

# SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

## Preliminary Draft Staff Report

### Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options

May 2023

#### Deputy Executive Officer

Planning, Rule Development, and Area Sources  
Sarah L. Rees, Ph.D.

#### Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources  
Ian MacMillan

#### Planning and Rules Manager

Planning, Rule Development, and Implementation  
Vicki White

---

AUTHOR:	Natalie Gonzalez	Assistant Air Quality Specialist
CONTRIBUTORS:	Chelsee Orozco Barbara Radlein Elaine Shen Xian-Liang Tian	Assistant Air Quality Specialist Program Supervisor Planning and Rules Manager Program Supervisor
REVIEWED BY:	Jeffrey Inabinet John Jones	Senior Staff Specialist Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD**

Chair: VANESSA DELGADO  
Senator (Ret.)  
Senate Rules Committee Appointee

Vice Chair: MICHAEL A. CACCIOTTI  
Council Member, South Pasadena  
Cities of Los Angeles County/Eastern Region

**MEMBERS:**

ANDREW DO  
Supervisor, First District  
County of Orange

CURT HAGMAN  
Supervisor, Fourth District  
County of San Bernardino

GIDEON KRACOV  
Governor's Appointee

PATRICIA LOCK DAWSON  
Mayor, Riverside  
Cities of Riverside County Representative

LARRY MCCALLON  
Mayor, Highland  
Cities of San Bernardino County

HOLLY J. MITCHELL  
Supervisor, Second District  
County of Los Angeles

VERONICA PADILLA-CAMPOS  
Speaker of the Assembly Appointee

V. MANUEL PEREZ  
Supervisor, Fourth District  
County of Riverside

NITHYA RAMAN  
Council Member, Fourth District  
City of Los Angeles Representative

CARLOS RODRIGUEZ  
Council Member, Yorba Linda  
Cities of Orange County

JOSÉ LUIS SOLACHE  
Council Member, Lynwood  
Cities of Los Angeles County/Western Region

EXECUTIVE OFFICER: WAYNE NASTRI

## TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	EX-1
CHAPTER 1 BACKGROUND	
INTRODUCTION.....	1-1
REGULATORY HISTORY.....	1-1
AIR QUALITY NEED.....	1-2
PROPOSAL BACKGROUND.....	1-3
AFFECTED INDUSTRIES.....	1-6
PUBLIC PROCESS.....	1-6
CHAPTER 2 SUMMARY OF PROPOSAL	
INTRODUCTION.....	2-1
PROPOSED AMENDED RULE 2202.....	2-1
CHAPTER 3 IMPACT ASSESSMENT	
INTRODUCTION.....	3-1
IMPACTS OF PAR 2202.....	3-1
CALIFORNIA ENVIRONMENTAL QUALITY ACT.....	3-2
SOCIOECONOMIC IMPACT ASSESSMENT .....	3-2
DRAFT FINDINGS UNDER CALIFORNIA	
HEALTH AND SAFETY CODE 40727.....	3-2
COMPARATIVE ANALYSIS.....	3-3

## **EXECUTIVE SUMMARY**

Rule 2202 – On-Road Motor Vehicle Mitigation Options (Rule 2202) is designed to reduce emissions from motor vehicles. Specifically, larger employers in the region with 250 or more employees are required to mitigate emissions from employee commute trips into the worksite. Rule 2202 is intended to reduce emissions of Volatile Organic Compounds (VOCs), Oxides of Nitrogen (NO<sub>x</sub>), and Carbon Monoxide (CO). Rule 2202 provides employers with a menu of options to implement one or more emission reduction strategies to meet an annual Emission Reduction Target (ERT) for their worksite.

