



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

STAFF REPORT

Proposed Amendments to BAAQMD REGULATION 3: FEES

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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) 2023 that would increase revenue for effectively implementing and enforcing regulatory programs for stationary sources of air pollution. FYE 2023 represents July 1, 2022, to June 30, 2023.

The 2022 Cost Recovery Report shows that the most-recent 3-year average fee revenue (FYE 2019 to 2021) stood at 83.8 percent of program activity costs. Cost recovery rates are impacted by changes to several factors including but not limited to new and enhanced programs/rules, staffing levels, Air District priorities, facility emissions and facility permitting. Therefore, cost recovery is evaluated annually and aligned with the proposed budget for the next fiscal year. The overall cost recovery rate does not consider work backlog, the staff time needed for the Air District to meet its regulatory obligations and the reduced level of service. In other words, the driving factor on the cost side only accounts for time spent on fee-recoverable work with the existing staff regardless of the timeliness and the quality of the work.

Typical work that is supported by fees in Regulation 3, includes but is not limited to:

- Permitting and notification programs
- Compliance and Enforcement of permitted and registered facilities
- Compliance assistance to permitted and registered facilities
- Source Testing at permitted facilities
- Rule development for regulated industries
- Emissions inventory from permitted and registered facilities
- Other (e.g., Implementation of Regulation 11, Rule 18: Reduction of Risk from Toxic Air emissions at Existing Facilities)

Examples of work backlog include but not limited to:

- Delays in issuing permits, registrations, and notifications, reviewing source test reports, completing rule studies and rule development, implementing regulatory requirements, and evaluating facility-wide health risk assessments;
- Longer inspection frequencies;
- Limited time to quality control data and emissions inventories; and
- Increased response times to air quality complaints, inquiries, requests for information, and general assistance.

To close the existing cost recovery rate gap and to provide for additional staff to reduce the work backlog, the fee proposal strategy recommended is to increase all fee schedules that are not deemed fully recovered (less than 110 percent cost recovery) by 15 percent. With few exceptions, the proposal increases administrative fees in Section 300 by 15 percent.

The proposal includes new fees to fund some of the cost to implement “2021 Permit Reform amendments” or amendments to Regulation 2 (Permits), Rules 1 (General

Requirements) and Regulation 2, Rule 5 (New Source Review (NSR) for Toxic Air Contaminants). These amendments were adopted in December 2021 and become effective on July 1, 2022. The proposed new fees are to offset the costs from the permit rule changes for facilities located in an overburdened community (OBC). These fees will recover costs for new public noticing requirements, additional work to ensure compliance with NSR for Toxics, system/programming changes, and new tools for applicants and staff. The new fees are:

- Adding Subsection 3-302.7 – Overburdened Community application fee, which is a \$1,000 fee for applications requiring a health risk assessment in an OBC;
- Amending Section 3-318 – Public Notice Fees, which would apply to any public notice requirement; and
- Adding Subsection 3-327.4 – Overburdened Community renewal fee, which adds a fee equal to 15% of the annual total permit renewal fee for a facility located in an OBC, capped at \$250,000 per year.

2021 Permit Reform implementation costs for non-OBC facilities will be accounted in future cost recovery analyses. This work includes general system changes and emissions inventory improvements.

In an ongoing effort to fund mandated work that is not being charged a fee, the proposal includes amending Schedule S: Naturally Occurring Asbestos, by adding a new evaluation fee of \$3,200 and a \$179 per hour inspection fee when a Geologic evaluation is required.

Fee rounding language which was previously cited in specific fee schedules was deleted and consolidated in Section 3-344. In addition, editorial text and formatting were made.

The Air District has over 10,000 facilities with more than 26,000 devices and operations with an active Permit to Operate and/or Registration. There are an estimated 2,400 facilities with a Permit to Operate in OBC areas. If all proposed amendments are approved, the impact of the changes to a facility’s permit renewal fees are approximately the following:

**Estimated Impact of the FYE 2023 Fee Changes:
Permit Renewal Fees**

Facility type	Percent impact, not in an OBC	Percent impact, in an OBC
Registered only	No change	No change
Gas dispensing facility ¹	1.0	15.0
Emergency generator (minimum fee)	15.0	31.0
Auto body operation only	13.0	32.0
Power plant ²	15.0	≈31.6
Petroleum refinery ²	12.9	17.7 to 22.5

¹ Based on a common configuration of 6 islands with 3 triple product nozzles

² Based on the same permitting scenario as the previous year

The proposed fee amendments would increase overall Air District fee revenue in FYE 2022 by approximately \$8.95 million relative to fee revenue that would be expected without the amendments for the same permitted facility inventory. The portion of the estimated total revenue from new fees is \$2.46 million.

The Board of Directors received testimony on May 4, 2022, 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, 2022.

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.

For existing fees, the amendments are proposed in a manner sufficient to increase overall recovery of regulatory program activity costs, not to exceed 15 percent. The amendments follow a strategy to increase individual fees and fee schedules that are not fully recovered by 15 percent. An individual fee or fee schedule is not considered fully recovered if the past 3-year cost recovery rate average is less than 110 percent. No increases are proposed for fee schedules recovering costs above 110 percent. Several administrative fees will be increased by 15 percent. This strategy addresses the current cost recovery gap while accounting for the need to start addressing future resources to reduce the work backlog.

In addition, the amendments contain new fees to recover cost from new programs and rules such as the 2021 Permit Reform amendments and significant work previously not charged a fee.

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 web-based capabilities, annual updates to cost recovery, improved public education, submittal of online permit applications, and transitioning to the new Cloud-based data system, the New Production System (NPS). Implementing these strategies has resulted in efficiencies as well as the ability to provide

a higher service level.

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

The Matrix Consulting Group was retained by the Air District in July 2021 to provide a cost recovery and containment study to update the study completed in 2018. 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 2018 recommendations for cost recovery and savings. The primary purpose of this study was to review and verify current cost recovery calculation methodology, determine options for achieving 100% cost recovery, ensure compliance with all legal regulations (Proposition 26, Proposition 218, and California Health and Safety Code), and continue best management practices by having an outside auditor reassess the fee calculations approximately every five years. This rule proposal follows one of the scenarios in the current Cost Recovery and Containment Study to reach 100% cost recovery.

The project team interviewed internal and external stakeholders, reviewed the Air District’s programs and confirmed their cost classification as direct or indirect, and reviewed time tracking data associated with each of the different fee schedules. The final report, expected in the summer of 2022, will provide specific recommendations related to direct and indirect cost recovery, as well as potential cost efficiencies.

For the 2022 Cost Recovery Report, staff updated the cost recovery analysis for FYE 2021 using the methodology established by Matrix Consulting Group. The study indicates that the overall cost recovery rate for FYE 2021 was 83.7 percent. This rate is based on a 3-year average of the previous fiscal years. The schedules with the lowest cost recovery rates are Schedules K (9 percent), S (16 percent) and W (12 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 impact cost recovery. If approved, new Air District full-time employees (FTEs) supported by Regulation 3 fees that are proposed in the FYE 2023 budget would impact cost recovery. For revenue, facility permitting such as permit renewals/shutdowns, permit applications, and revenue

from emission levels impact cost recovery. Additional FYE 2023 costs that are expected to increase are from: adding staff, revising HRA streamlining for Permit Reform amendments, and job classification changes in Compliance and Enforcement. Cost recovery progress is reported to the Board annually.

PROPOSED FEE AMENDMENTS FOR FYE 2023

OVERVIEW OF PROPOSED AMENDMENTS

The Air District is proposing increases to fees and fee schedules based on their cost recovery status. In addition, the proposal includes a new fee to implement adopted amendments to Regulation 2, Rules 1 and Regulation 2, Rule 5, a new fee for Geologic evaluations in the Naturally Occurring Asbestos program, clarifying language for fee founding and administrative clean-up.

The fee schedules that are not considered fully recovered are proposed to be increased by 15 percent as listed in Table 1.

