

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Preliminary Draft Staff Report Proposed Amended Regulation III – Fees

Including:

Proposed Amended Rule 301 – Permitting and Associated Fees
Proposed Amended Rule 303 – Hearing Board Fees
Proposed Amended Rule 304 – Equipment, Materials, and Ambient Air Analyses
Proposed Amended Rule 304.1 – Analyses Fees
Proposed Amended Rule 306 – Plan Fees
Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory
Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees
Proposed Amended Rule 309 – Fees for Regulation XVI 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

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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 to the regulated community, primarily 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. 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).

Last year, the SCAQMD Governing Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities. With respect to Title V facilities, the Governing Board approved an increase of 10.67% in each of Fiscal Years (FY) 2017-18, 2018-19, and 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. These fee increases were necessary because SCAQMD was not collecting fees sufficient to cover 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 review also found that 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:

- Pursuant to Rule 320, an automatic increase of most fees by 3.4% consistent with the increase in California Consumer Price Index from December 2016 to December 2017.
- Eleven targeted proposals for new fees and one proposal 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) New fees to recover costs associated with operating and maintenance of refinery-related community air monitoring systems pursuant to Rule 1180;
 - 2) New fees to recover notification costs pursuant to Rule 1466;
 - 3) Potential new fees by updating the TAC thresholds to be consistent with the state or SCAQMD's Annual Emission Reporting thresholds;
 - 4) New fees for RECLAIM permit processing during and after transition out of the RECLAIM program;
 - 5) New fees to recover costs for periodic assessment of non-RECLAIM CEMS, FSMS, or ACEMS;
 - 6) Increased fees to recover costs associated with voluntary certification programs of Clean Air Solvent and Clean Air Choices Cleaner;
 - 7) New fees to recover costs associated with annual renewal of Rule 1105.1, Rule 1118, and Rule 1123 compliance plans;

- 8) Potentially increased fees by billing actual cost invoiced to SCAQMD for public notice publication;
 - 9) New fees to recover costs associated with optional catalyst equivalency evaluation;
 - 10) New fees to recover costs associated with AB 2588 work for Potentially High Risk Level Facilities;
 - 11) New fees to recover costs associated with AB 2588 work on Rule 1402 related special reviews.
- One targeted proposal to amend Rule 301 subdivision (z), which has no fee impact, but specifies the non-monetary consequence of non-payment of a “No Show” fee.
 - Twenty-one proposed administrative changes to Regulation III, 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.

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 or Code) 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.” Thus, 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 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 compounds (VOC), nitrogen oxides (NO_x), sulfur oxides (SO_x), 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

¹ RECLAIM stands for REgional CLean Air Incentives Market, a cap-and-trade program that regulates the emissions of NO_x and SO_x in the South Coast Air Basin.

equipment, permit processing fees are flat fees. The emissions-based annual operating fee is used to cover indirect regulatory costs such as planning, rulemaking, outreach, and air monitoring, which are also necessary to regulate the permitted source.²

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 areawide 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); and fees for notices and copying documents (H&SC Section 40510.7 and Rule 301(f).)³

The above-referenced fees comprise approximately 64% of SCAQMD's budget. 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 Fund budget. A second type of mobile source revenue is provided by AB 2766 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.

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 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.

Thus, based on CPI, the real value of AB2766 fees has declined by about 59%. The remainder of the AB 2766 revenues provided to SCAQMD is divided between a share that is subvended 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 staff believes 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.⁴ Total projected fees (except mobile source fees) for FY 2018-19 are approximately \$105 million,⁵ which remains below the CPI adjusted cap and includes the projected revenue impacts associated with the proposed rule amendments discussed below.

The FY 2018-19 projected fees include the phased-in fee increase applicable to both Title V and non-Title V facilities, adopted by the SCAQMD Governing Board in June 2017. With respect to Title V facilities, the SCAQMD Governing Board approved an increase of 10.67% in each of FYs 2017-18, 2018-19, and 2019-20. With respect to non-Title V facilities, the SCAQMD Governing Board approved an increase of 4% in each of FY 2017-18 and 2018-19. These fee increases were necessary because SCAQMD was not collecting funds sufficient to cover the reasonable costs of its regulatory program. In addition, the increases for the Title V facilities were a necessary response to an EPA audit of SCAQMD's Title V program. That audit also found that SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the

⁴ 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.

⁵ Preliminary estimate as of March 2018, 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.

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.

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. XIIC §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 to satisfy this requirement.

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. XIIC, §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*, 218 Cal. App. 4th 195, 206 (2013).

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.

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, 2018, to correspond with the increase in the Calendar Year 2017 CPI of 3.4%.

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.

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.

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.

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 fees which are necessary to meet the requirements of recently adopted Rules 1180 and 1466 and the recently enacted H&SC Section 42705.6 following the adoption of AB 1647 – Petroleum Refineries: Air Monitoring Systems. Staff is also proposing to amend Rules 301, 306, and 307.1 to include new fees which are necessary to provide more specific cost recovery for other regulatory actions taken by SCAQMD. Each of these proposed rule amendments is discussed in detail below.

1. New fees to recover costs associated with operating and maintenance of refinery-related community air monitoring system pursuant to Rule 1180

**Description
of Proposed
Amendment:**

In order to recover costs incurred by SCAQMD, staff is proposing to add subdivision (aa) to Rule 301. This new subdivision would require affected petroleum refineries to pay an annual fee to SCAQMD for operating and maintaining statutorily-required refinery-related community air monitoring system(s) in communities near these refineries. The new operating and maintenance (O&M) fee is based on an estimated cost of \$435,543 per monitoring station/per year.

**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:

<u>Facility Name* and Location</u>	<u>Annual Operating and Maintenance Fee</u>
<u>Andeavor Corporation (Carson)</u>	<u>\$871,086.00</u>
<u>Andeavor Corporation (Wilmington)</u>	<u>\$435,543.00</u>
<u>Chevron U.S.A, Inc. (El Segundo)</u>	<u>\$871,086.00</u>
<u>Delek U.S. Holdings, Inc. (Paramount)</u>	<u>\$217,771.50</u>
<u>Phillips 66 Company (Carson)</u>	<u>\$435,543.00</u>
<u>Phillips 66 Company (Wilmington)</u>	<u>\$435,543.00</u>
<u>PBF Energy, Torrance Refining Company (Torrance)</u>	<u>\$871,086.00</u>
<u>Valero Energy (Wilmington)</u>	<u>\$435,543.00</u>

*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule unless exempted pursuant to its terms.

- (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.

**Justification/
Necessity/
Equity:**

On October 8, 2017, the Legislature passed and the Governor signed AB 1647, adding Section 42705.6 to the H&SC. In addition to fenceline air monitoring requirements for refineries, H&SC Section 42705.6 also requires air districts to design, develop, install, operate and maintain refinery-related community air monitoring systems. H&SC Section 42705.6 also requires that the owner or operator of a petroleum refinery shall be responsible for the costs associated with implementing these provisions.

In response to this legislation, on December 1, 2017, the SCAQMD Governing Board adopted Rule 1180 – Refinery Fenceline and Community Air Monitoring. Rule 1180 includes cost recovery provisions for refinery-related community air monitoring systems. Specifically, subdivision (j) and Table 2 of Rule 1180 identify and allocates the initial installation costs to the affected refineries for community air monitoring systems. Further, paragraph (j)(4) of Rule 1180 requires the affected petroleum refineries to pay annual O&M fees for community air monitoring systems pursuant to Rule 301. This proposed amendment to Rule 301 is necessary to specify these annual O&M fees.

The proposed amendment establishes the annual O&M fee required for community air monitoring systems based on the burdens imposed and benefits received by refineries subject to this provision. Beginning in calendar year 2020 the proposed O&M fee would be billed to the refineries with the annual operating and permit renewal fee required by subdivision (d) of Rule 301. The O&M fee is based on the cost to annually operate and maintain a community air monitoring system that provides adequate air monitoring coverage for each refinery. For adequate air monitoring coverage, staff considered a number of factors, such as facility size, location (e.g., its proximity to nearby communities and other refineries), relevant pollutants, and meteorological conditions.

The annual fees for community air monitoring are based on the operation and maintenance of a community air monitoring station, provided in Table 2 below. For the purposes of these cost estimates, a community air monitoring station is defined as a permanent fixed monitoring location that measures all or most of the relevant pollutants. These costs may be applied toward partial deployments (i.e., less than a complete set of measurements at more than one site) or for distributed monitoring (i.e., several location pollutant monitoring). Also, a refinery could be responsible for the cost associated with a portion of a station (if downwind of more than one refinery), a single station, or multiple stations based on the need for adequate monitoring coverage. The O&M fees for a refinery-related community air monitoring system will be shared in a reasonably equitable manner based on the burdens imposed (fees to operate

and maintain the community air monitoring station) and benefits received by the refineries (measurement of the emitted pollutants during operation) and the costs are limited to the amounts necessary for compliance with H&SC Section 42705.6.

Table 2: Annual O&M Cost Estimates Per Monitoring Station

Routine costs associated with site maintenance	\$29,950
Electricity ¹	\$7,200
Utilities ¹	\$5,470
Land/Site Lease ¹	\$14,400
Lavatory Rental ¹	\$2,880
Data validation, analysis, and mapping ²	\$54,016
Routine costs associated monitoring equipment maintenance	\$16,100
Calibration Gases ¹	\$6,100
Maintenance Parts ¹	\$10,000
Technical and laboratory labor	\$335,477
One Air Quality Specialist at ½ effort, one Air Quality Instrument Specialist, one Air Quality Chemist at 1/10 effort, and one Program Supervisor at 1/10 effort ³	
Total O&M Cost	\$435,543

¹ Based on the 2012 station cost estimates for the Anaheim monitoring station.

² Based on the previous SCAQMD contracts for data visualization and mapping.

³ Based on the FY 2017-18 Schedule of Burdened Rates (burdened hourly rate of \$121.17 for Program Supervisor, \$105.69 for Air Quality Specialist, \$101.55 for Air Quality Chemist, and \$86.17 for Air Quality Instrument Specialist). Includes salaries, benefits, overheads (e.g., share of utilities, insurance, payroll, systems, etc.). Annual staff labor cost at full effort is calculated with a 40-hour work week and 52 weeks per year.

2. **New fees to recover notification costs pursuant to Rule 1466**

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD to process required notifications, staff is proposing to amend Rule 301(x) for the purpose of adding a new fee for Rule 1466 notifications. The proposed fee for the Rule 1466 notification would be \$62.92 per notification.

Proposed Amended Rule(s): ***Rule 301(x)*** Rule 1149, ~~and Rule 1166,~~ and Rule 1466 Notification Fees
 (1) Any person who is required by the District to submit a written notice pursuant to Rule 1149, Rule 1166, Rule 1466, or for soil vapor

extraction projects shall pay a notification fee of ~~\$60.85~~\$62.92 per notification.

(2) Notifications pursuant to Rule 1466 paragraph (f)(2) shall be exempt from this subdivision.

**Justification/
Necessity/
Equity:**

Rule 1466 is a new rule which was adopted on July 7, 2017 and amended on December 1, 2017. The purpose of Rule 1466 is to minimize off-site fugitive dust emissions containing toxic air contaminants. Rule 1466 requires a facility to provide notifications to SCAQMD prior to beginning earth-moving activities and when ambient PM10 dust concentration limits are exceeded at Rule 1466 sites.

This new fee is necessary to recover the reasonable regulatory costs related to the notification requirements of Rule 1466. The fee is identical to the amount charged for Rule 1149 and Rule 1166 notifications. Moreover, the amount to be charged reflects cost recovery currently contained in Rule 301. Table 3 provides cost estimates for Rule 1466 notification requirements. Based on staff estimates, it will take an Office Assistant approximately 25-30 minutes to receive the notification, enter the information, and file the notification, and 15-20 minutes for a Staff Specialist to review the notification. Therefore, the recovery cost is calculated to be between \$53.53 and \$67.76 at the FY 2017-18 hourly burdened rates. This range of cost estimates is consistent with the current fee rate of \$60.85, as well as the CPI-adjusted notification fee rate of \$62.92 for Rule 1149 and Rule 1166 (= current rate of \$60.85 × (1 + 3.4%)). The proposed Rule 1466 notification fee is set at \$62.92, the same fee rate as Rule 1149 and Rule 1166 notification fees for similar notification requirements. Thus, the proposed Rule 1466 notification fee does not exceed the estimated cost of processing required notifications and is apportioned equitably based on the burden imposed by each notification.

Table 3: Cost Estimates for Rule 1466 Notification Requirements

Staff Position	Range of Processing Time (in Hours)*		×	FY 2017-18 Hourly Burdened Rate	=	Range of Cost*	
Office Assistant	0.42	0.50		\$65.06		\$27.11	\$32.53
Staff Specialist	0.25	0.33		\$105.69		\$26.42	\$35.23
Total Cost						\$53.53	\$67.76

* Rounded to the second decimal place.

Rule 1466 additionally requires notifications to be updated if there is a change in start date or exemption status, but those notifications are proposed to be

exempt from the notification fee requirement because minimal staff time would be required to update changes in start date or exemption status.

3. Potential new fees by updating the TAC thresholds to be consistent with the state or SCAQMD's Annual Emission Reporting thresholds

Description of Proposed Amendment: In order to be consistent with the reporting accuracy thresholds set by Appendix A of the AB 2588 Air Toxics "Hot Spots" Emission Inventory Criteria and Guidelines Regulation and SCAQMD's Annual Emission Reporting (AER) program, changes to the thresholds for Table IV for three compounds are proposed to be made. These compounds are chlorinated dioxins and dibenzofurans (26 species), chlorofluorocarbons (CFCs), and 1,1,1-trichloroethane.

Proposed Amended Rule(s):

Rule 301

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
Ammonia (Reporting Period 07/01/04 and beyond)	[...]	200
Asbestos	[...]	0.0001
Benzene	[...]	2.0
Cadmium	[...]	0.01
Carbon tetrachloride	[...]	1.0
Chlorinated dioxins and dibenzofurans (26 species)	[...]	0.000001
Ethylene dibromide	[...]	0.5
Ethylene dichloride	[...]	2.0
Ethylene oxide	[...]	0.5
Formaldehyde	[...]	5.0
Hexavalent chromium	[...]	0.0001
Methylene chloride	[...]	50.0
Nickel	[...]	0.1
Perchloroethylene	[...]	5.0
1,3-Butadiene	[...]	0.1
Inorganic arsenic	[...]	0.01
Beryllium	[...]	0.001
Polynuclear aromatic hydrocarbons (PAHs)	[...]	0.2
Vinyl chloride	[...]	0.5
Lead	[...]	0.5
1,4-Dioxane	[...]	5.0
Trichloroethylene	[...]	20.0
Chlorofluorocarbons (CFCs)	[...]	1
1,1,1-trichloroethane	[...]	1

Justification/ Necessity/ Equity: The emission thresholds have been corrected for chlorinated dioxins and dibenzofurans to meet the reporting requirements of the Emission Inventory Criteria and Guidelines for the Air Toxics “Hot Spots” Program (AB 2588). These requirements are enforceable as state regulations because they are incorporated by reference into Title 17 of the California Code of Regulations, section 93300.5. Previously, no emission thresholds were specified for chlorofluorocarbons (CFCs) or 1,1,1-trichloroethane. Thresholds have been added which are consistent with SCAQMD’s AER supplemental reporting guidelines. The thresholds for these two compounds meet the minimum requirements of the Emission Inventory Criteria and Guidelines for the Air Toxics “Hot Spots” Program (AB 2588).

