

**PUBLIC WORKSHOP**  
**RULE 45 – FEDERALLY MANDATED OZONE**  
**NONATTAINMENT FEES**

**APRIL 19, 2022**

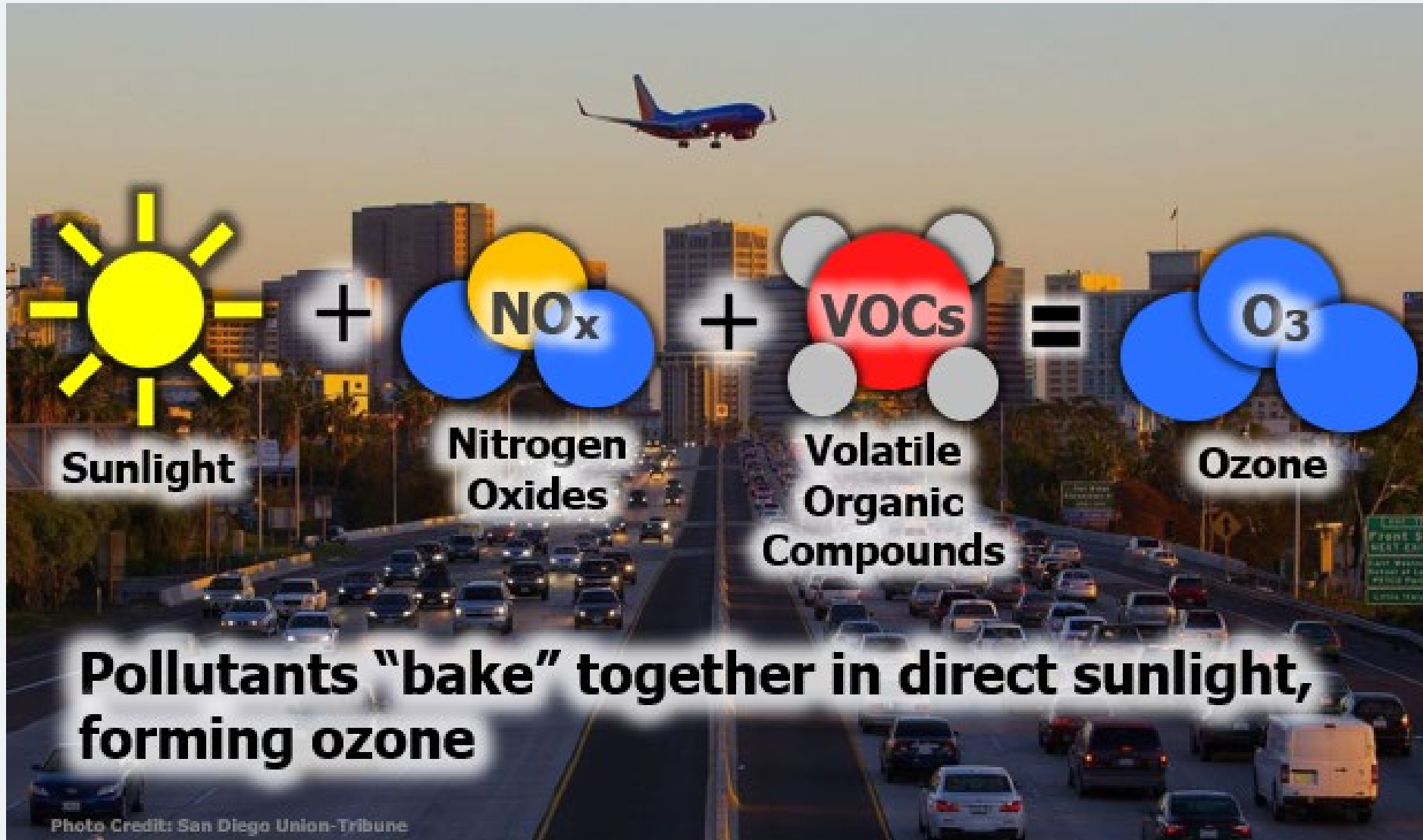


San Diego County  
**Air Pollution  
Control District**

# Overview

- Background Information
- Review of Proposed Requirements
- Next Steps
- Question and Answer

