

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Rule 317 – Clean Air Act Non-Attainment Fees

Section 172(e) Fee Equivalency Account (FEA)

Reconciliation Report

Salton Sea Air Basin (SSAB)

Fee Assessment Years (FAY) 2009 - 2012

Dated: September 2012

Deputy Executive Officer

Planning, Rule Development, and Area Sources
Elaine Chang, DrPH

Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources
Laki Tisopulos, Ph.D., P.E.

Planning and Rules Manager, Area Sources

Planning, Rule Development, and Area Sources
Naveen Berry

Author:

Henry Pourzand

Air Quality Specialist

Reviewed by:

Barbara Baird

District Counsel

Robert Pease

Program Supervisor

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EXECUTIVE SUMMARY

Rule 317 implements Section 185 of the Clean Air Act. Section 185 requires all major sources in severe and extreme ozone non-attainment areas to pay a fee beginning the year after the attainment deadline. The fee is based on the amount of annual emissions from each major source above those in the attainment year for all years subsequent to the attainment year and continues until the air quality region is in attainment. For the Salton Sea Air Basin, the attainment deadline was December 31, 2007 and fees are based on subsequent calendar year emissions.

Rule 317 is structured to achieve the requirements of Section 185 through an alternative equivalent fee program. This approach is modeled on guidance published by US EPA for Section 185. Under Rule 317, monies used to fund air quality improvement programs for NOx and VOC that are surplus to the 1-hour SIP are credited against the fee obligation applicable to major stationary sources pursuant to Section 185.

Rule 317 requires the South Coast Air Quality Management District (SCAQMD) to determine annually that sufficient credits to offset the fee obligations were available for the past calendar year(s). Rule 317 requires the SCAQMD to also complete annually a preliminary analysis demonstrating that adequate funding will be available to offset the fee obligation for the subsequent calendar years.

This reconciliation report summarizes the results for the Salton Sea Air Basin (SSAB) for the calendar years 2008 through 2011 (Fee Assessment Years or FAYs 2009 through 2012). There were five major sources potentially subject to the fee during this time frame. The reconciliation analysis demonstrates that there were more than adequate funds available to fully offset the fee obligation for each of the three year. The analysis also demonstrates that at the end of 2011, there were surplus funds in the amount of \$9,896,842 available to be carried forward and more than adequate to cover the anticipated fee obligation for CY2012.

INTRODUCTION

Section 185 of the Clean Air Act (CAA) requires SCAQMD and other air jurisdictions that fail to attain the federal ozone standard by the applicable dates to implement a program requiring major stationary sources to pay emission fees, as a penalty for failing to attain, and until the region reaches attainment, or implement an equivalent program. Rule 317, as amended on February 4, 2011, provides the framework for implementing an alternate, fee equivalent program, as authorized under CAA Section 172(e) for the revoked 1-hour ozone standard.

Rule 317 stipulates that the Executive Officer (EO) shall establish and maintain a Section 172(e) fee equivalency account (FEA). The FEA is to be credited with expenditures from qualified programs described below. Credits in the account are to be used to offset any Clean Air Act (CAA) Non-Attainment (Section 185) fee obligation by major stationary sources of emissions, which would otherwise be applicable. The calculated Section 185 fee obligation is to be debited from the FEA. On an annual basis, the EO must complete an equivalency demonstration to show that the FEA has adequate funding from the previous year to meet the Section 185 fee obligation. Additionally, the EO, on an annual basis, must also complete a Preliminary Determination of Equivalency to show that adequate funding is expected to be available in the FEA to match the Section 185 fee obligation for the following year. Furthermore, by September 3, 2012, and annually thereafter, the EO shall file a report with CARB and US EPA on the status of the FEA.