4. New fees for RECLAIM permit processing during and after transition out of the RECLAIM program

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee for work performed to transition facilities that will be exiting the RECLAIM program in accordance with Regulation XXX and Regulation XI. Currently, RECLAIM facilities, including both Title V and non-Title V facilities are subject to an SCAQMD issued facility permit. The facility permit identifies conditions associated with compliance with the RECLAIM program. In many cases, extensive changes will have to be made to the device conditions, device emissions and requirements, RECLAIM monitoring, reporting and recordkeeping requirements, and any other applicable sections of existing RECLAIM facility permits as part of the transition process.

In addition, staff is proposing a new fee to recover costs related to work performed following transition from the RECLAIM program for any facility that voluntarily elects to convert a transitioned facility permit to conventional command and control equipment-based permits.

Proposed Amended Rule(s): **Rule 301(l)(16) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM**
A facility exiting the NOx RECLAIM program pursuant to Rule 2002 paragraph (f)(7) 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 a flat fee, plus an additional time and materials (T&M) charge where applicable. Both the flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the flat fee and T&M charge are also differentiated based on a facility’s Title V status.

The flat fee to transition from NO_x RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(7) shall be assessed according to the following fee schedule.

<u>Facility Type</u>	<u>Non-Title V</u>	<u>Title V</u>	<u>Non-Title V</u>	<u>Title V</u>
<u>Number of Permitted RECLAIM NO_x Sources</u>	<u>FY 2018-19</u>		<u>FY 2019-20 and thereafter</u>	
<u>Less than 10</u>	<u>\$2,232</u>	<u>\$3,160</u>	<u>\$2,232</u>	<u>\$3,497</u>
<u>Greater than or equal to 10 and less than 20</u>	<u>\$4,651</u>	<u>\$6,320</u>	<u>\$4,651</u>	<u>\$6,994</u>
<u>20 or more</u>	<u>\$13,023</u>	<u>\$21,067</u>	<u>\$13,023</u>	<u>\$23,313</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.

	<u>FY 2018-19 and thereafter</u>		<u>FY 2018-19</u>		<u>FY 2019-20 and thereafter</u>	
<u>Facility Type</u>	<u>Non-Title V</u>		<u>Title V</u>			
<u>Number of Permitted RECLAIM NOx Sources</u>	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>
<u>Less than 10</u>	<u>12</u>	<u>\$186.04</u>	<u>15</u>	<u>\$210.67</u>	<u>15</u>	<u>\$233.13</u>
<u>Greater than or equal to 10 and less than 20</u>	<u>25</u>	<u>\$186.04</u>	<u>30</u>	<u>\$210.67</u>	<u>30</u>	<u>\$233.13</u>
<u>20 or more</u>	<u>70</u>	<u>\$186.04</u>	<u>100</u>	<u>\$210.67</u>	<u>100</u>	<u>\$233.13</u>

Rule 301(l)(17) Optional Conversion of Transitioned RECLAIM Facility Permit

A Facility that has transitioned out of the RECLAIM program in accordance with paragraph (l)(16) 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.

**Justification/
Necessity/
Equity:**

The proposed amendment is necessary to recover costs incurred by SCAQMD for revising the Facility Permit to remove permit conditions and emission limits that are no longer applicable for RECLAIM facilities exiting the RECLAIM program. These evaluations will ensure that appropriate monitoring, recordkeeping, and reporting requirements, as well as justifiable emission limits are imposed in facility permits for facilities that exit the RECLAIM program.

Equipment at RECLAIM facilities have been exempt from NO_x emission requirements of rules such as Rules 476, 1109, and 1146 (also see Table 1 of Rule 2001(j)) under the RECLAIM program structure. In addition, RECLAIM facilities are subject to Rule 2005 New Source Review for RECLAIM rather than Rule 1303 New Source Review Requirements. The process of exiting the RECLAIM program involves a case-by-case analysis and evaluation of existing permit and regulatory limits and requirements and appropriate removal or justification (pursuant to other applicable rules) of existing Regulation XX monitoring, recordkeeping and reporting requirements, emission factors, and emission limits.

The proposed fees are based on actual evaluation hours spent by an Air Quality Engineer II for the smaller, lower emitting facilities that have been identified as potentially eligible to exit the RECLAIM program. The proposed fees include a tiered flat fee (based on number of RECLAIM devices) that covers an initial baseline number of hours, plus additional fees for evaluation hours beyond the baseline amount at T&M rates consistent with existing rates in the RECLAIM section of the rule. Any billing of T&M rates will be based on actual evaluation hours spent by an Air Quality Engineer II beyond the baseline hours and will be billed after project completion. The baseline hours have been set for each tier (based on number of RECLAIM devices and minimum level of effort). The case-by-case analysis of equipment-specific requirements is anticipated to require higher levels of effort for facilities with a higher RECLAIM device count and may require additional senior staff time.

For each hour of engineer evaluation time, it is estimated that 0.25 to 0.35 hours of senior engineer time, and 0.16 to 0.20 hours (each) of supervisor, manager, and senior office assistant time will be spent supervising, editing, reviewing, and documenting the evaluation, as well as modifying and producing the

amended facility permit. To take into account any hours beyond the baseline number of hours, a range of costs between \$185.98 and \$210.29 are derived per hour of evaluation by Air Quality Engineer II, based on the FY 2017-18 hourly burdened rates and as shown in Table 4.

The range of hourly costs reflects the differing complexity levels associated with evaluating the requirements of non-Title V versus Title V facilities. The Title V program imposes additional requirements such as inclusion of exempt equipment, rule tagging, and public and EPA noticing requirements. Thus, Title V facilities require a level of effort beyond that of non-Title V facilities. This range of the hourly cost estimates are comparable to the CPI-adjusted hourly rate of \$186.04 for non-Title V facilities and \$210.67 for Title V facilities in Rule 301 paragraphs (l)(12) and (l)(15). Therefore, the proposed amendment would set the tiered flat rates using these CPI-adjusted hourly rates multiplied by the baseline hours for each tier, and the T&M cost would be assessed at these same CPI-adjusted hourly rates.

Table 4: Per Hour Cost Estimates for Transitioning RECLAIM Facility Permits

Staff Position	Range of Staff Time Per Hour of Evaluation By Air Quality Engineer II			FY 2017-18 Hourly Burdened Rate		Range of Staff Cost Per Hour of Evaluation By Air Quality Engineer II*	
Air Quality Engineer II	100%	100%	x	\$105.69	=	\$105.69	\$105.69
Senior Engineer	25.0%	35.0%	x	\$113.07	=	\$28.27	\$39.57
Supervising Engineer	16.0%	20.0%	x	\$121.17	=	\$19.39	\$24.23
Senior Enforcement Manager	16.0%	20.0%	x	\$135.15	=	\$21.62	\$27.03
Senior Office Assistant	16.0%	20.0%	x	\$68.83	=	\$11.01	\$13.77
Total Cost						\$185.98	\$210.29

* Rounded to the second decimal place.

Therefore, staff proposes to set the hourly rates for Transitioning RECLAIM Facility Permits to be consistent with those established for RECLAIM-related permit processing. This is a one-time fee for the transition process associated with exiting the RECLAIM program.

Staff further proposes to allow for the use of the change of condition fee rates in lieu of the permit modification fee rates for facilities that may elect to convert a transitioned RECLAIM facility permit to equipment based permits.

This is an option that a facility may choose and the fee rate is commensurate with the level of effort established for processing equivalent change of condition applications for equipment-specific permits.

5. New fees to recover costs for periodic assessment of non-RECLAIM CEMS, FSMS, or ACEMS

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee associated with SCAQMD periodic assessments of non-RECLAIM Continuous Emissions Monitoring Systems (CEMS), Fuel Sulfur Monitoring Systems (FSMS), and Alternative Continuous Emissions Monitoring Systems (ACEMS). The proposed fee for the periodic assessment would be \$907.51, plus an additional fee of \$172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$5,738.49. These fees are consistent with the CPI-adjusted fees charged for comparable assessments and evaluations for RECLAIM devices. The proposed amendment would also remove a redundant and erroneous reference to Rule 301(i)(5)(A) for clarification purposes.

Proposed Amended Rule(s): *Rule 301(j)(5)(D)* Periodic Assessment of an Existing ~~RECLAIM~~ CEMS, FSMS, or ACEMS

An existing ~~RECLAIM~~ CEMS, FSMS, or ACEMS, ~~which undergoes certification as in (i)(5)(A),~~ must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District Regulations ~~XX~~. The applicant shall pay a minimum processing fee of ~~\$877.67~~ \$907.51 for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$166.35~~ \$172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,549.80~~ \$5,738.49.

Justification/ Necessity/ Equity: The proposed new fee is necessary to recover costs incurred by SCAQMD for periodic assessment of an existing non-RECLAIM CEMS, FSMS, or ACEMS as required by applicable rules. Currently, pursuant to other subparagraphs of Rule 301(j)(5), facilities pay a fee for SCAQMD review of RECLAIM and non-RECLAIM CEMS, FSMS, and ACEMS when initially installed (Rule 301(j)(5)(A)), when modified (Rule 301(j)(5)(B) and (C)), and when there is a change of ownership (Rule 301(j)(5)(E)). In addition, under Rule 301(j)(5)(D) -- the subparagraph made the focus of this proposal -- facilities are required to pay a fee for required periodic assessments of RECLAIM CEMS, FSMS, and ACEMS. Even though non-RECLAIM CEMS, FSMS, and ACEMS must also be reassessed periodically if they are to be relied upon for demonstrating compliance with other applicable SCAQMD regulations, the existing subparagraph does not specifically identify a fee to be assessed in this circumstance. Non-RECLAIM devices appear to have been inadvertently omitted from the subparagraph. Thus, this new fee is necessary in order for SCAQMD to recover the costs associated with that work.

The proposed new fee for the periodic assessment of non-RECLAIM devices is consistent with the fee charged for other evaluations and assessments of these devices under the current Rule 301(j)(5) as adjusted by CPI. The amount of time that is required to complete an assessment is the same regardless of whether the device is required by RECLAIM or other SCAQMD regulations. Therefore, the fee apportionment is equitable and would ensure that the same level of periodic assessment effort will be billed at consistent fee rates.

A periodic assessment of CEMS, FSMS, or ACEMS typically requires five to ten hours of evaluation time by an Air Quality Engineer II. For example, based on staff's review of CEMS assessments conducted for both RECLAIM and non-RECLAIM CEMS reports at a permitted facility from 2006 to 2014, the average amount of evaluation time was 7.76 hours by an Air Quality Engineer II. The CEMS assessments were further reviewed by senior and supervising engineers. The average time for the secondary review consists of 1.94 hours for a senior engineer (approximately 25 percent of an Air Quality Engineer II's evaluation hours) and 0.93 hours for the supervising engineer (approximately 12 percent of an Air Quality Engineer II's evaluation hours). This secondary review includes a review of the technical work, a critique of the evaluator's conclusions and recommendations, approval of the paperwork in the report folder, and handling any fee related questions by the facility. There is also time spent by an office assistant to create the evaluation folders, enter data into the Source Testing database, and scan the reports and/or store in file cabinets. These tasks would take an average of 2.13 hours (approximately 27.5 percent of an Air Quality Engineer II's evaluation hours).

Note that the current fee for a periodic assessment of CEMS, FSMS, or ACEMS is based solely on the evaluation hours spent by the evaluating engineer at the Air Quality Engineer II level. To take into account the unbilled hours for secondary review by supervising and senior engineers and for administrative work performed by the clerical staff, a cost of \$166.39 is derived per hour of evaluation by an Air Quality Engineer II, based on the FY 2017-18 hourly burdened rates and as reflected in Table 5. This is comparable to the current hourly rate of \$166.35 for time spent on the evaluation of RECLAIM CEMS, FSMS, or ACEMS in excess of 10 hours.

Table 5: Per Hour Cost Estimates for Periodic Assessment of CEMS, FSMS, or ACEMS

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II*		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II	\$105.69	×	100.0%	=	\$105.69
Senior Engineer	\$113.07	×	25.0%	=	\$28.27
Supervising Engineer	\$121.17	×	12.0%	=	\$14.54
Office Assistant	\$65.06	×	27.5%	=	\$17.89
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II					\$166.39

* Based on staff's review of CEMS assessments conducted for both RECLAIM and non-RECLAIM CEMS reports at a permitted facility from 2006 to 2014.

Therefore, staff proposes to utilize the existing CPI-adjusted minimum processing fee (\$907.51) and the existing CPI-adjusted hourly rate (\$172.01) set by Rule 301(j)(5) for comparable evaluations and assessments. Those fees and rates will not exceed the costs of SCAQMD's assessment activities and are equitably allocated to the fee payor based on the costs to assess each device. The CPI-adjusted minimum processing fee of \$907.51 corresponds to approximately 5.28 hours of evaluation hours by an Air Quality Engineer II which is at the low end of the average amount of time necessary to complete these types of evaluation. Further, while the CPI-adjusted hourly rate is slightly higher than the calculated total staff cost per hour, the hourly rate will actually be covering costs for the first ten hours of work that were not fully recovered by the minimum fee. The CPI-adjusted maximum total fee of \$5,738.49 limits the payor's liability and is reasonable because it will be based on actual time spent by SCAQMD staff. The maximum total fee corresponds to approximately 33.36 hours of evaluation hours by the same staff position and is anticipated to be sufficient to recover SCAQMD costs in the more complex evaluations. These fees are necessary to recovery the reasonable costs of regulatory services provided.

An additional amendment is also necessary to further clarify the rule's intent by removing a redundant and erroneous reference to Rule 301(i)(5)(A).

6. Increased fees to recover costs associated with voluntary certification programs of Clean Air Solvent and Clean Air Choices Cleaner

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to increase the initial flat fee charged for the Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification programs administered by SCAQMD. The CAS certification fee will be increased from \$880.18 to \$1,503.77. Additional fees for time spent on the analysis/certification process, in excess of 12 hours, continue to be billed at the current, CPI-adjusted hourly rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. The initial flat fee charged for CACC certification fee will be increased from \$880.18 to \$1,503.77, plus an additional fee of \$300 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. As with the CAS fees, additional fees for time spent on the analysis/certification process in excess of 12 hours will be assessed at the current CPI-adjusted hourly rate of \$135.77 per hour.

Proposed Amended Rule(s):

***Rule 301(r)* Fees for Certification of Clean Air Solvents**

~~Persons applying for Clean Air Solvent certification shall pay the following fee for each product to be certified:~~

Gas Chromatograph/Mass Spectrometry Analysis	\$373.24 for five or fewer compounds \$34.63 for each additional compound
Density measurement	\$139.97
Time and material	\$131.31 per person per hour or prorated portion thereof
Clean Air Solvent Certificate	\$190.96

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$835.46~~\$1,503.77 for each product to be tested. Additional fees will be assessed at the rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. [...]⁶

***Rule 301(s)* Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities**

~~Persons applying for certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities shall pay the following fee for each product to be certified:~~

⁶ For purposes of brevity, the entirety of paragraphs affected by proposed changes have not been included in this report. Instead, staff has only included excerpts of portions of rule language most impacted by the proposed changes.

Gas Chromatograph/Mass Spectrometry Analysis	\$373.24 for five or fewer compounds \$34.63 for each additional compound
Time and material	\$131.31 per person per hour or prorated portion thereof
Clean Air Choices Cleaner Certificate	\$190.96

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 ~~\$880.48~~\$1,503.77 for each product to be tested, plus an additional fee of \$300 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. [...]