Table 1. Fee Schedules Proposed for a 15% Increase

Schedule	Description
Schedule A:	Hearing Board Fees
Schedule B:	Combustion of Fuels
Schedule E:	Solvent Evaporating Sources
Schedule F:	Misc. Sources (e.g., storage silos, abrasive blasting)
Schedule G-1:	Misc. Sources (e.g., glass manufacturing, soil remediation)
Schedule G-2:	Misc. Sources (e.g., asphaltic concrete, furnaces)
Schedule G-3:	Misc. Sources (e.g., metal melting, cracking units)
Schedule G-4:	Misc. Sources (e.g., cement kilns, sulfur removal & coking units)
Schedule H:	Semiconductor and Related Operations
Schedule K:	Solid Waste Disposal Sites
Schedule M:	Major Stationary Source Fees
Schedule N:	Toxic Inventory Fees
Schedule P:	Major Facility Review Fees
Schedule S:	Naturally Occurring Asbestos Operations
Schedule T:	Greenhouse Gas Fees
Schedule V:	Open Burning
Schedule W:	Petroleum Refining Emissions Tracking Fees

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 A. Proposed fee increases have been rounded to the nearest whole dollar.

PROPOSED RULE AMENDMENTS IN SECTION 200

Section 3-246: Overburdened Community

The Air District added a reference to the definition located in Regulation 2, Rule 1.

PROPOSED RULE AMENDMENTS IN SECTION 300

The following sections of Regulation 3 are proposed to be increased by 15 percent:

- 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 3-302.7: Fee for applications in an Overburdened Community:

To implement the new requirements in Regulation 2, Rule 5, staff estimates approximately 5 hours of additional analysis, evaluation and initial verification for each application that requires an HRA in an OBC. These projects will need to meet a more stringent cancer risk threshold or risk action level to comply with Toxic New Source Review. Because the level to comply is more stringent, staff expect additional discussion and evaluation with the applicant to ensure the final permit of the project is in compliance with NSR for toxic air contaminants. In addition, start-up verification including source tests and or start-up inspections may be required. Staff estimates between 50 to 80 applications per year that could be impacted by this fee.

Section 3-318: Public Notice Fee

To implement the new requirement for public noticing for applicable permit applications located in an OBC (Regulation 2, Rule 1, Section 412), language for this section was amended to allow for this section to apply to any public noticing requirement in the permit application process. The OBC public notice is triggered if the new or modified source in the permit application is in an OBC and an HRA is required. The public notice fee is based on the actual cost of the work. For the last 3 years, the public school notification cost has been between \$1,000 and \$6,800. The cost primarily depends on the number of impacted schools and the population density of the area. The cost of an OBC public notice is expected to be in the same range.

Section 3-327.4: Overburdened Community renewal fee

To implement the 2021 Permit Reform amendments for overburdened facilities, staff has been developing interim tools to be ready by the July 1, 2022 effective date and planning for long term changes to the data systems. These changes include a new mapping tool to identify a facility's OBC status based on address, cross-streets and location. The map will be compatible with the current interactive maps on the Air District's website. Using a Master Services Agreement with an existing vendor and contract, staff is working to finalize the interim mapping tool by late June 2022. Implementation challenges include identification of the OBC status of numerous facilities located on the border of or straddling the OBC line. As a long-term goal, the OBC map will be merged with the existing interactive "Facilities Map" that will be regularly updated (<https://www.baaqmd.gov/about-air-quality/interactive-data-maps>). The mapping tool will also be integrated into the NPS. When applications are submitted online, OBC status will be automated and corresponding application OBC fees will be calculated. The data systems are being programmed with the updated toxic air contaminants metadata. Enhanced logic is being developed in NPS to properly calculate emissions and trigger levels for various permit tasks for OBC facilities.

There are approximately 2,400 facilities that have initially been determined to be located in OBCs. It is an Air District priority to ensure the facilities in these communities are in compliance, which requires additional resources for compliance assistance, verification and enforcement. More permits may require initial and periodic compliance verification through monitoring and source tests. Resources will be required to review plans, reports and records. The Air District may perform source tests and will need to validate test results from outside source testing companies. In addition, the Air District may not have internal expertise to perform some specialized testing. In these cases, the Air District will need to coordinate with an outside testing company. The emissions inventory in OBCs will have a higher level of scrutiny and verification. Due to lack of staffing, continuous emission factor updates in the database have been put on hold. There will need to be a renewed and continuous effort to validate and update emission factors and emission estimation methodologies.

The equivalent of twelve (12) FTEs is estimated for full implementation of the 2021 Permit Reform amendments. Some of the cost, especially in the first year, will be on the design and maintenance of the infrastructure including the indirect ongoing costs of maintaining the web tools.

- Average staff cost of \$200,000 per fully-funded FTE
- 12 FTEs x \$200,000 = \$2,400,000

Although the final allocation has not been determined, staff estimates two to four FTEs in Engineering/Field Engineering, one (1) FTE in Information Technology, and six to eight (6 to 8) FTEs in Compliance & Enforcement (C&E) and two (2) FTEs in Meteorology and Measurement divisions are needed. An estimated \$100,000 to \$400,000 is needed for contracts.

The proposed OBC renewal fee is based on a percentage of a permitted facility's permit renewal fees of 15 percent. As part of the renewal fee, the OBC fee will be calculated prior to the addition of the AB 617 Community Health Impact Fee (Section 3-327.2) and the Criteria Pollutant and Toxic Emissions Reporting (CTR) fee (Section 3-327.3). The OBC renewal fee is capped at \$250,000.

Section 3-344: Rounding

References to fee rounding were inconsistently cited throughout the regulation. Those citations were removed and replaced by this section.

OTHER FEE SCHEDULE CHANGES

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

Schedule C: Stationary Containers for the Storage of Organic Liquids

To align calculation for the Risk Assessment Fee (RAF) with the change to the filing fee in Section 3-302, the base fee was changed in Schedule C.2.a.

Schedule D.A: Gasoline Transfer at Gasoline Dispensing Facilities

The RAF for existing GDFs is proposed for a 15 percent increase in Schedule D.A.4.b. This will improve alignment of the RAF fee already being charged to new GDFs for the same work.

Schedule S: Naturally Occurring Asbestos

The Air District is proposing a new fee for a Geologic evaluation in the naturally occurring asbestos program. This work has been done for several years without charging fees. On average, the Air District performs ten (10) geologic evaluations per year, each taking about 16 hours to complete. At \$200 per hour for cost recovery, the Geologic evaluation fee is proposed to be \$3,200. Consistent with the inspection fee already in Schedule S for naturally occurring asbestos evaluations, the same inspection fee is proposed when an inspection is needed for a Geologic evaluation.

FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES

The 2022 Cost Recovery Report concluded that, for FYE 2021, fee revenue recovered 83.8 percent of regulatory program activity costs, with revenue of \$61.6 million and costs of \$51.4 million. This resulted in a shortfall based on a 3-year average, or cost recovery gap, of \$10.2 million which was filled by county tax revenue.

The Air District implements cost containment measures as needed including reducing capital expenditures and delaying the hiring of staff. The latter may improve the cost recovery rate but ignores the work backlog. The cost recovery rate does not factor in approximately ten (10) approved positions supported by fees from the FYE 2022 budget that have been on hold for hiring. Costs will increase when these positions are filled and time is billed to fee-based activity. The costs for implementing the 2021 Permit Reform amendments that are not covered by the new proposed fees will be incorporated into the annual cost recovery review.

The proposed fee amendments for FYE 2023 are projected to increase overall Air District fee revenue by approximately \$8.95 million relative to fee revenue levels that would be expected without the amendments. Revenue in FYE 2023 is expected to remain below the Air District's regulatory program costs for both permitted and non-permitted sources.

In the FYE 2023 Budget, the Air District proposes to increase staffing levels by 20 FTEs from 445 FTEs to 465. Many of these FTEs will be supported by fees. This proposal is based on preliminary findings from the on-going Management audit that identified risk in various under-staffed programs including Engineering, Compliance and Enforcement, and Meteorology and Measurement Divisions. These positions have not been specifically identified and will require further review and recommendations from the Management audit. If any or all FTEs are approved and hired, the cost of programs supported by fees will increase.