Rule 317 is applicable to two air basins in the SCAQMD, the Salton Sea Air Basin (SSAB) and the South Coast Air Basin (SOCAB). Due to their different attainment status classification, the two basins have different compliance dates and pollution thresholds applicable to their respective sources. Rule 317 is applicable to affected sources in the SSAB relative to the attainment year, calendar year (CY) 2007, whereas in the SOCAB, it is CY 2010. The pollutant (NO_x/VOC) threshold for major sources in the SSAB is a PTE ≥ 25 TPY, whereas in the SOCAB it is a PTE ≥ 10 TPY. For these reasons, the FEA is subdivided into two separate and distinct accounts; one for affected sources in the SSAB and another for sources in the SOCAB. This report covers the SSAB FEA account.

FEE EQUIVALENCY ACCOUNT (FEA)

The FEA is established by prefunding the account with qualified credits. Thereafter it is funded by additional qualified credits annually, and the account is debited (or has deducted from it) annually the aggregate of all major source fee obligations. Details of both of these activities are provided in the following sections.

FEA CREDITS

The FEA is established by prefunding the account with credits reflecting expenditures from qualified programs. Qualified programs must meet all the following criteria in order for their expenditures to be creditable to the FEA:

1. They are surplus to the State Implementation Program (Plan) for the federal 1-hour ozone standard and are approved by the Executive Officer of AQMD, Executive Officer of CARB, and the Administrator or Regional Administrator of US EPA Region IX as being surplus to the SIP;
2. They are designed to result or have resulted in direct VOC or NO_x reductions in the SCAQMD; or have facilitated or will facilitate future VOC or NO_x reductions in the SCAQMD through vehicle/engine fueling infrastructure or advanced technology development efforts for implementation within the next 10 years, or other uses approved by EPA¹;
3. Expenditures for the projects that occur in calendar years 2009 and thereafter are to be credited; and
4. Credit the FEA with monies actually expended (not budgeted) from qualified programs during the calendar year in which the credit is applied to the FEA

Expenditures that are credits to the FEA need not actually be held nor disbursed directly by the AQMD provided the underlying programs have been approved by CARB and EPA and tracked pursuant to subdivision (c) of the rule. Funds used as credits for the FEA are accounted for on a dollar for dollar basis and do not have to be discounted due to the passage of time. Furthermore, such credits may be accumulated in the FEA from year to year if a surplus exists in any given year, and used to offset future debits to the FEA as needed.

A large number of emission sources contribute to the remaining air quality problems in Southern California. Given the diversity of these sources, it is unlikely that a single technology will solve these problems. As a result, the AQMD continues to support a wide range of advanced technologies to address this diversity. Projects co-funded by the AQMD's Clean Fuels Program (Fund 31) have included emission reduction demonstrations for both mobile and stationary sources of air pollution.

Historically, mobile source projects have targeted low-emission technology developments in automobiles, transit buses, medium- and heavy-duty trucks, and off-road applications. These vehicle-related efforts have focused on advancements in engine design, electric power trains, and energy storage/conversion devices (e.g., fuel cells and batteries); and implementation of clean fuels (e.g. natural gas, propane, and hydrogen), including their infrastructures. Stationary source

¹ The SCAQMD has two 1-hour ozone non-attainment air basins subject to Rule 317, the SSAB and the SOCAB. Projects within the SCAQMD are segregated by these two air basins. This report deals solely with the SSAB.

projects have included a wide array of advanced low NO_x technologies, low VOC coatings and processes, and clean energy alternatives, such as fuel cells, solar power, and other renewable energy systems.

Mobile source projects have included development and demonstration of less-polluting automobiles, buses, trucks, construction equipment, boats, locomotives and other off-road vehicles. This has been done through advancements in engine design, improved batteries, fuel cells (which convert fuel directly to electricity without burning it), and improved powertrains for electric vehicles. Other projects involve adapting or designing vehicles to run on clean fuels (such as natural gas, propane, methanol and hydrogen), and developing the infrastructure needed to produce and deliver those fuels.

