



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

STAFF REPORT

Proposed Amendments to BAAQMD REGULATION 3: FEES

June 2, 2021

Table of Contents

EXECUTIVE SUMMARY.....	1
BACKGROUND	2
COST RECOVERY	3
PROPOSED FEE AMENDMENTS FOR FYE 2022.....	5
OVERVIEW OF PROPOSED AMENDMENTS.....	5
PROPOSED RULE AMENDMENTS IN SECTION 300.....	6
FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES	9
ASSOCIATED IMPACTS AND OTHER RULE DEVELOPMENT REQUIREMENTS....	12
EMISSIONS IMPACTS.....	12
ECONOMIC IMPACTS.....	12
ENVIRONMENTAL IMPACTS.....	14
STATUTORY FINDINGS.....	15
RULE DEVELOPMENT PROCESS	15
PUBLIC COMMENTS	16
CONCLUSIONS	16
APPENDIX A: COST RECOVERY POLICY.....	A-1
APPENDIX B: PROPOSED REGULATORY LANGUAGE – REGULATION 3: FEES.....	B-1
APPENDIX C: WRITTEN COMMENTS AND RESPOSNES FROM THE WORKSHOP AND PUBLIC HEARING.....	C-1

EXECUTIVE SUMMARY

Bay Area Air Quality Management District (Air District or BAAQMD) staff has proposed amendments to Regulation 3: Fees for Fiscal Year Ending (FYE) 2022 that would increase revenue for effectively implementing and enforcing regulatory programs for stationary sources of air pollution. FYE 2022 represents July 1, 2021 to June 30, 2022.

The 2021 Cost Recovery Study shows that after the most-recently evaluated fiscal year, FYE 2020, 3-year average fee revenue stood at 84.5 percent of program activity costs. Since Regulation 3 cost recovery rates are impacted by changes to several factors including but not limited to new and enhanced programs, staffing levels, Air District priorities, facility emissions and facility permitting, cost recovery is evaluated annually.

The proposal also includes a new fee for funding the implementation of California Air Resources Board's (CARB) new regulation for criteria pollutant and toxics emissions reporting titled, "Regulation for the Reporting of Criteria Air Pollutants and Toxic Air Contaminants (CTR)". Implementation costs include system/programming changes, increase in data processing, compressed timeframe, future data needs, customer support and enforcement. The proposed new fee would charge a CTR fee equal to 4.4 percent of a permitted facility's permit renewal fee capped at \$50,000 and would be applied during permit renewal. The fee is expected to raise approximately \$1.46 million. In addition, the proposal includes amending the Risk Assessment Fee (RAF) for gas dispensing facilities to recover added costs for implementing the 2017 enhanced risk assessment guidelines.

If all proposed amendments are approved, the impact of the changes to a facility's permit renewal fees are approximately the following:

Facility type	Projected FYE 2022 % fee change impact
Registered only	No change
Gas dispensing facility with one product nozzle	6
Emergency back-up generator (minimum permitted size)	6
Auto body operation only	12
Power plant ¹	9.1 to 9.4
Petroleum refinery ¹	7.2 to 8.6

¹ Projected impact is based on the same permitting scenario as the previous year including active equipment and production rates.

The proposed fee amendments would increase overall Air District fee revenue in FYE 2022 by approximately \$3.8 million relative to fee revenue that would be expected without the amendments for the same permitted facility inventory.

The Board of Directors received testimony on April 7, 2021 regarding the proposed amendments to Regulation 3: Fees. Air District staff recommends that the Board of

Directors consider adoption of the proposed amendments to Regulation 3: Fees with an effective date of July 1, 2021 and approve the filing of a California Environmental Quality Act (CEQA) Notice of Exemption following the second public hearing scheduled to consider this matter on June 16, 2021.

BACKGROUND

State law authorizes the Air District to assess fees to generate revenue to recover the reasonable costs of regulatory program activities for stationary sources of air pollution. The largest portion of Air District fees is collected under provisions that allow the Air District to impose permit fees sufficient to recover the costs of program activities related to permitted sources. The Air District is also authorized to assess fees for: (1) area-wide or indirect sources of emissions which are regulated, but for which permits are not issued by the Air District, (2) sources subject to the requirements of the State Air Toxics Hot Spots Program (Assembly Bill 2588), and (3) activities related to the Air District's Hearing Board involving variances or appeals from Air District decisions on the issuance of permits. The Air District has established, and regularly updates, a fee regulation, Regulation 3: Fees, under these authorities.

The proposed amendments are consistent with the Air District's Cost Recovery Policy, which was adopted on March 7, 2012 by the Air District's Board of Directors (see Appendix A). This policy stated that the Air District should amend its fee regulation in a manner sufficient to increase overall recovery of regulatory program activity costs to achieve a minimum of 85 percent. The policy also indicates that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee schedule level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

The results of the 2021 Cost Recovery Study covering FYE 2018, 2019 and 2020 were used to establish proposed fee amendments for each existing fee schedule based on the degree to which existing fee revenue recovers the regulatory program activity costs associated with the schedule. Based on this approach, the fee rates in certain fee schedules would be raised by the 2020 Bay Area Consumer Price Index (CPI) of 1.5 percent, while other fee schedules would be increased by 7, 8, 9, or 15 percent based on the recommendations from the 2018 Cost Recovery Study. Proposed increases for individual fee schedules continue until the recovery rate reaches 110 percent. Fee schedules recovering costs above 110 percent are proposed to have no fee increase. Several administrative fees would be increased by the CPI.

The Air District continues to implement several cost containment and efficiency-based strategies. Some of these strategies include timekeeping improvements to bill codes, periodic review of time accounting, greater field capabilities, annual updates to cost recovery, improved public education, submittal of online permit applications, and availability of permit status online through the New Production System (NPS). Implementing these strategies have resulted in efficiencies as well as the ability to provide a higher service level. The Air District is actively transitioning to the NPS, which currently

includes an online portal for the regulated community for high-volume categories including gas stations, dry cleaners, auto body shops, emergency diesel engine-only facilities, other permit registrations, and asbestos notifications. This system will be expanding to additional facility types. These tools will increase efficiency and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and have access to permit documents.

COST RECOVERY

The Air District analyzed whether fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the costs of related program activities. In 1999, a comprehensive review of the Air District's fee structure and revenue was completed by the firm KPMG Peat Marwick LLP (*Bay Area Air Quality Management District Cost Recovery Study, Final Report: Phase One – Evaluation of Fee Revenues and Activity Costs*, KPMG Peat Marwick LLP, February 16, 1999). This 1999 Cost Recovery Study indicated that fee revenue did not nearly offset the full costs of program activities associated with sources subject to fees as authorized by State law. Property tax revenue and in some years, reserve funds had been used to close this cost recovery gap.

The Air District Board of Directors adopted an across-the-board fee increase of 15 percent, the maximum allowed by State law for permit fees, for FYE 2000 as a step toward more complete cost recovery. The Air District also implemented a detailed employee time accounting system to improve the ability to track costs by program activities moving forward. In each of the next five years, the Air District adjusted fees only to account for inflation except for FYE 2005, in which the Air District also approved further increases in Title V permit fees and a new permit renewal processing fee.

In 2004, the Air District funded an updated Cost Recovery Study. The accounting firm Stonefield Josephson, Inc. completed this study in March 2005 (*Bay Area Air Quality Management District Cost Recovery Study, Final Report*, Stonefield Josephson, Inc., March 30, 2005). This 2005 Cost Recovery Study indicated that a significant cost recovery gap continued to exist. The study also provided cost recovery results at the level of each individual fee schedule based on detailed time accounting data. Finally, the contractor provided a model that could be used by Air District staff to update the analysis of cost recovery on an annual basis using a consistent methodology.

For the five years following the completion of the 2005 Cost Recovery Study (i.e., FYE 2006 through 2010), the Air District adopted fee amendments that increased overall projected fee revenue by an average of 8.9 percent per year. To address fee equity issues, the various fees were not all increased in a uniform manner. Rather, individual fee schedules were amended based on the magnitude of the cost recovery gap for that schedule, with the schedules with the more significant cost recovery gaps receiving more significant fee increases. In FYE 2009, the Air District's fee amendments also included a new greenhouse gas (GHG) fee schedule. The GHG fee schedule recovers costs from stationary source activities related to the Air District's Climate Protection Program. In

FYE 2011, the Air District adopted an across-the-board 5 percent fee increase, except for the Title V fee schedule (Schedule P) which was increased by 10 percent (the Air District's 2010 Cost Recovery Study indicated that Fee Schedule P recovered only 46 percent of program activity costs).

In September 2010, the Air District contracted with the firm Matrix Consulting Group to complete an updated analysis of cost recovery that could be used in developing fee amendments for FYE 2012 and beyond. This study also included a review of the Air District's current cost containment strategies and provided recommendations to improve the management of the Air District's costs and the quality of services provided to stakeholders. The study was completed in March 2011 (*Cost Recovery and Containment Study, Bay Area Air Quality Management District, Final Report, Matrix Consulting Group, March 9, 2011*). The 2011 Cost Recovery and Containment Study concluded that, for FYE 2010, overall fee revenue recovered 64 percent of related program activity costs. The study also provided cost recovery results at the level of each individual fee schedule based on detailed time accounting data and provided a methodology for Air District staff to update the analysis of cost recovery on an annual basis using a consistent methodology.

The results of the 2011 Cost Recovery and Containment Study were used to establish fee amendments for FYE 2012 that were designed to increase overall fee revenue by 10 percent (relative to fee revenue that would result without the fee amendments). To address fee equity issues, the various fees were not all increased in a uniform manner. Rather, existing fee schedules were amended based on the magnitude of the cost recovery gap for that schedule, with the schedules with the more significant cost recovery gaps receiving more significant fee increases. Based on this approach, the fee rates in several fee schedules were not increased, while the fee rates in other fee schedules were increased by 10, 12, or 14 percent.

One of the recommendations made by Matrix Consulting Group in their 2011 Cost Recovery and Containment Study indicated that the Air District should consider the adoption of a Cost Recovery Policy to guide future fee amendments. Air District staff initiated a process to develop such a Policy in May 2011, and a Stakeholder Advisory Group was convened to provide input in this regard. A Cost Recovery Policy was adopted by the Air District's Board of Directors on March 7, 2012 (see Appendix A). This policy specified that the Air District should amend its fee regulation in a manner sufficient to increase overall recovery of regulatory program activity costs to a minimum of 85 percent. The policy also indicated that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

The Matrix Consulting Group was retained by the Air District in September 2017 to provide a cost recovery and containment study for the fiscal year ended June 30, 2017 to update the study done in 2011. This assessment used multiple analytical tools to evaluate the Air District's process for allocation of indirect costs, validate current cost recovery levels,

and determine progress from their 2011 recommendations for cost recovery and savings. The primary purpose of this study was to evaluate the indirect overhead and the cost recovery associated with the fees charged. The project team reviewed the Air District's programs and confirmed their classification as direct or indirect, and reviewed time tracking data associated with each of the different fee schedules. The report also provided specific recommendations related to direct and indirect cost recovery, as well as potential cost efficiencies.

The 2018 Matrix Cost Recovery Study recommended the following fee rate changes based on the past 3-year average of cost recovery calculated for each individual fee schedule:

Cost Recovery Rate Range	Proposed Fee Rate Changes
Above 110%	No increase
95 – 110%	CPI
85 – 94%	7% increase
75 – 84%	8% increase
50 – 74%	9% increase
Less than 50%	15% increase

For the 2021 Cost Recovery Report, staff updated the cost recovery analysis for FYE 2020 using the methodology established by Matrix Consulting Group. The study indicates that the overall cost recovery rate for FYE 2020 was 84.5 percent. This rate is based on a 3-year average of the previous fiscal years. The schedules with the lowest cost recovery rate are Schedules K (9 percent), S (13 percent) and W (15 percent).

Cost recovery rates are impacted by several factors. For costs that are funded by fee revenue, new and enhanced programs, staffing levels, and priorities effect cost recovery. If approved, new Air District full-time employees (FTEs) supported by Regulation 3 fees that are proposed in the FYE 2022 budget would impact cost recovery. For revenue, facility permitting such as permit renewals/shutdowns, permit applications, and revenue from emission levels impact cost recovery. Progress towards the 85 percent minimum target is reported to the Board annually.

PROPOSED FEE AMENDMENTS FOR FYE 2022

OVERVIEW OF PROPOSED AMENDMENTS

Following the Cost Recovery policy, the Air District is proposing several increases to fees and fee schedules based on their cost recovery status. In addition, the proposal includes a new fee to implement a new state-mandated reporting requirement, a change to the risk assessment fee for gas dispensing facilities, clarifying language for canceled and withdrawn permit applications and administrative clean-up.

The specific basis for proposed fee schedule amendments is summarized in Table 1 as follows:

Table 1. Proposed Fee Changes Based on Cost Recovery by Fee Schedule

Cost Recovery Rate Range	Proposed Change in Fees	Fee Schedule
Above 110%	No increase	C, G5, I, L, Q, R, U, X
95 – 110%	CPI at 1.5% increase	B, D, M
85 – 94%	7% increase	F, P
75 – 84%	8% increase	E, H
50 – 74%	9% increase	G2, G3, G4, T, V
Less than 50%	15% increase*	A, G1, K, N, S, W

*2018 Matrix Consulting Group Cost Recovery & Containment Study recommendations.

The complete text of the proposed changes to Air District Regulation 3: Fees, has been prepared in strikethrough (deletion of existing text) and underline (new text) format, and is included in Appendix B. Proposed fee increases have been rounded to the nearest whole dollar.

PROPOSED RULE AMENDMENTS IN SECTION 300

The following sections of Regulation 3 are proposed to be increased by the CPI:

- 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 sections of Regulation 3 are proposed to have no change:

- Section 3-307: Transfers
- Section 3-318: Public Notice Fee, Schools

Section 3-305: Cancellation or Withdrawal

The Air District added language to clarify when previously paid fees in a cancelled or

withdrawn application could be applied if an application for the identical equipment is submitted within six (6) months. The credit is allowed only if the identical equipment is for the same project in the previous application. The rationale is that the previous work in the evaluation would not be applicable if the project was for a different project.

Section 3-327.1: Renewal Processing Fee

Language for this fee was moved from Section 3-327 to a new subsection.

Section 3-327.2: Assembly Bill 617 Community Health Impact Fee

Language for this fee was moved from Section 3-327 to a new subsection.

Section 3-327.3: Criteria Pollutant and Toxics Emissions Reporting (CTR)

As part of Assembly Bill 617 (AB 617), CARB adopted the CTR Regulation in 2020 for the reporting of criteria air pollutants and toxic air contaminants for stationary sources. To learn more about the CTR Regulation, visit <https://ww2.arb.ca.gov/our-work/programs/criteria-and-toxics-reporting>. To implement and recover on-going costs associated with these new requirements, the Air District is proposing a new fee for each permitted facility charged during permit renewal. The CTR fee was planned for consideration for adoption last year but was tabled in April 2020 because of the Covid-19 pandemic.

Prior to CTR, emissions reporting to CARB is accomplished during the permit renewal process. The annual emissions reporting to CARB's California Emission Inventory Development and Reporting System (CEIDARS) is accomplished by requesting information used to calculate emissions during a facility's permit renewal. This request is called the Data Update. The process and data management are integrated into the Air District's systems and procedures with many automated logic and tools programmed specific to CEIDARS reporting. Facility permits (Permits to Operate and registrations) of approximately 10,000 facilities are spread out over the calendar year. For facilities with permitted sources of air pollution, an owner/operator may be required to submit an update to data used to calculate emissions for reporting purposes. The request for data is distributed 3 to 5 months prior to expiration which allows time for collection, validation, entry and follow-up. Whether an update is required depended on the source type where a source could be updated on a 1-, 2-, or 4-year schedule. The owner/operator could choose the best 12-month reporting period for their facility. This process allowed for flexibility for the Air District to spread the work over 1 to 4 years.

All permitted sources of air pollution are required to report emissions for the previous calendar year from January 1 to December 31. This reporting is required every year. These requirements increase the effort to collect, validate, correct and process the data each year. The deadline to collect CTR data is May 1 and the data must be ready for CARB submission by August 1. Where the Air District had previously spread out the work

of updating emissions over 12 months or more, the work has been compressed to 4 to 6 months depending upon when data is received.

In addition, there are new data requirements in the CARB rule such as emission release parameters that were not previously required and changes to emission factors/calculations from the uniform reporting workgroups.

CARB requires the Air Districts to start CTR in 2021 for Applicability 1 and 2 CTR facilities. Preparation for 2021 began in the fall of 2019, knowing that the Air District had to use existing tools. Applicability 1 includes facilities subject to CARB's Mandatory Reporting Requirements for GHG emissions. Applicability 2 applies to facilities that have emissions above 250 tons for any criteria pollutant. Eighty-seven (87) facilities are in the Applicability 1 and 2 categories. There are approximately 9,700 permitted facilities that would potentially be impacted by CTR when fully implemented. Until NPS is ready to handle CTR, staff is using existing systems and tools as well as manual processes to comply with CTR.

The Air District is tasked with transitioning and implementing CTR which is estimated to take eight (8) Full-Time Employees (FTE). Air District staff estimated this need considering both initial costs and on-going costs.

- Average staff cost of \$183,000 per fully-funded FTE
- 8 FTEs x \$183,000 = \$1,464,000

The first phase of this process is planning, designing, and testing NPS to handle CTR reporting while implementing CTR for Applicability 1 & 2 with current tools. The former primarily consists of Air District staff in the Engineering Division and the My Air Online Office, including contractors for programming NPS and the data model.

Air District staff will also work with the other air districts, the California Air Pollution Control Officers Association, and industry to develop uniform emissions inventory guidelines to be used for reporting emissions to the state. Implementation of these guidelines may require extensive programming to add new or modify emission factors and or emission calculation methodologies into the data systems.

When CTR is fully implemented in the new system with all applicable facilities, we estimate six (6) FTEs in Engineering, one (1) FTE in Information Technology, and one (1) FTE in Compliance & Enforcement (C&E)/Assessment, Inventory and Measurement (AIM) divisions are needed. As CTR impacts facilities in Applicability 3 and beyond, resources will provide outreach to help the smaller facilities comply with CTR. Long term, staff will be required for quality assurance and control, inventory processing, incremental improvements and compliance.

The proposed CTR fee is based on a percentage of a permitted facility's permit renewal fees of 4.4 percent. The CTR fee would be calculated without the AB 617 Community Health Impact Fee as part of the permit renewal fee. The CTR fee is capped at \$50,000. The permit renewal fee is a surrogate for the complexity and impact of a facility's

emissions. The CTR fee will be charged to all permitted facilities because the focus of the initial effort is to build a system and tools that will be used by all permitted facilities.

Fee Schedules:

The following are specific details and or changes to fee schedules beyond the percent fee increase as shown in Table 1.