Proposed Amended Rule 2202 (PAR 2202) is consistent with mobile source control measure MOB-14 in the South Coast Air Quality Management District's (South Coast AQMD's) 2022 Air Quality Management Plan (AQMP), which proposes to reduce emissions by evaluating potential amendments to Rule 2202. In response to the Coronavirus (COVID-19) pandemic, many of the regulated employers incorporated widespread telecommuting practices resulting in reduced employee commute trips. PAR 2202 will require worksites to collect and report additional data on employee commute activity which will be analyzed to inform a potential future rule amendment. Effective July 2024, worksites will be required to provide details on telecommute activity, Vehicle Miles Traveled (VMT), and business type/classification.

Additionally, PAR 2202 includes revisions to the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program (ECRP). Both guideline documents will provide instructions and guidance to collect and report the additional information on telecommute activity, VMT, and business type/classification. The guideline documents and rule amendment will also include a requirement for all sites that conduct an Average Vehicle Ridership (AVR) survey to have a certified Employee Transportation Coordinator (ETC) on site. The ECRP guidelines will include updates to the strategy options and strategy reporting. Definitions will be updated or added across all Rule 2202 related documents for consistency and clarity.

PAR 2202 is anticipated to apply to approximately 1,186 worksites with over 600,000 employees that commute to work within the peak window of 6:00 A.M. to 10:00 A.M.

PAR 2202 was developed through a public process. Staff held working group meetings on February 23, 2023, March 22, 2023, and May 3, 2023. A fourth working group meeting is tentatively scheduled for May 31, 2023. In addition, a public workshop will be held on June 20, 2023.

## **CHAPTER 1: BACKGROUND**

---

**INTRODUCTION**

**REGULATORY HISTORY**

**AIR QUALITY NEED**

**PROPOSAL BACKGROUND**

**AFFECTED INDUSTRIES**

**PUBLIC PROCESS**

## **INTRODUCTION**

Rule 2202 – On-Road Motor Vehicle Mitigation Options (Rule 2202) provides employers with a menu of options to reduce mobile source emissions generated from employee commutes. Rule 2202 applies to worksites located within the district that employ 250 or more employees on a full or part-time basis. Regulated worksites are required to register annually with the South Coast AQMD to implement an emission reduction program based on a menu of compliance options in the rule. Staff proposes amending Rule 2202 to include additional data collection for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite. The reporting of this additional information will provide the necessary data to analyze employee commute activity to inform future rule amendments. Staff also propose to update strategies, amend or add new definitions, and make minor administrative changes to the rule language for clarity and consistency.

## **REGULATORY HISTORY**

On December 8, 1995, the South Coast AQMD Governing Board adopted Rule 2202 in response to state legislation that prohibited the mandatory submittal of trip reduction plans, as was required in the now repealed Rules 1501 and 1501.1. The rule includes a menu of flexible and cost-effective emission reduction options from which they can choose to implement and meet the emission reduction target for their worksite. Rule 2202 continues to allow affected employers the option of implementing a traditional trip reduction program as a means to comply with the rule.

Rule 2202 replaced Rules 1501 - Work Trip Reduction Plans and 1501.1 - Alternatives to Work Trip Reduction Plans and has been amended several times. In 1987, Regulation XV was adopted which required trip reduction plans for employers with 100 or more employees. Rule 1501 was amended in 1993 and Rule 1501.1 was adopted in 1995, to comply with federal and state requirements for extreme non-attainment areas. In 1995, Rule 2202 was adopted to respond to state legislation prohibiting mandatory trip reduction plans. Rule 2202 provided worksites of 100 or more employees a menu of emission reduction options to meet an emission reduction target for their worksite. Compliance strategies included mobile source credits from old-vehicle scrapping, clean on-road and off-road equipment, the use of remote sensing to identify and repair gross polluting vehicles, and emission reduction credits from stationary sources. Worksites could also earn credits for the use of alternative fuel vehicles, reduction of vehicle miles traveled, and other trip reduction strategies.