Some of the efficiency-based and cost management strategies that have been implemented include timekeeping improvements including auditing, review and updates to the cost recovery evaluation, improved public education, training, improved accessibility of information, and expansion of online services. Implementing these strategies has 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 for renovation and demolition projects. As of May 10, 2022, 1,434 facilities have been migrated into NPS from the legacy system in FYE 2022. Currently, 68 percent of all permitted and registered facilities are fully managed by NPS. Staff continues to develop the system to manage additional device types and facility configurations. In 2021, approximately 6,000 renovations and demolition asbestos notifications were processed through NPS. Through the online portal, these tools will increase efficiency and accuracy by allowing customers to submit applications and notifications, report data for the emissions inventory, pay invoices and have access to permit documents.

The Air District expanded the ability to pay most invoices online and submit forms via email such as permit applications, annual data updates and administrative forms. In 2021, over 9,500 permit renewal invoices were paid, but only 21.9% were paid online.

Increasing online payment acceptance will reduce resources needed to follow-up with expired permits, reconcile over/under payments and issue renewed permit documents in a timely manner. Several facilities subject to Criteria Air Pollutants and Toxic Air Contaminants reporting (CTR) have transitioned reporting to the Air District from paper forms to electronic spreadsheets reporting. Instead of manually typing the information into the database, the electronic submittal may be uploaded directly into the system. The Air District will continue to implement automated features to improve efficiency.

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.

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 because 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.

Previous cost recovery strategies did not consider the work backlog that has grown over the last several years. Underfunding and understaffing FTEs in fee-based programs has an impact to the regulated community, the public and the economy that relies on the Air District to perform work on a timely basis.

The financial impact of the proposed fee amendments on small businesses depends on the fee schedule of the primary device/operation and whether the facility is located in an OBC. The Air District has over 10,000 active permitted and registered facilities with varying configurations, so it is difficult to show the impact for all situations. It is common for a facility to have a mixture of operations and device types that are charged different fee schedules.

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 will have no increase in FYE 2023. Whereas an auto body shop's primary operation is the painting operation under Schedule E with a proposed 15 percent increase.

Table 2a. Estimated Impact of Regulation 3 Amendments to Annual Renewal Fees for Typical Small Businesses Not Located in an OBC

Facility Type	Fee Schedule	FYE 2022 Fees (current)	Proposed Fees (post change)	Delta Change from Proposal	Percent Change from Proposal
Back-up Generator ^{1,2}	B	\$382	\$439	+\$57	+15%
Gas Station ³	D.A	\$2,707	\$2,729	+\$22	+1%
Auto Body Shop ^{1,2}	E	\$815	\$938	+\$123	+13%
Coffee Roaster	F	\$643	\$739	+\$96	+13%
Dry Cleaner ¹	R	\$259	\$259	\$0	0

1. Assuming facility has only one source.
2. Assuming source qualifies for minimum fee.
3. Assuming a configuration of 6 islands with 3-triple product nozzles.

Table 2b. Estimated Impact of Regulation 3 Amendments to Annual Renewal Fees for Typical Small Businesses Located in an OBC

Facility Type	Fee Schedule	FYE 2022 Fees (current)	Proposed Fees (post change)	Delta Change from Proposal	Percent Change from Proposal
Back-up Generator ^{1,2}	B	\$382	\$502	+\$120	+31%
Gas Station ³	D.A	\$2,707	\$3,121	+\$414	+15%
Auto Body Shop ^{1,2}	E	\$815	\$1,072	+\$257	+32%
Coffee Roaster	F	\$643	\$845	+\$202	+31%
Dry Cleaner ¹	R	\$259	\$259	\$0	0

1. Assuming facility has only one source.
2. Assuming source qualifies for minimum fee.
3. Assuming a configuration of 6 islands with 3-triple product nozzles.

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 3, the FYE 2023 projected annual permit fee increase for the five Bay Area refineries would range from approximately 12.9 and 22.5 percent. The annual permit fee increase for power generating facilities shown in Table 4 would range from approximately 15.0 and 31.7 percent. Projected FYE 2023 fee increases are based on FYE 2021 material throughput data.

Tables 3 and 4 also include current Permit to Operate fees paid and historical annual fee increases. The proposed fees have less of an impact on the Valero Refinery and Crockett Cogen than similar facilities in their category because they are not located in an OBC and therefore are not subject to the proposed new OBC renewal fee. The tables also show that the actual and predicted fee impact is difficult to predict. For large facilities, operational swings from year to year may have a significant impact on a facility's permit renewal fees.

Table 3. Comparison of Petroleum Refinery Annual Permit Fee Increase/Decrease with Projected FYE 2022 Impact

Facility	FYE 2021 % Fee change, actual/predicted		FYE 2021 renewal fee	FYE 2022 % Fee change, actual/predicted		FYE 2022 renewal fee	FYE 2023 <i>Projected,</i> % fee change
Chevron	8.7	5.2	\$4.0 million	-5.9	6.1	\$3.8 million	17.7
Martinez Refining Co.	10.4	6.2	\$3.9 million	3.4	6.9	\$4.0 million	17.8
Phillips 66	6.0	6.6	\$2.1 million	18.7	8.1	\$2.4 million	22.5
Tesoro	1.3	5.9	\$2.9 million	-11.7	6.2	\$2.6 million	21.2
Valero	7.9	6.5	\$2.5 million	7.5	6.9	\$2.7 million	12.9

Table 4. Comparison of Power Plant Annual Permit Fee Increase/Decrease with Projected FYE 2022 Impact

Facility	FYE 2021 % Fee change, actual/predicted		FYE 2021 renewal fee	FYE 2022 % Fee change, actual/predicted		FYE 2022 renewal fee*	FYE 2023, <i>Projected</i> % fee change
Crockett Cogen	-3.6	5.7	\$257,000	11.2	9.1	\$289,000	15.0
Delta Energy	16.7	5.7	\$530,000	12.6	9.2	\$608,800	31.7
Gateway	10.0	5.7	\$390,000	NA	9.3	\$390,000	31.6
Los Medanos	14.2	5.7	\$460,000	5.0	9.4	\$483,200	31.5

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

Regulation 3 rule development process runs in parallel with the proposed budget for the next fiscal year. California Health and Safety Code Section 41512.5 requires a district board, prior to adopting or revising fees applicable to emission sources that are not permitted, to hold a public hearing at least 30 days prior to the meeting of the district

board at which the amendments are adopted or revised. 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. The following are the key dates and activities in the rule development process:

Rule Development Step	Date
Budget Advisory Group meeting #1	January 24, 2022
Public workshop	February 17, 2022
Budget Advisory Group meeting #2	March 14, 2022
Written workshop comments due	March 18, 2022
Budget & Finance Committee briefing	March 23, 2022
Budget & Finance Committee briefing	April 27, 2022
Board of Directors first public hearing to receive testimony	May 4, 2022
Written Public Hearing comments due	May 25, 2022
Board of Directors second public hearing to consider adoption	June 15, 2022
Proposed fee amendments effective date	July 1, 2022

From January 2022 through April 2022, 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 Assembly Bill 361 (Rivas 2021). Starting in May 2022, meetings were conducted in a hybrid format where participation could be done virtually or in-person.

To provide early input from external stakeholders, the Air District established a Budget Advisory Group (BAG) to make the process more transparent. 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 Budget and Finance Committee, Air District staff, and regulated industry associations. Air District staff continue to outreach small business associations such as those representing auto body shops, retail gas dispensing facilities and dry cleaners.

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 the notice on the Air District website. At the February 17 workshop, staff presented the initial concepts for the draft Regulation 3 amendments. There were eleven (11) stakeholders that attended the public workshop held as a Zoom webinar. On February 25, the Air District posted its initial draft rule proposal. On March 16, a second notice was distributed to the same stakeholders to alert interested parties of an alternate proposal for consideration to the Budget and Finance Committee. After the second Budget and Finance Committee meeting on April 27, the options were narrowed to the version posted on March 16 for the May 4 Public Hearing. The legal notice for the second

public hearing was published on May 16.

