

**STAFF REPORT: INITIAL STATEMENT OF REASONS FOR
THE PROPOSED AMENDMENTS TO THE STATEWIDE
PORTABLE EQUIPMENT
REGISTRATION PROGRAM REGULATION**



**Stationary Source Division
Project Assessment Branch**

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State of California
AIR RESOURCES BOARD

**STAFF REPORT: INITIAL STATEMENT OF REASONS
FOR PROPOSED RULEMAKING**

Public Hearing to Consider

**Proposed Amendments to the Statewide Portable Equipment
Registration Program Regulation**

To be considered by the Air Resources Board on June 22, 2006 at:

California Environmental Protection Agency
Headquarters Building
1001 "I" Street
Central Valley Auditorium
Sacramento, California

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**State of California
AIR RESOURCES BOARD**

**PROPOSED AMENDMENTS TO THE STATEWIDE PORTABLE EQUIPMENT
REGISTRATION PROGRAM REGULATION**

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**Staff Report: Initial Statement of Reasons
for the Proposed Amendments to the Statewide Portable Equipment Registration
Program Regulation**

Executive Summary

A. INTRODUCTION

This Executive Summary outlines the Air Resources Board staff's (staff) proposal to amend the Statewide Portable Equipment Registration Program Regulation (Statewide Regulation) as adopted by the Air Resources Board (ARB or Board) on March 27, 1997, and amended on December 10, 1998, and February 26, 2004, for portable engines and equipment units.

This report comprises the Initial Statement of Reasons for the Proposed Amendments to the Statewide Regulation as required by the Administrative Procedures Act (Government Code 11340 et seq.). The Executive Summary of this report provides an overview of the proposed amendments to the Statewide Regulation, a summary of staff recommendations, and a brief discussion of the environmental and economic impacts resulting from the proposal. The following portion of the report provides a more detailed presentation of the technical aspects of the proposed amendments to the Statewide Regulation.

B. BACKGROUND

The Air Resources Board (ARB/Board) is authorized by the California Health and Safety Code (HSC) sections 41750 through 41755 to adopt a regulation to establish a uniform statewide program for the registration and regulation of portable engines. The Statewide Regulation was first adopted by the Board on March 27, 1997, and amended by the Board on December 11, 1998, and February 26, 2004. The Statewide Regulation establishes a program to register portable engines and equipment units in California. Once registered in this voluntary program, portable equipment units may operate throughout the State without having to obtain permits from the local air pollution control and air quality management districts (districts), providing industry with the flexibility to operate portable engines and equipment units under a uniform statewide registration program.

At the February 2004 Board meeting, the California Air Pollution Control Officers Association (CAPCOA) raised a number of concerns related to the enforceability of the Statewide Regulation. The Board directed staff to work with CAPCOA and a number of affected industries to resolve these concerns. CAPCOA in consultation with ARB and affected industries developed proposed amendments to the Statewide Regulation.

The proposed amendments include recommendations for an increase in district inspection fees, notification requirements, installation of hour meters, placard fees, and increased recordkeeping and reporting requirements. ARB staff used the CAPCOA proposal as a starting point for discussions with stakeholders and affected industry. The proposed amendments contained in staff's proposal are the result of extensive discussions and negotiations with affected parties.

Staff believes the proposed amendments represent a fair and equitable balance between flexibility for affected industries and increased enforceability of the Statewide Regulation.

C. PORTABLE EQUIPMENT AND CURRENT REGULATIONS

1. What is portable equipment?

Portable equipment is any piston-driven internal combustion engine and/or equipment unit that is designed and capable of being carried or moved from one location to another and would remain at a single location for less than 12 consecutive months. Unlike stationary engines and equipment, portable equipment may be moved to multiple locations throughout the State, where it may operate for several hours or several months. Portable engines and equipment units registered in the Portable Equipment Registration Program (PERP) are used for a variety of applications, such as pumps; military tactical support equipment (TSE); cranes; oil well drilling; servicing and work-over rigs; power generators; dredging equipment; rock crushing; and screening equipment; welding equipment; woodchippers; and compressors.

2. What types of businesses and public agencies use portable equipment?

Both private businesses and public agencies operate portable equipment registered in PERP. The types of businesses registering engines in PERP include motion picture studios; amusement parks; utilities; telecommunications; construction services; crushing, screening, and recycling services; industrial cleaning services; marine construction and dredging services; oil and gas operations; and rental services. Public agencies include schools and universities, county landfills, municipal utilities, wastewater treatment facilities, defense, and transportation agencies.

3. How is portable equipment regulated in California?

a. ARB/U.S. EPA off-road engines standards

Since January 1, 1996, new diesel fueled portable engines sold in California have been subject to ARB's Off-Road Compression Ignition emission standards. These standards are equivalent to the United States Environmental Protection Agency (U.S. EPA) emission standards for newly manufactured nonroad engines. (In California statutes, nonroad engines are referred to as off-road engines, therefore, these engines will be referred to as "off-road" in this report). The standards are tiered (i.e. Tier 1, 2, 3, and 4) with each set of standards phased in over several years based on the power rating of the engine and becoming progressively more stringent with each tier introduced.

Since January 1, 2001, newly-manufactured large (greater than 25 bhp) spark-ignition (LSI) engines sold in California have been subject to ARB's off-road LSI standards. The U.S. EPA also adopted federal standards that were equivalent to ARB standards, but also included a more stringent standard. Beginning in 2007, new LSI engines must meet a combined standard for oxides of nitrogen (NOx) and hydrocarbons (HC) of 2.0 grams per brake horsepower-hour (g/bhp-hr).

b. Airborne Toxic Control Measure for Diesel-Fueled Portable Engines

On February 26, 2004, the Air Resources Board adopted the Airborne Toxic Control Measure (ATCM) for Diesel-Fueled Portable Engines, which became effective on March 11, 2005. The ATCM requires that portable diesel-fueled engines that have not been permitted or registered prior to January 1, 2006, shall meet the most stringent of the federal or California emission standards for nonroad engines. This requirement was also incorporated into the Statewide regulation. Specifically, both regulations require that after January 1, 2006, engines rated from 175 to 750 brake horsepower (bhp) must meet Tier 3 standards and engines rated greater than 750 bhp must meet Tier 2 standards to be accepted into PERP.

c. Portable Equipment Unit Standards

Registered equipment units are required to meet emission limits (82 pounds per day of PM10 (particulate matter sized less than 10 microns) and 10 tons per year pollutant per district per year per equipment unit) as well as emission control requirement based on the type of equipment that has been registered in PERP.

d. Local Air District Permit Programs

Permit requirements vary from district to district depending on the state of the air quality in the district. While some districts exempt portable engines altogether, other districts may require portable engines to meet emission limits that are equivalent to Best Available Control Technology (BACT). For some districts, BACT for portable engines means that the engine is certified to ARB/U.S. EPA off-road emissions standards. Districts may also restrict the operating hours of portable engines to reduce air quality impacts to acceptable levels. An owner that operates portable equipment in multiple districts would be required to obtain a permit from each district, pay fees, and adhere to different sets of regulations as they move equipment among different districts.

e. Statewide Portable Equipment Registration Program

In lieu of obtaining multiple permits from individual districts, a portable equipment owner can register in PERP. Currently, portable equipment owners have registered over 27,700 engines and equipment units in PERP. Of this amount, there are over 20,700 engines registered which represent nearly half of the estimated statewide inventory of portable engines. Most of the engines are diesel-fueled engines. The Statewide Regulation was designed to promote the use of clean portable engines in California. By January 1, 2010, only engines certified to ARB/U.S. EPA off-road engine emission standards (Tier 1, 2, 3, or 4) can continue to operate under PERP (certified engines). This means that about one-third of the currently registered engines must be replaced with certified engines by that date.

D. PUBLIC PROCESS

In developing any regulation, the public, local districts, and affected industries play an important role in shaping the regulatory proposals. ARB staff has made extensive efforts to have an open process and provide ample opportunity for input by all parties.

To assist in developing the proposed amendments to the Statewide Regulation, staff convened a Portable Equipment workgroup. The workgroup included sixty representatives from local and state air quality agencies and affected industries such as oil services and well drilling, construction, water agencies, sanitation services, rental companies, the military, telecommunication companies, and utility companies.

On December 1, 2005, January 17, 2006, and February 24, 2006, ARB staff held public consultation meetings in Sacramento. Staff provided attendees with the option of participating in the meetings by audio teleconference or in person. Staff also conducted a number of additional conference calls and in-person stakeholder meetings to further discuss the proposed amendments.

ARB staff held public workshops on March 30, 2006, in Sacramento and on April 4, 2006, in Southern California at the South Coast Air Quality Management District to solicit comments from the public on the proposed amendments. The Sacramento workshop was also broadcast on the Internet for meeting participants that were unable to attend in person. In addition, broadcast viewers were able to submit comments and questions by email during the workshop so that staff could address their concerns or answer their questions.

Staff also used an e-mail list serve to notify interested parties of the meeting dates and the availability of information to be discussed at the meetings. In addition, a web site was developed where interested parties could download information such as meeting agendas and staff proposals, as well as providing links to other-related ARB websites. The website address is located at <http://www.arb.ca.gov/portable/perpact/perpact.htm>.

Staff participated in numerous individual meetings and conference calls with affected industries to address specific concerns. In addition, staff attended several meetings of the CAPCOA Engineering Managers Committee and the Enforcement Managers Committee to discuss and solicit comments on the proposed amendments to the Statewide Regulation.

Staff revised the proposed amendments to the Statewide Regulation in consideration of the comments received during the public process. Staff made every effort to consider all comments and recommendations received.

E. SUMMARY OF THE PROPOSED AMENDMENTS TO THE STATEWIDE PORTABLE EQUIPMENT REGISTRATION PROGRAM REGULATION

The proposed amendments to the Statewide Regulation are summarized in the following major categories:

a. Home District Designation

The proposed amendments require owners of registered engines and equipment units to designate a home district. A home district would be the district in which the registered engine or equipment unit would reside most of the time. Owners currently holding valid registrations would be required within ninety days of the effective date of the Statewide Regulation to notify the ARB of their home district designation.

The designation of a home district will ensure that a single district is identified as responsible for conducting inspections. The designation will also ensure that this same district would be reimbursed for inspection activities.

b. Hour Meters

The proposed amendments require that all engines have a functional, non-resettable hour meter or equivalent device installed on the engine. Owners holding valid registrations would be required within six months of the effective date of the Statewide Regulation to install an hour meter or equivalent device and notify ARB in writing that the installation had been completed. New applications would not be accepted unless an hour meter or equivalent device had been installed on the portable engine.

The installation of hour meters is necessary to accurately demonstrate how many hours portable equipment is actually being used. At this time, limited data is available regarding how many hours an individual piece of equipment is operated. This operating data will provide more accurate information than is currently available for the evaluation of air quality impacts associated with the operation of portable equipment.

c. Placards

The proposed amendments would require owners and operators of registered engines and equipment units to obtain a placard that identifies the engine or equipment unit as being registered in the Statewide Program. The placard would be required to be mounted to the engine or equipment unit in a conspicuous place.

The placard would cost \$5.00 each and would be required upon the first renewal for existing participants or at the time of initial registration for new applicants. A replacement placard would be required if the placard were damaged or lost. The replacement cost would be \$30.00 each.

These placards will help reduce enforcement costs by making it easier for inspectors to identify registered equipment in the field. This will ensure that all registered equipment is identified and inspected on a regular basis.

d. Recordkeeping and Reporting

The proposed amendments would require all owners and operators of portable engines and equipment units that are not already doing so to keep records onsite to track operation or process throughput. The records would have to be maintained for a minimum of five years and made available to the district or ARB upon request.

Staff also propose that owners of registered engines and equipment units submit annual reports to ARB. In addition, staff propose to require districts to submit an annual report summarizing the district inspections.

These proposed requirements are necessary to determine how many hours a piece of equipment is operated and where it is located during operation.

e. Notification Requirements

The proposed amendments would require owners and operators of equipment units to notify the district when an equipment unit would be operated at a location for more than five days. Because of the transient nature of equipment units, the proposed notification requirements would ensure that districts are aware of equipment unit operations within their jurisdiction. ARB staff are also proposing to delete the notification requirements for portable engines.

f. District Inspections and Fees

The districts play a critical role in enforcing the requirements of the Statewide Regulation. Pursuant to Health and Safety Code section 41752(d), ARB has established a fee schedule to cover resources necessary to operate, enforce, and maintain PERP. The proposed amendments would require that within 45 days after the initial issuance of a registration or renewal, the owner or operator must contact the district to arrange for an inspection of the registered engine or equipment unit. The inspection must be completed within one year of the initial registration or renewal. The time for the inspection must be mutually agreed upon in advance. If the inspection does not occur, the inspection must be rescheduled within 90 days. If a registered engine or equipment unit will be out of California for that year, the owner or operator must arrange for an inspection within 30 days upon return of the registered engine or equipment unit into California.

ARB staff propose to increase the district inspection fee for registered engines from \$75.00 per inspection per year to \$345.00 (\$315.00 home district inspection fee and \$30.00 general district inspection fee) every three years. In addition, staff propose a multiple engine discount if owners make arrangements with the home district to inspect multiple engines at one time.

ARB staff propose to increase the district equipment unit inspection fee from \$75.00 per inspection to \$98.00 per hour, not to exceed \$500.00, plus a general inspection fee of \$75.00 every three years. For TSE, ARB staff propose an annual general district inspection fee of \$10.00 per TSE unit.

g. Recognition of Longer Lead Times for Delivery of Some Engines

The Statewide Regulation requires engines that are registered after January 1, 2006, to meet the most stringent current certified engine standard. ARB staff recently became aware that some manufacturers and distributors required a longer lead time for certain types of engines and associated equipment than was originally anticipated. Recognizing this issue, ARB staff is proposing to amend the Statewide Regulation to allow

Tier 2 engines rated in the 175 to 750 brake horse power (bhp) range and Tier 1 engines rated greater than 750 bhp to be registered in PERP, provided all of the following are met: 1) the engine is in a new piece of equipment that was sold to the ultimate user between July 1, 2005, and December 31, 2005; 2) a complete application and associated fees are received by the Executive Officer no later than November 1, 2006; and 3) valid documentation of date of sale is provided.

h. Miscellaneous Amendments

ARB staff are proposing to modify, add, and delete terms in the definitions section, delete outdated provisions, and to strengthen the appeals process. These changes are generally non substantive and are intended to provide additional clarity and enforceability to the Statewide Regulation.

F. ENVIRONMENTAL AND ECONOMIC IMPACTS OF THE PROPOSED AMENDMENTS TO THE STATEWIDE REGULATION

1. What are the expected environmental impacts of the proposed amendments?

It is expected that the proposed amendments to the Statewide Regulation would likely result in reductions of NO_x and diesel particulate matter (PM) emissions, however, the reductions cannot be quantified. These reductions cannot be quantified because the nature and extent of individual enforcement activities are difficult to predict. These reductions would occur due to increased enforcement activities to ensure that registered engines and equipment units are in compliance with the Statewide Regulation, particularly engine replacement requirements. The biggest benefit for air quality is expected to come from districts locating the thousands of engines and equipment units operating illegally without permits or registrations and bringing this equipment into compliance. All Californians would benefit, particularly those living in areas where the State and federal ambient air quality standards for ozone and PM are exceeded.

2. What are the economic impacts of the proposed amendments?

ARB staff estimates that the total economic impact of the proposed amendments to the Statewide Regulation to affected private businesses and public agencies is \$54.2 million over its lifetime (\$50.5 million for private businesses and \$3.7 million for public agencies). The economic impact is due to increased district inspection fees, increased recordkeeping and reporting requirements, hour meter purchase and installation, and costs to obtain placards.

G. NEXT STEPS

Upon approval by the Board of the proposed amendments to the Statewide Regulation, ARB staff will continue to implement PERP and conduct outreach efforts with affected parties, industry associations, and governmental agencies. ARB staff will work with CAPCOA and affected parties to inform owners and operators of PERP registered equipment of the amendments to the Statewide Regulation. ARB staff will work with the districts to identify portable equipment owners that have not obtained permits or registration in PERP.

These owners will need to be brought into the regulatory process so that all portable engines and equipment units in the State are ultimately complying with applicable requirements.

H. RECOMMENDATION

The staff recommends that the Board approve the proposed amendments to the Statewide Regulation. The proposed amendments would retain the flexibility of operating registered engines and equipment units throughout the State without having to obtain multiple district permits. In addition, the amendments would provide clarity and provide for increased resources needed by the districts to effectively enforce the Statewide Regulation. The staff also recommends that after the first 3-year cycle of implementation of the proposed amendments to the Statewide Regulation, the staff provide a progress report to the Board regarding additional modifications or enhancements that should be considered for PERP.

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I. INTRODUCTION

In this chapter, the ARB staff provides an overview of this report, discusses the purpose of the proposed amendments, and discusses the regulatory authority ARB has to adopt the proposed amendments. This chapter also provides background information on the Statewide Regulation, and discusses the outreach efforts of ARB staff in developing the proposed amendments.

A. OVERVIEW

This Report outlines ARB staff's proposed amendments (contained in Appendix A) to the Statewide Regulation. The Statewide Regulation was approved by the Board on March 27, 1997, and subsequently amended by the Board on December 11, 1998, and February 26, 2004. The Statewide Regulation establishes a voluntary program for the registration and regulation of portable engines and equipment units operating in California. Once registered in this voluntary program, portable engines and equipment units can operate throughout the State without having to obtain permits from the local air pollution control and air quality management districts (districts). However, the districts are responsible under State law for enforcing the requirements of the Statewide Regulation.