In March 1996, Rule 2202 was amended to exempt school districts from complying due to financial hardship. The passage of SB836, effective June 1998, directed South Coast AQMD to raise the employee threshold level from 100 to 250 employees, while SB432 permanently exempted worksites with fewer than 250 employees from complying with the rule. In November 1996, the sunset provision of Rule 2202 was modified to have the rule phase out by June 2001. In October 1998, Rule 2202 was again modified to include its original sunset provision, (i.e., the rule would be rescinded at an unspecified future time when an equivalent level of emissions reductions is produced). In January 2002, several administrative changes to Rule 2202 were passed that included the elimination of alternative fuel vehicle credits except for zero emission

vehicles, deletion of the remote sensing strategy option due to the implementation of the Inspection and Maintenance Program (Smog Check II), and the addition of a police/sheriff employee category.

Although state law required changing the employee threshold from 100 to 250 employees, a previous version of Section 182(d)(1)(B)<sup>1</sup> of the 1990 Clean Air Act (CAA) required that non-attainment regions implement a program that would require employers of 100 or more employees to reduce work related trips and miles traveled by employees commuting to work to a level 25% above the region's baseline average vehicle ridership (AVR). At that time the AVR targets were established for regions within the SCAQMD that were determined to be the most effective in achieving the federally mandated goals. Subsequent amendments to the CAA removed work related trip mandates and allowed emission equivalency as an option for compliance. The Rule 2202 AVR target meets the 25% requirement above the region's 1992 baseline and accounts for additional trip reductions that should have resulted from all employers with 100 or more employees. Additionally, substitution of alternative measures that will meet the equivalent emission reductions were also allowed by the CAA.

In June 2014, Rule 2202 was amended to address the use of emission reduction credits (ERCs). At the end of 2013, approximately 200 lbs/day of NO<sub>x</sub> ERCs were transferred into the Rule 2202 program. This caused a concern regarding future stationary source credit availability. Therefore, in January 2014, the Governing Board approved a temporary moratorium on NO<sub>x</sub> ERCs in Rule 2202 to allow time for staff to review the status of the stationary source emission banks and potential impacts of additional transfers into the Rule 2202 program. Staff reviewed the historical use of ERCs for stationary sources, as well as the availability of credits and other emission programs within Rule 2202 to determine the ability to meet future compliance targets. Staff concluded that there continues to be a concern regarding the future availability of ERCs for use by stationary sources. To address this Rule 2202 was amended so that ERCs could no longer be transferred into the Rule 2202 program. ERCs that resided within the Rule 2202 program at the time of the amendment would be allowed to remain, however these ERCs would be subject to an annual discount. An annual discounting of ERCs would encourage the use of other emission reductions that more closely align with the intent of the Rule 2202 program.

## **AIR QUALITY NEED**

In 2015, the U.S. Environmental Protection Agency (USEPA.) tightened the ozone standard, leaving the South Coast Air Basin in “extreme” nonattainment for ozone. Nitrogen oxides (NO<sub>x</sub>), which are created during the process of burning fuel, is the primary pollutant that must be controlled to reduce ozone. Approximately 85% of daily NO<sub>x</sub> emissions come from mobile sources, with passenger vehicles being one of the top ten emitters of NO<sub>x</sub>. Mobile source emission reductions are needed to meet future ozone standards set by the USEPA.

The 2022 Air Quality Management Plan (AQMP) (Appendix IV-A, Control Measure MOB-14) proposed amending Rule 2202 to further reduce emissions associated with work trips, with

---

<sup>1</sup> The current version of CAA 182(d)(1)(B) does not require a reduction of work-related trips and miles travelled, but instead allows states to implement these kinds of programs within their own discretion.

telecommuting cited as a key mechanism to achieve additional emission reductions. During the COVID-19 pandemic in 2020 and 2021, many Rule 2202 regulated employers (where applicable) incorporated telecommuting practices, which have shown to be a very effective way of eliminating emissions caused by employee commute trips into the worksite. Many employers reported extremely high Average Vehicle Ridership (AVR) scores, primarily due to the increased amount of telecommuting, over the 2020/2021 reporting period. While Rule 2202 does currently provide credit for telecommuting, the 2022 AQMP proposed future rule amendments to Rule 2202 include a larger focus on telecommuting strategies and provide additional incentives for regulated employers to adopt telecommuting policies or other strategies to reduce emissions.

