presentation for the Public Consultation Meeting which was held on March 22, 2019. While the draft socioeconomic assessment³ noted that certain industrial sectors could experience annual toxics fee increases of as much \$427,000, that information was not included in the public hearing notice or the Preliminary Draft Staff Report.⁴ Nor did they disclose Staff's estimate that "over 1519 facilities" could be impacted by the proposed toxics fee increase.

Staff has now released new information within just the last several days and held a webinar (on the afternoon of Good Friday) to present that information.⁵ While we appreciate the additional information, stakeholders simply have not been given adequate time to understand and comment on this new information or these complex rule amendments. We recommend that additional workshops are needed for the proposed changes to the Toxics Emissions Fees and the comment period should be extended before advancing the proposed amendments.

3. The basis for the proposed Rule 301(e) fee increase has not been adequately supported or provided in a manner to give affected stakeholders sufficient time for review or comment.

District Staff's justification for the fee increase is presented in a stack chart that purports to present "A Subset of District Effort on Toxics and Toxics Emissions Fees Revenue."⁶ However, information is not provided to support the specific SCAQMD efforts and their linkages to existing or (projected) facility toxic emissions, nor does Staff demonstrate that those District efforts are purely related to stationary sources toxics as opposed to mobile sources, consumer products, etc.

In addition, over half of the efforts presented by Staff appear to be related to the District's new Assembly Bill 617 (AB617) program. The District has previously reported that regional air toxics

15-2

15-3

² SCAQMD, Notice of Public Hearing for Proposed Amended Regulation III, Fees, March 27, 2019.

³ SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

⁴ SCAQMD, Draft Staff Report Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, March 15, 2019.

⁵ SCAQMD Webinar To Discuss Proposed New Toxics Emissions Fees in Proposed Amended Regulation III, Friday, April 19, 2019 at 2:00 PM.

⁶ SCAQMD, Draft Staff Report Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, April 2019, see page 23.

Dr. Philip Fine
April 23, 2019
Page 3

risk is mostly attributable to mobile source emissions.⁷ However, it is unclear if or how the District has accounted the projected AB617 efforts for stationary sources versus area or mobile sources in the proposed increase in toxics fees. It is also unclear from the Staff Report how the District is accounting for other AB617 funding sources or AB617 mandates already affecting certain facilities. These questions should be fully answered before the proposed rule amendments move forward to the Governing Board.

15-3 cont.

4. Any changes which exceed the change in the Consumer Price Index (CPI) should be phased in over at least four years.

The District notes that California law places limits on the District's ability to increase fees, including requirements to phase-in increases exceeding the change in the Consumer Price Index (CPI) over a period of at least two years.⁸ The changes proposed by Staff clearly exceed that CPI threshold. Staff's own estimate of the current proposal suggests certain manufacturing facilities could see fee increases exceeding \$400,000 per year, and certain small businesses could experience emissions fee increases exceeding \$200,000 per year.⁹ These proposed changes to the Toxic Emissions Fees are significant and, if adopted, would really need to be phased-in over a multi-year period. WSPA suggests a period of at least four years would be more appropriate for changes of this magnitude.

15-4

5. We support the proposed surcharge/penalty exemption for emissions developed from source tests submitted for approval.

The District has proposed a revision to Rule 301 that would provide relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the SCAQMD Source Test Unit prior to or at the time the Annual Emissions Report (AER) was due, but had to base AER emissions on these source tests before they were approved. WSPA supports this change to the regulation. Facilities have no control or influence over District review/approval timetables which can often be quite lengthy. This proposed change would allow reported emissions to reflect more current and/or source-specific information. Furthermore, we would recommend that the District needs to assign staff resources to improve review timetables for source tests. .

15-5

⁷ SCAQMD, Final Report, Multiple Air Toxics Exposure Study in the South Coast Air Basin (MATES IV), May 2015.

⁸ California Health & Safety Code section 40510.5(b).

⁹ SCAQMD, "Detailed breakdown of projected impacts by industry sector" for Proposed Amended Regulation III, Fees. Available at <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>.

Response to Comment 15-1

For a justification of the correlation between District workload and toxicity of emissions, please see Response to Comment 14-3.

Response to Comment 15-2

For a discussion of the noticing conducted for this rulemaking see Response to Comments 14-1 and 14-2.

The commenter also states that although the draft socioeconomic assessment noted that certain industries could experience annual toxics fee increases of as much as \$427,000, this “information was not included in the public hearing notice or the PDSR. WSPA further argues that the NOPH and PDSR did not disclose South Coast AQMD’s estimate that over 1519 facilities could potentially be impacted by the proposed toxics fee increase. However, there is no requirement that either the staff report or NOPH contain such detailed, industry-specific information. As relevant here, California Health and Safety Code Section 40440.8(a) requires that a socioeconomic impact report, which is considered an element of the staff report, provide, among other things, “only the following:” (1) the type of industries affected by the rule or regulation and (2) the range of probable costs, including costs to industry, of the rule or regulation. See *Sherwin-Williams Co. v. South Coast Air Quality Management District* (2001) 86 Cal. App. 4th. 1258, 1276 (“[S]ection 40440.8 defines socioeconomic impact as the type of industries affected by the rule, the impact of the rule on employment and the economy, and the range of probable costs.”). Line 1 of Table 2 of the Socioeconomic Report, published on April 2, 2019, provides estimated fee impacts of the proposed toxics fee amendment, while Table 3 provides detailed information regarding the Fee Impact of Proposed Amended Regulation III by industry. Table A1 (Appendix) of the report breaks down the estimated number of affected facilities *per* industry by proposed amendment. In response to stakeholder feedback, additional analysis was also released on April 16 detailing sub-industry impacts, and percentile breakdowns in a Table titled “Toxics Emissions Fee Impact by Industry” (now incorporated as Table 4 in the Final Socioeconomic Report). It should also be noted that a socioeconomic impact report was not statutorily required for the Proposed Amended Regulation III – Fees. Per Section 40440.8, a socioeconomic impact assessment is to be completed whenever the south coast district intends to propose adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.

Response to Comment 15-3

For a detailed explanation of District work programs associated with stationary source toxic emissions, please see Response to Comment 14-3.

Response to Comment 15-4

Staff’s current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

Response to Comment 15-5

Staff looks forward to continuing to work with stakeholders to ensure more accurate emissions reporting through additional source testing and/or improved default emission factors. The proposed increase in toxics emissions fees can be used to provide more staff resources to improve the source test review process.

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April 23, 2019

VIA EMAIL

Dr. Philip Fine
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Re: Proposed Amendments to SCAQMD Regulation III - Fees

Dear Dr. Fine:

We are submitting these comments on the proposed amendments to South Coast Air Quality Management District (“SCAQMD”) Regulation III – Fees (“Proposed Amendments”) on behalf of our client the Regulatory Flexibility Group (“RFG”). The RFG is an industry coalition comprised of companies in the refining, utility and aerospace sectors that operate facilities within the jurisdiction of the SCAQMD. RFG member facilities are required to pay various fees pursuant to SCAQMD Regulation III, and will be materially affected by the Proposed Amendments.

The RFG is deeply concerned regarding the proposed fee increases for Toxic Air Contaminants (“TAC”) listed in Rule 301 Table IV. As detailed in the Draft Staff Report dated April 2019 (“Draft Staff Report”), SCAQMD staff is proposing to dramatically increase TAC emission fees from a current aggregate level of approximately \$0.5 million to approximately \$5.0 million. According to the Draft Staff Report, some facilities, including those owned by RFG members, would see substantial increases in annual TAC emission fees. These dramatically higher fees would be implemented over a short period of time.

As a legal matter, we believe that the Draft Staff Report overstates the scope of the SCAQMD’s authority to impose the proposed fee increases to offset the costs identified in the Draft Staff Report. As a practical matter, the short period of time before the increased fees would become effective does not provide sufficient time for facilities to conduct, and obtain SCAQMD concurrence with, source tests that might indicate that actual TAC emissions are lower than suggested by current emission factors. Before being faced with dramatically higher fees on the basis of questionable legal authority, facilities should be provided with sufficient time to establish the actual level of TAC emissions with a higher degree of precision.

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1. The Draft Staff Report Overstates SCAQMD's Authority

As stated in the Draft Staff Report, SCAQMD's authority to impose fees on stationary sources stems from California Health & Safety Code ("H&S Code") sections 40510(b) and 40506(b). H&S Code section 40510(b) provides as follows:

The south coast district board may adopt a fee schedule for the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.

Citing H&S Code section 40506, the Draft Staff Report asserts that "[v]irtually every cost related to regulating permitted sources may be recovered under this type of fee." Draft Staff Report, p. 3. However, H&S Code section 40506 actually identifies a much more limited scope of costs that can be recovered:

- (a) In accordance with the purposes of this chapter as set forth in Section 40402 , the south coast district board shall adopt rules and regulations for the issuance by the south coast district board of permits authorizing the construction, alteration, replacement, operation, or use of any article, machine, equipment, or other contrivance for which a permit may be required by the south coast district board.
- (b) The rules and regulations shall include a schedule of fees for *the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits*. All applicants, including, notwithstanding Section 6103 of the Government Code , an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations.
(emphasis added)

H&S Code Section 40506(b) authorizes imposition of fees for "the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits," which is far from "[v]irtually every cost related to regulating permitted sources," as asserted in the Draft Staff Report.

The decision in *San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 203 Cal. App. 3d 1132 ("SDG&E v. SDAPCD") is informative as to the scope of costs that may be recovered by SCAQMD through fees imposed pursuant to H&S Code sections 40510 and 40506. The Draft Staff Report cites this case in support of the proposition that indirect costs associated with regulating permitted sources, including planning, monitoring, rule development and outreach programs, may be recovered through emissions-based operating fees. Draft Staff Report, pp. 2-3. While that is the holding in the case, it applies to air districts that derive their fee authority from H&S Code section 42311, and not to the SCAQMD which derives its

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authority from H&S Code sections 40510 and 40506. Subsection (d) of H&S Code section 42311 specifically excludes SCAQMD from its coverage.

H&S Code section 42311 is different than H&S Code sections 40510 and 40506 in certain critical respects. H&S Code section 42311(a) provides in pertinent part as follows:

A district board may adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover ***the cost of district programs related to permitted stationary sources*** authorized or required under this division that are not otherwise funded . . . Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, ***the estimated reasonable costs of district programs related to permitted stationary sources***. (emphasis added)

Thus, while it is true that air districts that derive their fee authority from H&S Code section 42311 may recover “virtually every cost related to regulating permitted sources,” as indicated in the Draft Staff Report, that authority does not extend to SCAQMD, which is limited to recovering only costs associated with “the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.”¹

The *SDG&E v. SDAPCD* decision analyzes the evolution of H&S Code section 42311 from its original form, through several amendments, to its current form provided above. In doing so, it makes clear that the scope of costs that can be recovered under the authority granted in H&S Code sections 40510 and 40506 is much more limited than that which can be recovered under authority granted in current H&S Code section 42311.

At one point, H&S Code section 42311 closely tracked the language that currently exists in H&S Code sections 40510 and 40506. As explained by the court:

After its 1975 enactment, section 42311's fee language was amended several times. In 1979, the section was rewritten to state: 'A district board may adopt, by regulation, a schedule of fees for each fiscal year, commencing with the 1979-80 fiscal year, to be paid for the issuance and renewal of permits. Such schedule of fees shall not exceed the estimated cost for such fiscal year of (1) evaluation and issuance of permits, (2) inspection, including source testing and surveillance, of sources for which a permit or permits have been issued, to the extent such inspection is for the purpose of determining whether such sources are in compliance with all applicable permit conditions and all applicable orders, rules, or

16-1 cont.

¹ H&S Code section 40510 also grants SCAQMD authority to recover the costs associated with variances, but that authority is not relevant to the proposed TAC fees.

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regulations ... , and (3) implementation and enforcement of permit terms and conditions.²

...

As amended in 1979, section 42311 specified the activities for which fees could be charged (i.e., costs of evaluating and issuing permits, of inspecting for compliance with permit conditions and regulations, and of implementing and enforcing permit terms and conditions).³

The court then goes on to explain amendments effective in 1982 that introduced the concept of recovering costs associated with district programs related to permitted sources, in contrast with costs associated only with the issuance and administration of the permitting programs itself:

Effective October 1, 1982, section 42311 was amended to state: 'A district board may adopt, by regulation, a schedule of annual fees to be paid for the evaluation, issuance, and renewal of permits to cover the cost of district programs related to permitted stationary sources authorized or required under the provisions of Division 26 (commencing with Section 39000) that are not otherwise funded.

...

...

The 1982 amendment expanded the language of section 42311, broadly stating fees could be charged for evaluating, issuing and renewing permits to "cover the cost" of the district's programs.⁵

Finally, the court explains that amendments effective in 1985 further clarified the expanded scope of costs that could be recovered:

In 1985, the Legislature added the last sentence to subdivision (a) of section 42311, stating, 'Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, the estimated reasonable costs of district programs related to permitted stationary sources.' fn. 12 The 1985 amendments also added two new subdivisions, (b) and (h)... Subdivision (h) allows the district to charge fees for permit holders emitting toxic air

16-1 cont.

² 203 Cal. App. 3d 1132 at 1138 (citations omitted).

³ *Id.* at 1142.

⁴ *Id.* at 1139 (citations omitted).

⁵ *Id.* at 1142

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contaminants based on the direct and indirect costs of district activities relating to each toxic air contaminant.⁶

With respect to the implications of the amendments described above, the court explains as follows:

SDG&E and the district do not dispute that under the 1979 statute the district could only charge fees to cover the costs directly pertaining to the permits, whereas under the 1982 statute, the district can now charge fees to cover all costs of its program, including indirect costs not related to a specific permit activity... The 1985 amendment, by adding the last sentence to subdivision (a), clarified that all reasonable costs could be recovered through fees.⁷

To summarize, the current language of H&S Code sections 40510 and 40506 is almost identical to the 1979 version of H&S Code section 42311, which limited fees to “costs of evaluating and issuing permits, of inspecting for compliance with permit conditions and regulations, and of implementing and enforcing permit terms and conditions.”⁸ The relevant language in each section is identified below.

16-1 cont.

H&S Code section 40510:

The south coast district board may adopt a fee schedule for *the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.* (emphasis added)

H&S Code section 40506:

(b) The rules and regulations shall include a schedule of fees for *the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.* All applicants, including, notwithstanding Section 6103 of the Government Code , an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations. (emphasis added)

1979 version of H&S Code section 42311:

⁶ *Id.* at 1141 (citations omitted).

⁷ *Id.* at 1142.

⁸ *Id.* at 1142.

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A district board may adopt, by regulation, a schedule of fees for each fiscal year, commencing with the 1979-80 fiscal year, to be paid for *the issuance and renewal of permits. Such schedule of fees shall not exceed the estimated cost for such fiscal year of (1) evaluation and issuance of permits, (2) inspection, including source testing and surveillance, of sources for which a permit or permits have been issued, to the extent such inspection is for the purpose of determining whether such sources are in compliance with all applicable permit conditions and all applicable orders, rules, or regulations . . . , and (3) implementation and enforcement of permit terms and conditions.* (emphasis added)

Contrast the language above with that of current H&S Code section 42311, which according to the court, allowed the district to “now charge fees to cover all costs of its program, including indirect costs not related to a specific permit activity” and “clarified that all reasonable costs could be recovered through fees.”⁹

A district board may adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover *the cost of district programs related to permitted stationary sources* authorized or required under this division that are not otherwise funded . . . Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, *the estimated reasonable costs of district programs related to permitted stationary sources.* (emphasis added)

The Draft Staff Report asserts that the SCAQMD has the broad authority conferred by the current version of H&S Code section 42311 to recover “[v]irtually every cost related to regulating permitted sources may be recovered under this type of fee.” Draft Staff Report, p. 3. However, H&S Code sections 40510 and 40506 have never been amended to include the broad grant of authority contained in H&S Code section 42311, and instead confer only the more limited authority granted by earlier versions of H&S Code section 42311.

2. SCAQMD Should Commit To A Longer Implementation Period And Expedited Review Of Emission Factors

Particularly in light of the lack of legal authority to impose the proposed fee increases, the SCAQMD should modify its proposal to provide for a longer implementation period for the phase-in of the higher fees, during which time staff should engage in a process to review source test and other data to update emission factors to more accurately reflect actual emissions from affected sources. Specifically, the implementation of the proposed fee increases should be pushed out one additional year beyond the implementation schedule proposed by staff in the Draft Staff Report. During the period of time between adoption of the Proposed Amendments

⁹ *Id.* at 1142.

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and commencement of their implementation, staff should establish a working group and a process for updating relevant emission factors to ensure that facilities are not forced to overpay fees based on inflated estimates of emissions.

Thank you for your attention to these comments. If you would like to discuss our concerns, please contact me at (714) 755-8105 or by email at michael.carroll@lw.com.

Sincerely,

Michael J. Carroll
Michael J. Carroll
of LATHAM & WATKINS LLP

cc: Wayne Nastri, SCAQMD
Barbara Baird, SCAQMD
SCAQMD Governing Board
SCAQMD Clerk of the Board
RFG Members
Robert Wyman, Latham & Watkins LLP
John Heintz, Latham & Watkins LLP

} 16-2 cont.

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Response to Comment 16-1

The Refinery Flexibility Group (“RFG”) claims that the Draft Staff Report “overstates the scope of the SCAQMD’s authority to impose the proposed fee increases to offset the costs identified in the Draft Staff Report.” More specifically, RPG claims that based on its reading of *San Diego Gas & Electric Co. v. San Diego Air Pollution Control District* (1988) 203 Cal. App. 3d 1132 (“SDG&E v. SDAPCD”), the SCAQMD’s statutory fee authority is more limited than the fee authority granted to the San Diego APCD under California Health & Safety Code § 42311. RPG is mistaken.

In *SDG&E v. SDAPCD*, SDG&E challenged SDAPCD’s adoption of emissions-based fees which were implemented to recover the indirect costs associated with its permitted source program. The Court analyzed the legislative history of § 42311 (the fee authority statute for air pollution control districts other than the South Coast AQMD) and concluded that even though SDAPCD may have initially lacked authority to charge emission-based fees and fees designed to recover indirect costs, amendments made by the Legislature in 1982 and 1985 subsequently provided that authority. RFG claims that since no similar amendments have been made to § 40510, SCAQMD’s authority is limited to charging fees only for those “costs associated with ‘the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.’”

RFG’s conclusion is erroneous because it overlooks the dissimilarity of the language in §40510 and §42311, as well as other important language in that decision. In particular, in *SDG&E v. SDAPCD*, the Court discussed language in a Legislative Analyst’s report preceding the 1982 amendments. That report stated that “the administration intended to seek legislation authorizing local districts to charge emission fees to cover operating costs noting that under current law *only the south coast district had such authority.*” (203 Cal. App. 3d at 1138, emphasis added.) Thus, the amendments made to §42311 after 1982 were not designed to give SDAPCD more authority than SCAQMD had under §40510; rather, the amendments were designed to provide SDAPCD with the same authority as SCAQMD. Additional amendments to §40510 were not needed.

In short, *SDG&E v. SDAPCD* is consistent with the District’s broad interpretation of its fee authority under §40510. SCAQMD has authority to charge fees, including emission-based fees, for the purpose of recovering its reasonable direct and indirect costs of regulating permitted sources. California Health & Safety Code § 40510 provides broad authority for the District to adopt fees. Subdivision (b) provides for adoption of fees for “variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Subdivision (c) – which is noticeably absent from RFG’s comment letter – states that “fees may be varied in accordance with the quantity of emissions and the effect of those emissions on the ambient air quality within the south coast district. Subdivision (d) – which is also noticeably absent from RFG’s comment letter – states that “this section shall not prevent the district from establishing or amending an individual permit renewal or operating permit fee applicable to a class of sources to recover the reasonable district costs of permitting, planning, enforcement, and monitoring which that class will cause to district programs.”

Together these sections clearly authorize the proposed toxic air contaminant fees. These emissions-based fees are related to permitting, planning, enforcement and monitoring and are consistent with subdivision (b). (See Preliminary Draft Staff Report (p. 2), the Draft Staff Report (p. 2), and the various presentations made to the regulated community.) In addition, these fees are, in part, varied in accordance with the quantity of emissions and the effect of those emissions on the ambient air, consistent with 40510(c). The cancer-potency weighted fee is based on pounds of emissions reported and state-mandated cancer potency factors because increased toxic emissions create greater potential health risks and necessitate higher levels of effort from the District for investigating and enforcing rules on those emitters. (See Preliminary Draft Staff Report (p. 29), the Draft Staff Report (p. 29), and the various presentations made to the regulated community.)

The SCAQMD's interpretation of its authority to adopt these TAC fees is also supported by state legislation imposing mandates on it. For example, when AB 617 was adopted, the Legislature found that no reimbursement was required because the SCAQMD "has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. . ."

To the extent commenter is challenging the SCAQMD's legal authority based upon an alleged failure to justify the fee, please see Response to Comment 14-3.

Response to Comment 16-2

Staff's current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes two requirements for staff. First, staff must report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources. Second, staff must initiate a review of emission factors and update them as appropriate, in consultation with a working group, and report back on the status of this effort to the Board within twelve months.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees

May 2019

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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VACANT
Governor's Appointee

EXECUTIVE OFFICER:

WAYNE NASTRI

EXECUTIVE SUMMARY

A socioeconomic analysis was conducted to assess the potential impacts of Proposed Amended Regulation (PAR) III – Fees. This assessment provides analysis of the proposed amendments to Regulation III with fee impacts other than the CPI-based increase. It includes the estimated fee impacts by proposed amendment and by industry. It also includes a macroeconomic impact analysis, which projects how PAR III would impact the regional economy. A summary of the analysis and findings is presented below.

A separate socioeconomic analysis has been conducted to assess the potential impacts of the Rule 320 - Automatic Adjustment of Fees Based on Consumer Price Index (CPI), which was released on March 14, 2019. This CPI-based fee increase adjusts fees for the cost of inflation, thereby holding the real (adjusted for inflation) fee amount constant over time. The regional economic impact analysis included in this assessment is based on the real dollar value of fees, therefore it assumes the implementation of Rule 320 in all years of the analysis horizon.

Proposed Amendment with Fee Impacts	<p>Fee impacts are estimated for the following proposed amendments:</p> <ul style="list-style-type: none"> • Increasing Toxic Air Contaminant (TAC) Fees; • Adding a new Rule 1118.1 Notification Fee to Rule 301; • Increasing the PERP enforcement inspection fees; • Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306; • Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees; • Eliminating the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program; • Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation; • Creation of a Fee Cap for Change of Owner/Operator Applications at RECLAIM facilities; • Reducing certain certified copy fees ; • Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees; and • Eliminating the surcharge fee for certain late AER amendments pertaining to emissions developed from source tests.
Affected Industries	The industries affected by PAR III vary by proposed amendment. Overall, the proposed amendments would potentially affect every sector of the regional economy. The greatest number of potentially affected facilities are estimated to be in the manufacturing sector (NAICS 31-33), followed by the utilities sector (NAICS 22) and the services sectors (NAICS 54-81).
Estimated Fee Impacts	Based on the proposed amendments evaluated in this analysis, the overall fee impact of PAR III is estimated to be <u>-\$0.29-0.30 million</u> in Fiscal Year (FY) 2019-20, \$1.76 million in FY 2020-21, and \$4.12

	<p>million in FY 2021-22 and thereafter. The large increases in FY 2020-21 and FY 2021-22 result from the phased implementation the proposed increase in TAC fees, which are estimated to result in \$4.42 million of additional fee costs annually.¹</p> <p>The manufacturing sector is estimated to experience the largest fee increase from the proposed amendments, with an increase of about \$1.96 million on average over the 2019-2028 time period, representing a 57 percent share of the increase.</p>
Projected Job Impacts of the Estimated Fee Impacts	A macroeconomic job impact analysis was conducted based on the estimated net impacts in fees paid by the affected industries. This analysis projects an average annual increase of 21 jobs in the four-county region over a ten-year period (2019-2028). The positive job impact is a net result of projected increases in jobs in local government, finance and insurance, and administrative and waste management services, combined with smaller decreases in the manufacturing and construction sectors.

¹ The TAC proposal is expected to result in a total of \$4.9 million in TAC fees collected per fiscal year, a \$4.4 million increase over the \$0.5 million collected in TAC fees in FY 2017-18. Because of the phased-in nature of that proposal and the fact that the final phase will be implemented in mid-fiscal year 2021-22, the full fiscal impact of the proposal will not occur until FY 2022-23.

INTRODUCTION

Various fee schedules are specified in Regulation III – Fees to cover the Permitted Source Program, as well as additional fees authorized by the Legislature. In June 2017, the SCAQMD Governing Board approved fee increases for non-Title V facilities necessary to recover reasonable costs of its regulatory programs. It additionally approved fee increases for Title V facilities as a necessary response to a U.S. EPA Title V Program Evaluation Report (2016), which recommended that SCAQMD take measures to cover program funding deficits. The non-Title V increase has been fully implemented. FY 2019-20 represents the final year of the phased in Title V increase.

PAR III – Fees continues these cost recovery efforts with five proposals for new or increased fees. Increased efficiencies at SCAQMD are also reflected in six proposals which seek to eliminate, reduce, or cap fees currently paid. These proposed amendments with fee impacts are in addition to the fee adjustments required by Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees. The CPI-only socioeconomic impacts have been analyzed in the Draft Socioeconomic Impact Assessment for Rule 320, released on March 14, 2019 (see: <http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase-2019.pdf>).

In order to examine the impact of the proposed amendments with fee impacts, this report quantifies the fee impact by each proposed amendment and by the potentially affected industries. The estimated fee impacts by industry are used as inputs into the macroeconomic job impact analysis along with the corresponding increase in SCAQMD spending to estimate the impact on jobs in the region. As noted above, the Rule 320 CPI-based fee adjustments have been examined in a separate assessment. This CPI-based fee increase adjusts fees for the cost of inflation, thereby holding the real (adjusted for inflation) fee amount constant over time. The regional economic impact analysis included in this assessment is based on the real dollar value of fees and therefore assumes the implementation of Rule 320 in all years of the analysis horizon. SCAQMD is required to undertake socioeconomic analyses by California Health and Safety Code (H&SC) Section 40440.8(a) for proposed rules and rule amendments that "will significantly affect air quality or emissions limitations". Although PAR III – Fees does not satisfy this criterion, the analysis herein is presented to provide further information to the Governing Board and stakeholders on the impacts of PAR III.

PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

1. Increasing Toxic Air Contaminant (TAC) Fees

Staff is proposing to update both the fee structure and increase the fees for toxic emissions paid for by permitted facilities. The current requirements in Rule 301(e)(7) and fee rates in Table IV would be replaced as follows:

1. Any facility that emits Toxic Air Contaminants (TACs) above reporting thresholds in Table IV would pay a new Base Toxics Fee of \$78.03 per facility.

2. A Flat Rate Toxics Fee of \$78.00, \$170.95, and \$341.89, starting January 1, 2020, January 1, 2021, and January 1, 2022, respectively, for each piece of permitted and unpermitted equipment and every other reportable toxic air contaminant activity with emissions of any pollutant above the annual thresholds listed in Table IV;
3. A new Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022, respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV.

Also, three pollutants currently listed in Table IV would not be subject to the above fees, including ammonia and the ozone depleters, chlorfluorocarbons, and 1,1,1 trichloroethane. The fees for these pollutants would not change (other than regular CPI adjustments), and their fee rates would be moved to Table III. Finally, Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions.

The proposed new fee schedule is necessary to recover costs incurred by SCAQMD related to toxic air contaminants. In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions from other facilities such as Exide and others in the metal-working industry, fugitive hydrocarbon emissions from oil production and refining facilities, and significant new work just getting under way with the implementation of AB 617.

The new fee schedule would affect all permitted facilities reporting toxic emissions above the emission threshold listed in Table IV of Rule 301. Potential impacts of the new fee schedule have been estimated based on the level of facility emissions reported in FY 17-18. Taking into consideration the phase-in of the fees, the estimated potential fee impact is an increase of \$0\$3,500 in FY 19-20, \$2.06 million in FY 20-21, and \$4.42 million in FY 21-22 above the \$0.53 million paid in TAC fees in 2017.

2. Adding a new Rule 1118.1 Notification Fee to Rule 301

Rule 1118.1 was adopted on January 4, 2019, to control emissions from non-refinery flares. This rule establishes emission limits for NOx and VOC, as well as for CO for new, replaced, or relocated flares, and establishes an industry specific capacity threshold for existing flares. Owners and operators of flares that require a SCAQMD permit at certain non-refinery facilities are required to submit several notifications to the SCAQMD to comply with Rule 1118.1 requirements.

In order to recover costs incurred by SCAQMD to process required notifications, Rule 1118.1 would be subject to the notification fee described in Rule 301(x). The fee for the Rule 1118.1 notification is \$65.12 per notification, and is subject to the annual automatic CPI adjustment pursuant to Rule 320. This new fee is necessary to recover the reasonable

regulatory costs related to the notification requirements of Rule 1118.1. The fee is identical to the amount charged for Rule 1149, 1166, and 1466 notifications. Moreover, the amount to be charged is necessary to recover the costs to the District for processing the notifications.

Table A1 in the Appendix presents the 82 potentially affected facilities of PR 1118.1 by North American Industry Classification System (NAICS) code. 33 facilities (about 40%) are classified under crude petroleum and natural gas extraction (NAICS 211111), 25 (about 30%) under sewage treatment (NAICS 221320), 15 (about 18%) under solid-waste landfills, and the remaining nine (about 11%) are classified as other industries.

**Table 1:
Estimated Number of Rule 1118.1 Notifications Anticipated**

Notification	Number of Notifications Anticipated			
	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Notification of annual percent capacity greater than threshold	25	25		
Notification of intent		25		
Notification of flare throughput reduction			12	
Notification of increments of progress				12
Total	25	50	12	12
Estimated Revenue	\$1,628	\$3,256	\$781	\$781

Table 1 above lists the expected number of Rule 1118.1 notifications anticipated. The fee impact of this proposed amendment is estimated based on the expected number of notifications received in years in each fiscal year. The estimated fee impact for affected industries is approximately \$1,628 in FY 19-20, \$3,256 in FY 20-21, and \$781 in FY 21-22 and beyond.

3. Increasing the PERP enforcement inspection fees

The California Air Resources Board (CARB) has established the Statewide Portable Equipment Registration Program (PERP) to facilitate the operation of portable equipment throughout California without having to obtain individual permits from local air districts. Under PERP, the District conducts inspections of that equipment and is authorized to charge fees consistent with amounts determined by CARB. On November 30, 2018, CARB amended the PERP Regulation to increase the uniform fee schedule for all districts enforcing PERP through inspections of registered portable equipment and TSE equipment.

PERP Regulation Section 2461 (g) allows districts to collect fees that do not exceed the fees listed in Section 2461.1 of the PERP Regulation.

In order to recover costs incurred by SCAQMD to inspect portable equipment units and Tactical Support Equipment (TSE) registered in PERP, staff is proposing to amend Rule 301 (w) to increase the TSE and hourly inspection fees. These proposed increases are consistent with the fees recently updated and authorized by CARB in the PERP regulation. The proposed fee increases include inspection fees of \$115/hour (with maximum of \$590/unit), \$90/unit for TSE, and \$60/hour additional fee for off-hour inspections.

The majority of facilities potentially affected by the increase in PERP inspection fees are within the construction sector (NAICS 23), commercial and industrial machinery and equipment rental and leasing (NAICS 5324), and landscaping services (NAICS 561730). Staff estimates that, on average, approximately 30-40 facilities pay PERP inspections fees per year.

The fee impact of this amendment is estimated based on the average fee revenue collected by SCAQMD for PERP inspections. From 2009 to 2017, the SCAQMD collected between \$13,044 and \$28,420 per year, or \$20,696 on average from PERP inspection fees. Given that the new fees represent an approximately 17% increase over current fee rates, staff expects this amendment to result in an annual fiscal impact to affected industries of \$3,520.

4. Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306

Rule 1610 – Old Vehicle Scrapping allows industries to meet their pollution discharge limits by reducing motor vehicle emissions instead of merely controlling their own emissions. This amendment would increase the filing and inspection fees associated with Rule 1610 Scrapping Plans to align with filing and inspection fees currently assessed in Rule 306. Staff is proposing to increase the plan filing verification fee from \$146.86 to the corresponding Rule 306 fee of \$161.25. In addition, the inspection fee in Rule 309(d) would also be increased from \$117.42 to \$128.94 per hour to align with the corresponding fee amount in Rule 306(f).

The proposed increase in filing and inspections fees is necessary to recover the cost of staff resources expended in implementation of these plans. Fees for Reg. XVI and XXV plans are being aligned with similar fees assessed in Rule 306 because both follow identical plan verification procedures.

This amendment would affect any facility with an approved scrapping program in place. There are a total of seven potentially affected facilities within the wholesale trade (NAICS 42), retail trade (NAICS 44-45), and professional and technical services (NAICS 54) sectors (see Table A1).

The fee impact of this amendment is estimated based on the average fee revenue collected by the SCAQMD from Rule 1610 filing and inspection fees. The SCAQMD collected \$34,180 in FY 16-17 and \$34,794 in FY 17-18 or an average of \$34,487 per year. Given that the increase in fees represents a 6.1% increase beyond the annual CPI increase, staff

expects the amendment to result in an annual fiscal impact to affected industries of approximately \$2,100.

5. Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees

The Clean Air Solvents (CAS) and Clean Air Choices Cleaners (CACC) Certifications are voluntary programs that issue certificates for clean air solvents and cleaners. Manufacturers can apply for a CAS certification, which is valid for five years and can be renewed upon approval by the SCAQMD. Similarly, manufacturers can apply for a CACC certification, which is valid for three years and can be renewed upon approval by the SCAQMD. Current Rule 301(r) and (s) provide a flat fee covering the laboratory analysis of product samples submitted for testing for certification. These sections do not provide a fee for certificate renewal, however. Instead, facilities currently must pay the larger application fee even though the level of work associated with issuance of a renewal may be substantially lower.

The current fee for the certifications is \$1,503.77 per sample, plus an additional fee of \$300 for additional analysis required for CACC certification, with time spent on the analysis/certification process in excess of 12 hours assessed at the current CPI-adjusted hourly rate of \$135.77 per hour. The flat fee covers costs for the laboratory staff's analysis and review of the submitted sample, but it does not include cost of the certificate. Certificate renewal involves approximately an hour to review the product and subsequently issue a renewed certificate. In keeping with the current fee mechanism laid out for these certifications, the \$135.77 per hour rate would address the cost for time spent to issue a renewed certificate.

Facilities involved in these types of operations are best classified as chemical manufacturers (NAICS 327) and chemical and allied products merchant wholesalers (NAICS 4246). The CAS program currently has approximately 100 certified products and 10% are recertified each year. The CACC program currently has approximately 30 certified products and three or less are recertified each year. Historical program data indicate that none of the applicants are facilities located within SCAQMD's jurisdiction. As a result, no annual fiscal impact is anticipated from this amendment.

6. Eliminating the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program

Under Rule 2202, employers with more than 250 employees are required to annually register with the District and implement an emissions reduction program, including but not limited to Employee Commute Reduction Programs (ECRP). Covered facilities with multiple sites pay various submittal and amendment fees set for in Rule 308. On occasion, facilities seek to amend their program strategies with either substantive amendments to the strategies or through the addition or deletion of a work-site from a multi-site or geographic program. Regulated facilities are currently charged a fee of \$176.63 when adding or deleting a worksite to a multi-site or geographic program per worksite being added or deleted. Staff is recommending that this fee be removed from Rule 308.

The addition or deletion of a site from a multi-site or geographic program does not result in any significant additional work that would not sufficiently be covered by the initial registration fees. The fee would remain for any substantive amendment of strategies. This change is necessary because charging a separate fee for adding or deleting a worksite from a multi-site program appears to discourage regulated entities from accurately reporting real-time worksite population levels and inaccurate records of sites covered by the plan increases the compliance costs for the District.

Removing the fee provides fee relief to regulated facilities and promotes accurate reporting and does not expected to have a significant impact on revenue. Less than five regulated entities added or deleted a worksite from their multi-site program in the last fiscal year, so the financial impact of this proposed amendment is assumed to be negligible.

7. Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation

Rule 1403 specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities. Table VI in Rule 301 sets forth the applicable demolition, asbestos, and lead notification fees as well as additional service charge fees. Staff proposes to (1) eliminate fees for revisions for earlier End Dates only; and (2) reduce the Revision to Notification fee (\$62.92) to \$25.00.

Eliminating the fee on revisions to notifications for advanced End Dates removes a disincentive for facilities to update notifications for completed asbestos removal and demolition projects, and reduces the costs triggered when an inspector unnecessarily travels to a job that has already been completed.

Staff is also proposing to reduce the fee for revising notifications regarding start dates, quantity, and extended end dates. Originally this fee of \$62.92 was determined based on the amount of time SCAQMD office staff required to update paper notifications in the CLASS database. Presently, the information is entered by the notifier via the Rule 1403 Web App rather than SCAQMD office staff. Staff proposes that the fee be reduced to \$25, so as to account for the reduced staff time spent reviewing inspection plans affected by revisions to notifications.

The majority of affected facilities are within the remediation services sector (NAICS 562910). Based on the approximately 7,500 revisions filed in 2018, the fee reduction is expected to result in a savings to industry of approximately \$303,000 annually.

8. Creation of a fee cap Change of Owner/Operator Applications at RECLAIM facilities

This proposal will reduce fees associated with filing applications for changes of owner/operator at large facilities. Recent implementation of streamlined procedures for processing change of owner/operator applications has made cost recovery possible at lower fees.