The Clean Fuels Program (Program) continually seeks to support the deployment of lower emitting technologies. Projects include research, development, and demonstration projects, in addition to technology assessment or outreach projects, and incentive projects. The design and implementation of the Program Plan must balance the needs in the various technology sectors with technology readiness, emissions reduction potential and co-funding opportunity. The SCAQMD Program is significant, especially during these economically tough times when both public and private funding available for technology research and development are limited.

FEA DEBITS

The FEA is debited annually with the aggregate charges of all fee obligations from all sources subject to Rule 317, offsetting fees that would otherwise be paid by sources. The annual charge for each source is computed as follows:

$$\text{Annual CAA Non-Attainment Fee} = \$5,000 \times \text{CPIF} \times [A - (0.8 \times B)]$$

where:

- A** is the total amount of emissions actually emitted during the applicable fee assessment year for pollutants included in B, in tons. If A is less than or equal to 80% of B; then there shall be no annual CAA non-attainment fee assessed for the subject year.
- B** is Baseline Emissions in the attainment year, of VOC, NO_x or both for which a source qualifies as a major stationary source as defined in this rule, in tons. Baseline is defined for an existing major stationary source in the Salton Sea Air Basin prior to or during the attainment year as the source SCAQMD Annual Emissions Report program (AER) emissions as reported to the District or amended by the District for the attainment year (emissions not to exceed allowables). For sources that become subject to this rule after the attainment year the major stationary source baseline emissions shall be the amount of emissions allowed under the applicable implementation plan or the potential to emit (annual emissions including fugitives and emissions from unpermitted equipment).

***CPIF** is the annual Consumer Price Index (CPI) adjustment factor which is equivalent to the cumulative increase in the CPI beginning with the 1989 change in the index up to and including the change in the year prior to the year for which the fees are due. For any calendar year the CPI is the average of the CPI for all-urban consumers published by the Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year or the revision of the CPI which is most consistent with the CPI for calendar year 1989 in accordance with Sections 502(b)(3)(B)(v) and 185(b)(3) of the CAA. Section 185 cross-references the methodology in section 502(b)(3)(B)(v) of the CAA. This method has been interpreted for use in determining permit fees in a 1992 EPA memorandum. (See, EPA Memorandum of October 15, 1992, from Frank Bunyard, "Calculating Fees for Operating Permits." EPA has used this method to calculate the Part 70 permit fee rate since 1990, and will continue to update the rate every year in September, when the August values are available. Appendix A, (EPA Memorandum, from Scott Mathias, "Clean Air Section 185 Fee Rates for Calendar Years 1990-2011") shows the latest publication by EPA for these values, which are used in calculating fee obligations for the FEA.*

For the SSAB staff identified 3 sources with Rule 317 emissions. However, staff is also tracking an additional 2 sources that and may or may not have future emissions. The aggregate debits to the FEA for: 2009 FAY were \$177,235; 2010 FAY were \$73,427; 2011 FAY were \$34,175 and 2012 FAY were \$33,575.

EQUIVALENCY DEMONSTRATIONS

Pursuant to Rule 317(c)(5), the EO is required to complete a two part demonstration confirming that sufficient credits to offset debit obligations are and will be available in the FEA.

The Annual Determination of Equivalency

By August 1, 2009 an Annual Determination of Equivalency must be performed to demonstrate that adequate funding was available in the FEA in calendar year 2008 to meet the CAA Non-Attainment (Section 185) fee obligation for all sources subject to CAA Non-Attainment (Section 185) fees in calendar year 2008. Subsequently, this demonstration must be performed on or before every August 1 for the current calendar year. It is calculated as:

$$B_{i-1} + D_{i-1} - F_{i-1} = B_i > 0$$

where:

***B_{i-1}** is the Section 172 (e) fee equivalency account balance at the beginning of the prior calendar year i-1*

- D_{i-1} is the funds deposited (credited) into the Section 172 (e) fee equivalency account during the prior calendar year (i-1)
- F_{i-1} is the Section 185 fees calculated for all major stationary sources for prior calendar year calculated pursuant to paragraph (c) (2), and
- B_i is the Section 172 (e) fee equivalency account balance at the end of calendar year i-1, which is carried forward as the beginning balance for the following year i.