Schedule Da: Gasoline Transfer at Gasoline Dispensing Facilities

When an owner/operator submits a permit application for a new or modified gas dispensing facility (GDF), the evaluation may require a Health Risk Assessment (HRA). This work is recovered by the RAF, which is currently \$508. Before 2017, the HRA was analyzed using a more simplified screen based on only benzene emissions using a spreadsheet which could be done by a non-engineer. In 2017, the Air District implemented new risk assessment guidelines for modeling emissions for an HRA. This new method requires an air dispersion model, including terrain considerations, expanding meteorological data sets of 5-years, and including the full list of toxic air contaminants of benzene, ethylbenzene, toluene, xylene, hexane, and naphthalene. Because of its complexity, the HRA is done by a Senior Air Quality Engineer and takes considerably more time than the previous fee had recovered.

In 2020, fifteen (15) HRAs were performed for GDF HRA applications averaging 19.3 hours to complete. Based on the \$195 per hour of Air Quality Engineer II cost, the RAF should be \$3,770 to fully recover the work. This assessment did not consider that these HRAs are currently performed by senior level staff nor does it include review and approval of the HRA work.

The proposed change to the RAF for Schedule Da reflects this gap by increasing the fee to \$3,770 for new GDFs and increasing the current fee by 15 percent to \$584 for a modified GDF requiring an HRA.

Schedule V: Open Burning

The Air District is not proposing to increase fees for Prescribed Burning since cost of that activity is being recovered. Other open burning fee categories are proposed to be increased based on the Cost Recovery policy.

FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES

The 2021 Cost Recovery Study concluded that, for FYE 2020, fee revenue recovered 84.5 percent of regulatory program activity costs, with revenue of \$51.3 million and costs of \$48.3 million. This resulted in a shortfall based on a 3-year average, or cost recovery gap, of \$8.5 million which was filled by county tax revenue. The proposed fee

amendments for FYE 2022 are projected to increase overall Air District fee revenue by approximately \$3.8 million relative to fee revenue levels that would be expected without the amendments. Revenue in FYE 2022 is expected to remain below the Air District's regulatory program costs for both permitted and non-permitted sources.

For years, the Air District has implemented aggressive cost containment measures that included reducing capital expenditures and maintaining a hiring freeze that resulted in historically high staff vacancy rates.

In the FYE 2022 Budget, the Air District proposes to increase staffing levels from 415 FTEs to 441, with nine (9) new FTEs that are supported by fees. The proposal includes four (4) FTEs in the Engineering, four (4) FTEs in Compliance & Enforcement and one (1) FTE in Rule Development. If any or all FTEs are approved and hired, the cost of programs supported by fees will increase.

Over the past several years, the Air District has continued to implement several cost containment and efficiency-based strategies. Some of these strategies include timekeeping improvements, greater field capabilities, annual updates to cost recovery, improved public education, submittal of online permit applications, and availability of permit status online through NPS. Implementing these strategies have resulted in efficiencies as well as the ability to provide a higher service level. The Air District is actively transitioning to NPS, which currently includes an on-line portal for the regulated community for high-volume categories including gas stations, dry cleaners, auto body shops, other permit registrations, and asbestos notifications. This system will be expanding to additional facility types. These tools will increase efficiency and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and have access to permit documents.

The Air District continues to be fiscally prudent by maintaining its reserves. Reserves address future capital equipment and facility needs, uncertainties in State funding and external factors affecting the economy that could impact the Air District's ability to balance its budgets.

5. STATUTORY AUTHORITY FOR PROPOSED FEE INCREASES

The Air District is a regional regulatory agency, and its fees are used to recover the costs of issuing permits, performing inspections, and other associated regulatory activities. The Air District's fees fall into the category specified in Section 1(e) of Article XIII C of the California Constitution which specifies that charges of this type assessed to regulated entities to recover regulatory program activity costs are not taxes. The amount of fee revenue collected by the Air District has been clearly shown to be much less than the costs of the Air District's regulatory program activities both for permitted and non-permitted sources.

The Air District's fee regulation, with its various fee schedules, is used to allocate

regulatory program costs to fee payers in a manner which bears a fair or reasonable relationship to the payer's burden on, or benefits received from, regulatory activities. Permit fees are based on the type and size of the source being regulated, with minimum and maximum fees being set in recognition of the practical limits to regulatory costs that exist based on source size. Add-on fees are used to allocate costs of specific regulatory requirements that apply to some sources but not others (e.g., health risk screening fees, public notification fees, alternative compliance plan fees). Emissions-based fees are used to allocate costs of regulatory activities not reasonably identifiable with specific fee payers.

Since 2006, the Air District has used annual analyses of cost recovery performed at the fee-schedule level, which is based on data collected from a labor-tracking system, to adjust fees. These adjustments are needed as the Air District's regulatory program activities change over time based on changes in statutes, rules and regulations, enforcement priorities, and other factors.

State law authorizes air districts to adopt fee schedules to cover the costs of various air pollution programs. California Health and Safety Code (H&S Code) section 42311(a) provides authority for an air district to collect permit fees to cover the costs of air district programs related to permitted stationary sources. H&S Code section 42311(f) further authorizes the Air District to assess additional permit fees to cover the costs of programs related to toxic air contaminants. H&S Code section 41512.7(b) limits the allowable percentage increase in fees for authorities to construct and permits to operate to 15 percent per year.

H&S Code section 44380(a) authorizes air districts to adopt a fee schedule that recovers the costs to the air district and State agencies of the Air Toxics Hot Spots Program (AB 2588). The section provides the authority for the Air District to collect toxic inventory fees under Schedule N.

H&S Code section 42311(h) authorizes air districts to adopt a schedule of fees to cover the reasonable costs of the Hearing Board incurred as a result of appeals from air district decisions on the issuance of permits. Section 42364(a) provides similar authority to collect fees for the filing of applications for variances or to revoke or modify variances. These sections provide the authority for the Air District to collect Hearing Board fees under Schedule A.

H&S Code section 42311(g) authorizes air districts to adopt a schedule of fees to be assessed on area-wide or indirect sources of emissions, which are regulated but for which permits are not issued by the air district, to recover the costs of air district programs related to these sources. This section provides the authority for the Air District to collect asbestos fees (including fees for Naturally Occurring Asbestos operations), soil excavation reporting fees, registration fees for various types of regulated equipment, for Indirect Source Review, and fees for open burning.

The proposed fee amendments are in accordance with all applicable authorities. The Air

District fees subject to this rulemaking are in amounts no more than necessary to cover the reasonable costs of the Air District's regulatory activities, and the manner in which the Air District fees allocate those costs to a payer bear a fair and reasonable relationship to the payer's burdens on the Air District regulatory activities and benefits received from those activities. Permit fee revenue (after adoption of the proposed amendments) would still be well below the Air District's regulatory program activity costs associated with permitted sources. Similarly, fee revenue for non-permitted area wide sources would be below the Air District's costs of regulatory programs related to these sources. Hearing Board fee revenue would be below the Air District's costs associated with Hearing Board activities related to variances and permit appeals. Fee increases for authorities to construct and permits to operate would be less than 15 percent per year.

ASSOCIATED IMPACTS AND OTHER RULE DEVELOPMENT REQUIREMENTS

EMISSIONS IMPACTS

There will be no direct change in air emissions as a result of the proposed amendments.

ECONOMIC IMPACTS

The Air District must, in some cases, consider the socioeconomic impacts and incremental costs of proposed rules or amendments. Section 40728.5(a) of the California H&S Code requires that socioeconomic impacts be analyzed whenever an air district proposes the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations. The proposed fee amendments will not significantly affect air quality or emissions limitations, and so a socioeconomic impact analysis is not required.

Section 40920.6 of the H&S Code specifies that an air district is required to perform an incremental cost analysis for a proposed rule, if the purpose of the rule is to meet the requirement for best available retrofit control technology or for a feasible measure. The proposed fee amendments are not best available retrofit control technology requirements, nor are they a feasible measure required under the California Clean Air Act; therefore, an incremental cost analysis is not required.

The financial impact of the proposed fee amendments on small businesses depends on the fee schedule of the primary device/operation. Many small businesses operate only one or two permitted sources, and generally pay only the minimum permit renewal fees. Since Schedule R is proposed to have no increase, facilities with only registered sources would have no increase in FYE 2022. Whereas an auto body shop's primary operation is their painting operation which is charged to Schedule E with a higher proposed percent increase and would be charged the CTR fee. For the facilities shown in Table 4, increases in annual permit and registration renewal fees would be under \$100.

Table 4. Changes in Annual Permit/Registration Renewal Fees for Typical Small Businesses

Facility Type	Current Fees (prior to change)	Proposed Fees (post change)	Proposed Fee Increase	Proposed % Increase
Gas Station ^{1,2}	\$239	\$255	\$16	6
Dry Cleaner (registered) ¹	\$259	\$259	\$0	0
Auto Body Shop ^{1,3}	\$729	\$815	\$86	12
Back-up Generator ^{1,3}	\$382	\$405	\$23	6

1. Assuming facility has only one source.
2. Assuming source has one single-product gasoline nozzle.
3. Assuming source qualifies for minimum fee.

For larger facilities, such as refineries and power plants, increases in annual permit renewal fees would cover a considerable range due to differences in the facility's size, mix of emission sources, pollutant emission rates and applicable fee schedules.

As shown in Table 5, the FYE 2022 projected annual permit fee increase for the five Bay Area refineries would range from approximately 7.2 and 8.6 percent. The annual permit fee increase for power generating facilities shown in Table 6 would range from approximately 9.1 and 9.4 percent. Projected FYE 2022 fee increases are based on FYE 2020 material throughput data. Table 5 and 6 also include current Permit to Operate fees paid and historical annual fee increases.

Table 5. Comparison of Petroleum Refinery Annual Permit Fee Increase/Decrease with Projected FYE 2022 Impact

Facility	FYE 2020 % fee change, actual/predicted		FYE 2020 renewal fee	FYE 2021 % fee change, actual/predicted		FYE 2021 renewal fee	FYE 2022 <i>Projected*</i> , % fee change
Chevron	0.8	12	\$3.7 million	15.0	2.4	\$4.2 million	7.2
Martinez Refining Co.	1.3	11.7	\$3.5 million	17.4	2.4	\$4.1 million	8.0
Phillips 66	14.6	8.5	\$1.9 million	18.5	4.3	\$2.3 million	8.3
Valero	23.2	13.3	\$2.3 million	17.2	3.7	\$2.7 million	8.6
Tesoro**	22.3	1.9	\$2.9 million	8.3	3.2	\$3.1 million	7.7

Table 6. Comparison of Power Plant Annual Permit Fee Increase/Decrease with Projected FYE 2022 Impact

Facility	FYE 2020 % fee change, actual/predicted		FYE 2020 renewal fee	FYE 2021 % fee change, actual/predicted		FYE 2021 renewal fee*	FYE 2022, <u>Projected</u> % fee change**
Delta Energy	23.3	5.8	\$460,000	16.7	5.7	\$530,000	9.2
Los Medanos	-1.9	6.9	\$400,000	14.2	5.7	\$460,000	9.4
Gateway	8.2	6.0	\$360,000	10.0	5.7	\$390,000	9.3
Crockett Cogen	9.7	5.8	\$270,000	11.4	5.7	\$300,000	9.1

ENVIRONMENTAL IMPACTS

The California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq., and the CEQA Guidelines, 14 CCR 15000 et seq., require a government agency that undertakes or approves a discretionary project to prepare documentation addressing the potential impacts of that project on all environmental media. Certain types of agency actions are, however, exempt from CEQA requirements. The proposed fee amendments are exempt from the requirements of the CEQA under Section 15273 of the CEQA Guidelines, which state: "CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies...." (See also Public Resources Code Section 21080(b) (8)).

Section 40727.2 of the H&S Code imposes requirements on the adoption, amendment, or repeal of air district regulations. It requires an air district to identify existing federal and air district air pollution control requirements for the equipment or source type affected by the proposed change in air district rules. The air district must then note any differences between these existing requirements and the requirements imposed by the proposed change. This fee proposal does not impose a new standard, make an existing standard more stringent, or impose new or more stringent administrative requirements. Therefore, section 40727.2 of the H&S Code does not apply.

STATUTORY FINDINGS

Pursuant to H&S Code section 40727, regulatory amendments must meet findings of necessity, authority, clarity, consistency, non-duplication, and reference. The proposed amendments to Regulation 3:

- Are necessary to fund the Air District's efforts to attain and maintain federal and state air quality standards, and to reduce public exposure to toxic air contaminants;
- Are authorized by H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9;
- Are clear, in that the amendments are written so that the meaning can be understood by the affected parties;
- Are consistent with other Air District rules, and not in conflict with any state or federal law;
- Are not duplicative of other statutes, rules or regulations; and
- Reference H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

RULE DEVELOPMENT PROCESS

The Air District established a Budget Advisory Group (BAG) to make the process more transparent and provide opportunities for early input from stakeholders. At the first meeting, the group discussed this year's budget calendar, the state of the economy, cost recovery, last year's adopted and this year's proposed Fee Regulation Amendments, and the Fee Amendments relationship to the Air District's budget. The workgroup is comprised of the chair and vice-chair of the Air District's Administration Committee, Air District staff, and regulated industry associations. Air District staff did outreach to small business associations such as those representing auto body shops, retail gas dispensing facilities and dry cleaners, but none elected to participate this year. Staff will continue to outreach to these and other associations going forward.

The following are the key dates and activities in the rule development process:

Rule Development Step	Date
Budget Advisory Group meeting #1	January 19, 2021
Distribution of public workshop notice	February 5, 2021
Public workshop	February 18, 2021
Budget Advisory Group meeting #2	March 11, 2021
Board of Directors' Administration Committee briefing	March 17, 2021
Written workshop comments due	March 19, 2021

Rule Development Step	Date
Board of Directors first public hearing to receive testimony	April 7, 2021
June 16 Public Hearing notice published	April 28, 2021
Written Public Hearing #1 comments due	April 30, 2021
Board of Directors second public hearing to consider adoption	June 16, 2021
Proposed fee amendments effective date	July 1, 2021

The Air District distributed the notice for a public workshop to all Air District-permitted and registered facilities, asbestos contractors, and other potentially interested stakeholders and posted on the Air District website.

All working meetings, the public workshop, briefings to the board committees, the public hearing were held virtually due to the Covid-19 pandemic. The Board of Directors held their meetings as a webinar pursuant to the provisions of the Governor's Executive Order N-29-20.

Under H&S Code section 41512.5, the adoption or revision of fees for non-permitted sources requires two public hearings that are held at least 30 days apart from one another. This provision applies to Schedule L: Asbestos Operations, Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, Schedule R: Equipment Registration Fees, Schedule S: Naturally Occurring Asbestos Operations, Schedule U: Indirect Source Fees, and Schedule V: Open Burning.

PUBLIC COMMENTS

The District held a public workshop on February 18, 2021 to discuss draft amendments to Regulation 3: Fees. There were sixteen (16) attendees on the Zoom webinar. The recording of the workshop was also posted for interested parties to view after the workshop. The Western States Petroleum Association (WSPA) and the California Council for Environmental and Economic Balance (CCEEB) submitted comment from the workshop on March 19. CCEEB submitted comments from the first Public Hearing on April 30.

The workshop and public hearing written comments along with Air District responses are documented in Appendix C

CONCLUSIONS

Air District staff finds that the proposed fee amendments meet the findings of necessity, authority, clarity, consistency, non-duplication and reference specified in H&S Code

section 40727. The proposed amendments:

- Are necessary to fund the Air District's efforts to attain and maintain federal and state air quality standards, and to reduce public exposure to toxic air contaminants;
- Are authorized by H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9;
- Are clear, in that the amendments are written so that the meaning can be understood by the affected parties;
- Are consistent with other Air District rules, and not in conflict with any state or federal law;
- Are not duplicative of other statutes, rules or regulations; and
- Reference H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

The proposed fee amendments will be used by the Air District to recover the costs of issuing permits, performing inspections, and other associated regulatory activities. The Air District fees subject to this rulemaking are in amounts no more than necessary to cover the reasonable costs of the Air District's regulatory activities, and the manner in which the Air District fees allocate those costs to a payer bear a fair and reasonable relationship to the payer's burdens on the Air District regulatory activities and benefits received from those activities. After adoption of the proposed amendments, permit fee revenue would still be below the Air District's regulatory program activity costs associated with permitted sources. Similarly, fee revenue for non-permitted sources would be below the Air District's costs of regulatory programs related to these sources. Fee increases for authorities to construct and permits to operate would not exceed 15 percent per year as required under H&S Code section 41512.7. The proposed amendments to Regulation 3 are exempt from the requirements of the CEQA under Section 15273 of the CEQA Guidelines.

**APPENDIX A:
COST RECOVERY POLICY
(Adopted March 7, 2012)**

COST RECOVERY POLICY FOR BAY AREA AIR QUALITY MANAGEMENT DISTRICT REGULATORY PROGRAMS

PURPOSE

WHEREAS, the District has the primary authority for the control of air pollution from all sources of air emissions located in the San Francisco Bay Area, other than emissions from motor vehicles, in accordance with the provisions of Health & Safety Code sections 39002 and 40000.

WHEREAS, the District is responsible for implementing and enforcing various District, State, and federal air quality regulatory requirements that apply to non-vehicular sources.

WHEREAS, the District's regulatory programs involve issuing permits, performing inspections, and other associated activities.

WHEREAS, the District is authorized to assess fees to regulated entities for the purpose of recovering the reasonable costs of regulatory program activities, and these authorities include those provided for in California Health and Safety Code sections 42311, 42364, and 44380.

WHEREAS, the District's fees fall within the categories provided in Section 1(e) of Article XIII C of the California Constitution, which indicates that charges assessed to regulated entities to recover regulatory program activity costs, and charges assessed to cover the cost of conferring a privilege or providing a service, are not taxes.

WHEREAS, the District has adopted, and periodically amends, a fee regulation for the purpose of recovering regulatory program activity costs, and this regulation with its various fee schedules, is used to allocate costs to fee payers in a manner which bears a fair or reasonable relationship to the payer's burden on, or benefits received from, regulatory activities.

WHEREAS, the District analyzes whether assessed fees result in the collection of sufficient revenue to recover the costs of related program activities; these analyses have included contractor-conducted fee studies completed in 1999, 2005, and 2011, and annual District staff-conducted cost recovery updates completed in 2006 through 2010. Each fee study and cost recovery update completed revealed that District fee revenue falls significantly short of recovering the costs of related program activities.

WHEREAS, the District's most recently completed fee study (*Cost Recovery and Containment Study, Bay Area Air Quality Management District*, Final Report, Matrix Consulting Group, March 9, 2011) concluded that in Fiscal Year Ending (FYE) 2010, the District recovered approximately 62 percent of its fee-related activity costs, resulting in an under-recovery of costs (i.e., a cost recovery gap), and a subsidy to fee payers, of approximately \$16.8 million, and that this cost recovery gap resulted despite the

implementation of a number of strategies to contain costs.

WHEREAS, cost recovery analyses have indicated that the District's Fee Schedule P: Major Facility Review Fees, which establishes fees for program activities associated with the Title V permit program, has under-recovered costs by an average of \$3.4 million per year over the period FYE 2004 through FYE 2010.

WHEREAS, the District's Board of Directors has recognized since 1999 that the District's cost recovery gap has been an issue that needs to be addressed, and since that time has adopted annual fee amendments in order to increase fee revenue.

WHEREAS, in addition to fee revenue, the District receives revenue from Bay Area counties that is derived from property taxes, and a large portion of this tax revenue has historically been used on an annual basis to fill the cost recovery gap.