Change of owner/operator is an administrative process that requires no engineering evaluation, but creates a new facility ID and new application numbers for every permit

transferred to the new owner/operator. For RECLAIM facilities, the current fees associated with this administrative change can be as high as \$300,000 due to the absence of a fee cap. The proposed amendment would place a \$50,000 cap on change of owner/operator fees for RECLAIM (or RECLAIM/TV) facilities. This proposed cap would potentially benefit the 23 current RECLAIM (or RECLAIM/TV) facilities that have more than 65 permits. Given the high level of uncertainty regarding if and/or when a facility might benefit from the proposed amendment, staff has conservatively assumed that the net fiscal impact to affected industries is \$0 even though there are likely to be savings for industry.

9. Reducing certain certified copy fees

Currently, the fees to obtain a certified copy of a permit and the fees to obtain a reissued permit are mentioned in three locations. In Section (f)(1)-(2), flat fees are listed for non-Title V and Title V permits. In (l)(10)-(11), nearly identical fees are listed for RECLAIM facilities (both RECLAIM-only and RECLAIM/TV), but additional per-page fees apply for each page after the first page. In (n)(7)-(8), a single fee is listed for non-RECLAIM facility permits (notably lower than the other fees from sections (f) and (l)), with an additional fee (also lower than in section (l)), for each page after the first page. All Title V permits are facility permits, as are all RECLAIM and RECLAIM/TV permits. This makes the rates in (n)(7)-(8) appear to be in conflict with those in sections (f) and (l).

Staff is proposing to consolidate all certified copy and permit reissue fees and to preserve only the lowest fee rates. By consolidating all certified copy and permit reissue fees in a single section that requires payment at the lowest rate in all three sections, the discrepancy between sections would be eliminated, and future discrepancies would be avoided. The current procedure for printing certified copies or reissued permits has been streamlined and makes the per-page fee no longer necessary.

This proposed amendment would result in a fee reduction for facility permits, however, the current annual number of requests for facility permit copies and reissued facility permits is negligible. As a result, staff has assumed there is no impact on industry fees paid.

10. Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees

Rule 1180 – Refinery Fenceline And Community Air Monitoring (approved in December 2017), requires affected facilities to pay an annual operating and maintenance (O&M) fee for refinery-related community air monitoring system(s) in communities near these refineries, pursuant Rule 301(aa), when applicable. Petroleum refineries that have a maximum processing capacity less than 40,000 barrels per day are exempt from Rule 1180.

A single facility, Delek U.S. Holdings Inc. (now known as AltAir Fuels) was originally subject to the rule requirements, including the capital cost to establish a refinery-related community monitoring system and applicable annual O&M fees specified in paragraph (aa) of Rule 301. Since the latest amendment of Rule 301 in May 2018, Paramount has voluntarily accepted a permit condition limiting the operator's throughput of crude oil to no more than 39,500 barrels per day, thus qualifying for the exemption under Rule 1180

requirements. In turn, Paramount is alleviated from paying the cost for a community monitoring system and the corresponding annual O&M fees set-forth in paragraph (aa) of Rule 301. The proposed amendment is expected to result in a fee reduction for a single facility, however, for the sake of this analysis, staff assumed no net impact on fees paid by industry.

11. Eliminating the surcharge fee for certain late AER amendments pertaining to emissions developed from source tests

According to Rule 301(e)(10)(C), if emission fees are paid timely, and if, within one year after the 75th day from the official due date it is determined to be less than 90 percent of the full amount that should have been paid, a 15 percent surcharge should be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid. According to Rule 301(e)(10)(D), one year and 75 days after the official due date of the AER, any fees due and payable for emissions reported or reportable pursuant to subparagraph Rule 301(e)(8)(C) are assessed fees according to Rule 301 Tables III, IV, and V; and further increased by a penalty of 50 percent.

This amendment would eliminate the surcharge/penalty for emissions developed from source tests, where the source tests were submitted in good faith for approval to the SCAQMD Source Test Unit prior to or at the time the AER was due, but the source tests were not approved before the date surcharges/penalties would be currently assessed. Fees would still be required for any emissions that were underreported related to these source tests pursuant to fee rates discussed in Rule 301(e)(10)(C) and (D).

This amendment is necessary because of delays that sometimes occur in SCAQMD approval of source tests. SCAQMD staff believes surcharges/penalties are not appropriate in circumstances where emissions are reported based on source tests that were promptly submitted to the District, but were not approved by the District until a later date. The proposed amendment would provide fee relief for affected facilities, however for the sake of this cost analysis, staff assumed that the net fee impacts are \$0 annually.

SUMMARY OF FEE IMPACTS OF PAR III

Of the 11 proposed amendments with fee impacts, five are estimated to result in fee increases, and for one of those five proposals, there are no impacts to facilities within the SCAQMD's jurisdiction. Six of the proposals are expected to result in fee savings for facilities. The fee impacts by proposed amendment are shown in Table 2 for FY 2018-19, FY 2019-20, FY 2020-21 and thereafter, and an annual average over 2019-2028. The average annual fee impact shown in Table 2 considers the cost over a 10-year period used for the analysis in this assessment. The annual average fee impacts over the 10-year horizon allows for comparison of the fee impacts of proposed amendments over a period of time by accounting for fees that may vary over time or are zero for certain years. The fee impacts in total are estimated be ~~\$0.29-\$0.30~~ million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and beyond. The Updated Air Toxic Contaminant

(TAC) Fees amendment is the proposed amendment with the greatest fee impact. Other proposed amendments result in small fee impacts relative to the TAC fee increase.

Table 2:**Estimated Fee Impacts by Proposed Amendment**

Proposed Amendment	Annual Fee Impact			
	FY2019-2020	FY2020-2021	FY 2021-2022 and thereafter	Average Annual ¹ (2019-2028)
1. Increasing Toxic Air Contaminant (TAC) Fees	\$3,572 \$0	\$2,055,836	\$4,417,564	\$3,739,992
2. Adding a new Rule 1118.1 Notification Fee to Rule 301	\$0	\$1,600	\$3,200	\$2,720
3. Increasing the PERP enforcement inspection fees	\$3,520	\$3,520	\$3,520	\$3,520
4. Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306	\$2,100	\$2,100	\$2,100	\$2,100
5. Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees	\$0	\$0	\$0	\$0
6. Removing the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program	\$0	\$0	\$0	\$0
7. Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation	-\$303,000	-\$303,000	-\$303,000	-\$303,000
8. Creation of a fee cap Change of Owner/Operator Applications at RECLAIM facilities	\$0	\$0	\$0	\$0
9. Reducing certain certified copy fees	\$0	\$0	\$0	\$0
10. Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees	\$0	\$0	\$0	\$0
11. Removing surcharge fee for certain late AER amendments pertaining to emissions developed from source tests	\$0	\$0	\$0	\$0
Total	\$297,380- \$293,808	\$1,760,056	\$4,123,384	\$3,445,332

¹ This is the average of annual fee impacts over a ten year horizon. It accounts for fees that may vary over time or are zero for certain years.

² This proposed amendment is expected to result in a net fee reduction for affected facilities, but is conservatively assumed to have no fee impact here for purposes of analysis.

Table 3:
Overall Cost Fee Impact of the PAR III by Industry

Industry	NAICS	Fee Impact of PAR III				
		FY 2019-2020	FY 2020-2021	FY 2021-2022 and thereafter	Average Annual (2019-2028)	Share of Fee Impact
Agriculture, Forestry, Fishing & Hunting	111-115	\$0	\$5,715	\$10,877	\$9,273	0.3%
Mining	21	\$0	\$71,285	\$157,876	\$133,429	3.9%
Oil and Gas Extraction	211	\$0	\$48,312	\$111,957	\$94,397	2.7%
Mining (except oil and gas)	212-213	\$0	\$22,973	\$45,919	\$39,032	1.1%
Construction	23	\$1,174	\$10,887	\$22,334	\$19,073	0.6%
Manufacturing	31-33	\$0	\$1,085,208	\$2,311,353	\$1,957,603	56.8%
Food Manufacturing	311	\$0	\$2,040	\$3,268	\$2,818	0.1%
Wood Products Manufacturing	321	\$0	\$490	\$1,079	\$912	0.0%
Petroleum and Coal Products Mfg.	324	\$0	\$611,036	\$1,341,750	\$1,134,504	32.9%
Chemical Manufacturing	325	\$0	\$121,840	\$244,881	\$208,089	6.0%
Nonmetallic Mineral Product Mfg.	327	\$0	\$36,468	\$72,489	\$61,638	1.8%
Primary Metal Mfg.	331	\$0	\$91,598	\$189,381	\$160,665	4.7%
Fabricated Metal Mfg.	332	\$0	\$103,464	\$215,043	\$182,381	5.3%
Machinery Manufacturing	333	\$0	\$49,310	\$99,094	\$84,206	2.4%
Computer and Electronic Product Mfg.	334	\$0	\$19,679	\$39,342	\$33,442	1.0%
Electrical Equipment & Appliance Mfg.	335	\$0	\$5,843	\$11,226	\$9,565	0.3%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0	\$24,233	\$49,024	\$41,642	1.2%
Other Manufacturing	312-339	\$0	\$19,208	\$44,775	\$37,741	1.1%
Utilities	22	\$0	\$318,630	\$712,744	\$602,058	17.5%
Transportation & Warehousing	48-49	\$0	\$94,396	\$209,871	\$177,337	5.1%
Information	51	\$0	\$15,450	\$31,289	\$26,577	0.8%
Publishing Industries, Except Internet	511	\$0	\$164	\$172	\$154	0.0%
Motion Picture & Sound Recording	512	\$0	\$15,287	\$31,118	\$26,423	0.8%
Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
Wholesale Trade	42	\$1,200	\$45,991	\$97,332	\$82,585	2.4%
Retail Trade	44-45	\$300	\$39,687	\$90,785	\$76,627	2.2%
Finance and Insurance	52	\$0	\$245	\$417	\$358	0.0%
Real Estate and Rental Leasing	53	\$1,173	\$2,281	\$3,020	\$2,761	0.1%
Services	54-81	-\$301,227	\$16,830	\$361,364	\$260,651	7.6%
Professional and Technical Services	54	\$300	\$16,424	\$36,138	\$30,583	0.9%
Administrative and support services	561	\$0	\$3,807	\$8,487	\$7,171	0.2%
Waste management and remediation services	562	-\$301,827	-\$151,392	\$8,488	-\$38,532	-1.1%
Educational Services	61	\$0	\$45,887	\$98,572	\$83,446	2.4%
Health Care & Social Assistance	62	\$0	\$82,318	\$170,659	\$144,759	4.2%
Accommodation	721	\$0	\$475	\$794	\$683	0.0%
Food Services & Drinking Places	722	\$0	\$344	\$537	\$464	0.0%
Other Services	Other 54-81	\$300	\$18,967	\$37,689	\$32,078	0.9%
Public Administration	92	\$0	\$18,695	\$42,199	\$35,629	1.0%
Unclassified*	N/A	\$0	\$34,754	\$71,922	\$61,013	1.8%
Totals		-\$297,380	\$1,760,056	\$4,123,384	\$3,444,974	100.0%

*Facilities with no NAICS codes assigned are categorized as “unclassified.”

Since the majority of the cost impacts from proposed amendments in Regulation III are a result of the proposed TAC fee increase, a more detailed breakdown of the fee impacts are shown in Table 4. The manufacturing sector (NAICS 31-33) incurs the largest cumulative impact by industry, but also has the largest number of facilities with impacts from the proposed TAC fee increase. As such, the facility average fee increase for all Manufacturing, approximately \$3,600, reflects a much lower average than that of the most impacted subset within Manufacturing, Petroleum and Coal Products Manufacturing (NAICS 324) where the facility average fee increase is projected to be over \$34,000. At the bottom of Table 4, impacts for facilities meeting the small business designation are shown. For more than 400 small businesses identified as impacted by the proposed TAC fee increase, the average facility fee increase is nearly \$1,200 annually, and the maximum fee increase for the category is approximately \$211,000.

Table 4:
Detailed Breakdown of TAC Fee Increase Projected Impacts by Industry Sector

<u>Industry</u>	<u>NAICS</u>	<u>Difference in Proposed TAC Fee Increase</u>							
		<u>Facil- ity Count</u>	<u>Difference in Toxic Fees in FY 2021- 2022 and thereafter</u>	<u>Facility Average</u>	<u>25th Percen- tile</u>	<u>50th Percen- tile</u>	<u>75th Percen- tile</u>	<u>Maxi- mum</u>	<u>Industry Share of Fee Impact</u>
<u>Agriculture, Forestry, Fishing & Hunting</u>	<u>111- 115</u>	<u>33</u>	<u>\$10,877</u>	<u>\$330</u>	<u>\$0</u>	<u>\$0</u>	<u>\$109</u>	<u>\$9,061</u>	<u>0.2%</u>
<u>Mining</u>	<u>21</u>	<u>89</u>	<u>\$156,549</u>	<u>\$1,759</u>	<u>\$407</u>	<u>\$1,072</u>	<u>\$2,074</u>	<u>\$15,501</u>	<u>3.5%</u>
<u>Oil and Gas Extraction</u>	<u>211</u>	<u>60</u>	<u>\$110,669</u>	<u>\$1,844</u>	<u>\$652</u>	<u>\$1,075</u>	<u>\$2,134</u>	<u>\$15,501</u>	<u>2.5%</u>
<u>Mining (except oil and gas)</u>	<u>212- 213</u>	<u>29</u>	<u>\$45,880</u>	<u>\$1,582</u>	<u>\$0</u>	<u>\$740</u>	<u>\$1,873</u>	<u>\$8,291</u>	<u>1.0%</u>
<u>Construction</u>	<u>23</u>	<u>23</u>	<u>\$21,160</u>	<u>\$920</u>	<u>\$0</u>	<u>\$0</u>	<u>\$889</u>	<u>\$5,716</u>	<u>0.5%</u>
<u>Manufacturing</u>	<u>31-33</u>	<u>643</u>	<u>\$2,311,196</u>	<u>\$3,594</u>	<u>\$0</u>	<u>\$79</u>	<u>\$854</u>	<u>\$427,528</u>	<u>52.3%</u>
<u>Food Manufacturing</u>	<u>311</u>	<u>38</u>	<u>\$3,190</u>	<u>\$84</u>	<u>\$0</u>	<u>\$0</u>	<u>\$81</u>	<u>\$768</u>	<u>0.1%</u>
<u>Wood Products Manufacturing</u>	<u>321</u>	<u>6</u>	<u>\$1,079</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$311</u>	<u>\$665</u>	<u>0.0%</u>
<u>Petroleum and Coal Products Mfg.</u>	<u>324</u>	<u>39</u>	<u>\$1,341,750</u>	<u>\$34,404</u>	<u>\$839</u>	<u>\$2,214</u>	<u>\$22,877</u>	<u>\$427,528</u>	<u>30.4%</u>
<u>Chemical Manufacturing</u>	<u>325</u>	<u>59</u>	<u>\$244,881</u>	<u>\$4,151</u>	<u>\$0</u>	<u>\$92</u>	<u>\$667</u>	<u>\$211,103</u>	<u>5.5%</u>
<u>Nonmetallic Mineral Product Mfg.</u>	<u>327</u>	<u>37</u>	<u>\$72,489</u>	<u>\$1,959</u>	<u>\$0</u>	<u>\$426</u>	<u>\$809</u>	<u>\$19,771</u>	<u>1.6%</u>
<u>Primary Metal Mfg.</u>	<u>331</u>	<u>46</u>	<u>\$189,381</u>	<u>\$4,117</u>	<u>\$0</u>	<u>\$420</u>	<u>\$773</u>	<u>\$118,260</u>	<u>4.3%</u>
<u>Fabricated Metal Mfg.</u>	<u>332</u>	<u>157</u>	<u>\$215,043</u>	<u>\$1,370</u>	<u>\$0</u>	<u>\$303</u>	<u>\$1,505</u>	<u>\$19,252</u>	<u>4.9%</u>
<u>Machinery Manufacturing</u>	<u>333</u>	<u>13</u>	<u>\$99,094</u>	<u>\$7,623</u>	<u>\$0</u>	<u>\$0</u>	<u>\$441</u>	<u>\$94,630</u>	<u>2.2%</u>
<u>Computer and Electronic Product Mfg.</u>	<u>334</u>	<u>24</u>	<u>\$39,342</u>	<u>\$1,639</u>	<u>\$0</u>	<u>\$758</u>	<u>\$1,981</u>	<u>\$10,911</u>	<u>0.9%</u>
<u>Electrical Equipment & Appliance Mfg.</u>	<u>335</u>	<u>19</u>	<u>\$11,226</u>	<u>\$591</u>	<u>\$0</u>	<u>\$421</u>	<u>\$1,136</u>	<u>\$2,494</u>	<u>0.3%</u>
<u>Motor Vehicle & Trans. Equipment Mfg.</u>	<u>336</u>	<u>44</u>	<u>\$49,024</u>	<u>\$1,114</u>	<u>\$0</u>	<u>\$308</u>	<u>\$1,199</u>	<u>\$10,819</u>	<u>1.1%</u>

<u>Other Manufacturing</u>	<u>312-339</u>	<u>205</u>	<u>\$44,697</u>	<u>\$218</u>	<u>\$0</u>	<u>\$413</u>	<u>\$1,823</u>	<u>\$6,881</u>	<u>1.0%</u>
<u>Utilities</u>	<u>22</u>	<u>123</u>	<u>\$711,729</u>	<u>\$5,786</u>	<u>\$640</u>	<u>\$1,102</u>	<u>\$2,310</u>	<u>\$182,229</u>	<u>16.1%</u>
<u>Transportation & Warehousing</u>	<u>48-49</u>	<u>46</u>	<u>\$209,871</u>	<u>\$4,562</u>	<u>\$427</u>	<u>\$1,305</u>	<u>\$4,563</u>	<u>\$46,360</u>	<u>4.8%</u>
<u>Information</u>	<u>51</u>	<u>11</u>	<u>\$31,289</u>	<u>\$2,844</u>	<u>\$406</u>	<u>\$2,326</u>	<u>\$4,236</u>	<u>\$9,031</u>	<u>0.7%</u>
<u>Publishing Industries, Except Internet*</u>	<u>511</u>	<u>2</u>	<u>\$172</u>	<u>\$86</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$86</u>	<u>0.0%</u>
<u>Motion Picture & Sound Recording</u>	<u>512</u>	<u>8</u>	<u>\$31,118</u>	<u>\$3,890</u>	<u>\$2,128</u>	<u>\$3,171</u>	<u>\$5,387</u>	<u>\$9,031</u>	<u>0.7%</u>
<u>Internet Services and data processing*</u>	<u>518-519</u>	<u>1</u>	<u>\$0</u>	<u>\$0</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$0</u>	<u>0.0%</u>
<u>Wholesale Trade</u>	<u>42</u>	<u>65</u>	<u>\$96,132</u>	<u>\$1,479</u>	<u>\$0</u>	<u>\$411</u>	<u>\$1,430</u>	<u>\$18,866</u>	<u>2.2%</u>
<u>Retail Trade</u>	<u>44-45</u>	<u>105</u>	<u>\$90,446</u>	<u>\$861</u>	<u>\$112</u>	<u>\$274</u>	<u>\$1,024</u>	<u>\$7,586</u>	<u>2.0%</u>
<u>Finance and Insurance*</u>	<u>52</u>	<u>2</u>	<u>\$417</u>	<u>\$209</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$417</u>	<u>0.0%</u>
<u>Real Estate and Rental Leasing</u>	<u>53</u>	<u>9</u>	<u>\$1,847</u>	<u>\$205</u>	<u>\$0</u>	<u>\$132</u>	<u>\$214</u>	<u>\$1,097</u>	<u>0.0%</u>
<u>Services</u>	<u>54-81</u>	<u>329</u>	<u>\$661,927</u>	<u>\$2,156</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,373</u>	<u>\$160,373</u>	<u>15.0%</u>
<u>Professional and Technical Services</u>	<u>54</u>	<u>24</u>	<u>\$35,838</u>	<u>\$1,493</u>	<u>\$4</u>	<u>\$389</u>	<u>\$1,434</u>	<u>\$13,813</u>	<u>0.8%</u>
<u>Administrative and support services</u>	<u>561</u>	<u>20</u>	<u>\$8,487</u>	<u>\$424</u>	<u>\$0</u>	<u>\$0</u>	<u>\$186</u>	<u>\$5,910</u>	<u>0.2%</u>
<u>Waste management and remediation services</u>	<u>562</u>	<u>41</u>	<u>\$309,651</u>	<u>\$7,552</u>	<u>\$529</u>	<u>\$1,382</u>	<u>\$3,354</u>	<u>\$160,373</u>	<u>7.0%</u>
<u>Educational Services</u>	<u>61</u>	<u>22</u>	<u>\$98,572</u>	<u>\$4,481</u>	<u>\$558</u>	<u>\$1,291</u>	<u>\$5,526</u>	<u>\$28,251</u>	<u>2.2%</u>
<u>Health Care & Social Assistance</u>	<u>62</u>	<u>52</u>	<u>\$170,659</u>	<u>\$3,282</u>	<u>\$1,218</u>	<u>\$2,686</u>	<u>\$4,711</u>	<u>\$15,443</u>	<u>3.9%</u>
<u>Accommodation*</u>	<u>721</u>	<u>2</u>	<u>\$794</u>	<u>\$397</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$627</u>	<u>0.0%</u>
<u>Food Services & Drinking Places*</u>	<u>722</u>	<u>2</u>	<u>\$537</u>	<u>\$268</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$417</u>	<u>0.0%</u>
<u>Repair and Maintenance</u>	<u>811</u>	<u>146</u>	<u>\$3,313</u>	<u>\$23</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,397</u>	<u>0.1%</u>
<u>Other Services</u>	<u>Other 54-81</u>	<u>20</u>	<u>\$34,075</u>	<u>\$1,704</u>	<u>\$0</u>	<u>\$578</u>	<u>\$1,850</u>	<u>\$13,454</u>	<u>0.8%</u>
<u>Public Administration</u>	<u>92</u>	<u>30</u>	<u>\$42,199</u>	<u>\$1,407</u>	<u>\$240</u>	<u>\$416</u>	<u>\$2,014</u>	<u>\$8,188</u>	<u>1.0%</u>
<u>Unclassified**</u>	<u>N/A</u>	<u>33</u>	<u>\$71,922</u>	<u>\$2,179</u>	<u>\$0</u>	<u>\$0</u>	<u>\$437</u>	<u>\$34,222</u>	<u>1.6%</u>
<u>Small Business***</u>	<u>N/A</u>	<u>428</u>	<u>\$509,621</u>	<u>\$1,191</u>	<u>\$0</u>	<u>\$0</u>	<u>\$813</u>	<u>\$211,103</u>	<u>11.5%</u>
TOTALS	-	1541	\$4,417,564	\$2,908	\$0	\$295	\$1,363	\$427,528	100.0%

* Percentile data not provided for industries with fewer than 5 facilities

** Facilities with no NAICS codes assigned are categorized as "unclassified."

*** A small business is defined as a facility with 100 employees or fewer and annual revenue less than or equal to \$5,000,000.

These facilities are spread throughout all of the industry sectors and are not included in the total count of facilities

As discussed in the previous section, the fee impacts from PAR III are estimated to be incurred by all industries within the regional economy. Table 3 shows the distribution of these fee impacts by industry, by fiscal year, and on average annually over a 10-year horizon. The manufacturing sector would incur the largest fee impacts with no fee increase in FY 2019-20, and an increase in fee costs of \$1.09 million in FY 2020-2021 and \$2.31 million in FY 2021-22 and thereafter, which comprises a 57% share of the average fee

impacts of PAR III. Within the manufacturing sector the petroleum and coal products manufacturing industry (NAICS 324) will incur a 57% share of the fee impacts, primarily as a result of the toxicity-weighted emissions fees that will be incurred by facilities in this industry.

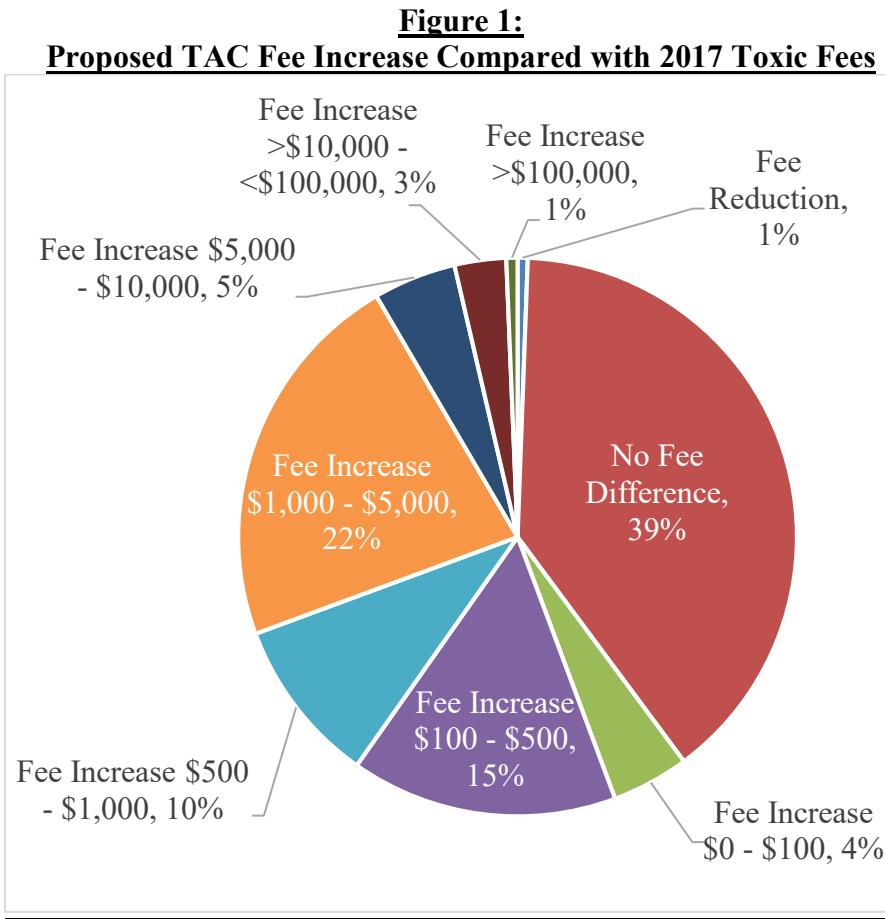


Figure 1 shows that nearly 40% of the facilities subject to the TAC Fee increase will have no difference in their total annual toxics fees compared with the 2017 reporting year. 22% of facilities will have an increase between \$1,000 and \$5,000, and 15% will have a fee increase of \$100 to \$500 annually.

MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The REMI model (PI+ v2.2) was used to assess the total socioeconomic impacts of PAR III fee increases and the corresponding SCAQMD revenue increase. It links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county, it is comprised of five interrelated blocks: (1) output and demand, (2) labor

and capital, (3) population and labor force, (4) wages, prices and costs, and (5) market shares.²

The assessment herein was performed relative to a baseline scenario where none of the PAR III fee increases are implemented. PAR III would create a policy scenario under which the affected facilities would incur a reduction in annual costs of \$0.29\$0.30 million in FY 2019-20, followed by an increase in annual costs of \$1.76 million in FY 2020-21 and \$4.12 million in FY 2021-22 and following years (Table 2). As these fee increases are recommended for cost recovery purposes of mostly-mandated existing and future activities, the baseline scenario represents a situation where SCAQMD is not able to fully cover its costs and is in a deficit situation. For purposes of the macroeconomic impact analysis, the estimated fee increase was converted from FY to calendar year and was analyzed for a 10-year period from 2019 to 2028, where the highest level of fee increase is realized by 2021 and is held constant for the subsequent years in the analysis horizon. The macroeconomic impact analysis is based on the real dollar value of fees, therefore it assumes the implementation of Rule 320 in all years of the analysis horizon.

The impact of the proposed new fees and fee rate increases was simulated with the REMI model using estimates of the fee increase, along with the corresponding increase in SCAQMD revenue. The estimated increase in fees by industry (Table 3) were input into the REMI model as an increase in production cost for the affected industries. The resulting increase in SCAQMD revenue was input in the REMI model as an increase in local government spending, distributed by the proportion of population in each of the four counties. This modeling approach assumes a balanced government budget, where an increase in revenue, relative to the baseline scenario, must be equivalent to an increase in government spending.³

² Within each county, producers are made up of 66 private non-farm industries, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 age/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

³ This increase in revenue and equivalent increase in spending is relative to the baseline scenario, where SCAQMD is not fully recovering cost and is in a deficit situation.

Table 3:
Fee Impact of the PAR III by Industry

Industry	NAICS	Fee Impact of PAR III				
		FY 2019-2020	FY 2020-2021	FY 2021-2022 and thereafter	Average Annual (2019-2028)	Share of Fee Impact
Agriculture, Forestry, Fishing & Hunting	111-115	\$0	\$5,715	\$10,877	\$9,273	0.3%
Mining	21	\$0	\$71,285	\$157,876	\$133,429	3.9%
—Oil and Gas Extraction	211	\$0	\$48,312	\$111,957	\$94,397	2.7%
—Mining (except oil and gas)	212-213	\$0	\$22,973	\$45,919	\$39,032	1.1%
Construction	23	\$1,174	\$10,887	\$22,334	\$19,073	0.6%
Manufacturing	31-33	\$0	\$1,085,208	\$2,311,353	\$1,957,603	56.8%
—Food Manufacturing	311	\$0	\$2,040	\$3,268	\$2,818	0.1%
—Wood Products Manufacturing	321	\$0	\$490	\$1,079	\$912	0.0%
—Petroleum and Coal Products Mfg.	324	\$0	\$611,036	\$1,341,750	\$1,134,504	32.9%
—Chemical Manufacturing	325	\$0	\$121,840	\$244,884	\$208,089	6.0%
—Nonmetallic Mineral Product Mfg.	327	\$0	\$36,468	\$72,489	\$61,638	1.8%
—Primary Metal Mfg.	331	\$0	\$91,598	\$189,384	\$160,665	4.7%
—Fabricated Metal Mfg.	332	\$0	\$103,464	\$215,043	\$182,381	5.3%
—Machinery Manufacturing	333	\$0	\$49,310	\$99,094	\$84,206	2.4%
—Computer and Electronic Product Mfg.	334	\$0	\$19,679	\$39,342	\$33,442	1.0%
—Electrical Equipment & Appliance Mfg.	335	\$0	\$5,843	\$11,226	\$9,565	0.3%
—Motor Vehicle & Trans. Equipment Mfg.	336	\$0	\$24,233	\$49,024	\$41,642	1.2%
—Other Manufacturing	312-339	\$0	\$19,208	\$44,775	\$37,741	1.1%
Utilities	22	\$0	\$318,630	\$712,744	\$602,058	17.5%
Transportation & Warehousing	48-49	\$0	\$94,396	\$209,871	\$177,337	5.1%
Information	51	\$0	\$15,450	\$31,289	\$26,577	0.8%
—Publishing Industries, Except Internet	511	\$0	\$164	\$172	\$154	0.0%
—Motion Picture & Sound Recording	512	\$0	\$15,287	\$31,118	\$26,423	0.8%
—Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
Wholesale Trade	42	\$1,200	\$45,991	\$97,332	\$82,585	2.4%
Retail Trade	44-45	\$300	\$39,687	\$90,785	\$76,627	2.2%
Finance and Insurance	52	\$0	\$245	\$417	\$358	0.0%
Real Estate and Rental Leasing	53	\$1,173	\$2,281	\$3,020	\$2,761	0.1%
Services	54-81	-\$301,227	\$16,830	\$361,364	\$260,651	7.6%
—Professional and Technical Services	54	\$300	\$16,424	\$36,138	\$30,583	0.9%
—Administrative and support services	561	\$0	\$3,807	\$8,487	\$7,171	0.2%
—Waste management and remediation services	562	-\$301,827	-\$151,392	\$8,488	-\$38,532	-1.1%
—Educational Services	61	\$0	\$45,887	\$98,572	\$83,446	2.4%
—Health Care & Social Assistance	62	\$0	\$82,318	\$170,659	\$144,759	4.2%
—Accommodation	721	\$0	\$475	\$794	\$683	0.0%
—Food Services & Drinking Places	722	\$0	\$344	\$537	\$464	0.0%
—Other Services	Other 54-81	\$300	\$18,967	\$37,689	\$32,078	0.9%
Public Administration	92	\$0	\$18,695	\$42,199	\$35,629	1.0%
Unclassified*	N/A	\$0	\$34,754	\$71,922	\$61,013	1.8%
Totals		-\$297,380	\$1,760,056	\$4,123,384	\$3,444,974	100.0%

*Facilities with no NAICS codes assigned are categorized as “unclassified.”

Employment

Based on these inputs into the REMI model, the macroeconomic impacts of the estimated fee increases on the regional economy were simulated.⁴ The total effect on jobs consists of the effect on the directly affected sectors combined with the indirect and induced effects, which result as increased industry costs and government spending cascade through the regional economy. The overall PAR III fee increases are projected to lead to a net gain of 21 jobs on average per year above the baseline scenario job forecast from 2019 to 2028 (Table 4). The net gain of jobs is a result of a gain in jobs from increased SCAQMD spending and foregone jobs in the industries most affected by the proposed fee increases.

Table 45:
Projected Job Impacts of Proposed Fee Rate Increases by Sector

Sector	NAICS	Jobs			Average Annual (2019-2028)		
		2020	2024	2028	Jobs	Baseline Jobs	% Change
Mining, Oil and Gas Extraction	21	0	-2	-2	-1	24,093	-0.0058%
Utilities	22	0	-1	-1	-1	21,209	-0.0033%
Construction	23	2	-4	-4	-2	488,175	-0.0005%
Manufacturing	33	0	-5	-6	-4	631,905	-0.0006%
Wholesale Trade	42	0	-1	-1	-1	492,205	-0.0001%
Retail Trade	44-45	0	-2	-3	-2	1,006,162	-0.0002%
Transportation and Warehousing	48-49	0	-1	-1	0	491,491	-0.0001%
Information	51	0	0	-1	0	343,789	-0.0001%
Finance and Insurance	52	1	0	0	1	514,823	0.0001%
Real Estate and Rental and Leasing	53	1	0	0	0	609,284	0.0000%
Professional, Scientific, and Technical Services	54	1	0	-2	0	876,610	0.0000%
Management of Companies and Enterprises	55	0	-1	-1	-1	118,986	-0.0004%
Administrative and Waste Management Services	56	1	0	-1	0	800,069	0.0000%
Educational Services	61	0	0	-1	0	262,009	0.0000%
Health Care and Social Assistance	62	1	0	-1	0	1,367,207	0.0000%
Accommodation and Food Services	72	1	1	0	1	811,398	0.0001%
State and Local Government	92	17	37	34	31	918,977	0.0034%
All Other Industries	N/A	3	1	0	0	1,290,479	0.0000%
Total		28	22	9	21	11,068,869	0.0005%

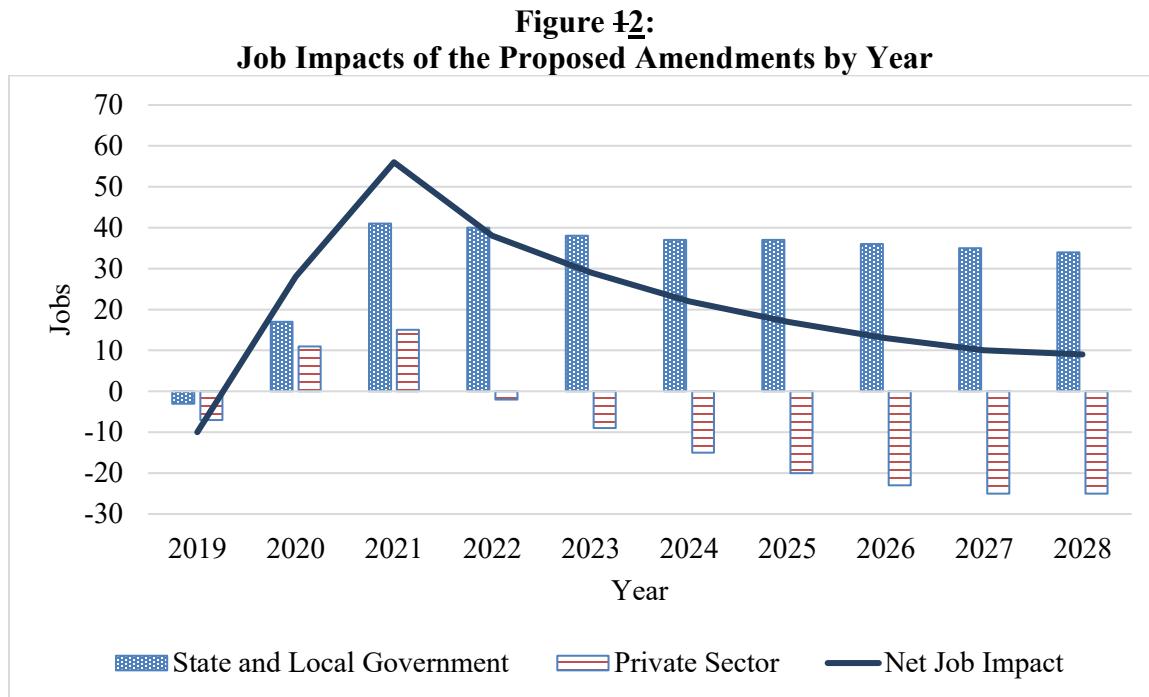
⁴ A change was made to the TAC Fee Increase implementation that resulted in a decrease in costs to industry of approximately \$3,500 in FY 19-20. However, the employment data presented in this report reflect the more conservative cost estimates presented in the Draft Socioeconomic Impact Assessment.