Mobile source emissions are impacted by factors such as mode of travel, type of vehicle, distance of trip, fuel type and congestion. In July 2020 under California Senate Bill 743 (SB 743), the California Environmental Quality Act (CEQA) began requiring analyzing Vehicle Miles Traveled (VMT) to determine potential traffic-related impacts from projects. SB 743 made VMT a key metric in assessing emissions generated by on-road mobile sources, with lower VMT being associated with lower greenhouse gas emissions and lower traffic-related air pollution. The California Air Resources Board's (CARB) State Implementation Plan cites VMT reduction as a necessary control measure to attain federal and state air quality standards. The Southern California Association of Governments' (SCAG) 2022-2045 Regional Transportation Plan (RTP) uses VMT as a key metric to evaluate plan performance results and seeks to reduce VMT per capita. Additionally, the RTP found that the average distance traveled for work trips is over three times longer than the average distance traveled for non-work trips.

Staff is proposing to amend Rule 2202 in a two-phase approach. The first phase of the amendment (PAR 2202) is focused on data collection and reporting from regulated worksites. Collected data will be analyzed to inform the second phase of rule amendment.

## **PROPOSAL BACKGROUND**

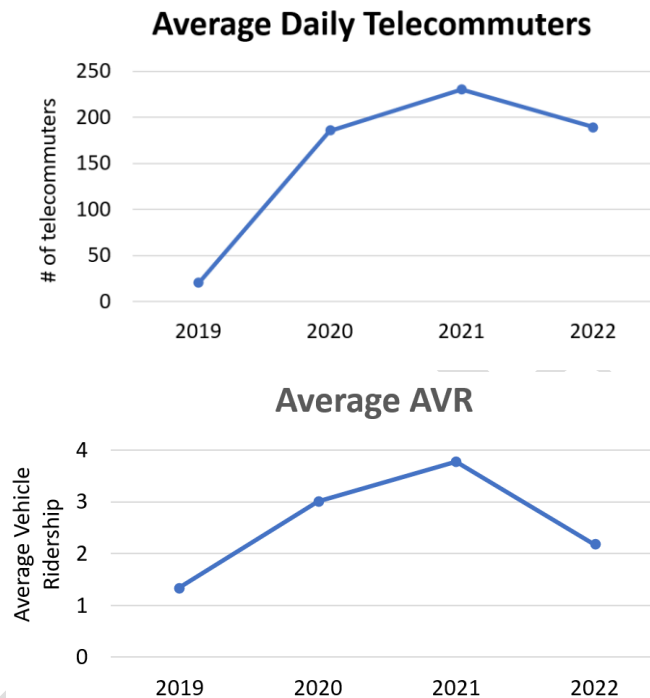
PAR 2202 is proposing to require regulated worksites to report additional information, including telecommuting activity, VMT data, and the type of business that is conducted at the worksite. This data collection will inform future potential Rule 2202 amendments. Additionally, staff proposes to update strategies, clarify and/or add new definitions, and make general administration revisions to Rule 2202 related guidance documents.

### Telecommute Reporting

In response to the COVID-19 pandemic in 2020, South Coast AQMD instituted temporary protocols to ease compliance and address rapid changes in workforce habits. During the pandemic, many regulated employers incorporated widespread telecommuting practices. Staff instituted a temporary protocol allowing regulated worksites to use human resources (HR) or payroll records to account for telecommute trips. This allowed worksites to adjust the number of daily employees arriving at the worksite without conducting an AVR survey, and additionally allowed worksites that did conduct an AVR survey to account for all telecommute trips regardless of survey response rate.