PUBLIC COMMENTS

All written comments along with Air District responses since the public workshop until the end of the public comment period of May 25, 2022 are documented in Appendix B.

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 and notifications, ensuring and verifying compliance, verifying emissions, 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:
PROPOSED REGULATORY LANGUAGE –
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**REGULATION 3
FEES
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- 3-410 Deleted August 2, 1995
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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)*
- 3-246 **Overburdened Community**: As defined in Regulation 2, Rule 1 *(Adopted TBD)*
- 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 ~~\$546593~~, 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 ~~\$546593~~, 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 ~~\$546593~~ 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 ~~\$40,747,12,359~~. 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.

302.7 Fee for applications in an Overburdened Community: An applicant with a project that requires a Health Risk Assessment in an Overburdened Community shall pay a fee of \$1,000 in addition to any other permit application fees.

(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, 6/16/21, TBD)

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, 6/16/21)

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 ~~\$546593~~ 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 ~~\$546593~~ 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 ~~\$546593~~.

(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, 6/16/21, TBD)

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 ~~\$1,3051,501~~ for each source included in the alternative compliance plan, not to exceed ~~\$13,05315,011~~.

(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, 6/16/21, TBD)

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 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 ~~\$40,207~~11,738 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, 6/16/21, TBD)

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, 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 ~~\$402-117~~ for facilities with one permitted source, including gasoline dispensing facilities,

1.2 ~~\$204-231~~ for facilities with 2 to 5 permitted sources,

1.3 ~~\$404-461~~ for facilities with 6 to 10 permitted sources,

1.4 ~~\$602-692~~ for facilities with 11 to 15 permitted sources,

1.5 ~~\$799-919~~ for facilities with 16 to 20 permitted sources,

1.6 ~~\$999-1,149~~ 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~~\$115,000 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~~\$57,500 per year.

327.4 Overburdened Community renewal fee: The owner/operator of a permitted facility in an Overburdened Community shall pay a fee of 15 percent of the facility's total renewal fee, up to a maximum fee of \$250,000 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, 6/16/21, 11/3/21, TBD)

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 ~~\$546593~~ per exempt source.
(Adopted June 19, 2013; Amended 6/4/14; 6/3/15, 6/21/17, 6/16/21, TBD)
- 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 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, Amended 11/03/21)
- 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 ~~\$1,5821,819~~ for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
 - 341.2 ~~\$3,1643,639~~ for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.3 ~~\$6,3287,277~~ for facilities with 6 to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.4 ~~\$12,65514,553~~ for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.5 ~~\$25,31029,107~~ for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.6 ~~\$33,74738,809~~ 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, 6/16/21, TBD)*
- 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 ~~\$458,488181,916~~. 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 ~~\$246-248~~ 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 ~~\$2,5962,985~~ for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
- 342.2 ~~\$6,9608,004~~ for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 342.3 ~~\$14,76416,979~~ 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, 6/16/21, TBD)

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 ~~\$246-248~~ 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 6/16/21, TBD)

3-344 Rounding: Each fee will be rounded to the nearest dollar.

(Adopted XXXXX)

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/Adopted 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 <u>.049</u> \$3,504 <u>.030</u>	\$1,047 <u>1,204</u> \$353 <u>06</u>	
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 <u>.832</u> \$2,098 <u>.413</u>	\$1,047 <u>1,204</u> \$353 <u>06</u>	
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 <u>.206</u> \$2,098 <u>.413</u>	\$353 <u>06</u> \$353 <u>06</u>	
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 <u>.206</u> \$2,098 <u>.413</u>	\$353 <u>06</u> \$353 <u>06</u>	
5. For each application to revoke a variance	\$4,202 <u>.832</u>	\$353 <u>06</u>	
6. For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$2,788 <u>.206</u>	\$353 <u>06</u>	
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 <u>.049</u> \$3,504 <u>.030</u>	\$1,047 <u>1,204</u> \$353 <u>06</u>	
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 <u>.832</u> \$2,098 <u>.413</u>	\$1,047 <u>1,204</u> \$353 <u>06</u>	

		Large Companies	Small Business	Third Party
9.	For each Appeal (Permit, Banking, Title V).....	\$6,9998,0 49 per hearing day	\$3,5044,030 per hearing day	\$3,5044,030 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$3,5044,030	\$704810	
11.	For each application to Modify or Terminate an abatement order.....	\$6,9998,0 49 per hearing day	\$3,5044,030 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$3,5044,030	\$704810	
13.	For each application for an emergency variance in accordance with §42359.5	\$1,7472,009	\$353406	
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	\$3,5044,030	\$1,0471,204	\$1,0471,204
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, 6/16/21, TBD)

**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, 6/16/21)

**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: \$68,6278.91 per MM BTU/HOUR
 - a. The minimum fee per source is: \$366421
 - b. The maximum fee per source is: \$128,009147,210

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: \$546-593 plus
\$68,6278.91 per MM BTU/hr
 - b. Minimum RAF for first TAC source: \$8821,014
 - c. RAF for each additional TAC source: \$68,6278.91 per MM BTU/hr
*
 - d. Minimum RAF per additional TAC source: \$366421*
 - e. Maximum RAF per source is: \$128,009147,210
* 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: \$34,3039.45 per MM BTU/HOUR
 - a. The minimum fee per source is: \$260299
 - b. The maximum fee per source is: \$64,00473,605

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.~~

65. 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.

76. 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, 6/16/21, TBD)

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: ~~\$546~~593 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, 6/16/21, TBD)

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:

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

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~~ 672 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, 6/16/21, TBD)

RECOMMENDED DRAFT

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: \$1,892,176 per 1,000 gallons
 - b. The minimum fee per source is: \$942,083
 - c. The maximum fee per source is: \$75,180,457

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: \$516,593 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,554,178
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$942,083 *
 - e. Maximum RAF per source is: \$75,180,457

* 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: \$942,083 per 1,000 gallons
 - b. The minimum fee per source is: \$679,781
 - c. The maximum fee per source is: \$37,587,432,225

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, 6/16/21, TBD)

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: \$707813
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: \$1,3281,527
 - b. RAF for each additional TAC source: \$707813*
 - * 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: \$514591
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: \$5,7416,602
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: \$6,5157,492
 - b. RAF for each additional TAC source: \$5,7416,602*
 - * 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: \$2,8663,296
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: \$7,5798,716
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: \$8,3529,605
 - b. RAF for each additional TAC source: \$7,5798,716*
 - * 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: \$3,7874,335
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: \$39,99345,992
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: \$40,64646,743
 - b. RAF for each additional TAC source: \$39,99345,992 *

* 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: \$19,99322,992

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: \$100,207115,238

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: \$100,984116,128

b. RAF for each additional TAC source: \$100,207115,238*

* 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: \$50,10157,616

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, 6/16/21, TBD)

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
Galvanizing Equipment	Any

Equipment or Process Description	Materials Processed or Produced
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
Refining – Alkylation Units	Any Hydrocarbons
Refining – Asphalt Oxidizers	Any Hydrocarbons
Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Refining – Catalytic Reforming Units	Any Hydrocarbons
Refining – Chemical Treating Units including alkane, naphthenic acid, and naphtha merox treating, or similar processes	Any Hydrocarbons
Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons
Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Refining – Hydrotreating or Hydrofining	Any Hydrocarbons

Equipment or Process Description	Materials Processed or Produced
Refining – Isomerization	Any Hydrocarbons
Refining – MTBE Process Units/Plants	Any Hydrocarbons
Refining – Sludge Converter	Any Waste Materials
Refining – Solvent Extraction	Any Hydrocarbons
Refining – Sour Water Stripping	Any Process or Waste Water
Refining – Storage (enclosed)	Coke or Coke Products
Refining – Waste Gas Flares (not subject to Regulation 12, Rule 11)	Any Refining Gases
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 refineries (see G-2 for Refining - Oil-Water Separators)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at refineries (see G-2 for Refining – Strippers)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at refineries (see G-2 for Refining – Storage Ponds)	Wastewater from any industrial facilities except 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