The foregone jobs are most concentrated in the manufacturing sector with four jobs foregone followed by the construction sector with two jobs foregone. These jobs foregone either occur in industries most significantly affected by the fee increase or industries which are significant intermediate suppliers to the affected industries. The jobs gained from the increase in SCAQMD spending are most highly concentrated in the local government sector, which includes SCAQMD and all other local government agencies in the region, along with gains in industries servicing the local government sector, such as finance and insurance and professional, scientific, and technical services.

It should be noted that, as the baseline scenario represents a deficit situation for SCAQMD, direct job gains estimated for the local government sector include potentially prevented staffing reductions, which may occur if the deficit situation continues at SCAQMD. At the same time, the sector's direct job gains may also include new positions added to perform new and/or expanded program functions to meet recently adopted SCAQMD rules and state mandates. However, the potential employment impact pertinent to SCAQMD is not specifically considered in this job impact analysis due to modeling constraints.⁵ Overall, these changes in jobs are very small relative to the size of the regional economy (11.1 million payroll and self-employment jobs), representing an increase of approximately 0.0005 percent.

Figure 1 illustrates the net change in jobs over the 2019-2028 time period. Following modest number of jobs forgone in the first year, REMI projects 28 job gains in the second year and increasing to 56 jobs gained in the third year due to the increased state and local government spending. Following 2021, the net job gains will diminish, as jobs foregone in the affected industries increase and local government job decrease.

⁵ As common in economic modelling, each economic sector is represented by the average behavior of all entities belonging to that sector. Therefore the REMI model's representation of an average local government agency will not precisely predict any specific staffing changes, timing of changes, nor specific labor costs of SCAQMD.



CONCLUSION

Based on the proposed amendments, the fee impact of PAR III is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter. The manufacturing sector is estimated to incur the greatest increases in fees, followed by the utilities sector. Based on the estimated fee increases by industry and the corresponding increases in SCAQMD revenue, the macroeconomic job impact of the estimated fee increase was simulated. The job impact analysis projects a net gain in jobs over the 2019-2028 period relative to the baseline scenario, resulting primarily from prevented job losses and job gains in local government and jobs foregone in manufacturing and construction. Ultimately, the projected job impact is very small relative to the regional economy, representing an increase of approximately 0.0005 percent.

APPENDIX

Table A1:
Estimated Number of Affected Facilities by Proposed Amendment

Industry	NAICS	Proposed Amendment					
		TAC Fee Increase	306/309 Fee Realignment	1403 Fee Reductions	PERP Fee Increase	Change of Owner/Operator Fee Cap	1118.1 Notification Fees
Agriculture, Forestry, Fishing & Hunting	111-115	33	0	0	0	0	0
Mining	21	89	0	0	0	2	34
Oil and Gas Extraction	211	60	0	0	0	1	33
Mining (except oil and gas)	212-213	29	0	0	0	1	1
Construction	23	23	0	0	20	0	0
Manufacturing	31-33	643	0	0	0	14	4
Food Manufacturing	311	38	0	0	0	0	2
Wood Products Manufacturing	321	6	0	0	0	0	0
Petroleum and Coal Products Mfg.	324	39	0	0	0	6	0
Chemical Manufacturing	325	59	0	0	0	1	0
Nonmetallic Mineral Product Mfg.	327	37	0	0	0	0	0
Primary Metal Mfg.	331	46	0	0	0	2	0
Fabricated Metal Mfg.	332	157	0	0	0	2	0
Machinery Manufacturing	333	13	0	0	0	0	0
Computer and Electronic Product Mfg.	334	24	0	0	0	0	0
Electrical Equipment & Appliance Mfg.	335	19	0	0	0	0	0
Motor Vehicle & Trans. Equipment Mfg.	336	44	0	0	0	2	0
Other Manufacturing	312-339	205	0	0	0	1	2
Utilities	22	123	0	0	0	0	26
Transportation & Warehousing	48-49	46	0	0	0	2	0

Information	51	11	0	0	0	0	0
Publishing Industries, Except Internet	511	2	0	0	0	0	0
Motion Picture & Sound Recording	512	8	0	0	0	0	0
Internet Services and data processing	518, 519	1	0	0	0	0	0
Wholesale Trade	42	65	4	0	0	1	0
Retail Trade	44-45	105	1	0	0	2	1
Finance and Insurance	52	2	0	0	0	0	0
Real Estate and Rental Leasing	53	9	0	0	10	0	0
Services	54-81	307	2	178	10	1	17
Professional and Technical Services	54	24	1	0	0	0	0
Administrative and support services	561	20	0	0	10	0	0
Waste management and remediation services	562	41	0	178	0	0	17
Educational Services	61	22	0	0	0	0	0
Health Care & Social Assistance	62	52	0	0	0	0	0
Accommodation	721	2	0	0	0	0	0
Food Services & Drinking Places	722	2	0	0	0	0	0
Other Services	Other 54-81	<u>444166</u>	1	0	0	1	0
Public Administration	92	30	0	0	0	1	0
Unclassified*	N/A	33	0	0	0	0	0
Totals		<u>45191541</u>	7	178	40	23	82

*Facilities with no NAICS codes assigned are categorized as "unclassified."

ATTACHMENT I



California Council for Environmental and Economic Balance
101 Mission Street, Suite 805, San Francisco, California 94105
415-512-7890 phone, 415-512-7897 fax, www.cceeb.org

April 30, 2019

Dr. William Burke, Chair
Members of the Governing Board
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
Submitted electronically to clerkofboard@aqmd.gov

RE: SCAQMD Proposed Amendments to Regulation III and FYE 2020 Budget

Dear Dr. Burke and Members of the Governing Board,

Thank you for the opportunity to submit comments on behalf of the California Council for Environmental and Economic Balance (CCEEB) on the SCAQMD Proposed Amendments to Regulation III and FYE 2020 Budget. CCEEB is a nonpartisan, nonprofit coalition of business, labor, and public leaders that advances strategies for a healthy environment and sound economy. CCEEB represents many facilities that operate in the South Coast Air Quality Management (SCAQMD or District) and are subject to its fees. CCEEB has been participating in the budget and fee development process and the below summarizes some of the comments we have provided at the workshops and discussions with staff.

FYE 2020 Budget

- **CCEEB supports and appreciates SCAQMD efforts to contain costs and improve operational efficiencies.** Our highest priority is ensuring that the District maintain its level of service across its core program areas, such as permitting, planning and rules, and compliance. For example, the charts on page 17 of the proposed budget shows that SCAQMD expenditures have decreased by 12 percent over the past 28 years, when adjusted for inflation. This is commendable, especially given the tremendous progress made in the region to reduce emissions and public exposures to air pollutants. The ongoing need to contain costs is important as the District trains new staff and management, and as existing staff shift to new responsibilities under AB 617 and with a focus on the “sunset” of the REgional CLean Air Incentives Market (RECLAIM).

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- **AB 617 program implementation is a major new effort, with a significant impact on District resources.** CCEEB appreciates the budget detail providing transparency on District expenditures related to AB 617, and hopes to continue working closely with staff and the Board to secure reasonable, equitable, and sustained funding for this extensive work. CCEEB recognizes all of staff's efforts to reduce the permit backlog, but notes that the Permitting and Engineering Division additionally provides support to much of the AB 617 program areas. With the move to ramp up the AB617 program, we are concerned that the elimination of the permit backlog could be setback as new permit applications are triggered by the BARCT rules and RECLAIM sunset. We note that the division will have the same number of FTEs in the proposed budget as for FYE 2019. CCEEB suggests that staffing be revisited as part of the FYE 2021 budget process.

17-2

Regulation III

- **The Toxics Emissions Fees Increase is significant and more time should be provided to allow facilities to understand the proposal and provide meaningful input.** CCEEB proposes a one-month delay in this element of the fee proposal. The proposal to increase emissions fees and the multiple components of the fee were introduced quickly. While the need to recover fees for the toxics program is understandable, the exact mechanisms are complex and there has not been sufficient time and notice for all stakeholders to assess the impacts to their operations.

17-3

CCEEB notes that than half of the fee increase is being assumed by only three sectors: Petroleum and Coal Products Manufacturing (30.4%), Utilities (16.1%) and Waste Management (7.0%). Collectively, these three sectors have 203 facilities, or only about 13 percent of the total fee base, yet are responsible for 53.5 percent of the fees after the proposed increase. CCEEB has reviewed staff's correlation analysis between fees paid and workload of interest. However, it is not entirely clear by this information that the sectors with the highest fee increases are the same as those driving District costs. Staff should take an additional one-month to determine whether the fee proposal is equitable among sectors. It is also unclear what part of District activities related to its toxics program workload (e.g., legal, compliance, lab and monitoring, and planning and rules) is also covered by other fee schedules, and how staff allocated certain costs specifically to its toxics workload. For example, a facility inspection would involve all pollutants and equipment, not just those specific to toxics emissions.

- **The Toxic Emissions Fee Increase should be phased-in over three years (starting in 2021).** Facilities have faced major fee increases over the past several years, particularly Title V facilities, which have had fees increase by more than 10

17-4

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percent each year for the last three years. The proposed toxics emissions fees will hit Title V facilities the hardest, and time is needed for these entities to budget additional fee increases. Facilities also need time to update and validate reported emissions to the District.

Staff has noted in public meetings that, by adopting the fee increase this year, affected stakeholders will have time to understand fee implications and act upon this information, such as by improving toxics emissions reporting, or by seeking emission reduction projects, which could potentially lower toxics emissions fees. Staff also noted that the 2021 effective date would give the District another opportunity to amend Rule 301(e), if necessary, as part of the FYE 2021 budget process. Taking the time to make the refinements necessary now will give stakeholders a more complete picture to allow them to assess the impacts and plan for any additional fees.

CCEEB strongly recommends that the Toxics Emissions Fees be similarly phased-in over a three-year period, allowing these facilities to budget further and, for many, substantial fee increases, and to provide adequate time for facility and rule adjustments over the next few years.

- **The District should work expeditiously with industry to update outdated default emissions factors, including work to review and approve new source testing.** CCEEB asks the District to convene a working group on emissions factors and source testing, and to allow “pooled” source testing whenever feasible so as to reduce administratively burden and costs. Additionally, CCEEB believes this work can be leveraged to help inform long-term implementation of the Air Resources Board (ARB) Criteria and Toxics Reporting Regulation.
- **Equipment in the ARB Portable Equipment Registration Program (PERP) should be exempted from the toxics emissions fee.** The proposed amendments, which add diesel particulate matter (DPM) to the list of toxics emissions under Rule 301(e), should not apply to PERP equipment already subject to ARB fees since the District already receives revenue for its oversight of PERP. Moreover, the Regulation III amendments proposed increasing PERP fees under Rule 301(w). CCEEB believes that cost recovery for PERP equipment should be done, if needed, through this rule and not Rule 301(e).

17-4 cont.

17-5

17-6

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RE: FY 2020 Budget and Regulation III

Page 4 of 4

We appreciate all of the effort the District has expended in trying to balance its mandates to clean the air and to maintain a viable economy in the SCAB region and look forward to working with staff to resolve the remaining issues with the toxics emissions fee.

Sincerely,



Frances Keeler
Vice President

Cc:

Mr. Wayne Nastri
Mr. Philip Fine
Mr. Ian MacMillan

ATTACHMENT I

Response to Comment 17-1

South Coast AQMD staff looks forward to continuing to work with stakeholders to provide cost-effective strategies to meet local air quality goals and helping to protect the health of all residents and workers within the South Coast Air Basin.

Response to Comment 17-2

Staff is committed to reviewing work program needs and revenue sources in future budgets as suggested, including for the permit program as AB 617 and BARCT requirements are implemented and the RECLAIM program is sunsetted.

Response to Comment 17-3

Based in part on this comment, the portion of Proposed Amended Rule 301 relating to toxics emissions fees has been delayed by one month to allow time for additional outreach. For a justification of the correlation between South Coast AQMD workload and the proposed new toxic emissions fee structure please see Appendix C of the final staff report. This appendix provides a detailed breakdown of work programs costs. In brief, staff from each work program provided an estimate for the resources that are spent on toxics emissions (e.g., 60% of Annual Emissions Reporting staff time is spent on toxics emissions), and the subtotals for each program were summed to determine that the South Coast AQMD spends approximately \$9.3 million on monitoring, enforcing, and related activities for toxics emissions from stationary sources. Work programs not paid for with emission fees were not included in this analysis, such as AB 2588 Hot Spots, permitting, mobile sources, etc. Additional explanation is provided in Response to Comment 14-3 in Appendix D of the Final Staff Report for Regulation III (pages 91-93).

Toxics work by its nature can fluctuate through time, at a facility level and at the air district level. These costs are therefore looked at as a whole to conduct the South Coast AQMD air toxics program, rather than facility-by-facility in any one year. While there are some high profile examples that have been reported on by the news media in recent years (e.g., Exide, Paramount, etc.), the South Coast AQMD toxics program covers all permitted facilities, and the proposed fees are designed to address the entire work program. For example, work on hexavalent chromium emissions from cement plants over a short period of time led to additional work on chrome platers, lead battery recyclers, metal grinding facilities, and other metal processing facilities. Similarly, work on hydrocarbon emissions from refineries has led to work on tank farms, oil production facilities, and gas stations. Staff believes the most equitable way to apportion fees is based on specific South Coast AQMD workload. Therefore two of the three proposed toxics emissions fees cover specific program costs including software maintenance (covered by the base toxics fee) and emission inventory staff time (tied to staff effort through the flat rate device fee). The final cancer potency-weighted fee is tied to the South Coast AQMD's role as an agency charged with protecting public health. Thus staff efforts are prioritized on facilities based in part on the highest potential for a public health impact. The most appropriate proxy for this workload is the cancer-potency weighted emissions from a facility that takes into account not just the amount of emissions, but also the cancer potency of those emissions.

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Response to Comment 17-4

By statute, the South Coast AQMD must, at a minimum, phase in a fee increase above the Consumer Price Index over a two year period (Health and Safety Code 40510.5(b)). Staff initially proposed a three year phase-in. At the May 3rd meeting, Board asked for staff to present the option for a two year phase-in. Longer delays will hinder the District's cost recovery efforts and have the potential to create inequities in the District's overall permitted source program.

The Board will vote on an option of increasing the fees over either a two-year period or a three-year period. In order to ensure that the proposed fee increase is monitored, the board resolution adopted in May includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase-in.

Response to Comment 17-5

Consistent with the board resolution that was adopted in May, staff is committed to convene a working group to assess and improved the source test review and approval process, as well as review and update default emission factors as appropriate.

Response to Comment 17-6

Equipment registered in CARB's Portable Equipment Registration Program (PERP) are not currently required to report emissions and do not incur emissions fees. The proposed amendments do not affect PERP equipment.

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City of Corona
Department of Water and Power
"Protecting Public Health"

Office: 951.736.2234
Fax: 951.735.3786

755 Public Safety Way
Corona, CA 92880 – www.CoronaCA.gov

May 16, 2019

Mr. Shah Dabirian
South Coast AQMD
21865 Copley Drive
Diamond Bar, CA 91765

Subject: PROPOSED AMENDED RULE 301-PERMITTING AND ASSOCIATED FEES

Dear Mr. Dabirian:

The City of Corona Department of Water and Power (City) is a provider of essential public services whose mission is to protect public health by providing the highest quality water, reclaimed water, electric service, and efficient water reclamation. We take great pride in being able to serve the community and always strive to provide our customers with the best possible service while remaining fiscally responsible.

The City has established emergency back-up power at major facilities to protect the health and safety of its residents. Emergency generators provide critical support to the City's water reclamation facilities during power outages, allowing the facilities to continue 24/7 operation. Emergency generators are essential to all public agencies.

The City understands SCAQMD's goal is to reduce diesel emissions by increasing fees on emissions of toxic air contaminants. However, increasing fees on emergency diesel generators will not reduce emissions. The generators are only in use for periodic maintenance and during emergency situations. The use of the generators cannot be reduced any lower and purchasing a new engine would be an inappropriate use of public funds.

The only possible emission reduction would be in the form of emission reporting. Emissions could be reduced by updating default emission factors that were established over 15 years ago. The City understands that this can also be accomplished through independent source tests, however, it would not make financial sense for every public agency to independently perform a source test on all their diesel generators. In addition, source tests are expensive and require advanced planning to budget appropriately.

Proposed rule 301 includes diesel particulate matter in the list of toxic air contaminants at such a low threshold that essentially all public agencies will be subject to the proposed fee increases for toxic emissions. Just three gallons of diesel fuel used in an emergency

18-1

18-2

18-3

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Mr. Shah Dabirian
Page 2

generator would exceed the 0.1 lbs. listed in Table IV of proposed rule 301. It is unclear how this emission limit was established and why it is so low. The City does not believe it was the intention of SCAQMD to punish all facilities with emergency diesel generators. The City does not believe emissions from emergency diesel generators should be included in Table IV of proposed rule 301 or the per device fee of \$341.89.

18-3 cont.

Although the City's water reclamation facility emits less than four tons per year we have been required to submit an annual emissions report for the last three years. We have spoken to SCAQMD staff and although we may qualify to be exempt from reporting 2019 emissions, this is not guaranteed, and could change with other regulations such as AB617. There are many other essential public service agencies that are currently required to report annual emissions although they fall below the four tons per year threshold. The proposed fee revisions will likely encompass more facilities than originally intended and many of these facilities are unaware of the potential impacts.

18-4

The proposed increase in toxic emission fees places an unfair burden on essential public service agencies by not providing the opportunity to reduce emissions while maintaining fiscal responsibility to their customers. The proposed three-year phase in does not allow adequate time for providers of essential public services to properly budget for these fee increases. The implementation of the diesel particulate matter is also a concern because particulate emissions could be double counted since metals are also particulates.

18-5

The City requests that South Coast AQMD update default emission factors for stationary diesel generators, not include emergency diesel generators in the toxic emission fee increases and supports a four-year phase in of the remaining proposed toxic emission fee increases.

18-6

Proposed Toxic Emission Fee
Estimated Fiscal Impact for the City of Corona

2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
\$59.39	\$1,327.81	\$2,545.64
% Increase	2,135%	91.7%

We appreciate the opportunity to provide input on the toxic emission fee increases and appreciate your willingness to consider our recommendations. Please contact me if you have any questions at (951) 279-3601 or by email at Katie.Hockett@CoronaCA.gov or Jennifer McMullin at (951) 279-3624 or by email at Jennifer.McMullin@CoronaCA.gov.

Sincerely,



Katie Hockett
DWP Operations Manager

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Response to Comment 18-1

The goal of the proposed increased fees is to recover the costs for South Coast AQMD work programs on toxics emissions from permitted sources, as described in the staff report. South Coast AQMD currently only recovers about \$0.5 million annually in toxics emissions fees, but expends about \$20 million annually to monitor, enforce, and conduct related activities on permitted toxics sources. This proposed amendment is expected to increase revenue by about \$4.5 million per year, once fully phased in.

Staff does expect that facilities will evaluate their emissions more closely with the higher fees, if adopted. As part of this evaluation, some facilities will ultimately report lower emissions, either through reducing emissions if that is more cost-effective, or through providing more accurate data that shows lower emissions than previously reported (e.g., through more precise source tests). Many facilities will not be able to utilize these options and will pay higher fees.

Response to Comment 18-2

As part of the approval of Regulation III in May 2019 (with the exception of the toxics emissions fees), the Board approved a resolution directing staff to convene a working group to assess and improve the source test review and approval process, and to review and update default emission factors as appropriate. This effort could potentially include the use of pooled source tests, thus reducing the cost burden to permitted facilities.

Response to Comment 18-3

The reporting thresholds for DPM are derived from AB2588 Quadrennial Reporting Guidance, which is consistent with all other Table IV toxic pollutants which must be reported annually. These thresholds were established by CARB as part of their Emissions Inventory and Criteria Guidelines regulation, and are ‘Degree of Accuracy’ thresholds, meaning that emissions must be reported within the ‘Degree of Accuracy’. Therefore, these thresholds also act as a de minimis level of reporting. As stated by the commenter, the intention of the proposed amended fees is not to punish facilities with diesel generators. Instead, as indicated in the staff report and in Response to Comments 18-1, the goal of the proposed increased fees is to recover the costs of South Coast AQMD work programs that monitor, enforce, and conduct related activities on permitted facilities. As described in the staff report, DPM is being proposed for inclusion in the toxics fees due to its role as the primary pollutant of concern for cancer risk in the air basin.

Response to Comment 18-4

Recent emission reports do indicate that this facility emits less than four tons per year of criteria pollutants, though it has emitted more than four tons per year in previous years (e.g., 2008 and 2009). The amendments to Rule 301 adopted by the Board in May 2019 already have provided clarification that facilities that emit less than four tons per year will not be required to report emissions, or pay the associated fees for these reported emissions. Under the previous version of the rule, some facilities with less than four tons per year would sometimes be required to report emissions (e.g., if they had previously emitted more than four tons per year), however the recently amended rule provided clarity in paragraph (e)(1) for which facilities must now report.

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The proposed new regulation from CARB under AB 617 (Criteria and Toxics Reporting) may require more facilities to report emissions to air districts. Any facilities required to report emissions under that regulation are expected to have lower emissions (and fees) than facilities currently required to report emissions under Rule 301. Furthermore, language in the new Criteria and Toxics Reporting regulation states that smaller facilities whose permitted processes all fall within those listed in Table A-4 (below), may qualify for ‘abbreviated reporting’. For example, a small facility with emergency diesel backup engines will only be required to report total annual fuel usage or total annual hours of operation. These facilities would not pay toxics fees because ‘abbreviated reporting’ will not include *emissions reporting* requirements, and, under Rule 301, fees only apply to facilities who report *emissions*. Regardless, notices for amendments to Rule 301 have been mailed to all permit holders twice, along with two newspaper notices, multiple working group meetings, and materials posted on our website to try to reach out to any potentially affected facility.

Table A-4.
Qualifying Permitted Processes and Data Elements to Report for Abbreviated Reporting Per Section 93403(c)(2)

<u>Permitted Process</u>	<u>Data Elements to Report</u>
<u>Combustion of natural gas or propane in boilers or heaters</u>	<u>Total annual fuel usage, in million scf or MMbtu</u>
<u>Combustion of diesel oil or other fuels, in emergency standby engines or direct-drive emergency standby fire pump engines</u>	<u>Total annual fuel usage by fuel type, in gallons or scf, or total annual hours of operation; horsepower of the device; and PM emission rate in grams per brake horsepower-hour.</u>
<u>Retail sale of gasoline</u>	<u>Total annual sales of gasoline, in gallons</u>
<u>Cremation of humans or animals</u>	<u>Total annual mass cremated by type of remains, in pounds</u>
<u>Construction aggregate processing, where no asphalt products are used or produced</u>	<u>Total annual mass of dried material produced, in tons</u>

Response to Comment 18-5

By statute, the South Coast AQMD must, at a minimum, phase in a fee increase above the Consumer Price Index over a two year period (Health and Safety Code 40510.5(b)). Staff initially proposed a three year phase in. At the May 3rd meeting, the Board asked for staff to present the option of a two year phase-in. Longer delays will hinder the District’s cost recovery efforts and have the potential to create inequities in the District’s overall permitted source program.

The Board will vote on an option of increasing the fees over either a two year period, or a three year period. In order to ensure that the proposed fee increase is monitored, the board resolution adopted in May includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase-in.

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If a three year phase-in is implemented, the first half of the fee increase would not be required to be paid until March 2021, more than twenty months after rule adoption. A two-year phase-in would require an increase in fees in March 2020, about nine months from now. As indicated by the commenter, the expected fees with the amended rule would be increased about \$1,300, if it was required to report emissions pursuant to CARB's CTR (it is not required to report emissions under Rule 301). In comparison, the Corona Department of Water and Power total annual budget is more than \$52 million¹. This increased fee would therefore represent less than a 0.0025% increase to that budget in 2021, and an equal increase one year later. This low level of financial impact and the amount of time provided before fees would need to be paid are not inconsistent with previous fee increases.

Finally, as indicated on page 8 of the staff report DPM will not be double counted for fee purposes, though all speciated emissions must continue to be reported. *"Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions."*

Response to Comment 18-6

This comment summarizes previous comments in the letter. Responses can be found in Response to Comments 18-1 through 18-5.

¹ As indicated on the city's website here:

http://www.opendatacorona.com/#!/year/2019/operating/0/service/UTILITIES+%2526+TRANSPORTATION/0/service_lines/WATER+UTILITY/0/department

ATTACHMENT I



May 22, 2019

Dr. Philip Fine
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, California 91765

RE: Proposed Amended Rule 301

Dear Dr. Fine:

Montrose Environmental Solutions is submitting these comments on behalf of AT&T in response to SCAQMD's proposed amendment to Rule 301. AT&T provides both landline and mobile cellular telephone systems through the region that is regulated by SCAQMD. Communications regulations and social contract require AT&T to ensure reliable operations at all times, including utility power outage events, emergencies and disaster events. To meet these obligations, AT&T is required to maintain emergency power generation equipment at its facilities.

The mission of emergency equipment operators is aligned with that of SCAQMD. It is a mission of saving lives and protecting health and property. Some entities fulfill this mission by providing health care services. Some entities respond to emergencies and disasters with critical public services. Some entities, such as telecommunications service providers, provide the infrastructure that is needed at all times, and especially during times of crisis, to ensure that our health providers and emergency responders can reliably provide critical services to the local community. All of these entities are interconnected and equally dependent upon an uninterrupted power supply that can be provided only through the dispatch of emergency generating equipment.

Implications of Proposed Amendments to Rule 301

The proposed amendments to Rule 301, combined with the applicability thresholds of CCR 93400 would result in a large number of permit holders like AT&T who operate small facilities with emergency engines to pay significantly higher fees for toxic emissions to SCAQMD. The proposed toxic emission fee structure is especially punitive to operators of multiple devices, even though the combined total impacts of such equipment may be no greater than the impacts of a single larger device with equal emissions. Additionally, for small operations the fee is heavily weighted by flat fee assessments, rather than the emission profile or relative impact of facility operations.

19-1

AT&T's Emergency Engine Management Program

AT&T takes steps to minimize the impacts of emergency engines by considering alternative technologies for each new siting. Unfortunately, compression ignition engines continue to be the most appropriate technology to ensure reliable operations in most installations. When compression ignition engines are deemed to be the best option to support emergency operations, AT&T takes several steps to reduce environmental impacts. To manage federally-mandated redundancy requirements, AT&T equips many sites with batteries to serve as the

ATTACHMENT I

primary source of backup power. In many cases, AT&T is able to install only one engine, rather than two engines. When prudent and feasible, AT&T dispatches portable engines in response to prolonged power outages and stationary engine failures in lieu of installing redundant stationary engines. By utilizing its portable engine fleet to assist in meeting the redundancy requirements, AT&T is able to reduce the readiness testing of hundreds of engines statewide (testing operations typically comprise the bulk overall operations for most stationary engine applications). AT&T readiness testing schedules have already been shortened to the maximum extent practicable to ensure operational readiness while minimizing fuel consumption and associated emissions. On average, AT&T engines that are not equipped with particulate filters operate less than 12 hours per year. Finally, AT&T fully complies with SCAQMD Rules 1303, 1470 and 1471 which minimize health risk through both technology and health-based standards.

Implications of the Rule 301 Amendment Schedule

The proposed amendments to Rule 301 go beyond what would be reasonably expected in the annual rule update process. The extent of the proposed amendments, combined with other unusual rulemaking activity at SCAQMD due to the implementation of AB617 creates an environment in which significant portions of the regulated community may not be aware of the proposed amendments and the potential impact on facility operations. AT&T believes that several additional months are needed for SCAQMD to fully assess the costs and public policy implications of the proposed amendments for operators of emergency equipment. Additional time is also needed for SCAQMD to reach out to the hundreds of facility operators who have not been exposed to the annual emission reporting program and are unaware of the proposed fees. This analysis and outreach should be conducted prior to presenting the proposed amended rule to the SCAQMD Governing Board.

19-2

Recommendations

On behalf of AT&T, Montrose suggests that SCAQMD take the following steps to ensure equity for operators of small facilities and emergency equipment.

1. Exclude emergency equipment from applicability determinations and fee assessments. At a minimum, emergency operations of such equipment should be excluded from applicability determinations and fee calculations.
2. Extend the implementation schedule beyond three years so that SCAQAMD can effectively compile accurate emission factors, guide facility operators toward prudent and accurate calculation practices, update reporting instructions and modify reporting software as warranted.
3. Extend the timeframe for correcting previously reported emissions and obtaining a refund when emissions are shown to have been overreported. The extended timeframe for making such corrections and petitioning for refunds is needed due to inaccurate reference emission factors and incomplete reporting guidelines. Section (e)(9)(A) of Rule 301 currently provides for a 440-day window for making corrections without incurring a filing fee. We suggest that a three-year window to make corrections without filing fees would be appropriate for any toxic emission reports that are filed prior to 2023.

19-3

19-4

19-5

Both Montrose and AT&T welcome the opportunity to discuss further with SCAQMD staff the implications of Proposed Amended Rule 301 for operators of emergency equipment. We also suggest that SCAQMD reach out to the entire community of telecommunications providers, hospitals, municipalities and other emergency service

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providers to promote an in-depth conversation about the role of these entities and SCAQMD's policies for regulating emergency operations. I am best reached at (714) 376-6531.

Sincerely,

Montrose Environmental Solutions



Karl Lany

District Manager, Environmental Planning and Permitting

cc: Mr. Wayne Nastri, SCAQMD
 Dr. William Burke, SCAQMD
 Mr. Shah Dabirian, SCAQMD
 Ms. Mindy Lusk, AT&T
 Mr. Andy Taylor, AT&T

ATTACHMENT I

Response to Comment 19-1

The intention of the proposed amended fees is not to punish facilities with diesel generators. Instead, as indicated in the staff report and in Response to Comments 18-1, the goal of the proposed toxicity-weighted fee is to recover the costs of South Coast AQMD work programs that monitor, enforce, and conduct related activities on permitted facilities, while the goal of the flat rate device fee is to recover the costs associated with receiving, inventorying, and auditing annual emission reports. The Flat Rate Device Fee is tied to the number of devices with toxics emissions at each facility. The number of devices each facility has is highly correlated with the amount of time staff spends auditing each facility's emissions inventory. Revenues generated from this fee are anticipated to fully recover costs for staff conducting toxics inventory work in support of enforcing South Coast AQMD rules.

The amendments to Rule 301 adopted by the Board already in May 2019 already have provided clarification that facilities that emit less than four tons per year will not be required to report emissions, or pay the associated fees for these reported emissions. Under the previous version of the rule, some facilities with less than four tons per year would sometimes be required to report emissions (e.g., if they had previously emitted more than four tons per year), however the recently amended rule provided clarity in paragraph (e)(1) for which facilities must now report. The proposed new regulation from CARB under AB 617 (Criteria and Toxics Reporting) may require more facilities to report emissions to air districts, however that rule is not yet final. Any facilities required to report emissions under that regulation are expected to have lower emissions (and fees) than facilities currently required to report emissions under Rule 301.

In addition, language in the new Criteria and Toxics Reporting regulation states that smaller facilities whose permitted processes all fall within those listed in Table A-4 (below), may qualify for 'abbreviated reporting'. For example, a small facility with emergency diesel backup engines will only be required to total annual fuel usage or total annual hours of operation. These facilities would not pay toxics fees because 'abbreviated reporting' will not include *emissions reporting* requirements, and, under Rule 301, fees only apply to facilities who report *emissions*.

Table A-4.
Qualifying Permitted Processes and Data Elements to Report for Abbreviated Reporting Per Section 93403(c)(2)

<u>Permitted Process</u>	<u>Data Elements to Report</u>
<u>Combustion of natural gas or propane in boilers or heaters</u>	<u>Total annual fuel usage, in million scf or MMbtu</u>
<u>Combustion of diesel oil or other fuels, in emergency standby engines or direct-drive emergency standby fire pump engines</u>	<u>Total annual fuel usage by fuel type, in gallons or scf, or total annual hours of operation; horsepower of the device; and PM emission rate in grams per brake horsepower-hour,</u>
<u>Retail sale of gasoline</u>	<u>Total annual sales of gasoline, in gallons</u>
<u>Cremation of humans or animals</u>	<u>Total annual mass cremated by type of remains, in pounds</u>
<u>Construction aggregate processing, where no asphalt products are used or produced</u>	<u>Total annual mass of dried material produced, in tons</u>

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Response to Comment 19-2

In response to stakeholder feedback received throughout the rulemaking process, staff increased its outreach for this rule compared to previous years (see summary table in Response to Comments 14-1 in the staff report), including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and an extra webinar and working group meeting to specifically discuss the proposed increase in toxics emissions fees. In addition, at the May 3, 2019 public hearing, staff recommended that the proposed amendments pertaining to the toxic emissions fee restructuring be continued until June 7, 2019, to allow an opportunity for an additional working group meeting and continue public outreach. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.

Response to Comment 19-3

See Response to Comment 19-1.

Response to Comment 19-4

Staff's current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

Response to Comment 19-5

At the May 3, 2019 public hearing, an amendment eliminating the surcharge for late Annual Emissions Reporting (AER) amendments pertaining to emissions developed from source tests was adopted. The revision provides relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the South Coast AQMD Source Test Unit prior to or at the time the AER was due, but had to base AER emissions on these source tests before they were approved. Furthermore, consistent with the board resolution that was adopted in May, staff is committed to convene a working group to assess and improve the source test review and approval process, as well as review and update default emission factors as appropriate. Any potential extension of the deadline for refunds may be considered during this working group process.

ATTACHMENT J



South Coast Air Quality Management District

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

SUBJECT: **NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT**

PROJECT TITLE: **PROPOSED AMENDED RULE 301 – PERMITTING AND ASSOCIATED FEES**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

South Coast AQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Amendments to Rule 301 – Permitting and Associated Fees, are proposed that would: 1) restructure how toxics emissions fees are collected from facilities; and 2) increase toxics emissions fees to meet the requirements of recent state mandates and provide more specific cost recovery for other regulatory actions taken by the South Coast AQMD.

Relative to the proposed restructure of and increases to toxics emissions fees in Proposed Amended Rule 301, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, Proposed Amended Rule 301 is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new fees involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 301 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 301 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Any questions regarding this Notice of Exemption should be directed to Ryan Bañuelos (c/o Planning, Rule Development and Area Sources) at the above address. Mr. Bañuelos can also be reached at (909) 396-3479. Mr. Shah Dabirian is also available at (909) 396-3076 to answer any questions regarding Proposed Amended Rule 301.

Date: May 21, 2019

Signature:

Barbara Radlein
Program Supervisor, CEQA
Planning, Rules, and Area Sources

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks
Counties of Los Angeles, Orange,
Riverside, and San Bernardino

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title: Proposed Amended Rule 301 – Permitting and Associated Fees

Project Location: The South Coast AQMD has jurisdiction over the four-county South Coast Air Basin (all of 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 (SSAB) and Mojave Desert Air Basin (MDAB). The South Coast AQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: Amendments to Rule 301 – Permitting and Associated Fees, are proposed that would: 1) restructure how toxics emissions fees are collected from facilities; and 2) increase toxics emissions fees to meet the requirements of recent state mandates and provide more specific cost recovery for other regulatory actions taken by the South Coast AQMD.

Public Agency Approving Project:

South Coast Air Quality Management District

Agency Carrying Out Project:

South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges

CEQA Guidelines Section 15308 – Actions By Regulatory Agencies For Protection Of The Environment (Class 8 Categorical Exemption)

Reasons why project is exempt: South Coast AQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Relative to the proposed restructure of and increases to toxics emissions fees in Proposed Amended Rule 301, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, Proposed Amended Rule 301 is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new fees involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 301 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 301 pursuant to CEQA Guidelines Section 15300.2 – Exceptions.

Date When Project Will Be Considered for Approval (subject to change):

South Coast AQMD Governing Board Hearing: June 7, 2019; South Coast AQMD Headquarters

CEQA Contact Person: Mr. Ryan Bañuelos	Phone Number: (909) 396-3479	Email: rbanuelos@aqmd.gov	Fax: (909) 396-3982
Regulation Contact Person: Mr. Shah Dabirian	Phone Number: (909) 396-3076	Email: sdabirian@aqmd.gov	Fax: (909) 396-3324

Date Received for Filing:

Signature:

(Signed Upon Board Approval)

Barbara Radlein
Program Supervisor, CEQA
Planning, Rule Development & Area Sources

Proposed Amended Rule 301 Toxics Fees

Governing Board Meeting
June 7, 2019

May 3 Board Actions

- Approved Fiscal Year 2019-2020 Budget
- Approved Rule 209 and most of Regulation III (Fees)
- Continued portion of Rule 301 (e) on proposed increase to toxics emissions fees to June Board hearing
 - Two options for phase-in of new toxic emissions fees
 - Two-year phase-in beginning January 1, 2020, or
 - Three-year phase-in, with no change in 2020, and subsequent two-year phase-in beginning January 1, 2021

May 3 Board Actions - cont'd

- Board action in May included three additional staff actions

➤ Report back to Board on implementation of toxics fees

BE IT FURTHER RESOLVED, that within one year of full implementation of the re-structured toxics fee found in Rule 301(e), the Executive Officer is directed to report back to the Administrative Committee with a report on: 1) the revenues generated by the re-structured fee; 2) the annual costs of toxics work covered by the re-structured fee; and 3) the District's efforts to obtain funding for toxics work covered by this fee from other sources;

➤ Assess and improve source test review/approval process

BE IT FURTHER RESOLVED, that the Executive Officer is directed to assess the current source test submittal and approval process, and develop a plan to set priorities for processing and evaluating the existing and anticipated inventory of source tests. The plan shall be developed in consultation with a Working Group and shall commit to a process and schedule to address the expected increase in source test review volume due to the restructuring of the toxic emissions fees, including timeframes for reducing the current inventory of source tests as well as targets for completion of reviews within specified periods of time. The plan shall be presented to the Stationary Source Committee within six months of adoption of the re-structured toxics emissions fee.