In 2019, prior to the pandemic, worksites that implemented telecommuting reported an average of 19.7 telecommuters a day. In 2020, worksites that implemented telecommuting reported an average of 185.1 telecommuters a day, which is an increase of more than nine times. This reduction in vehicle trips resulted in the average AVR score across regulated worksites to rise from 1.34 in 2019 to 3.01 in 2020. This change in employee commute mode had a significant impact on employee vehicle trip emissions.



PAR 2202 is proposing to permanently allow the use of HR and/or payroll records to account for telecommute trips. This will streamline reporting of telecommute trips and ensure that worksites benefit from the reduction of work commute trips through telecommuting. All regulated worksites will report additional information regarding telecommute practices on the annual compliance paperwork. Additionally, the ECRP compliance option includes telecommuting as a direct strategy. PAR 2202 will amend the required information on the telecommuting section of the ECRP compliance paperwork to collect more information on telecommute activity. This will allow Rule 2202 staff to analyze telecommute trends to better assess worksite employee commutes and will inform future Rule 2202 amendments.

### Vehicle Miles Traveled (VMT)

Rule 2202 staff met with CARB staff and SCAG staff to discuss the importance of VMT in their programs, and are proposing to incorporate VMT more into Rule 2202 to further analyze emissions generated by employee commute trips.

PAR 2202 is proposing to require all regulated worksites to report VMT data as a part of their annual compliance. Staff is proposing to rely on existing methods to collect VMT data either through surveying employees or by providing employee zip codes that are available through HR

and/or payroll records. For worksites that must conduct an AVR survey, PAR 2202 proposes to require that survey participants indicate their distance (in miles) from home to the worksite on the survey form. Most survey forms already include this VMT data field, however it is not a required field on the survey. PAR 2202 would require the VMT data field be completed by survey participants. Worksites that do not conduct a survey will be required to report employee zip codes and worksite zip code, which will be used to calculate VMT. The collected VMT data will be used for data analysis and will inform future Rule 2202 amendments. The employee trip length data will be anonymous and does not require employee home addresses to be reported.

### Worksite Classification

Staff has received feedback from stakeholders that employee commute capabilities may differ across industry type, specifically as it pertains to telecommuting capabilities. These stakeholders expressed concern that certain industry types will be at a disadvantage under future rule compliance if they are unable to convert their workforce to telecommute. As a result, staff is proposing that regulated worksites report the business type/classification as part of their annual registrations. The collection of business type/classification information will aid future data analysis and will be used to inform future Rule 2202 amendments.

### Updates to Rule 2202 Guidance Documents

In addition to revisions to the Rule 2202 language, staff is proposing revisions to the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program Guidelines to provide details on the new data collection requirements, but also to update strategies and make minor administrative changes to assist the regulated community with compliance and reporting. Both documents will be updated to address telecommuting reporting requirements, VMT data collection and VMT reporting requirement. Definitions will be edited or added for consistency and clarity.

The Rule 2202 Implementation Guidelines will also include the proposed requirement for regulated worksites that choose the Emission Reduction Strategies (ERS) compliance option. Under ERS compliance, worksites have the option of using a default AVR in their emission credit calculation or they may conduct an AVR survey. Staff is proposing that ERS worksites that choose to conduct an AVR survey be required to have a certified Employee Transportation Coordinator (ETC). Having a certified ETC on-site will reduce errors on ERS plan submittals.

The ECRP Guidelines will include updates to the various strategy options and strategy reporting. PAR 2202 compliance documents will require additional information on-site selected marketing strategies to allow Rule 2202 staff to better compare implementation across compliance years. Several strategies previously listed as “other” under basic/ support strategies will be listed as independent strategies. These strategies include Electric Vehicle Infrastructure, Transportation Management Association (TMA)/Transportation Management Organization (TMO) Services, Car Sharing Services, Mobility Hub Services, and Voluntary Worksite Transfers. Several direct strategies will require additional information to be reported to allow staff to better track implementation. Additionally, the Auto Services strategy will be removed from the direct strategies to encourage strategy focus on promoting zero-emission commute modes.