The Annual Preliminary Determination of Equivalency

By July 1, 2009, an Annual Preliminary Determination of Equivalency must demonstrate that an adequate level of funding was available in the FEA in calendar year 2009 to meet calendar year 2009 CAA Non-Attainment (Section 185) fee obligations for all subject sources. This level is set at an additional surplus of more than 10% in credits to that required to offset debits for the prior calendar year. Subsequently, this demonstration must be performed on or before every July 1st. It is calculated as:

$$B_i + D_i > 110\% \times F_{i-1}$$

where:

- B_i is the Section 172 (e) Fee Equivalency Account balance at the beginning of the current calendar year i
- D_i is the funds expected to be deposited (credited) into Section 172 (e) Fee Equivalency Account in current calendar year i, and
- F_{i-1} is the Section 185 fees calculated pursuant to paragraph (c) (2) for the prior calendar year (i-1) being used as surrogate Section 185 fee estimate for the current year.

Should the results of either the Annual Determination of Equivalency or the Annual Preliminary Determination of Equivalency calculations demonstrate that there are in fact insufficient credits to cover debits (a shortfall), then the backstop provision in Rule 317 subparagraph (c)(6) is triggered. A shortfall would occur if for the Annual Determination of Equivalency $B_i < 0$ or for the Preliminary Determination of Equivalency $B_i + D_i < 110\% \times F_{i-1}$. The provisions of the backstop rule require that within 90 days of a determination of a shortfall in the FEA a rule will be presented to the Governing Board proposing actions to cover the shortfall, including assessing fees on facilities subject to Rule 317.

Appendix B through E of this report covers the SSAB FEA annual reporting for FAYs 2009 through 2012, and for each of those years, consists of the following specific order of elements as required by Rule 317:

Table 1 – Reporting Requirements and SSAB Reconciliation Report References

Item	Reporting Requirement	Reference
1.	A listing of all programs, program descriptions, description of funding, certification of eligibility for each program, and associated expenditures that were credited into the Section 172 (e) fee equivalency account during the prior calendar year and those expected to be credited during the current year. [317(c)(5)(E)]	Appendices B, C, D and E; Part A.
2.	The Section 172 (e) SSAB FEA beginning balance. [317(c)(5)(C)].	Appendices B; Part A.
3.	The amount of any surplus funding carried over to the subsequent calendar year. [317(c)(5)(D)]	Table 2 and Appendices B, C, D and E; Part C.
4.	A listing of all facilities in the SSAB subject to Section 185 and their calculated prior calendar year fee obligation. [317(c)(5)(A)].	Appendices B, C, D and E; Part B.
5.	The aggregate amount of prior calendar year CAA Non-Attainment (Section 185) fees obligation calculated pursuant to paragraph Rule 317 (c)(2). [317(c)(5)(B)].	Table 2 and Appendices B, C, D and E; Part D.
6.	The results of the equivalency demonstration and preliminary determination of equivalency conducted pursuant to paragraph (c)(3) and (c)(4). [317(c)(5)(B)]	Table 2 and Appendices B, C, D and E; Parts E and F.

RECONCILIATION

For the SSAB, 3 sources were potentially identified as subject to the provisions of Rule 317. The Baseline year for the SSAB was CY 2007, the initial emissions year for reconciliation purposes was CY 2008 and the initial FAY was CY 2009.