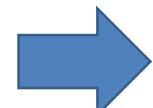
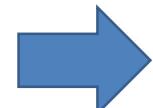
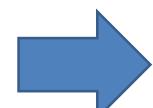
➤ Review and update default emission factors

BE IT FURTHER RESOLVED, that the Executive Officer is directed to initiate a review of default emission factors used for emissions reporting and update these factors as appropriate, in consultation with a Working Group, and report back on the status of this work within twelve months to the Stationary Source Committee;

Background

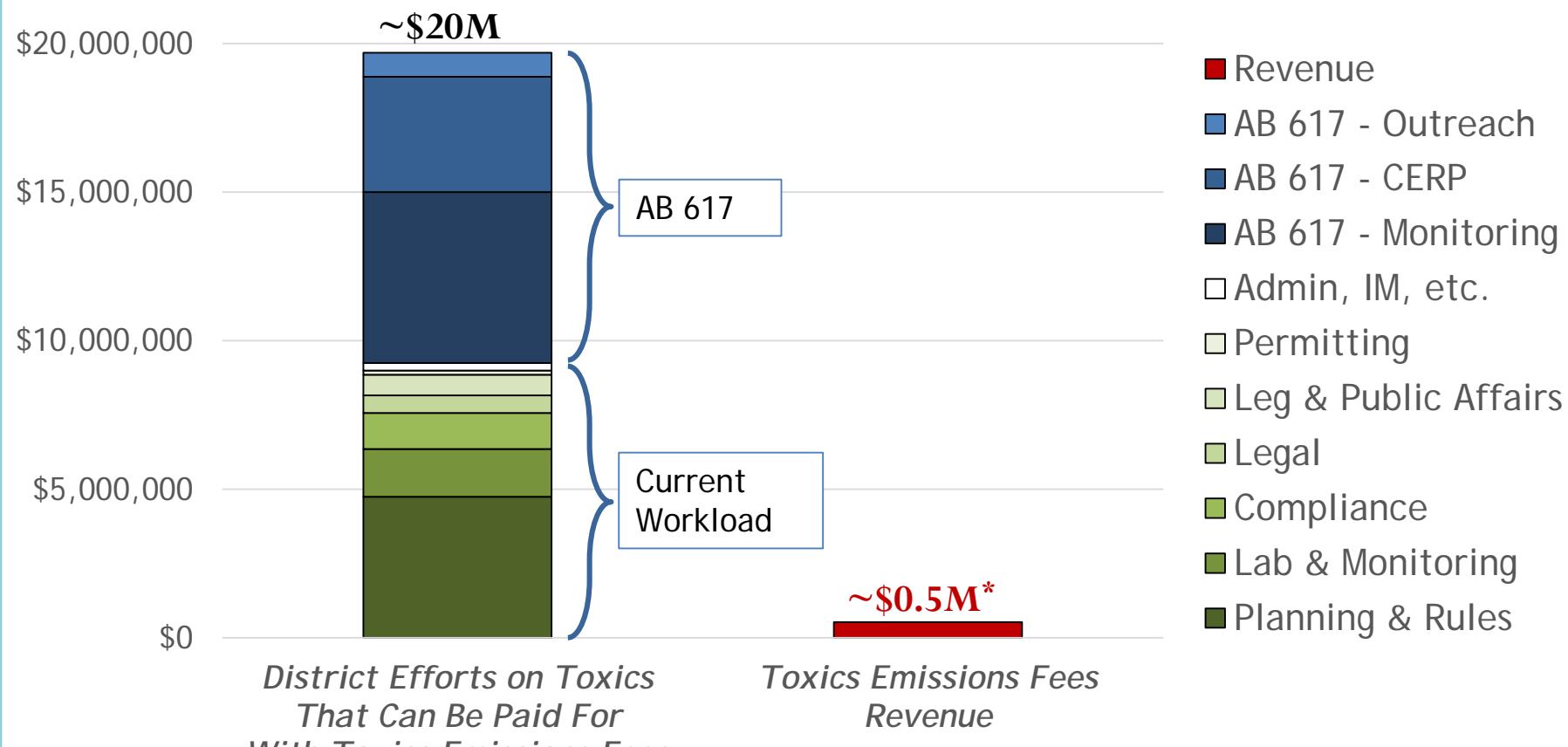
- Proposed modifications to toxics emissions fees addresses two key issues
 1. Significant recent and anticipated upcoming District resources being allocated to addressing toxics emissions from stationary sources
 - Examples: toxic metals, fugitive hydrocarbons, new state health risk assessment guidance, AB 617
 - Current level of toxics emissions fees collected does not cover this workload
 2. Structure of toxic emissions fees in Rule 301(e) does not correlate with recent and anticipated upcoming District workload
 - Workload most closely correlated to:
 - A. Toxicity of emissions from a facility, and
 - B. Complexity of emissions sources at a facility (e.g., # of devices)

Proposed Toxics Emissions Fees

- 1) New Base Toxics Fee to recover costs for basic functioning of toxics reporting program (software + minimal staffing)
 - \$78.03/facility if toxics reported**\$0.1M**
 - 2) New Flat Rate Device Fee to recover costs for staff toxics inventory work
 - \$341.89 per permitted device with toxics emissions
 - Inventory workload highly correlated with number of devices**\$1.4M**
 - 3) New Cancer Potency-Weighted Fee to recover costs for staff enforcement and related efforts for higher toxicity facilities (AB 617, monitoring, source testing, rulemaking)
 - \$10 per cancer potency-weighted pound of toxics emissions
 - Add Diesel PM to the list of 21 common toxics that require fees
 - Ammonia and ozone depleters would not change**\$3.4M**
-
- \$4.9M***

District Workload

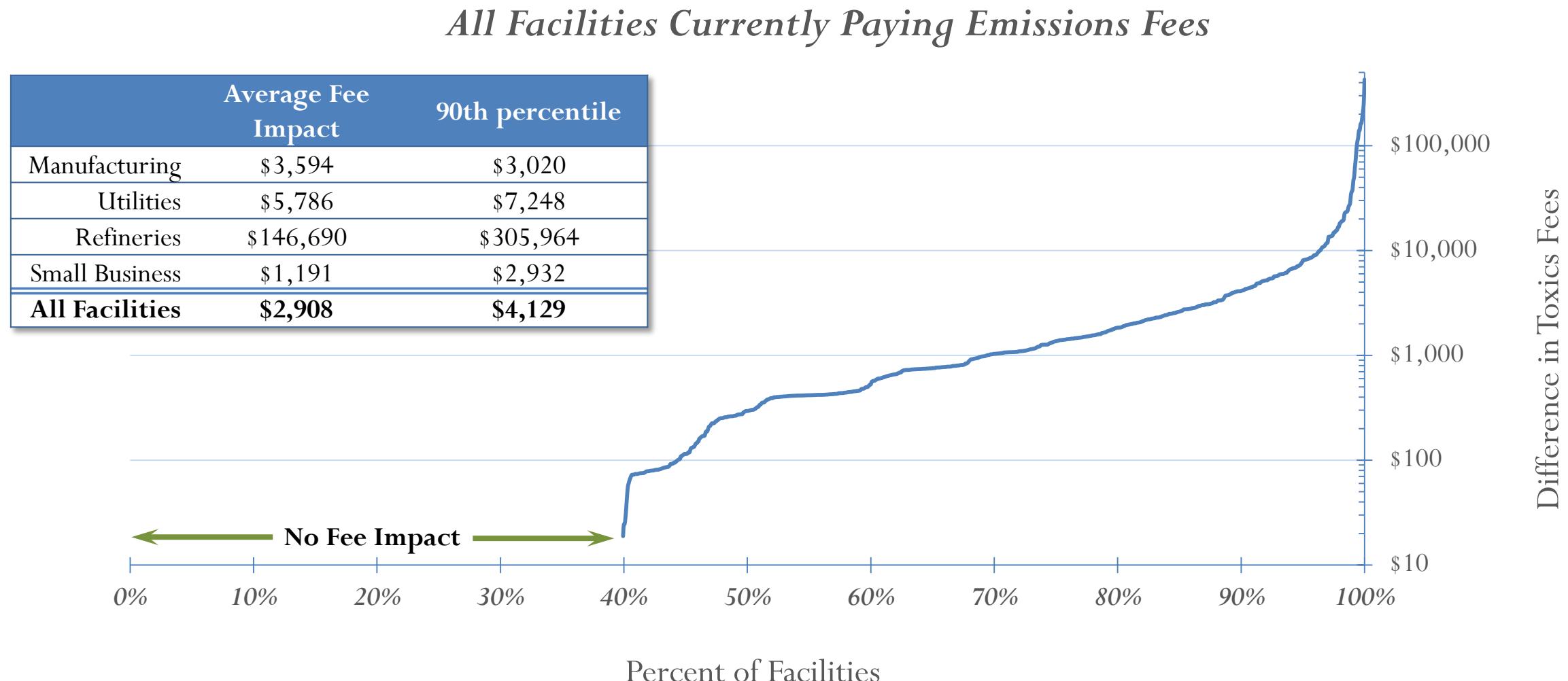
Subset of District Effort on Toxics vs. Toxics Emissions Fees



- Estimate only includes work programs focused on permitted source toxics
- Additional details provided in Appendix C of Final Staff Report
- Other stationary source toxics work programs have dedicated funding that is not included in this analysis, such as permitting, AB 2588 Toxic Hot Spots, Rule 1180 refinery monitoring, etc.

*~\$20M collected for criteria pollutant emissions

Toxic Emissions Fee Impact After Final Phase-In



Timing Considerations

- CARB's proposed Criteria and Toxics Reporting (CTR) Regulation
 - Latest draft of regulation will not begin phasing in reporting for smaller facilities until 2022
 - Earlier reporting mostly coincides with facilities already reporting to District
- Two year phase-in option
 - Faster increase in revenue to District to support toxics work
- Three year phase-in option
 - Provides facilities more opportunity to refine toxics emissions estimation methods, conduct source tests, etc.

Stakeholder Feedback

- Review/approval of source tests used for emissions reporting should be streamlined so facilities don't have to use default emission factors
 - Board Resolution addresses concern
 - Revenue provided by proposed amendments can be used to improve source testing reviews/approvals
- Many facilities may pay higher fees due to CARB's proposed new Criteria and Toxics Reporting (CTR) Regulation
 - Proposed amendment to Rule 301 will not require more facilities to report
 - If CARB requires more reporting, more District resources will be needed
 - Any new facilities reporting due to CTR are expected to have lower emissions, and fees
 - Latest draft of CTR provides 'abbreviated reporting' for many smaller facilities
 - Facilities with only emergency generators or boilers, gas stations, etc.
 - Proposed Rule 301 fees would not apply to these facilities as they would not 'report emissions'

Stakeholder Feedback - cont'd

- Questions about justification for increased fees
 - Current fees do not recover the full costs associated with work on toxic emissions at stationary sources. If this shortfall continues, it has the potential to create inequities in the overall permitted source program.
 - Proposed amendments will recover costs for programs dedicated to facilities that would pay the increased fees - and is equitably applied
 - Facilities with highest toxics emissions, and largest number of devices pay the most
 - Toxics work fluctuates through time, but work from one industry or facility often leads to work for another. Examples:
 - Work on fugitive emissions from cement plants led to better understanding of emissions from chrome platers, then lead battery recyclers, then metal grinding, other metal processing, etc.
 - Work on emissions from refineries informed work on tank farms and oil production facilities and gas stations

Recommended Actions

- Determine that proposed amendments to Rule 301 are exempt from CEQA;

- Approve the amendments to Rule 301 with one of the following options:
 - Option A) Two-year phase-in
 - Option B) Three-year phase-in (one year lag followed by two-year phase-in)

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 29

PROPOSAL: Determine That Proposed Submission of Amended Rule 1106 – Marine and Pleasure Craft Coatings, for Inclusion into the SIP and Proposed Withdrawal of Rescinded Rule 1106.1 – Pleasure Craft Coating Operations, from the SIP Are Exempt from CEQA and Submit Rule 1106 for Inclusion into the SIP and Rescinded Rule 1106.1 for Withdrawal from the SIP

SYNOPSIS: This proposal is to include the May 3, 2019 amendments to Rule 1106 – Marine and Pleasure Craft Coatings, and the May 3, 2019 rescission of Rule 1106.1 – Pleasure Craft Coating Operations, for the limited purpose of incorporating Rule 1106 into the SIP and withdrawing Rule 1106.1 from the SIP. These actions were inadvertently not noticed for consideration at the May 2019 Board meeting.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that the proposed submission of amended Rule 1106 – Marine and Pleasure Craft Coatings, for inclusion into the SIP and rescinded Rule 1106.1 – Pleasure Craft Coating Operations, for withdrawal from the SIP are exempt from CEQA;
2. Submitting Rule 1106 – Marine and Pleasure Craft Coatings, for inclusion into the SIP; and
3. Proposing Rule 1106.1 – Pleasure Craft Coating Operations, for withdrawal from the SIP.

Wayne Nastri
Executive Officer

Background

Rule 1106 - Marine Coating Operations, and Rule 1106.1 - Pleasure Craft Coating Operations, are both source specific rules that were adopted to reduce emissions of volatile organic compounds (VOCs) from marine coatings formulated for use in the marine environment. Marine coatings are coatings applied to boats, ships, and vessels, their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the marine environment, and for pleasure craft.

Rule 1106 was adopted on November 4, 1988 and has been subsequently amended eight times. Rule 1106.1 was adopted on May 1, 1992 and has been subsequently amended three times before being rescinded. The most recent amendments to Rules 1106 and 1106.1 were approved by the Board on May 3, 2019. Those amendments revised VOC limits and added new coating categories and requirements to meet U.S. EPA Control Techniques Guidelines and NESHAP requirements, added provisions consistent with other South Coast AQMD coating rules to enhance enforceability, and moved the requirements of Rule 1106.1 into Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings. However, the proposed submission of amended Rule 1106 for inclusion into, and rescinded Rule 1106.1 for withdrawal from, the SIP was inadvertently not noticed for consideration at the May 3, 2019 Board meeting.

Proposal

The proposal is to submit the May 3, 2019 amendments to Rule 1106 for inclusion into the SIP and withdraw rescinded Rule 1106.1 from the SIP.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the South Coast AQMD, as lead agency for the proposed project, has reviewed the proposed amendments to the rules identified above (the proposed project) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the proposed project is administrative and procedural in nature and would not cause any physical changes that would affect any environmental topic area, staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Furthermore, the proposed project is considered categorically exempt because the proposed submission of the May 3, 2019 version of Rule 1106 into the SIP and the proposed withdrawal of Rule 1106.1 as rescinded on May 3, 2019 from the SIP are considered actions to protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. Further, staff has determined

that there is no substantial evidence indicating that any of the exceptions to the categorical exemption apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Implementation and Resource Impact

Existing South Coast AQMD resources will be sufficient to implement the proposal with minimal impact on the budget.

Attachments

- A. Resolution
- B. Clean copy of amended (May 3, 2019) Rule 1106
- C. Strikeout/underline copy of amended (May 3, 2019) Rule 1106
- D. Clean copy of rescinded (May 3, 2019) Rule 1106.1
- E. Strikeout/underline copy of rescinded (May 3, 2019) Rule 1106.1
- F. Final Staff Report for Proposed Amended Rule 1106 and Rescission of Rule 1106.1
- G. Notice of Exemption from the California Environmental Quality Act

ATTACHMENT A

RESOLUTION NO. 19-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that the proposed submission of Amended Rule 1106 – Marine and Pleasure Craft Coatings, for inclusion into the State Implementation Plan (SIP) and the proposed withdrawal of Rescinded Rule 1106.1 – Pleasure Craft Coating Operations, from the SIP are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board submitting Amended Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into the SIP and Rescinded Rule 1106.1 – Pleasure Craft Coating Operations for withdrawal from the SIP.

WHEREAS, the South Coast AQMD Governing Board finds and determines that the proposed submission of Amended Rule 1106 for inclusion into the SIP and the proposed withdrawal of Rescinded Rule 1106.1 from the SIP are considered a "project" pursuant to CEQA per CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l), and has conducted a CEQA review and analysis of the proposed submission of Amended Rule 1106 for inclusion into the SIP and the proposed withdrawal of Rescinded Rule 1106.1 from the SIP pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that the proposed submission of Amended Rule 1106 for inclusion into the SIP and the proposed withdrawal of Rescinded Rule 1106.1 from the SIP is determined to be exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

ATTACHMENT A

WHEREAS, the South Coast AQMD Governing Board finds and determines that the proposed project is also categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment, because the proposed project is designed to further protect or enhance the environment; and

WHEREAS, the South Coast AQMD Governing Board has considered whether the proposed project may have significant environmental impacts due to unusual circumstances, as set forth in CEQA Guidelines Section 15300.2, and has determined that none exist for the proposed project; and

WHEREAS, the South Coast AQMD staff has prepared a Notice of Exemption for the proposed project that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, the South Coast AQMD Governing Board adopted, pursuant to the authority granted by law, Proposed Amended Rule 1106 and rescinded Rule 1106.1 at the May 3, 2019 Governing Board meeting; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code section 40725 and 40 CFR § 51.102; and

WHEREAS, the South Coast AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the South Coast AQMD Governing Board specifies the Manager overseeing the proposed submission of Amended Rule 1106 for inclusion into the SIP and the proposed withdrawal of Rescinded Rule 1106.1 from the SIP as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

NOW, THEREFORE, BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine that the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption, and CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. No exception to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2, including the “unusual circumstances” exception, applies to the proposed project. This information was presented to the South Coast AQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on the proposed project; and

ATTACHMENT A

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby approve, pursuant to the authority granted by law, the proposed submission of Amended Rule 1106 for inclusion into the SIP and the proposed withdrawal of Rescinded Rule 1106.1 from the SIP as set forth in the attached, and incorporated herein by reference.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT B

(Adopted November 4, 1988)(Amended May 5, 1989)(Amended June 2, 1989)
(Amended March 2, 1990)(Amended November 2, 1990)(Amended December 7, 1990)
(Amended August 2, 1991)(Amended January 13, 1995)
(Amended May 3, 2019)

RULE 1106. MARINE AND PLEASURE CRAFT COATINGS

(a) Purpose

The purpose of this rule is to reduce emissions of Volatile Organic Compounds (VOC) from Marine and Pleasure Craft Coatings.

(b) Applicability

This rule is applicable to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses or distributes any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating for use within the South Coast AQMD Jurisdiction, as well as any person who applies, stores at a worksite, or solicits the application of any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating within the South Coast AQMD Jurisdiction.

(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 coating solids that dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container for hand-held application.
- (2) AIR DRIED COATING** is any coating that is formulated by the manufacturer to be cured at a temperature below 90 °C (194 °F).
- (3) ANTENNA COATING** is any coating applied to equipment and associated structural appurtenances that are used to receive or transmit electromagnetic signals.
- (4) ANTIFOULANT COATING** is any coating applied to the underwater portion of boats, ships, vessels, or pleasure craft to prevent or reduce the attachment of biological organisms and shall be registered with the United States Environmental Protection Agency (“U.S. EPA”) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).
- (5) BAKED COATING** is any coating that is formulated by the manufacturer to be cured at a temperature at or above 90 °C (194 °F).

- (6) CLEAR WOOD COATINGS are clear and semi-transparent topcoats applied to wood substrates to provide a transparent or translucent film.
- (7) DISTRIBUTOR means any person to whom a product is sold or supplied for the purposes of resale or distribution in commerce, except that manufacturers, retailers, and consumers are not distributors.
- (8) ELASTOMERIC ADHESIVE is any adhesive containing natural or synthetic rubber.
- (9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible-light, ultra-violet light or to an electron beam. The VOC content of thin film Energy Curable Marine and Pleasure Craft Coatings may be determined by manufacturers using ASTM Test Method 7767-11 "Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them".
- (10) EXEMPT COMPOUNDS (See Rule 102 - Definition of Terms.)
- (11) EXTREME HIGH GLOSS COATING is any coating that achieves at least 95 percent reflectance on a 60° meter when tested by ASTM Test Method D-523-14 "Standard Test Method for Specular Gloss".
- (12) FINISH PRIMER/SURFACER is any coating applied with a wet film thickness of less than 10 mils (one mil = 0.001 of an inch) and is applied prior to the application of a Marine or Pleasure Craft Coating for the purpose of providing corrosion resistance, adhesion for subsequent coatings, a moisture barrier, or promotes a uniform surface necessary for filling in surface imperfections.
- (13) GRAMS OF VOC PER LITER OF COATING LESS WATER AND LESS EXEMPT COMPOUNDS (REGULATORY VOC) is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating, Less

$$\text{Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

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

- (14) GRAMS OF VOC PER LITER OF MATERIAL (ACTUAL VOC) is the weight of VOC per volume of material and shall 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 material in liters

- (15) HEAT RESISTANT COATING is any coating that during normal use must withstand temperatures of at least 204 °C (400 °F).
- (16) HIGH GLOSS COATING is any coating that achieves at least 85 percent reflectance on a 60° meter when tested by ASTM Method D-523-14 “Standard Test Method for Specular Gloss”.
- (17) HIGH TEMPERATURE COATING is any coating that during normal use must withstand temperatures of at least 426 °C (800 °F).
- (18) HIGH BUILD PRIMER/SURFACER is any coating applied with a wet film thickness of 10 mils or more (one mil = 0.001 of an inch) prior to the application of a topcoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.
- (19) HIGH-VOLUME, LOW-PRESSURE (HVLP) means spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns.
- (20) INORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an inorganic silicate binder that is applied to steel to provide galvanic corrosion resistance.
- (21) LOW ACTIVATION INTERIOR COATING is any coating used on interior surfaces aboard boats, ships, and vessels to minimize the activation of pigments on painted surfaces within a radiation environment.
- (22) LOW-SOLIDS COATINGS are coatings containing one pound or less of solids per gallon of material.
- (23) MARINE COATING is any coating, except unsaturated polyester resin (fiberglass) coatings, containing volatile organic materials and applied by any means to boats, ships, and vessels, their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the exposure to either a marine or fresh water environment.

- (24) MARINE DECK SEALANT PRIMER is any sealant primer intended by the manufacturer to be applied to wooden marine decks. A sealant primer is any product intended by the manufacturer to be applied to a substrate, prior to the application of a sealant, to enhance the bonding surface.
- (25) METALLIC HEAT RESISTANT COATING is any coating that contains more than 5 grams of metal particles per liter of coating as applied and must withstand temperatures over 80 °C (176 °F).
- (26) MIST COATING is any low viscosity thin film epoxy coating applied to an inorganic zinc primer that penetrates the porous zinc primer and allows the occluded air to escape through the film prior to curing.
- (27) NAVIGATIONAL AIDS COATING is any coating that is applied to buoys or other Coast Guard waterway markers that are recoated at their usage site aboard ship and immediately returned to the water.
- (28) NONSKID COATING means any coating applied to the horizontal surface of a marine vessel for the specific purpose of providing slip resistance for personnel.
- (29) ORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an organic silicate binder that is applied to steel to provide galvanic corrosion resistance.
- (30) PLEASURE CRAFT are marine or fresh water vessels that are less than 20 meters in length and are manufactured or operated primarily for recreational purposes, or are leased, rented, or chartered to a person or business for recreational purposes. Vessels operated in amusement theme parks in a fresh water environment solely for the purpose of an amusement park attraction shall be considered pleasure craft vessels regardless of their length. The owner or operator of a pleasure craft vessel shall be responsible for certifying that the intended use is for recreational purposes.
- (31) PLEASURE CRAFT COATING is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.
- (32) PRETREATMENT WASH PRIMER is a coating that contains a minimum of 1/2 percent acid, by weight, applied directly to bare metal surfaces to provide necessary surface etching.
- (33) REPAIR AND MAINTENANCE THERMOPLASTIC COATING is any resin-bearing coating, such as vinyl, chlorinated rubber, or bituminous coatings where the resin becomes pliable with the application of heat, and is used to recoat portions of a previously coated substrate that has sustained damage to following the initial coating.

- (34) SEALANT FOR WIRE-SPRAYED ALUMINUM is any coating of up to one mil (one mil = 0.001 of an inch) in thickness of an epoxy material that is reduced for application with an equal part of an appropriate solvent (e.g. naphtha or ethylene glycol monoethyl ether).
- (35) SEALER is a coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.
- (36) SOLVENT CLEANING is as defined in Rule 1171 - Solvent Cleaning Operations.
- (37) SPECIAL MARKING COATING is any coating used for items such as flight decks, vessel identification numbers and other demarcations for safety or identification.
- (38) TACK COAT is an epoxy coating of up to two mils (one mil = 0.001 of an inch) thick applied to an existing epoxy coating that has aged beyond the time limit specified by the manufacturer.
- (39) TEAK PRIMER is a coating applied to teak wood or previously oiled teak wood decks in order to improve the adhesion of a seam sealer.
- (40) TOPCOAT is any final coating applied to the interior or exterior of a marine or pleasure craft.
- (41) TOUCH-UP COATING is any coating applied incidental to the main coating process but necessary to cover minor imperfections or minor mechanical damage incurred prior to use.
- (42) TRANSFER EFFICIENCY means the amount of coating solids adhering to the object being coated divided by the total amount of coating solids sprayed expressed as a percentage.
- (43) UNDERSEA WEAPONS SYSTEM COATING is any coating applied to any components of a weapons system intended for exposure to a marine environment that is intended to be launched or fired undersea.
- (44) VARNISHES are clear or pigmented wood topcoats formulated with various resins to dry by chemical reaction.
- (45) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 102 - Definition of Terms.
- (46) WIRE-SPRAYED ALUMINUM is any molten multi-aluminum coating applied to a steel substrate using oxygen fueled combustion spray equipment.

(d) Requirements

(1) VOC Content of Marine Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating within the South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards I that are expressed as grams of VOC per liter of coating, as applied, less water and exempt solvents:

TABLE OF STANDARDS I

MARINE COATING CATEGORY	VOC LIMITS	
	Less water and exempt compounds Grams per Liter (g/L)	
	BAKED	AIR DRIED
	CURRENT LIMIT	CURRENT LIMIT
Antenna Coating		340
Antifouulant Coatings:		
Aluminum Substrates		560
Other Substrates		400
Elastomeric Adhesives (with 15%, by Weight, Natural or Synthetic Rubber)		730
Inorganic Zinc Coating		340
Low Activation Interior Coating		420
Mist Coating		610
Navigational Aids Coating		340
Nonskid Coating		340
Organic Zinc Coating		340
Pre-Treatment Wash Primer	420	420
Repair and Maintenance Thermoplastic Coating		340
Sealant for Wire-Sprayed Aluminum		610
Special Marking Coating		420
Specialty Coatings:		
Heat Resistant Coating	360	420
Metallic Heat Resistant Coating		530
High Temperature Coating		500
Tack Coating		610
Topcoats:		
Extreme High-Gloss Coating	420	490
High Gloss Coating	275	340
Undersea Weapons Systems Coating	275	340
Any Other Coating Type	275	340

(2) VOC Content of Pleasure Craft Coatings

Except as otherwise provided in this rule, a person shall not apply a pleasure craft coating within the South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards II that are expressed as grams of VOC per liter of coating, as applied, less water and exempt solvents:

TABLE OF STANDARDS II

VOC LIMITS Less water and exempt compounds Grams per Liter (g/L)	
PLEASURE CRAFT COATING CATEGORY	CURRENT LIMIT
Antifoulant Coatings:	
Aluminum Substrate	560
Other Substrate	330
Clear Wood Coatings:	
Sealers	550
Varnishes	490
Primer Coatings:	
Finish Primer/Surfacer	420
High Build Primer/Surfacer	340
Marine Deck Sealant Primer	760
Pretreatment Wash Primer	780
Teak Primer	775
Topcoats:	
Extreme High Gloss Coating	490
High Gloss Coating	420
Any Other Coating Type	420

(3) VOC Content of Low-Solids Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating or a pleasure craft coating within the South Coast AQMD jurisdiction with a VOC content in excess of the following limit shown in the Table of Standards III that is expressed as grams of VOC per material of coating, as applied:

TABLE OF STANDARDS III

VOC LIMIT – MARINE & PLEASURE CRAFT COATINGS Grams per liter of material VOC	
COATING CATEGORY	CURRENT LIMIT
Low-Solids Coating	120

(4) **Most Restrictive VOC Limit**

If any representation or information on the container of any coating subject to this rule, or any label or sticker affixed to the container, or in any sales, advertising, or technical literature that indicates that the coating meets the definition of, is recommended for use or is suitable for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply.

(5) **Alternative Emission Control Plan**

A person may comply with the provisions of paragraphs (d)(1), (d)(2) and (d)(3) by means of an Alternative Emission Control Plan, pursuant to Rule 108 - Alternative Emissions Control Plans.

(6) **Exempt Compounds**

A person shall not manufacture, sell, offer for sale, distribute for use in the South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains any Group II Exempt Compounds listed in Rule 102 - Definition of Terms, in quantities greater than 0.1 percent by weight. Cyclic, branched, or linear, completely methylated siloxanes (VMS) are not subject to this provision.

(7) **Carcinogenic Materials**

A person shall not manufacture, sell, offer for sale, distribute for use in the South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains cadmium, nickel, lead or hexavalent chromium that was introduced as a pigment or as an agent to impart any property or characteristic to the marine or pleasure craft coatings during manufacturing, distribution, or use of applicable marine or pleasure craft coatings.

(8) **Application Equipment Transfer Efficiency**

(A) A person shall not apply any marine coating or pleasure craft coating unless one of the following methods of coating transfer is used:

- (i) Electrostatic application; or
- (ii) High-volume, low-pressure (HVLP) spray; or
- (iii) Brush, dip, or roller; or
- (iv) Spray gun application, provided the owner or operator demonstrates that the spray gun meets the HVLP definition in paragraph (c)(19) in design and use. A satisfactory demonstration

- must be based on the manufacturer's published technical material on the design of the spray gun and by a demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun; or
- (v) Any such other marine coating or pleasure craft coating application methods as demonstrated, in accordance with the provisions of paragraph (g)(6), to be capable of achieving equivalent or better transfer efficiency than the marine coating or pleasure craft coating application method listed in clause (d)(8)(A)(ii), provided written approval is obtained from the Executive Officer prior to use.
- (B) A person shall not apply any marine coating or pleasure craft coating by any of the methods listed in subparagraph (d)(8)(A) unless such coating is applied with properly operating equipment, operated according to procedures recommended by the manufacturer and in compliance with applicable permit conditions, if any.
- (9) Solvent Cleaning, Storage and Disposal of VOC-containing Materials
Solvent cleaning of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC-containing materials used in solvent cleaning activities shall be carried out pursuant to South Coast AQMD Rule 1171 - Solvent Cleaning Operations.
- (e) Prohibition of Possession, Specification and Sale
- (1) For the purpose of this rule, no person shall store at a worksite any marine coating or pleasure craft coating subject to this rule within the South Coast AQMD jurisdiction that is not in compliance with the requirements shown in the Tables of Standards of paragraphs (d)(1), (d)(2), and (d)(3) unless the following condition applies:
- (A) The marine or pleasure craft coating is for use at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
- (2) For the purpose of this rule, no person shall solicit from, specify, or require any other person to use in the South Coast AQMD jurisdiction any marine or pleasure craft coating that does not meet the following:
- (A) Applicable VOC limits required by paragraph (d)(1), (d)(2) or (d)(3) for the specific application unless:

- (i) The marine or pleasure craft coating is located at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
 - (B) The requirements of paragraphs (d)(6) and (d)(7).
- (3) For the purpose of this rule, no person shall supply, sell, offer for sale, market, blend, package, repackage or distribute any marine or pleasure craft coating for use within the South Coast AQMD jurisdiction subject to the provisions in this rule that does not meet the:
- (A) Applicable VOC limits required by paragraphs (d)(1), (d)(2) and (d)(3) for the specific application, unless:
 - (i) The marine or pleasure craft coating is for use at a facility that operates in accordance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(6), and the marine or pleasure craft coating is specified in the plan; and,
 - (B) The requirements of paragraphs (d)(6) and (d)(7).
- (4) For the purpose of this rule, no person shall solicit from, specify, require, offer for sale, sell, or distribute to any other person for use in the South Coast AQMD jurisdiction any marine or pleasure craft coating application equipment that does not meet the requirements of subparagraph (d)(8)(A).
- (5) For the purpose of this rule, no person shall offer for sale, sell, supply, market, offer for sale or distribute an HVLP spray gun for use within the South Coast AQMD unless said person provides accurate information to the spray gun recipient. Such accurate information shall include the maximum inlet air pressure to the spray gun that would result in a maximum air pressure of 10 pounds per square inch gauge (psig) air pressure, measured dynamically at the center of the air cap and at the air horns, based on the manufacturer's published technical material on the design of the spray application equipment, and by a demonstration of the operation of the spray application equipment using an air pressure tip gauge from the manufacturer of the gun. The information shall either be permanently marked on the gun, or provided on the company's letterhead or in the form of technical literature that clearly identifies the spray gun manufacturer, the seller, or the distributor.

(6) Paragraphs (d)(1), (d)(2) and (d)(3) shall not apply to marine coatings or pleasure craft coatings that are sold, offered for sale, or solicited, for shipment or use outside of the South Coast AQMD jurisdiction, or for shipment to other manufacturers for repackaging provided such coatings are sold, offered for sale, or solicited, for shipment or use outside the South Coast AQMD jurisdiction.

(f) Recordkeeping Requirements

(1) Recordkeeping for VOC Emissions

Notwithstanding the provisions of subdivision (i), records of marine coating usage and pleasure craft coating usage, as applicable, shall be maintained pursuant to South Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions, and shall be made available to the Executive Officer upon request.

(g) Test Methods

(1) Determination of VOC Content:

The VOC content of coatings, subject to the provisions of this rule shall be determined by the following methods:

(A) U.S. EPA Reference Test Method 24 (Determination of Volatile Matter Content, Water Content, Volume Solids and Weight Solids of Surface Coatings, Code of Federal Regulations, Title 40, Part 60, Appendix A).

The exempt compounds' content shall be determined by South Coast AQMD Laboratory Test Method 303 (Determination of Exempt Compounds) contained in the South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,

(B) South Coast AQMD Method 304 [Determination of Volatile Organic Compounds (VOCs) in Various Materials] contained in the South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,

(C) South Coast AQMD Method 313 [Determination of Volatile Organic Compounds VOC by Gas Chromatography-Mass Spectrometry] in the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.

(2) VOC content determined to exceed the limits established by this rule through the use of any of the above-referenced test methods shall constitute a violation of this rule.

(3) Exempt Perfluorocarbon Compounds

The following classes of compounds:

- 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; and
- Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine,
- shall be analyzed as exempt compounds for compliance with subdivision (d), only at such time as manufacturers specify which individual compounds are used in the formulation of the coatings subject to this rule. In addition, prior to any such analysis, the manufacturers shall also identify the test methods approved by the U.S. EPA, California Air Resources Board (CARB), and the South Coast AQMD that will be used to quantify the amount of each exempt compound.
- (4) Determination of Iridescent Particles in Metallic/Iridescent Coatings
The metal and silicon content in metallic/iridescent coatings subject to the provisions of this rule shall be determined by the South Coast AQMD Method 311 (Determination of Percent Metal in Metallic Coatings by Spectrographic Method) contained in the South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual.
- (5) Determination of Acid Content in Marine and Pleasure Craft Coatings
The acid content of any coating subject to the provisions of this rule shall be determined by ASTM D-1613-06 (2012) (Standard Test Method for Acidity in Volatile Solvents and Chemical Intermediates Used in Paint, Varnish, Lacquer, and Related Products).
- (6) Determination of Transfer Efficiency of Application Equipment
The transfer efficiency of alternative marine coating and pleasure craft coating application methods, as defined by clause (d)(8)(A)(v), shall be determined in accordance with the South Coast AQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989," and South Coast AQMD "Guidelines for Demonstrating Equivalency With South Coast AQMD Approved Transfer Efficiency Spray Gun September 26, 2002."
- (7) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

- (8) All test methods referenced in this section shall be the most recently approved version.
- (h) **Rule 442 Applicability**
Any Marine Coating or Pleasure Craft Coating or any facility that is exempt pursuant to subdivision (i) from all or a portion of the VOC limits of subdivision (d) shall comply with the provisions of Rule 442 - Usage of Solvents.
- (i) **Exemptions**
With the exception of paragraphs (d)(6) and (d)(7), the provisions of this rule shall not apply to:
- (1) Marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, provided that for energy curable coatings, product formulation data and test results, determined by ASTM D7767-11, shall first be submitted to the Executive Officer by the manufacturer.
 - (2) Marine coatings applied to interior surfaces of potable water containers.
 - (3) Touch-up coatings, as defined by paragraph (c)(41) of this rule.
 - (4) Any aerosol coating products.
 - (5) The provisions of paragraph (d)(8) shall not apply to marine or pleasure craft coatings with a viscosity of 650 centipoise or greater, as applied.
 - (6) The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings does not exceed 12 gallons per calendar year and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

ATTACHMENT C

(Adopted November 4, 1988)(Amended May 5, 1989)(Amended June 2, 1989)
(Amended March 2, 1990)(Amended November 2, 1990)(Amended December 7, 1990)
(Amended August 2, 1991)(Amended January 13, 1995)
(Amended May 3, 2019)

RULE 1106. MARINE AND PLEASURE CRAFT COATING OPERATIONS

(a) Purpose

The purpose of this rule is to reduce emissions of Volatile Organic Compounds (VOC) from Marine and Pleasure Craft Coatings.