**Justification/
Necessity/
Equity:**

The proposed amendment is necessary to recover costs incurred by SCAQMD for providing certification services via its CAS and CACC programs. CAS and CACC certification programs are part of SCAQMD's ozone reduction strategy and are intended to facilitate use of low VOC products by providing 5 year certifications of products which meet certain standards. The SCAQMD does not consider these fees to be subject to Proposition 26 because these fees are not being imposed on any payor. Participation in these programs is voluntary and is not a result of any SCAQMD rule requirements. These fees are not part of SCAQMD's Permitted Source Program. Certification is available through SCAQMD's laboratory, as well as a limited number of private laboratories.

Even though these fees are not being imposed on any payor, the proposed fees sought through this amendment reflect the reasonable costs of services provided. In particular, the costs of SCAQMD's services have increased primarily because of a U.S. EPA requirement that all components be analyzed by the gas chromatograph test method (M313) and be calibrated prior to quantitative speciation analysis. Moreover, for CACC certification of consumer cleaning products used at institutional and commercial facilities, the proposed amendment includes an additional fee of \$300, which represents the amount typically invoiced to SCAQMD by a contracting laboratory, for quantification of total nitrogen, total phosphorous, and trace metals in a submitted sample.

The proposed amendment is also necessary to help further clarify the applicability of time and material costs, by specifying that the existing hourly rate of \$135.77 which reflects the CPI adjustment to the existing rate in the current rule would only apply when staff time spent on the analysis/certification process is in excess of 12 hours, the typical amount of time needed for SCAQMD staff to complete the necessary analyses prior to

certifying a product (refer to the analysis below). The current version of the rule does not state when this hourly fee applies. Moreover, to provide further clarification and avoid potential confusion over the billable fees, the proposed amendment removes the itemized fee tables in Rule 301 subdivisions (r) and (s). This is because the gas chromatograph/mass spectrometry analysis and certificate costs do not represent additionally charged fees but are included in the calculation of the initial fees submitted at the time of filing for certification, and may be also included in the additional hourly fees if the total analysis/certification time takes more than 12 hours. Analyses such as gravimetric test to analyze solids and Karl-Fischer method to analyze water content have been historically performed on certification samples. However, due to the U.S. EPA test method and calibration requirement (which were not in place at the inception of CAS and CACC programs), all the components of interest in a submitted sample must now be screened on the same instrument prior to performing a final analysis. Once components are detected and identified, their concentrations are estimated, and in most cases, those components are then calibrated if they have not already been calibrated in the recent past. Once the calibrations are reviewed, the sample is then analyzed quantitatively and with quality control. These analyses are conducted to determine the VOC content and to validate the final result, and the associated SCAQMD staff and other related costs are estimated to be \$1,503.77 per submitted sample/application.

Several staff persons are involved in the sample receiving, analysis, data review, and reporting of results in this certification process. An office assistant in the laboratory receives and logs the samples into the Laboratory Information Management Server (LIMS), which takes 15 minutes, or 0.25 hours, per sample. An Air Quality Chemist receives the sample through LIMS and spends about two hours analyzing the sample's density, solids, and water content through the testing procedures published by the American Society for Testing and Materials (ASTM). Based on those results, the sample is then analyzed on a gas chromatograph mass spectrometer to identify chemical constituents which requires preparation and screening of the sample and calibration of the instrumentation. The analysis procedures require an additional four hours of work by other Air Quality Chemists conducting each of these steps. Reported results then are reviewed by another chemist for three hours, a senior chemist for two hours, and then reported to the principal chemist for one hour of final review. Overall, the analysis and review work performed by several chemists at different levels require a total of 12 hours of staff time. Once the data is validated, a final report and certification recommendation is submitted to the laboratory manager for certification, which takes approximately 12 minutes or 0.2 hours.

There are additional costs associated with sample neutralization prior to its disposal and frequent replacement of gas chromatograph columns, both of which are necessary due to high pH levels of the submitted samples. There is also an extended cost for the instrumentation and consumable cost associated

with the required analysis. Table 6 provides a summary of per sample/application cost breakdown based on the FY 2017-18 hourly burdened rates.

Table 6: Per Sample Cost Estimates for CAS/CACC Certification*

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Sample/Certification Application (Hours)		Cost Per Sample/Certification Application
Office Assistant	\$65.06	×	0.25	=	\$16.27
Air Quality Chemists	\$101.55	×	(2 + 4 + 3)	=	\$913.95
Senior Chemist	\$107.54	×	2	=	\$215.08
Principal Chemist	\$121.17	×	1	=	\$121.17
Lab Manager	\$135.15	×	0.2	=	\$27.03
Sample Disposal and Other Miscellaneous Duties					\$121.43
Extended Solvent Cost					\$88.84
Total Cost Per CAS Sample/Certification Application					\$1,503.77
Invoiced Cost for Quantification of Total Nitrogen, Total Phosphorous, and Trace Metals for CACC Certification					\$300.00
Total Cost Per CACC Sample/Certification Application					\$1,803.77

* Excludes costs for quantification of total nitrogen, total phosphorous, and trace metals under the CACC analysis requirements.

Based on the foregoing, staff proposes to raise the initial certification fees, submitted at the time of filing for certification, to \$1,503.77 per sample/certification application. Moreover, under the requirements of the CACC analysis, the current pricing does not include the analysis contracted out to an external laboratory for quantification of total nitrogen, total phosphorous, and trace metals, for which SCAQMD is invoiced for approximately \$300 per sample. To recover this cost, a new fee of \$300 is proposed to be added for the CACC certification only.

Those increased fees are not more than necessary to cover the reasonable costs to SCAQMD for providing certification services and the manner in which those fees are allocated to a fee payor bear a fair and reasonable relationship to the estimated costs of the burdens on and benefits received from

certification by SCAQMD. They are necessary to recover the reasonable costs of providing these services.

7. New fees to recover costs associated with annual renewal of Rule 1105.1, Rule 1118, and Rule 1123 compliance plans

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing new fees based on the addition of three types of compliance plans to Rule 306(h). The compliance plans being added to the rule include: Rule 1105.1 (Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units), Rule 1123 (Refinery Process Turnarounds), and Rule 1118 (Flare Monitoring and Recording Plan). The fees charged are consistent with the fees charged for other plan reviews in Rule 306(h). Thus, non-Title V facilities with these newly added plans will have to pay an annual fee of \$406.79; Title V facilities with these newly added plans would have to pay an annual fee of \$460.64 for FY 2018-19 and \$509.74 for FY 2019-20 and thereafter.

Proposed Amended Rule(s):

Rule 306(h) Annual Review/Renewal Fee

An annual review/renewal fee shall be charged for plans listed in the following table in this subdivision. The annual review/renewal fee shall be an amount equal to the Rule 301(d)(2) Schedule A fee. In addition, annual reviews/renewals shall meet all relevant and applicable requirements of Rule 301(d) and 301(g), and be paid on an annual renewal date set by the Executive Officer.

Annual Review/Renewal Plan Fee by Rule Number

Rule/Reference	Plan Type
[...]	[...]
463(e)(1)(A)	Organic Liquid Storage - Self-Inspection of Floating Roof Tanks
<u>1105.1</u>	<u>Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units</u>
1118	<ul style="list-style-type: none"> Control of Emissions from Refinery Flares - Flare Minimization Plan <u>Control of Emissions from Refinery Flares – Flare Monitoring and Recording Plan</u>
<u>1123</u>	<u>Refinery Process Turnarounds</u>
1132	Further Control of VOC Emissions from High-Emitting Spray Booth Facilities
[...]	[...]

Justification/ Necessity/ Equity: Rule 306 was amended in June 2006 to recover costs associated with SCAQMD staff time spent on conducting compliance verification inspections by charging an annual renewal fee for 19 plan types identified in Rule 306 subdivision (h). According to staff estimates at that time, the total resources

required to review compliance with each plan was comparable to the annual renewal fee under Rule 301(d)(2) Schedule A.

However, three refinery-specific compliance plans were inadvertently omitted during the 2006 amendment. The Rule 1105.1 and Rule 1123 compliance plans and the Rule 1118 Flare Monitoring and Recording Plan have always required the inclusion of ongoing compliance methods and procedures that, upon any change, would also require approval through revision/resubmittal. SCAQMD inspectors are obligated to verify ongoing compliance with each of these plans. Therefore, the proposed rule amendment is necessary to recover costs incurred by SCAQMD for compliance verification inspections as specified below:

- Rule 1105.1 governs emissions from fluid catalytic cracking units (FCCU), which are equipment used exclusively by petroleum refineries. Rule 1105.1 plans specify operating parameters to be monitored, the range of operating levels of proposed parameters, and the frequency of monitoring and recording for the FCCU control equipment (Rule 1105.1(e)(3)(A) and (e)(3)(B)). The plan may also identify one or more alternative compliance methods (Rule 1105.1(h)). The facility is required to monitor the operating parameters identified in the plan on an ongoing basis and should revise and resubmit the plan for approval as needed.
- Rule 1118 is another refinery-specific rule that impacts a limited number of facilities. Rule 1118 requires two types of plans: (1) Flare Monitoring and Recording Plans (Rule 1118(f)) and (2) Flare Minimization Plans (Rule 1118(d)(3)(A) and 1118(e)). Flare Minimization Plans are currently listed under Rule 306(h), which sets forth the annual review/renewal plan fee by rule number, and are required only for facilities that exceed their annual SO_x emissions target. Flare Monitoring and Recording Plans are proposed to be added to the list of plans in Rule 306(h). These plans include a list of details regarding the flow meters, HHV analyzers, total sulfur analyzers, and flame detection equipment used to monitor refinery flare performance (Rule 1118(f)(4)(A) through 1118(f)(4)(P)). These plans includes configurations, operating parameters, and monitoring frequencies, and must be updated when any changes arise.
- Rule 1123 applies specifically to turnarounds at petroleum refineries, which typically include completely emptying process vessels and opening them to the atmosphere as part of performing scheduled maintenance activities. Rule 1123 plans describe procedures for gas displacement or eduction (emptying the vessels of gases), the disposition of the gases removed, and the conditions for allowing venting to the atmosphere. The facility is required to comply with the procedures identified in the plan on

an ongoing basis and should revise and resubmit the plan for approval as needed.

Based on typical staff time spent on conducting comprehensive refinery compliance “Blue Sky” audits, reviewing quarterly reports, responding to notifications, investigating self-reported deviations, and responding to complaints (for equipment subject to each plan type), at least five hours per plan is spent each year to verify compliance with each of these three approved plan types. Based on the FY 2017-18 hourly burdened rates averaged across all Air Quality Inspector levels including supervising inspector,⁷ five hours of staff time would equate to approximately \$446.41. Because site-specific complexities may create variability in the level of effort needed, staff proposes to set the annual review/renewal fee for these three plans at the Schedule A fee rates, which would be CPI-adjusted to \$406.79 for non-Title V facilities, and for Title V facilities, \$460.64 for FY 2018-19 and \$509.74 for FY 2019-20 and thereafter.

The proposed fees will not exceed total SCAQMD compliance costs associated with these plans, and costs are apportioned equitably as they would apply to all compliance plans that require similar effort by SCAQMD staff to conduct compliance verification inspections. In addition, the manner in which the compliance costs are allocated bear a fair and reasonable relationship to the payor’s burdens on, or benefits received from, the compliance activities because the fees are based on the low end of the average effort required. Moreover, the fee rates also equitably distinguish Title V and non-Title facilities as the former would typically require more staff hours and/or more senior staff effort to verify ongoing compliance for plan renewal.

8. Potentially increased fees by billing actual cost invoiced to SCAQMD for public notice publication

Description of Proposed Amendment: The proposed amendment to Rule 301 subparagraphs (j)(4)(A) and the proposed renumbered (m)(6)(A) would allow SCAQMD to bill the actual cost invoiced for public notice publication to a facility subject to public noticing requirement and electing to pay SCAQMD to arrange for publication of its public notice. Moreover, Rule 301 Table IIB would be deleted, as the pre-determined fee rates currently included in this table for public notice publication would be superseded by the proposed amendment. Finally, Rule 301(c)(4)(A) is proposed to be also amended, by removing the reference to the proposed deleted Table IIB and instead referencing Rule 301(j)(4) for both the public notice publication fee and public notice preparation fee.

⁷ The FY 2017-18 hourly burdened rates are \$76.48 for Air Quality Inspector, \$78.75 for Air Quality Inspector I, \$90.97 for Air Quality Inspector II, \$96.51 for Air Quality Inspector III, and \$103.70 for Supervising Air Quality Inspector.

**Proposed
Amended
Rule(s):**

Rule 301(j)(4)(A)

Pay the actual cost ~~a fee, as invoiced specified in Table IIB,~~ for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or

Rule 301(m)(96)(A)

pay the actual cost ~~a fee, as invoiced specified in Table IIB,~~ for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or

Table IIB: Fee for Public Notice Notification

{...}

Rule 301(c)(4)(A)

Pay a fee for publication of public notice, ~~as specified in Table II (B)~~ and a preparation fee as per Rule 301(i)(4), or

**Justification/
Necessity/
Equity:**

In the event that a facility subject to a public noticing requirement elects to pay SCAQMD to arrange for publication of its public notice, the proposed rule amendment is necessary to fully recover the actual public notice publication cost that is paid upfront by SCAQMD so it can be billed later to the facility. Pursuant to Rule 301, SCAQMD currently only charges a facility the applicable fee specified in Table IIB for public notice publication. However, these fees do not fully reflect the actual cost of publication in some cases.

For example, when SCAQMD issues a Title V permit, public notice in one or more newspapers is often required (Rule 3006(a)(1)(A)). When more than one newspaper notice is necessary, the current fees do not adequately provide for complete cost recovery.

The proposed rule amendment would mitigate such shortfalls and make the actual publication cost incurred by SCAQMD align with the public notice publication fee a facility is required to pay SCAQMD. Accordingly, the charges are no more than necessary to recover the reasonable noticing costs to SCAQMD and the manner in which those costs are allocated to the payor bear a fair or reasonable relationship to the payor's noticing burdens, or benefits received by the noticing.

Finally, as Rule 301(c)(4)(A) concerns public notice-related fees, it is also necessary to amend this subparagraph by removing the would-be-obsolete fee rate reference to Table IIB and referring to Rule 301(j)(4) instead. Currently, Rule 301(c)(4)(A) contains the erroneous rule reference to Rule 301(i)(4) for

the public notice preparation fee. Therefore, for rule clarity, it is necessary to also update this reference to refer instead to Rule 301(j)(4).

9. New fees to recover costs associated with optional catalyst equivalency evaluation

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee for work performed on Catalyst Equivalency Evaluations. Facilities that install Selective Catalytic Reduction (SCR) control equipment have requested the ability to change the catalyst used, provided it is equivalent to the catalyst being replaced. A permit condition will be imposed that allows facilities to submit optional requests for catalyst equivalency evaluations, which, if approved, would allow them to use any equivalent catalyst. Adding this evaluation review to Rule 306 would allow SCAQMD to charge time and material (T&M) fees to recover costs for engineering evaluation time, similar to the cost recovery for source test protocol and report evaluations. The new fee proposed by this amendment will be based on time incurred, billed at the hourly rate of \$155.80 for non-Title V facilities, and for Title V facilities, the hourly rate would be \$176.42 in FY 2018-19 and \$195.23 in FY 2019-20 and thereafter. A typical review is expected to take approximately 15 hours. Therefore, the expected cost per evaluation is estimated to range between \$2,300 and \$3,000, depending on the applicable fee rate and the actual review time. Even though this is a new fee, it will serve to reduce overall costs for a facility over time. Without this proposal, facilities are currently required to submit a permit modification application every time they replace the catalyst on their SCRs.

Proposed Amended Rule(s):

Rule 306(m) Protocol/Report/Catalyst Equivalency Evaluation Fees

(1) ____ [...]