Reconciliation of the SSAB FEA is summarized in Table 2. As shown, the FEA for the SSAB was initially seeded with \$1,595,625 of credits surplus to State Implementation Program (Plan) for the federal one-hour ozone standard generated from a variety of projects in the SSAB. These projects included clean fuels funding programs and Proposition 1 funding for retrofitting or replacement of diesel fueled heavy duty vehicles. Pursuant to the Section 172(e) fee equivalency methodology as set forth in Rule 317 subparagraph (c) the aggregate fee equivalent obligation for the 3 sources incurred in CY 2008 and due in CY 2009 was \$177,235. The net remaining balance in the FEA for the first FAY (CY 2009) is \$1,418,390. In addition, the table also shows the results of both the Annual Preliminary Determination of Equivalency (APDE) and the Annual Determination of Equivalency (ADE) verification. For FAY 2009, B_i the beginning balance for the upcoming FAY 2010 (\$1,418,390) is greater than 110% of the debits in FAY 2009 (\$194,959) demonstrating compliance with the APDE for FAY 2009. Since, B_i equivalent to \$1,418,390 is greater than zero ($B_i > 0$) compliance with the ADE is also demonstrated.

In the same manner, Table 2, shows the SSAB FEA running balance and compliance demonstration based on the APDE and ADE tests for FAY's 2009 through 2012.

In summary, the current balance of the FEA for the SSAB, after reconciliation, shows a significant net surplus of credits with the ADE > 0 for all FAY's. The APDE demonstrates that adequate funding was available for all FAY's (2009 – 2012) and should be more than sufficient for many years to come.

Table 2 - Rule 317 SSAB FEA Tracking & Reconciliation Demonstration For Fee Assessment Years 2009 Through 2012

² FAY	Prior Year Ending Balance (B _{i-1})	Prior Year Credits (D _{i-1})	Prior Year ³ Debits (F _{i-1})	Next Year Beginning Balance (B _i)	Anticipated Credits This Year (D _i)	B _i + D _i	F _{i-1} x 110%	⁴ APDE (B _i + D _i > F _{i-1} x 110%) ?	⁵ ADE > 0 ? (B _i > 0 ?)
2009	⁶ \$1,595,625	\$0	\$177,235	\$1,418,390	\$0	\$1,418,390	\$194,959	✓	✓
2010	\$1,418,390	\$0	\$73,427	\$1,337,620	\$0	\$1,337,620	\$80,770	✓	✓
2011	\$1,337,620	\$0	\$34,175	\$1,303,445	⁷ \$8,626,973	\$9,930,418	\$37,593	✓	✓
2012	\$1,303,445	\$8,626,973	\$33,575	\$9,896,843	\$0	\$9,896,843	\$36,933	✓	✓

² Fee Assessment Year (FAY) is the year in which the actual accounting reconciliation and reporting is performed for the FEA. This is the year immediately following the year in which the Rule 317 Section 185 fee emissions occur and the fee is actually incurred. For emissions fees incurred as a result of emissions in CY 2008 the Fee Assessment Year is CY 2009. All dollar amounts are calculated to the nearest whole dollar.

³ Debits to FEA calculated as the dollar equivalent of the aggregate of the Rule 317 sources Section 185 fee obligation.

⁴ Check of the Annual Preliminary Demonstration of Equivalency

⁵ Check of the Annual Demonstration of Equivalency

⁶ Appendix B Credits

⁷ Appendix E Credits

APPENDICES

APPENDIX A – CPIF Values

APPENDIX B - RECONCILIATION 2009 FAY

APPENDIX C - RECONCILIATION 2010 FAY

APPENDIX D - RECONCILIATION 2011 FAY

APPENDIX E - RECONCILIATION 2012 FAY



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
RESEARCH TRIANGLE PARK, NC 27711

OFFICE OF
AIR QUALITY PLANNING
AND STANDARDS

MEMORANDUM

SUBJECT: Clean Air Act Section 185 Fee Rates for Calendar Years 1990 – 2011

FROM: Scott Mathias, Associate Director
Air Quality Policy Division *Scott Mathias*