(ab) Applicability

This rule is applicable to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses or distributes any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating for use within the South Coast AQMD Jurisdiction, as well as any person who applies, stores at a worksite, or solicits the application of any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating within the South Coast AQMD Jurisdiction. applies to coating operations of boats, ships, and their appurtenances, and to buoys and oil drilling rigs intended for the marine environment. Coating operations of vessels which are manufactured or operated primarily for recreational purposes are subject to the requirements of Rule 1106.1—Pleasure Craft Coating Operations.

(bc) Definitions

For the purpose of this rule the following definitions shall apply:

- (1) AEROSOL COATING PRODUCT is means a pressurized coating product containing pigments, or resins, and/or other coating solids that is dispensed dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container ~~can~~ for hand-held application.
- (2) AIR DRIED COATING is any coating that is formulated by the manufacturer to be cured at a temperature below 90 °C (194 °F).
- (3) ANTENNA COATING is any coating applied to equipment and associated structural appurtenances whichthat are used to receive or transmit electromagnetic signals.
- (4) ANTIFOULING—ANTIFOULANT COATING is any coating applied to the underwater portion of aboats, ships, vessels, vesselor pleasure craft to prevent or reduce the attachment of biological organisms. An antifouling coating and shall be

registered with the Environmental Protection Agency (EPA) as a pesticide United States Environmental Protection Agency (“U.S. EPA”) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).

- (5) BAKED COATING is any coating that is formulated by the manufacturer to be cured at a temperature at or above 90 °C (194 °F).
- (6) CLEAR WOOD COATINGS are clear and semi-transparent topcoats applied to wood substrates to provide a transparent or translucent film.
- (7) DISTRIBUTOR means any person to whom a product is sold or supplied for the purposes of resale or distribution in commerce, except that manufacturers, retailers, and consumers are not distributors.
- (68) ELASTOMERIC ADHESIVE is any adhesive containing natural or synthetic rubber.
- (9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible light, ultra-violet light or to an electron beam. The VOC content of thin film Energy Curable Marine and Pleasure Craft Coatings may be determined by manufacturers using ASTM Test Method 7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.
- (710) EXEMPT COMPOUNDS are any of the following compounds: (See Rule 102 - Definition of Terms.)
 - (A) Group I (General)
 - trifluoromethane (HFC-23)
 - pentafluoroethane (HFC-125)
 - 1,1,2,2-tetrafluoroethane (HFC-134)
 - tetrafluoroethane (HFC-134a)
 - 1,1,1-trifluoroethane (HFC-143a)
 - 1,1-difluoroethane (HFC-152a)
 - chlorodifluoromethane (HCFC-22)
 - dichlorotrifluoroethane (HCFC-123)
 - 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)
 - dichlorofluoroethane (HCFC-141b)
 - chlorodifluoroethane (HCFC-142b)
 - 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~~

(B) Group II

~~methylene chloride~~

~~1,1,1 trichloroethane (methyl chloroform)~~

~~trichlorotrifluoroethane (CFC 113)~~

~~dichlorodifluoromethane (CFC 12)~~

~~trichlorofluoromethane (CFC 11)~~

~~dichlorotetrafluoroethane (CFC 114)~~

~~chloropentafluoroethane (CFC 115)~~

~~The use of Group II compounds and/or carbon tetrachloride may be restricted in the future because they are toxic, potentially toxic, upper atmosphere ozone depleters, or cause other environmental impacts. By January 1, 1996, production of chlorofluorocarbons (CFC), 1,1,1, trichloroethane (methyl chloroform), and carbon tetrachloride will be phased out in accordance with the Code of Federal Regulation Title 40, Part 82 (December 10, 1993).~~

- (811) EXTREME HIGH GLOSS COATING is any coating ~~which~~ that achieves at least 95 percent reflectance on a 60° θ meter when tested by ASTM Test Method D-523-14 "Standard Test Method for Specular Gloss".
- (12) FINISH PRIMER/SURFACER is any coating applied with a wet film thickness of less than 10 mils (one mil = 0.001 of an inch) and is applied prior to the application of a Marine or Pleasure Craft Coating for the purpose of providing corrosion resistance, adhesion for subsequent coatings, a moisture barrier, or promotes a uniform surface necessary for filling in surface imperfections.
- (913) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS (REGULATORY VOC) is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating, Less

$$\text{Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

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

- (14) GRAMS OF VOC PER LITER OF MATERIAL (ACTUAL VOC) is the weight of VOC per volume of material and shall 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 material in liters

- (1015) HEAT RESISTANT COATING is any coating ~~which that~~ during normal use must withstand temperatures of at least 204 °C (400 °F).
- (1116) HIGH GLOSS COATING is any coating ~~which that~~ achieves at least 85 percent reflectance on a 60° meter when tested by ASTM Method D-523-14 “Standard Test Method for Specular Gloss”.
- (1217) HIGH TEMPERATURE COATING is any coating that during normal use which must withstand temperatures of at least 426 °C (800 °F).
- (18) HIGH BUILD PRIMER/SURFACER is any coating applied with a wet film thickness of 10 mils or more (one mil = 0.001 of an inch) prior to the application of a topcoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.
- (19) HIGH-VOLUME, LOW-PRESSURE (HVLP) means spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns.
- (20) INORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an inorganic silicate binder that is applied to steel to provide galvanic corrosion resistance.
- (1321) LOW ACTIVATION INTERIOR COATING is any coating used on interior surfaces aboard ships-boats, ships, and vessels to minimize the activation of pigments on painted surfaces within a radiation environment.
- (22) LOW-SOLIDS COATINGS are coatings containing one pound or less of solids per gallon of material.

- (4423) MARINE COATING is any coating, except unsaturated polyester resin (fiberglass) coatings, containing volatile organic materials and applied by any means to ships, boats, ships, and vessels, and their appurtenances, and structures such as piers, and docks, to buoys and oil drilling rigs, intended for the exposure to either a marine or fresh water environment.
- (24) MARINE DECK SEALANT PRIMER is any sealant primer intended by the manufacturer to be applied to wooden marine decks. A sealant primer is any product intended by the manufacturer to be applied to a substrate, prior to the application of a sealant, to enhance the bonding surface.
- (4525) METALLIC HEAT RESISTANT COATING is any coating which contains more than 5 grams of metal particles per liter of coating as applied and which must withstand temperatures over 80 °C (175°F).
- (26) MIST COATING is any low viscosity thin film epoxy coating applied to an inorganic zinc primer that penetrates the porous zinc primer and allows the occluded air to escape through the film prior to curing.
- (4627) NAVIGATIONAL AIDS COATING is any coating that is applied to are buoys or other Coast Guard waterway markers that are recoated at their usage site aboard ship and immediately returned to the water.
- (28) NONSKID COATING means any coating applied to the horizontal surface of a marine vessel for the specific purpose of providing slip resistance for personnel.
- (29) ORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an organic silicate binder that is applied to steel to provide galvanic corrosion resistance.
- (47) PRETREATMENT WASH PRIMER is any coating which contains at least 1/2 percent acids, by weight, to provide surface etching and is applied directly to metal surfaces to provide corrosion resistance, adhesion, and ease of stripping.
- (30) PLEASURE CRAFT are marine or fresh water vessels that are less than 20 meters in length and are manufactured or operated primarily for recreational purposes, or are leased, rented, or chartered to a person or business for recreational purposes. Vessels operated in amusement theme parks in a fresh water environment solely for the purpose of an amusement park attraction shall be considered pleasure craft vessels regardless of their length. The owner or operator of a pleasure craft vessel shall be responsible for certifying that the intended use is for recreational purposes.
- (31) PLEASURE CRAFT COATING is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.

- (32) PRETREATMENT WASH PRIMER is a coating that contains a minimum of 1/2 percent acid, by weight, applied directly to bare metal surfaces to provide necessary surface etching.
- (4833) REPAIR AND MAINTENANCE THERMOPLASTIC COATING is any resin-bearing coating, such as vinyl, chlorinated rubber, or bituminous coatings, where in which the resin becomes pliable with the application of heat, and is used to recoat portions of a previously coated substrate which that has sustained damage to the coating following normal the initial coating operations.
- (4934) SEALANT FOR WIRE-SPRAYED ALUMINUM is any coating of up to one mil (one mil = 0.001 of an inch) in thickness of an epoxy material which that is reduced for application with an equal part of an appropriate solvent (e.g. naphtha; or ethylene glycol monoethyl ether).
- (35) SEALER is a coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.
- (2036) SOLVENT CLEANING OPERATION is the removal of loosely held uncured adhesives, uncured inks, uncured coatings, and contaminants from parts, products, tools, machinery, equipment, and general work areas. Contaminants include, but are not limited to, dirt, soil, and grease. In a cleaning process which consists of a series of cleaning methods, each distinct method shall constitute a separate solvent cleaning operation as defined in Rule 1171 - Solvent Cleaning Operations.
- (2137) SPECIAL MARKING COATING is any coating used for items such as flight decks, ships' vessel identification numbers, and other demarcations for safety/ or identification applications.
- (2238) TACK COAT is an epoxy coating of up to two mils (0.002 inch) (one mil = 0.001 of an inch) thick applied to an existing epoxy coating. The existing epoxy coating must have that has aged beyond the time limit specified by the manufacturer for application of the next coat.
- (39) TEAK PRIMER is a coating applied to teak wood or previously oiled teak wood decks in order to improve the adhesion of a seam sealer.
- (40) TOPCOAT is any final coating applied to the interior or exterior of a marine or pleasure craft.
- (2341) TOUCH-UP COATING is any coating applied incidental to the main coating process but necessary used to cover minor imperfections prior to shipment appearing after the main coating operation or minor mechanical damage incurred prior to use.

- (42) TRANSFER EFFICIENCY means the amount of coating solids adhering to the object being coated divided by the total amount of coating solids sprayed expressed as a percentage.
- (2443) UNDERSEA WEAPONS SYSTEM COATING is any coating applied to any or all components of a weapons system intended for exposure to a marine environment that is intended to be launched or fired underwater undersea.
- (44) VARNISHES are clear or pigmented wood topcoats formulated with various resins to dry by chemical reaction.
- (2545) 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 Rule 102 - Definition of Terms.
- (2646) WIRE-SPRAYED ALUMINUM is any molten multi-aluminum coating applied to a steel substrate using oxygen fueled combustion spray methods equipment.

(ed) Requirements

(1) VOC Content of Marine Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating within the South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards I that are expressed as grams of VOC per liter of coating, as applied, less water and less-exempt solvents:

<u>COATING</u>	<u>VOC LIMIT</u>	
	Baked	Air Dried
<u>Specialty Coating</u>		
Heat Resistant	360	420
Metallic Heat Resistant		530
High Temperature		500
Pre-Treatment Wash Primer	780	780
<u>Underwater</u>		
Weapons Systems	275	340
Elastomeric Adhesives with 15%, by Weight, Natural or Synthetic Rubber		730
Solvent-Based Inorganic Zinc		650
Navigational Aids		340

<u>Sealant for Wire Sprayed</u>	
<u>Aluminum</u>	<u>610</u>
<u>Special Marking</u>	<u>490</u>
<u>Tack Coat</u>	<u>610</u>
<u>Low Activation Interior Coating</u>	<u>420</u>
<u>Repair and Maintenance Thermoplastic</u>	<u>550</u>
<u>Extreme High Gloss Coating</u>	<u>420</u>
<u>Antenna Coating</u>	<u>530</u>
<u>Antifoulant</u>	<u>400</u>
<u>High Gloss</u>	<u>275</u>
	<u>340</u>

TABLE OF STANDARDS I

<u>MARINE COATING CATEGORY</u>	<u>VOC LIMITS</u>	
	<u>Less water and exempt compounds</u>	
	<u>Grams per Liter (g/L)</u>	
	<u>BAKED</u>	<u>AIR DRIED</u>
	<u>CURRENT LIMIT</u>	<u>CURRENT LIMIT</u>
<u>Antenna Coating</u>		<u>340</u>
<u>Antifoulant Coatings:</u>		
<u> Aluminum Substrates</u>		<u>560</u>
<u> Other Substrates</u>		<u>400</u>
<u>Elastomeric Adhesives (with 15%, by Weight, Natural or Synthetic Rubber)</u>		<u>730</u>
<u>Inorganic Zinc Coating</u>		<u>340</u>
<u>Low Activation Interior Coating</u>		<u>420</u>
<u>Mist Coating</u>		<u>610</u>
<u>Navigational Aids Coating</u>		<u>340</u>
<u>Nonskid Coating</u>		<u>340</u>
<u>Organic Zinc Coating</u>		<u>340</u>
<u>Pre-Treatment Wash Primer</u>	<u>420</u>	<u>420</u>
<u>Repair and Maintenance Thermoplastic Coating</u>		<u>340</u>
<u>Sealant for Wire-Sprayed Aluminum</u>		<u>610</u>
<u>Special Marking Coating</u>		<u>420</u>
<u>Specialty Coatings:</u>		
<u> Heat Resistant Coating</u>	<u>360</u>	<u>420</u>
<u> Metallic Heat Resistant Coating</u>		<u>530</u>
<u> High Temperature Coating</u>		<u>500</u>
<u>Tack Coating</u>		<u>610</u>
<u>Topcoats:</u>		
<u> Extreme High-Gloss Coating</u>	<u>420</u>	<u>490</u>
<u> High Gloss Coating</u>	<u>275</u>	<u>340</u>
<u>Undersea Weapons Systems Coating</u>	<u>275</u>	<u>340</u>
<u>Any Other Coating Type</u>	<u>275</u>	<u>340</u>

(2) VOC Content of Pleasure Craft Coatings

Except as otherwise provided in this rule, a person shall not apply a pleasure craft coating within the South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards II that are expressed as grams of VOC per liter of coating, as applied, less water and exempt solvents:

TABLE OF STANDARDS II

<u>VOC LIMITS</u>	
<u>Less water and exempt compounds</u>	
<u>Grams per Liter (g/L)</u>	
<u>PLEASURE CRAFT COATING CATEGORY</u>	<u>CURRENT LIMIT</u>
<u>Antifoulant Coatings:</u>	
Aluminum Substrate	<u>560</u>
Other Substrate	<u>330</u>
<u>Clear Wood Coatings:</u>	
Sealers	<u>550</u>
Varnishes	<u>490</u>
<u>Primer Coatings:</u>	
Finish Primer/Surfacer	<u>420</u>
High Build Primer/Surfacer	<u>340</u>
Marine Deck Sealant Primer	<u>760</u>
Pretreatment Wash Primer	<u>780</u>
Teak Primer	<u>775</u>
<u>Topcoats:</u>	
Extreme High Gloss Coating	<u>490</u>
High Gloss Coating	<u>420</u>
<u>Any Other Coating Type</u>	<u>420</u>

(3) VOC Content of Low-Solids Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating or a pleasure craft coating within the South Coast AQMD jurisdiction with a VOC content in excess of the following limit shown in the Table of Standards III that is expressed as grams of VOC per material of coating, as applied:

TABLE OF STANDARDS III

<u>VOC LIMIT – MARINE & PLEASURE CRAFT COATINGS</u>	
<u>Grams per liter of material VOC</u>	
<u>COATING CATEGORY</u>	<u>CURRENT LIMIT</u>
<u>Low-Solids Coating</u>	<u>120</u>

(4) Most Restrictive VOC Limit

If any representation or information on the container of any coating subject to this rule, or any label or sticker affixed to the container, or in any sales, advertising, or technical literature that indicates that the coating meets the definition of, is recommended for use or is suitable for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply.

(2) Approved Emission Control System

(A) Owners and/or operators may comply with the provisions of paragraph (e)(1) by using an emission control system, which has been approved in writing by the Executive Officer, for reducing VOC emissions. The control system must achieve minimum capture efficiency using USEPA, ARB, and District methods specified in subparagraph (e)(4)(A) and a destruction efficiency of at least 85 percent by weight, and,

(B) The approved system shall reduce the VOC emissions, when using non-compliant coatings, to an equivalent or greater level that would be achieved by the provisions in paragraph (e)(1). The required efficiency of an emission control system at which an equivalent or greater level of VOC reduction will be achieved shall be calculated by the following equation:

$$\text{C. E.} = [1 - \left\{ \frac{\text{VOC}_{LWc}}{\text{VOC}_{LWn,Max}} - 1 - \frac{\text{D}_{n,Max}}{\text{D}_{e}} \right\}] \times 100$$

Where: C. E. = Control Efficiency, percent

VOC_{LWc} = VOC Limit of Rule 1106, less water and less exempt compounds, pursuant to subdivision () .

VOC_{LWn,Max} = Maximum VOC content of non compliant coating used in conjunction with a control device, less water and less exempt compounds.

D_{n,Max} = Density of solvent, reducer, or thinner contained in the non compliant coating, containing the maximum VOC content of the multi
D_e = Density of corresponding solvent, reducer, or thinner used in the compliant coating system = 880 g/L.

(35) Alternative Emission Control Plan

Owners and/or operators may achieve compliance with the requirements. A person may comply with the provisions of paragraphs (d)(1), (d)(2) and (d)(3) paragraph (e)(1) by means of an Alternative Emission Control Plan, pursuant to Rule 108 - Alternative Emissions Control Plans.

(6) Exempt Compounds

A person shall not manufacture, sell, offer for sale, distribute for use in the South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains any Group II Exempt Compounds listed in Rule 102 - Definition of Terms, in quantities greater than 0.1 percent by weight. Cyclic, branched, or linear, completely methylated siloxanes (VMS) are not subject to this provision.

(7) Carcinogenic Materials

A person shall not manufacture, sell, offer for sale, distribute for use in the South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains cadmium, nickel, lead or hexavalent chromium that was introduced as a pigment or as an agent to impart any property or characteristic to the marine or pleasure craft coatings during manufacturing, distribution, or use of applicable marine or pleasure craft coatings.

(8) Application Equipment Transfer Efficiency

(A) A person shall not apply any marine coating or pleasure craft coating unless one of the following methods of coating transfer is used:

- (i) Electrostatic application; or
- (ii) High-volume, low-pressure (HVLP) spray; or
- (iii) Brush, dip, or roller; or
- (iv) Spray gun application, provided the owner or operator demonstrates that the spray gun meets the HVLP definition in paragraph (c)(19) in design and use. A satisfactory demonstration must be based on the manufacturer's published technical material on the design of the spray gun and by a demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun; or
- (v) Any such other marine coating or pleasure craft coating application methods as demonstrated, in accordance with the provisions of paragraph (g)(6), to be capable of achieving equivalent or better transfer efficiency than the marine coating or pleasure craft coating

application method listed in clause (d)(8)(A)(ii), provided written approval is obtained from the Executive Officer prior to use.

(B) A person shall not apply any marine coating or pleasure craft coating by any of the methods listed in subparagraph (d)(8)(A) unless such coating is applied with properly operating equipment, operated according to procedures recommended by the manufacturer and in compliance with applicable permit conditions, if any.

(49) Solvent Cleaning, Operations; Storage and Disposal of VOC-containing Materials
All solventSolvent cleaning operations of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC-containing materials used in solvent cleaning operations activities shall be carried out pursuant to South Coast AQMD Rule 1171 - Solvent Cleaning Operations.

(5) Recordkeeping

Notwithstanding the provisions of subdivision (g), records shall be maintained pursuant to Rule 109.

(d) Prohibition of Specification

(1) A person shall not solicit or require any other person to use, in the district, any coating or combination of coatings to be applied to any marine vessel or marine component subject to the provisions of this rule that does not meet the limits requirements of this rule or of an Alternative Emission Control Plan approved pursuant to the provisions of paragraph (e)(3) of this rule.
(2) The requirements of paragraph (d)(1) shall apply to all written or oral agreements executed or entered into after November 4, 1988.

(e) Prohibition of Possession, Specification and Sale

(1) For the purpose of this rule, no person shall store at a worksite any marine coating or pleasure craft coating subject to this rule within the South Coast AQMD jurisdiction that is not in compliance with the requirements shown in the Tables of Standards of paragraphs (d)(1), (d)(2), and (d)(3) unless the following condition applies:
(A) The marine or pleasure craft coating is for use at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.

- (2) For the purpose of this rule, no person shall solicit from, specify, or require any other person to use in the South Coast AQMD jurisdiction any marine or pleasure craft coating that does not meet the following:
- (A) Applicable VOC limits required by paragraph (d)(1), (d)(2) or (d)(3) for the specific application unless:
- (i) The marine or pleasure craft coating is located at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (3) For the purpose of this rule, no person shall supply, sell, offer for sale, market, blend, package, repackage or distribute any marine or pleasure craft coating for use within the South Coast AQMD jurisdiction subject to the provisions in this rule that does not meet the:
- (A) Applicable VOC limits required by paragraphs (d)(1), (d)(2) and (d)(3) for the specific application, unless:
- (i) The marine or pleasure craft coating is for use at a facility that operates in accordance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(6), and the marine or pleasure craft coating is specified in the plan; and,
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (4) For the purpose of this rule, no person shall solicit from, specify, require, offer for sale, sell, or distribute to any other person for use in the South Coast AQMD jurisdiction any marine or pleasure craft coating application equipment that does not meet the requirements of subparagraph (d)(8)(A).
- (5) For the purpose of this rule, no person shall offer for sale, sell, supply, market, offer for sale or distribute an HVLP spray gun for use within the South Coast AQMD unless said person provides accurate information to the spray gun recipient. Such accurate information shall include the maximum inlet air pressure to the spray gun that would result in a maximum air pressure of 10 pounds per square inch gauge (psig) air pressure, measured dynamically at the center of the air cap and at the air horns, based on the manufacturer's published technical material on the design of the spray application equipment, and by a demonstration of the operation of the spray application equipment using an air pressure tip gauge from the manufacturer of the gun. The information shall either be permanently

marked on the gun, or provided on the company's letterhead or in the form of technical literature that clearly identifies the spray gun manufacturer, the seller, or the distributor.

- (6) Paragraphs (d)(1), (d)(2) and (d)(3) shall not apply to marine coatings or pleasure craft coatings that are sold, offered for sale, or solicited, for shipment or use outside of the South Coast AQMD jurisdiction, or for shipment to other manufacturers for repackaging provided such coatings are sold, offered for sale, or solicited, for shipment or use outside the South Coast AQMD jurisdiction.

(f) Recordkeeping Requirements

(1) Recordkeeping for VOC Emissions

Notwithstanding the provisions of subdivision (i), records of marine coating usage and pleasure craft coating usage, as applicable, shall be maintained pursuant to South Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions, and shall be made available to the Executive Officer upon request.

(eg) Test Methods

(1) Determination of VOC Content:

The VOC content of coatings, subject to the provisions of this rule shall be determined by the following methods:

- (A) United States Environmental Protection Agency (U.S. EPA) Reference Test Method 24 [Determination of Volatile Matter Content, Water Content, Volume Solids and Weight Solids of Surface Coatings, Code of Federal Regulations, Title 40, Part 60, Appendix A;]. The exempt compounds' content shall be determined by SCSouth Coast AQMD Laboratory Test Method 303 (Determination of Exempt Compounds) contained in the SCSouth Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,
- (B) SCSouth Coast AQMD Method 304 [Determination of Volatile Organic Compounds (VOCs) in Various Materials] contained in the SCSouth Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,
- (C) South Coast AQMD Method 313 [Determination of Volatile Organic Compounds VOC by Gas Chromatography-Mass Spectrometry] in the South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.

(2) VOC content determined to exceed the limits established by this rule through the use of any of the above-referenced test methods shall constitute a violation of this rule.

(E3) Exempt Perfluorocarbon Compounds

The following classes of compounds:

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; and

Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine,

~~will shall~~ be analyzed as exempt compounds for compliance with subdivision (ed), only ~~when at such time as~~ manufacturers specify which individual compounds are used in the ~~eating~~ formulation of the coatings subject to this rule. In addition, prior to any such analysis, the manufacturers shall also identify the test methods approved by the U.S. EPA, California Air Resources Board (CARB), and the SCSouth Coast AQMD approved test methods that will be used to quantify the amount of each exempt compound.

(24) Determination of ~~Metal Content~~Iridescent Particles in Metallic/Iridescent Coatings

The metal and silicon content in metallic/iridescent coatings subject to the provisions of this rule shall be determined by the ~~SCSouth Coast AQMD Method 311 (Determination Analysis—of Percent Metal in Metallic Coatings by Spectrographic Method)~~ contained in the ~~SCSouth Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples"~~ manual.

(35) Determination of Acid Content in Marine and Pleasure Craft Coatings

The acid content of any coating subject to the provisions of this rule shall be determined by ~~ASTM D-1613-85-06 (2012) (Standard Test Method for Acidity in Volatile Solvents and Chemical Intermediates Used in Paint-, Varnish, Lacquer, and Related Products)—contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples"~~ manual.

(6) Determination of Transfer Efficiency of Application Equipment

The transfer efficiency of alternative marine coating and pleasure craft coating application methods, as defined by clause (d)(8)(A)(v), shall be determined in accordance with the South Coast AQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989," and South Coast AQMD "Guidelines for Demonstrating Equivalency With South Coast AQMD Approved Transfer Efficiency Spray Gun September 26, 2002."

(4) Determination of Efficiency of Emission Control System

(A) The efficiency of the collection device of the emission control system as specified in paragraph (e)(2) shall be determined by the USEPA method cited in 55 Federal Register 26865 (June 29, 1990), or any other method approved by the USEPA, the California Air Resources Board, and the SCAQMD.

(B) The efficiency of the control device of the emission control system as specified in paragraph (e)(2) and the VOC content in the control device exhaust gases, measured and calculated as carbon, shall be determined by USEPA Test Methods 25, 25A, or SCAQMD Method 25.1 (Determination of Total Gaseous Non-Methane Organic Emissions as Carbon) as applicable. USEPA Test Method 18, or ARB Method 422 shall be used to determine emissions of exempt compounds.

(57) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

(68) All test methods referenced in this section shall be the most recently approved version.

(fh) Rule 442 Applicability

Any marine coating operation Marine Coating or Pleasure Craft Coating or any facility which that is exempt pursuant to subdivision (i) from all or a portion of the VOC limits of subdivision (d) this rule shall comply with the provisions of Rule 442 - Usage of Solvents.

(gi) Exemptions

With the exception of paragraphs (d)(6) and (d)(7), Fthe provisions of this rule shall not apply to:

(1) Marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, provided that for energy

- curable coatings, product formulation data and test results, determined by ASTM D7767-11, shall first be submitted to the Executive Officer by the manufacturer.
- (42) marineMarine coatings applied to interior surfaces of potable water containers.
- (23) touchTouch-up coatings, as defined by paragraph (c)(41) of this rule.
- (3) marine coatings purchased before January 1, 1992, in containers of one quart or less and applied to pleasure craft.
- (4) antifoulant coatings applied to aluminum hulls.
- (54) Any aerosol coating products.
- (5) The provisions of paragraph (d)(8) shall not apply to marine or pleasure craft coatings with a viscosity of 650 centipoise or greater, as applied.
- (6) The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings does not exceed 12 gallons per calendar year and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

ATTACHMENT D

(Adopted May 1, 1992)(Amended March 8, 1996)
(Amended June 13, 1997)(Amended February 12, 1999)
(Rescinded May 3, 2019)

Rule 1106.1. PLEASURE CRAFT COATING OPERATIONS

Rescinded by the South Coast Air Quality Management District Board on May 3, 2019.

ATTACHMENT E

(Adopted May 1, 1992)(Amended March 8, 1996)
(Amended June 13, 1997)(Amended February 12, 1999)
(Rescinded May 3, 2019)

Rule 1106.1. PLEASURE CRAFT COATING OPERATIONS

Rescinded by the South Coast Air Quality Management District Board on May 3, 2019.

(a) Applicability

This rule is applicable to all coating operations of pleasure craft, as defined in paragraph (b)(10) of this rule, or their parts and components, for the purpose of refinishing, repairing, modification, or manufacturing such craft. This rule shall also apply to establishments engaged in activities described in the United States Office of Management and Budget's 1987 Standard Industrial Classification Manual, under Standard Industrial Classification (SIC) codes 3732—Boat Building and Repairing and 4493—Marinas. Pleasure craft coating operations which are subject to the requirements of this rule shall not be subject to the requirements of Rule 1106—Marine Coating Operations.

(b) Definitions

For purposes of this rule, the following definitions shall apply:

- (1) AEROSOL COATING PRODUCT** is a pressurized coating product containing pigments or resins that dispenses product ingredients by means of a propellant, and is packaged in a disposable can for hand held application, or for use in specialized equipment for ground traffic/marketing applications.
- (2) ANTIFOULANT COATING** is any coating applied to the underwater portion of a pleasure craft to prevent or reduce the attachment of biological organisms, and registered with the United States Environmental Protection Agency (EPA) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).
- (3) CLEAR WOOD FINISHES** are clear and semi-transparent topcoats applied to wood substrates to provide a transparent or translucent film.
- (4) EXEMPT COMPOUNDS** (See Rule 102—Definition of Terms).
- (5) EXTREME HIGH GLOSS COATING** is any coating which achieves at least 95 percent reflectance on a 60° meter when tested by ASTM Method D-523-89.

- (6) ~~FINISH PRIMER/SURFACER~~ is a coating applied with a wet film thickness of less than 10 mils prior to the application of a topcoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promotion of a uniform surface necessary for filling in surface imperfections.
- (7) ~~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 which is calculated by the following equation:

~~Grams of VOC per Liter of Coating, Less Water~~

$$\text{and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

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

- (8) ~~HIGH BUILD PRIMER/SURFACER~~ is a coating applied with a wet film thickness of 10 mils or more prior to the application of a topcoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, or a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.
- (9) ~~HIGH GLOSS COATING~~ is any coating which achieves at least 85 percent reflectance on a 600 meter when tested by ASTM D 523-89.
- (10) ~~PLEASURE CRAFT~~ are vessels which are manufactured or operated primarily for recreational purposes, or leased, rented, or chartered to a person or business for recreational purposes. The owner or operator of such vessels shall be responsible for certifying that the intended use is for recreational purposes.
- (11) ~~PLEASURE CRAFT COATING~~ is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.

- (12) ~~PRETREATMENT WASH PRIMER~~ is a coating which contains no more than 12 percent solids, by weight, and at least 1/2 percent acids, by weight; is used to provide surface etching; and is applied directly to fiberglass and metal surfaces to provide corrosion resistance and adhesion of subsequent coatings.
- (13) ~~SEALER~~ is a low viscosity coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.
- (14) ~~TEAK PRIMER~~ is a coating applied to teak or previously oiled decks in order to improve the adhesion of a seam sealer to wood.
- (15) ~~TOPCOAT~~ is any final coating applied to the interior or exterior of a pleasure craft.
- (16) ~~VARNISHES~~ are clear wood topcoats formulated with various resins to dry by chemical reaction on exposure to air.
- (17) ~~VOLATILE ORGANIC COMPOUND (VOC)~~ is any volatile compound which contains the element carbon, excluding methane, carbon dioxide, carbon monoxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds.

(e) Requirements

(1) VOC Content

(A) Within the District, a person shall not sell, offer for sale, solicit, apply, or require any other person to use in the District any pleasure craft coating with a VOC content in excess of the following limits, expressed as grams of VOC per liter of coating applied, less water and exempt solvents:

<u>COATING</u>	<u>VOC LIMIT</u>		
	On or After 7/1/94	On or After 2/12/99	On or After 1/1/2001
Topcoats			
Extreme High Gloss	490	650	490
High Gloss	420	420	420
Pretreatment Wash Primers	780	780	780
Finish Primer/Surfacer	420	600	420
High Build Primer Surfacer	340	340	340
Teak Primer	775	775	775

<u>COATING</u>	<u>On or After 7/1/94</u>	<u>VOC LIMIT</u>	<u>On or After 2/12/99</u>	<u>On or After 1/1/2001</u>
Antifoulant Coatings				
Aluminum Substrate	560	560	560	
Other Substrates	150	400	330	
Clear Wood Finishes				
Sealers	550	550	550	
Varnishes	490	490	490	
Others	420	420	420	

In the case of any coating sold, offered for sale, or solicited for use, this prohibition shall only apply where it is designated anywhere on the container by any sticker or label affixed thereto, or where it is indicated in any sales or advertising literature, that the coating may be used as, or is suitable for use as, a pleasure craft coating.

- (B) This section shall not apply to pleasure craft coatings sold, offered for sale, or solicited, for shipment or use outside of this District or for shipment to other manufacturers for repackaging.
- (2) Solvent cleaning of coating application equipment, parts, products, tools, machinery, equipment, and general work areas, and the storage and disposal of VOC containing materials used in solvent cleaning operations, shall be carried out in accordance with Rule 1171 (Solvent Cleaning Operations).
- (3) A person shall not apply pleasure craft coatings subject to the requirements of this rule with a coating containing carbon tetrachloride or any of the Group II exempt compounds as defined in paragraph (b)(4) except for: methylene chloride; perchloroethylene; cyclic, branched, or linear, completely methylated siloxanes (VMS); or parachlorobenzotrifluoride (PCBTF).
- (d) Recordkeeping Requirement
Records shall be maintained in accordance with Rule 109.
- (e) Compliance Test Methods
For purposes of this rule, the following test methods shall be used:
- (1) VOC Content
 - (A) The VOC content of coatings shall be determined by:

- (i) EPA Reference Method 24, (40 Code of Federal Regulations, Part 60, Appendix A). The exempt solvent content shall be determined by SCAQMD Method 302 and 303 (SCAQMD "Laboratory Method of Analysis for Enforcement Samples" manual); or
- (ii) SCAQMD Methods 304 Determination of Volatile Organic Compounds (VOC) in Various Materials, 303 Determination of Exempt Compounds, and 302 Distillation of Solvents from Paints, Coatings and Inks (SCAQMD "Laboratory Method of Analysis for Enforcement Samples" manual).
- (B) VOC content determined to exceed the limits established by this rule through the use of any of the above referenced test methods shall constitute a violation of this rule.
- (2) Acid Content in Coatings
The percent acid by weight of pretreatment wash primers shall be determined by ASTM D 1613-85 Acidity in Volatile Solvents and Chemical Intermediates Used in Paints, Varnishes, Lacquers, and Related Products.
- (3) The following classes of compounds: 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; and sulfur containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine, will be analyzed as exempt compounds for compliance with subdivision (c), only at such time as manufacturers specify which individual compounds are used in the coating formulations and identify the test methods, which prior to such analysis, have been approved by the USEPA and the SCAQMD, that can be used to quantify the amounts of each exempt compound.
- (f) Exemptions
The provisions of this rule shall not apply to aerosol coating products.

ATTACHMENT F

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FINAL STAFF REPORT

**Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and
Rescission of Rule 1106.1 - Pleasure Craft Coating Operations**

May 2019

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Rule 1106 - Marine Coating Operations and Rule 1106.1 - Pleasure Craft Coating Operations are source specific rules that were adopted to reduce emissions of volatile organic compounds (VOC) from marine coatings. Marine coatings are coatings applied to boats, ships, and vessels, their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the marine environment, and for pleasure craft.

This proposal is to amend Rule 1106 and rescind Rule 1106.1. Proposed Amended Rule (PAR) 1106 – Marine and Pleasure Craft Coatings will continue to regulate the marine coating industry but will now also apply to pleasure craft marine coatings by incorporating the requirements of Rule 1106.1. The air quality objective of these proposed actions is to combine the requirements for marine and pleasure craft coating operations into one rule, align Volatile Organic Compounds (VOC) content limits with United States Environmental Protection Agency (U.S. EPA) Control Techniques Guidelines (CTGs) and the requirements of other California air districts, and promote consistency with other ~~SCAQMD~~South Coast AQMD Regulation XI VOC rules. PAR 1106/1106.1 would reduce the VOC content limits for certain categories of coatings, add VOC content limits for new categories of coatings, and require the use of the most restrictive VOC content limit for a particular use. The proposed amendment would also prohibit the possession and sale of non-compliant coatings and establish requirements for transfer efficiency.

The proposed amendment is administrative in nature, meaning that current requirements in Rule 1106/1106.1 are being clarified, existing requirements of ~~SCAQMD~~South Coast AQMD Regulation XI rules, U.S. EPA CTGs and other California air district rules are being incorporated, and the proposed amendments do not impact VOC emissions. Furthermore, staff analysis concludes that the VOC content adjustment to the coating categories noted above will not adversely affect coating manufacturers by way of reformulation or affect current work practices currently used in the industry. Since the VOC content adjustments will be to coating categories that are top side and niche coatings that are already being used or are readily available for purchase at the prescribed lower VOC limits, the proposed amendments are not expected to affect VOC emissions from the application of marine and pleasure craft coatings.

RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS

CHAPTER 1: BACKGROUND ON PROPOSED AMENDED RULE 1106

- o Introduction
- o Regulatory History
- o Affected Facilities
- o Process Description
- o Coating Applications at Marinas

INTRODUCTION

Rule 1106 - Marine Coating Operations and Rule 1106.1 - Pleasure Craft Coating Operations are source specific rules that were adopted to reduce emissions of volatile organic compounds (VOC) from marine coatings. Marine coatings are coatings applied to boats, ships, and vessels, their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the marine environment, and for pleasure craft. The proposed amendment seeks to revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines (CTGs) and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit for a particular use. The proposed amendment would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendment would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings.