(2) The fee for catalyst equivalency evaluation requests shall be the actual and reasonable evaluation hours assessed at the hourly rate specified in subdivision (d), and billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

Rule 306(q) Optional Expedited Protocol/Report/Catalyst Equivalency Evaluation Processing Fee

(1) ____ [...]

(2) Fees for requested expedited processing of Catalyst Equivalency Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). The established fee described in Rule 306(m)(2) shall be paid with the additional overtime fee and will be billed following project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

Justification/ Necessity/ Equity: The proposed amendment is necessary to recover costs incurred by SCAQMD for conducting optional catalyst equivalency evaluations for a SCR, which is typically installed at Title V facilities. These evaluations, in accordance with permit conditions, allow a facility to use a new or different catalyst (if the evaluation deems it equivalent to the existing catalyst) without requiring an application for equipment modification.

The proposed fees are based on actual evaluation hours spent by an Air Quality Engineer II, billed after project completion. It is estimated that each request will take approximately 15 hours of engineer time. However, for each hour of engineer evaluation time, it is estimated that 0.25 hours of senior engineer time, and 0.13 hours (each) of supervisor, manager, and senior office assistant time will be spent supervising, editing, reviewing, documenting, and billing the evaluation, although staff estimates that these hours will be higher for some requests. To take into account these additional unbilled hours, a cost of \$176.23 is derived per hour of evaluation by Air Quality Engineer II, based on the FY 2017-18 hourly burdened rates and as shown in Table 7. This is comparable to the FY 2018-19 hourly rate of \$170.62 for Title V facilities in Rule 306(d), which is proposed to be CPI-adjusted to \$176.42.

Table 7: Per Hour Cost Estimates for Catalyst Equivalency Evaluation

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II	\$105.69	x	100.0%	=	\$105.69
Senior Engineer	\$113.07	x	25.0%	=	\$28.27
Supervising Engineer	\$121.17	x	13.0%	=	\$15.75
Senior Enforcement Manager	\$135.15	x	13.0%	=	\$17.57
Senior Office Assistant	\$68.83	x	13.0%	=	\$8.95
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II					\$176.23

Therefore, staff proposes to set the hourly rates as specified in Rule 306(d) for conducting catalyst equivalency evaluations, with applicable CPI-based fee increase. The proposed new fees are apportioned equitably as they would be paid only by facilities that submit optional requests for catalyst equivalency evaluations. Moreover, while facilities would still have the option to submit applications for equipment modification in lieu of an equivalency

determination, the proposed fees would represent a more equitable fee apportionment for catalyst equivalency evaluation, as they more closely reflect the actual cost involved. With the proposed rule amendment, a typical catalyst equivalency evaluation request submitted by a Title V facility in FY 2018-19 is estimated at \$2,646.30 (\$176.42/hour x 15 hours) and at \$2,928.45 (\$195.23/hour x 15 hours) if submitted in FY 2019-20; if the request is submitted by a non-Title V facility, the estimated cost is \$2,337.00 (\$155.80/hour x 15 hours). These proposed fees must be compared to the other option of catalyst replacement which involves submissions of applications for equipment modification every time the catalyst is replace. That other option costs significantly more. Based on Table FEE RATE-A in Proposed Amended Rule 301, the CPI-adjusted FY 2018-19 fees for SCR permit modifications would be \$5,097.71 for Title V facilities, and \$4,501.77 for non-Title V facilities (Schedule C fee rates), which are significantly higher than the fee amounts estimated with the proposed amendment.

10. New fees to recover costs associated with AB 2588 work for Potentially High Risk Level Facilities

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add new fees for the work undertaken by the AB 2588 program staff in determining Rule 1402 compliance for facilities designated as a Potentially High Risk Level Facility, as defined under Rule 1402. The proposed Potentially High Risk Level Facility Fees would be assessed on a T&M basis at the hourly rate of \$172.88 under proposed Rule 307.1(d)(5). The proposed fees would be billed annually and due at the time of the AB 2588 annual billing. A maximum of \$100,000 per year per facility is also proposed for the Potentially High Risk Level Facility Fees to provide cost certainty for the affected facilities. This fee is intended to offset the costs associated with administering the requirements of Rule 1402 for Potentially High Risk Level Facilities. Based on SCAQMD's current experience with existing Potentially High Risk Level Facilities, the annual number of hours necessary for each facility is unlikely to exceed 600 hours. Therefore, in order to remove cost uncertainty for an affected facility, an annual cap of \$100,000 is proposed. Corresponding amendments are proposed for Rule 307.1 Table I to add additional clarity. Finally, the proposed amendment would add to Rule 307.1 several definitions related to the proposed new fees, and add a table footnote to Table I to clarify that PS stands for priority score.

Proposed Amended Rule(s):

Rule 307.1(c) Definitions

[...]

(17) POTENTIALLY HIGH RISK LEVEL FACILITY means a facility designated by the Executive Officer pursuant to the definition in Rule 1402.

(18) POTENTIALLY HIGH RISK LEVEL FACILITY FEE means the fee charged to facilities upon designation as a Potentially High Risk Level

Facility under Rule 1402. The fee will be assessed on a Time and Materials (T&M) basis to cover the District's costs in determining Rule 1402 compliance. This includes, but is not limited to, evaluation of findings pursuant to Rule 1402(g).

[...]

(23) SIGNIFICANT RISK LEVEL is a maximum individual cancer risk of at least one hundred per million (100×10^{-6}) or a total acute or chronic hazard index of at least five (5) for any target organ system at any receptor location.

[...]

Rule 307.1(d)(5) Potentially High Risk Level Facility Fees

When a facility is designated as a Potentially High Risk Level Facility, as defined under Rule 1402, the owner/operator of the facility shall pay a fee for staff time at the rate of \$172.88 per hour to offset the District's costs to determine Rule 1402 compliance. The Potentially High Risk Level Facility Fees are billed annually and are due at the time of the AB 2588 annual billing which allows a reasonable time for payment. The Potentially High Risk Level Facility Fees will not exceed \$100,000 per year per facility.

Rule 307.1 TABLE I

FACILITY FEES BY PROGRAM CATEGORY

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>HRA Tracking</i> ^{*1}	[...]			
[...]				
<i>Risk ≥10 <50 in a million or HI>1</i>	Simple Facility	[...]	\$3,014	[...]
	Medium Facility	[...]	\$3,349	[...]
	Complex Facility	[...]	\$3,684	[...]
<i>Risk ≥100 in a million</i>	Simple Facility	[...]	\$5,693	[...]
	Medium Facility	[...]	\$6,028	[...]
	Complex Facility	[...]	\$6,363	[...]
<i>Potentially High Risk Level</i>	<u>Simple Facility</u>	<u>T & M²</u>	<u>\$5,693³</u>	<u>\$ (T&M² + 5,693³)</u>
	<u>Medium Facility</u>	<u>T & M²</u>	<u>\$6,028³</u>	<u>\$ (T&M² + 6,028³)</u>
	<u>Complex Facility</u>	<u>T & M²</u>	<u>\$6,363³</u>	<u>\$ (T&M² + 6,363³)</u>

<i>Voluntary Risk Reduction</i>	[...]
<i>District Tracking**⁴</i>	[...]
[...]	

^{1*} HRA Tracking --- (PS > 10 with HRA) Risk ≥ 1 , <10 in a million, or HI ≥ 0.1 , ≤ 1

² T & M --- Annual District fee will be capped at \$100,000 per year per facility.

³ For facilities with Risk > 100 in a million, the state fee is equivalent to that of the “Risk ≥ 100 in a million” category. For facilities with HI > 5.0, the state fee is equivalent to the “Risk ≥ 10 <50 in a million or HI > 1” category.

^{4**} District Tracking --- PS > 1, ≤ 10

HRA --- Health Risk Assessment

HI --- Hazard Index, Acute or Chronic

PS --- Priority Score

**Justification/
Necessity/
Equity:**

In October 2016, the SCAQMD Governing Board amended Rule 1402 to include special requirements for Potentially High Risk Level Facilities (typically those facilities with an estimated cancer risk that exceeds 100 in-one-million). Potentially High Risk Level Facilities must implement an Early Action Risk Reduction Plan to immediately reduce elevated health risks. Implementation of the Early Action Risk Reduction Plan occurs while the facility prepares their emission inventory of toxics, Health Risk Assessment (HRA), and Risk Reduction Plan concurrently. Since the 2016 adoption of the amended Rule 1402, SCAQMD has incurred a significant amount of additional costs associated with Potentially High Risk Level Facility designation and compliance. Therefore, the proposed amendment is necessary to recover costs incurred by SCAQMD staff by allowing collection of fees from Potentially High Risk Level Facilities in determining Rule 1402 compliance.

The proposed fees are estimated on evaluation hours spent by the evaluating staff for document review, emissions estimation, prioritization, risk calculation, public notification, and risk reduction for facilities designated as a Potentially High Risk Level Facility. Based on staff’s review of documents submitted by Potentially High Risk Level Facilities, the average amount of evaluation time by an Air Quality Engineer II varies depending on complexity and completeness of documents submitted. The work is further evaluated by a Senior Engineer, Program Supervisor, and Planning and Rules Manager. For every hour spent by the Air Quality Engineer II, the average time for the review by a Senior Engineer is typically 25 percent of an Air Quality Engineer II’s evaluation hour. Likewise, the amount of time necessary for review by a Program Supervisor and Planning and Rules Manager is typically 12.5% percent (for each) of an Air Quality Engineer II’s evaluation hour. Secondary review includes a review of the technical work, a critique of the evaluating engineer's conclusions and recommendations, and handling of any pending legal issues if these facilities are under orders for abatement. There is also time spent by a senior office assistant to create facility folders, scan reports and/or store into file cabinets, prepare public notification material and mail outs. Note that the billing will be based solely on the evaluation hours spent

by the evaluating engineer at the Air Quality Engineer II level. To take into account the unbilled hours for secondary review by a Senior Engineer, Program Supervisor, and Planning and Rules Manager and for administrative work performed by the clerical staff, a cost of \$172.88 is derived per hour of evaluation. This hourly rate is based on the FY 2017-18 hourly burdened rates and is shown in Table 8.

Table 8: Per Hour Cost Estimates for Potentially High Risk Facility Evaluation

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II	\$105.69	x	100.0%	=	\$105.69
Supervising Engineer	\$121.17	x	12.5%	=	\$15.15
Senior Engineer	\$113.07	x	25.0%	=	\$28.27
Planning and Rules Manager	\$135.15	x	12.5%	=	\$16.89
Senior Office Assistant	\$68.83	x	10.0%	=	\$6.88
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II					\$172.88

Therefore, staff proposes to set the hourly rate at \$172.88 as specified in proposed Rule 307.1(d)(5) for Potentially High Risk Level Facility evaluations. The proposed new fees are apportioned equitably as they would be paid only by facilities that are designated as a Potentially High Risk Level Facility. Currently, there are three such facilities. It should be further noted that for Potentially High Risk Level Facilities with an estimated cancer risk that exceeds 100 in-one-million, they remain subject to the state fees of \$5,693, \$6,028, and \$6,363 for simple, medium, and complex facility, respectively. For those facilities with a chronic or acute HI of greater than 5.0, they will be subject to the state fees of \$3,014, \$3,349, and \$3,684 for a simple, medium, and complex facility, respectively.

Based on SCAQMD staff's current experience with existing potentially high risk facilities, the total evaluation hours per year for each facility is unlikely to exceed 600 hours. To provide cost certainty for the affected facilities, an annual cap of \$100,000 per affected facility is additionally proposed. This cap

is equivalent to approximately 578 evaluation hours billed at the proposed hourly rate of \$172.88.

To add clarity to the proposed amended PAR 307.1, several new definitions associated with the proposed new fees need to be added, and Table I and its footnotes also need to be amended.

11. New fees to recover costs associated with AB 2588 work on Rule 1402 related special reviews

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add new fees related to the preparation or revision of an Air Toxics Inventory Report (ATIR) pursuant to Rule 1402, and to increase the current fee rate beyond the CPI adjustment for the preparation or revision of a Health Risk Assessment (HRA) pursuant to Rule 1402. The proposed new fees would be added to the current Rule 307.1 Special Risk Assessment Fee, proposed to be renamed as “Special Review Fee” to be inclusive of both ATIR and HRA reviews. The Special Review Fee would be assessed at the hourly rate of \$150.62 for the total actual and reasonable time incurred by SCAQMD staff, plus any actual contractor costs as invoiced.

Proposed Amended Rule(s): *Rule 307.1(c)(~~257~~)*
 SPECIAL ~~RISK ASSESSMENT~~REVIEW FEE means the fee charged to facilities to cover the cost of the qualified District personnel or a qualified consultant, as determined by the Executive Officer (EO), engaged by the District under contract, in the event that the EO determines that an ~~existing air toxics inventory report or~~ health risk assessment should be revised and the owner/operator cannot perform this task without errors or delays.

Rule 307.1(d)(3) Special ~~Risk Assessment~~Review Fees

When a facility’s air toxics inventory report or health risk assessment submitted pursuant to Rule 1402 ~~was~~ prepared or revised by District personnel or a contractor engaged by the District, the owner/operator of the facility for which an air toxics inventory report or health risk assessment is performed shall pay the fees equal to the total actual and reasonable time incurred by District, including actual contractor costs as invoiced and District staff time assessed at the hourly rate of ~~\$131.31~~150.62. When the air toxics inventory report or 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.

Justification/ Necessity/ Equity: In recent years, there has been a surge of ATIRs and HRAs requiring review by SCAQMD. In the meantime, SCAQMD staff has seen an increasing amount of submitted documents requiring substantial modifications or revisions and, in some cases, a complete overhaul of the entire document where the facility was not able to perform the task without errors or delays. Rule 1402 gives the

EO the authority to reject a submitted ATIR or HRA and modify the revised ATIR or HRA and approve it as modified (Rule 1402(d)(4) and (e)(2)).

Rule 307.1 currently includes Special Risk Assessment Fees that are billed to a facility whose HRA requires either preparation or revision by SCAQMD staff and/or by a contractor engaged by SCAQMD. The proposed amendment is necessary as it would allow SCAQMD to collect similar fees for the costs incurred by SCAQMD for the preparation or revision required for an ATIR submitted by a facility pursuant to Rule 1402. Moreover, the proposed increase to raise the current rule's hourly rate from \$131.31 to \$150.62, which is beyond the CPI-based increase, is also necessary to recover the costs incurred by SCAQMD for the increased time and effort undertaken by SCAQMD staff related to the preparation or revision of an HRA. The proposed new fees are apportioned equitably as they would be paid by only those facilities whose ATIRs and/or HRAs require either preparation or revision by SCAQMD staff and/or by a contractor engaged by SCAQMD. It should be noted for clarification purposes that, when the ATIR or HRA is conducted or is evaluated and verified by SCAQMD staff or a consultant engaged by SCAQMD, the fees charged will be in addition to all other fees required.

These fees would represent the total actual and reasonable evaluation time incurred by SCAQMD staff, assessed at the hourly rate of \$150.62, plus the actual costs incurred by SCAQMD for the amount invoiced by a SCAQMD approved independent consultant. The proposed fees would be billed after project completion. ATIRs and HRAs are typically reviewed by either an Air Quality Specialist or an Air Quality Engineer II, both of which have the same hourly burdened rate. The work is further evaluated by a Senior Engineer, Program Supervisor, and Planning and Rules Manager. For every hour spent by the Air Quality Engineer II, the average time for the review by a Senior Engineer is typically 20 percent and a Program Supervisor is typically 10 percent of an Air Quality Engineer II's evaluation hour. Likewise, the amount of time necessary for review by a Planning and Rules Manager is typically 5 percent of an Air Quality Engineer II's evaluation hour. Secondary review includes a review of the technical work, and a critique of the evaluating engineer's conclusions and recommendations. There is also about 5 percent of time spent by a senior office assistant to create facility folders, scan reports and/or store into file cabinets, and prepare mail outs. Note that the billing will be based solely on the evaluation hours spent by the evaluating engineer at the Air Quality Engineer II level. To take into account the unbilled hours for secondary review by a Senior Engineer, Program Supervisor, Planning and Rules Manager, and for administrative work performed by the clerical staff, a cost of \$150.62 is derived per hour of evaluation by an Air Quality Engineer II. This hourly rate is based on the FY 2017-18 hourly burdened rates and is shown in Table 9.