TO: Air Program Managers, Regions I-X

This memorandum provides Clean Air Act (CAA) section 185 penalty fee rates (\$/ton of ozone precursor emissions) for each year from 1990 to 2011. CAA section 185 cross-references the methodology in section 502(b)(3)(B)(v) of the CAA for determining fee rates. This method has been interpreted for use in determining permit fees in the October 15, 1992, memorandum "Calculating Fees for Operating Permits," Frank Bunyard, (U.S. EPA). The permit fee rate for each period is based on a calculation of the average monthly change in the Consumer Price Index (All Urban Consumers) for the prior 12-month period running from September to August, as reported by the U.S. Bureau of Labor Statistics. The Environmental Protection Agency has used this method to calculate the Part 70 presumptive minimum permit fee rate since 1990, and updates the rate every year in September, when the August values are available. The adjusted section 185 fee rate for each period is prorated to the adjusted permit fee for the same period, as shown in Table 1 below, by multiplying the Part 70 permit fee rate by 200 (\$5,000/\$25).

Since section 185 fees are assessed on a calendar year basis, and the inflation factor is applied in September, the calendar year fee is determined as a weighted average (8/12 of the fee associated with January to August, and 4/12 of the fee associated with September to December). The weighted fees through the end of calendar year 2011 appear in Table 2 below. The section 185 fee rate for the fee assessment any given calendar year is the annualized fee rate at the end of the fee assessment period.

Attachments

Internet Address (URL) • <http://www.epa.gov>

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APPENDIX A – CPIF Values

TABLE 1: SECTION 185 FEE RATE BASED ON PART 70 PERMIT FEE RATE.

Effective Dates	Part 70 Permit Fee Rate*	Adjusted Sect. 185 Fee Rate
Sept 1989–Aug 1990	\$25.00	\$5,000.00
Sept 1990–Aug 1991	\$26.21	\$5,242.00
Sept 1991–Aug 1992	\$27.59	\$5,518.00
Sept 1992–Aug 1993	\$28.43	\$5,686.00
Sept 1993–Aug 1994	\$29.30	\$5,860.00
Sept 1994–Aug 1995	\$30.07	\$6,014.00
Sept 1995–Aug 1996	\$30.93	\$6,186.00
Sept 1996–Aug 1997	\$31.78	\$6,356.00
Sept 1997–Aug 1998	\$32.65	\$6,530.00
Sept 1998–Aug 1999	\$33.21	\$6,642.00
Sept 1999–Aug 2000	\$33.82	\$6,764.00
Sept 2000–Aug 2001	\$34.87	\$6,974.00
Sept 2001–Aug 2002	\$36.03	\$7,206.00
Sept 2002–Aug 2003	\$36.60	\$7,320.00
Sept 2003–Aug 2004	\$37.43	\$7,486.00
Sept 2004–Aug 2005	\$38.29	\$7,658.00
Sept 2005–Aug 2006	\$39.48	\$7,896.00
Sept 2006–Aug 2007	\$41.02	\$8,204.00
Sept 2007–Aug 2008	\$41.96	\$8,392.00
Sept 2008–Aug 2009	\$43.75	\$8,750.00
Sept 2009–Aug 2010	\$43.83	\$8,766.00
Sept 2010–Aug 2011	\$44.48	\$8,896.00
Sept 2011–Aug 2012	\$45.55	\$9,110.00

* From www.epa.gov/oar/oaqps/permits/historicalrates.html

TABLE 2: ANNUALIZED SECTION 185 FEE RATE

Sect. 185 Year	Annualized Sect. 185 Fee Rate
1990	\$5,080.67
1991	\$5,334.00
1992	\$5,574.00
1993	\$5,744.00
1994	\$5,911.33
1995	\$6,071.33
1996	\$6,242.67
1997	\$6,414.00
1998	\$6,567.33
1999	\$6,682.67
2000	\$6,834.00
2001	\$7,051.33
2002	\$7,244.00
2003	\$7,375.33
2004	\$7,543.33
2005	\$7,737.33
2006	\$7,998.67
2007	\$8,266.67
2008	\$8,511.33
2009	\$8,755.33
2010	\$8,809.33
2011	\$8,967.33