WHEREAS, the tax revenue that the District receives varies on a year-to-year basis, and cannot necessarily be relied on to fill the cost recovery gap and also cover other District expenses necessitating, in certain years, the use of reserve funds.

WHEREAS, tax revenue that the District receives, to the extent that it is not needed to fill the cost recovery gap, can be used to fund initiatives or programs that may further the District's mission but that lack a dedicated funding source.

WHEREAS, it may be appropriate as a matter of policy to establish specific fee discounts for small businesses, green businesses, or other regulated entities or members of the public, where tax revenue is used to cover a portion of regulatory program activity costs, and the District's existing fee regulation contains several fee discounts of this type.

POLICY

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bay Area Air Quality Management District that:

(1) Cost Containment –In order to ensure that the costs of its regulatory programs remain reasonable, the District should continue to implement feasible cost containment measures, including the use of appropriate best management practices, without compromising the District's effective implementation and enforcement of applicable regulatory requirements. The District's annual budget documents should include a summary of cost containment measures that are being implemented.

(2) Analysis of Cost Recovery – The District should continue to analyze the extent to which fees recover regulatory program activity costs, both on an overall basis, and at the level of individual fee schedules. These cost recovery analyses should be periodically completed by a qualified District contractor, and should be updated on an annual basis by District staff using a consistent methodology.

(3) Cost Recovery Goals – It is the general policy of the District, except as otherwise noted below, that the costs of regulatory program activities be fully recovered by assessing fees to regulated entities. In order to move towards this goal, the District should amend its fee regulation over the next four years, in conjunction with the adoption of budgets for Fiscal Year Ending (FYE) 2013 through FYE 2016, in a manner sufficient to increase overall recovery of regulatory program activity costs to 85 percent. Amendments to specific fee schedules should also be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps. This includes Fee Schedule P: Major Facility Review Fees, which has been determined to under-recover costs by a significant amount. Newly adopted regulatory measures should include fees that are designed to recover increased regulatory program activity costs associated with the measure, unless the Board of Directors determines that a portion of those costs should be covered by tax revenue. Tax revenue should also continue to be used to subsidize existing fee discounts that the District provides (e.g., for small businesses, green businesses, and third-party permit appeals), and to cover the cost of the District’s wood smoke enforcement program.

BE IT FURTHER RESOLVED that this resolution is non-binding in the case of unforeseen financial circumstances, and may also be reconsidered or updated by the District’s Board of Directors.

**APPENDIX B:
PROPOSED REGULATORY LANGUAGE –
REGULATION 3: FEES**

**REGULATION 3
FEES
INDEX**

3-100 GENERAL

- 3-101 Description
- 3-102 Deleted July 12, 1989
- 3-103 Exemption, Abatement Devices
- 3-104 Deleted August 2, 1995
- 3-105 Exemption, Excavation of Contaminated Soil and Removal of Underground Storage Tank
Operation Fees
- 3-106 Deleted December 2, 1998
- 3-107 Exemption, Sources Exempt from Permit Requirements

3-200 DEFINITIONS

- 3-201 Cancelled Application
- 3-202 Gasoline Dispensing Facility
- 3-203 Filing Fee
- 3-204 Initial Fee
- 3-205 Authority to Construct
- 3-206 Modification
- 3-207 Permit to Operate Fee
- 3-208 Deleted June 4, 1986
- 3-209 Small Business
- 3-210 Solvent Evaporating Source
- 3-211 Source
- 3-212 Deleted August 2, 1995
- 3-213 Major Stationary Source
- 3-214 Deleted March 1, 2000
- 3-215 Deleted March 1, 2000
- 3-216 Deleted March 1, 2000
- 3-217 Deleted March 1, 2000
- 3-218 Deleted March 1, 2000
- 3-219 Deleted March 1, 2000
- 3-220 Deleted March 1, 2000
- 3-321 Deleted March 1, 2000
- 3-222 Deleted March 1, 2000
- 3-223 Start-up Date
- 3-224 Permit to Operate
- 3-225 Deleted June 3, 2015
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987
- 3-227 Toxic Air Contaminant, or TAC
- 3-228 Deleted December 2, 1998
- 3-229 Deleted December 2, 1998
- 3-230 Deleted December 2, 1998
- 3-231 Deleted December 2, 1998
- 3-232 Deleted December 2, 1998
- 3-233 Deleted December 2, 1998
- 3-234 Deleted December 2, 1998
- 3-235 Deleted December 2, 1998
- 3-236 Deleted December 2, 1998

3-237 PM₁₀
3-238 Risk Assessment Fee

3-239 Toxic Surcharge
3-240 Biogenic Carbon Dioxide
3-241 Green Business
3-242 Incident
3-243 Incident Response
3-244 Permit to Operate Renewal Date
3-245 Permit Renewal Period

3-300 STANDARDS

3-301 Hearing Board Fees
3-302 Fees for New and Modified Sources
3-303 Back Fees
3-304 Alteration
3-305 Cancellation or Withdrawal
3-306 Change in Conditions
3-307 Transfers
3-308 Change of Location
3-309 Deleted June 21, 2017
3-310 Fee for Constructing Without a Permit
3-311 Banking
3-312 Emission Caps and Alternative Compliance Plans
3-313 Deleted May 19, 1999
3-314 Deleted August 2, 1995
3-315 Costs of Environmental Documentation
3-316 Deleted June 6, 1990
3-317 Asbestos Operation Fee
3-318 Public Notice Fee, Schools
3-319 Major Stationary Source Fees
3-320 Toxic Inventory Fees
3-321 Deleted December 2, 1998
3-322 Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees
3-323 Pre-Certification Fees
3-324 Deleted June 7, 2000
3-325 Deleted December 2, 1998
3-326 Deleted December 2, 1998
3-327 Permit to Operate, Renewal Fees
3-328 Fee for OEHHA Risk Assessment Reviews
3-329 Fees for New Source Review Health Risk Assessment
3-330 Fee for Renewing an Authority to Construct
3-331 Registration Fees
3-332 Naturally Occurring Asbestos Fees
3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees
3-334 Greenhouse Gas Fees
3-335 Indirect Source Review Fees
3-336 Open Burning Operation Fees
3-337 Exemption Fees
3-338 Incident Response Fees
3-339 Petroleum Refining Emissions Tracking Fees
3-340 Major Stationary Source Community Air Monitoring Fees
3-341 Fee for Risk Reduction Plan

Bay Area Air Quality Management District

TBD

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

3-400 ADMINISTRATIVE REQUIREMENTS

- 3-401 Permits
- 3-402 Single Anniversary Date
- 3-403 Change in Operating Parameters
- 3-404 Deleted June 7, 2000
- 3-405 Fees Not Paid
- 3-406 Deleted June 4, 1986
- 3-407 Deleted August 2, 1995
- 3-408 Permit to Operate Valid for 12 Months
- 3-409 Deleted June 7, 2000
- 3-410 Deleted August 2, 1995
- 3-411 Advance Deposit of Funds
- 3-412 Deleted December 2, 1998
- 3-413 Toxic "Hot Spots" Information and Assessment Act Revenues
- 3-414 Deleted December 2, 1998
- 3-415 Failure to Pay - Further Actions
- 3-416 Adjustment of Fees
- 3-417 Temporary Amnesty for Unpermitted and Unregistered Sources
- 3-418 Temporary Incentive for Online Production System Transactions

3-500 MONITORING AND RECORDS (None Included)

3-600 MANUAL OF PROCEDURES (None Included)

FEE SCHEDULES

- SCHEDULE A HEARING BOARD FEES
- SCHEDULE B COMBUSTION OF FUEL
- SCHEDULE C STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
- SCHEDULE D GASOLINE TRANSFER AT GASOLINE DISPENSING FACILITIES, BULK PLANTS AND TERMINALS
- SCHEDULE E SOLVENT EVAPORATING SOURCES
- SCHEDULE F MISCELLANEOUS SOURCES
- SCHEDULE H SEMICONDUCTOR AND RELATED OPERATIONS
- SCHEDULE I DRY CLEANERS
- SCHEDULE J DELETED February 19, 1992
- SCHEDULE K SOLID WASTE DISPOSAL SITES
- SCHEDULE L ASBESTOS OPERATIONS
- SCHEDULE M MAJOR STATIONARY SOURCE FEES
- SCHEDULE N TOXIC INVENTORY FEES
- SCHEDULE O DELETED May 19, 1999
- SCHEDULE P MAJOR FACILITY REVIEW FEES
- SCHEDULE Q EXCAVATION OF CONTAMINATED SOIL AND REMOVAL OF UNDERGROUND STORAGE TANKS
- SCHEDULE R EQUIPMENT REGISTRATION FEES
- SCHEDULE S NATURALLY OCCURRING ASBESTOS OPERATIONS
- SCHEDULE T GREENHOUSE GAS FEES
- SCHEDULE U INDIRECT SOURCE REVIEW FEES
- SCHEDULE V OPEN BURNING
- SCHEDULE W PETROLEUM REFINING EMISSIONS TRACKING FEES
- SCHEDULE X MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES

Bay Area Air Quality Management District

TBD

REGULATION 3 FEES

(Adopted June 18, 1980)

3-100 GENERAL

3-101 Description: This regulation establishes the regulatory fees charged by the District.
(Amended 7/6/83, 11/2/83, 2/21/90, 12/16/92, 8/2/95, 12/2/98, 5/21/03, 5/21/08, 5/20/09, 6/19/13)

3-102 Deleted July 12, 1989

3-103 Exemption, Abatement Devices: Installation, modification, or replacement of abatement devices on existing sources are subject to fees pursuant to Section 3-302.3. All abatement devices are exempt from annual permit renewal fees. However, emissions from abatement devices, including any secondary emissions, shall be included in facility-wide emissions calculations when determining the applicability of and the fees associated with Schedules M, N, P, and T.

(Amended 6/4/86; 7/1/98; 6/7/00; 5/21/08)

3-104 Deleted August 2, 1995

3-105 Exemption, Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees: Fees shall not be required, pursuant to Section 3-322, for operations associated with the excavation of contaminated soil and the removal of underground storage tanks if one of the following is met:

105.1 The tank removal operation is being conducted within a jurisdiction where the APCO has determined that a public authority has a program equivalent to the District program and persons conducting the operations have met all the requirements of the public authority.

105.2 Persons submitting a written notification for a given site have obtained an Authority to Construct or Permit to Operate in accordance with Regulation 2, Rule 1, Section 301 or 302. Evidence of the Authority to Construct or the Permit to Operate must be provided with any notification required by Regulation 8, Rule 40.

(Adopted 1/5/94; Amended 5/21/03)

3-106 Deleted December 2, 1998

3-107 Exemption, Sources Exempt from Permit Requirements: Any source that is exempt from permit requirements pursuant to Regulation 2, Rule 1, Sections 103 through 128 is exempt from permit fees. However, emissions from exempt sources shall be included in facility-wide emissions calculations when determining the applicability of and the fees associated with Schedules M, N, and P.

(Adopted 6/7/00)

3-200 DEFINITIONS

3-201 Cancelled Application: Any application which has been withdrawn by the applicant or cancelled by the APCO for failure to pay fees or to provide the information requested to make an application complete.

(Amended 6/4/86, 4/6/88)

3-202 Gasoline Dispensing Facility: Any stationary facility which dispenses gasoline directly into the fuel tanks of vehicles, such as motor vehicles, aircraft or boats. The facility shall be treated as a single source which includes all necessary equipment for the exclusive use of the facility, such as nozzles, dispensers, pumps, vapor return lines, plumbing and storage tanks.

(Amended 2/20/85)

3-203 Filing Fee: A fixed fee for each source in an authority to construct.

(Amended 6/4/86)

3-204 Initial Fee: The fee required for each new or modified source based on the type and size of the source. The fee is applicable to new and modified sources seeking to obtain an authority to construct. Operation of a new or modified source is not allowed until the permit to operate fee is paid.

- (Amended 6/4/86)*
- 3-205 Authority to Construct:** Written authorization from the APCO, pursuant to Section 2-1-301, for a source to be constructed or modified or for a source whose emissions will be reduced by the construction or modification of an abatement device.
- (Amended June 4, 1986)*
- 3-206 Modification:** See Section 1-217 of Regulation 1.
- 3-207 Permit to Operate Fee:** The fee required for the annual renewal of a permit to operate or for the first year of operation (or prorated portion thereof) of a new or modified source which received an authority to construct.
- (Amended 6/4/86, 7/15/87, 12/2/98, 6/7/00)*
- 3-208 Deleted June 4, 1986**
- 3-209 Small Business:** A business with no more than 10 employees and gross annual income of no more than \$750,000 that is not an affiliate of a non-small business.
- (Amended 6/4/86, 6/6/90, 6/7/00, 6/15/05, 6/16/10)*
- 3-210 Solvent Evaporating Source:** Any source utilizing organic solvent, as part of a process in which evaporation of the solvent is a necessary step. Such processes include, but are not limited to, solvent cleaning operations, painting and surface coating, rotogravure coating and printing, flexographic printing, adhesive laminating, etc. Manufacture or mixing of solvents or surface coatings is not included.
- (Amended 7/3/91)*
- 3-211 Source:** See Section 1-227 of Regulation 1.
- 3-212 Deleted August 2, 1995**
- 3-213 Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
- (Adopted 11/2/83; Amended 2/21/90, 6/6/90, 8/2/95, 6/7/00)*
- 3-214 Deleted October 20, 1999, effective March 1, 2000**
- 3-215 Deleted October 20, 1999, effective March 1, 2000**
- 3-216 Deleted October 20, 1999, effective March 1, 2000**
- 3-217 Deleted October 20, 1999, effective March 1, 2000**
- 3-218 Deleted October 20, 1999, effective March 1, 2000**
- 3-219 Deleted October 20, 1999, effective March 1, 2000**
- 3-220 Deleted October 20, 1999, effective March 1, 2000**
- 3-221 Deleted October 20, 1999, effective March 1, 2000**
- 3-222 Deleted October 20, 1999, effective March 1, 2000**
- 3-223 Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
- (Adopted 6/4/86; Amended 6/6/90)*
- 3-224 Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
- (Adopted 6/4/86; Amended 6/7/00)*
- 3-225 Deleted June 3, 2015**
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
- (Adopted 10/21/92; Amended 6/15/05)*
- 3-227 Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation

2, Rule 5.

(Adopted 10/21/92; Amended 6/15/05)

3-228 Deleted December 2, 1998

3-229 Deleted December 2, 1998

3-230 Deleted December 2, 1998

3-231 Deleted December 2, 1998

3-232 Deleted December 2, 1998

3-233 Deleted December 2, 1998

3-234 Deleted December 2, 1998

3-235 Deleted December 2, 1998

3-236 Deleted December 2, 1998

3-237 PM₁₀: See Section 2-1-229 of Regulation 2, Rule 1.

(Adopted 6/7/00)

3-238 Risk Assessment Fee: Fee for a new or modified source of toxic air contaminants for which a health risk assessment (HRA) is required under Regulation 2-5-401, for an HRA required under Regulation 11, Rule 18, or for an HRA prepared for other purposes (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402).

(Adopted 6/15/05; Amended 6/21/17)

3-239 Toxic Surcharge: Fee paid in addition to the permit to operate fee for a source that emits one or more toxic air contaminants at a rate which exceeds a chronic trigger level listed in Table 2-5-1.

(Adopted 6/15/05)

3-240 Biogenic Carbon Dioxide: Carbon dioxide emissions resulting from materials that are derived from living cells, excluding fossil fuels, limestone and other materials that have been transformed by geological processes. Biogenic carbon dioxide originates from carbon (released in the form of emissions) that is present in materials that include, but are not limited to, wood, paper, vegetable oils, animal fat, and food, animal and yard waste.

(Adopted 5/21/08)

3-241 Green Business: A business or government agency that has been certified under the Bay Area Green Business Program coordinated by the Association of Bay Area Governments and implemented by participating counties.

(Adopted 6/19/10)

3-242 Incident: A non-routine release of an air contaminant that may cause adverse health consequences to the public or to emergency personnel responding to the release, or that may cause a public nuisance or off-site environmental damage.

(Adopted 6/19/13)

3-243 Incident Response: The District's response to an incident. The District's incident response may include the following activities: i) inspection of the incident-emitting equipment and facility records associated with operation of the equipment; ii) identification and analysis of air quality impacts, including without limitation, identifying areas impacted by the incident, modeling, air monitoring, and source sampling; iii) engineering analysis of the specifications or operation of the equipment; and iv) administrative tasks associated with processing complaints and reports.

(Adopted 6/19/13)

3-244 Permit to Operate Renewal Date: The first day of a Permit to Operate's Permit Renewal Period.

(Adopted 6/19/13)

3-245 Permit Renewal Period: The length of time the source is authorized to operate pursuant to a Permit to Operate.

(Adopted 6/19/13)

3-300 STANDARDS

3-301 Hearing Board Fees: Applicants for variances or appeals or those seeking to revoke or modify variances or abatement orders or to rehear a Hearing Board decision shall pay the applicable fees, including excess emission fees, set forth in Schedule A.

(Amended 6/7/00)

3-302

Fees for New and Modified Sources: Applicants for authorities to construct and permits to operate new sources shall pay for each new source: a filing fee of \$516, the initial fee, the risk assessment fee, the permit to operate fee, and toxic surcharge (given in Schedules B, C, D, E, F, H, I or K). Applicants for authorities to construct and permits to operate modified sources shall pay for each modified source, a filing fee of \$516, the initial fee, the risk assessment fee, and any incremental increase in permit to operate and toxic surcharge fees. Where more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. If any person requests more than three HRA scenarios required pursuant to Regulation 2, Rule 5 in any single permit application, they shall pay an additional risk assessment fee for each of these scenarios. Except for gasoline dispensing facilities (Schedule D) and semiconductor facilities (Schedule H), the size to be used for a source when applying the schedules shall be the maximum size the source will have after the construction or modification. Where applicable, fees for new or modified sources shall be based on maximum permitted usage levels or maximum potential to emit including any secondary emissions from abatement equipment. The fee rate applied shall be based on the fee rate in force on the date the application is declared by the APCO to be complete according to 2-1-402, excluding 2-1-402.3 fees. The APCO may reduce the fees for new and modified sources by an amount deemed appropriate if the owner or operator of the source attends an Industry Compliance School sponsored by the District.

302.1 **Small Business Discount:** If an applicant qualifies as a small business and the source falls under schedules B, C, D (excluding gasoline dispensing facilities), E, F, H, I or K, the filing fee, initial fee, and risk assessment fee shall be reduced by 50%. All other applicable fees shall be paid in full. If an applicant also qualifies for a Green Business Discount, only the Small Business Discount (i.e., the 50% discount) shall apply.

302.2 Deleted July 3, 1991

302.3 **Fees for Abatement Devices:** Applicants for an authority to construct and permit to operate abatement devices where there is no other modification to the source shall pay a \$516 filing fee and initial and risk assessment fees that are equivalent to 50% of the initial and risk assessment fees for the source being abated, not to exceed a total of \$10,747. For abatement devices abating more than one source, the initial fee shall be 50% of the initial fee for the source having the highest initial fee.