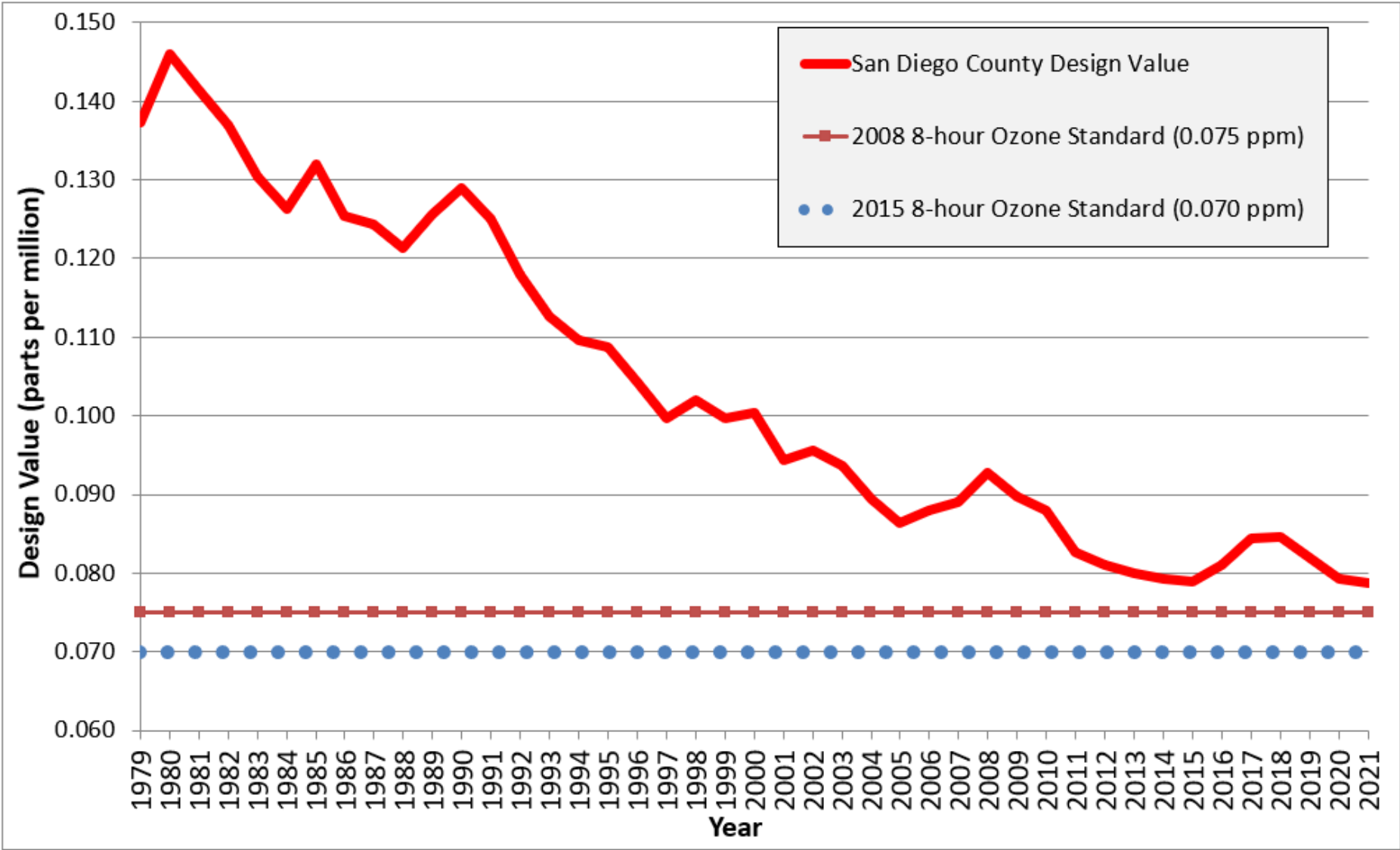
# Background



# Background (cont.)

- EPA ozone National Ambient Air Quality Standards (NAAQS)
  - 2008 – 0.075 ppm
  - 2015 – 0.070 ppm
- San Diego Air Basin is nonattainment for both ozone standards at 0.079 ppm

# Background (cont.)



# Background (cont.)

- Attaining ozone standard is regionwide effort - stationary and mobile sources
  - CARB – most stringent mobile source regulations in nation
  - SANDAG – 30% reduction in regionwide on-road emissions by 2026
  - Regional partners and stationary sources – will continue to reduce emissions