(Amended 6/4/86, 6/6/90, 5/19/99, 6/7/00, 6/2/04, 6/15/05, 6/6/18, 11/3/21)

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
Refining – Stockpiles (open)	Coke or coke products only
Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from refineries only
Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from refineries only
Refining, Wastewater Treatment – Storage Ponds	Wastewater from 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, 11/3/21)

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
Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any 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, 11/3/21)

RECOMMENDED DRAFT

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
Refining - Coking Units including fluid cokers, delayed cokers, flexicokers, and coke kilns	Coke and Coke Products
Refining - Cracking Units including fluid catalytic crackers and thermal crackers and excluding hydrocrackers (see G-3 for Hydrocracking Units)	Any Hydrocarbons
Refining - Sulfur Removal including any Claus process or any other process requiring caustic reactants	Any Refining Gas
Sulfuric Acid Manufacturing – Any Chamber or Contact Process	Any Solid, Liquid or Gaseous Fuels Containing Sulfur

(Amended 6/7/00, 11/3/21)

RECOMMENDED DRAFT

SCHEDULE G-5

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

(Adopted 5/2/07; Amended 11/3/21)

RECOMMENDED DRAFT

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: \$821944
- b. The maximum fee per source is: \$65,68375,535

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):

\$555-638 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):

\$1,6491,896 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: \$516-593 plus initial fee
- b. Minimum RAF for first TAC source: \$1,4281,642
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source: \$821944 *
- e. Maximum RAF per source is: \$65,68375,535

* 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: \$594683
- b. The maximum fee per source is: \$32,83637,761

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):

~~\$279-321~~ 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):

~~\$821-944~~ 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, 6/16/21, TBD)

**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, TBD)~~

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

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) \$6,6797,681
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$3,3383,839
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$3,3383,839

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: \$546593 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) \$3,3383,839
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$1,6691,919
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$1,6691,919

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) \$3,6804,232
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$1,8452,122
 - 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) \$1,8452,122
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$1,3571,561
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$3,8814,463
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$1,3571,561
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$3,3963,905

- ~~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.~~

- ~~76.~~ 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, 6/16/21, TBD)

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 <u>145.34</u> per ton |
| 2. | Sulfur Oxides | \$126.38 <u>145.34</u> per ton |
| 3. | Nitrogen Oxides | \$126.38 <u>145.34</u> per ton |
| 4. | PM ₁₀ | \$126.38 <u>145.34</u> 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, 6/16/21, TBD)

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 ~~\$6.7~~ 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 ~~\$0.921.06~~ per weighted pound per year

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, 6/16/21, TBD)

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 ~~\$930-1,070~~ per source
- b. MFR EMISSIONS FEE..... ~~\$36,5942.08~~ 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 FEES ~~\$9,29610,690~~ 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 ~~\$1,2951,489~~ per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE ~~\$930-1,070~~ per source
- c. SYNTHETIC MINOR REVISION FEE..... ~~\$930-1,070~~ 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 ~~\$1,2951,489~~ per application
- b. MFR INITIAL PERMIT FEE ~~\$1,2951,489~~ per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE ~~\$366-421~~ per application
- d. MFR MINOR REVISION FEE ~~\$1,8382,114~~ per source modified
- e. MFR SIGNIFICANT REVISION FEE ~~\$3,4273,941~~ per source modified
- f. MFR REOPENING FEE ~~\$1,1241,293~~ per source modified
- g. MFR RENEWAL FEE ~~\$546-628~~ 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 ~~\$1,9362,226~~ per shielded source or group of sources

4. MFR PUBLIC NOTICE FEES

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 \$~~45,819~~18,192

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 \$~~221-254~~ per source, not to exceed \$~~21,746~~25,008

(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, 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, 6/16/21, TBD)

Updated from
3/17/2022 version.

RECOMMENDED DRAFT

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)

RECOMMENDED DRAFT

**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): ~~\$730840~~

Any person submitting a request to amend an existing ADMP shall pay the following fee: ~~\$374430~~

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: ~~\$5,6356,480~~

3. GEOLOGIC EVALUATION FEE:

Any person submitting a Geologic Evaluation for exemption from Section 93105 shall pay the following fee: \$3,200

34. INSPECTION FEES:

a. 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: ~~\$466-179~~ per hour

b. The owner of any property for which Geologic Evaluation is required shall pay fees to cover the costs incurred by the District. Inspection fees shall be invoiced by the District, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$179 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, 6/16/21, TBD)

**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.~~434~~151 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, 6/16/21, TBD)

**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: ~~\$150173~~
- 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: ~~\$540621~~ for 50 acres or less
~~\$734844~~
for more than 50 acres but less than or equal to 150 acres
~~\$9251,064~~ 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: ~~\$602692~~ for 50 acres or less

\$846938

for more than 50 acres but less than or equal to 150 acres

\$1,0621,221

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: \$778895
 - 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: \$385443 for 25 acres or less
\$540621 for more than 25 acres but less than or equal to 75 acres
\$656754 for more than 75 acres but less than or equal to 150 acres
\$772888 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, 6/16/21, TBD)

**SCHEDULE W
REFINING EMISSIONS TRACKING FEES**

1. ANNUAL EMISSIONS INVENTORIES:

Any 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~~77,842
- b. Each subsequent annual submittal: ~~\$33,845~~38,922

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~~4,758
- b. Each subsequent annual submittal: ~~\$2,069~~2,379

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 ~~\$9,404~~10,811.

(Adopted 6/15/16; Amended 6/5/19, 6/16/21, 11/3/21, TBD)

RECOMMENDED DRAFT

**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 B:
WRITTEN COMMENTS AND RESPONSES
FROM THE WORKSHOP AND PUBLIC
MEETINGS**

Commenter 1

- Submitted: March 18, 2022
- Bill Quinn, President & Christine Wolfe, Policy and Communications Director – California Council for Environmental and Economic Balance (CCEEB)

Comment 1:

CCEEB requests further detail of the work required of staff to implement Rule 2- 1 and Rule 2-5 as adopted by the Board in December 2021.

Specifically, they requested:

- *That staff provide greater detail on the tools and programs staff is planning to implement as well as the associated costs.*
- *That staff clarify if the amendments to Rules 2-1 and 2-5 place any new requirements on existing facilities*
- *That staff explain the need for this fee.*

BAAQMD Response to Comment 1:

The Air District will provide additional details on the costs to implement Rule 2-1 and Rule 2-5 in the Rule Development Staff Report for the proposed amendments to Regulation 3: Fees. The Staff Report should be available to the public and stakeholders in May 2022.

Implementation Items include, but are not limited to:

- Program Rule 2-1 response time changes, update data forms and web site
- Program updated health effects values and trigger levels, coordinate with renewals
- Create interactive Overburdened Community (OBC) Map (contractor + staff costs), update forms and web site
- Update public notice procedures, improve public notice web site
- Update Health Risk Assessment (HRA) Streamlining Policy, forms, and procedures
- Update Gasoline Dispensing Facility (GDF) HRA procedures, evaluation report procedures, forms, and web site

Comment 2:

CCEEB asserts that the amendments to Rules 2-1 and 2-5 did not require substantial changes in the way permit assessments, including HRAs, are conducted for new and modified sources. Commenter requested whether staff anticipate any significant challenges that will require additional staff effort to meet the 6/M standard relative to the 10/M standard.

BAAQMD Response to Comment 2:

Additional staff are required to implement Rules 2-1 and 2-5. More HRAs are expected, less can be streamlined and additional staff are needed. With a lower threshold, additional

refinements may be needed to pass an HRA. This includes labor for source test review to refine emissions.

Comment 3:

In order to understand the potential scale of the proposed revision of Section 3- 318, CCEEB requests that staff provide the range of costs that have been incurred by staff related to public noticing and subsequent activities over the last three years.

BAAQMD Response to Comment 3:

For the Air District's school public noticing program, public notice fees charged to applicants ranged from \$730 to \$7,000.