302.4 **Fees for Reactivated Sources:** Applicants for a Permit to Operate reactivated, previously permitted equipment shall pay the full filing, initial, risk assessment, permit, and toxic surcharge fees.

302.5 Deleted June 3, 2015

302.6 **Green Business Discount:** If an applicant qualifies as a green business, the filing fee, initial fee, and risk assessment fee shall be reduced by 10%. All other applicable fees shall be paid in full.

(Amended 5/19/82, 7/6/83, 6/4/86, 7/15/87, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

3-303

Back Fees: An applicant required to obtain a permit to operate existing equipment in accordance with District regulations shall pay back fees equal to the permit to operate fees and toxic surcharges given in the appropriate Schedule (B, C, D, E, F, H, I or K) prorated from the effective date of permit requirements. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. The applicant shall also pay back fees equal to toxic inventory fees pursuant to Section 3-320 and Schedule N. The maximum back fee shall not exceed a total of five years' permit, toxic surcharge, and toxic inventory fees. An owner/operator required to register existing equipment in accordance with District regulations shall pay back fees equal to the annual renewal fee given in Schedule R prorated from the effective date of registration requirements, up to a maximum of five years.

(Amended 5/19/82, 7/6/83, 6/4/86, 7/15/87, 6/6/90, 7/3/91, 10/8/97, 6/15/05, 5/20/09)

3-304

Alteration: Except as provided below, an applicant to alter an existing permitted source shall pay the filing fee and 50% of the initial fee for the source, provided that the alteration does not result in an increase in emissions of any regulated air pollutant. For gasoline dispensing

facilities subject to Schedule D, an applicant for an alteration shall pay a fee of 1.75 times the filing fee.

304.1 Schedule D Fees: Applicants for alteration to a gasoline dispensing facility subject to Schedule D shall pay a fee of 1.75 times the filing fee.

304.2 Schedule G Fees: Applicants for alteration to a permitted source subject to Schedule G-3, G-4, or G-5 shall pay the filing fee, 100% of the initial fee, and, if District regulations require a health risk assessment of the alteration, the risk assessment fee provided for in Schedule G-2. The applicant shall pay the permit renewal and the toxic surcharge fees applicable to the source under Schedules G-3, G-4, or G-5.

(Amended 6/4/86, 11/15/00, 6/2/04, 6/3/15, 6/15/16, 6/6/18, 6/5/19)

3-305 Cancellation or Withdrawal: There will be no refund of the initial fee and filing fee if an application is cancelled or withdrawn. There will be no refund of the risk assessment fee if the risk assessment has been conducted prior to the application being cancelled or withdrawn. If an application for identical equipment for the same project is submitted within six months of the date of cancellation or withdrawal, the initial fee will be credited in full against the fee for the new application.

(Amended 7/6/83, 4/6/88, 10/8/97, 6/15/05, 6/21/17, 6/XX/21)

3-306 Change in Conditions: If an applicant applies to change the conditions on an existing authority to construct or permit to operate, the applicant will pay the following fees. There will be no change in anniversary date.

306.1 Administrative Condition Changes: An applicant applying for an administrative change in permit conditions shall pay a fee equal to the filing fee for a single source, provided the following criteria are met:

1.1 The condition change applies to a single source or a group of sources with shared permit conditions.

1.2 The condition change does not subject the source(s) to any District Regulations or requirements that were not previously applicable.

1.3 The condition change does not result in any increase in emissions of POC, NPOC, NO_x, CO, SO₂, or PM₁₀ at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1

1.4 The condition change does not require a public notice.

306.2 Other Condition Changes: Applicant shall pay the filing, initial, and risk assessment fees required for new and modified equipment under Section 3-302. If the condition change will result in higher permit to operate fees, the applicant shall also pay any incremental increases in permit to operate fees and toxic surcharges.

(Amended 7/6/83, 6/4/86, 6/6/90, 10/8/97, 6/7/00, 6/15/05, 6/21/17)

3-307 Transfers: The owner/operator of record is the person to whom a permit is issued or, if no permit has yet been issued to a facility, the person who applied for a permit. Permits are valid only for the owner/operator of record. Upon submittal of a \$102 transfer of ownership fee, permits are re-issued to the new owner/operator of record with no change in expiration dates.

(Amended 2/20/85, 6/4/86, 11/5/86, 4/6/88, 10/8/97, 5/1/02, 5/21/03, 6/02/04, 6/19/13, 6/4/14, 6/15/16)

3-308 Change of Location: An applicant who wishes to move an existing source, which has a permit to operate, shall pay no fee if the move is on the same facility. If the move is not on the same facility, the source shall be considered a new source and subject to Section 3-302. This section does not apply to portable permits meeting the requirements of Regulation 2-1-220 and 413.

(Amended 7/6/83; 6/4/86; 6/15/05)

3-309 Deleted June 21, 2017

3-310 Fee for Constructing Without a Permit: An applicant for an authority to construct and a permit to operate a source, which has been constructed or modified without an authority to construct, shall pay the following fees:

310.1 Sources subject to permit requirements on the date of initial operation shall pay fees for new construction pursuant to Section 3-302, any back fees pursuant to Section 3-303, and a late fee equal to 100% of the initial fee. A modified gasoline dispensing facility subject to Schedule D that is not required to pay an initial fee shall pay fees for a modified source pursuant to Section 3-302, back fees, and a late fee equal to 100% of the filing fee.

- 310.2 Sources previously exempt from permit requirements that lose their exemption due to changes in District, state, or federal regulations shall pay a permit to operate fee and toxic surcharge for the coming year and any back fees pursuant to Section 3-303.
- 310.3 Sources previously exempt from permit requirements that lose their exemption due to a change in the manner or mode of operation, such as an increased throughput, shall pay fees for new construction pursuant to Section 3-302. In addition, sources applying for permits after commencing operation in a non-exempt mode shall also pay a late fee equal to 100% of the initial fee and any back fees pursuant to Section 3-303.
- 310.4 Sources modified without a required authority to construct shall pay fees for modification pursuant to Section 3-302 and a late fee equal to 100% of the initial fee.
(Amended 7/6/83, 4/18/84, 6/4/86, 6/6/90, 7/3/91, 8/2/95, 10/8/97, 6/02/04, 6/15/05, 6/6/12)
- 3-311 Emission Banking Fees:** An applicant to bank emissions for future use, to convert an emission reduction credit (ERC) into an Interchangeable Emission Reduction Credit (IERC), or to transfer ownership of ERCs shall pay the following fees:
- 311.1 Banking ERCs: An applicant to bank emissions for future use shall pay a filing fee of \$516 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.2 Converting Existing ERCs: An applicant to convert an existing ERC into an IERC shall pay a filing fee of \$516 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.3 Transferring ERC Ownership: An applicant to transfer an ERC it currently owns to another owner shall pay a filing fee of \$516.
(Amended 7/6/83, 6/4/86, 7/15/87, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/02/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)
- 3-312 Emission Caps and Alternative Compliance Plans:** Any facility which elects to use an alternative compliance plan contained in:
- 312.1 Regulation 8 ("bubble") to comply with a District emission limitation or to use an annual or monthly emission limit to acquire a permit in accordance with the provisions of Regulation 2, Rule 2, shall pay an additional annual fee equal to fifteen percent of the total plant permit to operate fee.
- 312.2 Regulation 2, Rule 9, or Regulation 9, Rule 10 shall pay an annual fee of \$1,305 for each source included in the alternative compliance plan, not to exceed \$13,053.
(Adopted 5/19/82; Amended 6/4/86, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/23/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19)
- 3-313 Deleted May 19, 1999**
- 3-314 Deleted August 2, 1995**
- 3-315 Costs of Environmental Documentation:** An applicant for an Authority to Construct shall pay, in addition to the fees required under Section 3-302 and in any applicable schedule, the District's costs of performing any environmental evaluation and preparing and filing any documents pursuant to the California Environmental Quality Act (Public Resources Code, Section 21000, et seq), including the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or filing any environmental evaluation or documentation.
(Adopted 12/18/85; Amended 5/1/02, 6/3/15)
- 3-316 Deleted June 6, 1990**
- 3-317 Asbestos Operation Fees:** After July 1, 1988, persons submitting a written plan, as required by Regulation 11, Rule 2, Section 401, to conduct an asbestos operation shall pay the fee given in Schedule L.
(Adopted 7/6/88; Renumbered 9/7/88; Amended 8/2/95)
- 3-318 Public Notice Fee, Schools:** Pursuant to Section 42301.6(b) of the Health and Safety Code, an applicant for an authority to construct or permit to operate subject to the public notice requirements of Regulation 2-1-412 shall pay, in addition to the fees required under Section 3-

302 and in any applicable schedule, a fee to cover the expense of preparing and distributing the public notices to the affected persons specified in Regulation 2-1-412 as follows:

318.1 A fee of \$2,272 per application, and

318.2 The District's cost exceeding \$2,272 of preparing and distributing the public notice.

318.3 The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of preparing and distributing the public notice.

(Adopted 11/1/89; Amended 10/8/97, 7/1/98, 5/19/99, 6/7/00, 5/21/03, 6/2/04, 6/16/10, 6/15/16, 6/21/17, 6/6/18)

3-319 Major Stationary Source Fees: Any major stationary source emitting 50 tons per year of organic compounds, sulfur oxides, nitrogen oxides, or PM₁₀ shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

(Adopted 6/6/90; Amended 8/2/95, 6/7/00)

3-320 Toxic Inventory Fees: Any facility that emits one or more toxic air contaminants in quantities above a minimum threshold level shall pay an annual fee based on Schedule N. This fee will be in addition to permit to operate, toxic surcharge, and other fees otherwise authorized to be collected from such facilities.

320.1 An applicant who qualifies as a small business under Regulation 3-209 shall pay a Toxic Inventory Fee as set out in Schedule N up to a maximum fee of \$10,207 per year.

(Adopted 10/21/92; Amended 5/19/99, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/20/09, 6/16/10, 5/4/11, 6/15/16, 6/21/17, 6/5/19, 6/XX/21)

3-321 Deleted December 2, 1998

3-322 Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees: Persons submitting a written notification for a given site to conduct either excavation of contaminated soil or removal of underground storage tanks as required by Regulation 8, Rule 40, Section 401, 402, 403 or 405 shall pay a fee based on Schedule Q.

(Adopted 1/5/94; Amended 8/2/95; 5/21/03)

3-323 Pre-Certification Fees: An applicant seeking to pre-certify a source, in accordance with Regulation 2, Rule 1, Section 415, shall pay the filing fee, initial fee and permit to operate fee given in the appropriate schedule.

(Adopted June 7, 1995)

3-324 Deleted June 7, 2000

3-325 Deleted December 2, 1998

3-326 Deleted December 2, 1998

3-327 Permit to Operate, Renewal Fees: After the expiration of the initial permit to operate, the permit to operate shall be renewed on an annual basis or other time period as approved by the APCO. The fee required for the renewal of a permit to operate is the permit to operate fee and toxic surcharge listed in Schedules B, C, D, E, F, H, I, and K, prorated for the period of coverage. When more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. This renewal fee is applicable to all sources required to obtain permits to operate in accordance with District regulations. The permit renewal invoice shall also specify any applicable major stationary source fees based on Schedule M, toxic inventory fees based on Schedule N, major facility review fees based on Schedule P, greenhouse gas fees based on Schedule T, petroleum refining emissions tracking fees based on Schedule W, and community air monitoring fees based on Schedule X. Where applicable, renewal fees shall be based on actual usage or emission levels that have been reported to or calculated by the District.

327.1 **Renewal Processing Fee:** In addition, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:

1.1 \$102 for facilities with one permitted source, including gasoline dispensing facilities,

1.2 \$201 for facilities with 2 to 5 permitted sources,

1.3 \$401 for facilities with 6 to 10 permitted sources,

1.4 \$602 for facilities with 11 to 15 permitted sources,

1.5 \$799 for facilities with 16 to 20 permitted sources,

1.6 \$999 for facilities with more than 20 permitted sources.

327.2 Assembly Bill 617 Community Health Impact Fee: An owner/operator of a permitted facility subject to Schedule P (Major Facility Review Fees) shall pay an Assembly Bill 617 community health impact fee of 5.7 percent of the facility's total renewal fee, up to a maximum fee of \$100,000 per year per facility owner.

327.3 Criteria Pollutant and Toxic Emissions Reporting (CTR): The owner/operator of a permitted facility shall pay a CTR fee of 4.4 percent of the facility's total renewal fee, up to a maximum fee of \$50,000 per year.

(Adopted 6/7/00; Amended 6/2/04, 6/16/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/XX/21)

3-328 Fee for OEHHA Risk Assessment Reviews: Any facility that submits a health risk assessment to the District in accordance with Section 44361 of the California Health and Safety Code shall pay any fee requested by the State Office of Environmental Health Hazard Assessment (OEHHA) for reimbursement of that agency's costs incurred in reviewing the risk assessment.

(Adopted 6/7/00)

3-329 Fees for New Source Review Health Risk Assessment: Any person required to submit a health risk assessment (HRA) pursuant to Regulation 2-5-401 shall pay an appropriate Risk Assessment Fee pursuant to Regulation 3-302 and Schedules B, C, D, E, F, H, I or K. In addition, any person that requests that the District prepare or review an HRA (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402) shall pay a Risk Assessment Fee. A Risk Assessment Fee shall be assessed for each source that is proposed to emit a toxic air contaminant (TAC) at a rate that exceeds a trigger level in Table 2-5-1: Toxic Air Contaminant Trigger Levels. If a project requires an HRA due to total project emissions, but TAC emissions from each individual source are less than the Table 2-5-1 trigger levels, a Risk Assessment Fee shall be assessed for the source in the project with the highest TAC emissions.

(Adopted 6/15/05; Amended 6/21/17)

3-330 Fee for Renewing an Authority to Construct: An applicant seeking to renew an authority to construct in accordance with Regulation 2-1-407 shall pay a fee of 50% of the initial fee in effect at the time of the renewal. If the District determines that an authority to construct cannot be renewed, any fees paid under this section shall be credited in full against the fee for a new authority to construct for functionally equivalent equipment submitted within six months of the date the original authority to construct expires.

(Adopted June 15, 2005)

3-331 Registration Fees: Any person who is required to register equipment under District rules shall submit a registration fee, and any annual fee thereafter, as set out in Schedule R. The APCO may reduce registration fees by an amount deemed appropriate if the owner or operator of the equipment attends an Industry Compliance School sponsored by the District.

(Adopted June 6, 2007; Amended 6/16/10)

3-332 Naturally Occurring Asbestos Fees: After July 1, 2007, any person required to submit or amend an Asbestos Dust Mitigation Plan (ADMP) pursuant to Title 17 of the California Code of Regulations, Section 93105, Asbestos Air Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations shall pay the fee(s) set out in Schedule S.

(Adopted June 6, 2007; Amended 6/5/19)

3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees: Any facility that applies for, or is required to undergo, an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit, a renewal of an MFR permit, an initial synthetic minor operating permit, or a revision to a synthetic minor operating permit, shall pay the applicable fees set forth in Schedule P.

(Adopted May 21, 2008)

3-334 Greenhouse Gas Fees: Any permitted facility with greenhouse gas emissions shall pay a fee based on Schedule T. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities, and shall be included as part of the annual permit renewal fees.

(Adopted May 21, 2008)

- 3-335 Indirect Source Review Fees:** Applicants that must file an Air Quality Impact Assessment pursuant to District rules for a project that is deemed to be an indirect source shall pay a fee based on Schedule U. *(Adopted May 20, 2009)*
- 3-336 Open Burning Operation Fees:** Effective July 1, 2013, any person required to provide notification to the District prior to burning; submit a petition to conduct a Filmmaking or Public Exhibition fire; receive an acreage burning allocation to conduct a Stubble fire; or submit a smoke management plan and receive an acreage burning allocation to conduct a Wildland Vegetation Management (Prescribed Burning) fire or Marsh Management fire shall pay the fee given in Schedule V. *(Adopted June 19, 2013; Amended 6/3/20)*
- 3-337 Exemption Fee:** An applicant who wishes to receive a certificate of exemption shall pay a filing fee of \$516 per exempt source. *(Adopted June 19, 2013; Amended 6/4/14; 6/3/15, 6/21/17, 6/XX/21)*
- 3-338 Incident Response Fee:** Any facility required to obtain a District permit, and any District-regulated area-wide or indirect source, that is the site where an incident occurs to which the District responds, shall pay a fee equal to the District's actual costs in conducting the incident response as defined in Section 3-243, including without limitation, the actual time and salaries, plus overhead, of the District staff involved in conducting the incident response and the cost of any materials. *(Adopted June 19, 2013)*
- 3-339 Petroleum Refining Emissions Tracking Fees:** Any person required to submit an Annual Emissions Inventory, Monthly Crude Slate Report, or air monitoring plan in accordance with Regulation 12, Rule 15 shall pay the applicable fees set forth in Schedule W. *(Adopted 6/15/16)*
- 3-340 Major Stationary Source Community Air Monitoring Fees:** Any major stationary source emitting 35 tons per year of organic compounds, sulfur oxides, nitrogen oxides, carbon monoxide or PM₁₀ shall pay a community air monitoring fee based on Schedule X. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees. *(Adopted 6/15/16)*
- 3-341 Fee for Risk Reduction Plan:** Any person required to submit a Risk Reduction Plan in accordance with Regulation 11, Rule 18 shall pay the applicable fees set forth below:
- 341.1 \$1,582 for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
 - 341.2 \$3,164 for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.3 \$6,328 for facilities with 6 to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.4 \$12,655 for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.5 \$25,310 for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.6 \$33,747 for facilities with more than 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18. *(Adopted 6/21/17, Amended 6/5/19, 6/3/20, 6/XX/21)*
- 3-342 Fee for Facility-Wide Health Risk Assessment:** Any person required to undergo a health risk assessment (HRA) to assess compliance with the Regulation 11, Rule 18 risk action levels shall pay a risk assessment fee for each source pursuant to Regulation 3-329 and Schedules B, C, D, E, F, H, I or K. The maximum fee required for any single HRA of a facility conducted pursuant to Regulation 11, Rule 18 shall not exceed a total of \$158,188. If a facility retains a District-approved consultant to complete the required facility-wide HRA, the facility shall pay a fee to cover the District's costs of performing the review of the facility-wide HRA, including the costs of any outside consulting assistance which the District may employ in connection with any such review, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the facility-wide HRA. The total HRA review cost shall be determined based on the District's actual review time in hours

multiplied by an hourly charge of \$216 per hour. Facilities shall pay an HRA review fee as indicated below and the District's cost exceeding the applicable HRA review fees indicated below for performing the review of the facility-wide HRA:

- 342.1 \$2,596 for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
- 342.2 \$6,960 for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 342.3 \$14,764 for facilities with more than 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of performing the review of the facility-wide HRA.

(Adopted 6/21/17; Amended 6/6/18, 6/5/19, 6/XX/21)

3-343 Fees for Air Dispersion Modeling: An applicant for an Authority to Construct or Permit to Operate shall pay, in addition to the fees required under Section 3-302 and 3-329 and in any applicable schedule, the District's costs of performing any air dispersion modeling needed to determine compliance with any District regulatory requirement. The total air dispersion modeling fee cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of \$216 per hour. This fee shall also apply for costs incurred in reviewing air dispersion modeling submittals by applicants and the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the air dispersion modeling.