REGULATORY HISTORY

Rule 1106 was adopted on November 4, 1988 and has been subsequently amended seven times. The most recent amendment was on January 13, 1995 which incorporated corrective action items in efforts to resolve deficiencies as determined by U.S. EPA. The corrective action items in that amendment included language and an equation for control device equivalency, an applicability statement, test methods that were required to be specified, language regarding multiple test methods with the addition of the most recent test method, an updated definition for aerosol coatings and exempt compounds, and a permanent exemption for aerosol containers.

Rule 1106.1 was adopted on May 1, 1992 and has been subsequently amended three times. The most recent amendment was on February 12, 1999. The May 1, 1992 adoption removed Pleasure Craft Coating Operations from existing Rule 1106 - Marine Coating Operations. Many of the existing coating categories in Rule 1106 at that time were not representative of the pleasure craft coating industry. Consequently, the ~~SCAQMD~~South Coast AQMD adopted Rule 1106.1 with the intent of identifying the special categories of coatings applied on pleasure craft.

The rulemaking for PAR 1106/1106.1 began in 2015. During the 2015 rulemaking process, staff held a working group meeting, a public workshop and a Stationary Source Committee meeting to gather public input and comment. PAR 1106 was heard by the Governing Board on October 2, 2015. However, the Governing Board asked that staff reconsider additional recordkeeping requirements in the proposal, and the proposed amendment to Rule 1106/1106.1 was not adopted at that time.

AFFECTED INDUSTRIES

Rule 1106 is applicable to any person who applies a marine coating to boats, ships, and their appurtenances, and to buoys and oil drilling rigs intended for the marine environment. It also applies to any person who solicits or requires any other person to use a marine coating. Rule 1106.1 similarly is applicable to any person who applies a marine coating to pleasure craft. As a result, entities covered by Rules 1106/1106.1 are shipyards, docks, boatyards, marinas as well as the persons purchasing, selling or supplying marine coatings.

PROCESS DESCRIPTION

Coatings for Ships, Yachts, and Boats:

Water-going vessels, commonly referred to as ships, yachts, and boats, have coatings specifically designed for the two main portions of a boat: topside and bottom side. With the boat at rest, anything above the waterline is considered top side and anything below the waterline is considered bottom side.

Top Side:

The top side of the ship, yacht or boat is the visual portion of the boat from the waterline up. These coatings not only protect the substrate in a marine environment but also have aesthetic purposes. The substrates can include wood of various types, fiberglass and composites, steel, stainless steel, aluminum, brass and bronze. These coatings can be applied by hand, usually with a paint brush or roller, or by atomized spray equipment. There are several top side coating categories which are included in Rules 1106 and 1106.1 such as clear wood finishes, primers, and topcoats.

Bottom Side:

A boat that is docked or moored in both freshwater and seawater is susceptible to marine fouling, which is the growth of biological organisms on water-immersed surfaces. Marine fouling is typically broken down into hard growth such as barnacles, mussels, shipworms and soft growth such as algae and grass. If unabated, this growth would continue and cause excessive drag on the boat during operation. It could also cause severe damage to the hull substrate via corrosion to steel and aluminum hulls and shipworms boring into wooden hulls. Finally, fouling also poses a potential threat to the environment through transporting harmful marine organisms to other waterways. The solution to fouling is an antifoulant coating, which is used to inhibit the growth of foulant and/or prevent foulant from adhering to the bottom of the boat. There are two different categories for antifoulant coatings, a hard bottom paint and an ablative bottom paint.

Hard Bottom Paint:

Hard Bottom Paint is an epoxy type paint formulated with copper, organotin compounds (an organic compound with one or more tin atoms in its molecules) and other biocides and pesticides. The copper is used to deter hard growth such as mussels and barnacles, and biocides and pesticides are used to control soft growth such as algae and other marine organisms like ship worms. Most hard bottom paints control marine growth by releasing substances slowly from the pores of the paint while in water. Other types of hard bottom paint include Teflon® and silicone which make the coating surface too slick for marine growth to adhere to. This type of coating is typically used for boats that spend long periods of time at rest in the water.

Ablative Bottom Paint:

Ablative bottom paint is specially formulated to be a somewhat sacrificial coating designed to be slowly worn away during boat operation. The coating continuously wears off at a slow rate during operation, thus exposing a new layer with fresh antifoulant compounds. An analogy of this would be washing your hands with a bar of soap where the soap continues to erode during each washing operation yet remains effective in subsequent washings.

Transfer Efficiency Requirements:

Spray Coating:

Transfer efficiency is the ratio of the amount of paint that is actually applied to a substrate to the total amount of paint that was used. In the case of spray coating, the transfer efficiency is the ratio of the amount of paint that was actually applied to the substrate to the total amount of paint that was sprayed from the spray gun. Transfer efficiency is especially important in spray coating applications because the excess spray from the paint that is atomized by the spray gun that does not adhere to the intended substrate are the paint particulate emissions that enter the atmosphere.

Several ~~SCAQMD~~South Coast AQMD Regulation XI coating rules such as ~~SCAQMD~~South Coast AQMD Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating

Operations incorporate transfer efficiency requirements. Staff proposes to include the definition for HVLP in this rulemaking to be consistent with other ~~SCAQMD~~South Coast AQMD Regulation XI rules. The HVLP definition will state the operating parameters HVLP spray equipment will be operated by and be defined as “spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns”. HVLP spray guns have a transfer efficiency of 65%, meaning 65% of the paint that is spray will adhere to the intended substrate. Standard non-HVLP spray guns are typically high pressure and due to the excessive spraying pressure result in paint bounce-back, a condition where the paint hits the target and a small percent of it bounces back off the target and into the atmosphere. These types of spray guns can have a transfer efficiency as low as 25%.

Other Application Methods:

Brush and roller coatings are applied directly from the paint brush bristles or the roller to the substrate and have a very high coating-to-substrate transfer efficiency. Dip coatings are simply a container filled with paint where an object is dipped into the coating and provides a very high coating-to-substrate transfer efficiency. Brush, roller and dip coating processes can have transfer efficiencies of up to 100%, not allowing for spillage. Brush, roller and dip coatings are proposed to be included as optional compliant transfer efficiency processes.

COATING APPLICATIONS AT MARINAS

Staff visited numerous facilities such as shipyards, dockyards, boatyards and marinas (hereinafter all to be collectively referred to as marinas) to gather information on what type of work the facilities were doing and what type of coatings they were using. Table 1-1 below shows the marinas that were visited by ~~SCAQMD~~South Coast AQMD staff and Table 1-2 shows the large scale ships that were visited. The majority of the operators in the marine coating and pleasure craft coating industry are non-permitted facilities and are not typically inspected by ~~SCAQMD~~South Coast AQMD inspectors. Staff visited several facilities and found many cases of non-compliance with both Rules 1106 and 1106.1 VOC limit standards. Staff also found that the most common maintenance operation at the marinas was the application of antifoulant coatings.

TABLE 1-1: MARINAS VISITED BY SCAQMD SOUTH COAST AQMD STAFF

MARINA	CITY	COUNTY
Al Larson Boat Shop	Terminal Island	Los Angeles
Cabrillo Boat Shop (O/B)	Long Beach	Los Angeles
Colonial Yacht Anchorage (O/B)	Wilmington	Los Angeles
Gambol Industries	Long Beach	Los Angeles
King Harbor Marine Center	Redondo Beach	Los Angeles
Marina Shipyard	Long Beach	Los Angeles
Seamark Marine	Marina del Rey	Los Angeles
The Boatyard	Marina del Rey	Los Angeles
Wilmington Marine Service Boatyard (O/B)	Wilmington	Los Angeles
Windward Yacht & Repair Center	Marina del Rey	Los Angeles
Balboa Boat Yard of California	Newport Beach	Orange
Basin Marine	Newport Beach	Orange
Newport Harbor Shipyard	Newport Beach	Orange
Dana Point Shipyard	Dana Point	Orange
Larson's Shipyard	Newport Beach	Orange
South Coast Shipyard	Newport Beach	Orange
Sunset Aquatic Shipyard	Huntington Beach	Orange

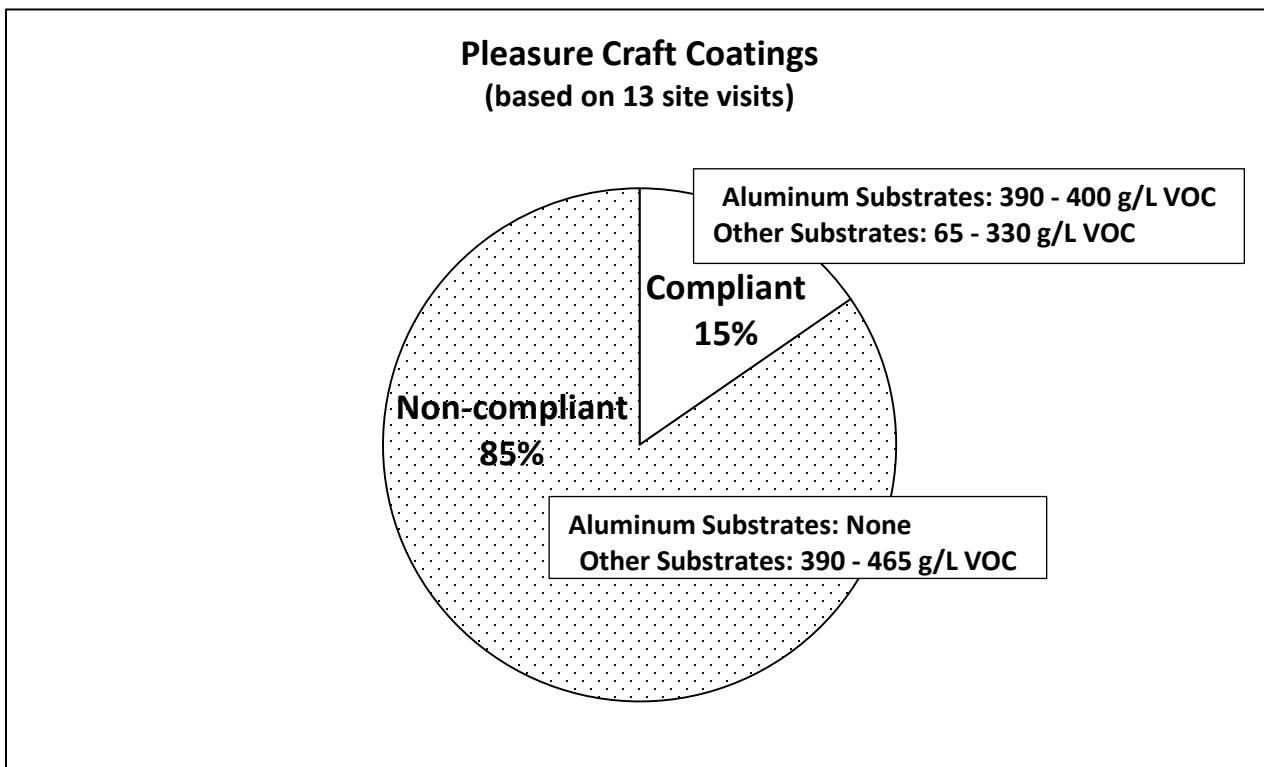
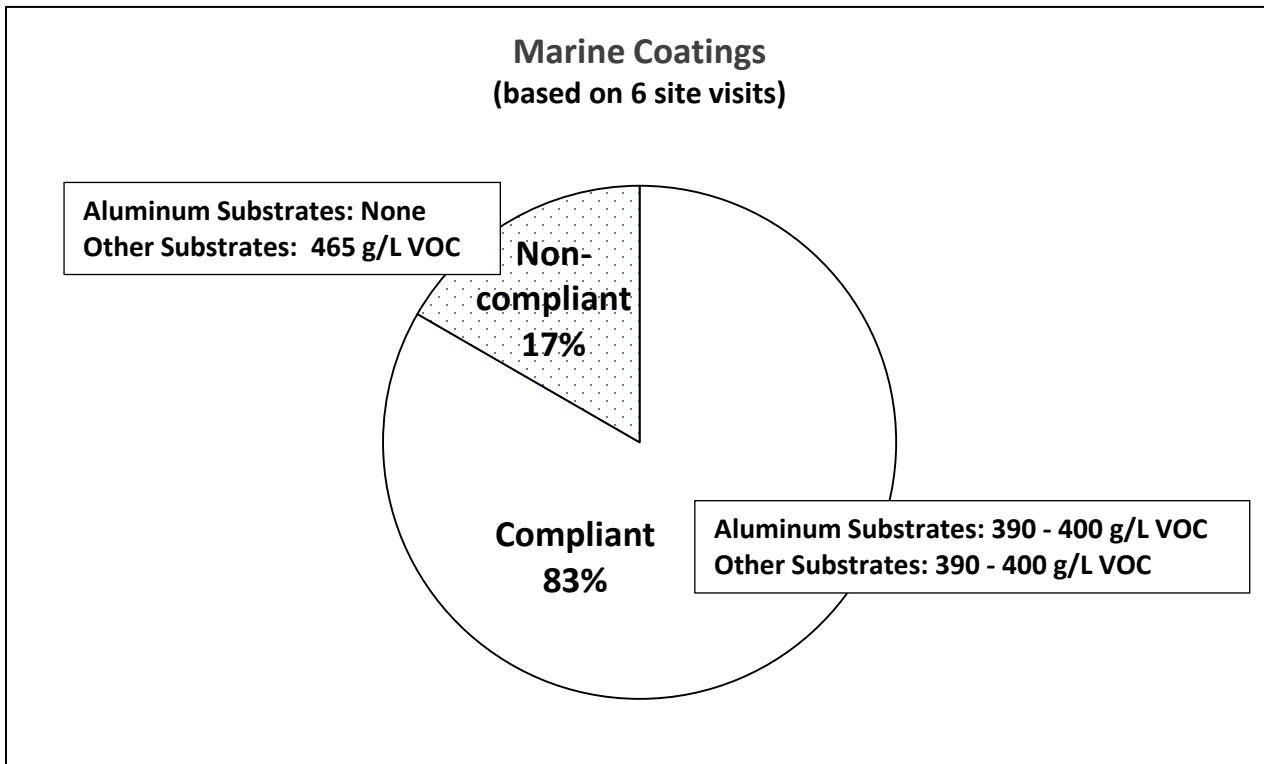
(O/B) Out of Business

TABLE 1-2: LARGE SCALE SHIPS VISITED BY SCAQMD SOUTH COAST AQMD STAFF

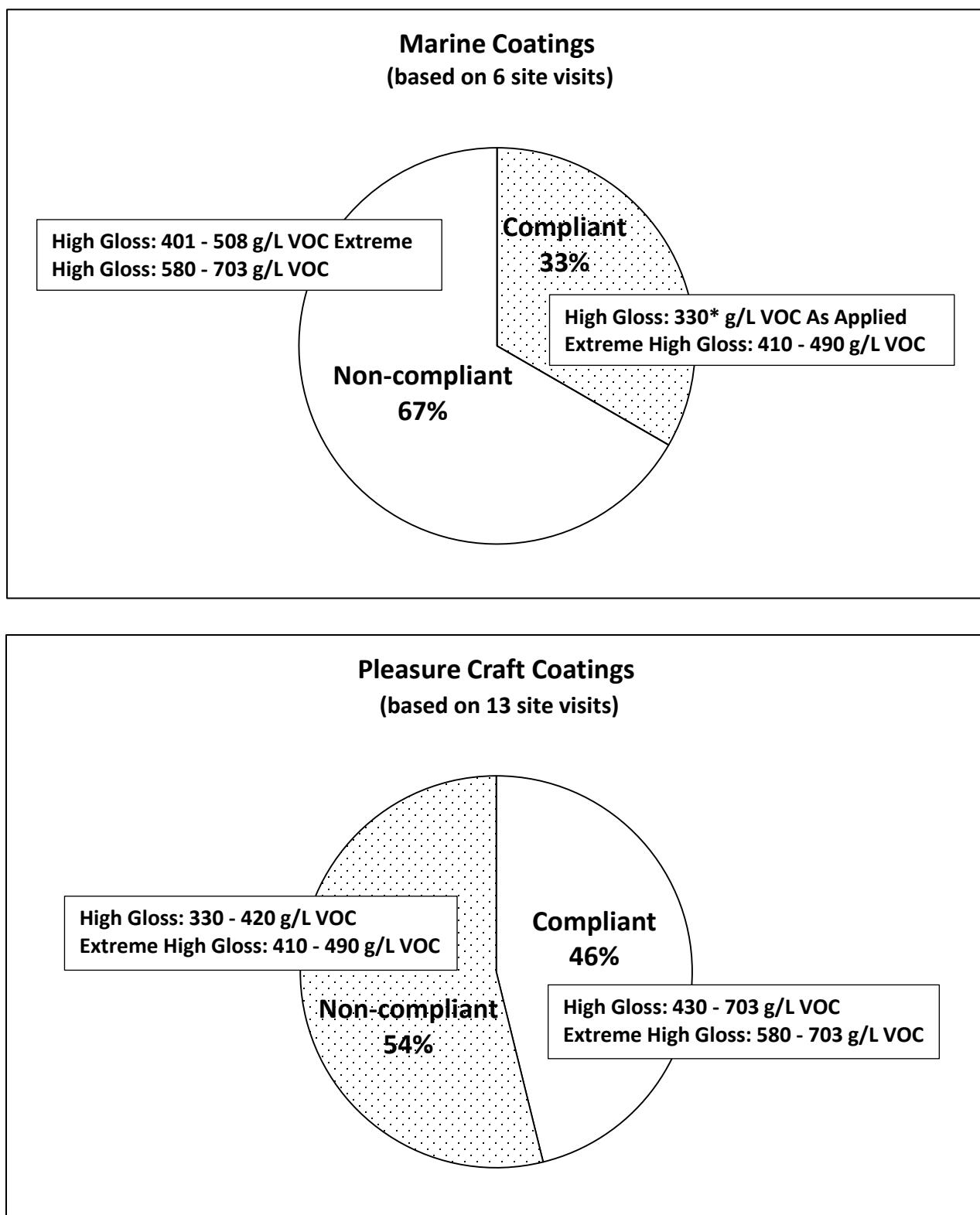
SHIP	CITY	COUNTY
Queen Mary	Long Beach	Los Angeles
U.S.S. Iowa	San Pedro	Los Angeles
S.S. Lane Victory	San Pedro	Los Angeles

During the visits to the marinas, staff observed that both mechanical repair and refinishing services were offered. The mechanical repair services typically included engine work, drive unit work and any other type of work that did not include the application of coatings. The refinishing services included preparation of substrates to be coated and the application of coatings to marine and pleasure craft vessels. The coatings that are applied by the marinas are formulated for application to both top side and bottom side of marine and pleasure craft vessels. Staff found that only a small number of marinas offer top side coating services. The marinas that do not offer top side coating services contract this type of work to contractors who perform the coating services at the site. The majority of the marinas do offer bottom side coating services, which is the application or reapplication of antifoulant coatings. The average recoat operation for antifoulant coatings is typically every two years, and it takes two coats of antifoulant, rolled on, plus a third coat applied at just the waterline level. SCAQMD South Coast AQMD staff found the application of antifoulant coatings to be the main operation for many of the marinas. As shown in Figures 1-1, 1-2 and 1-3, many marinas that SCAQMD South Coast AQMD staff visited were using antifoulant coatings and a lesser number were using top side and other categories of coatings (e.g. primers) in excess of the

VOC limit standards and were not aware they were exceeding rule VOC limits due to their unfamiliarity with the rule requirements. At several of these facilities, staff also observed that high VOC content reducers and thinners were being added to compliant antifoulant and top side coatings, which would result in these coatings to be applied in excess of the VOC limit standards. Finally, staff also found that several suppliers to the marinas and to consumers were selling non-compliant coating products.

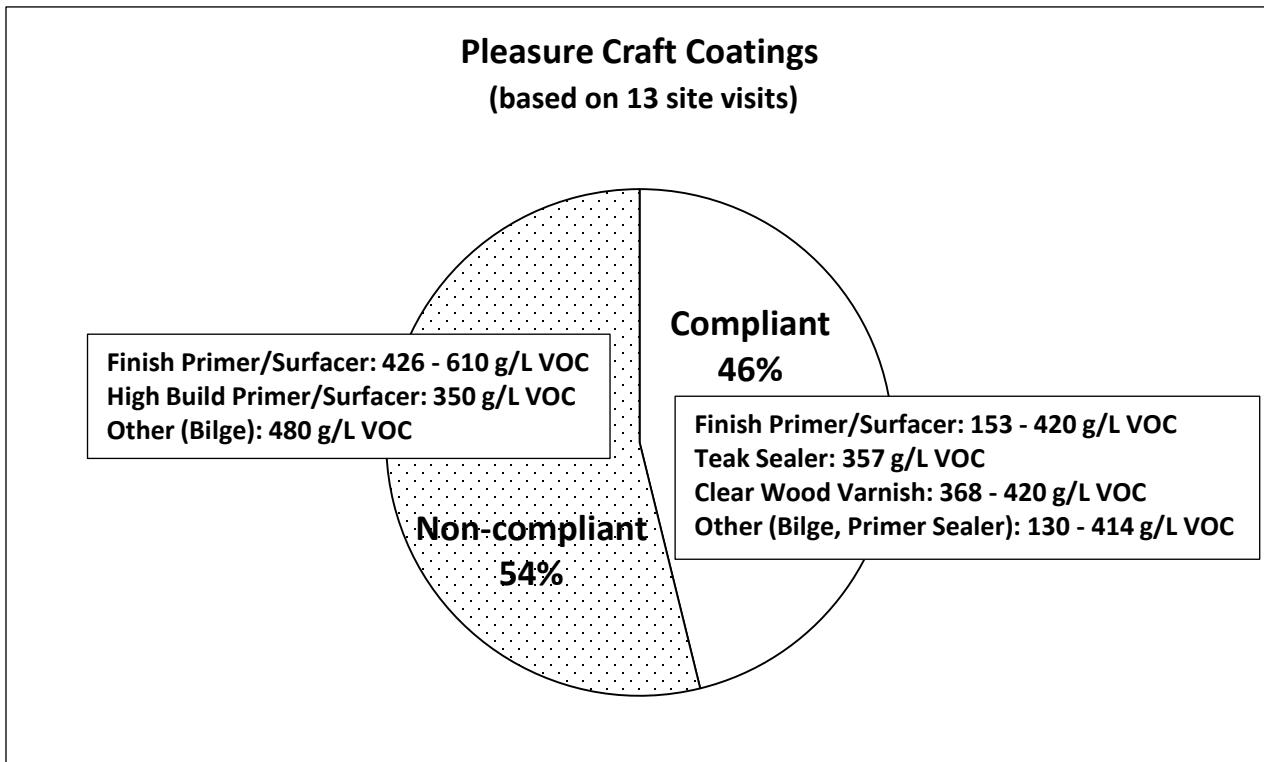
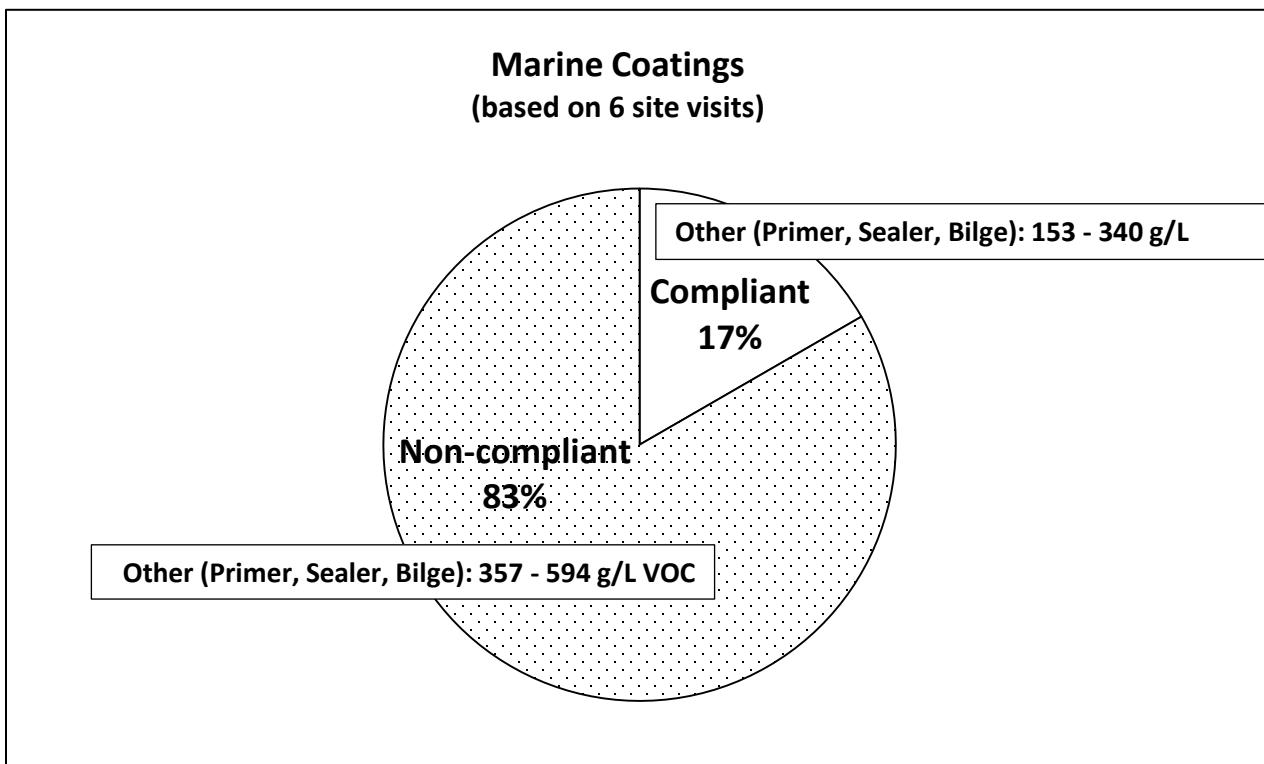
FIGURE 1-1: ANTIFOULANT COATINGS* SUBJECT TO EXISTING RULES 1106 AND 1106.1 VOC LIMITS USED AT MARINAS

* VOC contents in Figure 1-1 are as applied.

FIGURE 1-2: TOP SIDE COATINGS* SUBJECT TO EXISTING RULES 1106 AND 1106.1 VOC LIMITS USED AT MARINAS

* VOC contents in Figure 1-2 are as applied.

**FIGURE 1-3: OTHER COATINGS* SUBJECT TO EXISTING RULES 1106 AND 1106.1
VOC LIMITS USED AT MARINAS**



* VOC contents in Figure 1-3 are as applied.

CONCLUSION

The majority of the operators in the marine and pleasure craft coating industry are non-permitted facilities, and are not typically inspected by ~~SCAQMD~~South Coast AQMD inspectors. Staff visited several facilities and found many instances of non-compliance with the coatings VOC limits of both Rules 1106 and 1106.1. Staff also found that the most common maintenance operation at the marinas is the application of antifoulant coatings. Many marinas were observed to be using antifoulant coatings in excess of the VOC limit standards contrary to ~~SCAQMD~~South Coast AQMD Rule 1106/1106.1 VOC limit requirements. The marina personnel informed ~~SCAQMD~~South Coast AQMD staff during their site visits that they were not aware of the VOC limit restrictions or that they were using non-compliant coatings. In addition, staff also found that several product suppliers to both marinas and consumers were selling these non-compliant coating products. Staff proposes to eliminate confusion among marina personnel by providing clarification that the higher VOC content limits typically associated with antifoulants labeled for use on aluminum hulls cannot be used on non-aluminum hulls by clearly showing in Table of Standards I and II in PAR 1106 that antifoulant coatings have two types of substrate applications: Aluminum Substrates and Other Substrates.

RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS

CHAPTER 2: SUMMARY OF PROPOSED AMENDED RULE 1106

- o OVERVIEW: RESCIND RULE 1106.1 AND SUBSUME THE REQUIREMENTS OF RULE 1106.1 INTO PROPOSED AMENDED RULE 1106
- o PROPOSED RESCISSON OF RULE 1106.1
- o PROPOSED AMENDMENT TO RULE 1106
- o PROPOSED REVISIONS TO RULE LANGUAGE

OVERVIEW: SUBSUME THE REQUIREMENTS OF RULE 1106.1 INTO PROPOSED AMENDED RULE 1106 AND RESCIND RULE 1106.1

Currently, the requirements for users of coatings for marine and pleasure craft vessels are covered in two separate ~~SCAQMD~~South Coast AQMD rules. However, during staff's site visits, many marina personnel informed staff that they didn't know which rule applied to their coating applications. In fact, some marina personnel informed staff that they just picked the rule that had the higher VOC limits. Staff believes that Rule 1106 and Rule 1106.1 can be combined into one rule rather than two separate rules, thus alleviating this confusion. Combining these two rules into one rule would also be consistent with other air districts in California. Staff further believes that combining these two rules will provide the regulated community a better understanding of which category, marine or pleasure craft, their operation will fall under and which VOC content would be appropriate for their particular coating application. Staff is therefore proposing to subsume the requirements of Rule 1106.1 into Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and rescind Rule 1106.1 - Pleasure Craft Coating Operations.

PROPOSED RESCISSON OF RULE 1106.1

On May 1, 1992, ~~SCAQMD~~South Coast AQMD Rule 1106.1 was adopted as a separate rule independent from ~~SCAQMD~~South Coast AQMD Rule 1106 (adopted November 4, 1988). The current version of Rule 1106.1 is applicable to all coating operations of pleasure craft (see Footnote 1 on page 1-2 of the Draft Staff Report for the definition of "Pleasure Craft"), or their parts and components, for the purpose of refinishing, repairing, modification, or manufacturing such craft. Staff proposes to move the contents of Rule 1106.1 into Proposed Amended Rule 1106 (PAR 1106) and rescind Rule 1106.1.

PROPOSED AMENDMENT TO RULE 1106

Proposed Amended Rule 1106 will revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA CTGs and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit. The coating categories suggested for addition to the proposed rule are included in the U.S. EPA CTGs for Shipbuilding and Ship Repair (Surface Coating), and are being added in order to comply with the federal guidelines to ensure coverage of these coating categories if any person were to potentially use them within the ~~SCAQMD~~South Coast AQMD. The proposed amendment would also prohibit possession and sale of non-compliant coatings in order to increase compliance with rule requirements and to be consistent with other Regulation XI rules. The proposal also establishes coating application equipment transfer efficiency requirements, which are included in the U.S. EPA CTGs and in other Regulation XI rules.

PROPOSED REVISIONS TO RULE LANGUAGE

Staff proposes to add a provision stating the purpose of PAR 1106 to provide additional clarity on the purpose of the rule and to be consistent with other Regulation XI coatings rules, make

minor revisions to the applicability subdivision, make revisions and add new definitions to the definitions subdivision, add two tables of standards that will contain VOC limits, and include clarifications and editorial corrections to the entire rule as necessary.

Subdivision (a) Purpose

Staff proposes to add a “Purpose” subdivision in PAR 1106 to provide clarity to the purpose of the rule and make the rule consistent with other VOC Regulation XI rules that already include a purpose subdivision as follows:

“The purpose of this rule is to reduce emissions of Volatile Organic Compounds (VOC) from Marine and Pleasure Craft Coatings.”

Subdivision (b) Applicability

Staff proposes to subsume Rule 1106.1 into Rule 1106. Staff proposes to amend the applicability subdivision to clarify who the proposed amended rule will apply to. Since staff proposes to subsume Rule 1106.1 into Rule 1106, the proposed rule language for the applicability subdivision will address persons applicable to marine and pleasure craft coatings. The proposed rule language is as follows:

“This rule is applicable to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses or distributes any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating for use within the SCAQMD South Coast AQMD Jurisdiction, as well as any person who applies, stores at a worksite, or solicits the application of any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating within the SCAQMD South Coast AQMD Jurisdiction. ~~applies to coating boats, ships, and their appurtenances, and to buoys and oil drilling rigs, intended for the marine environment. Coating operations of vessels which are manufactured or operated primarily for recreational purposes are subject to the requirements of Rule 1106.1 – Pleasure Craft Coating Operations.~~

Subdivision (c) Definitions

Proposed New Definitions to Be Added to PAR 1106:

The Definition subdivision in current Rule 1106 is shown as (b); however, due to the new rule language for a Purpose subdivision, the Definition subdivision will be renumbered as subdivision (c). The following new definitions are proposed to address pleasure craft coatings and transfer efficiency provisions, and to make reference to SCAQMD South Coast AQMD Rule 1171 – Solvent Cleaning Operations to be consistent with other SCAQMD South Coast AQMD rules. Staff added Mist Coatings, Nonskid Coatings and Solvent-Based Organic Zinc Coatings categories to be consistent with the U.S. EPA Control Techniques Guidelines (CTGCTGs) for Shipbuilding and Ship Repair Operations (Surface Coating). Staff also added a definition for Solvent-Based

Inorganic Zinc Coatings since it was missing from the current version of Rule 1106 even though it is a listed coating under Paragraph (c)(1) “VOC Content of Marine Coatings” in current Rule 1106, and to make it consistent with the U.S. EPA CTGCTGs. Staff also proposes to add another definition for Marine Deck Sealant Primer to be consistent with other local air district definitions. Finally, staff proposes to add a new definition to the rule to define “Energy Curable Coatings” to provide clarity to energy curable marine and pleasure craft coating materials.

Staff proposes to add the following new definitions to PAR1106:

- “(6) CLEAR WOOD COATINGS are clear and semi-transparent topcoats applied to wood substrates to provide a transparent or translucent film.”
- “(7) DISTRIBUTOR means any person to whom a product is sold or supplied for the purposes of resale or distribution in commerce, except that manufacturers, retailers, and consumers are not distributors.”
- “(9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible-light, ultra-violet light or to an electron beam. The VOC content of thin film energy curable marine and pleasure craft coatings may be determined by manufacturers using ASTM test method 7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.”
- “(12) FINISH PRIMER/SURFACER is any coating applied with a wet film thickness of less than 10 mils (one mil = 0.001 of an inch) and is applied prior to the application of a Marine or Pleasure Craft Coating for the purpose of providing corrosion resistance, adhesion for subsequent coatings, a moisture barrier, or promotes a uniform surface necessary for filling in surface imperfections.”
- “(14) GRAMS OF VOC PER LITER OF MATERIAL (ACTUAL VOC) is the weight of VOC per volume of material and shall 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 material in liters”

- “(18) HIGH BUILD PRIMER/SURFACER is any coating applied with a wet film thickness of 10 mils or more (one mil = 0.001 of an inch) prior to the application of a topcoat for

purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.”

- “(19) **HIGH-VOLUME, LOW-PRESSURE (HVLP)** means spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns.”
- “(20) **INORGANIC ZINC COATING** is a coating that contains 960 grams per liter or more elemental zinc incorporated into an inorganic silicate binder that is applied to steel to provide galvanic corrosion resistance.”
- “(22) **LOW-SOLIDS COATINGS** are coatings containing one pound or less of solids per gallon of material.”
- “(24) **MARINE DECK SEALANT PRIMER** is any sealant primer intended by the manufacturer to be applied to wooden marine decks. A sealant primer is any product intended by the manufacturer to be applied to a substrate, prior to the application of a sealant, to enhance the bonding surface.”
- “(26) **MIST COATING** is any low viscosity thin film epoxy coating applied to an inorganic zinc primer that penetrates the porous zinc primer and allows the occluded air to escape through the film prior to curing.”
- “(28) **NONSKID COATING** means any coating applied to the horizontal surface of a marine vessel for the specific purpose of providing slip resistance for personnel.”
- “(29) **ORGANIC ZINC COATING** is a coating that contains 960 grams per liter or more elemental zinc incorporated into an organic silicate binder that is applied to steel to provide galvanic corrosion resistance.”
- “(30) **PLEASURE CRAFT** are marine or fresh water vessels that are less than 20 meters in length and are manufactured or operated primarily for recreational purposes, or are leased, rented, or chartered to a person or business for recreational purposes. Vessels operated in amusement theme parks in a fresh water environment solely for the purpose of an amusement park attraction shall be considered pleasure craft vessels regardless of their length. The owner or operator of a pleasure craft vessel shall be responsible for certifying that the intended use is for recreational purposes.”

- “(31) **PLEASURE CRAFT COATING** is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.”
- “(32) **PRETREATMENT WASH PRIMER** is a coating that contains a minimum of 1/2 percent acid, by weight; applied directly to bare metal surfaces to provide necessary surface etching.”
- “(35) **SEALER** is a coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.”
- “(39) **TEAK PRIMER** is a coating applied to teak wood or previously oiled teak wood decks in order to improve the adhesion of a seam sealer.”
- “(40) **TOPCOAT** is any final coating applied to the interior or exterior of a marine or pleasure craft.”
- “(42) **TRANSFER EFFICIENCY** means the amount of coating solids adhering to the object being coated divided by the total amount of coating solids sprayed; expressed as a percentage.”
- “(44) **VARNISHES** are clear or pigmented wood topcoats formulated with various resins to dry by chemical reaction.”

Staff proposes to make the following revisions to the existing definitions in Rule 1106 to clarify the intent of the definition and to make the definitions consistent with other Regulation XI coating rules.