Comment 4:

CCEEB requests an estimate of the increased fee revenue expected from the changes that were made to Table 2-5-1 as part of the December 2021 amendments.

BAAQMD Response to Comment 4:

We expect a small increased fee revenue due to the addition of new toxic air contaminants (TACs) such as cobalt (a non-potent carcinogen) and carbonyl sulfide (not a carcinogen) and lower chronic TAC trigger levels. Lower acute Reference Exposure Levels (RELs) and lower acute trigger levels will have no impact on renewal fees but could result in an application related HRA fee for which additional work would be required.

Comment 5:

CCEEB comments that the Air District should develop organization-wide procedures for prioritizing and processing source tests before levying new fees. Requests that, prior to adopting additional fees for source test processing, staff works with stakeholders to develop a work plan to prioritize and process source tests across all programs because timely source test processing is critical to implementation of many of the Air District's programs.

BAAQMD Response to Comment 5:

The Air District agrees that timely source test processing is a critical element of the Air District's programs. Fees for source test review have not been proposed for the Fiscal Year End 2023 fee amendments.

Comment 6:

CCEEB requests that staff add clear guidance to facilities on the submittal process and review timeline for source tests in the Rule 11-18 Implementation Procedures.

BAAQMD Response to Comment 6:

Since the adoption of Regulation 11-18, the Air District has recommended that subject facilities start source testing as early as possible to be able to obtain verification of the

results for use in the HRAs. We can improve our guidance with the input from the Source Test Section.

Comment 7:

CCEEB states that it is unclear how changes in the Air District's fee base are incorporated into assessments of future-year needs. Requests that staff provide information on the total number of feepaying permittees paying into each fee schedule as well as permittee trends over the last three years.

BAAQMD Response to Comment 7:

Below are the total number of feepaying permittees paying into each fee schedule each year.

Schedule	2017	2018	2019	2020	2021
B	2677	3016	3516	3369	3548
C	132	160	159	155	155
D	2346	2404	2411	2413	2416
E	1554	1701	1691	1656	1597
F	548	667	697	702	700
G1	315	382	374	367	366
G2	77	86	93	94	94
G3	10	12	11	11	11
G4	9	9	9	9	9
G5	5	5	5	5	5
H	60	58	60	59	59
I	9	8	3	3	3
K	32	35	34	34	35
N	3104	3167	3326	5297	4685
P	88	87	85	85	85
R	772	919	893	865	801
T	768	760	754	734	1080
W	10	9	8	8	8
X	15	15	15	13	14

Comment 8:

CCEEB requests that staff provide an estimate for the projected growth in feepayers over the next several years due to implementation of the following programs:

- *CARB's Criteria Pollutant and Toxic Emissions Reporting rule*
- *Implementation of Rule 11-18 Phase I and Phase II*

BAAQMD Response to Comment 8:

We do not expect California Air Resources Board's Criteria and Toxics Reporting (CTR) Rule or Toxics 'Hot Spots' Emissions Inventory Criteria and Guidelines to bring in new

facilities. The requirements will increase the number of data fields and toxic compounds for which sites report data over the next 4 years, but not necessarily the number of facilities. As Rule 11-18 is implemented for Phase I and Phase II, there will be one-time payments of each HRA and Risk Reduction Plan fees, but annual renewal fees will decrease due to reduced toxic emissions.

Comment 9:

CCEEB asks to better understand what long-term cost savings would result from implementing routine source permit streamlining efforts, such as, for engine permits. CCEEB appreciates staff's efforts to seek efficiencies and hopes that streamlining efforts will free up staff time to efficiently process more complex permit applications.

BAAQMD Response to Comment 9:

Permit streamlining efforts, such as updating the Permit Handbook, will allow for faster permit evaluation and consistency. Efficiencies and streamlining should decrease the backlog of permit applications and allow for faster issuance of permits.

Comment 10:

CCEEB has questions about Schedule N – Toxic Inventory Fees and wants to know how the 9% increase was determined for Schedule N. CCEEB also asked if the Toxic Inventory Fees includes the CTR fee assessed at facilities.

BAAQMD Response to Comment 10:

The proposed increase to Schedule N is now 15%. The past 3-year average cost recovery is 70% and a 15% increase is needed to get to full cost recovery. The increase does not take CTR fees into account.

Comment 11:

CCEEB asked which revenue category are Schedule W fees allocated?

BAAQMD Response to Comment 11:

Schedule W revenue is included in the "Permits/Fees" general revenue category, more specifically under the "Permit Renewal & Application Fees" line item shown in TABLE II: Consolidated Revenues in the annual budget document. There is no allocation process.

Comment 12:

CCEEB asked for clarity as to the significant disparity between the FYE 2022 budget for these fees (Schedule N, Schedule W), actual fees collected, and FYE 2023 needs.

BAAQMD Response to Comment 12:

Schedule N can vary significantly from year to year based on a number of factors, such as the amount owed to CARB each year for AB 2588 inventory purposes and actual toxic emissions from regulated facilities. There was a recent large drop in Schedule N fees,

which is not likely to happen again. Most facilities are trying to improve their toxics emissions inventories. Facilities are updating their toxic inventories by source testing their sources instead of using default factors which are oftentimes conservative. This decreases the facility toxics emissions and associated Schedule N fees. Toxic emissions may continue to decrease as Rule 11-18 is implemented and facilities continue to improve inventories in attempts to avoid triggering Rule 11-18. Schedule W is calculated based on our standard cost recovery methodology.

Commenter 2

- Submitted: March 18, 2022
- Bob Brown, Director, Bay Area Region – Western States Petroleum Association (WSPA)

Comment 1:

WSPA comments that there is a 15% increase proposed for Schedule W. The commenter asserts that none of the refinery emission inventories have been approved by staff, however they are routinely used for rulemaking. They also assert that staff do not directly use the Regulation 12-15 inventories for refinery annual permit to operate fees but use a Microsoft Access database containing antiquated emission factors for ease of use.

BAAQMD Response to Comment 1:

The 3-year average cost recovery for Schedule W is only 12%, therefore the maximum increase of 15% is recommended for FYE 2023 to try to get to full cost recovery. The inventories have been deficient and therefore have not been approved. We do not believe Rule Development has used a refinery submitted Regulation 12-15 inventory without corrections, overwrites, or revisions from Engineering. The Air District renews the refinery permit to operate based on the most accurate inventory available.

Comment 2:

WSPA comments that that the 8% percent increase for GHG reporting is not warranted as the industry reports annual GHG emissions to the California Air Resources Board as part of their Mandatory Reporting Regulation.

BAAQMD Response to Comment 2:

Fee Schedule T is for the Air District's greenhouse (GHG) work activities that are not part of CARB's Mandatory Reporting of Greenhouse Gas (MRR) requirements. For example, stationary source GHG activities that are not part of CARB's MRR program involve many different programs and projects such as the development and implementation of the Methane Strategies, Organics Recovery Projects, and stationary source GHG thresholds of significance and guidelines for the Air District's California Environmental Air Quality Act program. The Air District will continue to be very active in climate protection and looks forward to working with WSPA on these important initiatives.

Comment 3:

The Schedule N: Toxics Inventory fee increase has been proposed every year, yet the refineries report these emissions under their Regulation 12-15 program. WSPA comments that this is double charging for the same emissions submitted.

BAAQMD Response to Comment 3:

Schedule N fees are for: (1) CARB’s AB2588 fees, (2) Health Risk Assessments (any costs not recovered via NSR risk screen fees or Rule 11-18 risk assessment fees), (3) toxic emission inventory improvements, and (4) any other fees needed to recover the costs of the Air District’s Toxics Section. These fees support the entire toxics program.

Comment 4:

The budget and fees consideration are occurring at the same time as the District- wide management audit. WSPA comments that they hope that process improvements recommended by the audit will be considered for the budget and fees process going forward.

BAAQMD Response to Comment 4:

Comment noted. We look forward to implementing any recommended process improvements to minimize risk in the areas of study by the management audit.