(Adopted 6/5/19; Amended 6/XX/21)

3-400 ADMINISTRATIVE REQUIREMENTS

3-401 Permits: Definitions, standards, and conditions contained in Regulation 2, Permits, are applicable to this regulation.

3-402 Single Anniversary Date: The APCO may assign a single anniversary date to a facility on which all its renewable permits to operate expire and will require renewal. Fees will be prorated to compensate for different time periods resulting from change in anniversary date.

3-403 Change in Operating Parameters: See Section 2-1-404 of Regulation 2, Rule 1.

3-404 Deleted June 7, 2000

3-405 Fees Not Paid: If an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the following procedure(s) shall apply:

- 405.1 Authority to Construct: The application will be cancelled, but can be reactivated upon payment of fees.
- 405.2 New Permit to Operate: The Permit to Operate shall not be issued, and the facility will be notified that operation, including startup, is not authorized.
 - 2.1 Fees received during the first 30 days following the due date must include a late fee equal to 10 percent of all fees specified on the invoice.
 - 2.2 Fees received more than 30 days after the due date must include a late fee equal to 25 percent of all fees specified on the invoice.
- 405.3 Renewal of Permit to Operate: The owner or operator of a facility must renew the Permit to Operate in order to continue to be authorized to operate the source. Permit to Operate Fees for the Permit Renewal Period shall be calculated using fee schedules in effect on the Permit to Operate Renewal Date. The permit renewal invoice will include all fees to be paid in order to renew the Permit to Operate, as specified in Section 3-327. If not renewed as of the date of the next Permit Renewal Period, a Permit to Operate lapses and further operation is no longer authorized. The District will notify the facility that the permit has lapsed. Reinstatement of lapsed Permits to Operate will require the payment of all unpaid prior Permit to Operate fees and associated reinstatement fees for each unpaid prior Permit Renewal Period, in addition to all fees specified on the permit renewal invoice.
- 405.4 Reinstatement of Lapsed Permit to Operate: To reinstate a Permit to Operate, the

owner or operator must pay all of the following fees:

- 4.1 The applicable Permit to Operate Fees for the current year, as specified in Regulation 3-327, and the applicable reinstatement fee, if any, calculated as follows:
 - 4.1.1 Fees received during the first 30 days following the due date must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 10 percent of all fees specified on the invoice.
 - 4.1.2 Fees received more than 30 days after the due date, but less than one year after the due date, must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 25 percent of all fees specified on the invoice.
- 4.2 The applicable Permit to Operate Fees specified in Regulation 3-327 for each prior Permit Renewal Period for which all Permit to Operate Fees and associated reinstatement fees have not been paid. Each year's Permit to Operate Fee shall be calculated at the fee rates in effect on that year's Permit to Operate Renewal Date. The reinstatement fee for each associated previously-unpaid Permit to Operate Fee shall be calculated in accordance with Regulation 3-405.4.1 and 4.1.2.

Each year or period of the lapsed Permit to Operate is deemed a separate Permit Renewal Period. The oldest outstanding Permit to Operate Fee and reinstatement fees shall be paid first.

405.5 Registration and Other Fees: Persons who have not paid the fee by the invoice due date, shall pay the following late fee in addition to the original invoiced fee. Fees shall be calculated using fee schedules in effect at the time of the fees' original determination.

- 5.1 Fees received during the first 30 days following the due date must include an additional late fee equal to 10 percent of all fees specified on the invoice.
- 5.2 Fees received more than 30 days after the due date must include an additional late fee equal to 25 percent of all fees specified on the invoice.

(Amended 7/6/83, 6/4/86, 11/5/86, 2/15/89, 6/6/90, 7/3/91, 8/2/95, 12/2/98, 6/15/05, 6/7/06, 6/6/12, 6/19/13, 6/4/14, 6/6/18, 6/5/19)

3-406

Deleted June 4, 1986

3-407

Deleted August 2, 1995

3-408

Permit to Operate Valid for 12 Months: A Permit to Operate is valid for 12 months from the date of issuance or other time period as approved by the APCO.

(Amended 6/4/86; Amended 6/7/00)

3-409

Deleted June 7, 2000

3-410

Deleted August 2, 1995

3-411

Advance Deposit of Funds: The APCO may require that at the time of the filing of an application for an Authority to Construct for a project for which the District is a lead agency under the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the applicant shall make an advance deposit of funds, in an amount to be specified by the APCO, to cover the costs which the District estimates to incur in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. In the event the APCO requires such an estimated advance payment to be made, the applicant will be provided with a full accounting of the costs actually incurred by the District in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation.

(Adopted 12/18/85; Amended 8/2/95)

3-412

Deleted December 2, 1998

3-413

Toxic "Hot Spots" Information and Assessment Act Revenues: No later than 120 days after the adoption of this regulation, the APCO shall transmit to the California Air Resources Board, for deposit into the Air Toxics "Hot Spots" Information and Assessment Fund, the revenues determined by the ARB to be the District's share of statewide Air Toxics "Hot Spot" Information and Assessment Act expenses.

(Adopted 10/21/92)

3-414 Deleted December 2, 1998

3-415 Failure to Pay - Further Actions: When an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the APCO may take the following actions against the applicant or owner/operator:

415.1 Issuance of a Notice to Comply.

415.2 Issuance of a Notice of Violation.

415.3 Revocation of an existing Permit to Operate. The APCO shall initiate proceedings to revoke permits to operate for any person who is delinquent for more than one month. The revocation process shall continue until payment in full is made or until permits are revoked.

415.4 The withholding of any other District services as deemed appropriate until payment in full is made.

(Adopted 8/2/95; Amended 12/2/98, 6/15/05)

3-416 Adjustment of Fees: The APCO or designees may, upon finding administrative error by District staff in the calculation, imposition, noticing, invoicing, and/or collection of any fee set forth in this rule, rescind, reduce, increase, or modify the fee. A request for such relief from an administrative error, accompanied by a statement of why such relief should be granted, must be received within two years from the date of payment.

(Adopted 10/8/97)

3-417 Temporary Amnesty for Unpermitted and Unregistered Sources: The APCO has the authority to declare an amnesty period, during which the District may waive all or part of the back fees and/or late fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

(Adopted 6/16/10)

3-418 Temporary Incentive for Online Production System Transactions: The APCO has the authority to declare an incentive period for transactions made using the online production system, during which the District may waive all or any part of the fees for these transactions.

(Adopted 6/6/18)

**SCHEDULE A
HEARING BOARD FEES¹**

Established by the Board of Directors December 7, 1977 Resolution No. 1046
(Code section references are to the California Health & Safety Code, unless otherwise indicated)

		Large Companies	Small Business	Third Party
1.	For each application for variance exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application in accordance with §42350, the additional sum of	\$6,999 \$3,504	\$1,047 \$353	
2.	For each application for variance not exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application, in accordance with §42350, the additional sum of	\$4,202 \$2,098	\$1,047 \$353	
3.	For each application to modify a variance in accordance with §42356 ... Plus, for each hearing in addition to the first hearing on said application to modify a variance, in accordance with §42345, necessary to dispose of the application, the additional sum of	\$2,788 \$2,098	\$353 \$353	
4.	For each application to extend a variance, in accordance with §42357 .. Plus, for each hearing in addition to the first hearing on an application to extend a variance, in accordance with §42357, necessary to dispose of the application, the additional sum of	\$2,788 \$2,098	\$353 \$353	
5.	For each application to revoke a variance	\$4,202	\$353	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$2,788	\$353	
7.	For each application for variance in accordance with §41703, which exceeds 90 days Plus, for each hearing in addition to the first hearing on said application for variance in accordance with §41703, the additional sum of	\$6,999 \$3,504	\$1,047 \$353	
8.	For each application for variance in accordance with §41703, not to exceed 90 days Plus, for each hearing in addition to the hearing on said application for a variance in accordance with §41703, the additional sum of	\$4,202 \$2,098	\$1,047 \$353	
9.	For each Appeal (Permit, Banking, Title V).....	\$6,999 per hearing day	\$3,504 per hearing day	\$3,504 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$3,504	\$704	
11.	For each application to Modify or Terminate an abatement order	\$6,999 per hearing day	\$3,504 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$3,504	\$704	
13.	For each application for an emergency variance in accordance with §42359.5	\$1,747	\$353	

		Large Companies	Small Business	Third Party
14.	For each application to rehear a Hearing Board decision in accordance with §40861	100% of previous fee charged	100% of previous fee charged	
15.	Excess emission fees.....	See Attachment I	See Attachment I	
16.	Miscellaneous filing fee for any hearing not covered above	\$3,504	\$1,047	\$1,047
17.	For each published Notice of Public Hearing.....	Cost of Publication	\$0	\$0
18.	Court Reporter Fee (to be paid only if Court Reporter required for hearing)	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket	\$0	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket

NOTE 1 Any applicant who believes they have a hardship for payment of fees may request a fee waiver from the Hearing Board pursuant to Hearing Board Rules.

(Amended 10/8/97, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

**SCHEDULE A
ATTACHMENT I
EXCESS EMISSION FEE**

A. General

- (1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the other filing fees required in Schedule A, an emission fee based on the total weight of emissions discharged, per source or product, other than those described in division (B) below, during the variance period in excess of that allowed by these rules in accordance with the schedule set forth in Table I.
- (2) Where the total weight of emission discharged cannot be easily calculated, the petitioner shall work in concert with District staff to establish the amount of excess emissions to be paid.
- (3) In the event that more than one rule limiting the discharge of the same contaminant is violated, the excess emission fee shall consist of the fee for violation which will result in the payment of the greatest sum. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

B. Excess Visible Emission Fee

Each applicant or petitioner for a variance from Regulation 6 or Health and Safety Code Section 41701 shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the filing fees required in Schedule A and the excess emission fees required in (A) above (if any), an emission fee based on the difference between the percent opacity allowed by Regulation 6 and the percent opacity of the emissions allowed from the source or sources operating under the variance, in accordance with the schedule set forth in Table II.

In the event that an applicant or petitioner is exempt from the provisions of Regulation 6, the applicant or petitioner shall pay a fee calculated as described herein above, but such fee shall be calculated based upon the difference between the opacity allowed under the variance and the opacity allowed under the provisions of Health and Safety Code Section 41701, in accordance with the schedule set forth in Table II.

C. Applicability

The provisions of subdivision (A) shall apply to all variances that generate excess emissions.

D. Fee Determination

- (1) The excess emission fees shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess emissions as set forth in subdivisions (A) and (B) above. The calculations and proposed fees shall be set forth in the petition.
- (2) The Hearing Board may adjust the excess emission fee required by subdivisions (A) and (B) of this rule based on evidence regarding emissions presented at the time of the hearing.

E. Small Businesses

- (1) A small business shall be assessed twenty percent (20%) of the fees required by subdivisions (A) and (B), whichever is applicable. "Small business" is defined in the Fee Regulation.
- (2) Request for exception as a small business shall be made by the petitioner under penalty of perjury on a declaration form provided by the Executive Officer which shall be submitted to the Clerk or Deputy Clerk of the Hearing Board at the time of filing a petition for variance.

F. Group, Class and Product Variance Fees

Each petitioner included in a petition for a group, class or product variance shall pay the filing fee specified in Schedule A, and the excess emission fees specified in subdivisions (A) and (B), whichever is applicable.

G. Adjustment of Fees

If after the term of a variance for which emission fees have been paid, petitioner can establish, to the satisfaction of the Executive Officer/APCO, that emissions were actually less than those upon which the fee was based, a pro rata refund shall be made.

H. Fee Payment/Variance Invalidation

- (1) Excess emission fees required by subdivisions (A) and (B), based on an estimate provided during the variance Hearing, are due and payable within fifteen (15) days of the granting of the variance. The petitioner shall be notified in writing of any adjustment to the amount of excess emission fees due, following District staff's verification of the estimated emissions. Fee payments to be made as a result of an adjustment are due and payable within fifteen (15) days of notification of the amount due.
- (2) Failure to pay the excess emission fees required by subdivisions (A) and (B) within fifteen (15) days of notification that a fee is due shall automatically invalidate the variance. Such notification may be given by personal service or by deposit, postpaid, in the United States mail and shall be due fifteen (15) days from the date of personal service or mailing. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date.

**TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES**

Air Contaminants	All at \$6.70 per pound
Organic gases, except methane and those containing sulfur	
Carbon Monoxide	
Oxides of nitrogen (expressed as nitrogen dioxide)	
Gaseous sulfur compounds (expressed as sulfur dioxide)	
Particulate matter	
Toxic Air Contaminants	All at \$33.35 per pound
Asbestos	
Benzene	
Cadmium	
Carbon tetrachloride	
Chlorinated dioxins and dibenzofurans (15 species)	
Diesel exhaust particulate matter	
Ethylene dibromide	
Ethylene dichloride	
Ethylene oxide	
Formaldehyde	
Hexavalent chromium	
Methylene chloride	
Nickel	
Perchloroethylene	
1,3-Butadiene	
Inorganic arsenic	
Beryllium	
Polynuclear aromatic hydrocarbons (PAH)	
Vinyl chloride	
Lead	
1,4-Dioxane	
Trichloroethylene	

**TABLE II
SCHEDULE OF EXCESS VISIBLE EMISSION FEE**

For each source with opacity emissions in excess of twenty percent (20%), but less than forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \$6.85$$

For each source with opacity emissions in excess of forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \$6.85$$

- * Where "Opacity" equals maximum opacity of emissions in percent (not decimal equivalent) allowed by the variance. Where the emissions are darker than the degree of darkness equivalent to the allowed Ringelmann number, the percentage equivalent of the excess degree of darkness shall be used as "opacity."

(Adopted 6/7/00; Amended 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE B
COMBUSTION OF FUEL
(Adopted June 18, 1980)

For each source that burns fuel, which is not a flare and not exempted by Regulation 2, Rule 1, the fee shall be computed based on the maximum gross combustion capacity (expressed as higher heating value, HHV) of the source.

1. INITIAL FEE: \$68.62 per MM BTU/HOUR
 - a. The minimum fee per source is: \$366
 - b. The maximum fee per source is: \$128,009
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$516 plus \$68.62 per MM BTU/hr
 - b. Minimum RAF for first TAC source: \$882
 - c. RAF for each additional TAC source: \$68.62 per MM BTU/hr
 - *
 - d. Minimum RAF per additional TAC source: \$366*
 - e. Maximum RAF per source is: \$128,009
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$34.30 per MM BTU/HOUR
 - a. The minimum fee per source is: \$260
 - b. The maximum fee per source is: \$64,004
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.
6. Applicants for an authority to construct and permit to operate a project, which burns municipal waste or refuse-derived fuel, shall pay in addition to all required fees, an additional fee to cover the costs incurred by the State Department of Health Services, and/or a qualified contractor designated by the State Department of Health Services, in reviewing a risk assessment as required under H&S Code Section 42315. The fee shall be transmitted by the District to the Department of Health Services and/or the qualified contractor upon completion of the review and submission of comments in writing to the District.
7. A surcharge equal to 100% of all required initial and permit to operate fees shall be charged for sources permitted to burn one or more of the following fuels: coke, coal, wood, tires, black liquor, and municipal solid waste.

NOTE: MM BTU is million BTU of higher heat value
One MM BTU/HR = 1.06 gigajoules/HR

(Amended 6/5/85; 6/4/86, 3/4/87, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE C
STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
(Adopted June 18, 1980)

For each stationary container of organic liquids which is not exempted from permits by Regulation 2 and which is not part of a gasoline dispensing facility, the fee shall be computed based on the container volume, as follows:

1. INITIAL FEE: 0.185 cents per gallon
 - a. The minimum fee per source is: \$204
 - b. The maximum fee per source is: \$27,858
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$516 plus 0.185 cents per gallon
 - b. Minimum RAF for first TAC source: \$678
 - c. RAF for each additional TAC source: 0.185 cents per gallon *
 - d. Minimum RAF per additional TAC source: \$204 *
 - e. Maximum RAF per source is: \$27,858

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: 0.093 cents per gallon
 - a. The minimum fee per source is: \$147
 - b. The maximum fee per source is: \$13,928
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 2/20/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/20/09, 6/16/10, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE D
GASOLINE TRANSFER AT GASOLINE DISPENSING FACILITIES,
BULK PLANTS AND TERMINALS
(Adopted June 18, 1980)

A. All gasoline dispensing facilities shall pay the following fees:

1. INITIAL FEE: \$356.05 per single product nozzle (spn)
\$356.05 per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: \$136.38 per single product nozzle (spn)
\$136.38 per product for each multi-product nozzle (mpn)
3. Initial fees and permit to operate fees for hardware modifications at a currently permitted gasoline dispensing facility shall be consolidated into a single fee calculated according to the following formula:

$$\$492.42 \times \left\{ \left[(mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}} \right] - \left[(mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}} \right] \right\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

If the above formula yields zero or negative results, no initial fees or permit to operate fees shall be charged.

For the purposes of calculating the above fees, a fuel blended from two or more different grades shall be considered a separate product.

Other modifications to facilities' equipment, including but not limited to tank addition/replacement/conversion, vapor recovery piping replacement, moving or extending pump islands, will not be subject to initial fees or permit to operate fees.

4. RISK ASSESSMENT FEE (RAF) if required pursuant to Regulation 3-329 or 3-342 (including increases in permitted throughput for which a health risk assessment is required.) of:
 - a. \$3,827 per application for a new gas dispensing facility
 - b. \$584 per application for all other
 5. Nozzles used exclusively for the delivery of diesel fuel or other fuels exempt from permits shall pay no fee. Multi-product nozzles used to deliver both exempt and non-exempt fuels shall pay fees for the non-exempt products only.
- B. All bulk plants, terminals or other facilities using loading racks to transfer gasoline or gasohol into trucks, railcars or ships shall pay the following fees:

1. INITIAL FEE: \$4,676.76 per single product loading arm
\$4,676.76 per product for multi-product arms
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$5,295
 - b. RAF for each additional TAC source: \$4,677 *

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$1,303 per single product loading arm
\$1,303 per product for multi-product arms
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

- C. Fees in (A) above are in lieu of tank fees. Fees in (B) above are in addition to tank fees.
- D. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 2/20/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE E
SOLVENT EVAPORATING SOURCES

(Adopted June 18, 1980)

For each solvent evaporating source, as defined in Section 3-210 except for dry cleaners, the fee shall be computed based on the net amount of organic solvent processed through the sources on an annual basis (or anticipated to be processed, for new sources) including solvent used for the cleaning of the sources.

1. INITIAL FEE:
 - a. The fee per source is: \$1,892 per 1,000 gallons
 - b. The minimum fee per source is: \$942
 - c. The maximum fee per source is: \$75,180
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$516 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,551
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$942 *
 - e. Maximum RAF per source is: \$75,180

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE:
 - a. The fee per source is: \$942 per 1,000 gallons
 - b. The minimum fee per source is: \$679
 - c. The maximum fee per source is: \$37,587
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 5/19/82, 10/17/84, 6/5/85, 6/4/86, 10/8/87, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

**SCHEDULE F
MISCELLANEOUS SOURCES**

(Adopted June 18, 1980)

For each source not governed by Schedules B, C, D, E, H or I, (except for those sources in the special classification lists, G-1 - G-5) the fees are:

1. INITIAL FEE: \$707
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first (toxic air contaminant) TAC source in application: \$1,328
 - b. RAF for each additional TAC source: \$707*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$514
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1. List of special classifications requiring graduated fees is shown in Schedules G-1, G-2, G-3, G-4, and G-5.