APPENDIX B - ⁸RECONCILIATION 2009 FAY

A. PREFUNDING & CREDITS

Name	Voucher	PO No#	Vendor	Invoice	Invoice Date	Fund	Dept	Account	Disbursement Date	Total Funding
SUNLINE TRANSIT AGENCY	00131476	C07033	0000000639	12112006	12/11/2006	31	90	67450	4/18/2007	\$1,437,500
SUNLINE TRANSIT AGENCY	00135189	C07033	0000000639	6/28/07	6/28/2007	31	90	20000	7/18/2007	\$51,750
SUNLINE TRANSIT AGENCY	00139926	C07033	0000000639	10/2007	10/23/2007	31	90	67450	12/11/2007	\$106,375

⁸ 2008 CPIF = \$8,511.33/Ton; Appendix A (EPA Memorandum , from Scott Mathias, "Clean Air Section185 Fee Rates for Calendar Years 1990-2011")

B. DEBITS [CPIF₂₀₀₈ = \$8,511.33/Ton]

ID	62862	127299	⁹152707
City	COACHELLA	NORTH PALM SPRINGS	DESERT HOT SPRINGS
ZIP	92236	92258	92240
NOx FAY 2009 Fee Obligation (\$)	139,938	37,297	0
ROG FAY 2009 Fee Obligation (\$)	RMS	RMS	0
Total FAY 2009 Fee Equivalent Obligation	\$139,938	\$37,297	\$0

DEMONSTRATION OF EQUIVALENCY

	Total SSAB FAY 2009 Pre-Funding Credits (Bi-1 + Di-1 = BPre-Funding Credits)	\$1,595,625
	Total Aggregate SSAB FAY 2009 Fee Equivalent Obligation (Fi-1 = F2008)	\$177,235
C.	(Bi = B2009)	\$1,418,390
D.	(Di = D2009)	\$0.00
	F2008 x 110%	\$194,959
F.	APDE2009 (B2009 + D2010 > F2008 x 110%)	\$1,418,389.89 > \$194,959
E.	ADE2009 (BPre-Funding & 2008 + D2009 - F2008 = B2010) > 0	\$1,418,390 > \$0.00
	SSAB FEA FAY 2009 Cumulative Credit Balance Forward	\$1,418,390

⁹ CPV Sentinel did have a Title V application with a PTE > 25 TP for both NOx and VOC in CY 2007. By definition, and for tracking purposes, it is a Rule 317 Major Source in the SSAB even though it did not have emissions in CY's 2007 through 2010.

APPENDIX B - RECONCILIATION 2009 FAY

APPENDIX C - RECONCILIATION 2010 FAY

A. CREDITS - No credit funding in FAY 2010

B. DEBITS [CPIF₂₀₀₉ = \$8,755.33/Ton]

ID	62862	127299	152707
City	COACHELLA	NORTH PALM SPRINGS	DESERT HOT SPRINGS
ZIP	92236	92258	92240
NOx FAY 2010 Fee Obligation (\$)	73,427	0	0
ROG FAY 2010 Fee Obligation (\$)	RMS	RMS	0
Total FAY 2010 Fee Equivalent Obligation	\$73,427	\$0	\$0

DEMONSTRATION OF EQUIVALENCY

C.	FAY 2010 Beginning Balance	\$1,418,390
	Prior CY Credits (Di-1 = B2009)	\$0.00
D.	Prior CY Total Aggregate Fee Equivalent Obligation (Fi-1 = F2009)	\$73,427
	Anticipated Credits This CY (Di = D2010)	\$0.00
	F2009 x 110%	\$80,770
	Bi = B2010	\$1,337,620
F.	APDE2010 (B2010 + D2010 > F2009 x 110%)	\$1,337,620 > \$80,770
E.	ADE2010 (B2011 > 0)	\$1,337,620 > \$0.00
	SSAB FEA FAY 2010 Cumulative Credit Balance Forward	\$1,337,620