At the February 2004 Board meeting, CAPCOA raised a number of concerns related to the enforceability of the Statewide Regulation. The Board directed staff to work with CAPCOA and a number of affected industries to resolve these concerns. ARB staff used the CAPCOA proposal (contained in Appendix E) as a starting point for discussions with stakeholders and affected industry. The proposed amendments contained in staff's proposal are the result of extensive discussions and negotiations with affected parties. Staff believes the proposed amendments represent a fair and equitable balance between flexibility for affected industries and increased enforceability of the Statewide Regulation.

This report provides:

- A discussion of portable equipment use and existing regulatory programs for portable equipment;
- A summary of the proposed amendments to the Statewide Regulation;
- Environmental and economic impacts;
- The proposed amended Statewide Regulation (Appendix A); and
- Other supplemental information (Appendices B-F).

B. PURPOSE

The primary purpose of the proposed amendments to the Statewide Regulation is to retain the flexibility of operating portable engines and equipment units without having to obtain multiple district-issued permits and at the same time ensure the enforceability of the Statewide Regulation through increased inspections and district presence in the field. In addition, staff is proposing amendments to increase clarity and strengthen the appeals process.

C. REGULATORY AUTHORITY

California Health and Safety Code (HSC) sections 41750 through 41755 mandate that the ARB adopt a regulation to establish a uniform statewide program for the registration and regulation of portable engines. In developing these regulations, ARB is required to evaluate emissions, identify emission control technologies, hold public hearings, establish emission limits and control requirements, and develop a fee schedule to cover the costs to adopt and administer the program, including the cost of district enforcement.

HSC section 41752(e) specifies that the Board may periodically revise and update the registration regulations including, but not limited to, revising and updating a determination of best available control technology for portable engines. As stated earlier, the Board approved the Statewide Regulation on March 27, 1997, and amended it on December 11, 1998, and February 26, 2006.

In addition, HSC sections 39600 (General Powers) and 39601 (Standards, Definitions, Rules, and Measures) confers on ARB the general authority and obligation to adopt rules and measures necessary to execute the Board's powers and duties imposed by State law. The California Clean Air Act of 1988 granted ARB authority to adopt standards and regulations for off-road vehicles and equipment. (HSC sections 43013(b) and 43018).

The federal Clean Air Act Amendments (CAA) of 1990 gave the United States Environmental Protection Agency (U.S. EPA) authority to regulate new nonroad (off-road) engines. The amendments created a federal preemption that, in general, prevents states from adopting emissions standards or other requirements for nonroad engines [CAA, section 209(e)]. Portable engines are a subset of off-road engines. However, recognizing the special circumstances confronting California, Congress allows California, upon receiving authorization from the U.S. EPA, to adopt standards for preempted equipment with the exception of new engines less than 175 brake-horsepower (bhp) used in farm and construction operations.

D. PUBLIC PROCESS

In developing any regulations, the public, local districts, and affected industries play an important role in shaping the regulatory proposals. ARB staff has made extensive efforts to have an open process and provide ample opportunity for input by all parties.

To assist in developing the proposed amendments to the Statewide Regulation, staff convened a Portable Equipment workgroup. The workgroup included sixty representatives from local and state air quality agencies and affected industries such as oil services and

well drilling, construction, water agencies, sanitation services, rental companies, the military, telecommunication companies, and utility companies.

On December 1, 2005, January 17, 2006, and February 24, 2006, ARB staff held three public consultation meetings in Sacramento. Staff provided attendees with the option of participating in the meetings by audio teleconference or in person. Staff also conducted a number of additional conference calls and in-person stakeholder meetings to further discuss the proposed amendments.

ARB staff held public workshops on March 30, 2006, in Sacramento and on April 4, 2006, in Southern California at the South Coast Air Quality Management District to solicit comments from the public on the proposed amendments. The Sacramento workshop was also broadcast on the Internet for meeting participants that were unable to attend in person. In addition, broadcast viewers were able to submit comments and questions by email during the workshop so that staff could address their concerns or answer their questions.

Staff also used an e-mail list serve to notify interested parties of the meeting dates and the availability of information to be discussed at the meetings. In addition, a website was developed where interested parties could download information such as meeting agendas and staff proposals, as well as providing links to other-related ARB websites. The website address is located at <http://www.arb.ca.gov/portable/perpact/perpact.htm>.

Staff participated in numerous individual meetings and conference calls with affected industries to address specific concerns. In addition, staff attended several meetings of the CAPCOA Engineering Managers Committee and the Enforcement Managers Committee to discuss and solicit comments on the proposed amendments to the Statewide Regulation.

Staff revised the proposed amendments to the Statewide Regulation in consideration of the comments received during the public process. Staff made every effort to consider all comments and recommendations received.

II. PORTABLE EQUIPMENT USE AND EXISTING REGULATORY PROGRAMS

This chapter describes the uses of portable equipment (engines and equipment units) that are registered in PERP. In addition, this chapter describes the types of businesses that use portable equipment and the existing regulatory programs that currently impact portable engines used in California.

A. SUMMARY OF PORTABLE EQUIPMENT USE AND ACTIVITIES

Portable equipment is any piston-driven internal combustion engine and/or equipment unit that is designed and capable of being carried or moved from one location to another and would remain at a single location for less than 12 consecutive months. Unlike stationary engines or equipment, portable equipment may be moved to several locations throughout the State, where it may operate for several hours or several months. Portable engines and equipment units registered in PERP are used for a variety of applications, such as pumps, military tactical support equipment, cranes, oil well drilling, servicing and work-over rigs, power generators, dredging equipment, rock crushing and screening equipment, welding equipment, woodchippers, and compressors.

Both private businesses and public agencies operate portable equipment in California. Examples of businesses that use portable engines in their activities include motion picture studios; amusement parks; utilities; construction services; crushing, screening, and recycling services; industrial cleaning services; marine construction and dredging services; oil and gas companies; and rental services. Examples of public agencies that use portable engines include public schools and universities, local governments, county landfills, municipal utilities, wastewater treatment facilities, military installations, and the California Department of Transportation.

There is significant variation in the size as well as the way that portable engines are used. The size of engines can range from about 50 horsepower to greater than 3,000 horsepower. The average annual operating hours for portable diesel-fueled engines is about 450 hours per year. Due to the mobile nature of portable engines, the emissions typically would not occur in one location, but would be spread out over many locations over the course of a year. In addition, the actual operation of a specific engine can vary significantly from the average. For example, engines used only for emergency applications may operate less than 20 hours per year. Conversely, some portable activities can operate more than 2,000 hours per year. Finally, the engine's load varies, depending upon the application. The average load is typically 50 percent of maximum load. Similar to the variability in the hours of operations, an engine's load can vary significantly from application to application, from 25 percent to 80 percent of maximum load.

B. EXISTING REGULATORY PROGRAMS

This section describes the federal preemption that limits the authority of ARB and local districts to regulate portable engines. This section also describes specific federal, state, and local programs that currently impact portable engines used in California, including ARB/U.S. EPA emission standards for newly manufactured off-road engines, PERP, and the local air pollution control and air quality management district (district) permitting programs. All of these programs play a role in the efforts of ARB and the districts to attain

the State and federal ambient air quality standards, particularly the ozone and particulate matter standards. Consequently, the focus of the programs has been to reduce emissions of NOx and PM, and to a lesser extent reduce emissions of carbon monoxide (CO) and HC.

1. Federal Preemption

The federal Clean Air Act (CAA) Amendments of 1990 authorized U.S. EPA to regulate new nonroad engines. The amendments created a federal preemption that prevents states from adopting emission standards or other requirements for nonroad engines (CAA, section 209(e)). Portable engines are a subset of off-road engines. However, recognizing the special circumstances confronting California, Congress provided that the State of California, upon receiving authorization from the U.S. EPA, can adopt and enforce standards for most classes and categories of off-road engines. In California statutes, nonroad engines are referred to as off-road engines; therefore, these engines will be referred to as “off-road” in this report.

The federal preemption prevents all states, including California, from setting standards for regulating new off-road engines less than 175 hp that are used in farm and construction operations. However, states do maintain the authority to establish in-use restrictions such as limiting the hours of operation.

2. State and Federal New Engine Emission Standards

a. Compression-Ignition Engine Standards

Since January 1, 1996, new diesel fueled portable engines sold in California have been subject to ARB's Off-Road Compression Ignition emission standards (title 13, California Code of Regulations (CCR), sections 2320 et seq.), which are equivalent to the U.S. EPA emission standards for newly manufactured nonroad (off-road) engines (40 CFR, Part 89). The standards are tiered (i.e. Tier 1, 2, 3, and 4), with each set of standards phased in over several years based on the power rating of the engine and becoming progressively more stringent with each Tier introduced

b. Airborne Toxic Control Measure for Diesel-Fueled Portable Engines

On February 26, 2004, the Air Resources Board adopted the Airborne Toxic Control Measure (ATCM) for Diesel-Fueled Portable Engines, which became effective on March 11, 2005. The ATCM requires that portable diesel-fueled engines that have not been permitted or registered prior to January 1, 2006, shall meet the most stringent of the federal or California emission standards for off-road engines. This requirement was also incorporated into the PERP regulation. Specifically, both regulations require that after January 1, 2006, engines rated from 175 to 750 brake horsepower (bhp) must meet Tier 3 standards and engines rated greater than 750 bhp must meet Tier 2 standards to be accepted into PERP.

c. Spark-Ignition Engine Standards

As mentioned above, the CAA Amendments provided for ARB to adopt and enforce its own standards and regulations for off-road engines. Since January 1, 2001, newly-

manufactured large (greater than 25 bhp) spark-ignition (LSI) engines sold in California have been subject to ARB's off-road LSI engine standards (Title 13, CCR Sections 2410 et seq.). The standards are also tiered. The U.S. EPA also adopted federal standards (found in 40 CFR part 1048 (Control of Emissions From New, Large Nonroad Spark-ignition Engines)) that were equivalent to ARB standards, but also included a more stringent standard. Beginning in 2007, new LSI standards must meet a combined standard for NO_x and HC of 2.0 grams per brake horsepower-hour (g/bhp-hr).

3. Statewide Portable Equipment Registration Program

In lieu of obtaining multiple permits from individual districts, a portable engine owner can register the engine in PERP. As of January 27, 2006, portable engine and equipment unit owners have registered an estimated 27,700 engines and equipment units in PERP. Of this amount, there are over 20,700 engines registered which represent nearly half of the estimated statewide inventory of portable engines. Of the 20,700 engines, approximately 20,000 are diesel fueled engines while the additional 700 engines are gasoline, natural gas, kerosene, methanol, or liquid petroleum gas-fueled engines.

There are also 2,250 equipment units registered in PERP. Of these equipment units, approximately 40 percent are used in rock crushing and screening units, 23 percent media blasting units, 14 percent wood chippers. The remaining units include tub grinders, rock drills, conveyors, and other miscellaneous units. In addition, there are over 4,700 military TSE registered in the program. Approximately 90 percent of tactical equipment units utilize diesel or JP-8 fueled engines.

The Statewide Regulation was designed to promote the use of clean portable engines in California. By January 1, 2010, only engines certified to ARB/U.S. EPA off-road engine emission standards (Tier 1, 2, or 3) can continue to operate in PERP. This means that any engines currently registered in the program that do not meet at least Tier 1 standards must be replaced with certified engines by that date.

4. Local District Permit Programs

Portable engines not registered in PERP may be subject to local district permitting requirements. District permit requirements will vary, depending on the attainment status in the district. Some districts have implemented registration programs specifically for portable engines and equipment units. Owners of portable engines in these districts can register engines with the district by demonstrating the engines meet specific emission rates. Some districts specifically exempt portable engines from permit requirements or have specific requirements for individual types of portable engines and/or equipment.

III. SUMMARY OF THE PROPOSED AMENDMENTS TO THE STATEWIDE REGULATION

This chapter is intended to meet the requirements of Government Code section 11343.2 by providing to the public a "plain English" discussion of the proposed amendments to the Statewide Regulation.

A. MODIFICATIONS TO THE STATEWIDE REGULATION

The Air Resources Board (ARB/Board) is authorized by the California Health and Safety Code (HSC) sections 41750 through 41755 to adopt a regulation to establish a uniform statewide program for the registration and regulation of portable engines. The Statewide Regulation was first adopted by the Board on March 27, 1997, and amended by the Board on December 11, 1998, and February 26, 2004. The Statewide Regulation establishes a program to register portable engines and equipment units in California. Once registered in this voluntary program, portable equipment units may operate throughout the State without having to obtain permits from the local air pollution control and air quality management districts (districts), providing industry with the flexibility to operate portable engines and equipment units under a uniform statewide registration program.

At the February 2004 Board meeting, CAPCOA raised a number of concerns related to the enforceability of the Statewide Regulation. The Board directed staff to work with CAPCOA and affected industries to resolve these concerns. CAPCOA in consultation with ARB and a number of affected industries developed proposed amendments to the Statewide Regulation. The proposed amendments include recommendations for an increase in district inspection fees, notification requirements, installation of hour meters, placard fees, and increased recordkeeping and reporting requirements. ARB staff used the CAPCOA proposal as a starting point for discussions with stakeholders and affected industry. The proposed amendments contained in staff's proposal are the result of extensive discussions and negotiations with affected parties. Staff believes the proposed amendments represent a fair and equitable balance between flexibility for affected industries and increased enforceability of the Statewide Regulation.

1. Home District Designation

The proposed amendments would require owners of portable engines and equipment units to designate a home district. A home district would be the district in which the portable engine or equipment unit would reside most of the time. The designation of a home district ensures that PERP registered engines and equipment are inspected on a periodic basis and facilitates equitable distribution of inspection fees. Owners currently holding valid registrations would be required within ninety days of the effective date of the Statewide Regulation to submit in writing to ARB their home district designation. The Executive Officer will designate a home district for any and all engines and equipment units if the existing registration participants fail to designate a home district.

A review would be conducted by ARB every three years at the time of registration renewal. Based on an averaging of the data for the three years the reports were submitted, the home district would be changed to another district if the portable engine or portable equipment unit showed that the engine or unit operated the largest percentage of the time in one

non-home district. The switch would only be required if the difference in the two largest percentages was five percent or more.

2. Hour Meters

The proposed amendments require that all registered engines have a functional, non-resettable hour meter or equivalent device installed on the engine. Owners and operators holding valid registrations would be required within six months of the effective date of the Statewide Regulation to install an hour meter or equivalent device and notify ARB in writing that the installation had been completed. Operating conditions would not be changed until renewal of the registration. New or renewal applications would not be accepted unless an hour meter or equivalent device had been installed on the registered engine. The proposed amendment would allow ARB staff and districts to track operation of portable engines and equipment throughout the State.

Most engines have an hour meter installed by the manufacturer for maintenance purposes. ARB staff estimated that there are approximately 4,400 engines registered in the Statewide Program that would need to have an hour meter or equivalent device installed.

3. Placards

The proposed amendments would require owners of portable engines and equipment units to obtain a visible registration indicator (placard) that identifies the engine or equipment unit as being registered in PERP. The placard would be required to be mounted to the registered engine or equipment unit in a conspicuous place. The placard would allow district inspectors to confirm from a distance that an engine had been registered in PERP. This proposed amendment would enhance the efficiency of the district inspection programs and reduce the costs to affected industries by minimizing the amount of time district staff spend looking for illegally operating engines and equipment. The placard would cost \$5.00 each and would be required upon renewal for existing participants or at the time of initial registration for new applicants. A replacement placard would be required if the placard were damaged or lost. The replacement cost would be \$30.00 each.

4. Recordkeeping and Reporting Requirements

The proposed amendments would require all owners and operators of registered engines and equipment units that are not doing so to keep records onsite to track hours or process throughput. The records would have to be maintained for a minimum of five years and made available to the district or ARB upon request.

For rental businesses and third-party rentals, the owner would be required to maintain records of each rental or lease transaction including the portable engine or equipment unit registration number, the hours of operation for the rental period, and the location of use (by district, county or specific location) that was reported to them by the entity renting the portable engine or portable equipment unit for the rental period.

The proposed amendments would require owners of registered engines and equipment units to submit an annual report to the Executive Officer by March 1 of each calendar year which would include the reporting year, the registration number, quarterly summaries for

each district or county of the total fuel use in gallons per quarter or hours of operation per quarter for registered engines, and quarterly summaries for each district or county of the total process throughput or process weight for equipment units.

The proposed amendments would require owners or operators of a registered engine and/or equipment unit owned by a Provider of Essential Public Service (PEPS) to submit an annual report to the Executive Officer by March 1 of each calendar year which would include the reporting year, the registration number, total hours of operation, and an estimate of the percentage of hours or fuel use for the three counties in which the registered engine or equipment operate the most.

The proposed amendments would require districts to submit a report to the Executive Officer by March 31 of each calendar which would include the number of portable equipment engines and equipment units inspected, the number of portable engines and equipment units found operating without district permits or a statewide registration, the number of registered engines and equipments units inspected and a summary of the inspections.

The proposed amendments would require vendors selling new engines or equipment units in California to notify the buyer about this regulation and to submit to the Executive Officer on a monthly basis the number of portable engines and equipment units sold for use in California including the name, address, contact information of the purchaser and the description of the engine or equipment unit including make, model and engine family name.