Table 9: Per Hour Cost Estimates for Special Review of ATIR & HRA

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II*		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II / Air Quality Specialist	\$105.69	x	100.0%	=	\$105.69
Senior Air Quality Engineer	\$113.07	x	20.0%	=	\$22.61
Program Supervisor	\$121.17	x	10.0%	=	\$12.12
Planning and Rules Manager	\$135.15	x	5.0%	=	\$6.76
Senior Office Assistant	\$68.83	x	5.0%	=	\$3.44
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II/Air Quality Specialist					\$150.62

PROPOSED RULE AMENDMENTS WITH NO FEE IMPACTS AND/OR ADMINISTRATIVE CHANGES

The proposed rule amendments in this section do not result in increased fees. Rather, these amendments generally include administrative changes such as clarifications, deletions, re-numbering, and corrections to existing rule language. The first amendment listed below also adds a consequence for non-payment of a required fee.

In addition to the proposed amendments to specific rule language as discussed below, all fee rates applicable for FY 2017-18 only are now obsolete and are proposed to be removed from all Regulation III rules. Moreover, 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. Specification of payment due date and non-payment consequence for Rule 301(z) “No Show” fees

Description of Proposed Amendment: Owners and operators of gasoline transfer and dispensing facilities are required to complete certain performance and reverification tests. Typically, these facilities hire third party testers for this type of work. These testers schedule a specific time with SCAQMD and a SCAQMD inspector is sent to the facility to observe the testing. Despite the existence of a specifically scheduled time

for performance of the tests, often testers fail to arrive at the facility thereby causing SCAQMD to incur costs associated with the inspector sent to observe the tests. When this happens, SCAQMD imposes a “No Show” fee on the tester pursuant to Rule 301(z). The proposed amendment to Rule 301(z) would specify a time limit for payment of the “No Show” fee for scheduled testing of gasoline dispensing equipment pursuant to Rule 461, and the consequence of non-payment. Specifically, the “No Show” fee would need to be paid within 60 days of the date of the invoice. If the fee is not paid, the account would become delinquent 30 days after the due date, and any delinquent account holder would not be allowed to schedule any future tests within SCAQMD’s jurisdiction until all overdue fees are paid in full. The proposed amendment would additionally clarify that the “No Show” fee would apply to individual testers and testing companies alike for a reverification or performance test.

**Proposed
Amended
Rule(s):**

Rule 301(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 ~~\$412.43~~426.45 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 ~~\$412.43~~426.45 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.

Necessity:

The “No Show” fee is imposed on contractors, including testing companies or testers and contracting companies, when they are not able to commence with either reverification or performance testing within one hour of the scheduled test time or pre-backfill inspections at the scheduled time. Certain contractors routinely schedule tests that are unreasonably close together given the type of tests and the distances between test sites. A SCAQMD inspector’s time will be wasted if the contractor fails to show up at the scheduled time. The “No

Show” fee was instituted to reimburse SCAQMD for inspector time spent in these cases. Currently, however, there are no implications for non-payment of the “No Show” fee. Since the affected parties are not permit holders, any non-payment of fees would not have a direct impact on the contractors’ ability to continue their operations.

Therefore, the proposed amendment is necessary to specify the payment due date and non-payment consequence for the “No Show” fee. The proposed requirement for the fee to be paid within 60 days of the date of the invoice would allow for a reasonable amount of time for fee payment. At the same time, the proposed non-payment consequence would prevent future scheduling of testing or pre-backfill inspections and provide an incentive to pay the “No Show” fee. Moreover, without the proposed language, the only means for SCAQMD to recover the associated costs would be to file claims with the small claims court which creates an additional burden and cost to SCAQMD.

2. **Numbering of Rule 301 fee rate tables on pages PAR 301-70 through PAR 301-73**

Description of Proposed Amendment: The proposed amendment would number the currently unnumbered fee rate tables in Rule 301: Table FEE RATE-A for the table “Summary Permit Fee Rates - Permit Processing, Change Of Conditions, Alteration/Modification”; Table FEE RATE-B for the table “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”; and Table FEE RATE-C for the table “Summary of Permit Fee Rates Change Of Operator”. The proposed amendment would also revise all references to these tables in Rule 301 by the proposed table numbering.

Proposed Amended Rule(s):

Rule 301

TABLE FEE RATE-A. FY 2018-19

SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF CONDITIONS, ALTERATION/MODIFICATION

TABLE FEE RATE-A. FY 2019-20 and thereafter

SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF CONDITIONS, ALTERATION/MODIFICATION

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

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES

CHANGE OF OPERATOR

Necessity: The proposed amendment is necessary to ensure clarity of the applicable fee rates in Rule 301, by numbering the three primary fee rate tables that are currently unnumbered and are referred to inconsistently throughout the rule. The proposed amendment would also update all references to each of these fee rate tables by using the proposed table numbering in lieu of the full or abbreviated table name.

3. Clarification of table content by revising table titles for Rule 301 Tables IA and IB on pages PAR 301-74 through PAR 301-90

Description of Proposed Amendment: The proposed amendment would revise table titles for Tables IA and IB in Rule 301 to clarify that they include fee schedules, not fee rates.

Proposed Amended Rule(s): *Rule 301*
 TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT
 TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Necessity: Rule 301 Tables IA and IB list the fee rate schedules applicable for each control and basic equipment, respectively. The fee rates for each fee rate schedule are separately listed in the proposed numbered Tables FEE RATE-A, or specified throughout Rule 301. The proposed amendment would add clarity to the content of Tables IA and IB.

4. Correction of a typographical error in rule citations

Description of Proposed Amendment: The proposed amendment to Rule 301 subparagraphs (b)(10)(B), (b)(10)(C), and (b)(10)(D) would correct a typographical error in citing the rule's paragraph (j)(5).

Proposed Amended Rule(s): *Rule 301(b)(10) [...]*
 (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) [...] An FSMS is a total sulfur monitoring system configured similar to the CEMS described in paragraph (j)(5) [...]
 (D) [...] Instead of directly monitoring the pollutant emissions at a source required to have a CEMS as in paragraph (j)(5), [...]

Necessity: The proposed amendment would add clarity to Rule 301(b)(10) by correcting the abovementioned typographical error so that the corrected citation would

follow the citation convention for rule subdivisions (i.e., a parenthetical lower case character).

5. Removal of obsolete rule language

Description of Proposed Amendment: The proposed amendment to Rule 301 paragraphs (c)(1) and (l)(4) would remove rule language related to outdated provisions or requirements that are no longer applicable or rendered obsolete due to a recent rule amendment.

Proposed Amended Rule(s): ~~*Rule 301(c)(1)(A)(iv)*~~
~~For applications submitted prior to July 1, 1990, [...]~~

~~*Rule 301(c)(1)(C)*~~

~~[...] or where a Permit to Construct was granted prior to August 1, 1982 [...]
 In the case where a portion of the permit evaluation fee was paid when a Permit to Construct was granted [...]~~

~~*Rule 301(c)(1)(DC)(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.~~

~~*Rule 301(c)(1)(FE)*~~

~~[...] This subparagraph shall, upon request of the applicant, apply to applications which have been received before July 1, 1996, but not yet been processed or which have not received final determination regarding applicable permit processing fees.~~

~~*Rule 301(l)(4) Facility Permit Fees*~~

~~(A) Existing facilities entering the RECLAIM program [...]~~

~~(B) New facilities with new equipment entering the RECLAIM program [...]~~

Necessity: The proposed amendment is necessary to clarify rule applicability, by removing rule language related to outdated provisions or requirements that are no longer applicable or rendered obsolete due to a recent rule amendment. Specifically,

- Rule 301(c)(1)(A)(iv) concerns those permit applications submitted prior to July 1, 1990. There are currently no pending applications submitted prior to this date.

- Rule 301(c)(1)(C) includes outdated language concerning those Permits to Construct granted prior to August 1, 1982. It also includes language concerning “a portion” of permit evaluation fees paid, which is not permissible under the current rule, as these fees are due when permit applications are submitted and would not be paid in parts. The remainder of Rule 301(c)(1)(C)—which concerns applications for a Permit to Operate for equipment already constructed without first obtaining a required permit to Construct—is proposed to be moved under the proposed renumbered subparagraph (c)(1)(C) – Higher Fee for Failing to Obtain a Permit), as clause (iii).
- The final sentence in Rule 301(c)(1)(F) references permit applications received before July 1, 1996. There are currently no pending applications received prior to this date.
- Rule 301(l)(4) specifies RECLAIM facility permit fees for existing and new facilities entering the RECLAIM program. However, this fee is no longer applicable as no facilities will be entering the RECLAIM program pursuant to the amended Rule 2001(b)(4), which was adopted in January 2018 as one of the first steps to sunset the NOx RECLAIM program.

6. Removal of an extraneous reference to a fee rate table

Description of Proposed Amendment:	The proposed amendment to the renumbered Rule 301 subparagraph (c)(1)(D) would remove the extraneous reference to the 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 table.
Proposed Amended Rule(s):	<p><i>Rule 301(c)(1)(D) Small Business</i></p> <p>When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(HG)(i), (c)(1)(DC) 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 the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modifications <u>Table FEE RATE-A</u> and in the 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 table.</p>
Necessity:	The proposed amendment is necessary to add clarity to Rule 301(c)(1)(D), by removing the extraneous reference to the 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 table (proposed to be numbered as Table FEE RATE-B). The fifty-percent small business discount pursuant to Rule 301(c)(1)(D) is applicable only to those

applications filed in accordance with the provisions of Rule 301 subparagraphs (c)(1)(A), (c)(1)(G)(i), (c)(1)(C) or paragraph (c)(3), all of which refer to fees in Table FEE RATE-A only and do not refer to fees in Table FEE RATE-B.

7. Clarification of all CEQA document types and sub-types for payment of initial CEQA document preparation fees

Description of Proposed Amendment: The proposed amendment to Rule 301(j)(1)(A) would clarify all types, including sub-types, of CEQA documents for which an initial preparation fee is applicable. Specifically, sub-types of CEQA documents would be listed under each type of CEQA documentation that is currently included in the fee schedule table.

Proposed Amended Rule(s): *Rule 301(j)(1)(A) CEQA Document Preparation*
 [...] 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)	\$332.69 <u>344.00</u>
Negative Declaration (ND), <u>including Supplemental or Subsequent ND</u>	\$5,016.90 <u>5,187.47</u>
Mitigated Negative Declaration (MND), <u>including Supplemental or Subsequent MND</u>	\$5,016.90 <u>5,187.47</u>
Environmental Impact Report (EIR), <u>including Supplemental or Subsequent EIR</u>	\$6,689.15 <u>6,916.58</u>
<u>Supplemental or Subsequent EIR</u>	\$6,689.15
Addendum to EIR, <u>including Addendum to ND/MND</u>	\$3,466.69 <u>3,584.56</u>

[...]

Necessity: Rule 301(j)(1)(A) specifies the applicable fee rates for the initial preparation fee of necessary CEQA documentation, for projects where SCAQMD is determined as the Lead Agency by the Executive Officer. There are multiple types of CEQA documents that can be prepared. However, the current fee table included in Rule 301(j)(1)(A) does not explicitly list several sub-types of CEQA documents that are parallel to those types of CEQA documents currently listed in the table and can be considered as sub-types of currently listed CEQA document types. Therefore, the proposed amendment is necessary to add clarity to the current rule, by specifying in the Rule 301(j)(1)(A) table that: 1) a Negative Declaration (ND) includes Supplemental or Subsequent ND; 2) a Mitigated Negative Declaration (MND) includes Supplemental or Subsequent MND; 3) an Environmental Impact Report (EIR) includes Supplemental or Subsequent EIR; and 4) an Addendum to EIR includes Addendum to ND/MND. The fees for preparation of these

types of documents are not being increased; they are only being adjusted for CPI.

8. Correction of a typographical error in fee rate

Description of Proposed Amendment: The proposed amendment to Rule 301 clause (j)(5)(B)(i) would correct a typographical error, where the current rate of \$887.67 should have been \$877.67. The correction would result in a less-than-3.4 percent increase to the current rate of \$887.67, as the CPI-based adjustment of 3.4 percent is proposed to be based upon the correct fee rate of \$877.67.

Proposed Amended Rule(s): *Rule 301(j)(5)(B)(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 ~~\$887.67~~\$907.51; and [...]

Necessity: The proposed amendment is necessary to correct an inadvertent typographical error for the current fee rate included in Rule 301(j)(5)(B)(i). The proposed correction would make the fee rate consistent with similar fees related to the review of CEMS, FSMS, and ACEMS in clause (j)(5)(B)(iv) and subparagraphs (j)(5)(C) and (j)(5)(D), where the fee rate is currently set at \$877.67 and would be CPI-adjusted to \$907.51.

9. Clarification of all applicable fees and fee rates associated with facility permit amendment

Description of Proposed Amendment: The proposed amendment to Rule 301(l)(4) would add clarity to the rule by: 1) adding language that indicates that an application for a Facility Permit Amendment is to be filed any time other application(s) related to any equipment in the facility permit are submitted, and the amendment fee is in addition to any equipment-specific or plan-related fees; 2) consolidating language regarding engineering evaluation and emission changes; 3) removing redundant fee rate tables and instead referring to Table VII for Facility Permit Amendment Fees; and 4) clarifying the applicable fees and their fee rate references for other application(s) related to any equipment affected by the facility permit amendment.

Proposed Amended Rule(s): *Rule 301(l)(54)* 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 that requires an engineering evaluation or causes a change in emissions are listed in Table VII and shall be based on the type of facility permit. as follows: Facility Permit Amendment Fees are in addition to

Facility Permit Amendment Fee	RECLAIM	Title V	RECLAIM & Title V
FY 2017-18	\$1,088.60	\$1,158.42	\$2,247.02
FY 2018-19	\$1,132.14	\$1,282.02	\$2,414.16
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68	\$2,550.82

plus the sum of applicable fees assessed for each application required for affected equipment as specified in the Summary Permit Fee Rate tables. The Facility Permit Amendment Fee for an application that does not require an engineering evaluation or causes a change in emissions shall be based on the type of facility permit as follows:

Facility Permit Amendment Fee	RECLAIM	Title V	RECLAIM & Title V
FY 2017-18	\$1,088.60	\$1,158.42	\$2,247.02
FY 2018-19	\$1,132.14	\$1,282.02	\$2,414.16
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68	\$2,550.82

plus the applicable administrative permit change fee based on the equipment schedule as set forth in Rule 301 subparagraph (c)(3)(C) (for administrative equipment applications) or Table FEE RATE-A (for non-administrative equipment applications) or Rule 306 (i)(1) for each application required for affected equipment. All delinquent fees, court judgments in favor of SCAQMD and administrative civil penalties associated with the facility must be paid before a Facility Permit Amendment application will be accepted.

Necessity: The proposed rule amendment is necessary to add clarity to the renumbered Rule 301(l)(4), by simplifying the rule language and utilizing references to applicable rule sections and tables to reduce redundancy, and by inserting additional rule references where applicable.