**AFFECTED INDUSTRIES**

PAR 2202 applies to all employers located within the district with 250 or more employees. Staff has currently identified about 1,186 worksites with over 600,000 employees arriving to the worksite within the peak window of 6:00 A.M to 10:00 A.M. The proposed rule amendment will not expand the applicability of the rule to additional worksites.

**PUBLIC PROCESS**

The development of PAR 2202 includes a public process. Three working groups were held on February 23, 2023, March 22, 2023, and May 3, 2023. A fourth working group is anticipated on May 31, 2023. Each working group was attended by representatives from affected industries, community stakeholders, and members of the general public. The purpose of the working groups was to discuss details of PAR 2202 and to answer questions from the public or listen to comments.

A Public Workshop will be held on June 20, 2023. The purpose of the Public Workshop is to present the proposed amended rule language to the general public and stakeholders in order to receive comment.

## **CHAPTER 2: SUMMARY OF PROPOSAL**

---

**INTRODUCTION**

**PROPOSED AMENDED RULE 2202**

DRAFT

## INTRODUCTION

Staff is proposing Rule 2202 be amended to require worksites to report VMT data, telecommute activity, and business type/classification for the worksite. The proposed reporting requirements will apply to all regulated worksites. The information collected under the new reporting requirements will be analyzed and used to inform future Rule 2202 amendments. Additionally, clarifying language and definitions will be added. The following section provides a discussion of changes to rule language under PAR 2202.

## PROPOSED AMENDED RULE 2202

### *Subdivision (d) – Definitions*

PAR 2202 will incorporate definitions of the terms listed below that were not previously defined within the rule. These definitions are intended to clarify a compliance option and terms for reporting requirements.

- **BUSINESS TYPE/CLASSIFICATION** is the activity type that classifies the nature of work conducted at the worksite
- **EMPLOYEE COMMUTE REDUCTION PROGRAM (ECRP)** is a compliance option that allows employers the ability to choose and implement various rideshare strategies at the worksite.
- **EMPLOYEE TRANSPORTATION COODINATOR (ETC)** is an employee who has completed a South Coast AQMD certified training course and has been appointed to develop, market, administer, and monitor the worksite’s chosen Rule 2202 compliance option. All worksites conducting an AVR survey are required to have a designated ETC.
- **TELECOMMUTING** occurs when an employee working at home, away from a worksite, or at a telecommuting center, using telecommunications tools such as email, phone, chat, or video applications for a full workday that eliminates the trip to work or reduces travel distance by more than 50%. Telecommuting may also be referred to as remote work, work from home, mobile work, or distance work. Telecommuting does not include flexible or compressed work schedules when employees shift their hours but do not work away from the worksite.
- **VEHICLE MILES TRAVELED (VMT)** means the number of miles traveled by a motor vehicle for a worksite commute trip.

*Subdivision (f) – On-Road Motor Vehicle Options*

Subdivision (f) describes the various compliance options available to worksites under Rule 2202. Current rule language does not list Employee Commute Reduction Program (ECRP) in the subdivision, and instead includes it in the subdivision (l)- Exemptions. PAR 2202 will move ECRP to paragraph (f)(1) with other compliance options.

Additionally, the current paragraph (f)(5) Air Quality Investment Program (AQIP) will be moved to be paragraph (f)(2) to better group options within the rule.

Language will be changed in paragraph (f)(3) – (f)(6) to read, “Any employer may elect...” instead of, “Any person may elect...”. This language change will clarify that the employer shall choose a compliance option to implement at their worksite, rather than a singular person.

*Subdivision (i) – Program Administration*

Subdivision (i) details the annual registration requirements and administration of the rule. PAR 2202 subdivision (i) will require regulated worksites to annually report the business type/classification for the worksite, VMT data, and telecommute activity. These additional reporting requirements will be effective July 1, 2024.