With this information, ARB staff and districts intend to track where new engines sold in the State are going, their intended use, and ultimately whether they are permitted or registered. One purpose of the proposed recordkeeping and reporting requirements is to determine the location and magnitude of the air pollution emissions from portable equipment that operated during the calendar year in each district. Accurate, long-term data that depicts where portable engines operated, and for how long, will assist ARB and local districts in determining if certain uses of portable engines present an undue significant risk to the health of receptors. Part of the mission of the local districts is to provide the public with accurate and timely information regarding the air pollution emission produced within each district. In order to be able to provide the public with such information, the districts must collect and compile it.

5. Notification Requirements

The proposed amendments would require owners and operators of registered equipment units to notify the district when the equipment unit would be operated at a location for more than five days. The owner or operator and the district, by mutual agreement, could arrange alternative notification requirements on a case-by-case basis.

Because of the transient nature of equipment units and the greater potential for creating a public nuisance and visible emission violations, the proposed notification requirements would ensure that districts are aware of equipment unit operations within their jurisdiction. ARB staff is also proposing to delete the notification requirements for portable engines.

6. District Inspections and Fees

The districts play a critical role in enforcing the requirements of the Statewide Regulation. California HSC Section 41755 (a) requires that districts enforce the Statewide Regulation in the same manner as a district rule or regulation. In addition, HSC Section 41752 (d)(a) provides that ARB include in the Statewide Regulation a uniform Statewide district fee schedule for the recovery of the reasonable costs of enforcement.

In addition to inspections, the District enforcement activities for registered portable equipment include identifying affected industries; performing public outreach to educate those affected; providing compliance assistance; performing field surveillance, pre-inspection preparation, inspection and enforcement; conducting mutual settlement of violations, and prosecution where necessary; follow-up for sources failing to pay fees and/or fines; database entry and reporting work; and developing forms and reports.

ARB staff proposes to increase the district inspection fee for portable engines and equipment units to cover the increase in costs associated with district inspections and reporting requirements. In addition, staff has provided provisions for multiple engine inspection fee discount, a fee for conducting inspections outside of normal work hours and arranged inspections once every three years. A detailed discussion of the increased program fees is presented in Appendix B.

Appendix F contains CAPCOA's original proposal for inspection fees for inspection of portable equipment. This proposal was the starting point in the development of the fee schedule that is contained in the proposed amendments. The fee schedule contained in the proposed amendments is the result of negotiations between CAPCOA and a group of affected stakeholders. The proposed inspection fees are designed to provide reimbursement for inspections conducted by the Home District as well as, general inspections that are conducted when portable equipment is operating in districts other than the designated Home District. The proposed schedule also provides owners and operators of portable equipment with certainty regarding the fees that would be charged for registration and inspection of portable equipment.

Each district would be responsible to inspect all registered engines and equipment units for which the district has been designated as home district. Under the proposed amendments, the owner or operator is responsible to contact the home district within 45 days after the date of initial issuance or renewal of a registration, to arrange for an inspection. If the registered engine or equipment unit shall be operating in a district, other than the home district, the owner or operator may request the home district to arrange for an inspection by that other district. However, the inspection must be completed within one year of the initial registration or renewal date.

a. District Inspection Fees – Engines

Currently, districts may charge an annual fee of \$75.00 for performing an inspection of an engine registered in the Statewide Program. This inspection fee was found to be inadequate to cover the district's cost for conducting an inspection and resulted in few inspections being conducted by the districts. ARB staff proposes to increase the fee from \$75.00 per inspection annually to \$345.00 (\$315.00 home district inspection fee and

\$30.00 general district inspection fee) every three years. This fee would be due at initial registration or upon renewal. ARB staff would annually disperse the home district inspection fees to the home district designated by the owner and would equally disperse the general district inspection fees to the 35 air districts. This provision would allow for districts to receive more adequate funding for conducting inspections and encourage the districts to conduct a greater number of inspections.

b. Multiple Engine Inspection Fee Discount

ARB staff proposes a multiple engine inspection fee discount if an owner or operator arranges to have multiple engines inspected at the same time by the home district. Inspections of four to nine engines would be eligible for a 25 percent discount and inspections of ten or more engines would be eligible for a 35 percent discount.

The owner or operator would be required to notify the district in writing within 45 days of initial registration or by January 30 of each year for renewals. The fee discount would be applied at the time of registration. This provision provides cost savings to the owners and operators of portable equipment and provides increased efficiency for district enforcement programs.

c. District Inspection Fees – Equipment Units

Currently, districts may charge \$75.00 for performing an inspection of an equipment unit registered in the Statewide Program. As stated above, this inspection fee was found to be inadequate to cover the district's cost for conducting an inspection and resulted in a small number of inspections being conducted by the districts. Under the current proposal, the inspection fee for equipment is based on the time it takes to conduct the inspection multiplied by \$98.00 per hour with a \$500.00 maximum. In addition, a \$75.00 general district inspection fee would be required to be paid during the initial registration and every 3 years upon renewal.

d. District Inspection Fees – Tactical Support Equipment (TSE)

Currently, districts may charge \$75.00 once every calendar year for performing an inspection of a registered TSE unit. Under the current proposal, an additional \$10.00 general district inspection fee would be required to be paid to the Executive Officer during the initial registration and annually thereafter.

e. District Off-hour Inspection Fee

The proposed amendments also contain a provision that if the registered engines can only be inspected outside of normal workday hours, the district may charge for the off-hour time at an additional cost of \$50.00 per hour. The provision provides for more adequate reimbursement of additional expenses associated with district off-hour inspections.

f. Arranged District Inspections

The proposed amendments would require owners or operators to contact the home district within 45 days of initial registration or renewal to schedule an arranged inspection with the

home district. Inspections could be arranged to be in-field or non-field inspections. An in-field inspection is conducted at the location that the portable engine or equipment unit is operated under normal load and conditions. A non-field inspection is either conducted at a location that is mutually acceptable to the district and the owner or operator or where the engine or equipment unit is stored. A non-field does not require operation of the engine or equipment unit for purposes of the inspection.

For portable engines, each home district could conduct no more than 20 percent of the arranged inspections for that district as in-field inspections. The district would be required to conduct an arranged inspection once every three years. A district may inspect a registered engine or equipment unit in addition to the arranged inspection, but the district would not be able to charge the owner an inspection fee.

These proposed provisions would provide greater certainty to districts and owners regarding when inspections might be conducted. It also provides certainty as to where inspections would be conducted.

7. Recognition of Longer Lead Times for Delivery of Some Engines

The Statewide Regulation requires that portable diesel-fueled engines that have not been permitted or registered prior to January 1, 2006, meet the most stringent of the federal or California emission standards for off-road engines.

Specifically, the off-road standards require that after January 1, 2006, 2006 model year engines rated from 175 to 750 brake horsepower (bhp) must meet Tier 3 standards and 2006 model year engines rated greater than 750 bhp must meet Tier 2 standards to be accepted into PERP.

Engines meeting the 2006 requirements are becoming more readily available. ARB staff recently became aware that some manufacturers and distributors required longer lead times for certain engines than was originally anticipated. Recognizing this issue, ARB staff is proposing to amend the Statewide Regulation to allow into PERP, Tier 2 engines in the 175 to 750 bhp range and Tier 1 engines rated greater than 750 bhp under the following circumstances:

1. The engine is in a new piece of equipment that was sold to the ultimate user by the manufacturer or an authorized distributor between July 1, 2005, and December 31, 2005; and
2. A complete PERP application including all forms and applicable fees is received by the Executive Officer prior to November 1, 2006; and
3. The application contains valid documentation regarding the date of sale including, but not limited to, the date shown on the front of the cashed check, the date of the financial transaction, or the date shown on the engine purchase agreement between the ultimate user or engine packager, and the engine manufacturer or dealer/distributor.

ARB staff believe that this relief is necessary so as to not penalize the owners who ordered equipment in good faith well ahead of the necessary deadline, but did not receive the engines and/or equipment units in time to register them into PERP. Staff believes that the

number of engines that would meet the above criteria and qualify for registration would be less than 200 engines and the resulting emissions increase would be insignificant.

8. Miscellaneous

ARB staff is proposing to modify, add, and delete terms in the definitions section, delete outdated provisions, and to strengthen the appeals process. These changes are considered to be non-substantive and are intended to provide additional clarity and enforceability to the Statewide Regulation.

IV. ENVIRONMENTAL IMPACTS OF THE PROPOSED AMENDMENTS TO THE STATEWIDE REGULATION

This chapter describes the potential environmental impacts of the proposed amendments to the Statewide Regulation. Based on staff's analysis, the proposed amendments to the Statewide Regulation would not result in any adverse impacts.

A. LEGAL REQUIREMENTS APPLICABLE TO THE ENVIRONMENTAL IMPACT ANALYSIS

The California Environmental Quality Act (CEQA) and ARB policy require an analysis to determine the potential environmental impacts of proposed regulations. The Secretary of Resources, pursuant to Public Resources Code section 21080.5, has certified the ARB rulemaking process. Consequently, the CEQA environmental analysis requirements may be included in the Initial Statement of Reasons (ISOR) for this rulemaking. The ISOR serves as a functionally equivalent document of an initial study, a Negative Declaration, and an Environmental Impact Report. In addition, staff will respond, in the Final Statement of Reasons for the amended Statewide Regulation, to all significant environmental issues raised by the public during the public review period or at the Board public hearing.

Public Resources Code section 21159 requires that the environmental impact analysis conducted by ARB include the following:

- An analysis of reasonably foreseeable environmental impacts of the methods of compliance;
- An analysis of reasonably foreseeable feasible mitigation measures; and
- An analysis of reasonably foreseeable alternative means of compliance with the amended Statewide Regulation.

Regarding mitigation measures, CEQA requires an agency to identify and adopt feasible mitigation measures that would minimize any significant adverse environmental impacts described in the environmental analysis.

B. AIR QUALITY IMPACTS OF THE PROPOSED AMENDMENTS TO THE STATEWIDE REGULATION

The proposed amendments to the Statewide Regulation would likely result in reductions in NOx and diesel PM emissions. These reductions would occur because the Statewide Regulation mandates cleaner engines as a condition of registration and because of the funding of increased enforcement activities. All Californians would benefit, particularly those living in areas where the State and federal ambient air quality standards for ozone and particulate matter are exceeded. No adverse impacts have been identified by the ARB staff. ARB staff has not been advised of any adverse impacts by the public during any of the outreach efforts or workshops.

C. IMPACTS OF THE PROPOSED AMENDMENTS ON MEETING AMBIENT AIR QUALITY STANDARDS

HSC section 41754 requires that emissions from engines and equipment units registered in PERP shall not, in aggregate, interfere with the attainment or maintenance of the State and federal ambient air quality standards. PERP requires that engines meet the most stringent emission standards in effect at the time the application and requires that any engine registered after 2010 must be certified. The implementation of the current Statewide Regulation therefore will result in increased reductions of NOx, HC, and diesel PM emissions from registered engines now and in future years.

D. ANALYSIS OF REASONABLY FORESEEABLE ENVIRONMENTAL IMPACTS OF THE METHODS OF COMPLIANCE

As specified in Health and Safety Code section 41755, the districts have an important role in enforcing the requirements of the Statewide Regulation. If the Board approves the proposed amendments, the districts would be able to increase their enforcement efforts of the Statewide Regulation.

E. REASONABLY FORESEEABLE MITIGATION MEASURES

CEQA requires an agency to identify and adopt feasible mitigation measures that would minimize any significant adverse environmental impacts described in the environmental analysis. ARB staff has concluded that no significant adverse environmental impact would occur from adoption of, and compliance with, the proposed amendments to the Statewide Regulation. Therefore, no mitigation measures would be necessary.

F. REASONABLY FORESEEABLE ALTERNATIVE MEANS OF COMPLIANCE WITH THE PROPOSED AMENDMENTS

At the February 2004 Board meeting, CAPCOA raised a number of concerns related to the enforceability of PERP. The Board directed staff to work with CAPCOA and affected industries to resolve these concerns. ARB in consultation with CAPCOA and a number of affected industries developed proposed amendments to the Statewide Regulation. ARB staff has concluded that the proposed amendments provide the most effective and least burdensome approach to ensuring air quality continues to be protected, that ARB can continue to operate and maintain the program effectively.

G. ENVIRONMENTAL JUSTICE

ARB is committed to evaluating community impacts of proposed regulations including environmental justice concerns. Because some communities experience higher exposure to air pollutants, it is a priority of ARB to ensure that full protection is afforded to all Californians. The proposed amendments to the Statewide Regulation are not expected to result in significant negative impacts in any community. The proposed amendments to the Statewide Regulation would likely result in decreased emissions of NOx and diesel PM. These reductions would occur by increasing enforcement activities to ensure that affected engines and equipment units are in compliance with registration requirements, particularly engine replacement requirements.

The proposed amendments would further reduce emissions of NOx and PM to residents and off-site workers living or working near the operation of registered engines and equipment units.

V. ECONOMIC IMPACTS OF THE PROPOSED AMENDMENTS TO THE STATEWIDE REGULATION

This chapter discusses legal requirements that must be satisfied in analyzing the economic impacts of the proposed amendments to the Statewide Regulation and the methodology used to estimate cost impacts, and presents estimates of the economic impacts for the proposed amendments. The proposed amendments to the Statewide Regulation are not expected to change the overall beneficial impact on affected business and industry.

A. SUMMARY OF THE ECONOMIC IMPACTS

Staff estimates the total potential economic impact of the proposed amendments to the Statewide Regulation to affected businesses and governmental agencies is approximately \$54.2 million. The total economic impact is attributable to increased cost to maintain records (\$41.2 million); increased district engine inspection fees (\$9.8 million); increased district equipment inspection fees (\$1.9 million); increased district inspection fees for technical support equipment (\$236,000); cost to obtain a placard (\$194,000); cost to replace placards (\$34,000); and the cost to install hour meters (\$876,000). However, ARB staff expects there to remain an overall benefit for most businesses affected by the proposed amendments to the Statewide Regulation compared to having to obtain district permits (see Appendix C for more detail).

B. LEGAL REQUIREMENTS

Section 11346.3 of the Government Code requires state agencies to assess the potential for adverse economic impacts on California business enterprises and individuals when proposing to adopt or amend any administrative regulation. The assessment shall include a consideration of the impact of the proposed regulation on California jobs, business expansion, elimination or creation, and the ability of California business to compete with businesses in other states.

Also, state agencies are required to estimate the cost or savings to any state or local agency and school district in accordance with instructions adopted by the Department of Finance. The estimate shall include any non-discretionary cost or savings to local agencies and the cost or savings in federal funding to the State.

Finally, HSC section 57005 requires ARB to perform an economic impact analysis of submitted alternatives to a proposed regulation before adopting any major regulation. A major regulation is defined as a regulation that will have a potential cost to California business enterprises in an amount exceeding ten million dollars in any single year. Because the estimated cost of the amendments to the Statewide Regulation does not exceed ten million dollars in a single year, the proposed amendments to the Statewide Regulation is not a major regulation.

C. METHODOLOGY FOR ESTIMATING COSTS ASSOCIATED WITH IMPLEMENTATION OF THE PROPOSED AMENDMENTS

This section provides the general methodology and assumptions used to estimate the costs associated with the amendments to the Statewide Regulation. ARB staff describes the

method used to estimate the number and types of engines and associated equipment subject to the proposed increased program fees. The basic methodology is also used to analyze the costs to private companies and governmental agencies. For determining the various costs for the life of the regulation, staff followed the instructions found in the State Administrative Manual, Section 6680 and utilized the annual cost multiplied out five years.

1. Analysis of the PERP Database

ARB staff conducted an analysis of the PERP database that existed on January 27, 2006 in order to evaluate the cost impacts from the proposed amendments to the Statewide Regulation for federal, state, local agencies and small businesses. Based on the analysis, staff determined that there are over 2,155 organizations with 27,705 engines or equipment units (units) registered in PERP. Of these organizations, staff estimates there are eight state agencies with 23 registered units (approximately .08 percent of the total), 181 local agencies with 1,236 registered units (approximately 4 percent of the total), 50 federal agencies with 4,874 registered units (approximately 17.5 percent of the total), and 1,916 private businesses with 21,572 registered units (approximately 78 percent of total). ARB staff used these percentages to determine the cost of the proposed amendments to the various organizations.

ARB staff also used a representative sample of businesses to determine the percentage of "small businesses." Based on this analysis, staff determined that 70 percent of all businesses currently in PERP are small businesses and own five or fewer units.

2. Initial and Recurring Costs

The cost evaluation considers both initial costs and ongoing annual costs. Initial costs were calculated for the estimated number of units that would have to purchase placards and hour meters. Ongoing annual costs were applied to the estimated number of units that would be subject to the proposed district inspection fees, assumed number of placards that would need to be replaced each year, and new recordkeeping costs.

D. BUSINESSES AFFECTED

Any business that owns or operates portable internal combustion engines and/or equipment units currently registered in PERP is affected by the proposed amendments. The affected businesses fall into different industry classifications. A list of the industries that may be impacted is provided in Table V-1.