Commenter 3

- Submitted: March 25, 2022
- Deepti Jain, Environmental Engineering Coordinator – City of Sunnyvale

Comment:

“I’m emailing regarding the Reg 3 revisions public hearing scheduled for 4/6. At what time is the first hearing and when is the second hearing. I will plan my meetings accordingly. Can you please share more details”.

BAAQMD Response to Commenter 3:

“Here’s the link to the Air District’s Board Meetings webpage:

<https://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>

Currently, the April 6 Board Meeting is scheduled to start at 9:00 AM. As we get closer to the meeting date, you will be able to find the agenda and presentations posted there as well.”

Commenter 4

- Submitted: March 25, 2022
- Neil Kingston, Director of Building Operations – University of the Pacific - Dugoni School of Dentistry

Comment:

“We recently received notice draft amendments. I have no qualm with the increases. I do question the work being done by the BAAQMD to safeguard the health of bay area communities. I live in Benicia, and it has recently been disclosed that the Valero refinery has for years, and years been discharging hazardous materials into the community of Benicia and other North Bay cities and towns. Increases in fees by governmental agencies are generally associated with increased benefits to communities. One can clearly understand for instance that additional taxes or fees can be used target bad highways or aging water resource infrastructure. I hope that the increases result in more independence for BAAQMD from these major pollution generators, less hand in glove relationships, and a better quality of life for those who live in close proximity to these businesses.”

BAAQMD Response to Commenter 4:

The proposed fee amendments would pay for staff assigned to the Air District's stationary source regulatory programs, including permitting, compliance/enforcement, rule development, and monitoring. These regulatory programs strive to protect the health of Bay Area communities, including Benicia.

Commenter 5

- Submitted: March 29, 2022
- Sean Rose, Director of Public Works / Town Engineer – Town of Woodside

Comment 1:

“I am in receipt of you Notice of a 15% fee increase for Air Board regulation. Is this an annual increase, i.e., how many years does this increase cover? Is it making up for past years with no increases or covering future years or is it just for one year?”

BAAQMD Response to Comment 1:

“The proposed fee amendments would apply to the next fiscal year from July 1, 2022 to June 30, 2023. Regulation 3 is evaluated every year for potential amendments to pay for staff assigned to the Air District's stationary source regulatory programs, including permitting, compliance/enforcement, rule development and monitoring. These regulatory programs strive to protect the health of Bay Area communities.”

Comment 2:

“What were the % fee increases in FY20, FY21, and FY22?”

BAAQMD Response to Comment 2:

“For the past several years, the Air District has increased permit fees at a blended rate of approximately 6.4% per year for cost recovery purposes. However, your particular permit fees are dependent upon the type of sources and what Regulation 3 Fee Schedules they are each subject to.

To learn more about the proposed fee amendments from previous years, please find the Rule Development Staff Reports at these links:

- Staff Report for FYE 2022:
https://www.baaqmd.gov/~media/dotgov/files/rules/reg-3-fees/2021-amendment/documents/20210602_01_sr_fy2022_rg0300-pdf.pdf?la=en
- Staff Report for FYE 2021:
https://www.baaqmd.gov/~media/dotgov/files/rules/reg-3-fees/2020-amendment/documents/20200701_02_sr_rg03-pdf.pdf?la=en
- Staff Report for FYE 2020:
https://www.baaqmd.gov/~media/dotgov/files/rules/archive-2019-regulation-3/documents/20190524_sr_0300-pdf.pdf?la=en

Commenter 6

- Submitted: April 26, 2022
- Luis Amezcua, Senior CA Policy & Campaign Manager – Building Decarbonization Coalition

Comment:

“Please find attached a letter on behalf of Sierra Club, SPUR, RMI, the BAAQMD Network, and Menlo Spark in support of the proposed budget and its inclusion of a 10.9% blended rate increase for permit fees.”

BAAQMD Response to Commenter 6:

No response sent.

Commenter 7

- Submitted: May 25, 2022
- Christine Wolfe, Policy and Communications Director – California Council for Environmental and Economic Balance (CCEEB)

Comment 1:

CCEEB requests to remove the proposed permit renewal surcharge of Section 3-327.4 that would be levied on existing facilities based on their location from the amendments to Regulation 3. CCEEB asserts that it is unjustified and unnecessary.

BAAQMD Response to Comment 1:

Staff disagrees. The Section 3-327.4 permit renewal surcharge is necessary, since additional staff are required to implement the 2021 amendments to Rules 2-1 and 2-5. In addition to system changes and tools that need to be developed, it is an Air District priority to ensure the facilities in Overburdened Communities (OBCs) are in compliance, which requires additional resources for compliance assistance, verification and enforcement. More permits may require initial and periodic compliance verification through monitoring and source tests. Resources will be required to review plans, reports and records. The Air District may perform source tests and will need to validate test results from outside source testing companies. Also, the Air District may need to coordinate with outside

companies if the Air district does not have internal expertise to perform some specialized testing. The emissions inventory in OBCs will have a higher level of scrutiny and verification.

Comment 2:

CCEEB asserts that the District already has a fee in place to support permit fee recoverable work in overburdened communities (the AB617 Community Health Impact Fee).

BAAQMD Response to Comment 2:

The OBC-related fees and the AB617 Community Health Impact Fee support different Air District work. The OBC work is explained in the response above and more detail can be found in the staff report.

The AB617 Community Health Impact Fees for Title V Facilities was described as follows in the Staff Report for the FYE 2022 Fee Amendments:

In the implementation of AB 617 (C. Garcia, Chapter 136, Statutes of 2017), 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 are working 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. A new community health impact fee is proposed to help recover costs of program implementation.

CARB provides funding to the air districts for the implementation of AB 617. Currently, the funds provided do not cover the entire cost of program implementation. Costs for the implementation of AB 617 may be split into three different types. The first of these are fee recoverable activities, such as rule development of stationary sources, , and compliance and enforcement of stationary sources. The second type of activities are not fee recoverable, such as community outreach and engagement, capacity building and mobile source modeling and inventory. Third, there are a number of tasks that are partially fee recoverable. Some examples of these partially fee-recoverable tasks include the following: conducting detailed, community-scale modeling, managing community steering committees, and conducting community-scale source apportionment analyses.

Comment 3: CCEEB requests that next year's budget development and fee amendment process follows a more transparent, logical path.

BAAQMD Response to Comment 3:

The Air District staff has tried its best to make this year's process follow a transparent and logical path. The management audit and staffing evaluations should be finalized later this year, so there should be greater clarity for next year's process.

Comment 4:

CCEEB requests further clarity on how billing is conducted on a per-facility, instead of a per-fee schedule perspective.

BAAQMD Response to Comment 4:

The Air District bills the facility based on the following:

- Applicable administrative fees in the Regulation 3-300 series
- Emission fees in Schedule M, N, and T
- Fees based on source type in the fee schedules

The Air District is open to working with you to improve your understanding in this area. Note that timekeeping for labor is done on a granular level for each different fee schedule, so cost recovery for any particular facility with a blend of different source types is not available.

Comment 5:

CCEEB recommends that staff consider distributing information on fee increases over its email distribution lists, as it does for other rulemaking, rather than sending hardcopy notices only.

BAAQMD Response to Comment 5:

The Air District staff mails its Regulation 3 rulemaking notices to all known entities that are potentially impacted by a proposed Regulation 3 change. The notice is also mailed and emailed to other interested parties. The mailout is to ensure that the notice is sent to the contact on record. Since email is currently not the default communication method, we cannot be certain that the email addresses in our system are accurate or current. The Air District will explore improving to a more paperless process as we fully transition to the Production System.

Comment 6:

CCEEB supports the following recommendations provided by Matrix Consulting to the Budget and Finance Committee on April 27, 2022:

- *The method of reporting time spent on activity impacting more than one fee schedule at a singular facility should be better documented.*
- *Develop a standardized document outlining the Air District's methodology for establishing cost recovery by Fee Schedule.*
- *When new fees are tied to staffing resources, they should be adopted together.*
- *Results of the management audit should be incorporated into future cost recovery analysis.*

BAAQMD Response to Comment 6:

The Matrix Consulting Group's Cost Recovery and Containment Study is still underway with a final report expected later this year. The Air District will review and evaluate all the recommendations made by Matrix Consulting Group.