10. Removal of Title V fee rate for RTC transaction registration fee

Description of Proposed Amendment: The proposed amendment to the proposed renumbered Rule 301(l)(8) would remove the Title V fee rate for payment of transaction registration fee related to RECLAIM Trading Credits (RTCs), thereby effectively lowering the applicable fee rate for Title V facilities to the CPI-adjusted fee rate for non-Title V facilities.

Proposed Amended Rule(s): *Rule 301(l)(98) 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. At the time the transaction is registered with the District, the transferee shall pay

a Transaction Registration Fee of ~~\$169.60~~175.37 at the time the transaction is registered with the SCAQMD, ~~as shown in the following table below in this paragraph:~~

Facility Registration Fee	Non-Title V	Title V
FY 2017-18	\$163.08	\$173.54
FY 2018-19	\$169.60	\$192.06
FY 2019-20 and thereafter	\$169.60	\$212.53

Necessity: There are currently differential fee rates for Title V and non-Title V facilities in the proposed renumbered Rule 301(l)(8). The differential rates exist for many fees throughout Regulation III and were adopted in June 2017, as a result of the programmatic effort to refine SCAQMD's revenue-cost alignment. However, implementation of the current fee structure reduced RTC transaction processing efficiency and increased the potential for processing errors since fee determination now requires manual validation of the RTC transferee's Title V status. Consequently, the current fee differential between Title V and non-Title V facilities is less than the cost associated with the additional staff effort needed to process, validate, and bill at the higher Title V rate. Staff believes that, with respect to RTC transaction registration, the lower non-Title V rate is sufficient to recover the reasonable costs of its activities. As a result, it is proposed that Title V fee rates be lowered such that non-Title V fee rates would apply to the RTC transaction registration fee, regardless of the Title V status of the transferee.

11. Clarification of applicable fees related to processing of an Initial Title V Facility Permit, and revision and renewal of an existing Title V permit

Description of Proposed Amendment: The proposed amendment would clarify the applicable fees related to the processing of an Initial Title V Facility Permit, and the revision or renewal of an existing Title V permit, by restructuring the current Rule 301, paragraphs (m)(3) through (m)(8).

First, the proposed amended subparagraph (m)(3) would cover all Initial Title V Facility Permit applications, regardless of whether the applicant is an existing permitted facility. It would further clarify all applicable fees that are due at the time of application filing.

Second, the proposed amendment would consolidate current subparagraphs (m)(6) and (m)(7) into the proposed amended subparagraph (m)(4). The fee rates in this subparagraph would be replaced with a reference to Table VII for all applicable fee rates for payment of Title V Facility Permit Amendment or Revision Fees.

Third, the proposed amended subparagraph (m)(5) would also replace the fee rates in this subparagraph with a reference to Table VII for all applicable fee

rates for payment of the Title V Facility Permit Renewal Fee. Additionally, clarifications would be made regarding the timing of billing/paying the initial renewal processing fee versus the final renewal fee.

Finally, the proposed amendment would also update the fee rate reference to subdivision (j) in proposed amended paragraph (m)(3), and paragraphs (n)(3) and (n)(4), from the erroneous reference to subdivision (i).

**Proposed
Amended
Rule(s):**

Rule 301(m)(3) Permit Processing Fees for Existing Facilities with Existing District Permits Applying for an Initial Title V Facility Permit

[...]

(C) [...] the facility shall submit additional applications with the applicable fees in subdivisions (c) and (ij) for each piece of equipment for which a revision is requested. [...]

(4D) Permit Processing Fee Applicability

~~The permit processing fee for~~ If a new facility is required to obtain a Title V facility permit to construct, the facility shall be 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 (ij) for all equipment at the facility.

(5E) Rule 301 Fee Applicability

~~The permit processing fee for~~ If an existing facility is required to obtain a Title V facility permit because of a modification, pursuant to paragraph (c)(2) of Rule 301, the facility shall be submit initial Title V fees those specified in paragraph (m)(3). These fees are in addition to plus the sum of all the applicable fees in subdivisions (c) and (ij) for all new and modified equipment at the facility.

(6) Administrative Permit Revision Fee

~~Notwithstanding paragraphs (l)(6), (l)(9), and (m)(3), and except as provided in paragraphs (l)(5), (l)(7), (l)(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of \$1,158.42 for FY2017-18, \$1,282.02 for FY2018-19 and \$1,418.68 for FY 2019-20 and thereafter.~~

(74) 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, or and any significant permit revision or amendments shall be \$1,158.42 for FY 2017-18, \$1,282.02 for FY 2018-19 and \$1,418.68 for FY 2019-20

~~and thereafter plus the applicable fee in paragraphs (l)(5), (l)(6), (m)(3), and (m)(4). RECLAIM facilities shall only pay the fee specified in paragraph (l)(5).~~

(85) Renewal Fees

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, ~~shall be~~ are specified in Table VII. Renewal fees include both an initial processing fee of \$2,631.19 for FY 2017-18, \$2,911.94 for FY 2018-19 and \$3,222.35 for FY 2019-20 and thereafter to be paid that is due when the application is submitted; and a final fee of ~~\$184.10 for FY 2017-18 and \$203.74 for FY 2018-19 and \$225.46 for FY 2019-20 and thereafter per hour for time spent on the application in excess of 8 hours, assessed after SCAQMD evaluation is complete and the permit is issued, and is due upon notification by the District SCAQMD of the amount due when the permit is issued.~~

Rule 301(n)(3) Facility Permit Revision

[...] shall be the sum of applicable fees assessed for each affected equipment as specified in subdivisions (c) and (ij).

Rule 301(n)(4) Change of Operating Condition

[...] shall be the sum of fees assessed for each equipment or process subject to the change of condition as specified in subdivisions (c) and (ij).

Necessity: The proposed rule amendment is necessary to clarify all applicable fees related to the processing of an Initial Title V Facility Permit, and the revision or renewal of an existing Title V permit.

The current structure of Rule 301, paragraphs (m)(3) through (m)(5), can cause confusion over the applicable fees, as an Initial Title V Permit application can be filed by different types of facilities in different situations and for different reasons. Therefore, the proposed rule restructuring and additional clarifications in the proposed amended paragraphs (m)(3) are necessary to improve rule clarity regarding all applicable fees.

The proposed amendment would also more clearly distinguish between the processing fee to obtain an Initial Title V Permit (specified in proposed amended subparagraph (m)(3)), the processing fee for a Title V permit revision (specified in proposed amended subparagraph (m)(4)), and the processing fee for a Title V permit renewal (specified in proposed amended subparagraph (m)(5)). Therefore, it would become unnecessary to reference the current paragraphs (m)(3), (m)(4), (m)(5), and (m)(8) in the proposed amended paragraph (m)(4) (or current paragraphs (m)(6) and (m)(7)).

Moreover, by referring to Table VII regarding all applicable fee rates for facility permit revision/amendment fee, it would become unnecessary to

reference subdivision (l) for Title V facilities that are concurrently in the RECLAIM program.

Additional clarifications would be made in the proposed amended subparagraph (m)(5), regarding the timing of billing/paying the initial renewal processing fee versus the final renewal fee.

Currently, the proposed amended paragraph (m)(3), and paragraphs (n)(3) and (n)(4), all contain the erroneous rule reference to subdivision (i) with regards to the applicable fees assessed for each piece of equipment/process affected by a facility permit related application. Therefore, for rule clarity, it is necessary to update this reference to subdivision (j).

12. Clarification of change of operator fee applicability

Description of Proposed Amendment: The proposed amendment to the proposed numbered Table FEE RATE-C in Rule 301 would clarify that the change of operator fees apply to RECLAIM facilities, while also clarifying that the limits to the change of operator fees are not applicable to RECLAIM facilities. An additional clarification is also proposed to specify that the fees are for each permit unit application.

Proposed Amended Rule(s):

Rule 301

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES CHANGE OF OPERATOR^a

[...]

^a Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$8,383.28 for FY 2017-18, \$9,277.78-9,593.22 for FY 2018-19 and \$10,266.79~~ 10,615.86 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$15,756.06 for FY 2017-18 and \$16,386.30-16,943.43 for FY 2018-19 and thereafter~~ per facility. There is no limit to the change of operator fees for RECLAIM facilities.

Necessity: The current table footnote of the proposed numbered Rule 301 Table FEE RATE-C specifically describes limits to the change of operator fees for non-RECLAIM facilities, including non-RECLAIM Title V and other non-RECLAIM facilities. Change of operator fees are applicable for RECLAIM facilities pursuant to the proposed renumbered Rule 301(l)(6). However, Table FEE RATE-C does not explicitly refer to RECLAIM facilities as the fee rates are differentiated between Title V and non-Title V facilities, regardless of a facility's RECLAIM status. This lack of reference to RECLAIM facilities in both the table and the table note has led some applicants to mistakenly interpret that RECLAIM facilities are not subject to the change of operator fees, or are subject to a fee limit similar to the limits specified for non-RECLAIM facilities. Therefore, the proposed amendment

is necessary to clarify that the change of operator fees apply to all facilities, including RECLAIM facilities and that there is no limit to the change of operator fees for RECLAIM facilities.

13. Addition of existing equipment/process to Table IB - Permit Fee Rate Schedules for Basic Equipment

Description of Proposed Amendment: The proposed amendment would add two existing equipment/processes to Table IB, which establishes permit fee rate schedules for basic equipment. They include: 1) Carbon Dioxide Production Facility as Schedule F equipment/process, and 2) Chippers, Greenwaste (not including I.C. Engines) as Schedule A equipment/process.

Proposed Amended Rule(s): ***TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT***

Equipment/Process	Schedule
[...]	[...]
Bulk Loading/Unloading	C
<u>Carbon Dioxide Production Facility</u> <u>Including, but not limited to, all</u> <u>or part of the following:</u> <u>Separator, Knockout Pot,</u> <u>Scrubber, Chiller, Pumps,</u> <u>Blowers, Oil Separator,</u> <u>Compressor, Intercoolers, Filters,</u> <u>Cooling Tower</u>	F
Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears	D
[...]	[...]
Chip Dryer	D
<u>Chippers, Greenwaste, not including</u> <u>I.C. Engine</u>	<u>A</u>
Circuit Board Etchers	B
[...]	[...]

Necessity: Fees for the permitting of equipment are determined pursuant to Rule 301(c)(1)(A). For ease of understanding and greater transparency, Table 1B was created as a means of identifying the appropriate fee schedule for specific types of equipment commonly permitted by SCAQMD. It does not, and cannot, include the name of every potential piece of equipment. When equipment is not on Table 1B, Rule 301(c)(1)(A)(iii) provides SCAQMD

with authority to determine the most appropriate fee schedule. Table 1B has been periodically updated on an as-needed basis, e.g., when permits for certain types of equipment become more frequent. These updates help the regulated community determine which fee schedule applies.

Carbon Dioxide Production Facilities are not currently listed in Rule 301, Table IB - Permit Fee Rate Schedules for Basic Equipment. Pursuant to Rule 301(c)(1)(A)(iii), however, Schedule F fee rates have been applied since 1984 to Carbon Dioxide Production equipment/process as Carbon Dioxide Production plants are similar in size, scope, and complexity to Hydrogen Production plants, for which Schedule F fee rates apply. There are currently three active permits for Carbon Dioxide Production Facilities. The proposed addition of Carbon Dioxide Production Facilities to Table IB is necessary to memorialize the applicable fee rate schedule for equipment/process used at these facilities to ensure consistency and improve transparency.

Greenwaste chippers are also not currently listed in Table IB. The May 5, 2017 amendment to Rule 219(g)(2) clarified an exemption for wood shredding to specifically exclude greenwaste management (i.e., organic waste material generated from gardening, agricultural, or landscaping activities including, but not limited to, leaves, grass clippings, tree and shrub trimmings and plant remains). As such, greenwaste chippers were specifically identified as requiring a permit to operate, and therefore subject to permit fees based on Schedule A in accordance with Rule 301(c)(1)(I) until 12 months from the Rule 219 amendment.

Pursuant to Rule 301(c)(1)(A)(iii), Schedule A fee rates may continue to be charged based on SCAQMD staff's review of the permit applications for greenwaste chippers, which revealed that the level of project complexity and the required permitting staff's effort are commensurate with a Schedule A categorization. However, the proposed addition of greenwaste chippers to Table IB is necessary to memorialize the applicable fee rate schedule for such equipment to ensure consistency and improve transparency. The proposed addition excludes internal combustion (I.C.) engines used by greenwaste chippers, as more complex permitting will be required when the engines used to power such equipment are larger. These larger engines are permitted separately and do not need to be associated with the chipper itself such that the appropriate fee schedule based on size of the engine can be addressed independently from the chipper.

14. Clarification and simplification of fee rate table for facility permit fees

Description of Proposed Amendment:	The proposed amendment to Rule 301 Table VII would revise the table title to more accurately reflect the facility permit fees covered by this fee rate table.
	The proposed amendment would also simplify Table VII by consolidating the

Title V and RECLAIM fees. References to Table VII are proposed to be added throughout Rule 301, where applicable.

**Proposed
Amended
Rule(s):**

TABLE VII
SUMMARY OF FACILITY PERMIT FEES FOR FACILITIES THAT
ARE RECLAIM ONLY, TITLE V ONLY, & AND BOTH RECLAIM &
TITLE V FEES

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
RECLAIM (1)				
Facility Permit Amendment/Revision Fee with Engineering Evaluation <ul style="list-style-type: none"> RECLAIM Only Title V Only* RECLAIM & Title V* <p>* Includes administrative, minor, de minimis significant, or significant amendment/revision</p>	(1)(54) (m)(4)	\$1,088.60	\$1,132.14 1,170.63	\$1,132.14 1,170.63
Facility Amendment Fee without Engineering Evaluation <ul style="list-style-type: none"> RECLAIM only RECLAIM & Title V 	(1)(5)	\$1,088.60 \$2,247.02	\$1,132.14 \$2,414.16	\$1,132.14 \$2,550.82
Facility Permit Change of Operator <ul style="list-style-type: none"> Facility Permit Amendment Fee Plus Application Processing Fee for Each Application 	(c)(2) (1)(76) (m)(4) (n)(5)	\$1,088.60 + \$633.40	\$1,132.14 + \$658.74	\$1,132.14 + \$658.74

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
TITLE V (m)				
Administrative Permit Revision Fee	(m)(6)	\$1,158.42	\$1,282.02	\$1,418.68
Permit Revision Fee	(m)(7)			
• Minor permit revision		\$1,158.42	\$1,282.02	\$1,418.68
• De minimis significant permit revision		\$1,158.42	\$1,282.02	\$1,418.68
• Significant permit revision		\$1,158.42	1,282.02	\$1,418.68
<u>Title V Facility Permit Renewal Fees (Due at Filing)</u>	(m)(8) (5)	\$2,631.19	\$2,911.94 <u>3,010.95</u>	\$3,222.35 <u>3,331.91</u>
+ Plus	(m)(9)	+	+ Plus	+ Plus
<u>Hourly Rate for Calculation of Final Fee if for Evaluation Time in Excess of 8 hours (Due upon Notification)</u>		\$184.10 per hour	\$203.74 <u>210.67 per hour</u>	\$225.46 <u>233.13 per hour</u>
Change of Operator				
• Administrative Permit Revision Fee	(m)(6)	\$1,158.42	\$1,282.02	\$1,418.68

Necessity:

The proposed amendment would reduce redundancy and opportunities for potential discrepancies by listing all facility permit related fee rates in Rule 301 Table VII, and where applicable, replacing facility permit related fee rates in rule sections with a reference to Table VII. The proposed amendment would also remove artificial distinctions between fee categories that have the same fee rates and clarify divisions between Title V-only, RECLAIM-only, and RECLAIM & Title V permit revisions/amendments.