# Background (cont.)

- Federal Clean Air Act Section 185 – fee collection rule for major stationary sources
- New Rule 45 being proposed to fulfill Section 185 for the 2008 8-hr Ozone Standard
- Deadline for EPA approval of rule is July 2022
- Fees would be required annually unless:
  - Attainment of 2008 8-hr Ozone Standard, or
  - 20% emissions reduction is achieved/maintained

# Proposed Requirements

## Applicability

- Applicable if the EPA finds SD Air Basin failed to attain 2008 ozone standard
- Applies to major stationary source of NO<sub>x</sub> or VOC
  - 25 tons per year of actual emissions or
  - Potential to Emit (PTE) of  $\geq 25$  tons per year



# Proposed Requirements (cont.)

## Exemptions

- No longer applies once air basin redesignated as attainment
- Fees not required during an extension year
  - Clean Air Act allows up to 2 extension years

# Proposed Requirements (cont.)

## Administrative Requirements

- Annual Assessment of Fees
  - 2027\* – Baseline emissions (Attainment Year)
  - 2028\* – Fee Assessment emissions
  - 2029\* – Fees calculated, billed, and collected (Fee Collection Year)

\* All years presumed

# Proposed Requirements (cont.)

- Fee Determination

$$\text{Fee} = \frac{[\$5,000] * (1 + \text{CPI})}{(\text{Fee Rate})} * \frac{[E_A - (0.8 * E_B)]}{(\Delta \text{ in emissions})}$$

CPI = % change in the consumer price index (since 1990)

$E_A$  = Actual emissions (tons) (Fee Assessment Year)

$E_B$  = Baseline emissions (tons) (Attainment Year)

# Proposed Requirements (cont.)

- Fee Determination (Example)

$$\text{Fee (NOx)} = [(\$5,000) * (1 + \text{CPI})] * [E_A - (0.8 * E_B)]$$

$$E_A = 25 \text{ tons (Fee Assessment Year - 2028)}$$

$$E_B = 25 \text{ tons (Baseline / Attainment Year - 2027)}$$

$$\text{Fee (NOx)} = \$10,663 * [25 - (0.8 * 25)]$$

$$\text{Fee (NOx)} = \$10,663 * [25 - (20)]$$

$$\text{Fee (NOx)} = \$10,663 * [5]$$

$$\text{Fee (NOx)} = \$53,315 \text{ (billed/collected in 2029)}$$

# Proposed Requirements (cont.)

Scenario	Baseline Emissions (NO <sub>x</sub> / VOC) (Attainment Year 2027) (tons)	20% Emission Reduction (NO <sub>x</sub> / VOC)		0% Emission Reduction (NO <sub>x</sub> / VOC)	
		Actual Emissions (Fee Assessment Year 2028) (tons)	Estimated Fee (Collection Year 2029)	Actual Emissions (Fee Assessment Year 2028) (tons)	Estimated Fee (Collection Year 2029)
1	20 (with PTE ≥ 25)	16	\$0	20	\$42,652
2	25	20	\$0	25	\$53,315
3	50	40	\$0	50	\$106,630
4	100	80	\$0	100	\$213,260

# Proposed Requirements (cont.)

- Collection of Fees
  - Fees invoiced and remitted during Fee Collection Year (presumed - 2029)
  - Must be paid within 60 days of the invoice date
  - Late fees would apply

# Impact of Rule Adoption

- If region does **NOT** demonstrate attainment by attainment date (presumed 2027)
  - Fewer than 30 major stationary sources may be affected
  - Collected fees
  - Expenditures will be addressed in future planning and budgets
- Fees no longer required upon attainment

# Next Steps

- Submit comments by COB of Tuesday, April 26, 2022
- Workshop Report
  - Copy to Webinar attendees and other interested parties
- Consideration of Adoption by the Governing Board on June 9, 2022
- Rule 45 will be submitted thru CARB into the SIP
- Future outreach





# Contact Information

- Angela M. Ortega-Fisch

(858) 229-0256

[Angela.Fisch@sdapcd.org](mailto:Angela.Fisch@sdapcd.org)



- To receive Workshop Report, contact Janet McCue

[Janet.McCue@sdapcd.org](mailto:Janet.McCue@sdapcd.org)