Table V-1

Industries Affected by Statewide Registration Program

<u>SIC Code</u>	<u>Industry</u>
1311	Crude petroleum and natural gas
1321	Natural gas liquids
1381	Drilling oil and gas wells
1382	Oil and gas exploration services
1389	Oil and gas field services, not elsewhere classified
1521	Single-family housing construction
1522	Residential construction, not elsewhere classified
1531	Operative builders
1541	Industrial buildings and warehouses
1542	Nonresidential construction, not elsewhere classified
1611	Highway and street construction
1622	Bridge, tunnel, and elevated highway
1623	Water, sewer, and utility lines
1629	Heavy construction, not elsewhere classified
1711	Plumbing, heating, air-conditioning
1771	Concrete work
1781	Water well drilling
1791	Structural steel erection
1794	Excavation work
1795	Wrecking and demolition work
4925	Gas production and/or distribution
4941	Water supply
4952	Sewerage systems
4953	Refuse systems
4959	Sanitary services, not elsewhere classified
4961	Steam and air-conditioning supply
4971	Irrigation systems
7349	Building maintenance services, not elsewhere classified
7353	Heavy construction engines and equipment units rental
7359	Equipment rental and leasing, not elsewhere classified
7519	Utility trailer rental
7812	Motion picture and video production
7819	Services allied to motion pictures
7996	Amusement parks
9711	National security

E. COST DUE TO NEW AND INCREASED FEES

The proposed amendments to the Statewide Regulation require increased district inspection fees for engines, equipment units, and TSE; purchase of a placard for engine or equipment unit; installation of hour meters; and revised recordkeeping requirements. The proposed fee schedule is found in Appendix B. Following is a discussion of the economic impacts associated with the proposed requirements for increased fees, recordkeeping, placards, and hour meters.

1. District Inspection Fees

Staff believes that the cost increases associated with the proposed amendments to the regulation are less than the costs associated with obtaining and maintaining multiple district permits. Staff surveyed the districts to determine permitting and renewal costs over a three-year period and compared it to the cost for registration and renewal in PERP. Based on the survey results, permitting and registration in multiple districts is greater than the cost from the increased fees from the proposed Statewide Regulation. In addition, the Statewide Regulation standardizes emission limits, monitoring, and recordkeeping requirements promote consistency throughout California for which portable equipment unit owners also realize a cost saving. Because PERP is a voluntary program, eligible businesses and government agencies that find it is not financially advantageous and administratively convenient may elect not to participate.

a. Inspection Fees - Engines

ARB staff estimated the total potential economic impact due to increased district inspection fees for the 20,733 non-TSE engines currently registered in PERP is \$9.8 million dollars over five years.

Currently, districts may charge \$75.00 for performing an inspection of an engine registered in the Statewide Program. This inspection fee was found to be inadequate to cover the district's cost for conducting an inspection and resulted in a small number of inspections being conducted by the districts. In this analysis, ARB staff assumed as a worst case scenario that no company paid inspection fees.

Under the current proposal, the inspection fee is \$345.00 every 3 years paid upon initial registration or renewal. This inspection cost may be reduced if a company arranges to have multiple engines inspected at the same time. There is a 25 percent discount when four (4) to nine (9) engines are inspected together and a 35 percent discount when 10 or more engines are inspected together. For this analysis, staff assumed that one-fourth of all engines that could receive the 25 percent discount would take advantage of this provision. Staff assumed that one-third of all engines that could take advantage of the 35 percent discount would do so.

Because engines are inspected once every three years, staff based the actual number of engines that would need to be inspected for years 2006 through 2008 on the number of engines currently scheduled to be renewed during these years and used an historic renewal rate of 75 percent. Staff added to this number an assumed increase of 2,500 engines that would be coming into the program during these years. For renewal years 2009 and 2010,

staff based the number of inspections needed on the 2006 and 2007 total renewals and assumed an additional 1,000 engines entering into the program during these years.

The proposal also contains a provision that if the engines can only be inspected outside of normal workday hours, the district may charge for the off-hour time at a cost \$50.00 per hour. A survey by CAPCOA determined that the average time to inspect an engine was four hours. Staff assumed that three percent of all engines would be inspected outside of normal district workday hours and that it would take four hours to complete.

b. Inspection Fees - Equipment

Staff estimated the total potential economic impact due to increased district inspection fees for the 2,251 pieces of equipment in the program is about \$1.9 million over five years.

Currently, districts may charge \$75.00 for performing an inspection of an equipment unit registered in the Statewide Program. As stated above, this inspection fee was found to be inadequate to cover the district's cost for conducting an inspection and resulted in few inspections being conducted by the districts. In this analysis, ARB staff assumed as a worst case scenario that no company paid inspection fees. Under the current proposal, the inspection fee for equipment is based on the time it takes to conduct the inspection multiplied by \$98.00 per hour with a \$500.00 dollar maximum. In addition, a \$75.00 fee per equipment unit is required to be paid during the initial registration and every 3 years upon renewal.

A survey by CAPCOA determined that the average time to inspect equipment units was approximately four hours. For this analysis, staff assumed that the cost to inspect each piece of equipment was \$475.00 (approximately 4 hours plus the \$75.00 fee).

Because equipment units are inspected once every three years, staff based the actual number of equipment units that would need to be inspected for years 2006 through 2008 on the number of equipment units currently scheduled to be renewed during these years and used an historic renewal rate of 75 percent. Staff added to this number an assumed increase of 250 equipment units that would be coming into the program during these years. For renewal years 2009 and 2010, staff based the number of inspections needed on the 2006 and 2007 total renewals and assumed an additional 250 equipment units entering into the program during these years.

c. District Inspection Fees – Tactical Support Equipment (TSE)

Staff estimated the total potential economic impact due to increased district inspection fees for the 4,721 pieces of TSE in the program is estimate to be about \$236,000 over five years.

Currently, districts may charge \$75.00 for performing an inspection of a TSE unit registered in the Statewide Program. In this analysis, ARB staff assumed as a worst case scenario that no TSE units were inspected. Under the current proposal, the inspection fee for TSE units is \$10.00 per year per TSE unit. Currently, there are approximately 4,700 TSE units registered in the program.

This number of TSE units has changed very little over the course of PERP, therefore, staff assumed that the number of TSE units needing inspection will remain constant in the future years.

2. Recordkeeping Requirements

Staff estimated the total potential economic impact due to owners/operators having to maintain records for engines and/or equipment is estimated to be \$41.2 million over five years.

Currently, approximately 7,888 PERP engines and equipment units are required to keep records. As proposed, the Statewide Regulation would require recordkeeping for all engines and equipment. Staff assumed an annual cost of \$400 per engine/equipment unit for owners to record, maintain, and report to the district when required. ARB staff believes this is a conservative assumption since many companies already keep these records.

Staff based the number of engines and equipment units that would now need to have records kept for year 2006 on the number of engines and equipment units that currently do not keep records. For years 2007 through 2010 staff added to this number an assumed increase of 2,750 engines and equipment that would be coming into the program each year.

3. Placards

Staff estimated the total potential economic impact due to owners/operators having to purchase placards for the 27,705 engines and equipment units is estimate to be about \$194,000 plus an additional \$34,000 for placard replacements over five years.

Amendments to the regulation require that all new and existing engines and equipment units display a placard. Staff determined that a placard will cost \$5.00 for each engine and equipment unit. Staff also assumed that in addition to the 27,705 existing engines and equipment units, approximately 2,750 new engines or equipment units will come into the program each year.

Staff reviewed the current replacement rate for PERP stickers and assumed that the number of placard replacements would be one-half the number of sticker replacements. Staff apportioned the number of placard replacements (225 placards replaced per year) based on engine population data. The cost to replace a placard will be equal to the current cost to replace a sticker (\$30.00).

4. Hour Meters

Staff estimated the total potential economic impact due to owners/operators having to install hour meters is about \$876,000 over five years.

Currently, most engines registered in the Statewide Program have hour meters installed. Staff determined that approximately 4,380 engines do not have hour meters. Staff apportioned this amount based on engine population data. Staff assumed the cost to purchase and install hour meters is \$200. Staff assumed that after 2006 all engines will be equipped with hour meters.

F. POTENTIAL IMPACTS ON EMPLOYMENT

The proposed amendments to the Statewide Regulation are not expected to cause a noticeable change in California employment because most businesses will find that the requirements will not require significant additional staffing or expense.

G. POTENTIAL IMPACTS ON BUSINESS CREATION, ELIMINATION, OR EXPANSION

The majority of the increases costs would be borne by engine owners and government agencies, although some costs may be passed onto individuals from companies such as rental yards, and companies that contract directly with individuals. Overall, most affected private businesses and public agencies would be able to absorb the costs of the proposed regulation with no significant adverse impacts because most businesses will find that it is less expensive than obtaining multiple district permits. Because the proposed amendments to the Statewide Regulation would not significantly alter the profitability of most businesses, a noticeable change in employment, business creation, elimination, or expansion, and business competitiveness in California is not expected.

The proposed amendments to the Statewide Regulation maintain a benefit to California businesses due to the streamlined permitting process, standardized emissions limits, and lower overall cost compared to obtaining and maintaining multiple district permits.

H. POTENTIAL IMPACTS ON SMALL BUSINESSES

The total potential economic impact to small business is approximately \$35.4 million dollars over five years. The cost impacts included a one-time cost to install an hour meter and obtain a placard, and annual ongoing costs from increased district inspection fees and costs to keep records and report to the ARB on an annual basis. (See Appendix C for more detail).

To determine the number of small businesses, staff relied on the following definition of small business. (As defined in Assembly Bill 2505 (Ch. 821, Statutes of 1998); the statute sets forth a simplified definition of small business that is utilized for State procurement activities):

"Small Business" means an independently owned and operate business, which is not dominant in its field of operation, the principal of which is located in California, the offices of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or is a manufacturer with 100 or fewer employees."

I. POTENTIAL IMPACTS ON PUBLIC AGENCIES

The total potential economic impact to state agencies is approximately \$53,000 over five years. The total potential economic impact to local agencies is approximately \$2.9 million dollars over five years. The cost impact includes increased district inspection fees, hour meter, placard and recordkeeping fees.

Appendix A

Proposed Amendments to the Statewide Portable Equipment Registration Program Regulation

Proposed Amendments to the Regulation for the Statewide Portable Equipment Registration Program

California Air Resources Board

Article 5 and sections 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465 of Title 13, California Code of Regulations

Article 5. Portable Engine and Equipment Registration

§ 2450. Purpose.

These regulations establish a statewide program for the registration and regulation of portable engines and engine-associated equipment (portable engines and equipment units) as defined herein. Portable engines and equipment units registered under the Air Resources Board program may operate throughout the State of California without authorization (except as specified herein) or permits from air quality management or air pollution control districts (districts). These regulations preempt districts from permitting, registering, or regulating portable engines and equipment units, including equipment necessary for the operation of a portable engine (e.g. fuel tanks), registered with the Executive Officer of the Air Resources Board except in the circumstances specified in the regulations.

NOTE: Authority cited: Section 39600, 39601, 41752, 41753, 41754, 41755, 43013(b), and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2451. Applicability.

- (a) Registration under this regulation is voluntary for owners ~~and operators~~ of portable engines or equipment units.
- (b) This regulation applies to portable engines and equipment units as defined in section 2452. Except as provided in paragraph (c) of this section, any portable engine or equipment unit may register under this regulation. Examples include, but are not limited to:
 - (1) portable equipment units driven solely by portable engines including confined and unconfined abrasive blasting, Portland concrete batch plants, sand and gravel screening, rock crushing, and unheated pavement recycling and crushing operations;
 - (2) consistent with section 209 (e) of the federal Clean Air Act, engines and associated equipment used in conjunction with the following types of portable operations: well drilling, service or work-over rigs; power generation, excluding cogeneration; pumps; compressors; diesel pile-driving hammers; welding; cranes; woodchippers; dredges; equipment necessary for the operation of portable engines and equipment units; and military tactical support equipment.

- (c) The following are not eligible for registration under this program:
- (1) any engine used to propel mobile equipment or a motor vehicle of any kind as defined in section 2452 (aa)(1)(A);
 - (2) any engine or equipment unit not meeting the definition of portable as defined in section 2452 (~~zdd~~) of this regulation;
 - (3) ~~any equipment unit and its associated engines, equipment units, and associated engines~~ determined by the Executive Officer to qualify as part of a stationary source permitted by a district;
 - (4) any ~~portable~~ engine or equipment unit subject to an applicable federal Maximum Achievable Control Technology standard, or National Emissions Standard for Hazardous Air Pollutants, or federal New Source Performance Standard, except for equipment units subject to 40 CFR Part 60 Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants);
 - (5) any ~~portable~~ engine or equipment unit operating within the boundaries of the California Outer Continental Shelf (OCS). [Note: This shall not prevent statewide registration of portable engines and equipment units already permitted by a district for operation in the OCS. Such statewide registration shall only be valid for operation onshore and in State Territorial Waters (STW).];
 - (6) any dredging operation in the Santa Barbara Harbor;
 - (7) any dredging unit owned by a single port authority, harbor district, or similar agency in control of a harbor, and operated only within the same harbor;
 - (8) generators used for power production into the grid, except to maintain grid stability during an emergency event or other unforeseen event that affects grid stability; and
 - (9) generators used to provide primary or supplemental power to a building, facility, stationary source, or stationary equipment, except during unforeseen interruptions of electrical power from the serving utility, maintenance and repair operations, electrical upgrade operations that do not exceed 60 calendar days, including startup, shutdown, and testing, operations where the voltage, frequency, or electrical current requirements can only be supplied by a portable generator, or remote operations where grid power is unavailable. ~~For interruptions of electrical power, the operation of a registered generator including startup, shutdown and testing shall not exceed the time of the actual interruption of power.~~
- (d) The owner of A any engine or equipment unit that loses eligibility for registration under this program shall apply for a permit with a district within 90 days of being notified of loss of eligibility. Registration shall remain valid and operation may continue under this article until the district grants or denies ~~approval~~ a permit or a registration for the engine or equipment unit.
- (e) In the event that the owner ~~or operator~~ of an ~~portable~~ engine or equipment unit elects not to register under this program, the ~~unregistered portable~~ engine or equipment unit shall be subject to district permitting requirements pursuant to district regulations.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2452. Definitions.

- (a) **Air Contaminant** ~~means any discharge, release, or other propagation into the atmosphere which includes, but is not limited to, smoke, dust, soot, grime, carbon, fumes, gases, odors, particulate matter, acids, or any combination thereof.~~ shall have the same meaning as set out in section 39013 of the Health and Safety Code.
- (b) **ARB** means the California Air Resources Board.
- (c) **Certified Compression-Ignition Engine** means an engine meeting the nonroad engine emission standards for compression-ignition engines, as set forth in Title 13 of the California Code of Regulations or 40 CFR Part 89 in effect at the time of application.
- (d) **Certified Spark-Ignition Engine** means an engine meeting the nonroad engine emission standards for spark-ignition engines, as set forth in Title 13 of the California Code of Regulations or 40 CFR Part 1048 in effect at the time of application.
- (e) **Compression-Ignition (CI) Engine** means an internal combustion engine with operating characteristics significantly similar to the theoretical diesel combustion cycle. Compression-ignition engines usually control fuel supply instead of using a throttle to regulate power.
- (~~ef~~) **Corresponding Onshore District** means the district which has jurisdiction for the onshore area that is geographically closest to the engine or equipment unit.
- (~~eg~~) **District** means an air pollution control district or air quality management district created or continued in existence pursuant to provisions of Part 3 (commencing with section 40000) of the California Health and Safety Code.
- (~~eh~~) **Electrical Upgrade** means replacement or addition of electrical equipment and systems resulting in increased generation, transmission and/or distribution capacity.
- (~~fi~~) **Emergency Event** means any situation arising from sudden and reasonably unforeseen natural disaster such as earthquake, flood, fire, or other acts of God, or other unforeseen events beyond the control of the portable engine or equipment unit operator, its officers, employees, and contractors that threatens public health and safety and that requires the immediate temporary operation of portable engines or equipment units to help alleviate the threat to public health and safety.
- (~~gj~~) **Engine** means any piston driven internal combustion engine.

- (~~hk~~) **Equipment Unit** means equipment that emits PM₁₀ over and above that emitted from an associated ~~portable~~ engine.
- (~~il~~) **Executive Officer** means the Executive Officer of the California Air Resources Board or his/her designee.
- (~~ij~~) **Existing Program Participant** ~~means a company, public agency, or municipality with a unique name and mailing address that held registration prior to September 1, 2005.~~
- (~~km~~) **Hazardous Air Pollutant (HAP)** means any air contaminant that is listed pursuant to section 112(b) of the federal Clean Air Act.
- (~~ln~~) **Home District** means the district designated by the responsible official as the district of the portable engine or equipment unit in which the portable registered engine or equipment unit resides most of the time. For registered engines or equipment units based out of California, the responsible official shall designate the home district based on where the registered engine or equipment unit is likely to be operated a majority of the time the registered engine or equipment unit is in California.
- (~~mo~~) **Identical Replacement** means a substitution due to mechanical breakdown of a registered portable engine or equipment unit with another portable engine or equipment unit that has the same manufacturer, type, model number, manufacturer's maximum rated capacity, and rated brake horsepower; and is intended to perform the same or similar function as the original portable engine or equipment unit; and has equal or lower emissions expressed as mass per unit time; and meets the emission control technology requirements of sections 2455 through 2457 of this article.
- (~~p~~) **In-field Inspection** means an inspection that is conducted at the location that the portable engine or equipment unit is operated under normal load and conditions.
- (~~qg~~) **Location** means any single site at a building, structure, facility, or installation.
- (~~er~~) **Maximum Achievable Control Technology (MACT)** means any federal requirements promulgated as part of 40 CFR Parts 61 and 63.
- (~~ps~~) **Maximum Rated Capacity** is the maximum throughput rating or volume capacity listed on the nameplate of the ~~portable~~ registered equipment unit as specified by the manufacturer.
- (~~qt~~) **Maximum Rated Horsepower (brake horsepower (bhp))** is the maximum brake horsepower rating specified by the ~~portable~~ registered engine manufacturer and listed on the nameplate of the ~~portable~~ registered engine.
- (~~fu~~) **Mechanical Breakdown** means any failure of an engine's electrical system or mechanical parts that necessitates the removal of the registered engine from service.