Paragraph (i)(1) list registration requirements and will be amended to list one of the new registration requirements proposed under PAR 2202. Worksites are required to include the name of the highest-ranking company official, company address, and worksite telephone number under subparagraph (i)(1)(A). Additionally, the amendment will require the worksite to report the business type/classification under subparagraph (i)(1)(A).

PAR 2202 will move the current subparagraph (i)(1)(E) to subparagraph (i)(1)(H). The new subparagraph (i)(1)(F) details the VMT reporting requirement. The worksite’s chosen compliance method will determine the format of VMT reporting. The applicable reporting methodology is specified in the Rule 2202 Implementation Guidelines or Employee Commute Reduction Guidelines. VMT will be collected from all regulated worksites for future data analysis that will inform future rulemaking.

Subparagraph (i)(1)(G) lists the requirement for regulated worksites to report information on telecommuting practices. During the COVID-19 pandemic, Rule 2202 staff observed a high rise in the numbers of telecommuters across a large number of regulated worksites. Since 2020, telecommute practices have changed from year to year. Collecting data on worksite telecommute practices will aid in data analysis and inform future rule regulation.

Paragraph (i)(4) will require all worksites that conduct an AVR survey to designate an employee to serve as the Employee Transportation Coordinator (ETC). The designated employee must successfully complete a South Coast ETC training and certification course. Previously, only ECRP sites were required to have a designated ETC as explained in the ECRP Guidelines. The new requirement for all sites that conduct an AVR survey to have an ETC will be detailed in the Rule 2202 Implementation Guidelines. The purpose of the certified ETC requirement is to reduce the amount of errors seen on submitted AVR surveys. The addition of paragraph (i)(4) will move

the following paragraphs down, the original paragraph (i)(4) will become paragraph (i)(5) through original paragraph (i)(13) which will become paragraph (i)(14)

*Subdivision (l) – Exemptions*

Paragraph (l)(3) Employee Commute Reduction Program is moved to subdivision (f).

*Subdivision (n) – Guidelines*

PAR 2202 will add subdivision (n) to the rule language. This subdivision will grant the Executive Officer permission to periodically update the Rule 2202 Implementation Guidelines and the Employee Commute Reduction Program Guidelines.

## **CHAPTER 3: IMPACT ASSESSMENT**

---

**INTRODUCTION**

**IMPACTS OF PAR 2202**

**CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**SOCIOECONOMIC IMPACT ASSESSMENT**

**DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND  
SAFETY CODE SECTION 40727**

**COMPARATIVE ANALYSIS**



## INTRODUCTION

Impact assessments must be conducted during rule development to assess the environmental and socioeconomic implications of PAR 2202. California Health & Safety Code (H&SC) requirements for cost-effectiveness analysis and incremental cost-effectiveness analysis were also evaluated during rule development of PAR 2202. Draft findings and comparative analyses were prepared pursuant to California Health and Safety Code Section (H&SC) 40727 and H&SC 40727.2, respectively. Staff will prepare a California Environmental Quality Act (CEQA) analysis at least 30 days prior to the South Coast AQMD Governing Board Hearing on PAR 2202, which is tentatively scheduled for August 4, 2023.

## IMPACTS OF PAR 2202

Rule 2202 provides employers with a menu of options to reduce motor vehicle emissions generated from employee commutes. Under existing procedures, regulated worksites are required to register annually with the South Coast AQMD to implement an emission reduction program based on a menu of compliance options in the rule. PAR 2202 includes additional data collection requirements for all regulated worksites, including information on telecommuting activity, VMT, and business type/classification for the worksite. The reporting of this additional information will provide staff with the necessary data to analyze employee commute activity to inform future rule amendments. PAR 2202 also includes updates to strategies, additional or amended definitions, and minor administrative changes to the rule language for clarity and consistency. The proposed amendments do not remove any of the current requirements or provisions of Rule 2202.

