Proposed Amendments to Rule 3110  
(Air Toxics Fees)

Webcast participants: submit comments to  
webcast@valleyair.org

May 31, 2017
AB 2588 Background

• The Air Toxics "Hot Spots" Information and Assessment Act (AB 2588, 1987, Connelly) was enacted in 1987
  – Facilities must quantify and report air toxic emissions
  – Public notified of high health risks
  – Facilities must reduce the highest health risks

• The Act requires air districts to administer the Hot Spots program and collect sufficient fees
  – Verify facility air toxics information and health risk
  – Oversee notification and health risk reduction
Rule 3110 (Air Toxics Fees)

- The purpose of District Rule 3110 is to recover the cost of operating an air toxics program that integrates federal, state and local rules and regulations:
  - Air Toxics “Hot Spots” District processing fee (proposed amendments)
  - District costs for implementing federal National Emission Standards for Hazardous Air Pollutants (no change proposed)
  - Pass through state Air Toxics “Hot Spots” fee (state determines amount collected)
AB 2588 Reassessments

• In 2015, the State Office of Environmental Health Hazard Assessment (OEHHA) revised its Risk Assessment Guidelines to provide enhanced protection of children and the public overall.

• The District then updated its health risk assessment processes and policies to incorporate the health-protective changes.

• District facility health risk reassessment plan based on the original legislation’s multi-year prescription.
District Streamlining Measures

• Streamlining goal: reduce implementation burden on industry and reduce program costs for the District

• To prepare for this reassessment, the District:
  – Examined required resources
  – Spent significant time in streamlining processes
  – Created facility-specific tools and resources

• Allowed the District to propose to reduce Hot Spots fees
Streamlined TEIPs

- Toxic Emission Inventory Plan (TEIP) streamlining:
  - District created TEIP Templates
  - Industry and facility specific
  - Pre-populated (District permitting/inventory data)
  - Electronic submittal process
Streamlined TEIRs

• Toxic Emission Inventory Report (TEIR) streamlining:
  – Communicate with facilities to ensure most efficient method for facility
  – District can provide database or spreadsheet for initial data verification and information submittal
  – District auto-generates state-compliant TEIRs
  – All forms and databases/spreadsheets pre-populated (District permitting/inventory data)
  – Electronic submittal process
New Small Single Source Facility Category

- Streamlined process (like Industrywide)
- Under the current fee rule, each of these facilities would receive a status of *Unprioritized Simple*
- Has one process only and low emissions
- Will start with diesel engine facilities
- Proposed new “Small Single Source Facility” with lower assessment fee
Additional Streamlining and Customer Service

- Applicability survey for lower emitting facilities (Phase 3) will be available online
- In-house assessments using information on file
- District on-site presentations and support
- Website Resources
- Small Business Assistance (SBA)
Small Entities

• Small Single Source facilities currently evaluated in other categories
• Small Business (No more than 10 employees, <$1 m gross for facility, and <$5 m gross receipts statewide)
• 10% to 79% District fee reduction for these categories

<table>
<thead>
<tr>
<th>Facility Status</th>
<th>Current Fee</th>
<th>Proposed Fee</th>
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</thead>
<tbody>
<tr>
<td>Industrywide Survey</td>
<td>$110</td>
<td>$99</td>
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<tr>
<td>Small Single Source - <strong>New Category</strong></td>
<td>$478</td>
<td>$99</td>
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<tr>
<td>Small Business</td>
<td>$384</td>
<td>$300</td>
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Unprioritized Facilities

• Significant workload increase (complex health risk assessment process)
• No change proposed - streamlining measures avoided significant fee increases

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<tr>
<td>Unprioritized</td>
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<tr>
<td>Simple</td>
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<tr>
<td>Medium</td>
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<tr>
<td>Complex</td>
<td>$3,924</td>
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Prioritized Facilities

- Low Priority: Out of air toxics program, no further fees
- Intermediate Priority: no change proposed
- High Priority: 10% District fee reduction

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<tr>
<th>Facility Status</th>
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<tr>
<td>Simple</td>
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<tr>
<td>Medium</td>
<td>$3,729</td>
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<tr>
<td>Complex</td>
<td>$6,837</td>
<td>$6,153</td>
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Health Risk Assessment

• Intermediate Risk:
  – Currently categorized as High Priority
  – New category with significantly lower fee

• 10% to 95% District fee reduction

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<td><strong>Intermediate Risk - New Category</strong></td>
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Other Rule Enhancements

• Correct certain definitions to:
  – Make consistent with definitions in state law and approved guidelines
  – Add reference to “in a million” for cancer risk

• Formatting changes
Next Steps…

2 Weeks:
May 31 – June 14, 2017
Public comment period

July 14, 2017
Publication of proposed rule package to District web page for 30-day comment period

August 17, 2017
Governing Board Public Hearing
Comment Period Deadline

June 14, 2017 at 5:00 PM

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Questions/Comments

Please come to podium, state name and affiliation

Webcast participants can send questions/comments by e-mail while the webcast is operational: webcast@valleyair.org