15. Removal or addition of multiple references in Rule 301

Description of Proposed Amendment: The proposed amendment would remove or update incorrect references and add needed clarifications throughout Rule 301. Specifically, it would: 1) replace a reference to “Table I” in clause (c)(1)(A)(iii) with a reference to “Table IA or Table IB”; 2) in subparagraph (c)(1)(I), reference the proposed numbered Table FEE RATE-A to specify the location for identifying “Schedule A” fee rates; 3) remove “Table III” table title from the emission fee threshold table included in subdivision (e)(5), as Table III in this subdivision refers to the Emission Fees table, which appears at the end of the rule; 4) remove an irrelevant reference to the ERC processing rates table (Table FEE RATE-B) in paragraph (l)(6) regarding change of operating conditions and in paragraph (q)(1) regarding NESHAP evaluations, as ERC processing fee rates are not applicable to the fees associated with paragraphs (l)(6) and (q)(1).

Proposed Amended Rule(s):***Rule 301(c)(1)(A)(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.

Rule 301(c)(1)(~~4H~~) Applications Submitted for Equipment Previously Exempted by Rule 219

[...] the permit processing fees assessed shall be in accordance with Schedule A of Table FEE RATE-A.

Rule 301(e)(5) Emission Fee Thresholds

[...]

Table III

Air Contaminant(s)	Annual Emissions Threshold (TPY)
[...]	[...]

Rule 301(l)(~~65~~) Change of Operating Condition

[...] a Change of Condition Fee shall be paid. Such fee shall be equal to the sum of fees assessed for each equipment subject to the change of condition as specified in ~~the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification – Table FEE RATE-A and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.~~ [...]

Necessity: The proposed amendment would add clarity to Rule 301 by removing outdated or erroneous references and adding clarifying references at multiple rule sections.

16. Clarification of applicable fee rates for annual emission fees

Description of Proposed Amendment: The proposed amendment to Rule 301 Table III – Emission Fees would clarify the applicable fee rates for larger amounts of annual emissions per criteria pollutant. For ease of use, it would make each bin of annual emissions mutually exclusive (refer to first table column), and except for carbon monoxide, repeat the applicable CPI-adjusted emission fees for the bin with annual emissions greater than 75 tons/year and less than 100 tons/year (refer to fourth table row) in the bin with annual emissions greater than or equal to 100 tons/year (refer to fifth table row).

Proposed Amended Rule(s):

Rule 301

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	\$[...]	\$[...]	\$[...]	\$[...]	-	\$[...]
>25 – 75	\$[...]	\$[...]	\$[...]	\$[...]	-	\$[...]
>75 and <100	\$1,469.4 <u>\$1,519.3</u> 7	\$257.08 <u>265.82</u>	\$846.20 <u>874.97</u>	\$1,017.80 <u>1,052.41</u>	-	\$1,121.67 <u>1,159.81</u>
≥100	<u>\$1,519.3</u> 7-	<u>\$265.82</u> -	<u>\$874.97</u> -	<u>\$1,052.41-</u>	\$[...]	<u>\$1,159.81</u> -

Necessity: The current organization of Rule 301 Table III – Emission Fees may cause potential confusion as to whether emission fees would apply to annual emissions greater than or equal to 100 tons/year of all criteria pollutants, except carbon monoxide. Therefore, the proposed amendment is necessary to remove this ambiguity regarding applicable emission fees.

17. Correction of subparagraph numbering in Rule 304.1(c)(3)

Description of Proposed Amendment: The proposed amendment would renumber all subparagraphs following (c)(3)(I) as subparagraph (c)(3)(J) does not currently exist.

Proposed Amended Rule(s): **Rule 304.1(c)(3)** Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected (Weekdays Only).
 [...] [...] [...]
 (~~K~~J) Analysis of Each Sample Collected in (G) For Particulates. [...]

- (~~L~~K) Gas Chromatograph/Mass Spectrometry Identification For [...] Any Sample Collected Above.
- (~~M~~L) Additional Fees for Sample Pick-up and Analysis After [...] Normal Weekday Work-ing Hours.

Necessity: Rule 304.1 subparagraph (c)(3)(J) was deleted in 2005, but the ensuing subparagraphs were not renumbered accordingly. The proposed amendment is a belated administrative correction.

18. Correction of a typographical error regarding reference to Rule 109

Description of Proposed Amendment: The proposed rule amendment would remove the erroneous reference to Rule 109.1 in Rules 306 and 301, and where applicable, replace it with the intended reference to Rule 109 – Recordkeeping for Volatile Organic Compound Emissions.

Proposed Amended Rule(s): *Rule 306(b)* Definitions
 [...] Plans include, but are not limited to, the following: [...] Title V Exclusion Requests; ~~Rule 109.1;~~ Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Rule 109 Alternative Recordkeeping System Plan; ~~and~~ Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); [...]

Rule 306(k) Alternative Recordkeeping System Plan Discount

For alternative recordkeeping system plan filed pursuant to Rule 109-1, [...]

Rule 301(c)(3)(D)

For permits reissued because of Rule 109-1 ~~or Rule 109.1~~, [...]

Necessity: The proposed amendment is necessary to remove from Rules 306 and 301 the erroneous references to Rule 109.1, which does not exist. This typographical error initially occurred during the 2000 amendment to Rule 306. Based on the associated staff report, the originally intended reference was Rule 109, specifically the rule's subdivision (f) which discusses alternative recordkeeping systems and an associated plan. Therefore, it is necessary to replace the erroneous reference with a reference to Rule 109 where applicable.

19. Clarification of applicable fee rates for plan filing and plan evaluation fees and the timing of billing any additional fees

Description of Proposed Amendment: The proposed amendment to Rule 306(i)(1) would correct a typographical error that occurred during the 2017 amendment to Rule 306, which inadvertently removed the specific reference to "Various Location" for Rule 1166 plans under the list of Type A plans. The proposed amendment would restore the deleted reference and further clarify that Type C plans include Rule

1166 Fixed Site plans. The proposed amendment would further clarify the applicable fee rates for: 1) payment of plan filing fee by referencing Rule 306(c), and 2) payment of any additional fees due to the adjustment to plan evaluation fees at the time a plan is approved or rejected, by referencing Rule 306(d). Finally, the proposed amendment would also clarify the timing of billing additional plan evaluation fees, if any.

**Proposed
Amended
Rule(s):**

Rule 306(i)(1) Plan Filing and Plan Evaluation or Submittal Fees

In addition to payment of the filing fee pursuant to subdivision (c), the initial payment for plan evaluation fees shall be as shown in the table below in this subparagraph and paid at the time of filing. The adjustment to plan evaluation fees will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate pursuant to subdivision (d). ~~Notification of the amount due or refund will be provided to the applicant, and any additional fees due to the adjustment to plan evaluation fees will be billed following project completion.~~

A – Rule 403, and 461 Plans and Rule 1166 Various Location Plans	Non-Title V	Title V
—FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 155.80	\$170.62 176.42
FY 2019-20 and thereafter	\$150.68 155.80	\$188.81 195.23
B – Rule 444, 1133 and 1415 Plans	See Rule 306(c)	See Rule 306(c)
C – All Other Plans, including Rule 1166 Fixed Site Plans	Non-Title V	Title V
—FY 2017-18	\$507.06	\$539.58
FY 2018-19	\$527.34 545.27	\$597.15 617.45
FY 2019-20 and thereafter	\$527.34 545.27	\$660.81 683.28

Necessity:

Historically, the plan evaluation fee rate has been always higher for Rule 1166 Fixed Site Plans than for Rule 1166 Various Location Plans. This is because Rule 1166 Fixed Site Plans require more evaluation and review time than Rule 1166 Various Locations Plans. Rule 1166 Various Location Plans are designed for limited excavations and do not require additional evaluation regarding CEQA, site history/location, excavation processes, etc. Therefore, when initially implemented, the initial payment for Rule 1166 Various Location Plan evaluation fees was set based on an amount equivalent to one hour of evaluation time at the applicable Rule 306(d) fee rates (as for all Type A plans under Rule 306(i)(1)), whereas the initial payment for Rule 1166 Fixed Site Plans was set based on an amount equivalent to 3.5 hours of

evaluation time at the applicable Rule 306(d) fee rates (as for all Type C plans under Rule 306(i)(1)).

However, during the 2017 amendment to Rule 306, the specific reference to "Various Location" was inadvertently removed and, therefore, it erroneously appears that all Rule 1166 Plans would be subject to the Type A plan evaluation fees. It is therefore necessary to restore the deleted reference and further clarify that the Type C plan evaluation fees are applicable to Rule 1166 Fixed Site Plans.

Furthermore, Rule 306(i)(1) currently lacks specific fee rate cross-references for payment of plan filing fee and any additional plan evaluation fees. Hence, it is necessary to clarify the applicable fee rates by: 1) referencing Rule 306(c) for payment of plan filing fees, and 2) referencing Rule 306(d) for any additional fees due to the adjustment to plan evaluation fees at the time a plan is approved or rejected. The added reference to Rule 306(d) is consistent with how the initial payment for plan evaluation fees were determined, as explained above.

Finally, for added rule clarity, it is also necessary to specify that any additional plan evaluation fees would be billed based upon actual plan review and work time, and the billing would occur after project completion.

20. Clarification of timing of request for optional expedited plan evaluation, the associated fees, and timing of fee payment

Description of Proposed Amendment: The proposed amendment to Rule 306(i)(5) would clarify that a request for optional expedited processing of plan evaluation can only be made upon initial work submittal, and approval of such a request is contingent upon SCAQMD's ability to implement the necessary policies and procedures and the availability of qualified staff for overtime work. The proposed amendment would further clarify the intent of Rule 306(i)(5) by specifying all applicable fees for optional expedited plan evaluation processing and by specifying the billing and timing of all fee payments in a consistent manner as in Rule 306(i)(1).

Proposed Amended Rule(s): **Rule 306(i)(5) Optional Expedited Plan Evaluation Processing Fee**
Initial Fees for requested expedited processing of plan evaluation will shall be an additional fifty percent (50%) of the applicable plan filing and initial evaluation fees pursuant to paragraph (i)(1), and shall be submitted at the time that the expedited processing is requested. The adjustment to expedited plan evaluation processing fee will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). Notification of the amount due or refund will be provided to the applicant and any additional fees due to the adjustment to expedited plan evaluation processing fees will be billed

following project completion. A request for expedited plan evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

Necessity: For SCAQMD’s resource planning purposes, the proposed amendment to Rule 306(i)(5) is necessary to clarify that a request for an expedited processing of plan evaluation can only be made upon initial work submittal and that the approval of any request for expedited plan evaluation is contingent upon SCAQMD’s ability to implement the necessary policies and procedures and the availability of qualified staff for overtime work. This proposed amendment is similar to the existing requirement under Rule 301(v) for expedited processing of a permit, CEQA work, an application for an ERC/STC, Air Dispersion Modeling, HRA, and Asbestos Procedure 4 & 5 notifications.

The proposed amendment is additionally necessary to clarify the intent of Rule 306(i)(5) by specifying all applicable fees for optional expedited plan evaluation processing. Similar to Rule 301(v), the additional fees required for expedited plan evaluation represent fifty percent, or one half, of all applicable fees for a regular plan evaluation, which include plan filing fee, initial payment of plan evaluation fees, and any additional fees billed based upon actual review and work time, pursuant to Rule 306(i)(1). The proposed amendment is also necessary to clarify the billing process by specifying the billing and timing of all payments in a consistent manner as in Rule 306(i)(1).

21. Clarification of applicable fees and timing of payment for source test protocol/report evaluation

Description of Proposed Amendment: The proposed amendment to Rule 306 subdivisions (m) and (q) would lower applicable fees for Title V facilities for the evaluation of source test protocols and reports to the current rates for non-Title V facilities, plus the proposed CPI-based adjustment. The amendment would also remove the current fee rate tables which reference both Non-Title V and Title V facilities, and instead specify the CPI-adjusted minimum fee in the rule text, and reference the applicable hourly rate to Rule 306 subdivision (d). The proposed amendment would further clarify the timing for paying the minimum and additional fees for an evaluation of source test protocols and reports. It would also clarify all fees to be billed for an expedited evaluation of source test protocol or report. Rule 306 subdivision (d) is proposed to be also amended to clarify that the CPI-adjusted hourly rate is applicable to the total evaluation time incurred by evaluating staff. Finally, Rule 301(v)(4) is proposed to be amended to remove its applicability to requested expedited evaluation of source test protocols and reports.

**Proposed
Amended
Rule(s):*****Rule 306(m)*** Protocol/Report/Catalyst Equivalency⁸ Evaluation Fees

- (1) A minimum Fees of \$409.45 shall be charged for the evaluation of source test protocols and reports. ~~consist of a minimum fee, plus an~~ Additional fees for time spent on the evaluation in excess of 5 hours shall be assessed at ~~an~~ the hourly rate specified in subdivision (d) for non-Title V facilities. The established minimum fee and additional fees for time spent on the evaluation in excess of 5 hours shall be billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment. ~~as follows:~~

A Minimum Fee	Non-Title V	Title V
— FY 2017-18	\$380.76	\$405.18
— FY 2018-19	\$395.99	\$448.41
— FY 2019-20 and thereafter	\$395.99	\$496.21
B Hourly Rate for Additional Fee	Non-Title V	Non-Title V
— FY 2017-18	\$144.88	\$154.17
— FY 2018-19	\$150.68	\$170.62
— FY 2019-20 and thereafter	\$150.68	\$188.81

- (2) [...]

Rule 306(q) Optional Expedited Protocol/Report/Catalyst Equivalency Evaluation Processing Fee

- (1) Fees for requested expedited processing of Protocol/Report Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate ~~plus mileage~~ as specified in subdivision (d) for non-Title V facilities. The established "minimum fee" and additional fees for time spent on the evaluation in excess of 5 hours found in Rule 306(m)(1) shall be paid at the time of filing with the additional overtime fee billed following project completion ~~(adjustments to the final bill will be made accordingly for the processing time which is included in the minimum fee)~~. Fees are due at the time specified in the bill which will allow a reasonable time for payment. Request for expedited Protocol/Report Evaluation work can only be made upon

⁸ The proposed amendment related to catalyst equivalency evaluation in Rule 306 subdivisions (m) and (q) is separately discussed in Section III, Item 9: New fees to recover costs associated with optional catalyst equivalency evaluation.

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.

Hourly Rate in Addition to Rule 301 (m) Fee	Non-Title V	Title V
—FY 2017-18	\$220.03	\$234.14
—FY 2018-19	\$245.42	\$259.12
—FY 2019-20 and thereafter	\$245.42	\$286.74

(2) [...]

Rule 306(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by ~~the District staff~~ for evaluation of a plan, assessed at the ~~hourly rate per person per hour~~ or prorated portion thereof as follows:

Facility Type	Non-Title V	Title V
FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 <u>155.80</u>	\$170.62 <u>176.42</u>
FY 2019-20 and thereafter	\$150.68 <u>155.80</u>	\$188.81 <u>195.23</u>

Rule 301(v)(4) Air Dispersion Modeling, and HRA, ~~Source Test Protocols and Reports~~ Fees

Fees for requested expedited review and evaluation of air dispersion modelings, and health risk assessments, ~~source test protocols and source test reports~~ will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$139.31~~144.05 plus ~~\$72.26~~74.72 per hour (one half of hourly plus mileage).

Necessity: The proposed amendment is necessary to further clarify the applicable fees and billing time for the evaluation of source test protocols and reports.

