



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

PUBLIC WORKSHOP NOTICE

February 3, 2020

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER / APCO
SUBJECT: **PUBLIC WORKSHOP – DRAFT AMENDMENTS TO REGULATION 3: FEES**

The Bay Area Air Quality Management District (“Air District”) will conduct a public workshop on **Tuesday, February 18, 2020, starting at 10:00 AM**, to discuss draft amendments to Air District Regulation 3: Fees. The workshop will be held in the 1st floor Board Room at the Air District’s office located at 375 Beale Street in San Francisco and will be simultaneously webcast.

The amendments to the Air District’s FYE 2020 fee regulation would be effective on July 1, 2020 and would increase fee revenue in order to help the Air District recover a greater share of the costs the Air District incurs in implementing and enforcing regulatory programs for stationary sources of air pollution. The following changes to the Air District’s existing Fee Schedules are proposed based on a recently updated analysis of cost recovery for regulatory programs:

Schedule A	Hearing Board Fees	15 % increase
Schedule B	Combustion of Fuels	3.1 % increase
Schedule D	Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals	3.1 % increase
Schedule E	Solvent Evaporating Sources	3.1 % increase
Schedule F	Miscellaneous Sources	3.1 % increase
Schedule G1	Miscellaneous Sources	15 % increase
Schedule G2	Miscellaneous Sources	9 % increase
Schedule G3	Miscellaneous Sources	7 % increase
Schedule G4	Miscellaneous Sources	15 % increase
Schedule H	Semiconductor and Related Operations	9 % increase
Schedule I	Dry Cleaners	9 % increase
Schedule K	Solid Waste Disposal Sites	15 % increase
Schedule M	Major Stationary Source Fees	3.1 % increase
Schedule N	Toxic Inventory Fees	9 % increase
Schedule P	Major Facility Review Fees	7 % increase
Schedule S	Naturally Occurring Asbestos Operations	15 % increase
Schedule T	Greenhouse Gas Fees	8 % increase
Schedule W	Petroleum Refining Emissions Tracking Fees	15 % increase

The following specific fees in Regulation 3 are proposed to be increased by 3.1% based on the 2019 Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W):

- Section 3-302: New and modified source filing fees
- Section 3-311: Emission Banking Fees
- Section 3-312: Regulation 2, Rule 9 Alternative Compliance Plan fee
- Section 3-320: Toxic Inventory maximum fee
- Section 3-327: Permit to Operate renewal processing fee
- Section 3-337: Exemption Fee
- Section 3-341: Fee for Risk Reduction Plan

- Section 3-342: Fee for Facility-Wide Health Risk Assessment
- Section 3-343: Fees for Air Dispersion Modeling

The following additional amendments are proposed:

- Amend Section 3-327, Permit to Operate, Renewal Fees as follows:
 - A new fee per permitted source would be charged during permit renewal to each facility subject to the California Air Resource Board's (CARB's) Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation. This fee would help cover the Air District's implementation and on-going costs associated with the CTR Regulation.
 - The Air District is considering tiered fees based on the number of sources at each facility, since the costs are commensurate with the number of sources at each facility.
 - To learn about the CARB's CTR Regulation: <https://ww2.arb.ca.gov/our-work/programs/criteria-and-toxics-reporting>.
 - A new fee to help cover the Air District's costs associated with the CARB's Assembly Bill 617 "Community Air Protection Program" (AB 617 Program):
 - This new community health impact fee would be charged to each permitted facility.
 - The Air District is considering basing this fee on each facility's weighted toxic emissions.
 - To learn about the Air District's implementation of AB 617: <https://www.baaqmd.gov/community-health/community-health-protection-program>.
 - To learn about the CARB's AB 617 Program: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-program>.
 - Add references to Schedule W (Petroleum Refining Emissions Tracking Fees) and Schedule X (Major Stationary Source Community Air Monitoring Fees) since fees assessed during permit renewal are typically listed in this section.
- Amend Section 3-330 to add a minimum Authority to Construct (A/C) renewal fee for gasoline dispensing facility alteration A/C renewals, Section 3-330.1 to add a fee for not requesting A/C renewal prior to expiration, to discourage late A/C renewals, and Section 3-340 to add a fee for failing to notify the Air District of start-up of a source under an authority to construct within a year from the start-up date, to discourage late source start-up notifications.
- Amend the language in Fee Schedule N (Toxic Inventory Fees) to clarify the methodology used by the Air District to calculate the facility's weighted toxic inventory and amend the language in Fee Schedule V (Open Burning) to reflect recent Regulation 5 amendments.
- The Air District is also exploring future options for an Accelerated Permitting Process fee that would require amendments to Regulation 3.

Visit the Air District's Website for More Information

The proposed amendments to Regulation 3 will be available **by Tuesday, February 11, 2020** on the Air District's website at <http://www.baaqmd.gov/reg3>. Please direct your comments or questions to Barry G. Young, Senior Advanced Projects Advisor, Engineering Division, via email at byoung@baaqmd.gov or at (415) 749-4721. Staff will discuss the proposed amendments at the workshop, and will receive written comments until **Friday, March 20, 2020**. Prior to the workshop, the link to the simultaneous webcast will be available at <http://www.baaqmd.gov/reg3>.