- (sv) **Modification** means any physical change to, change in method of operation of, or an addition to an ~~existing portable~~ registered engine or equipment unit, which may cause or result in an increase in the amount of any air contaminant emitted or the issuance of air contaminants not previously emitted. Routine maintenance and/or repair shall not be considered a physical change. Unless previously limited by an enforceable registration condition, a change in the method of operation shall not include:
- (1) an increase in the production rate, unless such increase will cause the maximum design capacity of the ~~portable~~ registered equipment unit to be exceeded;
 - (2) an increase in the hours of operation;
 - (3) a change of ownership; and
 - (4) the movement of a ~~portable~~ registered engine or equipment unit from one location to another.
- (tw) **New Nonroad Engine** means a nonroad engine, the equitable or legal title to which has never been transferred to an ultimate purchaser. If the equitable or legal title to an engine is not transferred to an ultimate purchaser until after the engine is placed into service, then the engine will no longer be new after it is placed into service. A nonroad engine is placed into service when it is used for its functional purposes. The term “ultimate purchaser” means, with respect to a new nonroad engine, the first person who ~~in good faith purchases a new nonroad vehicle or~~ a new nonroad engine for purposes other than resale.
- (u) **New Program Participant** ~~means a company, public agency, or municipality with a unique name and mailing address that did not hold registration prior to September 1, 2005.~~
- (vx) **New Source Performance Standard (NSPS)** means any federal requirement promulgated as part of 40 CFR Part 60.
- (w) **Non-operational** ~~means a portable engine or equipment unit that an owner or operator has demonstrated to the satisfaction of the Executive Officer as residing in California but not operating. A portable engine or equipment unit determined to be non-operational may not operate under the registration program.~~
- (y) **Non-field Inspection** means an inspection that is either conducted at a location that is mutually acceptable to the district and the owner or operator or where the engine or equipment unit is stored and does not require operation of the engine or equipment unit for purposes of the inspection.
- (xaa) **Nonroad Engine** means:
- (1) Except as discussed in paragraph (2) of this definition, a nonroad engine is any engine:

- (A) in or on a piece of equipment that is self-propelled or serves a dual purpose by both propelling itself and performing another function (such as garden tractors, off-highway mobile cranes and bulldozers); or
 - (B) in or on a piece of equipment that is intended to be propelled while performing its function (such as lawnmowers and string trimmers); or
 - (C) that, by itself or in or on a piece of equipment, is portable or transportable, meaning designed to be and capable of being carried or moved from one location to another. Indicia of transportability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform.
- (2) An engine is not a nonroad engine if:
- (A) the engine is used to propel a motor vehicle or a vehicle used solely for competition, or is subject to standards promulgated under section 202 of the federal Clean Air Act; or
 - (B) the engine is regulated by a federal New Source Performance Standard promulgated under section 111 of the federal Clean Air Act; or
 - (C) the engine otherwise included in paragraph (1)(C) of this definition remains or will remain at a location for more than 12 consecutive months or a shorter period of time for an engine located at a seasonal source. Any engine (or engines) that replaces an engine at a location and that is intended to perform the same or similar function as the engine replaced will be included in calculating the consecutive time period. An engine located at a seasonal source is an engine that remains at a seasonal source during the full annual operating period of the seasonal source. A seasonal source is a stationary source that remains in a single location on a permanent basis (at least two years) and that operates at that single location approximately three (or more) months each year.

(ybb) **Outer Continental Shelf (OCS)** shall have the meaning provided by section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. Section 1331 et seq.).

(cc) **Placard** means a visible indicator supplied by the Air Resources Board to indicate that an engine or equipment has been registered in the Portable Equipment Registration Program and is in addition to the registration identification device.

(zdd) **Portable** means designed and capable of being carried or moved from one location to another. Indicia of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform. For the purposes of this regulation, dredge engines on a boat or barge are considered portable. The engine or equipment unit is not portable if any of the following are true:

- (1) the engine or equipment unit or its replacement is attached to a foundation, or if not so attached, will reside at the same location for more than 12 consecutive months. The period during which the engine or equipment unit is maintained at a storage facility shall be excluded from the residency time determination. Any engine or equipment unit such as back-up or stand-by engines or equipment units, that replace engine(s) or equipment unit(s) at a

- location, and is intended to perform the same or similar function as the engine(s) or equipment unit(s) being replaced, will be included in calculating the consecutive time period. In that case, the cumulative time of all engine(s) or equipment unit(s), including the time between the removal of the original engine(s) or equipment unit(s) and installation of the replacement engine(s) or equipment unit(s), will be counted toward the consecutive time period; or
- (2) the engine or equipment unit remains or will reside at a location for less than 12 consecutive months if the engine or equipment unit is located at a seasonal source and operates during the full annual operating period of the seasonal source, where a seasonal source is a stationary source that remains in a single location on a permanent basis (at least two years) and that operates at that single location at least three months each year; or
 - (3) the engine or equipment unit is moved from one location to another in an attempt to circumvent the portable residence time requirements.

(~~aaee~~) **Prevention of Significant Deterioration (PSD)** means any federal requirements contained in or promulgated pursuant to Part C of the federal Clean Air Act as part of 40 CFR Part 52.

(~~bbff~~) **Process** means any air-contaminant-emitting activity associated with the operation of a ~~portable~~ registered engine or equipment unit.

(~~eeegg~~) **Project, for the purposes of onshore operation,** means the use of one or more registered ~~portable~~ engines or equipment units operated under the same or common ownership or control to perform a single activity.

(~~ddhh~~) **Project, for the purposes of State Territorial Waters (STW),** means the use of one or more registered ~~portable~~ engines and equipment units operating under the same or common ownership or control to perform any and all activities needed to fulfill specified contract work that is performed in STW. For the purposes of this definition, a contract means verbal or written commitments covering all operations necessary to complete construction, exploration, maintenance, or other work. Multiple or consecutive contracts may be considered one project if they are intended to perform activities in the same general area, the same parties are involved in the contracts, or the time period specified in the contracts is determined by the Executive Officer to be sequential.

(ii) **Provider of Essential Public Service (PEPS)** means any privately-owned corporation or public agency that owns, operates, controls, or manages a line, plant, or system for the transportation of people or property, the transmission of telephone or telegraph messages, or the production, generation, transmission or furnishing of heat, light, water, power, or sanitation directly or indirectly to the public.

(~~eejj~~) **Registration** means issuance of a certificate by the Executive Officer acknowledging expected compliance with the applicable requirements of this article, and the intent by the owner or operator to operate ~~said portable~~ the engine or equipment unit within the requirements established by this article. as it pertains to portable engines and equipment units.

- (~~ffkk~~) **Rental Business** means a business in which the principal use of its engines or equipment units is ~~to temporarily~~ the renting or leasing for profit ~~of~~, portable registered engines or equipment units, ~~to operators other than the owner(s) of the engine or equipment unit.~~
- (~~ggll~~) **Renter** means a person who rents ~~and or operates~~ portable registered engines or equipment units from a rental business not owned by that person.
- (~~hhmm~~) **Resident Engine** means: a portable engine that at the time of applying for registration, has a current, valid district permit or registration issued in accordance with local district requirements or lost a permit to operate exemption through a formal district action. Moving an engine from a district that provides a permit to operate exemption to a district that requires a permit to operate or registration does not qualify for consideration as a resident engine.
- (1) ~~— a portable engine that at the time of applying for registration, has a current, valid district permit or registration issued in accordance with local district requirements, and an application for registration is submitted to the Executive Officer on or before December 31, 2005; or~~
- (2) ~~— a portable engine that resided in the State of California at any time from July 1, 2003 to July 1, 2004 and an application for registration is submitted to the Executive Officer no later than December 31, 2005. The responsible official shall provide sufficient documentation to prove the portable engine's residency to the satisfaction of the Executive Officer. Examples of adequate documentation include but are not limited to: valid permits issued by a district, tax records, and usage or maintenance records.~~
- (~~hinn~~) **Responsible Official** ~~is the~~ refers to an individual employed or otherwise retained by a the company, public agency, or municipality that has public agency with the authority to certify that the portable registered equipment engines or equipment units under his/her jurisdiction complies with all applicable requirements of this article regulation. A company or public agency may have more than one Responsible Official.
- (~~oo~~) **Spark-Ignition (SI) Engine** means an internal combustion engine with a spark plug (or other sparking device) with operating characteristics significantly similar to the theoretical Otto combustion cycle. Spark- ignition engines usually use a throttle instead of using fuel supply to control intake air flow to regulate power.
- (~~jjpp~~) **State Territorial Waters (STW)** includes all of the following: an expanse of water that extends from the California coastline to 3 miles off-shore; a 3 mile wide belt around islands; and estuaries, rivers, and other inland waterways.
- (~~qq~~) **Statewide Registration Program** means the program for registration of portable engines and equipment units set out in this article.
- (~~kkrr~~) **Stationary Source** means any building, structure, facility or installation which emits any air contaminant directly or as a fugitive emission. “Building,” “structure,” “facility,” or “installation” includes all pollutant emitting activities which:

- (1) are under the same ownership or operation, or which are owned or operated by entities which are under common control;
- (2) belong to the same industrial grouping either by virtue of falling within the same two-digit standard industrial classification code or by virtue of being-part of a common industrial process, manufacturing process, or connected process involving a common raw material; and
- (3) are located on one or more contiguous or adjacent properties.

[Note: For the purposes of this regulation a stationary source and nonroad engine are mutually exclusive.]

~~(ll)~~ **Stick Test** means ~~the process whereby a ruler or similar device is inserted perpendicular to the bottom of the fuel tank. From the wetted length of the ruler, the amount of fuel remaining in a tank of known dimensions can be calculated.~~

~~(mmss)~~ **Storage** means a warehouse, enclosed yard, or other area established for the primary purpose of maintaining portable registered engines or equipment units when not in operation.

~~(natt)~~ **Tactical Support Equipment (TSE)** means equipment using a portable engine, including turbines, that meets military specifications, owned by the U.S. Department of Defense, the U.S. military services, or its allies, and used in combat, combat support, combat service support, tactical or relief operations, or training for such operations. Examples include, but are not limited to, internal combustion engines associated with portable generators, aircraft start carts, heaters and lighting carts.

(uu) **Third-party Rental** means a non-rental business renting or leasing registered engines and/or equipment units to another party by written agreement.

(øøvv) **Transportable** means the same as portable.

(qqww) **U.S. EPA** means the United States Environmental Protection Agency.

(xx) **Vendor** means a seller or supplier of portable engines or equipment units for use in California.

(ppyy) **Volatile Organic Compound (VOC)** means any compound containing at least one atom of carbon except for the following exempt compounds: acetone, ethane, parachlorobenzotrifluoride (1-chloro-4-trifluoromethyl benzene), methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonates, methylene chloride (dichloromethane), methyl chloroform (1,1,1-trichloroethane), CFC-113 (trichlorotrifluoroethane), CFC-11 (trichlorofluoromethane), CFC-12 (dichlorodifluoromethane), CFC-22 (chlorodifluoromethane), CFC-23 (trifluoromethane), CFC-114 (dichlorotetrafluoroethane), CFC-115 (chloropentafluoroethane), HCFC-123 (dichlorotrifluoroethane), HFC-134a (tetrafluoroethane), HCFC-141b (dichlorofluoroethane), HCFC-142b (chlorodifluoroethane), HCFC-124 (chlorotetrafluoroethane), HFC-23 (trifluoromethane), HFC-134 (tetrafluoroethane),

HFC-125 (pentafluoroethane), HFC-143a (trifluoroethane), HFC-152a (difluoroethane), cyclic, branched, or linear completely methylated siloxanes, the following classes of perfluorocarbons:

- (1) cyclic, branched, or linear, completely fluorinated alkanes;
- (2) cyclic, branched, or linear, completely fluorinated ethers with no unsaturations;
- (3) cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations; and
- (4) sulfur-containing perfluorocarbons with no unsaturations and with the sulfur bonds to carbon and fluorine, acetone, ethane, and parachlorobenzotrifluoride (1-chloro-4-trifluoromethyl benzene).

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2453. Application Process.

- (a) In order for an engine or equipment unit to be considered for registration by the Executive Officer, the engine or equipment unit must be portable as defined in section 2452 (~~z-dd~~) and meet all applicable requirements established in this article.
- (b) For purposes of registration under this article, an ~~portable~~ engine and the equipment unit it serves are considered to be separate emissions units and require separate applications.
- (c) For an identical replacement, an owner or operator of a registered portable engine or equipment unit is not required to complete a new application and may immediately operate the identical replacement. Except for TSE, the owner or operator shall notify the Executive Officer in writing within five calendar days of replacing the registered ~~portable~~ engine or equipment unit with an identical replacement. Notification shall include company name, responsible official, phone number, registration certificate number of the ~~portable~~ engine or equipment unit to be replaced; and make, model, rated brake horsepower, serial number of the identical replacement, description of the mechanical breakdown; and applicable fees as required in section 2461. Misrepresentation of ~~portable~~ engine or equipment unit information ~~and~~ or the failure to meet the requirements of this regulation shall be deemed a violation of this article. ~~subject the owner or operator to section 2465.~~
- (d) The Executive Officer shall inform the applicant, in writing, if the application is complete or deficient, within 30 days of receipt of an application. If deemed deficient, the Executive Officer shall identify the specific information required to make the application complete.
- (e) The Executive Officer shall issue or deny registration within 90 days of receipt of a complete application. ~~according to the following schedule:~~

- (1) ~~within 90 days of receipt of an application, for applications received on or before December 31, 2005, except for applications containing only resident engines or only resident engines and equipment units which shall be 180 days from the date of receipt; and~~
- (2) ~~within 90 days of receipt of an application, for applications received after December 31, 2005.~~
- (f) Upon finding that an portable engine or equipment unit meets the requirements of this article, the Executive Officer shall issue a registration for the portable engine or equipment unit. The Executive Officer shall notify the applicant in writing that the portable engine or equipment unit has been registered. The notification shall include a registration certificate, any conditions to ensure compliance with sState and federal requirements, and a registration identification device for each registered portable engine or equipment unit registered pursuant to this regulation. Except for TSE, the registration identification device shall be affixed on the registered portable engine or equipment unit at all times, and the registration certificate shall be kept on the immediate premises with the portable engine or equipment at all times and made accessible to the Executive Officer or districts upon request. Failure to properly maintain the registration identification device shall be deemed a violation of this article.
- (g) Except for TSE, each application for registration and the appropriate fee(s) as specified in section 2461, shall be submitted in a format approved by the Executive Officer and include, at a minimum, the following information:
- (1) indication of portable engine or equipment unit status (e.g., resident) and general nature of business (e.g., rental business, etc.);
 - (2) ~~indication of home district (optional);~~
 - (3) the name of applicant, including mailing address and telephone number;
 - (4) a brief description of typical portable engine or equipment-unit use;
 - (5) detailed description, including portable engine or equipment-unit make, model, manufacture year (for portable engines only), rated brake horsepower, throughput, capacity, emission control equipment, and serial number;
 - (6) necessary engineering data, emissions test data, or manufacturer's emissions data to demonstrate compliance with the requirements as specified in sections 2455, 2456, and 2457;
 - (7) for resident engines, a copy of a current permit to operate or a registration certificate that was granted by a district or other proof of California residency as described in section 2452 (hmm); and
 - (8) the printed name and signature of the responsible official and date of the signature.
- (h) For TSE, application for registration and the appropriate fee(s) as specified in section 2461, shall be submitted in a format approved by the Executive Officer and include, at a minimum, the following information:
- (1) the name of applicant, including mailing address and telephone number;
 - (2) a brief description of typical portable engine or equipment-unit use;

- (3) ~~portable~~ engine or equipment-unit description, including type and rated brake horsepower; and
 - (4) the printed name and signature of the responsible official and date of the signature.
- (i) All registered engines and equipment units shall have a designated home district as defined in section 2452 (n) according to the following:
- (1) Owners holding valid registration(s) prior to the effective date shall designate in writing to the Executive Officer a home district within 90 days of the effective date of this regulation. The Executive Officer shall designate the home district for any and all registered engines and equipment units for existing registration program participants that fail to designate a home district;
 - (2) a home district shall be designated on each application for initial registration of an engine or equipment unit; and
 - (3) except for registered engines or equipment units owned by a rental business or involved in a third part rental, if the engine or equipment unit, based on averaging of annual operation in each district from the three annual reports submitted during the 3 year registration cycle, operated the largest percentage of the time in a district other than the designated home district, the owner shall change the home district designation at the time of renewal. The change is not required if the difference between the home district operation percentage and the district with the largest operating percentage is 5 percent or less.
- (ii) ~~Portable~~ Engines or equipment units owned and operated for the primary purpose of rental by a rental business shall be identified as rental at the time of application for registration and shall be issued a registration specific to the rental business requirements of this article. ~~Portable engines or equipment units used primarily for purposes other than rental or not owned by a rental business shall not qualify for registration as a rental business.~~ Misrepresentation of portable engine or equipment unit use in an attempt to qualify under the rental business definition shall ~~subject the owner or operator to section 2465~~ be deemed a violation of this article.
- ~~(j) Applications must be filed with the Executive Officer to change all registered non-operational engines and equipment units to operational status no later than 90 days after the effective date of these regulations, or the registrations will be cancelled.~~
- (k) New applications for non-operational engines or equipment units will not be accepted by the Executive Officer.
- (l) Once registration is issued by the Executive Officer, district permits or registrations for ~~registered portable~~ engines or equipment units registered in the Statewide Registration Program are preempted by the statewide registration and are, therefore, considered null and void, except for the following circumstances where a district permit shall be required:
- (1) ~~portable~~ engines or equipment units used in a project(s) operating in the OCS. The requirements of the district permit or registration apply to the

- registered ~~portable~~ engine or equipment unit while operating at the project(s) in the OCS; or
- (2) ~~portable~~ engines or equipment units used in a project(s) operating in both the OCS and STW. The requirements of the district permit or registration apply to the registered ~~portable~~ engine or equipment unit while operating at the project(s) in the OCS and STW; or
 - (3) at STW project(s) that trigger district emission offset thresholds; or
 - (4) at any specific location where statewide registration is not valid. The ~~portable~~ owner of the engine or equipment unit shall obtain a district permit or registration for the location(s) where the statewide registration is not valid; or
 - (5) any at any location where an engine or equipment unit that has been determined to cause a public nuisance as defined in Health and Safety Code Section 41700.