Commenter 8

- Submitted: May 25, 2022
- Bob Brown, Director, Bay Area Region – Western States Petroleum Association (WSPA)

Comment 1:

WSPA comments that they appreciate being part of the Budget Advisory Group (BAG) and requests that the BAG expand to include additional small and large business organizations and various regulated entities for a broader discussion of fees and budget transparency. WSPA also requests the Board implement quarterly workshops where staff present the status of budget expenditures and detail how significant fees are connected to level of service.

BAAQMD Response to Comment 1:

Air District staff continue to outreach to small business associations such as those representing auto body shops, retail gas dispensing facilities and dry cleaners. The Air District will reassess the makeup of the BAG including continued outreach to other business organizations. 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. These opportunities are highlighted in the rule development process as described below.

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.

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 the notice on the Air District website. At the February 17 workshop, staff presented the initial concepts for the draft Regulation 3 amendments. There were eleven (11) stakeholders that attended the public workshop held as a Zoom webinar. On February 25, the Air District posted its initial draft rule proposal. On March 16, a second notice was distributed to the same stakeholders to alert interested parties of an alternate proposal for consideration to the Budget and Finance Committee.

As stated, the Air District held a public workshop on February 17. WSPA attended and testified at the workshop and provided written comments on the proposed fee amendments that were due on March 18.

On January 24, the BAG met where the Air District presented the economic outlook, the rule development schedule and the proposed fee amendments. On March 14, BAG

was given a preview of the March 23 presentation to the Air District Board of Directors Budget and Finance Committee. On March 14, 2022, the Air District provided a copy of the 2022 Cost Recovery Report to WSPA and the other BAG members containing additional detailed supporting data on the proposed fee amendments. Each meeting provided greater transparency of budget expenditures for those in attendance.

On March 23, Air District staff presented the fee regulation amendments to the Budget and Finance Committee and responded to questions on the fee regulation amendments. WSPA participated in this meeting.

An initial public hearing to consider testimony on the proposed amendments was held on May 4 with written public comments due on May 25, 2022. A second public hearing, to consider adoption of the proposed fee amendments, has been scheduled for June 15, or as soon thereafter as the matter may be heard.

Quarterly reports are currently presented to the Budget and Finance Committee by the Director of Finance. These reports include revenues and expenditures for all programs.

Each Cost Recovery Study has revealed the Air District's fee revenue to fall significantly short of its program costs. The Air District bases its fees and proposed increases to them on the Cost Recovery Studies' assessment of costs to provide service and cost recovery calculations on a fee schedule basis. Fee adjustments are made to close the gap between revenue and costs of providing service. Fees are therefore already 'aligned' with the level of service. The costs to service facilities have changed due to factors beyond our control including, but not limited to more stringent regulatory requirements; controversial nature of refinery permits; and compliance with CEQA.

Comment 2:

WSPA comments that staff do not directly use the Regulation 12-15 inventories for the annual permit to operate fees – but rather a Microsoft Access database containing older emission factors. WSPA asserts that this has the practical effect of two refinery emission inventories.

BAAQMD Response to Comment 2:

The Regulation 12-15 inventories have been deficient and therefore have not been approved. The Air District renews the refinery permit to operate based on the most accurate inventory available.

Comment 3:

WSPA comments that they are concerned with the District's stated goals to accelerate its cost recovery with aggressive across-the-board annual 15% fee increases. WSPA asserts that this increase lacks transparency or full consideration of the ongoing management audit.

BAAQMD Response to Comment 3:

The Air District's proposed fee amendments were analyzed and reviewed using the best data and information available at this time. 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.

Comment 4:

WSPA continually requests that the District cite the permitted source of work to hours billed for greater transparency.

BAAQMD Response to Comment 4:

The Air District's current timekeeping system is set up to track labor spent on the different permitted source categories via the fee schedules. For example, hours spent on permit evaluation, inspection or source test review for a boiler is charged to fee schedule B for the combustion of fuel.

Comment 5:

WSPA asked if there will be a deeper review of cost containment opportunities and if there will be a performance comparison with other public agencies or large air districts.

BAAQMD Response to Comment 5:

The Air District is continually considering cost containment opportunities in its daily operations. For example, 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. 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. Also, the management audit is looking at performance metrics at the Air District.

The task order for the master services contract with the management auditor may be found on Agenda Item 12A from the Board of Directors Special Meeting on December 15, 2021.

https://www.baaqmd.gov/~media/files/board-of-directors/2021/bods_agenda_121521_op-pdf.pdf?la=en&rev=c2659d204a4d414d85e53219a23f02b7&hash=BADFC99826CCB290A2FD34ACDF1411D3).

Comment 6:

WSPA comments that reaching full cost recovery is an ever-shifting and elusive target given the consistent request and acceptance for new fee schedules, programs, and more staffing.

BAAQMD Response to Comment 6:

The Air District staff's proposal is a plan to target full cost recovery within the next several years accounting for changes in priorities and staffing. The budget and fees will continue to be evaluated with the current process to propose the adjustments that balance the revenue and costs.

Comment 7:

WSPA asks for the percentage of the new positions will go toward reducing the permitting backlog that is a real concern and the specific goals and objectives for those positions.

BAAQMD Response to Comment 7:

The results of the management audit will inform staff allocation of the proposed positions in the FYE 2023 budget. The audit will identify where the needs or risks exist. The auditors have reviewed the permitting statistics.

In addition to staffing, the Air District continues its permit streamlining efforts, such as updating the Permit Handbook, which will allow for faster permit evaluation and consistency. A webinar for Permitting Enhancements took place earlier this year, which will allow of increased permit evaluation efficiency. Efficiencies and streamlining should decrease the backlog of permit applications and allow for faster issuance of permits.

Comment 8:

WSPA states that staff is considering a permit renewal surcharge for facilities in overburdened communities of up to \$250,000. However, amendments to Rules 2-1 and 2-5 adopted in 2021 did not appear to place new requirements on existing facilities. This is on top of the new and separate fee schedule with the AB 617 program adopted recently. WSPA requests an outline how these more recent fee schedules differ in scope and need.

BAAQMD Response to Comment 8:

Additional staff are required to implement amendments to Rules 2-1 and 2-5. In addition to system changes and tools that need to be developed, it is an Air District priority to ensure the facilities in Overburdened Communities (OBCs) are in compliance, which requires additional resources for compliance assistance, verification and enforcement. More permits may require initial and periodic compliance verification through monitoring and source tests. Resources will be required to review plans, reports and records. The Air District may perform source tests and will need to validate test results from outside source testing companies. Also, the Air District may need to coordinate with outside companies if the Air district does not have internal expertise to perform some specialized testing. The emissions inventory in OBCs will have a higher level of scrutiny and

verification. The Air District will provide additional details on the costs to implement Rule 2-1 and Rule 2-5 in the Rule Development Staff Report for the proposed amendments to Regulation 3: Fees.

The AB 617 Community Health Impact Fee for Title V facilities was implemented to recover the stationary source portion of the partially fee recoverable costs to implement the program as described in the staff report for the FYE 2021 Fee Amendments (https://www.baaqmd.gov/~media/dotgov/files/rules/reg-3-fees/2020-amendment/documents/20200701_02_sr_rg03-pdf.pdf?la=en&rev=a2cd3c92a92b48b6932acebdf1f70fb5).

The focus on the AB617 is community risk reduction has been based on modeling for all sources of air pollution including stationary, mobile and natural sources. Risk reduction has been based on modeling for both toxics and PM2.5. The AB617 fees recover the stationary source portion of the partially recoverable work which covers modeling.

Comment 9:

WSPA asks the Board to take into account a thorough review of the management audit findings coupled with the Matrix Cost Recovery Report before moving ahead with a very aggressive across the board annual 15% fee increase.

BAAQMD Response to Comment 9:

The final management audit findings and the Matrix Cost Recovery Report will not be available until late this year. We look forward to implementing any recommended process improvements to minimize risk in the areas of study by the management audit.