G-1 FEES FOR SCHEDULE G-1. For each source in a G-1 classification, fees are:

1. INITIAL FEE: \$5,741
2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$6,515
 - b. RAF for each additional TAC source: \$5,741*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$2,866
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-2 FEES FOR SCHEDULE G-2. For each source in a G-2 classification, fees are:

1. INITIAL FEE: \$7,579
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$8,352
 - b. RAF for each additional TAC source: \$7,579*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$3,787
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-3 FEES FOR SCHEDULE G-3. For each source in a G-3 classification, fees are:

1. INITIAL FEE: \$39,993
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$40,646

Bay Area Air Quality Management District

TBD

- b. RAF for each additional TAC source: \$39,993 *
- * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
- 3. PERMIT TO OPERATE FEE: \$19,993
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-4 FEES FOR SCHEDULE G-4. For each source in a G-4 classification, fees are:

- 1. INITIAL FEE: \$100,207
- 2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$100,981
 - b. RAF for each additional TAC source: \$100,207*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
- 3. PERMIT TO OPERATE FEE: \$50,101
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-5 FEES FOR SCHEDULE G-5. For each source in a G-5 classification, fees are:

- 1. INITIAL FEE: \$51,731
- 2. RISK ASSESSMENT FEE (RAF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk assessment is required under Regulation 2-5-401.
 - a. RAF for first TAC source in application: \$52,193
 - b. RAF for each additional TAC source: \$51,731*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
- 3. PERMIT TO OPERATE FEE: \$25,865
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

(Amended 5/19/82, 6/5/85, 6/4/86, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE G-1
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Dipping	Asphalt Roofing or Related Materials
Calcining Kilns, excluding those processing cement, lime, or coke (see G-4 for cement, lime, or coke Calcining Kilns)	Any Materials except cement, lime, or coke
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Reactors with a Capacity of 1000 Gallons or more	Any Inorganic Materials
Chemical Manufacturing, Organic – Latex Dipping	Any latex materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Reactors with a Capacity of 1000 Gallons or more	Any Organic Materials
Compost Operations – Windrows, Static Piles, Aerated Static Piles, In-Vessel, or similar methods	Any waste materials such as yard waste, food waste, agricultural waste, mixed green waste, bio-solids, animal manures, etc.
Crushers	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Electroplating Equipment	Hexavalent Decorative Chrome with permitted capacity greater than 500,000 amp-hours per year or Hard Chrome
Foil Manufacturing – Any Converting or Rolling Lines	Any Metal or Alloy Foils

Equipment or Process Description	Materials Processed or Produced
Galvanizing Equipment	Any
Glass Manufacturing – Batching Processes including storage and weigh hoppers or bins, conveyors, and elevators	Any Dry Materials
Glass Manufacturing – Mixers	Any Dry Materials
Glass Manufacturing – Molten Glass Holding Tanks	Any molten glass
Grinders	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Incinerators – Crematory	Human and/or animal remains
Incinerators – Flares	Any waste gases
Incinerators – Other (see G-2 for hazardous or municipal solid waste incinerators, see G-3 for medical or infectious waste incinerators)	Any Materials except hazardous wastes, municipal solid waste, medical or infectious waste
Incinerators – Pathological Waste (see G-3 for medical or infectious waste incinerators)	Pathological waste only
Loading and/or Unloading Operations – Bulk Plants and Bulk Terminals, excluding those loading gasoline or gasohol (see Schedule D for Bulk Plants and Terminals loading gasoline or gasohol)	Any Organic Materials except gasoline or gasohol
Petroleum Refining – Alkylation Units	Any Hydrocarbons
Petroleum Refining – Asphalt Oxidizers	Any Hydrocarbons
Petroleum Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Petroleum Refining – Catalytic Reforming Units	Any Hydrocarbons
Petroleum Refining – Chemical Treating Units including alkane, naphthenic acid, and naphtha merox treating, or similar processes	Any Hydrocarbons
Petroleum Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Petroleum Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons

Equipment or Process Description	Materials Processed or Produced
Petroleum Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Petroleum Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Petroleum Refining – Isomerization	Any Hydrocarbons
Petroleum Refining – MTBE Process Units/Plants	Any Hydrocarbons
Petroleum Refining – Sludge Converter	Any Petroleum Waste Materials
Petroleum Refining – Solvent Extraction	Any Hydrocarbons
Petroleum Refining – Sour Water Stripping	Any Petroleum Process or Waste Water
Petroleum Refining – Storage (enclosed)	Petroleum Coke or Coke Products
Petroleum Refining – Waste Gas Flares (not subject to Regulation 12, Rule 11)	Any Petroleum Refining Gases
Petroleum Refining – Miscellaneous Other Process Units	Any Hydrocarbons
Remediation Operations, Groundwater – Strippers	Contaminated Groundwater
Remediation Operations, Soil – Any Equipment (excluding sub-slab depressurization equipment)	Contaminated Soil
Spray Dryers	Any Materials
Sterilization Equipment	Ethylene Oxide
Wastewater Treatment, Industrial – Oil-Water Separators, excluding oil-water separators at petroleum refineries (see G-2 for Petroleum Refining - Oil-Water Separators)	Wastewater from any industrial facilities except petroleum refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at petroleum refineries (see G-2 for Petroleum Refining – Strippers)	Wastewater from any industrial facilities except petroleum refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at petroleum refineries (see G-2 for Petroleum Refining – Storage Ponds)	Wastewater from any industrial facilities except petroleum refineries
Wastewater Treatment, Municipal – Preliminary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Primary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Digesters	Municipal Wastewater
Wastewater Treatment, Municipal – Sludge Handling Processes, excluding sludge incinerators (see G-2 for sludge incinerators)	Sewage Sludge

SCHEDULE G-2
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Blowing	Asphalt Roofing or Related Materials
Asphaltic Concrete Manufacturing – Aggregate Dryers	Any Dry Materials
Asphaltic Concrete Manufacturing – Batch Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Drum Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Other Mixers and/or Dryers	Any Dry Materials or Asphaltic Concrete Products
Concrete or Cement Batching Operations – Mixers	Any cement, concrete, or stone products or similar materials
Furnaces – Electric	Any Mineral or Mineral Product
Furnaces – Electric Induction	Any Mineral or Mineral Product
Furnaces – Glass Manufacturing	Soda Lime only
Furnaces – Reverberatory	Any Ores, Minerals, Metals, Alloys, or Related Materials
Incinerators – Hazardous Waste including any unit required to have a RCRA permit	Any Liquid or Solid Hazardous Wastes
Incinerators – Solid Waste, excluding units burning human/animal remains or pathological waste exclusively (see G-1 for Crematory and Pathological Waste Incinerators)	Any Solid Waste including Sewage Sludge (except human/animal remains or pathological waste)
Metal Rolling Lines, excluding foil rolling lines (see G-1 for Foil Rolling Lines)	Any Metals or Alloys
Petroleum Refining – Stockpiles (open)	Petroleum Coke or coke products only
Petroleum Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from petroleum refineries only
Petroleum Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from petroleum refineries only
Petroleum Refining, Wastewater Treatment – Storage Ponds	Wastewater from petroleum refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended 6/7/00)

SCHEDULE G-3
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Furnaces – Electric Arc	Any Metals or Alloys
Furnaces – Electric Induction	Any Metals or Alloys
Incinerators – Medical Waste, excluding units burning pathological waste exclusively (see G-1 for Pathological Waste Incinerators)	Any Medical or Infectious Wastes
Loading and/or Unloading Operations – Marine Berths	Any Organic Materials
Petroleum Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Petroleum Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any Petroleum Crude Oils
Phosphoric Acid Manufacturing – All Units (by any process)	Phosphoric Acid

(Amended 5/19/82; Amended and renumbered 6/6/90; Amended 6/7/00, 6/15/05, 5/2/07)

SCHEDULE G-4
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Acid Regeneration Units	Sulfuric or Hydrochloric Acid only
Annealing Lines (continuous only)	Metals and Alloys
Calcining Kilns (see G-1 for Calcining Kilns processing other materials)	Cement, Lime, or Coke only
Fluidized Bed Combustors	Solid Fuels only
Nitric Acid Manufacturing – Any Ammonia Oxidation Processes	Ammonia or Ammonia Compounds
Petroleum Refining - Coking Units including fluid cokers, delayed cokers, flexicokers, and coke kilns	Petroleum Coke and Coke Products
Petroleum Refining - Cracking Units including fluid catalytic crackers and thermal crackers and excluding hydrocrackers (see G-3 for Hydrocracking Units)	Any Hydrocarbons
Petroleum Refining - Sulfur Removal including any Claus process or any other process requiring caustic reactants	Any Petroleum Refining Gas
Sulfuric Acid Manufacturing – Any Chamber or Contact Process	Any Solid, Liquid or Gaseous Fuels Containing Sulfur

(Amended 6/7/00)

SCHEDULE G-5

Equipment or Process Description	Materials Processed or Produced
Petroleum Refinery Flares (subject to Regulation 12, Rule 11)	Any Petroleum Vent Gas (as defined in section 12-11-210 and section 12-12-213)

(Adopted 5/2/07)

SCHEDULE H
SEMICONDUCTOR AND RELATED OPERATIONS
(Adopted May 19, 1982)

All of the equipment within a semiconductor fabrication area will be grouped together and considered one source. The fee shall be as indicated:

1. INITIAL FEE:

- a. The minimum fee per source is: \$821
- b. The maximum fee per source is: \$65,683

The initial fee shall include the fees for each type of operation listed below, which is performed at the fabrication area:

c. SOLVENT CLEANING OPERATIONS, such as usage of:

Solvent Sinks (as defined in Regulation 8-30-214);
Solvent Spray Stations (as defined in Regulation 8-30-221);
Solvent Vapor Stations (as defined in Regulation 8-30-222); and
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):

\$555 per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other
miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

\$1,649 per 1,000 gallon

2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.

- a. RAF for first toxic air contaminant (TAC) source in application: \$516 plus initial fee
- b. Minimum RAF for first TAC source: \$1,428
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source: \$821 *
- e. Maximum RAF per source is: \$65,683

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:

- a. The minimum fee per source is: \$594
- b. The maximum fee per source is: \$32,836

The permit to operate fee shall include the fees for each type of operation listed below, which is performed at the fabrication area:

c. SOLVENT CLEANING OPERATIONS, such as usage of:

Solvent Sinks (as defined in Regulation 8-30-214);
Solvent Spray Stations (as defined in Regulation 8-30-221);

Solvent Vapor Stations (as defined in Regulation 8-30-222); and
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):

\$279 per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

\$821 per 1,000 gallon

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. The fee for each source will be rounded to the whole dollar. Fees for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 1/9/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 10/20/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

**SCHEDULE I
DRY CLEANERS**
(Adopted July 6, 1983)

For dry cleaners, the fee shall be computed based on each cleaning machine, except that machines with more than one drum shall be charged based on each drum, regardless of the type or quantity of solvent, as follows:

1. INITIAL FEE FOR A DRY CLEANING MACHINE (per drum):
 - a. If the washing or drying capacity is no more than 100 pounds: \$700
 - b. If the washing or drying capacity exceeds 100 pounds: \$700 plus
For that portion of the capacity exceeding 100 pounds: \$20.95 per pound
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$508 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,245
 - c. RAF for each additional TAC source: equal to initial fee*
 - d. Minimum RAF per additional TAC source: \$700*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE FOR A DRY CLEANING MACHINE (per drum):
 - a. If the washing or drying capacity is no more than 100 pounds: \$511
 - b. If the washing or drying capacity exceeds 100 pounds: \$511 plus
For that portion of the capacity exceeding 100 pounds: \$10.52 per pound
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.
(Amended 10/17/84, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/02/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19)

SCHEDULE K
SOLID WASTE DISPOSAL SITES
(Adopted July 15, 1987)

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) \$6,679
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$3,338
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$3,338

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$516 plus initial fee
 - b. RAF for each additional TAC source: equal to initial fee*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. Landfill (Decomposition Process) \$3,338
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$1,669
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$1,669

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. Evaluation of Reports and Questionnaires:
 - a. Evaluation of Solid Waste Air Assessment Test Report as required by Health & Safety Code Section 41805.5(g) \$3,680
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$1,845
 - c. Evaluation of Solid Waste Air Assessment Test Report in conjunction with evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$1,845
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$1,357
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$3,881
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$1,357
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$3,396

6. Fees for each source will be rounded off to the nearest dollar. The fee for sources will be rounded up or down to the nearest dollar.

7. For the purposes of this fee schedule, landfill shall be considered active, if it has accepted solid waste for disposal at any time during the previous 12 months or has plans to accept solid waste for disposal during the next 12 months.
(Amended 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 10/6/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE L
ASBESTOS OPERATIONS
(Adopted July 6, 1988)

1. Asbestos Operations conducted at single family dwellings are subject to the following fees:
 - a. OPERATION FEE: \$185 for amounts 100 to 500 square feet or linear feet.
 \$679 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
 \$988 for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.
 \$1,358 for amounts greater than 2000 square feet or linear feet.
 - b. Cancellation: \$90 of above amounts non-refundable for notification processing.
2. Asbestos Operations, other than those conducted at single family dwellings, are subject to the following fees:
 - a. OPERATION FEE: \$524 for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet
 \$754 for amounts 160 square feet or 260 linear feet to 500 square feet or linear feet or greater than 35 cubic feet.
 \$1,098 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
 \$1,620 for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.
 \$2,309 for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.
 \$3,169 for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.
 \$4,031 for amounts greater than 10000 square feet or linear feet.
 - b. Cancellation: \$248 of above amounts non-refundable for notification processing.
3. Demolitions (including zero asbestos demolitions) conducted at a single-family dwelling are subject to the following fee:
 - a. OPERATION FEE: \$90
 - b. Cancellation: \$90 (100% of fee) non-refundable, for notification processing.
4. Demolitions (including zero asbestos demolitions) other than those conducted at a single family dwelling are subject to the following fee:
 - a. OPERATION FEE: \$372
 - b. Cancellation: \$248 of above amount non-refundable for notification processing.
5. Asbestos operations with less than 10 days prior notice (excluding emergencies) are subject to the following additional fee:
 - a. OPERATION FEE: \$619
6. Asbestos demolition operations for the purpose of fire training are exempt from fees.

(Amended 9/5/90, 1/5/94, 8/20/97, 10/7/98, 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16,6/5/19)

SCHEDULE M
MAJOR STATIONARY SOURCE FEES
(Adopted June 6, 1990)

For each major stationary source emitting 50 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, and/or PM₁₀, the fee shall be based on the following:

1.	Organic Compounds	\$126.38 per ton
2.	Sulfur Oxides	\$126.38 per ton
3.	Nitrogen Oxides	\$126.38 per ton
4.	PM ₁₀	\$126.38 per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM₁₀, if occurring in an amount less than 50 tons per year, shall not be counted.

(Amended 7/3/91, 6/15/94, 7/1/98, 5/9/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE N
TOXIC INVENTORY FEES
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of \$6 for each gasoline product dispensing nozzle in a Gasoline Dispensing Facility; or
2. A fee calculated by multiplying the facility's weighted toxic inventory (w_i) by the following factor:

Air Toxic Inventory Fee Factor	\$0.92 per weighted pound per year
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Using the last reported data, the facility's weighted toxic inventory (w_i) is calculated as a sum of the individual TAC emissions multiplied by either the inhalation cancer potency factor for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 10) times 28.6 if the emission is a carcinogen, or by the reciprocal of the chronic inhalation reference exposure level for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 8) if the emission is not a carcinogen.

3. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above and rounded down to the nearest dollar for amounts 50 cents and lower.

(Amended 12/15/93, 6/15/05, 5/2/07, 6/16/10, 5/4/11, 6/4/14, 6/3/15, 6/15/16, 6/6/18, 6/5/19, 6/3/20, 6/XX/21)

SCHEDULE P
MAJOR FACILITY REVIEW FEES
(Adopted November 3, 1993)

1. MFR / SYNTHETIC MINOR ANNUAL FEES

Each facility, which is required to undergo major facility review in accordance with the requirements of Regulation 2, Rule 6, shall pay annual fees (1a and 1b below) for each source holding a District Permit to Operate. These fees shall be in addition to and shall be paid in conjunction with the annual renewal fees paid by the facility. However, these MFR permit fees shall not be included in the basis to calculate Alternative Emission Control Plan (bubble) or toxic air contaminant surcharges. If a major facility applies for and obtains a synthetic minor operating permit, the requirement to pay the fees in 1a and 1b shall terminate as of the date the APCO issues the synthetic minor operating permit.

- a. MFR SOURCE FEE \$930 per source
- b. MFR EMISSIONS FEE..... \$36.59 per ton of regulated air pollutants emitted

Each MFR facility and each synthetic minor facility shall pay an annual monitoring fee (1c below) for each pollutant measured by a District-approved continuous emission monitor or a District-approved parametric emission monitoring system.

- c. MFR/SYNTHETIC MINOR MONITORING FEE \$9,296 per monitor per pollutant

2. SYNTHETIC MINOR APPLICATION FEES

Each facility that applies for a synthetic minor operating permit or a revision to a synthetic minor operating permit shall pay application fees according to 2a and either 2b (for each source holding a District Permit to Operate) or 2c (for each source affected by the revision). If a major facility applies for a synthetic minor operating permit prior to the date on which it would become subject to the annual major facility review fee described above, the facility shall pay, in addition to the application fee, the equivalent of one year of annual fees for each source holding a District Permit to Operate.

- a. SYNTHETIC MINOR FILING FEE \$1,295 per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE \$930 per source
- c. SYNTHETIC MINOR REVISION FEE..... \$930 per source modified

3. MFR APPLICATION FEES

Each facility that applies for or is required to undergo: an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit or a renewal of an MFR permit shall pay, with the application and in addition to any other fees required by this regulation, the MFR filing fee and any applicable fees listed in 3b-h below. The fees in 3b apply to each source in the initial permit. The fees in 3g apply to each source in the renewal permit. The fees in 3d-f apply to each source affected by the revision or reopening.

- a. MFR FILING FEE \$1,295 per application
- b. MFR INITIAL PERMIT FEE \$1,295 per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE \$366 per application
- d. MFR MINOR REVISION FEE \$1,838 per source modified
- e. MFR SIGNIFICANT REVISION FEE \$3,427 per source modified
- f. MFR REOPENING FEE \$1,124 per source modified
- g. MFR RENEWAL FEE \$546 per source

Each facility that requests a permit shield or a revision to a permit shield under the provisions of Regulation 2, Rule 6 shall pay the following fee for each source (or group of sources, if the requirements for these sources are grouped together in a single table in the MFR permit) that is covered by the requested shield. This fee shall be paid in addition to any other applicable fees.

- h. MFR PERMIT SHIELD FEE \$1,936 per shielded source or group of sources

4. MFR PUBLIC NOTICE FEES

Bay Area Air Quality Management District

TBD

Each facility that is required to undergo a public notice related to any permit action pursuant to Regulation 2-6 shall pay the following fee upon receipt of a District invoice.