APPENDIX C - RECONCILIATION 2010 FAY

APPENDIX D - RECONCILIATION 2011 FAY

A. CREDITS - No credit funding in FAY 2011

B. DEBITS [CPIF₂₀₁₀ = \$8,809.33/Ton]

ID	62862	127299	152707
City	COACHELLA	NORTH PALM SPRINGS	DESERT HOT SPRINGS
ZIP	92236	92258	92240
NOx FAY 2011 Fee Obligation (\$)	24,309	9,866	0
ROG FAY 2011 Fee Obligation (\$)	RMS	RMS	0
Total FAY 2011 Fee Equivalent Obligation	\$24,309	\$9,866	\$0

DEMONSTRATION OF EQUIVALENCY

C.	FAY 2011 Beginning Balance	\$1,337,620
	Prior CY Credits ($D_{i-1} = B_{2010}$)	\$0.00
D.	Prior CY Total Aggregate Fee Equivalent Obligation ($F_{i-1} = F_{2010}$)	\$34,175
	Anticipated Credits This CY ($D_i = D_{2011}$)	\$0.00
	$F_{2010} \times 110\%$	\$37,593
	$B_i = B_{2011}$	\$1,303,444
E.	$APDE_{2011} (B_{2010} + D_{2011} > F_{2010} \times 110\%)$	\$1,303,444 > \$37,592.9844.30
F.	$ADE_{2011} (B_{2011} > 0)$	\$1,303,444 > \$0.00
	SSAB FEA FAY 2011 Cumulative Credit Balance Forward	\$1,303,444

APPENDIX D - RECONCILIATION FAY 2011

APPENDIX E - RECONCILIATION 2012 FAY

A. CREDITS

Name	Voucher	PO No#	Vendor	Invoice	Invoice Date	Fund	Dept	Account	Disbursement Date	Total Funding
SUNLINE TRANSIT AGENCY	00188519	C10650	0000000639	000000042892	4/8/2011	31	90	67450	4/29/2011	\$5,307,422
SUNLINE TRANSIT AGENCY	00189634	C07244	0000000639	42259	5/13/2010	31	90	67450	5/25/2011	\$267,000
SUNLINE TRANSIT AGENCY	00189633	C07033	0000000639	42953	5/18/2011	31	90	67450	5/25/2011	\$244,375
SUNLINE TRANSIT AGENCY	00194788	C10650	0000000639	00000043055	7/12/2011	31	90	67450	10/5/2011	\$2,653,711
C.V. ICE COMPANY INC	00196154	C11551	0000008598	W30201	9/29/2011	81	90	67454	11/8/2011	\$57,152
C.V. ICE COMPANY INC	00196154	C11551	0000008598	W30201	9/29/2011	81	90	67450	11/8/2011	\$97,313

B. DEBITS [CPIF₂₀₁₁ = \$8,967.33/Ton]

ID	62862	127299	152707
City	COACHELLA	NORTH PALM SPRINGS	DESERT HOT SPRINGS
ZIP	92236	92258	92240
NOx FAY 2012 Fee Obligation (\$)	33,575	0	0
ROG FAY 2012 Fee Obligation (\$)	RMS	RMS	0
Total FAY 2012 Fee Equivalent Obligation	\$33,575	\$0	\$0

DEMONSTRATION OF EQUIVALENCY

C.	FAY 2012 Beginning Balance	\$1,303,444
	Prior CY Credits (Di-1 = B2011)	\$8,626,973
D.	Prior CY Total Aggregate Fee Equivalent Obligation (Fi-1 = F2011)	\$33,575
	Anticipated Credits This CY (Di = D2012)	\$0.00
	F2011 x 110%	\$36,933
	Bi = B2012	\$9,896,842
F.	APDE2012 (B2011 + D2012 > F2011 x 110%)	\$9,896,842 > \$36,933
E.	ADE2012 (B2012 > 0)	\$9,896,842 > \$0.00
	SSAB FEA FAY 2012 Cumulative Credit Balance Forward	\$9,896,842

APPENDIX E - RECONCILIATION 2012 FAY