There are currently differential fee rates for Title V and non-Title V facilities in Rule 306 subdivisions (m) and (q). The differential rates exist for many fees throughout Regulation III and were adopted in June 2017, as a result of the programmatic effort to refine SCAQMD's revenue-cost alignment. However, based on staff's evaluation of the billing process for source test protocol/report evaluation (which is different than the billing of most fees for the permitted source program), the current fee differential between Title V and non-Title V facilities is less than the cost associated with the additional staff effort needed to determine, track, and bill at the higher Title V rate. Staff believes, that with respect to Source Testing, the lower non-Title V rate is

sufficient to recover the reasonable costs of its activities. As a result, it is proposed that Title V fee rates be lowered such that non-Title V fee rates would apply to all fees related to evaluation of source test protocols and reports, including the minimum fees and additional fees for time spent on the evaluation in excess of 5 hours under Proposed Amended Rule 306(m)(1), and the overtime fee for expedited evaluation of source test protocols and reports under Proposed Amended Rule 306(q)(1). For the overtime fee, staff also proposes to not include mileage, therefore resulting in a lower overall hourly rate for expedited source test protocol/report evaluation: \$233.70 [= (\$150.68 × (1 + 3.4%)) + (\$150.68 × (1 + 3.4%) × 0.5)], as compared to \$253.76 [= \$245.42 × (1 + 3.4%)] based on the current rule's non-Title V overtime rate, adjusted for CPI increase.

To simplify the rule language, remove redundant fee rates in the Proposed Amended Rule 306 subdivisions (m) and (q), and to reduce repetition of the same fee rates in Rule 306, staff proposes to remove the current fee rate tables in Rule 306 subdivisions (m) and (q), specify the CPI-adjusted minimum fee in the rule text, and reference the applicable hourly rate to Rule 306 subdivision (d). Rule 306 subdivision (d) is proposed to be also amended to clarify that the CPI-adjusted hourly rate is applicable to the total evaluation time incurred by evaluating staff.

Moreover, the proposed amendment is necessary to further clarify the timing for paying the minimum and additional fees for evaluation of source test protocols and reports. The proposed amendment would add the clarification in Proposed Amended Rule 306(m)(1) that “[t]he established minimum fee and additional fees for time spent on the evaluation in excess of 5 hours shall be billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.” At the same time, it would delete from current Rule 306(q) the language requiring the minimum fee to be paid at the time of filing, and the language regarding adjustments to the final bill to reflect overtime fee. In lieu of the language proposed to be deleted, Proposed Amended Rule 306(q)(1) would clarify that, for optional expedited evaluation of source test protocol or report, all applicable fees, including the minimum fee, additional fees for time spent on the evaluation in excess of 5 hours, and overtime fee, will all be billed after project completion.

Finally, Rule 301(v)(4) is proposed to be amended to remove its applicability to requested expedited evaluation of source test protocols and reports. This proposed amendment is necessary as there currently exists an ambiguity regarding the applicable fee rate(s) for an optional request for expedited evaluation of source test protocols and reports. The proposed amendments to Rule 306(q) and to Rule 301(v)(4) would remove this ambiguity and result in an overtime fee that is billed based on one half of the same hourly rate as charged for a regular/non-expedited evaluation of source test protocols and reports for time spent on the evaluation in excess of 5 hours.

22. Removal of a redundant definition and correction of small business maximum fee and typographical errors in Rule 307.1

Description of Proposed Amendment: The proposed amendment to Rule 307.1(c)(13) would remove the redundant definition of Industry-Wide Facility, which refers to those facilities already encompassed in the more expansive definition of State Industry-Wide Facility under the proposed renumbered Rule 307.1(c)(29). Additionally, staff proposes to amend Rule 307.1(d)(2)(D) to correct the inadvertent past adjustments to the small business maximum fee, based on CPI increases. This maximum fee is set by state law at \$300 and should not have been adjusted for CPI (California Code of Regulations Title 17, Section 90704(h)(2)). Finally, the proposed amendment to Rule 307.1(d)(9) would correct two typographic errors, including: 1) the erroneous abbreviation of the North American Industry Classification System (NAICS) in subparagraph (d)(9)(D), and 2) the erroneous NAICS code for the Boat Building industry in subparagraph (d)(9)(F).

Proposed Amended Rule(s):

Rule 307.1(c)(13)

~~INDUSTRY-WIDE FACILITY means a facility that qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44232, or an individual facility which emits less than ten (10) tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, and whose emissions inventory report was prepared by the District.~~

Rule 307.1(d)(2)(D)

The maximum fee that a small business as defined in this rule shall pay is ~~\$377.22~~\$300.00.

Rule 307.1(d)(9)(D)

The facility is a wastewater treatment plant as described by ~~NAICS~~NAICS Code 221320, [...]

Rule 307.1(d)(9)(F)

The facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by NAICS Codes 336611, 3366122, 488390 or 811490, [...]

Necessity: The proposed amendment would remove the redundant definition of Industry-Wide Facility in Rule 307.1(c)(13). This definition refers to a subset of State Industry-Wide Facilities as defined in the proposed renumbered Rule 307.1(c)(27). Moreover, all related requirements in Rule 307.1 refer to State Industry-Wide Facility and not to Industry-Wide Facility. At the same time, it is necessary to amend Rule 307.1(d)(2)(D) to correct the inadvertently CPI-adjusted small business maximum fee back to the maximum of \$300 as set by

state law. The proposed amendment is also necessary to correct the aforementioned typographical errors in Rule 307.1.

IMPACT ASSESSMENT

A. FISCAL IMPACT FOR SCAQMD

Staff will provide an overall fiscal impact assessment for SCAQMD as a result of implementing the proposed CPI-based fee increase and other proposed rule amendments with fee impacts.

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

SCAQMD staff has reviewed the proposed project, PAR III, which consists of fee updates, new fees and amendments to multiple rules that comprise Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315), 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 fee updates, new fees, and amendments in PAR III 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) – Activities Covered by General Rule. Additionally, the entirety of the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed fee updates, new fees, and 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. 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, 2018 (available on SCAQMD's website at: http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2018-19/draft-socioeconomic-assessment-for-automatic-cpi-increase_2018.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, 2018.

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 in order to recover reasonable and actual costs incurred by SCAQMD in implementing necessary clean air programs and to add rule clarity, to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 to fund the Fiscal Year 2017 18 Budget.

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, 306, and Rule 307.1 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 and 315, as proposed to be amended, are written or displayed so that their meaning can be easily understood by the persons directly affected by them.

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 and 315 as proposed to be amended, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

F. NON-DUPPLICATION

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, as proposed to be amended, do not

impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the SCAQMD.

G. REFERENCE

The SCAQMD Governing Board, in amending these rules, references the following statutes which the SCAQMD hereby implements, interprets, or makes specific: 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(b)(10)	Definitions- Continuous Emissions Monitoring System (CEMS)			✓
301(c)(1)(A)(iii)	Fees for Permit Processing			✓
301(c)(1)(A)(iv)*	Fees for Permit Processing			✓
301(c)(1)(C)(iii)	Higher Fee for Failing to Obtain a Permit			✓
301(c)(1)(D)	Fees for Permit Processing - Small Business			✓
301(c)(1)(E)	Fees for Permit Processing - Small Business			✓
301(c)(1)(H)	Applications Submitted for Equipment Previously Exempted by Rule 219			✓
301(c)(1)(I)	Standard Streamlined Permits	✓		✓
301(c)(3)(A)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(B)(i)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(B)(ii)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(C)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(D)	Change of Operating Condition, Alteration/Modification/Addition (Permit Reissued per Rule 109)			✓
301(c)(4)(A)	Fee for Evaluation of Applications for Emission Reductions		✓	✓

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(d)(2)	Annual Operating Fees	✓		✓
301(d)(3)(A)	Credit for Solar Energy Equipment	✓		
301(e)(4)	Flat Annual Operating Emission Fee	✓		
301(e)(5)	Emission Fee Thresholds			✓
301(e)(9)(A)	Annual Emission Report Standard Evaluation Fee	✓		
301(e)(16)	Reporting GHG Emissions and Paying Fees	✓		
301(f)	Certified Permit Copies and Reissued Permits	✓		✓
301(g)	Reinstating Expired Applications or Permits; Surcharge	✓		✓
301(j)(1)(A)	CEQA Document Preparation	✓		✓
301(j)(1)(B)	CEQA Document Assistance	✓		
301(j)(4)	Payment for Public Notice	✓		✓
301(j)(4)(A)	Payment for Public Notice		✓	✓
301(j)(5)(A)	Payment for Review of CEMS, FSMS, ACEMS			✓
301(j)(5)(B)(i)	Modification of an Existing Certified CEMS, FSMS, or ACEMS	✓		✓
301(j)(5)(B)(iv)	Modification of an Existing Certified CEMS, FSMS, or ACEMS	✓		
301(j)(5)(C)	Modification of CEMS, FSMS, or ACEMS Monitored Equipment	✓		
301(j)(5)(D)	Periodic Assessment of an Existing CEMS/FSMS/ACEMS	✓	✓	
301(j)(5)(E)	CEMS, FSMS, or ACEMS Change of Ownership	✓		
301(j)(6)(A)	Certification of Barbeque Charcoal Lighter Fluid	✓		

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(j)(6)(B)	Repackaging of Certified Barbeque Charcoal Igniter Products	✓		
301(j)(7)	Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs	✓		✓
301(j)(8)	Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities	✓		
301(l)(3)	Change of Operating Condition			✓
301(l)(4)(A)*	Facility Permit Fees (RECLAIM)			✓
301(l)(4)(B)*	Facility Permit Fees (RECLAIM)			✓
301(l)(4)	Facility Permit Amendment			✓
301(l)(8)	Transaction Registration Fee	✓		✓
301(l)(9)(D)	Minimum Processing Fee (RECLAIM)	✓		
301(l)(10)	Certified Permits Copies (RECLAIM)	✓		✓
301(l)(11)	Reissued Permits (RECLAIM)	✓		✓
301(l)(12)	Breakdown Emission Report Evaluation Fee (RECLAIM)	✓		✓
301(l)(14)	Mitigation of Non-Tradeable Allocation Credits (RECLAIM)	✓		✓
301(l)(15)	Evaluation Fee to Increase an Annual Allocation (RECLAIM)	✓		✓
301(l)(16)	Facility Permit Reissuance Fee for Facilities Exiting RECLAIM		✓	
301(l)(17)	Optional Conversion of Transitional RECLAIM Facility Permit		✓	
301(m)(3)(A)	Permit Processing Fees for Facilities Applying for an Initial Title V Permit (Title V)	✓		✓
301(m)(3)(B)	Permit Processing Fees for Facilities Applying for an Final Title V Permit (Title V)	✓		✓

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(m)(3)(C)	Permit Processing Fees for Facilities Applying for an Initial Title V Facility Permit (Title V)			✓
301(m)(3)(D)	Permit Processing Fees for Facilities Applying for a Final Title V Permit (Title V)			✓
301(m)(3)(E)	Permit Processing Fees for Facilities Applying for a Final Title V Permit (Title V)			✓
301(m)(4)	Permit Revision Fee (Title V)			✓
301(m)(5)	Renewal Fees (Title V)			✓
301(m)(6) *	Administrative Permit Revision Fee (Title V)			✓
301(m)(6)(A)	Public Notice Fees (Title V)		✓	✓
301(m)(7)	Public Hearing Fees (Title V)	✓		✓
301(n)(3)	Facility Permit Revision			✓
301(n)(4)	Change of Operating Condition			✓
301(n)(5)	Fee for Change of Operator (Facility Permit)			✓
301(n)(7)	Certified Permit Copies (Facility Permit)	✓		
301(n)(8)	Reissued Permits (Facility Permit)	✓		
301(q)(1)	NESHAP Evaluation Fee			✓
301(r)	Fees for Certification of Clean Air Solvents		✓	✓
301(s)	Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities		✓	✓
301(t)(4)	Duplicate of Facility Registrations	✓		
301(t)(5)	Reissued Facility Registrations	✓		
301(u)(1)	Initial Filing Fee (Rule 222)	✓		
301(u)(2)	Change of Operator/Location (Rule 222)	✓		
301(u)(3)	Annual Renewal Fee (Rule 222)	✓		

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(v)(1)	Fees for Expedited Processing (Permit Processing)	✓		✓
301(v)(2)	Fees for Expedited Processing (CEQA)	✓		
301(v)(3)	CEMS, FSMS, and ACEMS Fee (Expedited Processing)	✓		✓
301(v)(4)	Air Dispersion Modeling and HRA Fees (Expedited Processing)	✓		✓
301(v)(5)	ERC/STC Application Fees (Expedited Processing)	✓		
301(x)	Rule 1149, Rule 1166, and Rule 1466 Notification Fees	✓	✓	
301(y)(1)	Initial Certification Fee (Rules 1111,1121 and 1146.2)	✓		
301(y)(2)	Additional Fee for Modification or Extension of Families to Include a New Model(s) (Rules 1111,1121 and 1146.2)	✓		
301(z)(1)	Reverification and Performance Testing (Rule 461 No Show Fee)	✓		✓
301(z)(2)	Pre-Backfill Inspection (Rule 461 No Show Fee)	✓		✓
301(aa)	Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees		✓	✓
301 Table (Fee Rate A)	Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification	✓		✓
301 Table (Fee Rate B)	Summary of ERC Processing Rates	✓		✓
301 Table (Fee Rate C)	Summary of Permit Fee Rates Change of Operator	✓		✓
301 Table IA	Permit Fee Rate Schedules for Control Equipment			✓
301 Table IB	Permit Fee Rate Schedules for Basic Equipment			✓

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301 Table IIA	Special Processing Fees – AQ Analysis/HRA	✓		
301 Table IIB	Fee for Public Notice Publication			✓
301 Table IIC	CEMS, FSMS And ACEMS Fee Schedule	✓		
301 Table III	Emissions Fees	✓		✓
301 Table IV	Toxic Air Contaminants and Ozone Depleters	✓	✓	
301 Table V	Annual Clean Fuels Fees	✓		
301 Table VI	Demolition, Asbestos and Lead Notification Fees	✓		
301 Table VII	Summary of RECLAIM and Title V Fees	✓		✓
303	Hearing Board Fees	✓		
304	Equipment, Materials, and Ambient Air Analyses	✓		
304.1	Hearing Board Fees	✓		
304.1(c)(3)	Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected			✓
306(b)	Definitions			✓
306(c)	Plan Filing Fee	✓		✓
306(d)	Plan Evaluation Fee	✓		
306(e)	Duplicate Plan Fee	✓		
306(f)	Inspection Fee (Plans)	✓		
306(g)	Change of Condition Fee (Plans)	✓		
306(h)	Annual Review/Renewal Fee		✓	
306(i)(1)	Payment of Fees - Plan Filing or Submittal Fee	✓	✓	✓
306(i)(5)	Expedited Processing		✓	✓
306(k)	Alternative Recordkeeping System Plan Discount			✓
306(l)	Plan Application Cancellation Fee	✓		

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
306(m)	Protocol/Report Evaluation Fees		✓	✓
306(q)	Optional Expedited Protocol/Report Evaluation Processing Fee		✓	✓
306(r)(1)	Regulation XXVII – Fees for Rule 2701	✓		
306(r)(2)	Regulation XXVII – Fees for Rule 2702	✓		
307.1(c)	Definitions		✓	✓
307.1(d)(2)	Flat Fees	✓	✓	
307.1(d)(3)	Special Review Fees	✓	✓	✓
307.1(d)(5)	Potentially High Risk Level Facility Fees		✓	
307.1(d)(9)(D)	Exemptions			✓
307.1(d)(9)(F)	Exemptions			✓
307.1 Table I	Facility Fees by Program Category	✓	✓	
308	On – Road Motor Vehicle Mitigation Options	✓		
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 Renewals	✓		

Note: * Denotes rule section proposed for deletion.