- “(1) **AEROSOL COATING PRODUCT** ~~is means~~ a pressurized coating product containing pigments, ~~or~~ resins, ~~and/or other coating solids~~ that ~~is dispensed~~ ~~dispenses product ingredients~~ by means of a propellant, and is packaged in a disposable aerosol container ~~can~~ for hand-held application.”
- “(2) **AIR DRIED COATING** is any coating that is formulated by the manufacturer to be cured at a temperature below 90 °C (194 °F).”
- “(3) **ANTENNA COATING** is any coating applied to equipment and associated structural appurtenances ~~which that~~ are used to receive or transmit electromagnetic signals.
- “(4) **ANTIFOULING-ANTIFOULANT COATING** is any coating applied to the underwater portion of ~~a~~boats, ships, and vessels ~~vessel~~ ~~or pleasure craft~~ to prevent or

reduce the attachment of biological organisms. ~~An antifoulant coating and~~ shall be registered with the ~~Environmental Protection Agency as a pesticide~~ ~~United States Environmental Protection Agency (“U.S. EPA”) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).~~ ”

- “(5) BAKED COATING is any coating that is formulated by the manufacturer to be cured at a temperature at or above 90 °C (194 °F).”
- “(68) ELASTOMERIC ADHESIVE is any adhesive containing natural or synthetic rubber.” *(This definition is simply renumbered)*
- “(710) EXEMPT COMPOUNDS ~~are any of the following compounds:~~ (See Rule 102 - Definition of Terms).
- (A) Group I (General)
- ~~trifluoromethane (HFC 23)~~
- ~~pentafluoroethane (HFC-125)~~
- ~~1,1,2,2-tetrafluoroethane (HFC-134)~~
- ~~tetrafluoroethane (HFC-134a)~~
- ~~1,1,1-trifluoroethane (HFC-143a)~~
- ~~1,1-difluoroethane (HFC-152a)~~
- ~~chlorodifluoromethane (HCFC-22)~~
- ~~dichlorot trifluoroethane (HCFC-123)~~
- ~~2-chloro 1,1,1,2-tetrafluoroethane (HCFC-124)~~
- ~~dichlorofluoroethane (HCFC-141b)~~
- ~~chlorodifluoroethane (HCFC-142b)~~
- ~~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~~
- (B) Group II
- ~~Methylene chloride~~
- ~~1,1,1-trichloroethane (methyl chloroform)~~
- ~~trichlorot trifluoroethane (CFC-113)~~
- ~~dichlorodifluoromethane (CFC-12)~~
- ~~trichlorofluoromethane (CFC-11)~~
- ~~dichlorotetrafluoroethane (CFC-114)~~

~~chloropentafluoroethane (CFC-115)~~

~~The use of Group II compounds and/or carbon tetrachloride may be restricted in the future because they are toxic, potentially toxic, upper atmosphere ozone depleters, or cause other environmental impacts. By January 1, 1996, production of chlorofluorocarbons (CFC), 1,1,1-trichloroethane (methyl chloroform), and carbon tetrachloride will be phased out in accordance with the Code of Federal Regulation Title 40, Part 82 (December 10, 1993)."~~

“(811) EXTREME HIGH GLOSS COATING is any coating ~~which that~~ achieves at least 95 percent reflectance on a 60° Θ meter when tested by ASTM [Test Method D-523-14 – “Standard Test Method for Specular Gloss”](#).

“(913) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS ([REGULATORY VOC](#)) is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating,

$$\text{Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

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”

“(1015) HEAT RESISTANT COATING is any coating ~~which that~~ during normal use must withstand temperatures of at least 204 ° Θ C (400 ° Θ F).”

“(1116) HIGH GLOSS COATING is any coating ~~which that~~ achieves at least 85 percent reflectance on a 60° Θ meter when tested by ASTM Method D-523-14 – [“Standard Test Method for Specular Gloss”](#).

“(1217) HIGH TEMPERATURE COATING is any coating [that during normal use](#) ~~which~~ must withstand temperatures of at least 426 ° Θ C (800 ° Θ F).”

“(1321) LOW ACTIVATION INTERIOR COATING is any coating used on interior surfaces aboard [ships, boats, ships, and vessels](#), to minimize the activation of pigments on painted surfaces within a radiation environment.”

- “(423) MARINE COATING is any coating, except unsaturated polyester resin (fiberglass) coatings, containing volatile organic materials and applied by any means to ships, boats, ships, and vessels, and their appurtenances, and structures such as piers, and docks, to buoys and oil drilling rigs, intended for the exposure to either a marine or fresh water environment.”
- “(525) METALLIC HEAT RESISTANT COATING is any coating which that contains more than 5 grams of metal particles per liter of coating as applied and which must withstand temperatures over 80 °C (175°F).”
- “(627) NAVIGATIONAL AIDS COATING is any coating that is applied to are buoys or other Coast Guard waterway markers that are recoated at their usage site aboard ship and immediately returned to the water.”
- “(833) REPAIR AND MAINTENANCE THERMOPLASTIC COATING is any resin-bearing coating, such as vinyl, chlorinated rubber, or bituminous coatings; where in which the resin becomes pliable with the application of heat, and is used to recoat portions of a previously coated substrate which that has sustained damage to the coating following normal the initial coating operations.”
- “(934) SEALANT FOR WIRE-SPRAYED ALUMINUM is any coating of up to one mil (one mil = 0.001 of an inch) in thickness of an epoxy material which that is reduced for application with an equal part of an appropriate solvent (e.g. naphtha, or ethylene glycol monoethyl ether).”
- “(2036) SOLVENT CLEANING OPERATION is the removal of loosely held uncured adhesives, uncured inks, uncured coatings, and contaminants from parts, products, tools, machinery, equipment, and general work areas. Contaminants include, but are not limited to, dirt, soil, and grease. In a cleaning process which consists of a series of cleaning methods, each distinct method shall constitute a separate solvent cleaning operation as defined in Rule 1171 - Solvent Cleaning Operations.”
- “(2137) SPECIAL MARKING COATING is any coating used for items such as flight decks, ships’ vessel identification numbers and other demarcations for safety/ or identification applications.”
- “(2238) TACK COAT is an epoxy coating of up to two mils (0.002 inch) (one mil = 0.001 of an inch) thick applied to an existing epoxy coating that has aged beyond the time limit specified by the manufacturer for application of the next coat.”

- “(2341) TOUCH-UP COATING is any coating ~~operation applied incidental to the main coating process but necessary used~~ to cover minor imperfections ~~prior to shipment appearing after the main coating operation or minor mechanical damage incurred prior to intended use.~~”
- “(2443) UNDERSEA WEAPONS SYSTEM COATING is any coating applied to any ~~or all~~ components of a weapons system intended for exposure to a marine environment that is intended to be launched or fired ~~underwater undersea.~~”
- “(2545) VOLATILE ORGANIC COMPOUND (VOC) is ~~any volatile compound which contains the element carbon, excluding methane, carbon dioxide, carbon monoxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds as defined in Rule 102 - Definition of Terms.~~”
- “(2646) WIRE-SPRAYED ALUMINUM is any molten multi-aluminum coating applied to a steel substrate using oxygen fueled combustion spray ~~methods equipment.~~”

Subdivision (d) Requirements

Paragraph (d)(1)

The current Rule 1106 shows the Requirements subdivision as (c). PAR 1106 will show the Requirements subdivision as (d) due to the added subdivision for the Purpose subdivision. Staff proposes to renumber Paragraph (c)(1) of the current Rule 1106 to Paragraph (d)(1) for PAR 1106 to distinguish the Paragraph as introducing a Table of Standards I for Marine Coatings. The revisions are as follows:

“Except as otherwise provided in this rule, a person shall not apply a marine coating within the SCAQMD South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards I that are expressed as grams of VOC per liter of coating, as applied, less water and ~~less~~ exempt solvents:”

Table of Standards I

The current version of Rule 1106 - Marine Coating Operations, contains a list of coating categories and their corresponding VOC content limits. This list is spread over two pages and because there are no line separations between the coating categories, determining the VOC limits for each of the coating categories may be difficult as one traces their finger from the coating category on the left side of the page to the VOC limits on the right side of the page. Staff proposes to create a Table of Standards I that will contain this list of coating categories and their corresponding VOC content limits in a much easier-to-read tabular format. Table of Standards I will contain just the coating categories and VOC limits for Marine Coatings (Pleasure Craft Coating VOC limits will be in a proposed subsequent table, Table of Standards II).

In the Table of Standards I, there are currently four coating categories that have VOC content limits in excess of other California ~~APCDs/AQMDs~~sair districts and one coating category that has a VOC content limit in excess of both the U.S. EPA ~~CTGCTGs~~ and other California ~~APCDs/AQMDs~~sair districts. Staff proposes to make these VOC content limits consistent with the other local ~~APCDs/AQMDs~~sair districts and the U.S. EPA ~~CTGCTGs~~ as shown in Table 2-1:

TABLE 2-1: FIVE COATING CATEGORIES IN RULE 1106 THAT NEED TO BE ADJUSTED FOR CONSISTENCY WITH THE U.S. EPA ~~CTGCTGs~~ AND LOCAL ~~APCDs/AQMDs~~AIR DISTRICTS VOC LIMITS

	<u>SCAQMD South Coast AQMD RULE 1106</u>		U.S. EPA CTGCTGs	BAAQMD	SDAPCD	VCAPCD
COATING CATEGORY	Current Limit (g/L)	Proposed Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)
Antenna Coating	530	340	530	--	340	340
Pre-Treatment Wash Primer	780	420	780	420	420	780
Repair & Maintenance Thermoplastic Coating	550	340	550	340	550	340
Inorganic Zinc Coating	650	340	340	340	340	340
Special Marking Coating	490	420	490	490	420	420

The current version of Rule 1106 has an exemption for antifoulant coatings that are applied on aluminum substrates, but the current version of Rule 1106.1 does not have this exemption. Instead, the current Rule 1106.1 has a 560 g/L VOC content limit for antifoulant coatings that are applied to aluminum substrates. The Ventura County APCD has a 560 g/L VOC content limit for antifoulant coatings and does not provide for any exemption for aluminum substrates. Staff found several antifoulant coatings suitable for use on aluminum substrates that can also be used on commercial vessels and the U.S. Coast Guard fleet and still meet the 560 g/L VOC content limit. In fact, some of these antifoulant coatings were being used in some marinas on aluminum substrates. Furthermore, staff found that the retail prices of fourteen aluminum substrate-suitable antifoulant coating products that are currently available on the market average around \$143 per gallon container (range from \$65 to \$340 per gallon container), and are comparable to the retail prices of antifoulant coating products suitable for use on non-aluminum substrates. Therefore, staff is proposing to eliminate the aluminum substrate exemption and incorporate a 560 g/L VOC content limit for antifoulant coatings that are applied to aluminum substrates in Table of Standards I.

Staff proposes to add three new additional coating categories to Table of Standards I that are already included in the U.S. EPA CTGCTGs (Table 2-2):

TABLE 2-2: THREE COATING CATEGORIES TO BE ADDED TO PROPOSED AMENDED RULE 1106 FOR CONSISTENCY WITH THE U.S. EPA CTGCTGs AND LOCAL APCDs/AQMDs AIR DISTRICTS VOC LIMITS

	SCAQMD South Coast AQMD RULE 1106	U.S. EPA CTGCTGs	BAAQMD	SDAPCD	VCAPCD
COATING CATEGORY	Current Limit (g/L)	Proposed Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)
Mist Coating	--	610	610	--	610
Nonskid Coating	--	340	340	--	--
Organic Zinc Coating	--	340	360	--	340

Table 2-3 shows the Table of Standards I for PAR 1106 with the revised VOC limits for the five categories discussed above and three new additional coating categories added. The “General Coating” category in the current Rule 1106 is proposed to be renamed as “Any Other Coating Type” to be consistent with other Regulation XI rules and will include coating categories that are not listed in Table of Standards I such as bilge coatings and propeller coatings.

TABLE 2-3: PROPOSED TABLE OF STANDARDS FOR MARINE COATINGS:
TABLE OF STANDARDS I

<u>MARINE COATING CATEGORIES</u>	<u>VOC LIMITS</u>	
	<u>Less water and exempt compounds</u>	
	<u>Grams per Liter (g/L)</u>	<u>BAKED</u>
	<u>CURRENT LIMIT</u>	<u>AIR DRIED</u>
<u>Antenna Coating</u>		<u>340</u>
<u>Antifouulant Coatings:</u>		
<u>Aluminum Substrate</u>		<u>560</u>
<u>Other Substrate</u>		<u>400</u>
<u>Elastomeric Adhesives (with 15%, by Weight, Natural or Synthetic Rubber)</u>		<u>730</u>
<u>Inorganic Zinc Coating</u>		<u>340</u>
<u>Low Activation Interior Coating</u>		<u>420</u>
<u>Mist Coating</u>		<u>610</u>
<u>Navigational Aids Coating</u>		<u>340</u>
<u>Nonskid Coating</u>		<u>340</u>
<u>Organic Zinc Coating</u>		<u>340</u>
<u>Pre-Treatment Wash Primer</u>	<u>420</u>	<u>420</u>

<u>Repair and Maintenance Thermoplastic Coating</u>		<u>340</u>
<u>Sealant for Wire-Sprayed Aluminum</u>		<u>610</u>
<u>Special Marking Coating</u>		<u>420</u>
<u>Specialty Coatings:</u>		<u>420</u>
<u>Heat Resistant Coating</u>	<u>360</u>	<u>420</u>
<u>Metallic Heat Resistant Coating</u>		<u>530</u>
<u>High Temperature Coating</u>		<u>500</u>
<u>Tack Coating</u>		<u>610</u>
<u>Topcoats:</u>		
<u>Extreme High Gloss Coatings</u>	<u>420</u>	<u>490</u>
<u>High Gloss Coatings</u>	<u>275</u>	<u>340</u>
<u>Undersea Weapons Systems Coating</u>	<u>275</u>	<u>340</u>
<u>Any Other Coating Type</u>	<u>275</u>	<u>340</u>

Paragraph (d)(2)

Staff proposes to add a new paragraph to PAR 1106 to include the pleasure craft coating categories and VOC limits. The current version of Rule 1106.1 contains a list of coating categories and their corresponding VOC content limits. Similar to the VOC categories and VOC limits in the current version of Rule 1106, there are no line separations between the coating categories and determining the VOC limits for each of the coating categories may be difficult as one traces their finger from the coating category on the left side of the page to the VOC limits on the right side of the page. Staff proposes to create a Table of Standards II that will contain this list of coating categories and the corresponding VOC content limits in a much easier-to-read tabular format. Table of Standards II will contain just the coating categories and VOC limits for Pleasure Craft Coatings. Table of Standards II contains all the original coating categories and VOC content limits that are currently shown in Rule 1106.1 but the list will be arranged in alphabetical order. There is only one addition to Table of Standards II and that is the inclusion of the Marine Deck Sealant Primer along with the corresponding 760 g/L VOC content limit. This coating category has been added to be consistent with another local APCDair district that also has a pleasure craft coating rule. Finally, the “Others” category in the current Rule 1106.1 is proposed to be renamed as “Any Other Coating Type” to be consistent with other Regulation XI rules and will include coating categories that are not listed in Table of Standards I such as bilge coatings and propeller coatings.

“(2) VOC Content of Pleasure Craft Coatings

Except as otherwise provided in this rule, a person shall not apply a pleasure craft coating within the SCAQMD South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards II that are expressed as grams of VOC per liter of coating, as applied, less water and exempt solvents:”

TABLE 2-4 - PROPOSED TABLE OF STANDARDS FOR PLEASURE CRAFT COATINGS:

TABLE OF STANDARDS II

<u>VOC LIMITS</u>	
<u>Less water and exempt compounds</u>	
<u>Grams per Liter (g/L)</u>	
<u>PLEASURE CRAFT COATING CATEGORIES</u>	<u>Current Limit</u>
<u>Antifoulant Coatings:</u>	
<u>Aluminum Substrate</u>	<u>560</u>
<u>Other Substrates</u>	<u>330</u>
<u>Clear Wood Finishes:</u>	
<u>Sealers</u>	<u>550</u>
<u>Varnishes</u>	<u>490</u>
<u>Primer Coatings:</u>	
<u>Finish Primer/Surfacer</u>	<u>420</u>
<u>High Build Primer Surfacer</u>	<u>340</u>
<u>Marine Deck Sealant Primer</u>	<u>760</u>
<u>Pretreatment Wash Primer</u>	<u>780</u>
<u>Teak Primer</u>	<u>775</u>
<u>Topcoats:</u>	
<u>Extreme High Gloss Coating</u>	<u>490</u>
<u>High Gloss Coating</u>	<u>420</u>
<u>Any Other Coating Type</u>	<u>420</u>

Staff will also add a low-solids coating category for both marine and pleasure craft coatings. Low-solids marine and pleasure craft coatings will be limited to 120 grams per liter of VOC and will be classified as a low-solids coating if they have no more than one pound of solids per gallon. Staff will add the following table to the proposed amended rule:

“(3) VOC Content of Low-Solids Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating or a pleasure craft coating within the SCAQMD South Coast AQMD jurisdiction with a VOC content in excess of the following limit shown in the Table of Standards III that is expressed as grams of VOC per material of coating, as applied:”

TABLE 2-5: PROPOSED TABLE FOR LOW-SOLIDS COATINGS:

TABLE OF STANDARDS III

<u>VOC LIMIT – MARINE & PLEASURE CRAFT COATINGS</u>	
<u>Grams per liter of material VOC</u>	
<u>COATING CATEGORY</u>	<u>CURRENT LIMIT</u>
<u>Low-Solids Coating</u>	<u>120</u>

Paragraph (d)(4) - Most Restrictive VOC Limit

Staff proposes to include a new provision in PAR 1106 to address the need to apply the most restrictive VOC limit for a specific coatings use. This provision is included in other Regulation XI VOC rules and is now being proposed to be included in PAR 1106 for consistency and to enhance enforceability of VOC limits. When implementing Regulation XI rules with maximum allowable VOC limits for specific categories, staff has encountered instances of products that meet the definition of or are recommended for use for one category, but are sold or used in applications matching a different coating category that has a VOC limit in excess of the limit prescribed for the category that the product is subject to. For example, at many of the marinas staff has encountered uses of antifoulant coatings intended for marine vessels on pleasure craft because it has a higher VOC limit per Rule 1106 than the VOC limit for antifoulant coatings per Rule 1106.1. The most restrictive VOC limit will eliminate this ambiguity among multiple marine and pleasure craft coating categories as it pertains to VOC limits, and will ensure that end-users use compliant marine and pleasure craft coatings.

"(4) Most Restrictive VOC Limit

If any representation or information on the container of any coating subject to this rule, or any label or sticker affixed to the container, or in any sales, advertising, or technical literature that indicates that the coating meets the definition of, is recommended for use or is suitable for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply."

Paragraph (c)(2) - Approved Emission Control System

Staff proposes to strike-out the rule language due to none of the facilities use emission collection and destruction equipment that collectively makes up an approved emission control system.

"(2) Approved Emission Control System**(A) Approved Emission Control System**

~~Owners and/or operators may comply with the provisions of paragraphs (e)(1) by using an emission control system, which has been approved in writing by the Executive Officer, for reducing VOC emissions. The control system must achieve a minimum capture efficiency using USEPA, ARB, and District methods specified in subparagraph (e)(4)(A) and a destruction efficiency of at least 85 percent by weight, and,~~

~~(B) The approved system shall reduce the VOC emissions, when using non-compliant coatings, to an equivalent or greater level that would be achieved by the provisions in paragraph (e)(1). The required efficiency of an emission control system at which~~

~~an equivalent or greater level of VOC reduction will be achieved shall be calculated by the following equation:~~

$$C.E. = [1 - \left\{ \frac{\frac{(VOC_{LWe})}{(VOC_{LWn,Max})} - 1}{\frac{(VOC_{LWn,Max})}{(VOC_{LWe}/D_e)} - 1} \right\}] \times 100\%$$

Where: C.E. = Control Efficiency, expressed as a percentage

~~VOC_{LWe}~~ = VOC Limit of Rule 1106, less water and less exempt compounds, pursuant to subdivision (d).

~~VOC_{LWn,Max}~~ = Maximum VOC content of non-compliant coating used in conjunction with a control device, less water and less exempt compounds.

~~D_{n,Max}~~ = Density of solvent, reducer, or thinner contained in the non-compliant coating, containing the maximum VOC content of the multi-component coating.

~~D_e~~ = Density of corresponding solvent, reducer, or thinner used in the compliant coating system = 880 g/L.”

Paragraph (c)(3) - Alternative Emission Control Plan

Staff proposes the following updates to the existing rule language to enhance clarity and then renumber the paragraph to (d)(5).

“(35) Alternative Emission Control Plan

~~Owners and/or operators may achieve compliance with the requirements~~ A person may comply with the provisions of paragraphs (d)(1), (d)(2) and (d)(3) ~~paragraph (e)(1)~~ by means of an Alternative Emission Control Plan, pursuant to Rule 108 - Alternative Emissions Control Plans.”

Paragraph (d)(6) - Exempt Compounds

Staff proposes to add new rule language for exempt compounds to maintain consistency with other Regulation XI coating rules and then renumber the paragraph (d)(6).

“(6) Exempt Compounds

A person shall not manufacture, sell, offer for sale, distribute for use in the SCAQMD South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains any Group II Exempt Compounds listed in Rule 102 - Definition of Terms, in quantities

greater than 0.1 percent by weight. Cyclic, branched, or linear, completely methylated siloxanes (VMS) are not subject to this provision.”

Paragraph (d)(7) - Carcinogenic Materials

Staff proposes to add new rule language for carcinogenic materials to maintain consistency with other Regulation XI coating rules and then renumber the paragraph (d)(7).

“(7) Carcinogenic Materials

A person shall not manufacture, sell, offer for sale, distribute for use in the SCAQMD South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains cadmium, nickel, lead or hexavalent chromium that was introduced as a pigment or as an agent to impart any property or characteristic to the marine or pleasure craft coatings during manufacturing, distribution, or use of applicable marine or pleasure craft coatings.”

Paragraph (d)(8) - Application Equipment Transfer Efficiency

Staff proposes to add the new language for transfer efficiency, align transfer efficiency requirements of this rule with other Regulation IX coating rules, and then renumber the paragraph (d)(8).

“(8) Application Equipment Transfer Efficiency

- (A) A person shall not apply any marine coating or pleasure craft coating unless one of the following methods of coating transfer is used:
- (i) Electrostatic application;
 - (ii) High-volume, low-pressure (HVLP) spray;
 - (iii) Brush, dip, or roller;
 - (iv) Spray gun application, provided the owner or operator demonstrates that the spray gun meets the HVLP definition in paragraph (c)(19) in design and use. A satisfactory demonstration must be based on the manufacturer's published technical material on the design of the spray gun and by a demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun; or
 - (v) Any such other marine or pleasure craft coating application methods as demonstrated, in accordance with the provisions of paragraph (g)(6), to be capable of achieving equivalent or better transfer efficiency than the marine or pleasure craft coating application method listed in clause (d)(8)(A)(ii), provided written approval is obtained from the Executive Officer prior to use.

(B) A person shall not apply any marine coating or pleasure craft coating by any of the methods listed in subparagraph (d)(8)(A) unless such coating is applied with properly operating equipment, operated according to procedures recommended by the manufacturer and in compliance with applicable permit conditions, if any.”

Paragraph (d)(9) - Solvent Cleaning, Storage and Disposal of VOC-containing Materials

The current Rule 1106 shows the solvent cleaning subdivision as (c). PAR 1106 now shows the solvent cleaning subdivision as (d) due to the added subdivision for Purpose. Staff proposes the following updates to the existing rule language in efforts to make this rule consistent with other Regulation XI coating rules and then renumber the paragraph (d)(9).

(49) Solvent Cleaning ~~Operations~~ Storage and Disposal of VOC-containing Materials
~~All solvent~~ Solvent cleaning operations of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC-containing materials used in solvent cleaning ~~operations activities~~ shall be carried out pursuant to SCAQMDSouth Coast AQMD Rule 1171 - Solvent Cleaning Operations.

(c)(5) Recordkeeping

The current Rule 1106 contains a paragraph for recordkeeping. Staff believes this is already covered by SCAQMDSouth Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions. Staff proposes to delete this rule language. (See subdivision (f) for additional discussion for recordkeeping).

~~(5) — Recordkeeping~~

~~Notwithstanding the provisions of subdivision (g), records shall be maintained pursuant to Rule 109.”~~

Subdivision (e) - Prohibition of Possession, Specification and Sale

The current Rule 1106 shows the Prohibition of Specification subdivision as (d). Staff proposes to renumber subdivision (d) as subdivision (e). For subdivision (e), staff proposes to include a Prohibition of Possession and Sale of non-compliant coatings in the existing provision in addition to the existing Prohibition of Specification to be consistent with SCAQMDSouth Coast AQMD Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. Staff found non-compliant marine and pleasure craft coatings stored in the marinas that were visited. In addition, staff found multiple non-compliant marine and pleasure craft coatings offered for sale at many marine stores in the SCAQMDSouth Coast AQMD jurisdiction. Staff proposes to replace the current rule language with the following rule language to prohibit

possession and sales of non-compliant marine and pleasure craft coating products subject to Rule 1106.

“(d) Prohibition of Specification

- (1) ~~A person shall not solicit or require any other person to use, in the district, any coating or combination of coatings to be applied to any marine vessel or marine component subject to the provisions of this rule that does not meet the limits requirements of this rule or of an Alternate Emission Control Plan approved pursuant to the provisions of paragraph (e)(3) of this rule.~~
- (2) ~~The requirements of paragraph (d)(1) shall apply to all written or oral agreements executed or entered into after November 4, 1988.”~~

“(e) Prohibition of Possession, Specification and Sale

- (1) For the purpose of this rule, no person shall store at a worksite any marine coating or pleasure craft coating subject to this rule within the SCAQMD South Coast AQMD jurisdiction that is not in compliance with the requirements shown in the Tables of Standards of paragraphs (d)(1), (d)(2), and (d)(3) unless the following condition applies:
- (A) The marine or pleasure craft coating is for use at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
- (2) For the purpose of this rule, no person shall solicit from, specify, or require any other person to use in the SCAQMD South Coast AQMD jurisdiction any marine or pleasure craft coating that does not meet the:
- (A) Applicable VOC limits required by paragraph (d)(1), (d)(2) or (d)(3) for the specific application unless:
- (i) The marine or pleasure craft coating is located at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (3) For the purpose of this rule, no person shall supply, sell, offer for sale, market, blend, package, repackage or distribute any marine or pleasure craft coating for use within the SCAQMD South Coast AQMD jurisdiction subject to the provisions in this rule that does not meet the:

- (A) Applicable VOC limits required by paragraphs (d)(1), (d)(2) and (d)(3) for the specific application, unless:
- (i) The marine or pleasure craft coating is for use at a facility that operates in accordance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan; and,
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (4) For the purpose of this rule, no person shall solicit from, specify, require, offer for sale, sell, or distribute to any other person for use in the District any marine or pleasure craft coating application equipment that does not meet the requirements of subparagraph (d)(8)(A).
- (5) For the purpose of this rule, no person shall offer for sale, sell, supply, market, offer for sale or distribute an HVLP spray gun for use within the SCAQMD South Coast AQMD unless said person provides accurate information to the spray gun recipient. Such accurate information shall include the maximum inlet air pressure to the spray gun that would result in a maximum air pressure of 10 pounds per square inch gauge (psig) air pressure measured dynamically at the center of the air cap and at the air horns based on the manufacturer's published technical material on the design of the spray application equipment and by a demonstration of the operation of the spray application equipment using an air pressure tip gauge from the manufacturer of the gun. The information shall either be permanently marked on the gun, or provided on the company's letterhead or in the form of technical literature that clearly identifies the spray gun manufacturer, the seller, or the distributor.
- (6) Paragraphs (d)(1), (d)(2) and (d)(3) shall not apply to marine coatings or pleasure craft coatings that are sold, offered for sale, or solicited, for shipment or use outside of the SCAQMD South Coast AQMD jurisdiction, or for shipment to other manufacturers for repackaging provided such coatings are sold, offered for sale, or solicited, for shipment or use outside the SCAQMD South Coast AQMD jurisdiction.

Subdivision (f) - Recordkeeping Requirements for Marine and Pleasure Craft Coatings

The current Rule 1106 shows the Recordkeeping under paragraph (d)(5) whereas PAR 1106 will show Recordkeeping in subdivision (f). Staff proposes to revise the recordkeeping rule language in the current version of Rule 1106 to make it consistent with other Regulation IX coating rules.

(5) Recordkeeping

~~Notwithstanding the provisions of subdivision (g), records shall be maintained pursuant to Rule 109.”~~

“(f) Recordkeeping Requirements

(1) Recordkeeping for VOC Emissions

Notwithstanding the provisions of subdivision (i), records of marine coating usage and pleasure craft coating usage, as applicable, shall be maintained pursuant to SCAQMD South Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions, and shall be made available to the Executive Officer upon request.

Paragraph (g)(1), (g)(2) and (g)(3) - Test Methods

The current version of Rule 1106 shows the test methods under subdivision (e), whereas PAR 1106 will show the test methods under subdivision (g). Staff proposes the following updates to the existing rule language and renumber the subdivision to (g). The following test methods are used to determine the VOC content of marine and pleasure craft coatings. ASTM Test Method D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable acrylate Monomers, Oligimers, and Blends and Thin Coatings Made from Them” may be used to estimate the VOC content of thin-film Energy Curable Coatings. Staff proposes to add a new exemption for marine and pleasure craft coatings that contain 50 g/L of VOC or less from PAR 1106 requirements. For Energy Curable Coatings, test results from the ASTM D7767-11 method will be allowed, in conjunction with product formulation data, to be used to verify if these coatings qualify for this new exemption. 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 manufacturer to create the product (note that Safety Data Sheets (SDS) are not considered formulation data).

In September 2012, SCAQMD South Coast AQMD Laboratory staff met with a developer of ASTM D7767-11 that was part of a larger committee formed by RADTECH, a non-profit association serving the UV & EB Industry and Market. During that visit they performed ASTM D7767-11 at 3M (Minneapolis, MN). SCAQMD South Coast AQMD Laboratory staff observed the following limitations of ASTM D7767-11 with regard to it being a potential test method for VOC compliance determination:

- 1) The method provides only an estimation of the VOC content, a distinction that was confirmed in-person by the creator of the method during the 3M visit;
- 2) The volatiles estimate is based on the measurement of the reactive components (i.e. acrylate monomers, oligomers, and blends), not of the fully-formulated product which

also includes the pigments and additives that are excluded so that the product can be tested at a thick enough film in order to accurately measure the weight loss for VOC quantification;

- 3) Supplier-specified cure condition, end-use film thickness, and specific photo-initiator are required to accurately perform the method; and
- 4) It is not a direct method for measuring volatiles from thin coatings, as the method was developed to help formulators identify and select lower VOC constituents during coating production.

For enforcement purposes, which relies on the fully formulated product to be tested, a third party laboratory, such as the ~~SCAQMD~~South Coast AQMD Laboratory, cannot independently perform ASTM D7767-11 and have the confidence that the results accurately reflect the composition of the sample. If ~~SCAQMD~~South Coast AQMD compliance staff collected a sample of a thin-film energy curable product, the manufacturer would need to supply the raw materials and a photo-initiator in order to accurately perform the method. ASTM D7767-11 offers no ability to confirm that the ingredients are actual constituents of the commercial product being tested. For these reasons, ASTM D7767-11 cannot be added as a test method to paragraph (h)(1) - Determination of VOC Content in the proposed amended rule language. Staff will work with manufacturers to develop or enhance a test method that can be used to directly measure the VOC of thin-film coatings. However, staff has proposed a new exemption for coatings containing 50 g/L VOC or less, which will require product formulation data and ASTM D7767-11 test results to be provided by the manufacturer for energy curable coatings.

“(e) Test Methods

- (1) Determination of VOC Content:

The VOC content of coatings, subject to the provisions of this rule shall be determined by the following methods:

- (A) ~~United States Environmental Protection Agency (U.S. EPA)~~ Reference Test Method 24 (Determination of Volatile Matter Content, Water Content, Volume Solids and Weight Solids of Surface Coatings, Code of Federal Regulations, Title 40, Part 60, Appendix A). The exempt compounds' content shall be determined by ~~SC~~South Coast AQMD Laboratory Test Method 303 (Determination of Exempt Compounds) contained in the ~~SC~~South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,

- (B) ~~SC~~South Coast AQMD Method 304 [Determination of Volatile Organic Compounds (VOCs) in Various Materials] contained in the ~~SC~~South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,
- (C) ~~SCAQMD~~South Coast AQMD Method 313 [Determination of Volatile Organic Compounds VOC by Gas Chromatography-Mass Spectrometry] in the ~~SCAQMD~~South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.
- (2) VOC content determined to exceed the limits established by this rule through the use of any of the above-referenced test methods shall constitute a violation of this rule.
- (E3) Exempt Perfluorocarbon Compounds
The following classes of compounds:
Ccyclic, branched, or linear, completely fluorinated alkanes;
Ccyclic, branched, or linear, completely fluorinated ethers with no unsaturations;
Ccyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations; and
Ssulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine,
~~will shall~~ be analyzed as exempt compounds for compliance with subdivision (ed), only ~~when at such time~~ as manufacturers specify which individual compounds are used in the ~~coating~~ formulation of the coatings subject to this rule. In addition, prior to any such analysis, the manufacturers shall also identify the test methods approved by the U.S. EPA, California Air Resources Board (CARB), and the ~~SC~~South Coast AQMD ~~approved test methods~~ that will be used to quantify the amount of each exempt compound."

Paragraph (g)(4) - Determination of Metal Content

Staff proposes the following updates to the existing rule language and to renumber this paragraph from (e)(2) in the current Rule 1106 to paragraph (g)(4) in PAR 1106 as follows:

- "(24) Determination of ~~Metal Content~~Iridescent Particles in Metallic/Iridescent Coatings

The metal and silicon content in metallic/iridescent coatings subject to the provisions of this rule shall be determined by the ~~SCSouth Coast~~ AQMD Method 311 (Determination Analysis of Percent Metal in Metallic Coatings by Spectrographic Method) contained in the ~~SCSouth Coast~~ AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual."

Paragraph (g)(5) - Determination of Acid Content

Staff proposes the following updates to the existing rule language and to renumber this paragraph from (e)(3) in the current Rule 1106 to paragraph (g)(5) in PAR 1106 as follows:

"(35) Determination of Acid Content [in Marine and Pleasure Craft Coatings](#)

The acid content of any coating subject to the provisions of this rule shall be determined by ASTM D-1613-~~85-06 (2012)~~ (Standard Test Method for Acidity in Volatile Solvents and Chemical Intermediates Used in Paint-Varnish, Lacquer, and Related Products) ~~contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples" manual.~~"

Paragraph (g)(6) - Determination of Transfer Efficiency of Application Equipment

Staff proposes to add new language for transfer efficiency test methods to align this requirement with other Regulation IX coating rules. The proposed new rule language is as follows:

"(6) Determination of Transfer Efficiency of Application Equipment

The transfer efficiency of alternative marine coating and pleasure craft coating application methods, as defined by clause (d)(8)(A)(v), shall be determined in accordance with the SCAQMD South Coast AQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989," and SCAQMD South Coast AQMD "Guidelines for Demonstrating Equivalency With District Approved Transfer Efficiency Spray Gun September 26, 2002".

Paragraph (e)(4) - Determination of Efficiency of Emission Control System

Staff proposes to strike out the rule language since none of the facilities use emission collection and destruction equipment that collectively makes-up an approved emission control system. If a facility desires to use emission collection and destruction equipment in the future, the facility may demonstrate compliance with PAR 1106 with this system by means of an Alternative Emission Control Plan, pursuant to Rule 108 – Alternative Emissions Control Plans.

"(4) Determination of Efficiency of Emission Control System

~~(A) The efficiency of the collection device of the emission control system as specified in paragraph (e)(2) shall be determined by the USEPA method cited in 55 Federal~~

~~Register 26865 (June 29, 1990), or any other method approved by the USEPA, the California Air Resources Board, and the SCAQMD.~~

- (B) ~~The efficiency of the control device of the emission control system as specified in paragraph (e)(2) and the VOC content in the control device exhaust gases, measured and calculated as carbon, shall be determined by U.S. EPA Test Methods 25, 25A, or SCAQMD Method 25.1 (Determination of Total Gaseous Non-Methane Organic Emissions as Carbon) as applicable. U.S. EPA Test Method 18, or ARB Method 422 shall be used to determine emissions of exempt compounds.”~~

Paragraph (g)(7) - Multiple Test Methods - and paragraph (g)(8)

Staff proposes to renumber the Multiple Test Methods paragraph from (e)(5) in the current Rule 1106 to paragraph (g)(7) in PAR 1106 and to renumber the following paragraph (e)(6) in the current Rule 1106 to paragraph (g)(8) in PAR 1106 as follows:

“(57) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

(68) All test methods referenced in this section shall be the most recently approved version.”

Subdivision (h) - Rule 442 Applicability

Staff proposes to revise the rule language to include usage of solvents and make this rule consistent with other Regulation XI rules. Staff also proposes to renumber subdivision (f) in current Rule 1106 to subdivision (h) in PAR 1106. The proposed rule language is as follows:

“(fh) Rule 442 Applicability

Any ~~marine coating operation~~ Marine Coating or Pleasure Craft Coating or any facility ~~which that~~ is exempt pursuant to subdivision (j) from all or a portion of the VOC limits of subdivision (d) this rule shall comply with the provisions of Rule 442 - Usage of Solvents.”

