



June 2, 2021

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Bill Quinn
President

California Council for Environmental and Economic Balance
101 Mission Street, Suite 1440
San Francisco, CA 94105

Dear Mr. Quinn:

Thank you for your March 19, 2021 Workshop comments on the Proposed Budget and Draft Amendments to Regulation 3: Fees for FYE 2022.

Below are your comments and the BAAQMD's (Air District's) responses.

Comment 1: *CCEEB requests the Air District endeavor to make important relevant background documents (workshop presentation, cost recovery study, and draft proposed budget) available to the public in advance of the workshop.*

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.

Please contact me if you have any questions at byoung@baaqmd.gov or (415) 749-4721.

Regards,

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