~~The~~ Under no circumstance shall a portable engine or equipment unit shall not be operated under both statewide registration and a district permit at any specific location. Where both a district permit for operation at a specific location and statewide registration have been issued for an engine or equipment unit, the terms of the district permit shall take precedence at that location until the permit is no longer valid.

- (m) When ownership of a registered engine or equipment unit has been purchased changes, the new owner shall submit a change of ownership application. This application shall be filed within 30 days of the change of ownership. During the 30 day period the new owner is authorized to operate the registered engine or equipment unit. If an application is not received within 30 days, the engine or equipment may not operate and ~~the~~ existing registration is not valid for the new owner until the application has been filed and all applicable fees have been paid. Registration will be reissued to the new owner after a complete application has been approved by the Executive Officer.
- (n) A placard shall be required for every engine or equipment unit registered in the Statewide Registration Program. The placard shall be affixed on the registered engine or equipment unit at all times so that it may be easily viewed from a distance. Placards shall be purchased at the time of the first renewal or at the time of initial registration, which ever occurs first. Failure to properly maintain the placard shall be deemed a violation of this article.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2454. Registration Process.

- (a) The Executive Officer shall make registration data available to the districts via ~~(e.g.,~~ ~~on~~ the Internet).

- (b) The Executive Officer may conduct an inspection of an ~~portable~~ engine or equipment unit and/or require a source test in order to verify compliance with the requirements of this article prior to issuance of registration.
- (c) After obtaining registration in accordance with this article, ~~the~~ an owner or operator of the registered ~~portable~~ engines or equipment units:
 - (1) shall comply with all conditions set forth in the issued registration. Failure to comply with such conditions shall be deemed a violation of this article; and
 - (2) may operate within the boundaries of the State of California so long as such ~~portable~~ registered engines or equipment units comply with all applicable requirements of this article and any other applicable federal or ~~s~~State law.
- (d) Districts shall provide the Executive Officer with written reports or electronic submittals via the Internet, describing any inspections and the nature and outcome of any violation of local, ~~s~~State or federal laws by the owner or operator of registered ~~portable~~ engines or equipment units. The Executive Officer ~~will provide~~ shall make available to all districts with such information via ~~(e.g., on~~ the Internet).

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2455. General Requirements.

- (a) The emissions from ~~portable~~ engines or equipment units registered under this article shall not, in the aggregate, interfere with the attainment or maintenance of any California or federal ambient air quality standards. The emissions from ~~any one or more portable registered engines or equipment units,~~ exclusive of background concentration, shall not cause an exceedance of any ambient air quality standard. This paragraph shall not be construed as requiring operators of portable registered engines or equipment units ~~operators~~ to provide emission offsets for a ~~portable engines or equipment units~~ registered under this article.
- (b) ~~Portable e~~Engines or equipment units registered under this article shall comply with article 1, chapter 3, part 4, division 26 of the California Health and Safety Code, commencing with section 41700.
- (c) Except for ~~portable~~ engines or equipment units permitted or registered by a district in which an emergency event occurs, a ~~portable~~ engine or equipment unit operated during an emergency event as defined in section 2452 (ef) of this article, is considered registered under the requirements of this article for the duration of the emergency event and is exempt from sections 2455, 2456, 2457, 2458, and 2459 of this article for the duration of the emergency event provided the owner or operator notifies the Executive Officer within 24 hours of commencing operation. The Executive Officer may for good cause refute that an emergency event under this provision exists. If the Executive Officer deems that an emergency event does not

exist, all operation of ~~portable~~ engines and equipment units covered by this provision shall cease operation immediately upon notification by the Executive Officer. Misrepresentation of an emergency event and failure to cease operation under notice of the Executive Officer is shall be deemed a violation of this article. ~~and may subject the owner or operator to section 2465 of this article.~~

- (d) For the purposes of registration under this article, the owner or operator of a registered ~~portable~~ equipment unit must notify the U.S. EPA and comply with 40 CFR 52.21 if:
- (1) the ~~portable~~ registered equipment unit operates at a ~~facility defined as a major stationary source~~ under 40 CFR 51.166 or 52.21, and
 - (A) the major stationary source facility is located within 10 kilometers of a Class I area; or
 - (B) the ~~portable~~ registered equipment unit, operating in conjunction with other registered ~~portable~~ equipment units, operates at the major stationary source and its operation would be defined as a major modification to the stationary source under 40 CFR 51.166 or 52.21; or
 - (2) the ~~portable~~ registered equipment unit, operating in conjunction with other registered ~~portable~~ equipment units, would be defined as a major stationary source, as defined under 40 CFR 51.166 or 52.21.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2456. Engine Requirements

- (a) For TSE, no air contaminant shall be discharged from a registered engine or equipment unit into the atmosphere, other than uncombined water vapor, for a period or periods aggregating more than three minutes in any one hour which is as dark or darker in shade as that designated as No. 2 on the Ringelmann Chart, as published by the United States Bureau of Mines, or of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke designated as No. 2 on the Ringelmann Chart. No other requirements of this section are applicable to TSE.
- (b) Registered ~~D~~diesel pile-driving hammers shall comply with the applicable provisions of section 41701.5 of the California Health and Safety Code and are otherwise exempt from further requirements of this section.
- (c) To be registered in the Statewide Registration Program, a registered ~~portable~~ engine rated less than 50 brake horsepower shall be a certified engine, unless comply with the most stringent requirements, if any, for its horsepower rating and year of manufacture set forth in 40 CFR Part 89 or Title 13, California Code of Regulations. If no emission standards exist for that brake horsepower and year of manufacture, at the time of registration, In that event, the engine shall comply with the applicable daily and annual emission limits contained in section 2456 ~~(g)~~ (d)(6) of this article.

No other requirements of this section are applicable to portable engines rated less than 50 brake horsepower.

- (d) After January 1, 2006, Portable engines rated equal to, or greater than 50 bhp registered under this article shall:
- (1) be certified compression-ignition engines or certified spark-ignition engines that meet the most stringent emissions standard in effect for the applicable horsepower range at the time the application is received. Spark-ignition engines that are not certified spark-ignition engines may be registered if they meet the emission standards in Table 1. This provision does not apply to certified compression-ignition engines built under the flexibility provisions for equipment and vehicle manufacturers, post manufacture marinizers, engines that qualify as resident engines, or changes of ownership. Notwithstanding the foregoing, until November 1, 2006, the requirement for a certified Tier 3 engine in the 175 to 750 bhp range and a certified Tier 2 engine for engines rated at greater than 750 bhp shall not apply to owners of new engines purchased on or after July 1, 2005, but before January 1, 2006, provided:
 - (A) the engine is in a new piece of equipment that was sold to the ultimate user by the manufacturer or an authorized distributor between July 1, 2005 and December 31, 2005 and is either a certified Tier 2 engine for engines in the 175 to 750 bhp range or a certified Tier 1 engine for engines rated at greater than 750 bhp; and
 - (B) a complete PERP application, including all forms and applicable fees, are received by the Executive Officer prior to November 1, 2006; and
 - (C) the application contains valid documentation of the date of sale as approved by the Executive Officer. Valid documentation of the date of sale includes, but is not limited to, the date shown on the front of the cashed check, the date of the financial transaction, or the date shown on the engine purchase agreement between the ultimate user or engine packager, and the engine manufacturer or dealer/distributor.
 - (2) meet all applicable requirements in Title 17 of the California Code of Regulations commencing with section 93116;
 - (4) comply with the applicable daily and annual emission limits contained in section 2456 (g) of this article;
 - (23) use only fuels meeting the standards for California motor vehicle fuels as set forth in chapter 5, division 3, Title 13 of the California Code of Regulations, commencing with section 2250, or other fuels and/or additives that have been verified through the Verification Procedure for In-Use Strategies to Control Emissions from Diesel Engines;
 - (34) not exceed particulate matter emissions concentration of 0.1 grain per standard dry cubic feet corrected to 12 percent CO₂; This provision does not apply to certified compression-ignition engines, certified spark-ignition engines, or any spark-ignition engine meeting Table 1 requirements;
 - (45) not discharge air contaminants into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as or darker than Ringelmann 1 or equivalent 20 percent opacity; and
 - (6) not exceed the following emission limits:

- (A) 550 pounds per day per engine of carbon monoxide (CO);
- (B) 150 pounds per day per engine of particulate matter less than 10 microns (PM₁₀);
- (C) for registered engines operating onshore, 10 tons for each-pollutant per district per year per engine for NO_x, SO_x, VOC, PM₁₀, and CO in nonattainment areas; and
- (D) for registered engines operating within STW:
 - (1) the offset requirements of the corresponding onshore district apply. Authorization from the corresponding onshore district is required prior to operating within STW. If authorization is in the form of a current district permit, the terms and conditions of the district permit supersede the requirements of the statewide registration for the project, except that the most stringent of the technology and emission concentration limits required by the district permit or statewide registration are applicable. If the registered engine does not have a current district permit, the terms and conditions of the statewide registration apply, and the corresponding onshore district may require offsets pursuant to district rules and regulations. The requirement for district offsets shall not apply to the owner or operator of an engine(s) registered in the statewide registration program when the engine(s) is operated at a stationary source permitted by the district; and
 - (2) the corresponding onshore district may perform an ambient air quality impact analysis (AQIA) for the proposed project prior to granting authorization. The owner or operator of engine(s) registered in the statewide registration program shall be required, at the request of the district, to submit any information deemed by the district to be necessary for performing the AQIA. Statewide registration shall not be valid at any location where the AQIA demonstrates a potential violation of an ambient air quality standard.
- (E) for registered engines operating in the South Coast Air Quality Management District (SCAQMD), 100 pounds nitrogen oxides (NO_x) per project per day [An owner may substitute SCAQMD permit or registration limits in effect on or before September 17, 1997 (optional)];
- (F) 100 pounds NO_x per registered engine per day, except in SCAQMD where the limit is 100 pounds NO_x per project per day.
- (7) In lieu of (5) and (6) above, operation of a registered new nonroad engine rated at 750 brake horsepower or greater for which a federal or California standard pursuant to 40 CFR Part 89 or Title 13 of the California Code of Regulations has not yet become effective, shall not exceed 12 hours per day.
- (8) For registered engines that operate in both STW and onshore, the 10 tons per district per year per engine limit in (3) above shall only apply onshore.

- (9) For certified compression-ignition engines, certified spark-ignition engines, or any spark-ignition engine meeting Table 1 requirements, the daily and annual emission limitations in section 6 above shall not apply.
- ~~(5) except for an engine that qualifies as a resident engine, and applications for change of ownership, applications filed on or before December 31, 2005, meet the most stringent emissions standard. After December 31, 2005, except for change of ownership, applications filed for new registration or identical replacement of a registered portable engine, meet the most stringent emissions standard. This provision in subsection (d)(5) does not apply to engines built under the flexibility provisions for equipment and vehicle manufacturers and post manufacture marinizers pursuant to 40 CFR part 89 or Title 13 of the California Code of Regulations;~~
- ~~(6) after January 1, 2010, if rated 50 brake horsepower or above and not previously meeting a federal or California standard pursuant to 40 CFR Part 86, 40 CFR Part 89 or Title 13 of the California Code of Regulations meet the most stringent emissions standard (the registration for portable engines that previously did not meet the most stringent standards listed above shall expire on December 31, 2009, and the responsible official must reapply at this time and demonstrate compliance with the most stringent emissions standard). The requirements of this sub-section do not apply if the requirements of Title 13 of the California Code of Regulations Section 93116.3 are satisfied;~~
- ~~(7) meet all applicable requirements in Title 13 of the California Code of Regulations Section 93116; and~~
- ~~(8) for the purpose of sub-sections (d), (g), and (h), the most stringent emissions standard shall be the current emissions standard in effect at the time an application is received and set forth in Title 13 of the California Code of Regulations for that engine rating. If no emissions standard exists under the California Code of Regulations, then the current emissions standard set forth in 40 CFR Part 86 or 40 CFR Part 89 shall apply. If no standard exists under 40 CFR Part 86, or 40 CFR Part 89, then the current requirements of 40 CFR part 1048 or Table 1 for spark-ignition engines shall apply. Any engine meeting the most stringent emission standard, as defined above, is not subject to requirement (3) of sub-section (d).~~
- ~~(e) A registered portable engine owned and operated by a rental business and designated for use as a rental engine shall have operational and properly maintained non-resettable hour meters or fuel flow meters for purposes of complying with the requirements of section 2458.~~
- ~~(f-e) Any All registered portable engines that is subject to an hours of operation limitation shall be equipped with a functioning non-resettable hour meter, fuel meter or other operation tracking device approved by the Executive Officer. Engines registered prior to the effective date of this regulation, that are not equipped with a functional non-resettable hour meter, fuel meter or other operation tracking device shall install one and notify ARB in writing within 6 months of the effective date of this regulation.~~
- ~~(g) Registered portable engines shall not exceed the following emission limits:~~
- ~~(1) 550 pounds per day per engine of carbon monoxide (CO);~~

- ~~(2) 150 pounds per day per engine of particulate matter less than 10 microns (PM₁₀);~~
- ~~(3) for registered portable engines operating onshore, 10 tons for each pollutant per district per year per engine for NO_x, SO_x, VOC, PM₁₀, and CO in nonattainment areas;~~
- ~~(4) for registered portable engines operating within STW:

 - ~~(A) the offset requirements of the corresponding onshore district apply. Authorization from the corresponding onshore district is required prior to operating within STW. If authorization is in the form of a current district permit, the terms and conditions of the district permit supercede the requirements for the project, except that the most stringent of the technology and emission concentration limits required by the district permit or statewide registration are applicable. If the portable engine does not have a current district permit, the terms and conditions of the statewide registration apply, and the corresponding onshore district may require offsets pursuant to district rules and regulations. The requirement for district offsets shall not apply to the owner or operator of a state registered engine(s) when the engine(s) is operated at a stationary source permitted by the district; and~~
 - ~~(B) the corresponding onshore district may perform an ambient air quality impact analysis (AQIA) for the proposed project prior to granting authorization. The owner or operator of state registered engine(s) shall be required, at the request of the district, to submit any information deemed by the district to be necessary for performing the AQIA. Statewide registration shall not be valid at any location where the AQIA demonstrates a potential violation of an ambient air quality standard.~~~~
- ~~(5) for engines operating in the South Coast Air Quality Management District (SCAQMD), 100 pounds nitrogen oxides (NO_x) per project per day [An owner may substitute SCAQMD permit or registration limits in effect on or before September 17, 1997 (optional)];~~
- ~~(6) 100 pounds NO_x per engine per day, except in SCAQMD where the limit is 100 pounds NO_x per project per day; and~~
- ~~(7) in lieu of (5) and (6) above, operation of a new nonroad engine rated at 750 brake horsepower or greater for which a federal or California standard pursuant to 40 CFR Part 89 or Title 13 of the California Code of Regulations has not yet become effective, shall not exceed 12 hours per day;~~
- ~~(8) for engines that operate in both STW and onshore, the 10 tons per district per year per engine limit in (3) above shall only apply onshore; and~~
- ~~(9) A portable engine meeting an applicable emissions standard, as set forth in Title 13 of the California Code of Regulations, 40 CFR Part 86, 40 CFR Part 89, or for spark ignition engines that meet either the standards set forth in 40 CFR part 1048 or the applicable emissions standard set forth in Table 1 of this regulation, is exempt from the daily and annual emission limits specified above.~~

- (h) ~~Portable engines operated on a dredge shall meet the most stringent emission standard by January 1, 2005.~~
- (if) Registered TSE is exempt from district New Source Review and Title V programs, including any offset requirements. Further, emissions from registered TSE shall not be included in Title V or New Source Review applicability determinations.
- (j) ~~Engines initially registering after September 1, 2005 that provide power to or that are mounted on the same trailer or skid with equipment that is ineligible for registration and subject to district permits, including but not limited to boilers, heaters, hot mix asphalt plants, and soil remediation units, shall meet a federal or California standard for newly manufactured nonroad engines pursuant to 40 CFR part 89 or Title 13 of the California Code of Regulations.~~

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

Table 1 Spark-ignition Engine Requirements*

Pollutant Emission Limits or Control Technology		
NOx**	VOC**	CO**
80 ppmdv NOx (1.5 g/bhp-hr)	240 ppmdv VOC (1.5 g/bhp-hr)	176 ppmdv CO (2.0 g/bhp-hr)

* These requirements are in addition to requirements of section 2455 and 2456.