MFR PUBLIC NOTICE FEE Cost of Publication

5. MFR PUBLIC HEARING FEES

If a public hearing is required for any MFR permit action, the facility shall pay the following fees upon receipt of a District invoice.

a. MFR PUBLIC HEARING FEE Cost of Public Hearing not to exceed \$15,819

b. NOTICE OF PUBLIC HEARING FEE Cost of distributing Notice of Public Hearing

6. POTENTIAL TO EMIT DEMONSTRATION FEE

Each facility that makes a potential to emit demonstration under Regulation 2-6-312 in order to avoid the requirement for an MFR permit shall pay the following fee:

a. PTE DEMONSTRATION FEE \$221 per source, not to exceed \$21,746

(Amended 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

SCHEDULE Q
EXCAVATION OF CONTAMINATED SOIL AND
REMOVAL OF UNDERGROUND STORAGE TANKS
(Adopted January 5, 1994)

1. Persons excavating contaminated soil or removing underground storage tanks subject to the provisions of Regulation 8, Rule 40, Section 401, 402, 403 or 405 are subject to the following fee:
 - a. OPERATION FEE: \$168
(Amended 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/4/14, 6/3/15, 6/15/16)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$744 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$209 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$744 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$209 per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$371
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$259

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$250
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$166
 - c. Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402): \$250

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. REGISTRATION FEE \$137 per device
 - b. ANNUAL RENEWAL FEE: \$115 per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$446
 - b. ANNUAL RENEWAL FEE: \$278

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$209
 - b. ANNUAL RENEWAL FEE \$123

(Adopted 7/6/07, Amended 12/5/07, 5/21/08, 7/30/08, 11/19/08, 12/3/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18)

**SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS**

1. ASBESTOS DUST MITIGATION PLAN INITIAL REVIEW AND AMENDMENT FEES:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for initial review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): \$730

Any person submitting a request to amend an existing ADMP shall pay the following fee: \$374

2. AIR MONITORING PROCESSING FEE:

NOA projects requiring an Air Monitoring component as part of the ADMP approval are subject to the following fee in addition to the ADMP fee: \$5,635

3. INSPECTION FEE:

The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District after July 1, 2012 in conducting inspections to determine compliance with the ADMP on an ongoing basis. Inspection fees shall be invoiced by the District on a quarterly basis, and at the conclusion of dust generating activities covered under the ADMP, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$166 per hour

(Adopted 6/6/07; Amended 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/XX/21)

**SCHEDULE T
GREENHOUSE GAS FEES**

For each permitted facility emitting greenhouse gases, the fee shall be based on the following:

1. Carbon Dioxide Equivalent (CDE) Emissions \$0.131 per metric ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. The annual emissions of each greenhouse gas (GHG) listed below shall be determined by the APCO for each permitted (i.e., non-exempt) source. For each emitted GHG, the CDE emissions shall be determined by multiplying the annual GHG emissions by the applicable Global Warming Potential (GWP) value. The GHG fee for each facility shall be based on the sum of the CDE emissions for all GHGs emitted by the facility, except that no fee shall be assessed for emissions of biogenic carbon dioxide.

Global Warming Potential Relative to Carbon Dioxide*

GHG	CAS Registry Number	GWP**
Carbon Dioxide	124-38-9	1
Methane	74-82-8	34
Nitrous Oxide	10024-97-2	298
Nitrogen Trifluoride	7783-54-2	17,885
Sulfur Hexafluoride	2551-62-4	26,087
HCFC-22	75-45-6	2,106
HCFC-123	306-83-2	96
HCFC-124	2837-89-0	635
HCFC-141b	1717-00-6	938
HCFC-142b	75-68-3	2,345
HCFC-225ca	422-56-0	155
HCFC-225cb	507-55-1	633
HFC-23	75-46-7	13,856
HFC-32	75-10-5	817
HFC-125	354-33-6	3,691
HFC-134a	811-97-2	1,549
HFC-143a	420-46-2	5,508
HFC-152a	75-37-6	167
HFC-227ea	431-89-0	3,860
HFC-236fa	690-39-1	8,998
HFC-245fa	460-73-1	1,032
HFC-365mfc	406-58-6	966
HFC-43-10-mee	138495-42-8	1,952
PFC-14	75-73-0	7,349
PFC-116	76-16-4	12,340
PFC-218	76-19-7	9,878
PFC-318	115-25-3	10,592

* Source: Myhre, G., et al., 2013: Anthropogenic and Natural Radiative Forcing (and Supplementary Material). In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Stocker, T.F., et al. (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. Available from www.ipcc.ch.

** GWPs compare the integrated radiative forcing over a specified period (i.e.100 years) from a unit mass pulse emission to compare the potential climate change associated with emissions of different GHGs. GWPs listed include climate-carbon feedbacks.

(Adopted 5/21/08; Amended 5/20/09, 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18,6/5/19, 6/XX/21)

**SCHEDULE U
INDIRECT SOURCE REVIEW FEES**

The applicant for any project deemed an indirect source pursuant to District rules shall be subject to the following fees:

1. APPLICATION FILING FEE

When an applicant files an Air Quality Impact Assessment as required by District rules, the applicant shall pay a non-refundable Application Filing Fee as follows:

- | | |
|--|-------|
| a. Residential project: | \$615 |
| b. Non-residential or mixed use project: | \$918 |

2. APPLICATION EVALUATION FEE

Every applicant who files an Air Quality Impact Assessment as required by District rules shall pay an evaluation fee for the review of an air quality analysis and the determination of Offsite Emission Reduction Fees necessary for off-site emission reductions. The Application Evaluation fee will be calculated using the actual staff hours expended and the prevailing weighted labor rate. The Application Filing fee, which assumes eight hours of staff time for residential projects and twelve hours of staff time for non-residential and mixed use projects, shall be credited towards the actual Application Evaluation Fee.

3. OFFSITE EMISSION REDUCTION FEE

(To be determined)

(Adopted 5/20/09; Amended 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17)

**SCHEDULE V
OPEN BURNING**

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:
 - a. OPERATION FEE: \$150
 - b. The operation fee paid as part of providing notification to the District prior to burning will be determined for each property, as defined in Regulation 5, Section 217, and will be valid for one year from the fee payment date when a given fire is allowed, as specified in Regulation 5, Section 401 for the following fires:

Regulation 5 Section – Fire	Burn Period
401.1 - Disease and Pest	January 1 – December 31
401.2 - Crop Replacement ¹	October 1 – April 30
401.3 - Orchard Pruning and Attrition ²	November 1 – April 30
401.4 - Double Cropping Stubble	June 1 – August 31
401.6 - Hazardous Material ¹	January 1 – December 31
401.7 - Fire Training	January 1 – December 31
401.8 - Flood Debris	October 1 – May 31
401.9 - Irrigation Ditches	January 1 – December 31
401.10 - Flood Control	January 1 – December 31
401.11 - Range Management ¹	July 1 – April 30
401.12 - Forest Management ¹	November 1 – April 30
401.14 - Contraband	January 1 – December 31

¹ Any Forest Management fire, Range Management fire, Hazardous Material fire not related to Public Resources Code 4291, or any Crop Replacement fire for the purpose of establishing an agricultural crop on previously uncultivated land, that is expected to exceed 10 acres in size or burn piled vegetation cleared or generated from more than 10 acres is defined in Regulation 5, Section 213 as a type of Prescribed Burning and, as such, is subject to the Prescribed Burning operation fee in Section 3 below.

² Upon the determination of the APCO that heavy winter rainfall has prevented this type of burning, the burn period may be extended to no later than June 30.

- c. Any person who provided notification required under Regulation 5, Section 406, who seeks to burn an amount of material greater than the amount listed in that initial notification, shall provide a subsequent notification to the District under Regulation 5, Section 406 and shall pay an additional open burning operation fee prior to burning.
2. Any Marsh Management fire conducted pursuant to Regulation 5, Section 401.13 is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:
 - a. OPERATION FEE:

\$540	for 50 acres or less
\$734	for more than 50 acres but less than or equal to 150 acres
\$925	for more than 150 acres
 - b. The operation fee paid for a Marsh Management fire will be valid for a Fall or Spring burning period, as specified in Regulation 5, Subsection 401.13. Any burning subsequent to either of these time periods shall be subject to an additional open burning operation fee.
3. Any Wildland Vegetation Management fire (Prescribed Burning) conducted pursuant to Regulation 5, Section 401.15 is subject to the following fee, which will be determined for each prescribed burning project by the proposed acreage to be burned:
 - a. OPERATION FEE:

\$602	for 50 acres or less
\$816	for more than 50 acres but less than or equal to 150 acres
\$1,062	for more than 150 acres

- b. The operation fee paid for a prescribed burn project will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 4. Any Filmmaking fire conducted pursuant to Regulation 5, Section 401.16 and any Public Exhibition fire conducted pursuant to Regulation 5, Section 401.17 is subject to the following fee:
 - a. OPERATION FEE: \$778
 - b. The operation fee paid for a Filmmaking or Public Exhibition fire will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 5. Any Stubble fire conducted pursuant to Regulation 5, Section 401.5 that requires a person to receive an acreage burning allocation prior to ignition is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:
 - a. OPERATION FEE:

\$385	for 25 acres or less
\$540	for more than 25 acres but less than or equal to 75 acres
\$656	for more than 75 acres but less than or equal to 150 acres
\$772	for more than 150 acres
 - b. The operation fee paid for a Stubble fire will be valid for one burn period, which is the time period beginning September 1 and ending December 31, each calendar year. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 6. All fees paid pursuant to Schedule V are non-refundable.
- 7. All fees required pursuant to Schedule V must be paid before conducting a fire.

(Adopted June 19, 2013; Amended 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/XX/21)

**SCHEDULE W
PETROLEUM REFINING EMISSIONS TRACKING FEES**

1. ANNUAL EMISSIONS INVENTORIES:

Any Petroleum Refinery owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- a. Initial submittal: \$67,689
- b. Each subsequent annual submittal: \$33,845

Any Support Facility owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- a. Initial submittal: \$4,137
- b. Each subsequent annual submittal: \$2,069

2. AIR MONITORING PLANS:

Any person required to submit an air monitoring plan in accordance with Regulation 12, Rule 15, Section 403 shall pay a one-time fee of \$9,401.

(Adopted 6/15/16; Amended 6/5/19, 6/XX/21)

**SCHEDULE X
MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES**

For each major stationary source, emitting 35 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide and/or PM₁₀ within the vicinity of a District proposed community air monitoring location, the fee shall be based on the following:

1.	Organic Compounds	\$60.61 per ton
2.	Sulfur Oxides	\$60.61 per ton
3.	Nitrogen Oxides	\$60.61 per ton
4.	Carbon Monoxide	\$60.61 per ton
5.	PM ₁₀	\$60.61 per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, or PM₁₀, if occurring in an amount less than 35 tons per year, shall not be counted.

(Adopted: 6/15/16; Amended: 6/21/17)

**APPENDIX C:
WRITTEN COMMENTS AND RESPOSNES
FROM THE WORKSHOP AND PUBLIC
HEARING**

Rule Workshop Comments – Regulation 3, Fees

CCEEB comments dated March 19, 2021

BAAQMD Response to Comment 1: This year, the Air District staff has provided these background documents earlier in the process to these stakeholders. The Cost Recovery Study results were provided to the Budget Advisory Group (BAG) which includes CCEEB and the Western States Petroleum Association and its five represented Bay Area petroleum refineries, on January 19, but they could have been made available online at the same time. We will change the process to post the draft Cost Recovery and draft Rule Development documents for Regulation 3 available online as soon as they are ready. When the draft budget was finalized on March 15, it was made immediately available online. The Air District Proposed Budgets and Audit Reports may be found on the Air District website at <https://www.baaqmd.gov/publications/annual-budget>.

Comment 2: *CCEEB appreciates the effort of District staff in developing the proposed fee schedules and requests further information to help them better determine how costs are calculated and how fee increases are determined.*

BAAQMD Response to Comment 2: The Air District believes that the current opportunities for participation, comment and review provide transparency with the regulated entities. Staff has provided more information earlier in the process this year as explained in the above response to Comment 1. Going forward, the staff would welcome further dialog on the specifics of this request and will continue to work with the BAG and other interested entities to improve this process, so that the regulated entities are able to provide better input.

Comment 3: *CCEEB requests information from the Air District that tracks the changes in permit activity, and how year-over-year the Bay Area permitting activity (permits received and processed) is trending. In particular, CCEEB asked for permit activity for emergency generators, as the uptick in those permits is likely a time-bound occurrence.*

BAAQMD Response to Comment 3: Staff has since provided the requested information to CCEEB relative to Bay Area permitting and permitting trends and would welcome further dialog on the specifics that your organization would like to see. The Air District disagrees with CCEEB's assertion that permit activity for emergency generators is a time-bound occurrence. The Air District has received a steady number of permit applications for emergency generators over the past decade. Staff has provided CCEEB multi-year permit application metrics, and metrics on applications specific to emergency generators.

Comment 4: *CCEEB comments that, pursuant to Proposition 26, the Air District must demonstrate that fee amounts are no more than necessary to cover the reasonable costs of regulation.*

BAAQMD Response to Comment 4: The Air District is aware of the requirements of Proposition 26, and only proposes fee amendments which would comply with the proposition, as explained in the Rule Development Staff Report as part of the 2nd public hearing on the proposed fee amendments. We are happy to help CCEEB better understand the Air District's cost recovery process.

WSPA comments dated March 19, 2021

Comment 1 – Executive Summary: *WSPA commented that “the five refineries are a significant portion of the BAAQMD’s total fee revenue source. The 2021 permit fees paid collectively by the refineries is nearly \$16 million as noted in the District’s recent presentation.” WSPA noted that staff are proposing a new Criteria and Air Toxics Emission Reporting fee and additional increases in some existing fees. WSPA asserts that the petroleum industry is still recovering from the economic impacts of COVID-19 and is expected to continue doing so for some time, so they request that the Board of Directors stay all fee increases for the BAAQMD 2021 fiscal year.*

BAAQMD Response to Comment 1: The Air District staff is closely monitoring the Bay Area economy and the economic impacts that COVID-19 has had on Bay Area businesses. Air District staff has presented its detailed Bay Area economic analysis and outlook at various recent Board Meetings. The proposed fee amendments were developed in consideration of the current economy and projected outlook for the Bay Area. This year, the Air District staff is only proposing fees necessary to recover the costs for Air District programs and to help cover the costs of implementing the state-mandated Criteria Pollutant and Toxics Emissions Reporting (CTR) rule.

Currently, the Air District has significant resources assigned to refinery regulatory enforcement, permitting, monitoring and rule development. The Air District is also working on many projects associated with the petroleum refineries, including developing improved emission factors for fugitive emission leaks from heavy liquid service components, reviewing FCCU optimization studies and implementing Regulation 12, Rule 15 Refinery Emission Tracking rule (12-15 program) including development of emission inventory guidelines; reviewing inventories and crude slates; and reviewing and approving air monitoring plans. The 12-15 program is currently being recovered at 15% for Schedule W. The Air District is only proposing to improve cost recovery of this work in addition to the costs of implementing CTR.

Comment 2 – Schedule X: Community Monitors: *WSPA comments that the refineries continue to pay annual fees for Schedule X and yet no monitors have been put into operation. They request that the BAAQMD should discontinue collecting the Schedule X fee until plans are in place to install monitors or have regular reporting to the Stationary Source Committee as to status of installation.*

BAAQMD Response to Comment 2: When Schedule X was adopted, it was based on projected capital costs, amortized over 10 years, to set up a network of community air monitoring stations. There is no plan to collect Schedule X Fees after these amortized costs of the stations are collected. To date, Schedule X costs are associated with the evaluation of existing monitors, working with the affected communities, and planning, siting, and designing new monitors. Please contact Ila Perkins at iperkins@baaqmd.gov or (415) 749-8448 with questions on the community air monitoring station site selection and development, and Jerry Bovee at jbovee@baaqmd.gov or (415) 749-4601 with any other questions on the community air monitoring stations.

Comment 3 – Schedule W: Refinery Emissions Tracking: *WSPA comments that the refineries pay \$150,000 a year for staff to review inventories that the refineries have prepared. WSPA claims that most of the work for each refinery’s emissions inventory is done by the refineries, so they do not understand why staff costs are high. WSPA hopes to see future process improvements that can ensure inventory methodologies are consistent across Bay Area industries and with other air districts per AB 617.*

BAAQMD Response to Comment 3: The Air District is responsible for evaluating and validating emissions. For the 12-15 program, each refinery typically submits upwards of 30 to 40 Excel workbooks and associated documents comprising of upwards to 40 to 50 spreadsheets resulting in millions of cells. The Air District reviews underlying formulas, assumptions, cited references, and established methodologies and identifies deficiencies in the submittals. Previous Air District reviews have identified numerous deficiencies accounting for hundreds of tons of differences in originally submitted emissions inventories and revised emissions inventories. The Air District also expends a considerable amount of time discussing the emissions inventories with the individual refineries and in the WSPA forum. The Air District is working with WSPA and the individual refineries on measures the refineries can take in preparing their submittals that would reduce the amount of effort needed to review and validate such inventories.

The refinery inventories are complex and detailed. Therefore, each must be carefully reviewed by Air District staff. The Air District is working with the refineries and WSPA on methods for improving the data collection and review process for both consistency and efficiency. These include measures that the refineries can take in preparing their submittals that will reduce the required effort to validate such inventories. The Air District will continue to consider all suggestions put forth by the refineries and/or WSPA on this matter.

The Air District is always improving the emissions inventory for all Bay Area facilities and is working with other air districts on the Petroleum Refinery Uniform Emissions Inventory Guidelines workgroup for AB 617.

Comment 4 – Schedule P: Major Facility Review: *For Schedule P, WSPA comments that the Air District is recovering over 100% of costs, yet staff are recommending a 7% increase in the fee. Additionally, WSPA requests that that the Schedule P “MFR/SYNTHETIC MINOR MONITORING FEE” be removed or reduced, since they are not clear what work staff perform associated with monitors other than reviewing monthly reports prepared by the facilities and approval of newly installed monitors. If there is additional work, WSPA requests a log of the efforts performed.*

BAAQMD Response to Comment 4: Schedule P collects fees for the Major Facility Review program. The Title V permit has a 5-year life cycle, therefore more resources are expended when a Title V renewal is being prepared especially for a detailed permit such as a petroleum refinery. Our fee schedules are evaluated for cost recovery on a 3-year average to smooth out any spikes or dips in cost recovery in a particular year. The one-year cost recovery percentage for Schedule P is shown in Figure 2 of the Air District’s 2021 Cost Recovery Study as 109% for FYE 2020, and the 3-year average, which the Air District uses for cost recovery, is below 100%, at 93.6%. Thus, the proposed 7% change is recommended per the Air District’s cost recovery methodology. WSPA has provided some of the activities covered by the MFR/Synthetic Minor Monitoring Fee, which include reviewing monthly CEM reports for each facility and approval of newly installed monitors. In addition, the following tasks are covered for approved CEMs and approved PEMs. On the CEMs side, it includes CEMS plan/modification approvals, RATA/Performance Specification plan/report review, FAT tests conducted by Air District staff, monthly report reviews and excess emission report reviews. Although we had to scale back FAT testing due to COVID, all other duty/task volumes have increased over the years. In addition, we expect our CEMs work to increase as we are looking into Manual of Procedures revisions that will expand the acceptable pollutant types and QA/QC requirements related to CEMs.