Subdivision (j) - Exemptions:

Staff proposes minor corrections and three new exemptions to subdivision (j) addressing coatings with viscosities greater than 650 centipoise, coatings that have a VOC content of no more than 50 g/L or its equivalent, less water and less exempt compounds, as applied, and coatings that are intended for vessels that submerge to at least 500 feet below the surface of the water.

Subdivision (j) is numbered as subdivision (i) in the current rule. Staff proposes the following revisions to the exemptions subdivision starting with subdivision (j) followed by an explanation for all the subsequent paragraphs:

Staff proposes to update the introduction of the exemptions subdivision to clarify that the exempted coatings or products shall not contain any Group II Exempt Compounds in quantities greater than 0.1 percent by weight or Carcinogenic Materials, which are added provisions in the rule in proposed paragraphs (d)(6) and (d)(7).

“(g) Exemptions:

With the exception of paragraphs (d)(6) and (d)(7), ~~T~~he provisions of this rule shall not apply to:

Coatings with VOC Content of 50 g/L or Less:

Low- to near-zero VOC coating technologies are increasingly being developed and are currently available for use in a multitude of industries, including graphic arts, architectural and industrial maintenance coatings, and marine coatings. To incentivize users to choose lower VOC coatings and manufacturers to formulate lower VOC products, staff proposes to provide an exemption for marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, from the requirements of Proposed Amended Rule 1106. For energy curable coatings to qualify for this exemption, staff proposes that product formulation data and test results using the ASTM D7767-11 method first be submitted to the ~~SCAQMD~~South Coast AQMD by the manufacturer. Staff proposes the following rule language to exempt coatings that have a VOC content of 50 g/L or less:

- (1) Marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, provided that for energy curable coatings, product formulation data and test results, determined by ASTM D7767-11, shall first be submitted to the Executive Officer by the manufacturer.

Paragraphs (j)(2), (j)(3) and (j)(4) are editorial corrections. The language in paragraph (i)(3) of the current rule can be removed as the date January 1, 1992 has long since passed. The language in paragraph (i)(4) of the current rule can also be removed since the VOC content limit for aluminum hulls is now shown in the Table of Standards I and II.

- (~~2~~) ~~marine~~Marine coatings applied to interior surfaces of potable water containers.
- (~~2~~3) ~~touch~~Touch-up coatings, as defined by paragraph (c)(41) of this rule.
- (~~3~~) ~~marine coatings purchased before January 1, 1992, in containers of one quart or less and applied to pleasure craft.~~
- (~~4~~) ~~antifoulant coatings applied to aluminum hulls.~~
- (~~3~~4) Any aerosol coating products.

Coatings that have a viscosity greater than 650 centipoise:

Staff proposes to include an exemption in the proposed amendment for certain coatings that are too thick to be sprayed by conventional spray equipment. The proposal will exempt coatings that have a viscosity greater than 650 centipoise, which have poor flow characteristics, from the proposed transfer efficiency requirements in paragraph (d)(8), Application Equipment Transfer Efficiency, including HVLP. The spraying equipment required to spray such thick fluids includes spraying equipment such as plural type application equipment or spraying equipment that must use very high pressure (greater than 1,000 psi) and heated elements to apply coatings. Without the proposed exemption, shops forced to use HVLP equipment would otherwise have to thin high solids coatings with VOC solvents to allow them to be sprayed, thus eliminating the benefit of the low-VOC high solids coatings. Staff proposes the following rule language to exempt coatings that have a viscosity of 650 centipoise or greater from the requirements in paragraph (d)(9):

(45) The provisions of paragraph (d)(8) shall not apply to Marine or Pleasure Craft coatings with a viscosity of 650 centipoise or greater, as applied.

Department of Defense Specified Coatings for Submarines:

Staff determined that Pre-treatment Wash Primers and Special Marking Coatings that are intended to be used on submerged vessel (submarine) components require the use of these coatings per military specifications (Mil-Specs) and currently meet the VOC limits in Rule 1106 - Marine Coating Operations. However, these coatings will not meet the new aligned VOC limits in Proposed Amended Rule 1106, which seeks to align these VOC limits with other air districts. Staff proposes to craft an exemption for these types of coatings but limit use to no more than 12 gallons per calendar year, of all products combined, for this type operation and will require that the products used will have to be in compliance with the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coating) as provided in Part 63 of the Code of Federal Regulations. Staff proposes the following rule language to exempt Department of Defense Specified Coatings for Submarines:

(56) The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to Marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings does not exceed one gallon per month and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS

CHAPTER 3: IMPACT ASSESSMENT OF PROPOSED AMENDED RULE 1106

- o Emission Impact Assessment
- o Cost Analysis
- o Incremental Cost-Effectiveness
- o California Environmental Quality Act (CEQA)
- o Socioeconomic Impact Assessment
- o Draft Findings under California Health and Safety Code 40727
- o Comparative Analysis
- o Draft Conclusions and Recommendations
- o Public Comments and Responses

EMISSION IMPACT ASSESSMENT

Staff does not anticipate any real quantifiable emission reductions or increases as a result of this proposed amendment. The coatings that are applied to marine and pleasure craft vessel are comprised of above waterline (top side) coatings and below waterline (bottom side) coatings. The coating categories that are not in compliance with the U.S. EPA CTGs and NESHAP for Shipbuilding and Ship Repair (Surface Coating) are the top side coatings. The top side coatings affected are the mist, nonskid and solvent-based organic zinc coatings. Staff has found these products on shelves and determined that the VOC content offered for sale is within the VOC limitations prescribed by the VOC limits in the U.S. EPA CTGs/NESHAP and have been in place since 1995. Staff does not believe that there will be any VOC reductions because the end-users are already using readily available compliant coatings. There are also niche categories for antenna coatings, pre-treatment primers, repair and maintenance thermal coatings and special marking coatings where other air districts have lower VOC limits than the current version of Rule 1106. However, because they are niche products, they are infrequently used. Staff proposes to align these coating categories in Rule 1106 with these coating categories to be consistent with other air districts. Staff found these coatings to already meet the VOC limits already prescribed by other air districts and therefore an emission reduction is not quantifiable. These proposed amendments will not lead to any need for manufacturers to reformulate their products or affect the cost of these products to the end-user, substantiating PAR 1106 as administrative in nature. However, it is expected that compliance will be improved with increased clarity of rule requirements.

There would be, at best, a minuscule reduction in VOCs for the top side coating categories that were reduced to the U.S. EPA ~~CTG/NESHAP~~ CTGs/NESHAP and other air district VOC limits. However, even after staff learned that the top side coatings are within the VOC limits set forth by the U.S. EPA CTGs/NESHAP, it was the bottom side antifoulants that are predominately used at the harbors. This is logical because antifoulants must be applied every two years and top side coatings can last up to ten years. Top side coatings is a small market compared to other VOC-containing materials regulated by the ~~SCAQMD~~ South Coast AQMD, such as architectural coatings. PAR 1106 retains the VOC limits for antifoulant coatings from the current Rule 1106, and prescribes a VOC limit for aluminum substrate-specific antifoulant coatings that aligns with another air district that currently has this VOC limit for this type of antifoulant coating. Furthermore, staff found several antifoulant coatings suitable for use on aluminum substrates that already meet the prescribed VOC limit. Therefore, for the top side and bottom side coatings, staff believes there is no VOC reduction benefits that can be calculated.

COST ANALYSIS

The proposed amendment to Rule 1106 is not expected to have a net cost impact, since industry will be able to continue business as usual and operate their equipment subject to PAR 1106 in a similar manner to the current rules. The cost of bottom side coating products (e.g. antifoulant coatings) for aluminum and non-aluminum substrates currently available in the market is similar. Furthermore, the top side coatings to be affected by the proposed VOC limit adjustments (e.g. mist, nonskid, organic zinc, antenna, repair and maintenance thermal, special marking, and pre-treatment primer) are niche categories and are applied less frequently than other top side and bottom side coatings. There are readily available products in these categories that meet the VOC limits prescribed by the U.S. EPA

CTGs and other air districts, and the cost of these products are not expected to change. For those who are currently not complying with the existing rule requirements, the cost range of readily available products that already comply with the prescribed VOC limits is comparable to the cost range of products that do not comply with the prescribed VOC limits.

INCREMENTAL COST-EFFECTIVENESS

Under Health and Safety Code § 40920.6, the ~~SCAQMD~~South Coast AQMD is required to perform an incremental cost analysis when adopting a Best Available Retrofit Control Technology (BARCT) rule or feasible measure required by the California Clean Air Act. To perform this analysis, the ~~SCAQMD~~South Coast AQMD must (1) identify one or more control options achieving the emission reduction objectives for the proposed rule, (2) determine the cost-effectiveness for each option, and (3) calculate the incremental cost-effectiveness for each option. To determine incremental costs, the ~~SCAQMD~~South Coast AQMD must “calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option.” Staff reviewed the current standards throughout the state and determined that PAR 1106 represents BARCT for Marine and Pleasure Craft Coatings because there are no other more stringent limits available. PAR 1106 will not result in emission reductions and therefore no incremental cost analysis is required under Health and Safety Code § 40920.6.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and ~~SCAQMD~~South Coast AQMD's Certified Regulatory Program (Rule 110), the ~~SCAQMD~~South Coast AQMD, as lead agency for the proposed project, prepared a Draft Environmental Assessment (EA) for Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and the proposed rescission of Rule 1106.1 - Pleasure Craft Coating Operations. The environmental analysis in the Draft EA concluded that the proposed project would not generate any significant adverse impacts. The Draft EA was released for a 30-day public review and comment period from August 19, 2015 to September 18, 2015, and no comment letters were received relative to the analysis in the Draft EA. Subsequent to the release for public review, Proposed Amended Rule 1106 was modified to add two exemptions. The first exemption was for high viscosity/high solids coatings for metal parts and products and the second exemption was for certain pre-treatment wash primers and special marking coatings. A new definition was added for ultraviolet/electron beam (UV/EB) curable thin film marine and pleasure craft coatings.

Staff reviewed the modifications to Proposed Amended Rule 1106 and concluded that none of the revisions constituted: 1) significant new information; 2) a substantial increase in the severity of an environmental impact, or 3) provided new information of substantial importance relative to the draft document. Further, revisions to the proposed project, in response to verbal or written comments, did not create new, avoidable significant effects. Pursuant to CEQA Guidelines Sections 15073.5 and 15088.5, Staff determined that these revisions did not require recirculation of the Draft EA. Consequently, Staff incorporated the aforementioned changes into the Final EA and it was released as part of the Governing Board package for the October 2, 2015 public hearing. The project, however, was not adopted and moreover, the Final EA was not certified at that time.

Since the release of the Final EA, additional changes have been made to Proposed Amended Rule 1106 that would remove the previously proposed reporting, recordkeeping, and labeling requirements, and add an exemption for coatings that have a VOC content of 50 g/L or less. Staff has reviewed these additional modifications to Proposed Amended Rule 1106 and concluded that none of these additional revisions constitute: 1) significant new information; 2) a substantial increase in the severity of an environmental impact; or 3) provide new information of substantial importance relative to the draft document. Additionally, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. These revisions do not require recirculation of the Draft EA pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, ~~staff is preparing~~Staff has prepared a Revised Final EA which ~~will be~~ is included in the Governing Board package for the May 3, 2019 public hearing (date subject to change), ~~which will include exemptions for coatings containing 50 g/L of VOC or less, coatings that have a viscosity greater than 650 centipoise, and coatings that are not used for vessels that are intended to submerge to at least 500 feet below the surface of the water).~~

SOCIOECONOMIC IMPACT ASSESSMENT

Proposed Amended Rule 1106 clarifies existing requirements for Marine and Pleasure Craft Coatings found in current Rules 1106 and 1106.1, and proposes requirements that align with existing requirements found in current ~~SCAQMD~~South Coast AQMD Regulation XI rules, U.S. EPA CTGs, and similar rules of other California air districts. Since there are already available marine and pleasure craft coating products that are already being used and meet the VOC requirements in this proposal and the cost of products in the affected coating categories are to remain the same, the proposed amendments are not expected to result in increased compliance costs to affected facilities beyond what is currently required. Additionally, the proposed amendments are administrative in nature and will not significantly affect air quality or emission limitations. As such, no socioeconomic impact assessment was performed for the proposed amendments.

DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE 40727

The draft findings include necessity, authority, clarity, consistency, non-duplication and reference, as defined in Health and Safety Code Section 40727. The draft findings are as follows:

Necessity - The ~~SCAQMD~~South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106, Marine and Pleasure Craft Coatings, is necessary to enhance readability and provide clarity of rule language, and ensure consistency with U.S. EPA Control Techniques Guidelines and other air district rules.

Authority - The ~~SCAQMD~~South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 – 40728, 41508 and 41700.

Clarity - The ~~SCAQMD~~South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106 is written and displayed so that the meaning can be easily understood by persons directly affected by it.

Consistency - The ~~SCAQMD~~South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal or state regulations.

Non-Duplication - The ~~SCAQMD~~South Coast AQMD Governing Board has determined that Proposed Amended Rule 1106 does not impose the same requirement as any existing state or federal regulation, and the proposed amendment is necessary and proper to execute the powers and duties granted to, and imposed upon, the ~~SCAQMD~~South Coast AQMD.

Reference - In adopting this Proposed Amended Rule 1106, the ~~SCAQMD~~South Coast AQMD Governing Board references the following statutes which ~~SCAQMD~~South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001, 40440, and 40702, and Clean Air Act Section 172 (c)(1) (Reasonably Available Control Technology).

COMPARATIVE ANALYSIS

California Health and Safety Code Section 40727.2 requires the comparative analysis with any federal or other ~~SCAQMD~~South Coast AQMD rules that apply to the same equipment or source type as the proposed amendment. The existing VOC limits in current Rule 1106 and Rule 1106.1 as well as the proposed VOC limits in Proposed Amended Rule 1106 are not in conflict with the current National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair Operations (Surface Coating), 40 CFR Part 63, dated June 18, 1996. The existing VOC limits in current Rule 1106 and Rule 1106.1 as well as the proposed VOC limits in Rule 1106 are not in conflict with the current U.S. EPA ~~CTGCTGs~~, dated August 27, 1996. Proposed Amended Rule 1106 seeks to align the VOC limit for Inorganic Zinc Coating in current Rule 1106 from 650 g/L to 340 g/L to be consistent with the U.S. EPA VOC limit of 340 g/L.

The NESHAP for Shipbuilding and Ship Repair Operations (Surface Coating) sets forth Hazardous Air Pollutants (“HAP”) emission limits for major source facilities that apply coatings used in volumes of 200 liters (52.8 gallons) or more. Affected sources under this NESHAP are Shipbuilding and Ship Repair Operations (Surface Coating) that are major sources under federal law, or are coating operations located within the confines of a federal major source.

The U.S. EPA ~~CTGCTGs~~ is intended to provide state and local air pollution authorities’ information to assist them in determining RACT for VOCs for Shipbuilding and Ship Repair Operations (Surface Coating).

The proposed amendments to Rule 1106 are not expected to reduce or increase VOC emissions. Current Rules 1106 and 1106.1 and Proposed Amended Rule 1106 does not regulate Hazardous Air Pollutants (HAP) emissions directly. Therefore, the existing as well as the proposed VOC limits of Rule 1106 are not in conflict with federal regulations.

Table 3-1 has been prepared to show comparisons between ~~SCAQMD~~South Coast AQMD Proposed Amended Rule 1106, the U.S. EPA ~~CTGCTGs~~, and the NESHAP regulation.

TABLE 3-1: COMPARATIVE ANALYSIS

CATEGORY	<u>SCAQMD South Coast AQMD</u> <u>PAR1106 – Marine and Pleasure Craft Coatings</u>	<u>U.S. EPA CTG CTGs</u> Control Techniques Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating)	USEPA NESHAP 40 CFR Part 63 – NESHAP for HAP for Shipbuilding and Ship Repair Operations (Surface Coating)
Purpose	Reduces emissions of VOC and stratospheric ozone depleting and global warming compounds from Marine & Pleasure Craft Coatings.	Provides state and local air pollution authorities' information to assist them in determining RACT, to control VOCs from surface coating operations in the shipbuilding and ship repair industry.	Establishes National Emission Standards for Hazardous Air Pollutants for shipbuilding and ship repair (surface coating) facilities.
Applicability	Applies to local Marine and Pleasure Craft Coatings.	Applies to facilities that perform surface coating operations in the shipbuilding and ship repair industry. Does not include pleasure craft coating operations.	Applies to shipbuilding and ship repair (surface coating) operations at any facility that is a major source. Does not include pleasure craft coating operations.
Averaging Provisions	None.	None.	None.
Units	Mass/Volume: Grams/Liter (less water and exempt compounds) or Pounds/Gallon.	Mass/Volume: Grams/Liter (minus water and exempt compounds).	Mass/Volume: Grams/Liter (minus water and exempt compounds).
Requirements	VOC Limits For Marine Coatings: Antenna Coating: 340 Antifoulant Coatings: Aluminum Substrates: 560 Other Substrates: 400 Elastomeric Adhesives: 730 Inorganic Zinc Coating: 340 Low Activation Interior Coating: 420 Mist Coating: 610 Navigational Aids Coating: 340 Nonskid Coating: 340 Organic Zinc Coating: 340 Pre-Treatment Wash Primer: 420 Repair and Maint. Thermoplastic Coating: 340 Sealant for Wire-Sprayed Aluminum: 610 Special Marking Coating: 420 Specialty Coatings:	VOC Limits For Marine Coatings: General use: 340 Specialty Air flask: 340 Antenna: 530 Antifoulant: 400 Heat resistant: 420 High-gloss: 420 High-temperature: 500 Inorganic zinc high-build: 340 Military exterior: 340 Mist: 610 Navigational aids: 550 Nonskid: 340 Nuclear: 420 Organic zinc: 360 Pretreatment wash primer: 780 Repair and maint. of thermoplastics: 550 Rubber camouflage: 340 Sealant for thermal spray aluminum: 610 Special marking: 490 Specialty interior: 340 Tack coat: 610 Undersea weapons systems: 340 Weld-through precon. primer: 650	VOC Limits For Marine Coatings: General use: 340 Specialty Air flask: 340 Antenna: 530 Antifoulant: 400 Heat resistant: 420 High-gloss: 420 High-temperature: 500 Inorganic zinc high-build: 340 Military exterior: 340 Mist: 610 Navigational aids: 550 Nonskid: 340 Nuclear: 420 Organic zinc: 360 Pretreatment wash primer: 780 Repair and maint. of thermoplastics: 550 Rubber camouflage: 340 Sealant for thermal spray aluminum: 610 Special marking: 490 Specialty interior: 340 Tack coat: 610 Undersea weapons systems: 340 Weld-through precon. primer: 650

	Heat Resistant Coating: 360 (baked), 420 (air dried) Metallic Heat Resistant Coating: 530 High Temperature Coating: 500 Tack Coating: 610 Topcoats: Extreme High-Gloss Coating: 420 (baked), 490 (air dried) High Gloss Coating: 275 (baked), 340 (air dried) Undersea Weapons Systems Coating: 275 (baked), 340 (air dried) Any Other Coating Type: 275 (baked), 340 (air dried)		
Operating Parameters	Has HVLP type transfer efficiency requirements for coating application equipment.	No HVLP type transfer efficiency requirements for application equipment.	Does not include the use of HVLP type transfer efficiency for application equipment.
Method to Determine VOC	U.S. EPA Method 24, or SCAQMD South Coast AQMD Method 304, or SCAQMD South Coast AQMD Method 313.	Does not mention U.S. EPA Methods for determining VOC.	U.S. EPA Method 24 of 40 CFR part 60, appendix A.
Capture Efficiency	None.	Does not mention U.S. EPA Methods for capture efficiency.	Does not mention U.S. EPA Methods for capture efficiency.
Control Device Efficiency	None.	Does not mention U.S. EPA Methods for control device efficiency.	Does not mention U.S. EPA Methods for control device efficiency.
Work Practices	Defers to Rule 1171 for storage and disposal of VOC containing materials.	Does not contain any work practices recommendations.	VOC containing containers to be kept closed when not in use. Minimize spills of VOC containing materials.
Monitoring	None	None	None
Reporting	None	No mention for reporting	No mention for reporting
Recordkeeping	Defers recordkeeping to Rule 109.	No mention for recordkeeping.	Comprehensive records required annually to support compliance.
Other Elements	Prohibition of possession, specification and sale for non-compliant marine and pleasure craft coatings. Offers five exemptions: Marine or pleasure craft coatings with 50 g/L VOC or less, marine coatings	No mention of a prohibition of sale requirement. No transfer efficiency requirements in the CTG CTGs.	No mention of a prohibition of sale requirement. Offers two exemptions: annual usage of less than 200 liters for an individual coating and aerosol containers.

applied to interior surfaces of potable water containers, touch-up coatings, aerosol containers, marine or pleasure craft coatings that are greater than 650 centipoise viscosity from transfer efficiency requirements, and coatings used on vessels intended to be submerged at least 500 feet below the water surface.		
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DRAFT CONCLUSIONS AND RECOMMENDATIONS

Based on the foregoing, staff recommends the adoption of Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings.

PUBLIC COMMENTS AND RESPONSES

Staff has held several public meetings where the stakeholders and other interested parties were provided an opportunity to respond to the developing rulemaking for the rescission of Rule 1106.1 and the amendment to Rule 1106. Staff received several comment letters during the rulemaking and those comments along with staff's responses to those comments will be provided here after the conclusion of the commenting period from Working Group Meeting #2. All the public meetings for this rulemaking are shown below in Table 3-2.

TABLE 3-2: PUBLIC MEETINGS HELD DURING THE RULEMAKING FOR PAR1106

PUBLIC MEETING	DATE HELD
Working Group Meeting #1	1/16/19
Public Workshop	2/12/19
Working Group Meeting #2	3/12/19
Stationary Source Committee	3/15/19

Comment Letter 1



January 31, 2019

Ms. Charlene Nguyen
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Public comments to Proposed Amended Rule 1106 (Marine and Pleasure Craft Coating Operations)

Dear Charlene:

RadTech International is pleased to comment on the proposed amendments to Rule 1106. Although UV/EB technology does not dominate the marine and pleasure craft coatings market, it is being used for this type of coating application. RadTech supports the district's efforts to improve air quality in the Basin without sacrificing a healthy business climate and believes that the implementation of UV/EB technology can accomplish both goals.

Request for Exemption

As mentioned during the public workshop, RadTech urges the district to provide regulatory flexibility to UV/EB/LED processes. Our materials are typically well below 50 grams/liter in VOC content which is minimal compared to the proposed limits, some as high as 780 grams/liter. While it may make regulatory sense to scrutinize high VOC materials, it simply does not make sense to subject companies who are investing in clean air technology to the same level of scrutiny. In keeping with past district policies and direction from the Governing Board, we respectfully request that UV/EB/LED materials be exempted from the rule requirements. Any relief from administrative burdens will amount to incentives for businesses to voluntarily choose UV/EB/LED technology.

1-1

Test Method

We very much appreciate the inclusion of a definition for energy curable materials in the rule and inclusion of ASTM D7767 (the test method for thin film UV/EB curable materials). In order to increase consistency and avoid confusion, we urge the district to include ASTM F7767-11 in Section (h) Test Methods.

1-2

Support for other Stakeholders

We support the comments made by the American Coatings Association regarding allowing the industry one year for rule implementation. We also support the Metropolitan Water District's request to exempt high viscosity (above 650 cps) materials from the transfer efficiency requirements of the rule. Flexibility should be offered to UV/EB processes as related to the requirements for transfer efficiency in the rule. UV/EB materials not only meet but far exceed any proposed rule requirements

1-3

and any added flexibility to companies that choose these pollution preventive processes will encourage voluntary emission reductions thereby furthering the district's mission.

1-3

We appreciate your attention to this matter and look forward to a productive rulemaking process.

Sincerely,

Rita M. Loof

Director, Environmental Affairs

Response to Comment 1-1

Staff decided to include an exemption for marine and pleasure craft coatings containing a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, from the requirements of Proposed Amended Rule 1106 as an incentive for users to choose lower VOC coatings and for manufacturers to formulate lower VOC marine and pleasure craft coatings. Staff believes the 50 g/L VOC content limit is an appropriate limit for exemption because this limit is approximately 10% of the weighted average of the VOC limits presented per coating type in Proposed Amended Rule 1106 and this limit is consistent with other VOC coating rules where the VOC limits are as low as 50 g/L.

Response to Comment 1-2

Staff added a new definition to Proposed Amended Rule 1106 for “Energy Curable Coatings” and included a reference to ASTM D7767-11 in this definition. Staff decided to include ASTM D7767-11 in the definition for energy curable coatings to indicate that manufacturers may use this method to help identify and select lower VOC constituents for formulation and production. However, this method is not a direct method for measuring VOC content in thin-film coatings, and therefore, it is not included in the Test Methods section of Proposed Amended Rule 1106. Staff proposes to provide an exemption for marine or pleasure craft coatings that have a VOC content of 50 g/L or less from rule requirements. For energy curable coatings, product formulation data and test results from the ASTM D7767-11 method will be allowed to be used to determine if the coating qualifies for this exemption.

Response to Comment 1-3

Staff did not include any additional recordkeeping or other administrative requirements (e.g. labeling) to Proposed Amended Rule 1106 and instead, clarified existing rule requirements. Furthermore, staff has found that there are readily available marine and pleasure craft coatings that already meet the VOC limits proposed in Proposed Amended Rule 1106 and end-users are using coatings that already meet the proposed limits. Therefore, staff does not see a need for a rule implementation period. Staff also included an exemption for coatings that have a viscosity of 650 centipoise or greater from the proposed transfer efficiency requirements. A more detailed response to this comment regarding high viscosity materials is included in Chapter 2 of the Staff Report.

Comment Letter 2



February 26, 2019

Ms. Charlene Nguyen
Planning, Rule Development & Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

RE: Proposed Amended Rule 1106; ACA Comments

Dear Ms. Nguyen:

The American Coatings Association (ACA)¹ submits the following comments regarding South Coast Air Quality Management District's (SCAQMD) Proposed Amended Rule 1106 – Marine and Pleasure Craft Coating Operations. As always, our goal is to support the District's efforts to improve air quality while ensuring that top quality marine coatings products are available for customers in the South Coast basin. ACA appreciates the opportunity to provide comments and looks forward to assisting SCAQMD throughout this rulemaking process.

1. ACA requests that SCAQMD include a one-year compliance date in Amended Rule 1106.

Once Amended Rule 1106 is finalized, all of its requirements will go into effect immediately. This is problematic because there were new provisions added to the proposed rule that industry will need time to comply with before the rule goes into effect. For example, there are new labeling requirements in paragraph (g)(1) that apply to *all* marine coating manufacturers. In the current Rule 1106.1, there are no labeling requirements for pleasure craft coating manufacturers, which means that those entities will need to adjust their supply chain processes to ensure appropriate labels are prepared and placed on their products. As a result, those affected manufacturers will need sufficient time to properly implement the new labeling requirements before the compliance date goes into effect.

2-1

Similarly, there are new provisions in section (e) regarding prohibitions on possession, specification, and sale of products that are not in compliance with certain requirements in the rule. Marine coatings manufacturers will need a reasonable amount of lead time to ensure that any non-compliant products are not in their possession nor being sold within the District's jurisdiction. Consequently, ACA requests that SCAQMD include a one-year compliance date in Amended Rule 1106 to ensure that industry has enough time to comply with new provisions in the amended rule.

2. ACA also requests that SCAQMD add a three-year sell through provision to Amended Rule 1106.

Since there are new requirements that will alter the way marine coatings manufacturers assemble and supply their products, ACA requests that SCAQMD add a three-year sell through provision to Amended Rule 1106. As mentioned, SCAQMD proposed new labeling requirements for *all* marine coating manufacturers. A sell through

2-2

¹ The American Coatings Association (ACA) is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory, and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services.

provision would allow companies to continue selling regulated, unlabeled products that were manufactured prior to the amended rule's effective date for a set period of time after the amended rule's effective date. This would give industry time to sell through their existing inventory while reducing the amount of waste that would occur if no sell through provision was included in the amended rule. The addition of a sell through provision would also be consistent with SCAQMD's longstanding practice of including sell through provisions in its rules.

2-2

3. Lastly, ACA requests that SCAQMD modify the Most Restrictive VOC Limit provision.

In paragraph (d)(4), if a coatings product "meets the definition of or is recommended for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply." The issue with this provision lies in the fact that the District is combining the marine coating and pleasure craft coating rules into one rule. The problem with combining the marine coatings and pleasure craft coatings rules together is that companies may sell products that can be used on both pleasure craft and marine vessels. According to paragraph (d)(4), these products would be subject to the lowest limit of *both* tables.

2-3

For example, under the current regulations, companies that sell high gloss products intended for pleasure craft (i.e. wood, fiberglass, or metal substrates) must meet the 420 g/L limit pursuant to Rule 1106.1. Inversely, companies that sell high gloss products intended for marine vessels must meet the 340 g/L limit pursuant to Rule 1106. Under Proposed Amended Rule 1106, companies would either have to market two separate products (one for marine and one for pleasure craft) or apply the 340 g/L limit according to the most restrictive VOC limit provision in paragraph (d)(4). The same issue arises for antifoulant, pretreatment wash primer, and "any other coating type" categories. As written, this new provision would be extremely burdensome on both industry and SCAQMD because it would cause a great deal of regulatory confusion and uncertainty.

In the alternative, ACA suggests that SCAQMD modify this provision in Amended Rule 1106 so that the most restrict VOC limit would apply separately to Marine Coatings Categories in Table of Standards I and Pleasure Craft Coatings Categories in Table of Standards II instead of across both tables. This would eliminate the expected confusion that would undoubtedly arise.

Thank you for your consideration of our concerns. Please do not hesitate to contact us if you have any questions.

Sincerely,



Rhett Cash
Counsel, Government Affairs

Raleigh Davis
Assistant Director, Environmental Health and Safety

Response to Comment 2-1

Staff did not include any additional recordkeeping or other administrative requirements (e.g. labeling) to Proposed Amended Rule 1106 and instead, clarified existing rule requirements. VOC labeling of VOC-containing materials in containers with capacities of one quart or larger has been required since December 5, 1986 per Rule 443.1 – Labeling of Materials Containing Organic Solvents. Furthermore, staff has found that there are readily available marine and pleasure craft coatings that already meet the VOC limits proposed in Proposed Amended Rule 1106 and end-users are using coatings that already meet the proposed limits. Except for the newly added coating categories and coating categories affected by the VOC limit adjustments in accordance with the VOC limits prescribed by the U.S. EPA Control Techniques Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating) and other air districts, the VOC limits for the rest of the coating categories are still retained from the existing Rules 1106/1106.1 in Proposed Amended Rule 1106. Therefore, staff does not see a need for a rule implementation period. The proposed amendment to Rule 1106 is intended to align VOC limits with the U.S. EPA Control Techniques Guidelines and other air districts.

Response to Comment 2-2

See Response to Comment 2-1

Response to Comment 2-3

Staff added the Most Restrictive VOC Limit provision to be consistent with other ~~SCAQMD South Coast AQMD~~ Regulation XI coating rules and is intended to enhance clarity and compliance. During the rulemaking process, staff discussed with marine and pleasure craft manufacturers about their individual potential compliance issues pertaining to this added rule provision, and they did not have concerns that could not be remedied by ~~SCAQMD South Coast AQMD~~ compliance and enforcement activities already in place per existing rules. Staff believes that the most restrictive VOC limit as written in Proposed Amended Rule 1106 will eliminate regulatory confusion and uncertainty among multiple marine and pleasure craft coating categories as it pertains to VOC limits, and will ensure that end-users use compliant marine and pleasure craft coatings. A more detailed explanation for the inclusion of the Most Restrictive VOC Limit provision, to be applied across both tables of standards for marine and pleasure craft coatings, is included in Chapter 2 of the Staff Report.

Comment Letter 3

March 24, 2019

Mr. Wayne Nastri
Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
wnastri@aqmd.gov

Re: Public comments to Proposed Amended Rule 1106 (Marine and Pleasure Craft Coating Operations)

Dear Mr. Nastri:

Saint Clair Systems, Inc. is involved in the robotic application of coatings in the marine industry and is pleased to comment on the proposed amendments to Rule 1106. We support the RadTech proposal for (1) an exemption for materials that contain less than 50 grams per liter in Volatile Organic Compounds (VOCs) and (2) additional clarity for test method for UV/EB thin film materials.

Request for Exemption

Our company urges the district to provide regulatory flexibility to UV/EB/LED processes. Our materials are typically well below 50 grams/liter in VOC content which is minimal compared to the proposed limits, some as high as 780 grams/liter. While it may make regulatory sense to scrutinize high VOC materials, it simply does not make sense to subject companies who are investing in clean air technology to the same level of scrutiny. In keeping with past district policies and direction from the Governing Board, we respectfully request that UV/EB/LED materials be exempted from the rule requirements. Relief from administrative burdens provides strong incentives for businesses to voluntarily choose UV/EB/LED technology, and thus a path of least environmental impact.

3-1

Test Method

We very much appreciate the inclusion of a definition for energy curable materials in the rule and inclusion of ASTM D7767 (the test method for thin film UV/EB curable materials). In order to increase consistency and avoid confusion, we urge the district to include ASTM F7767-11 in Section (h) Test Methods.

3-2



We appreciate your attention to this matter and look forward to a productive rulemaking process.

Sincerely,

Saint Clair Systems, Inc.

Michael R. Bonner
VP – Engineering & Technology

12427 31 Mile Road • Washington Township, Michigan • 48095
586.336.0700 • www.saintclairsystems.com

Response to Comment 3-1

See Response to Comment 1-1 on page 3-10 of the Staff Report.

Response to Comment 3-2

See Response to Comment 1-2 on page 3-10 of the Staff Report.

REFERENCES

SCAQMDSouth Coast AQMD Final Staff Report for proposed amendment to: 1106 - Marine Coating Operations, December 1994.

SCAQMDSouth Coast AQMD Final Staff Report, Proposed Amended Rule 1106.1 - Pleasure Craft Coating Operations, January 1999.

Websites:

http://en.wikipedia.org/wiki/Anti-fouling_paint

<http://en.wikipedia.org/wiki/Ablation>

ATTACHMENT G



South Coast Air Quality Management District

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

SUBJECT: **NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT**

PROJECT TITLE: **PROPOSED SUBMISSION OF AMENDED RULE 1106 - MARINE AND
PLEASURE CRAFT COATINGS FOR INCLUSION INTO THE SIP AND
PROPOSED WITHDRAWAL OF RESCINDED RULE 1106.1 - PLEASURE
CRAFT COATING OPERATIONS FROM THE SIP**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD) is the Lead Agency for the project identified above and has prepared a Notice of Exemption for the project identified above. South Coast AQMD staff has reviewed the proposal to submit Rule 1106, as amended on May 3, 2019, into the State Implementation Plan (SIP) and to withdraw Rule 1106.1, as rescinded on May 3, 2019, from the SIP pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

Because the proposed project is administrative and procedural in nature and would not cause any physical changes that would affect any environmental topic area, South Coast AQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Furthermore, the proposed project is considered categorically exempt because the proposed submission of the May 3, 2019 version of Rule 1106 into the SIP and the proposed withdrawal of Rule 1106.1, as rescinded on May 3, 2019, from the SIP are considered actions to protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemption apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption, and if the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Tracy Tang (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Tang can also be reached at (909) 396-2484. Ms. Charlene Nguyen is available at (909) 396-2648 to answer any questions regarding the proposed project.

Date: 5/15/2019

Signature:

Barbara Radlein
Program Supervisor, CEQA
Planning, Rule Development, and Area
Sources

Reference: California Code of Regulations, Title 14

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks
Counties of Los Angeles, Orange,
Riverside, and San Bernardino

From: South Coast Air Quality Management
District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title: Proposed Submission of Amended Rule 1106 - Marine and Pleasure Craft Coatings for Inclusion into the SIP and Proposed Withdrawal of Rescinded Rule 1106.1 - Pleasure Craft Coating Operations from the SIP

Project Location: The South Coast Air Quality Management District (South Coast AQMD) has jurisdiction over the four-county South Coast Air Basin (all of 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 (SSAB) and Mojave Desert Air Basin (MDAB). The South Coast AQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: The South Coast AQMD is proposing to submit Rule 1106, as amended on May 3, 2019, for inclusion into the State Implementation Plan (SIP) and to withdraw Rule 1106.1, as rescinded on May 3, 2019, from the SIP.

Public Agency Approving Project:
South Coast Air Quality Management District

Agency Carrying Out Project:
South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment

Reasons why project is exempt: South Coast AQMD staff has reviewed the proposed project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because the proposed project is administrative and procedural in nature and would not cause any physical changes that would affect any environmental topic area, South Coast AQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Furthermore, the proposed project is considered categorically exempt because the proposed submission of the May 3, 2019 version of Rule 1106 into the SIP and the proposed withdrawal of Rule 1106.1, as rescinded on May 3, 2019, from the SIP are considered actions to protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemption apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions.

Date When Project Will Be Considered for Approval (subject to change):

South Coast AQMD Governing Board Hearing: June 7, 2019; South Coast AQMD Headquarters

CEQA Contact Person: Ms. Tracy Tang	Phone Number: (909) 396-2484	Email: ttang@aqmd.gov	Fax: (909) 396-3982
Rule Contact Person: Ms. Charlene Nguyen	Phone Number: (909) 396-2648	Email: cnguyen@aqmd.gov	Fax: (909) 396-3324

Date Received for Filing: _____ **Signature:** _____ *(Signed Upon Board Approval)*
Barbara Radlein
Program Supervisor, CEQA
Planning, Rule Development, and Area Sources