### Emission Reductions

Since PAR 2202 only includes additional data collection and reporting requirements for regulated worksites, there will not be additional emission reductions from worksites subject to PAR 2202.

### Additional Compliance Costs

As discussed earlier, PAR 2202 would require all regulated worksites to report additional information, including telecommuting activity, VMT data, and the type of business that is conducted at the worksite on an annual basis, and may require additional training. It was conservatively estimated that affected worksites would be able to complete these additional requirements with a minimal amount of labor and time (approx. 10 hours per year). The extra hours per year would be spent collecting VMT data, reporting telecommute activity, and completing the ETC certification course. The total additional cost was conservatively estimated using the highest hourly wage rate (\$38.56) from the typical category of employee responsible for gathering Rule 2202 annual submittal information.<sup>2</sup> With approximately 1,200 regulated worksites in the current Rule 2202 universe, the total additional annual cost estimated from PAR

---

<sup>2</sup> Source: U.S. Bureau of Labor statistics (Occupational Employment and Wage Statistics), California Employment Department (2022), <https://labormarketinfo.edd.ca.gov/data/oes-employment-and-wages.html#OES>

2202 is \$462,720 (or \$385.6 per worksite). This estimate will be further evaluated in the Draft Staff Report based on any potential stakeholder feedback.

### Additional Savings

The proposed amendments would require all regulated worksites to report additional information, including telecommuting activity, VMT data, and the type of business that is conducted at the worksite on an annual basis. Because of the additional minimal amount of time required to collect and report the additional information, no potential cost savings have been identified as a result of PAR 2202.

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD's certified regulatory program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(l) and South Coast AQMD Rule 110), the South Coast AQMD, as lead agency, is currently reviewing the proposed project (PAR 2202) to determine if it will result in any potential adverse environmental impacts. Appropriate CEQA documentation will be prepared based on the analysis.

## **SOCIOECONOMIC IMPACT ASSESSMENT**

Proposed Amendments to Rule 2202 are not expected to result in emission reductions and will not significantly affect air quality or emissions limitations. Therefore, a socioeconomic impact assessment is not required under Health and Safety Code Sections 40440.8 and 40728.5. However, staff may elect to prepare a socioeconomic impact assessment for informational purposes. The assessment, if prepared, will be included in the Draft Staff Report and released for public review and comment at least 30 days prior to the South Coast AQMD Governing Board public hearing, which is scheduled to be held on August 4, 2023(subject to change).

## **DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE SECTION 40727**

### Requirements to Make Findings

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report.

### Necessity

The South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 2202; On-Road Motor Vehicle Mitigation Options, is necessary to enhance recordkeeping and reporting, and to provide additional transportation related data to the South Coast AQMD.

### Authority

The South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 40000, 40001, 40440, and 42300 et seq.

### Clarity

The South Coast AQMD Governing Board finds and determines that PAR 2202 is written and displayed so that the meaning can be easily understood by persons directly affected by it.

### Consistency

The South Coast AQMD Governing Board finds and determines that PAR 2202 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal or state regulations.

### Non-Duplication

The South Coast AQMD Governing Board has determined that PAR 2202 does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

### Reference

In adopting PAR 2202, the South Coast AQMD Governing Board references the following statutes which South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40000, 40001, 40440, and 42300 et seq.

## **COMPARATIVE ANALYSIS**

Under California Health and Safety Code Section 40727.2, the South Coast AQMD is required to perform a comparative written analysis when adopting, amending, or repealing a rule or regulation. The comparative analysis is relative to existing federal requirements, existing or proposed South Coast AQMD rules and air pollution control requirements and guidelines which are applicable to mobile sources. Because PAR 2202 does impose new reporting and recordkeeping requirements, a comparative analysis will be conducted and included in the Draft Staff Report.