Comment 5 – Schedule T: Greenhouse Gases: *For Schedule T, WSPA requests to better understand how the Air District is using these funds.*

BAAQMD Response to Comment 5: Stationary source greenhouse gas activities involve many different programs and projects such as the development of the Methane Strategies and Organics Recovery Projects. In addition to the Climate Protection group, this work involves staff from Rule Development, Source Test, Compliance and Enforcement, Engineering, and Assessment, Inventory, & Modeling.

With the Diesel Free by '33 program and the Methane Strategies and Organics Recovery, the Air District will continue to be very active in climate protection and looks forward to working with WSPA on these important initiatives.

The revenue from Schedule T helps recover the costs of the Air District's climate protection program related to stationary sources of air pollution.

The labor hours spent on Schedule T come from 16 programs and we use actual salaries and benefits, which vary by position, pay type, pay rate, and benefits. Cost Recovery is a complete assignment of costs to revenue sources, so for Schedule T, there are some hours of Permit General labor as well as Program General Support labor from each of the 16 programs. In addition to labor charges, there are Services and Supplies expenditures and Capital expenditures from those programs, as well as the indirect costs from District-wide support activities, which are allocated pro-rata to all District revenue and non-revenue activities.

***Comment 6:** WSPA requests that staff provide an update on how they are addressing their list of efficiency improvements as outlined by the 2011 Matrix Consulting Cost Recovery and Containment Report.*

BAAQMD Response to Comment 6: The Air District launched the online payment system to help customers pay invoices and the Air District track payments more efficiently. The Air District has developed and put into operation a "permit application received" website tool that allows permit applicants to track the permit application status online. The tool is available here: <https://www.baaqmd.gov/permits/public-notice/permit-applications-received>. Permitting performance metrics are available and have been provided to WSPA and CCEEB. Also, permit applications are triaged and assigned as needed to prevent potential bottlenecks. Staff were provided new tools to view and manage workload which were critical to be highly productive during the pandemic. The Air District continues to develop the New Production System that will provide better functionality for managing all aspects of the permitting, compliance verification and enforcement.

***Comment 7:** We appreciate your consideration of our comments, suggestions, and observations. While we have noted some specific breakdowns in transparency and process - we also appreciate the complexity, scale, and challenges of this work, balanced with District successes achieved with air quality improvements, inspections, grants, and public awareness.*

BAAQMD Response to Comment 7: The Air District believes that the current opportunities for participation, comment and review are adequate to help maintain transparency and process with the regulated entities.

In response to comments received during the FYE 2020 Budget and Fee Regulation Amendments process, on September 20, 2019, the Air District established the Budget Advisory Group (BAG) which includes WSPA and its five represented Bay Area petroleum refineries, and the California

Council for Environmental and Economic Balance. The BAG was formed to promote greater participation and input in the annual Budget and Fee Regulation Amendments process.

On January 13, 2021, the Air District provided a copy of the 2021 Cost Recovery Study report to WSPA containing additional detailed supporting data on the proposed fee amendments. On January 19, BAG met where the Air District presented the economic outlook, the rule development schedule and the proposed fee amendments. On March 11, BAG was given a preview of the March 17 presentation to the Air District Board of Directors' Administration Committee. Each meeting provided greater transparency of budget expenditures for those in attendance.

The Air District held a public workshop on February 18 and accepted comments until March 19. WSPA attended and testified at the workshop and provided written comments on the proposed fee amendments. On March 17, Air District staff presented the fee regulation amendments to the Administration Committee and responded to questions on the fee regulation amendments. WSPA participated in each of these meetings.

An initial public hearing to consider testimony on the proposed amendments was held on April 7 with written public comments due on April 30, 2021. A second public hearing, to consider adoption of the proposed fee amendments, has been scheduled for June 16, or as soon thereafter as the matter may be heard.

Public Hearing Comments – Regulation 3, Fees

CCEEB comments dated April 30, 2021

Comment 1: *CCEEB encourages the pursuit of increased efficiency in the Air District's operations and supports the Administration Committee's recommendation to engage consultants to conduct a management performance audit on staff activities and work production.*

BAAQMD Response to Comment 1: The Air District staff continually seeks to increase the efficiency of its operations and looks forward to working with the consultants on the management performance audit.

Comment 2: *Community Benefit Fund – CCEEB comments that the proposed budget includes an initial \$1 million for the development of a Community Benefit Fund that would provide monetary resources for projects in impacted communities to reduce exposure to air pollution and address public health impacts. CCEEB supports paying for emission reductions as appropriate and notes that Article XVI, Section 6 of the California Constitution prohibits the gifting of public funds to any person or entity and CCEEB requests a legal analysis of how Community Benefit funds are used and distributed.*

BAAQMD Response to Comment 2: The Air District will work with the Community Advisory Council currently under development to create a framework for possible uses of the Community Benefit Fund. Staff will ensure that framework is consistent with relevant statutes.

Comment 3: *CCEEB appreciates the measures the Air District took to address COVID-19 economic impacts to businesses during the current fiscal year, particularly the decision to forego increases to existing fee schedules. CCEEB suggests that we are still in the midst of the pandemic and the Bay Area economy has not recovered to pre-COVID levels, so CCEEB requests that the Air District again postpone any fee increases and the new Criteria Pollutant and*

Toxic Emissions Reporting (CTR) fee for the upcoming fiscal year.

BAAQMD Response to Comment 3: The Air District staff has been closely tracking the Bay Area economy and effects of the pandemic. The fee amendment recommendations proposed for this fiscal year have been made with this information considered.

While the Bay Area's economy has been initially recovering slower from the impacts of Covid-19 than other metropolitan areas around the country and taking longer due to stricter shutdowns, economic activity has picked up considerably and robustly since the beginning of 2021.

This rebound in economic activity is evidenced by stronger hiring across all sectors of the Bay Area's economy and higher prices paid both by producers and consumers in the Bay Area, including very different global energy prices. Compared with last year's uncertainty for the economic path of the Bay Area's economy given the unknown and untested strategies to contain the virus, this year the situation is very different. Now, the country has a clear and safe way to put the virus behind us. 2021 is projected to be one of the best for the country's and Bay Area's economy since World War II, thanks to strong federal spending geared toward economic recovery efforts.

Because of the expectations of historically higher economic growth and higher than average inflation – even if temporary – postponing fee increases for the next fiscal year would not be fiscally prudent for the Air District in this economic environment.

Comment 4: *CCEEB comments that, pursuant to California Health & Safety Code Sections 40271-40275, the Air District receives property tax revenue every year that accounts for about 34% of the FYE 2022 general fund revenues. CCEEB asserts that this revenue stream helps to stabilize Air District revenues in the event of economic downturns like the one we are currently experiencing, and that Health & Safety Code Section 40271 anticipates that the property tax revenue received will be utilized for the next fiscal year. CCEEB also observes that it appears that the Air District regularly shifts a significant portion of this revenue to its reserves, which have increased about 23% per year over the last decade to levels that are now nearly three times the Board's policy goal – even after reducing the fund balance by about \$24 million in 2017 and 2019 via property acquisitions. Thus, CCEEB suggests there is fiscal space for BAAQMD to delay any aggressive fee increases until the local economy is on a more stable footing.*

BAAQMD Response to Comment 4: California State Law allows the Air District to recover up to 100% of permit related cost through fees. While property tax revenue is currently being used to fill the gap to cover permit-related activities, this is only intended until the Air District is able to reach its goal of 100% cost recovery. General Fund Reserves should not be used to support on-going costs. While the Air District currently has a healthy reserve, the Air District must be fiscally prudent with its reserves to weather any potential long-term economic recovery or uncertainties.

Comment 5: *CCEEB comments that the Air District has a cost recovery goal of 85%. Some members of the Board have expressed a desire to establish a goal of 100% cost recovery for future years. Before embarking on such a goal, CCEEB believes that the Air District first needs to focus on cost effectiveness of its current operations.*

BAAQMD Response to Comment 5: The Board of Directors is currently having this policy discussion and will provide further direction to staff. The Air District is currently working on hiring both a management consultant and looking at working with Matrix to reexamine cost recovery.

Comment 6: CCEEB asserts that for fiscal years ending 2015-2020, cost recovery has remained steady at 83-86% over the period, following the stated goal to achieve 85% recovery and, the total implied costs for the District's delivery of fee services have increased nearly 7% per year, which is more than three times the rate of inflation over this period. Recognizing this, CCEEB believes it will be difficult to plan for and reach 100% cost recovery under existing spending practices as the Air District continues to make recommendations that will likely lead to cost increases greater than inflation.

BAAQMD Response to Comment 6: The Air District staff is aware of the complexities with proposing a 100% cost recovery target and will conduct an appropriate analysis prior to any such recommendation.

Inflation in the Bay Area is different from the US average inflation, it is typically higher. If CCEEB is referring to "inflation" as a CPI index, there are several indexes. During some years, the Bay Area consumer CPI index more than doubles US average rate. While the US average CPI-U index for metropolitan areas during 2015-20 averaged under 2% per year, the Bay Area's averaged over 3.1% per year.

The fact that the Air District is trying to recover costs by increasing fees on an average of 6.8% across different schedules does not imply that the Air District's costs have increased on average 6.8%. Air District's costs do not necessarily mirror inflation, nor do any organization's costs, since inflation is an average index of consumer goods, a basket of goods and services, and organizations may or may not consume similar goods or services to an average consumer. Therefore, the comparison with the CPI-U is not relevant, since CPI-U does not accurately reflect Air District's costs.

Comment 7: CCEEB asserts that the Air District should examine its hiring plans and the resulting budget impact in the context of its long-term costs and revenue streams. Large staff increases come with significant pension and OPEB obligations, and these new positions and costs must be justified against projected workload in the future. These ongoing costs require sustainable funding sources. Larger stationary sources continue to reduce emissions and/or shut down, as we have seen in the current economic downturn and fee revenue diminishes. CCEEB suggests the Air District consider the strategic use of contract labor for one-time projects or surges in workload. For example, the Air District could utilize consultants or temporary employees to process permit applications, as has been recently done to conduct Rule 11-18 health risk assessments. Employing temporary contractors could allow the District to complete its work without taking on the long-term financial obligations for which there is not dependable funding.

BAAQMD Response to Comment 7: Contractors and consultants are currently used for short term projects. Many of the Air District programs are understaffed and have been for many years. As part of the request for staff expansion this year, the Board is requiring the Air District to undergo a management audit to examine how staff resources are deployed in certain areas that require staff increases.

Comment 8: CCEEB comments that for some fee schedules, the Air District is already recovering more than 100% of its costs. For example, Schedule C shows a cost recovery of 220%, Schedule P shows a cost recovery of 109%, and Schedule X is recovering 1111% of its costs. We understand the proposed fee increases are based on an historical three-year average cost recovery, but we are concerned that the District has not demonstrated a justification for collecting fees in excess of 100% of costs. Charging fees in this manner could constitute a tax. CCEEB

notes that, pursuant to Proposition 26, the Air District must demonstrate that fee amounts are no more than necessary to cover the reasonable costs of regulation. Therefore, it is incumbent upon the District to provide details on how the costs have been calculated.

BAAQMD Response to Comment 8: The Air District is aware of the requirements of Proposition 26, and only proposes fee amendments which would comply with the proposition, as explained in the Rule Development Staff Report as part of the 2nd public hearing on the proposed fee amendments. Labor costs vary for the different programs from year to year. We are happy to help CCEEB better understand the Air District's cost recovery process.

When Schedule X was adopted, it was based on projected capital costs, amortized over 10 years, to set up a network of community air monitoring stations. There is no plan to collect Schedule X Fees after these amortized costs of the stations are collected. To date, Schedule X costs are associated with the evaluation of existing monitors, working with the affected communities, and planning, siting, and designing new monitors. Please contact Ila Perkins at iperkins@baaqmd.gov or (415) 749-8448 with questions on the community air monitoring station site selection and development, and Jerry Bovee at jbovee@baaqmd.gov or (415) 749-4601 with any other questions on the community air monitoring stations.

Air District's priorities are regularly evaluated and reallocated. Recent priorities have focused on odorous source types such as landfills and composting facilities. Specifically for Schedule C sources, the Air District is reviewing Regulation 8, Rule 5: Storage of Organic Liquids for rule development to meet AB 617 Best Available Retrofit Control Technology (BARCT) requirements. This effort would shift priorities and resources to the organic liquid storage tank category.

The one-year cost recovery percentage for Schedule P is shown in Figure 2 of the Air District's 2021 Cost Recovery Study as 109.0% for FYE 2020, and the 3-year average, which the Air District uses for cost recovery, is below 100%, at 93.6%. Thus, the proposed 7% change is recommended per the Air District's cost recovery methodology. Some of the activities covered by Schedule P include reviewing monthly CEM reports for each facility and approval of newly installed monitors. In addition, the following tasks are covered for approved CEMs and approved PEMs. On the CEMs side, it includes CEMS plan/modification approvals, RATA/Performance Specification plan/report review, FAT tests conducted by Air District staff, monthly report reviews and excess emission report reviews. Although we had to scale back FAT testing due to COVID, all other duty/task volumes have increased over the years. In addition, we expect our CEMs work to increase as we are looking into Manual of Procedures revisions that will expand the acceptable pollutant types and QA/QC requirements related to CEMs.

Comment 9: *CCEEB asserts that the way the Air District determines and calculates its costs and how these costs determine fee increases remains opaque. CCEEB claims that in some cases, the records appear to indicate that staff recorded more hours than exist in a total working year. CCEEB requests an explanation of staff's coding of ~9,000 hours for "engineering special projects," which comprises 7% of staff's total billing codes for FY 2020. It is unclear what work these hours are allocated for as they do not appear to support work associated with Engineering staff's primary functions, such as permit evaluations. CCEEB seeks a clear description of how timekeeping is recorded, allocated to programs, and converted into costs that determine fee increases.*

BAAQMD Response to Comment 9: The Air District believes that the current opportunities for participation, comment and review provide transparency with the regulated entities. Going forward, the staff would welcome further dialog on the specifics of this request and will continue

to work with the BAG and other interested entities improve this process.

Many staff work on 'engineering special projects' such as maintaining permit documents such as forms, the website, the Permit Handbook, Policies and Procedures, and the Best Available Control Technology Guidance. These activities are not coded to the direct permitting of stationary sources. Another example is staff training that is not specific to certain source category.

Comment 10: *Criteria Pollutant and Toxic Emissions Reporting Fee – CCEEB comments that Air District staff is proposing that each permitted facility shall pay a new CTR fee equal to 4.4% of the facility's annual total permit renewal fee, not to exceed \$50,000. CCEEB appreciates the fee cap but is unable to understand the cost recovery basis for this fee, as it does not appear to reflect the amount of time that must be spent in determining and/or verifying emissions and reporting the information to the Air Resources Board. The 4.4% of a facility's total permit renewal fee does not adequately cover costs for permitting small sources, thus effectively shifting the financial burden to major sources.*

Refineries in particular have a fee imposed by Regulation 12-15. Other facilities will report pursuant Regulation 11-18. It is our hope that the District streamlines its processes to avoid duplication of efforts and costs and suggest this could be an area ripe for further evaluation in a management performance audit.

BAAQMD Response to Comment 10: Criteria Pollutant and Toxic Emissions Reporting, the Regulation 11-18: Reduction of Risk from Air Toxic Emissions at Existing Facilities, and Regulation 12-15: Petroleum Refining Emissions Tracking are separate programs. Although there is some data that that is shared, the requirements are different. The primary purpose of CTR is to report specific data to the California Air Resources Board. The 11-18 program requires additional information for modeling. The 12-15 program is used to track emissions trends with crude slate.

One purpose of the CTR fee is to fund the effort to program the Air District system to manage the new CTR requirements and provide tools for reporting. The proposed fee would be applied to all permitted facilities as they would be subject to CTR when fully implemented.

In 2021, the first phase of CTR impacts five (5) petroleum refineries and three (3) support facilities. The collection and processing of CTR data is currently being done in conjunction with 12-15 reporting. The Air District has tried to work with the facilities to streamline the data gathering process until a more efficient system is in place. Engineering and Assessment, Inventory and Modeling staff have spent considerable time to manually prepare inventories under California Emission Inventory Development and Reporting System (CEIDARS) and now CTR from these facilities for submittal to the California Air Resources Board. Despite this, we are committed to continue our streamlining efforts with the facilities. When the system changes are implemented, staff expects efficiency improvements for the regulated community and Air District staff.

Comment 11: *AB 617 Community Health Impact Fee – CCEEB comments that the Air District adopted a new AB 617 Community Health Impact fee for the current fiscal year and that it the fee structure was changed just before adoption with no explanation as to how 6.7% of the permit renewal fees for Title V facilities may equate to proportionate emissions from these facilities versus other sources of emissions. CCEEB believes that the AB 617 fee places a disproportionate portion of program costs on permitted stationary sources, particularly major sources. AB 617 seeks to identify and reduce all emissions that may impact communities, and*

the bulk of the emissions, as the District is quite aware, is emitted by mobile sources. CCEEB is still seeking clarity on how the Air District determined the existing AB 617 fee structure.

BAAQMD Response to Comment 11: The Air District's Community Health Protection Program works with Bay Area communities to improve community health by reducing exposure to air pollutants in neighborhoods most impacted by air pollution. Air District staff work closely with the California Air Resources Board (CARB), other local air districts, community groups, community members, environmental organizations, regulated industries, and other key stakeholders to reduce harmful air pollutants. The AB 617 Community Health Impact fee was introduced and adopted on June 3, 2020. The rationale and analysis for the fee is fully described in the Rule Development Staff Report for the proposed amendments to Regulation 3 for Fiscal Year End 2021.

Comment 12: *CCEEB comments that AB 617 has been underfunded and that sustainable funding should be provided by the State rather than placing the burden on stationary sources. CCEEB supports the Air District joining other air quality management districts in seeking more State funding for the implementation of AB 617, given it is a state-mandated program. For any shortfall that may still exist, then only the portion of the shortfall equal to the relative contribution of the burden identified in AB 617 as arising from stationary sources should be charged to stationary sources. The remaining costs should be funded by property tax revenue from the counties as these represent burdens contributed by activities of the general public.*

BAAQMD Response to Comment 12: The Air District currently receives \$9 million per year in state funding for the Community Air Protection Program. Air District activities and expenditures are regularly provided to the California Air Resources Board. These grants do not fully cover the costs of the program. Since stationary sources contribute to the air pollution that impacts these communities, it is reasonable that stationary sources should provide some funding to the program. Staff carefully tracks labor costs and other expenditures to ensure that the fee only covers activities to which stationary sources contribute. For example, community-scale ambient air quality monitoring is an eligible expense since stationary sources make up a portion of ambient air pollution. Other expenses are not considered appropriate for this funding and are paid from the state grant. For example, capacity building grants to community-based organizations in San Jose would not be appropriate for this funding.