** For the purpose of compliance with this article, ppmdv is parts per million @ 15 percent oxygen averaged over 15 consecutive minutes. Limits of ppmdv are the approximate equivalent to the stated grams per brake horsepower hour limit based on assuming the engine is 24.2 percent efficient.

§ 2457. Requirements for ~~Portable~~ Registered Equipment Units

- (a) Emissions from a registered ~~portable~~ equipment unit, exclusive of emissions emitted directly from the associated portable engine, shall not exceed:
 - (1) 10 tons per year per district of PM₁₀; and
 - (2) 82 pounds per project per day of PM₁₀.
 - (3) For registered equipment units that operate within STW and onshore, emissions released while operating both in STW and onshore shall be included toward the 10 tons per year limit.
- (b) ~~Portable~~ Registered equipment units shall also meet the following applicable requirements:
 - (1) Confined abrasive blasting operations:
 - (A) no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one

- hour which is as dark as or darker than Ringelmann 1 or equivalent 20 percent opacity;
 - (B) the particulate matter emissions shall be controlled using a fabric or cartridge filter dust collector;
 - (C) as a part of application for registration, the applicant shall provide manufacturer's specifications or engineering data to demonstrate a minimum particulate matter control of 99 percent for the dust collection equipment;
 - (D) except for vent filters, each fabric dust collector shall be equipped with an operational pressure differential gauge to measure the pressure drop across the filters; and
 - (E) there shall be no visible emissions beyond the property line on which the equipment is being operated.
- (2) Concrete batch plants:
- (A) all dry material transfer points shall be ducted through a fabric or cartridge type filter dust collector, unless there are no visible emissions from the transfer point;
 - (B) all cement storage silos shall be equipped with fabric or cartridge type vent filters;
 - (C) the silo vent filters shall be maintained in proper operating condition;
 - (D) no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as or darker than Ringelmann 1 or equivalent 20 percent opacity;
 - (E) open areas and all roads subject to vehicular traffic shall be paved, watered, or chemical palliatives applied to prevent fugitive emissions in excess of 20 percent opacity or Ringelmann 1;
 - (F) silo service hatches shall be dust-tight;
 - (G) as a part of application for registration, the applicant shall provide manufacturer's specifications or engineering data to demonstrate a minimum particulate matter control of 99 percent for the fabric dust collection equipment;
 - (H) except for vent filters, each fabric dust collector shall be equipped with an operational pressure differential gauge to measure the pressure drop across the filters;
 - (I) all aggregate transfer points shall be equipped with a wet suppression system to control fugitive particulate emissions unless there are no visible emissions;
 - (J) all conveyors shall be covered, unless the material being transferred results in no visible emissions;
 - (K) wet suppression shall be used on all stockpiled material to control fugitive particulate emissions, unless the stockpiled material results in no visible emissions; and
 - (L) there shall be no visible emissions beyond the property line on which the equipment is being operated.
- (3) Sand and gravel screening, rock crushing, and pavement crushing and recycling operations:

- (A) no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as or darker than Ringelmann 1 or equivalent 20 percent opacity;
 - (B) there shall be no visible emissions beyond the property line on which the equipment is being operated;
 - (C) all transfer points shall be ducted through a fabric or cartridge type filter dust collector, or shall be equipped with a wet suppression system maintaining a minimum moisture content unless there are no visible emissions;
 - (D) particulate matter emissions from each crusher shall be ducted through a fabric dust collector, or shall be equipped with a wet suppression system which maintains a minimum moisture content to ensure there are no visible emissions;
 - (E) all conveyors shall be covered, unless the material being transferred results in no visible emissions;
 - (F) all stockpiled material shall be maintained at a minimum moisture content unless the stockpiled material results in no visible emissions;
 - (G) as a part of application for registration, the applicant shall provide manufacturer's specifications or engineering data to demonstrate a minimum particulate matter control of 99 percent for the fabric dust collection equipment;
 - (H) except for vent filters, each fabric dust collector shall be equipped with an operational pressure differential gauge to measure the pressure drop across the filters;
 - (I) open areas and all roads subject to vehicular traffic shall be paved, watered, or chemical palliatives applied to prevent fugitive emissions in excess of 20 percent opacity or Ringelmann 1; and
 - (J) if applicable, the operation shall comply with the requirements of 40 CFR Part 60 Subpart OOO.
- (4) Unconfined abrasive blasting operations:
- (A) no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as or darker than Ringelmann 2 or equivalent 40 percent opacity;
 - (B) only California Air Resources Board-certified abrasive blasting material shall be used [Note: see Title 17, California Code of Regulations, section 92530 for certified abrasives.];
 - (C) the abrasive material shall not be reused;
 - (D) no air contaminant shall be released into the atmosphere which causes a public nuisance;
 - (E) all applicable requirements of Title 17 of California Code of Regulations shall also apply; and
 - (F) there shall be no visible emissions beyond the property line on which the equipment is being operated.
- (5) Tub grinders and trommel screens:

- (A) there shall be no visible emissions beyond the property line on which the equipment is being operated;
 - (B) no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark or darker than Ringelmann 1 or equivalent 20 percent opacity; and
 - (C) water suppression or chemical palliatives shall be used to control fugitive particulate emissions from the tub grinder whenever the tub grinder is in operation, unless there are no visible emissions.
- (c) Registered Portable equipment units not described in section 2457(b) above, shall be subject to the most stringent district Best Available Control Technology (BACT) requirements in effect for that category of source at the time of application for registration.
- (d) No change in equipment unit configuration, operating scenario, or number of transfer points from that set out in the registration for the equipment unit shall be made unless a complete application for modification has been filed and approved by the Executive Officer prior to operation.
- (de) Registration is not valid for any equipment unit operating at a location if by virtue of the activity to be performed hazardous air pollutants will be emitted (e.g., rock crushing plant operating in a serpentine quarry). [Note: The equipment unit would be subject to the requirements of the district in which the equipment unit is operated located.]

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2458. Recordkeeping and Reporting.

- (a) ~~Any registered portable engine, except for engines operating in STW, that meets one of the following criteria is exempt from the requirements of this section, except for sub-sections (e) and (f):~~
- (1) ~~an applicable emissions standard as set forth in Title 13 of the California Code of Regulations, 40 CFR part 86, or 40 CFR Part 89; or~~
 - (2) ~~for spark ignition engines, the emissions standard set forth in 40 CFR part 1048 or set forth in Table 1 of section 2456.~~
- (ba) Except for registered engines and equipment units owned by a rental business, used in a third-party rental, operated by a PEPS, and or TSE, the owner of a registered portable engine ~~subject to operational limitations~~, including engines otherwise preempted under section 209 (e) of the federal Clean Air Act, or portable registered equipment units shall maintain daily records for each day of operation of each registered portable engine and equipment unit. Recordkeeping for units not previously required to maintain records shall begin upon the effective date of the

regulation or January 1, 2007, whichever is later. For units not previously required to have an hour meter, fuel meter or other device approved by the Executive Officer, the owner or operator shall record hours of operation until the hour meter, fuel meter or other device approved by the Executive Officer has been installed. The daily records shall be maintained at a central place of business for five years, and made accessible to the Executive Officer or districts upon request. Daily records shall be maintained in a format approved by the Executive Officer and include, at a minimum, all of the following:

- (1) ~~portable engine or equipment unit registration number;~~
- (2) ~~month, day and year;~~ recordings from an hour meter, fuel meter, or other device approved by the Executive Officer, and the corresponding dates of the recordings for each registered engine or equipment unit based on the following:
 - (A) for each project as defined in 2452 (gg) or (hh), readings shall be recorded prior to the commencement of operation and at the completion of the project; or
 - (B) for ongoing operation of a registered engine or equipment unit at multiple locations within a stationary source, readings shall be recorded at the beginning and end of each calendar week; or
 - (C) for each location, readings shall be recorded prior to commencement of operation and upon completion of operation at that location.
- (3) For registered engines and equipment units subject to a daily operational limitation, daily records of either hours of operation, fuel usage, or process throughput as applicable.
- (34) recordings from an hour meter, fuel meter, or other device approved by the Executive Officer and the corresponding dates of the recordings any time an engine or equipment unit is undergoing service, repair, or maintenance; and the location(s) at which the portable engine or equipment unit was operated, identified by district, county, or specific location(s);
- (45) for each start and stop reading specified in (2) and (3) above, the location identified by district, county, or other indicator (i.e., street address, UTM coordinates, etc.) for equipment units, the total process weight or throughput;
- (5) ~~for engines that are subject to hours of operation limitations, actual hours of operation; and~~
- (6) ~~for engines that are subject to fuel use limitations, total fuel used in gallons:~~
 - (A) ~~for engines initially registering on or after September 1, 2005, daily fuel consumption shall be measured by fuel flow meter; and~~
 - (B) ~~for engines initially registering prior to September 1, 2005, daily fuel consumption shall be measured either by fuel flow meter, fuel tank stick test, or by fuel purchase records. If fuel purchase records or a stick test is used, the operator shall record the average operating load of the engine or use the approved operating load default factors, and the calculation approved by the Executive Officer to determine the daily fuel use for the engine. The stick test shall be performed prior to the start of and after the shutdown of operations on any given day to~~

~~determine the amount of fuel used on that day. For an engine that operates on a 24-hour basis, the stick test shall be performed once at the same time each day of uninterrupted operation, and then compared to the previous day's test to calculate daily fuel use.~~

(eb) ~~A rental business or the owner of a registered portable engine or equipment unit owned by~~ involved in a third party rental a rental business and designated for the purpose of renting, shall maintain records for each rental or lease transaction. The written rental or lease agreement shall be kept onsite with the registered engine or equipment unit at all times. Recordkeeping for registered units not previously required to maintain records shall begin upon the effective date of the regulation or January 1, 2007, which ever is later. For registered units not previously required to have an hour meter, fuel meter or other device approved by the Executive Officer, the owner or operator shall record hours of operation until the hour meter, fuel meter or other device approved by the Executive Officer has been installed. The owner shall provide each person who rents a registered portable engine or equipment unit with a written copy of applicable requirements of this article, including recordkeeping and notification requirements, as a part of the agreement. The records, including written acknowledgment by each renter of the portable registered engine or equipment unit of having received the above information, shall be maintained by the rental business or the owner of the registered engine or equipment unit involved in a third-party rental at a central location for five years, and made accessible to the Executive Officer or districts upon request. Records shall be maintained in a format approved by the Executive Officer and include, at a minimum, for each registered portable engine or equipment unit all of the following:

- (1) ~~portable registered engine or equipment unit registration number;~~
- (2) ~~dates for the start and end of the rental transaction portable engine left and returned to a rental yard; and~~
- (3) ~~hours of operation for each rental period including the hour meter reading at the start of the rental transaction and the hour meter reading at the end of the rental transaction; and~~
- (4) ~~location of use (by district, county or other indicator (i.e., street address, UTM coordinates, etc.)).~~

(dc) For TSE, each military installation shall provide the Executive Officer an annual report, in a format approved by the Executive Officer, within 60 days after the end of each calendar year. The report shall include the number, type, and rating of registered TSE at each installation as of December 31 of that calendar year, and be accompanied by the applicable fees pursuant to section 2461. Any variation of registered TSE to actual TSE shall be accounted for in this annual report, and the Executive Officer shall issue an updated TSE list accordingly. A renewal registration will be issued with the updated TSE list every three years according to expiration date.

~~(e) For generators used to provide power to a building, facility, stationary source, or stationary equipment during unforeseen interruptions of electrical power from the serving utility or during electrical upgrades, the owner or operator shall maintain a daily record that shall include the following:~~

- (1) — location;
- (2) — month, day, and year of operation; and
- (3) — hours of operation.

(fd) For each registered engine subject to the requirements of Title 137 California Code of Regulations section 93116, the owner shall keep records and submit reports in accordance with Title 137 California Code of Regulations section 93116.4.

(e) Except for registered engines or equipment units owned by a rental business, used in a third-party rental, operated by a PEPS or TSE, the owner of a registered engine or equipment unit shall provide the Executive Officer an annual report signed by the responsible official, in a format approved by the Executive Officer, by March 1 of each calendar year containing all of the following information:

- (1) the reporting year;
- (2) the registration number of each registered engine and/or equipment unit;
- (3) for registered engines, quarterly summaries for each district or county the total fuel usage in gallons per quarter, or total hours of operation per quarter, for each registered engine; and
- (4) for registered equipment units, quarterly summaries for each district or county in which the registered equipment unit was operated and the total process weight or throughput.

(f) The owner of a registered ~~portable~~ engine or equipment unit owned by a rental business or used in a third-party rental transaction shall provide the Executive Officer an annual report signed by the responsible official, in a format approved by the Executive Officer, by March 1 of each calendar year containing all of the following information:

- (1) the reporting year;
- (2) the registration number of each registered engine and/or equipment unit;
- (3) total hours of operation for the reporting year for each registered engine based on, and including, beginning and ending annual hour meter readings and dates upon which the total hours of annual operation calculation is based;
- (4) list of all counties in which the registered engine operated in during the reporting year as reported by the entity(ies) that operated the registered engine or equipment unit; and
- (5) estimate of the percentage of total hours operated in each of the counties identified in (4) above.

(g) the owner or operator of a registered engine or equipment unit used by a PEPS shall provide the Executive Officer an annual report, in a format approved by the Executive Officer, by March 1st of each calendar year containing all of the following information:

- (1) the reporting year;
- (2) the registration number of each registered engine and/or equipment unit;
- (3) total hours of operation; and

- (4) estimate of the percentage of hours or fuel usage for the three counties in which the registered engine or equipment unit operated the most.
- (h) Records requests made by a district or Executive Officer shall be made to the responsible official. The responsible official shall provide the requested records within 30 days from receipt of the request. Failure to provide the records by the specified date shall be deemed a violation of this article.
- (i) Each district shall provide the Executive Officer with an annual report, in a format approved by the Executive Officer, by March 31 following the year in which the information was collected containing all of the following information:
 - (1) the number of portable engines and equipment units inspected;
 - (2) the number of portable engines and/or equipment units found operating without valid district permits or statewide registrations;
 - (3) the number of registered engines and equipment units inspected; and
 - (4) summary of results of inspections.
- (j) Vendors selling new portable engines and/or equipment units in California shall:
 - (1) notify the buyer about this regulation; and
 - (2) on a monthly basis submit to the Executive Officer the number of portable engines and/or portable equipment units sold by the vendor for use in California including: the name, address, and contact information of the purchaser, and description of the engine and/or equipment unit including make, model, and engine family name.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2459. Notification.

- (a) Except as listed in subsection (fd) of this section, if a registered ~~portable engine or~~ equipment unit will be ~~in a district~~ at a location for more than five days, the owner or operator ~~or renter~~ of that registered equipment unit, shall notify the district in writing, ~~via facsimile, electronic mail, or by telephone,~~ in a format approved by the Executive Officer, within two working days of commencing operations in that district. If the registered equipment unit is to be moved to different locations within the same district, the owner or operator shall be subject to the notification requirements above, unless the owner or operator and the district, by mutual agreement, arrange alternative notification requirements on a case-by-case basis. The notification shall include all of the following:
 - (1) the registration number of the ~~registered portable engine or~~ equipment unit;
 - (2) the name and phone number of the responsible official or renter with information concerning the locations where the ~~registered portable engine or~~ equipment unit will be operated within the district; and

- (3) estimated time the registered portable engine or equipment unit will be located in the district.
- (b) If the district has not been notified as required in paragraph (a), section 2459(a) above, because the owner or operator did not reasonably expect the duration of operation ~~in the district~~ to trigger the notification requirement in section 2459(a) above, the owner or operator or renter ~~(except as noted in (c) below)~~, shall notify the district in a format approved by the Executive Officer, within 12 hours of determining the registered portable engine or equipment unit will be operating ~~in the district~~ at a location more than five days.
- ~~(c) Except as listed in sub-section (f) of this section, owners and operators of registered portable engines rated less than 200 brake horsepower and designated by the Executive Officer for rental use by a rental business are not subject to notification requirements.~~
- ~~(dc) Owners and operators of TSE are not subject to the notification requirements of this section 2459.~~
- ~~(e) Except as listed in sub-section (f) of this section, owners and operators of registered portable engines or equipment units moving into the designated home district are not subject to notification requirements, providing the home district is identified at the time of registration.~~
- ~~(fd) For STW projects, the owner and/or operator of a registered engine or registered such equipment unit shall notify the corresponding onshore district in writing, via facsimile, electronic mail, or by telephone, in a format approved by the Executive Officer at least 14 days in advance of commencing operations in that district. The notification shall include all of the following:~~
- ~~(1) the registration number of the registered portable engine(s) or equipment unit(s);~~
 - ~~(2) the name and phone number of the responsible official with information concerning the locations where the registered portable engine(s) or equipment unit(s) will be operated within the district;~~
 - ~~(3) estimated time the registered portable engine(s) or equipment unit(s) will be located in the district; and~~
 - ~~(4) calculations showing the estimation of actual emissions expected for the project.~~
- ~~(e) Except as listed in section 2459(d) above, owners and operators of registered engines are not subject to notification requirements.~~
- ~~(f) The Executive Officer shall make available via the Internet a list of approved notification methods for each district.~~
- ~~(g) Failure to provide the required notifications within the timelines specified in this section shall be deemed a violation of this article.~~

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2460. Inspections and Testing.

- (a) In determining if a portable engine or equipment unit is eligible for registration, the Executive Officer may inspect ~~at the~~ portable engine or equipment unit and/or require a source test, ~~at the owner's expense, in order to verify information submitted in the application except as provided in section 2460 (d).~~
- (b) Each district shall inspect all registered engines and equipment units for which the district has been designated as the home district pursuant to section 2453(i) above, as specified below:
 - (1) Within 45 days after the date of initial issuance or renewal of a registration, the owner or operator shall contact the home district to arrange for inspection of the registered engine or equipment unit to be completed within one year of the initial registration or renewal date. If the registered engine or equipment unit shall be operating in a district, other than the home district, the owner or operator may request the home district to arrange for an inspection by that other district.
 - (2) For portable engines, each home district should conduct no more than 20 percent of the arranged inspections for that district as in-field inspections. All arranged inspections not conducted as in-field inspections shall be conducted as non-field inspections. If a portable engine is found in violation during an in-field inspection, the next arranged inspection for that engine shall be an in-field inspection. This section does not limit the authority of a district to conduct any number of non-arranged in-field or non-field inspections for which no fee is charged.
 - (3) For registered equipment units operating with registered engines, the owner or operator may request that the registered engine be inspected under the arranged inspection program or together with the equipment unit at the hourly rate specified in Table 2.
 - (4) Arranged inspections for PEPS engines and registered equipment units shall be non-field inspections unless an in-field inspection is requested by the holder of the registration and a reasonable in-field inspection location is arranged with the appropriate district.
 - (5) The time for an arranged inspection shall be agreed upon in advance with the district and company preferences regarding time of day shall be to accommodated within reason. To the extent that an arranged inspection does not fall within the district's normal workday, the district may charge for the off-hour time based on a fee as specified in Table 2.

- (6) If an arranged inspection of a registered engine or registered equipment unit does not occur due to unforeseen circumstances, the owner or operator and the home district shall reschedule the arranged inspection no later than 90 days of the initially scheduled inspection. Any unreasonable actions on the part of the owner or operator that prevents the inspection to occur within the specified time frame shall be deemed a violation of this article. Actions taken by the owner or operator that could be deemed “unreasonable” include, but are not limited to:
- (A) failing to respond to the district correspondences or other contracts made to schedule the inspection;
 - (B) failing to ensure that the registered engine or equipment unit is in operation for arranged “in-field inspections” or where the district has provided advance notification to the owner or operator that the registered engine or equipment unit is required to be observed in operation.
- (7) The owner or operator may request the scheduling of one or more arranged inspections for multiple engines in order to qualify for an inspection fee discount as specified in section 2461 (d). Within 45 days of date of initial issuance of registration or by January 30 of each year for renewals, the owner or operator shall submit a letter of intent including an equipment list and registration numbers to the district to arrange for inspection of multiple engines. The inspections shall be completed within one year after the registration renewal date for each engine inspected.
- (8) If a registered engine or equipment unit is out of California for one year or more following initial registration or renewal, the engine or equipment unit shall be excused from having the arranged inspection within that period if:
- (A) within 45 days after the date of initial issuance or renewal of the registration, the owner or operator submitted a letter to the district noting the registration number of the registered engine or equipment unit and that the engine or unit is out of California for the one-year period; and
 - (B) upon the return of the registered engine or equipment unit to the State, the owner or operator shall arrange to have the registered engine or equipment unit inspected within 30 days.
- (b) After issuance of registration, the Executive Officer or district may at any time conduct an inspection of any registered engine or equipment unit in order to verify compliance with the requirements of this article. The district shall not charge the owner or operator an additional inspection fee for that inspection. However, source testing of engines for compliance purposes shall not be required more frequently than once every three years (including testing at the time of registration), except as provided in section 2460 (d), unless evidence of engine tampering, lack of proper engine maintenance, or other problems or operating conditions that could affect engine emissions are identified. In no event shall the Executive Officer or district require source testing of a registered engine for which there is no applicable emission

standard, emission limit or other emission related requirement contained in this regulation.

- (ed) Testing shall be conducted in accordance with the following methods or other methods approved by the Executive Officer:

Particulate Matter:	ARB Test Method 5 with probe catch and filter catch only
VOC:	ARB Test Method 100 or U.S. EPA Test Method 25A
NOx:	ARB Test Method 100 or U.S. EPA Test Method 7E
Carbon Monoxide:	ARB Test Method 100 or U.S. EPA Test Method 10
Oxygen:	ARB Test Method 100 or U.S. EPA Test Method 3A
Gas Velocity and Flow Rate:	ARB Test Method 1 & 2 or U.S. EPA Test Method 1 & 2

- (de) Initial or follow-up source testing of engines to verify compliance with the requirements of this regulation shall not be required for certified engines. ~~the following:~~

- ~~(1) engines certified to satisfy the most stringent emissions standards for the applicable horsepower range specified for State or federal newly-manufactured engines pursuant to Title 13 of the California Code of Regulations, 40 CFR Part 86, or 40 CFR Part 89; or~~
- ~~(2) engines certified to meet the most stringent emissions standards for the applicable horsepower range specified for State or federal on-highway engines pursuant to Title 13 of the California Code of Regulations; or~~
- ~~(3) engines that are retrofitted to meet the most stringent emissions standards for the applicable horsepower range specified for State or federal newly-manufactured engines pursuant to Title 13 of the California Code of Regulations or 40 CFR Part 89, where the retrofit kit has undergone testing consistent with the applicable certification procedures.~~

- (ef) The exemption provided in section 2460 (de) shall not apply to source testing of engines for compliance purposes where evidence of engine tampering, lack of proper engine maintenance, or other problems or operating conditions that could affect engine emissions are identified.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2461. Fees.

- (a) Except as otherwise set out herein, ~~the~~ Executive Officer shall assess and collect reasonable fees for registration, renewal, and associated administrative tasks, to recover the estimated costs to the Executive Officer for evaluating registration applications, and issuing registration documentation.

- (b) Fees shall be due and payable to the Executive Officer at the time an application is filed or as part of any request requiring a fee. Fees are nonrefundable except in circumstances as determined by the Executive Officer.
- (c) The owner or operator of a ~~portable~~ registered engine or equipment unit shall submit fees to the Executive Officer and to districts in accordance with Table 2. ~~Until December 31, 2005, new program participants shall pay an increased registration fee in accordance with Table 2. This increased fee shall not apply to agricultural sources or new program participants who have lost permit exemption due to the lowering of the maximum rated horsepower (bhp) permit requirement threshold.~~
- ~~(d) Prior to switching from non-operational to operational status, the owner or operator shall pay the applicable fee as listed in Table 2. The Executive Officer shall verify that the portable engine or equipment unit meets the requirements of this article prior to operation of the portable engine or equipment unit.~~
- (ed) The Executive Officer shall collect an inspection fee as listed in Table 2 one time per every three calendar years for each registered engine to be paid upon initial application and renewal. Except for TSE, ~~W~~when multiple registered portable engines TSE units are inspected at a given source or location, the owner shall receive a discount if the owner or operator intends to arrange multiple engines inspections with the district and complies with the requirements specified in section 2460(b)(6). The discounts shall be applied as follows:
- (1) no discount for 1 to 3 engines
 - (2) 25 percent discount for 4 to 9 engines
 - (3) 35 percent discount for 10 or more engines
- (fe) Failure to pay renewal fees when due shall may result in penalties. If a fee payment is not received or postmarked by the specified due date, fee penalties shall may be assessed per unit in accordance with Table 2. Failure to pay renewal fees prior to expiration shall may result in cancellation of the registration. If a registration has expired for an engine or equipment unit that is eligible for ~~reinstatement~~ reactivation, a canceled registration may be ~~reinstated~~ reactivated after payment of all renewal and penalty fees. Registration shall may be reissued under the original registration number and expiration date. A portable engine or equipment unit without valid registration is subject to the rules and regulations of the district in which it operates.
- (gf) Fees shall be periodically revised by the Executive Officer in accordance with the consumer price index, as published by the United States Bureau of Labor Statistics.
- (hg) A district may collect a fee for the inspection of a registered equipment unit pursuant to section 2460. The district shall bill the owner of the equipment unit at a rate as specified in Table 2 of the regulation for actual staff time taken to perform the inspection, not to exceed the amount specified in Table 2. Upon receipt of the invoice for the inspection fee, the owner shall have the right to appeal the district's fee determination to the district Air Pollution Control Officer/Executive Officer pursuant to the provisions of the district's rules and regulations that govern appeals of fee determinations. ~~In lieu of section 2461 (e) above, a district may collect a fee, in~~

~~an amount to be assessed by the district, for costs associated with implementing and enforcing the requirements of 40 CFR Part 60 Subpart OOO for each registered equipment unit subject to Subpart OOO. In no event shall the fee assessed exceed the actual costs, including staff time, to the district for implementing and enforcing Subpart OOO. If for reasonable cause, the district performs an inspection leading to determination of non-compliance with this article, or any applicable state or federal requirements, the district may charge a fee per portable equipment unit for each inspection necessary for the determination and ultimate resolution of the violation. In no event shall the total fees exceed the actual costs, including staff time, to the district of conducting the investigations and resolving any violations.~~

- (h) The Executive Officer shall collect fees at the time of initial registration and renewal for each registered engine as specified in Table 2.
- (i) The Executive Officer shall annually distribute district inspection fees collected for that year. General inspection fees will be distributed equally among the districts. Home district inspection fees will be distributed to the corresponding home district.
- (ii) TSE fees are due at the time of the report pursuant to section 2458 (dc). Failure to submit the annual report and applicable fees within six calendar months after the end of the year will result in cancellation of the registration. For TSE, if registration is cancelled or allowed to expire, the applicant shall reapply and pay initial registration fees.
- (ek) The district may collect an inspection fee as listed in Table 2 one time per calendar year for each registered TSE inspected. When multiple registered portable TSE units are inspected at a given source or location, the inspection fee shall be equal to the lesser of the actual cost, including staff time, for conducting the inspection or the fee as listed in Table 2 per registered portable engine or equipment unit inspected. If the district performs an inspection leading to determination of non-compliance with this article, or any applicable state or federal requirements, the district may charge a fee as listed in Table 2 per portable engine or equipment unit for each inspection necessary for the determination and ultimate resolution of the violation. In no event shall the total fees exceed the actual costs, including staff time, to the district of conducting the investigations and resolving any violations.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

Table 2 Fees for Statewide Registration Program
(Fees are per registered unit except where noted otherwise)

1	Initial Registration	\$270.00
A	existing program participants until 12/31/05; all applicants thereafter (3 year cycle)	\$270.00
B	existing program participants until 12/31/05; all applicants thereafter (5 year cycle)	\$450.00
C	new program participants until 12/31/05, except applicants that lost permit exemption (3 year cycle)	\$370.00
D	new program participants until 12/31/05, except applicants that lost permit exemption (5 year cycle)	\$550.00
2	Tactical support equipment, initial registration	
A	Registration of first 25 units (or portion thereof)	\$750.00
B	Registration of every additional 50 units (or portion thereof)	\$750.00
3	Change of status from non-operational to operational	
A	Where initial evaluation has not been previously completed	\$180.00
B	Where initial evaluation has been previously completed	\$90.00
4	Identical replacement	\$75.00
5	Renewal, non-TSE	\$225.00
A	Every 3 years	\$225.00
B	Every 5 years	\$375.00
6	Penalty fee for late renewal payments, non-TSE	
A	Postmarked within 2 calendar months prior to registration expiration date	\$45.00
B	Postmarked within the calendar month prior to registration expiration date	\$90.00
C	Postmarked after the registration expiration date	\$250.00
7	Annual TSE inventory fee	
A	first 25 units (or portion thereof)	\$375.00
B	every additional 50 units (or portion thereof)	\$375.00
8	Modification to registered portable engine or equipment unit	\$75.00
9	Change of ownership	\$75.00
10	Replacement of registration identification device <u>or placard</u>	\$30.00
11	Correction to an engine or equipment unit description	\$45.00
12	Update company information, copy of registration documents	\$45.00
13	Copy of registration documents	\$45.00
14	Total d District inspection fee per registered portable engine, <u>paid once every 3 years</u> or equipment unit inspected	\$75.00 \$345.00
A	<u>General district inspection fee</u>	\$30.00
B	<u>Home district inspection fee</u>	\$315.00
15	<u>District off-hour service fee per hour</u>	\$50.00
16	<u>District inspection fees for equipment units:</u> (Table 2 Continued)	

<u>A</u>	<u>General district inspection fee, paid once every 3 years</u>	<u>\$75.00</u>
<u>B</u>	<u>District inspection fee per equipment unit, per hour</u>	<u>\$98.00</u> <u>(not to</u> <u>exceed</u> <u>\$500.00)</u>
<u>17</u>	<u>TSE inspection fees:</u>	
<u>A</u>	<u>General district inspection fee per TSE unit, paid annually</u>	<u>\$10.00</u>
<u>B</u>	<u>District inspection fee per TSE unit per inspection</u>	<u>\$75.00</u>
<u>18</u>	<u>Placard</u>	<u>\$5.00</u>

2462. Duration of registration.

- (a) Except as provided for in section 2456(d)(6), registrations and renewals will be valid for ~~either three or five consecutive years from date of issuance. A new program participant must choose either the three year or five year duration period for all current and future registrations at the time of initial application submittal. An existing program participant may choose to convert to the five year duration period for all registrations which shall be reissued upon renewal only. The existing program participant shall submit a written request for this conversion.~~ For change of ownership, the registration shall retain the original expiration date and upon renewal shall be converted to the duration period chosen by the new owner, if different than the duration period of the previous owner. Once a registration duration period is chosen by a program participant, it shall not be changed.
- (b) The Executive Officer shall mail to the owner ~~or operator~~ of a registered portable engine or equipment unit a renewal invoice at least 60 days prior to the registration expiration. Failure to send or receive a renewal invoice does not relieve the responsible official from paying all applicable fees when due.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2463. Suspension or revocation of registration.

- (a) The Executive Officer for just cause may suspend or revoke registration in any of the following circumstances:
- (1) the holder of registration has violated one or more terms and conditions of registration or has refused to comply with any of the requirements of this article;
 - (2) the holder of registration has materially misrepresented the meaning, findings, effect or any other material aspect of the registration application, including submitting false or incomplete information in its application for

- registration regardless of the holder's personal knowledge of the falsity or incompleteness of the information;
- (3) the test data submitted by the holder of registration to show compliance with this regulation have been found to be inaccurate or invalid;
 - (4) enforcement officers of the ARB or the ~~D~~districts, after presentation of proper credentials, have been denied access, during normal business hours or hours of operation, to any facility or location where registered ~~portable~~ engines and equipment units are operated or stored and are prevented from inspecting such engines or equipment units as provided for in this article (the duty to provide access applies whether or not the holder of registration owns or controls the facility or location in question);
 - (5) enforcement officers of the ARB or the ~~D~~districts, after presentation of proper credentials, have been denied access to any records required by this regulation for the purpose of inspection and duplication;
 - (6) the registered ~~portable~~ engine or equipment unit has failed in-use to comply with the findings set forth in the registration. For the purposes of this section, noncompliance with the registration may include, but is not limited to:
 - (A) a repeated failure to perform to the standards set forth in this article; or
 - (B) modification of the engine or equipment unit that results in an increase in emissions or changes the efficiency or operating conditions of such engine or equipment unit, without prior notice to and approval by the Executive Officer; or
 - (7) the holder of registration has failed to take requested corrective action as set forth in a Notice of Violation or Notice to Comply within the time period set forth in such notice or as otherwise specified in writing by the issuing district.
 - (8) the holder of the registration has failed to pay fees assessed by either the Executive Officer or district within 120 after the specified due date and there is no pending appeal.
- (b) A ~~registration~~ holder of registration may be subject to a suspension or revocation action pursuant to this section based upon the actions of an agent, employee, licensee, or other authorized representative.
 - (c) The Executive Officer shall notify each holder of registration by certified mail of any action taken by the Executive Officer to suspend or revoke any registration granted under this article. The notice shall set forth the reasons for and evidence supporting the action(s) taken. A suspension or revocation is effective upon receipt of the notification.
 - (d) A ~~party~~ holder of registration having received a notice to revoke or suspend registration may request that the action be stayed pending a hearing under section 2464. In determining whether to grant the stay, the Executive Officer shall consider the reasonable likelihood that the registration holder will prevail on the merits of the appeal and the harm the ~~registration~~ holder of registration will likely suffer if the stay is not granted. The Executive Officer shall deny the stay if the adverse effects of the stay on the public health, safety, and welfare outweigh the harm to the ~~registration~~ holder of registration if the stay is not granted.

- (e) Once a registration has been suspended pursuant to (a) above, the holder of registration shall satisfy and correct all noted reasons for the suspension and submit a written report to the Executive Officer advising him or her of all such steps taken by the holder before the Executive Officer will consider reinstating the registration.
- (f) After the Executive Officer suspends or revokes a registration pursuant to this section and prior to commencement of a hearing under section 2464, if the holder of registration demonstrates to the Executive Officer's satisfaction that the decision to suspend or revoke the registration was based on erroneous information, the Executive Officer will reinstate the registration.
- (g) Nothing in this section shall prohibit the Executive Officer from taking any other action provided for by law for violations of the Health and Safety Code.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2464. Appeals.

(a) Hearing Procedures

- (1) Any applicant for, ~~or a holder of,~~ registration whose application has been denied or a holder of registration whose registration has been denied, suspended, or revoked may request a hearing to review the action taken by sending a request in writing to the Executive Officer. A request for hearing shall include, at a minimum, the following:
 - (A) name of applicant or holder of registration;
 - (B) registration number;
 - (C) copy of the Executive Order revoking or suspending registration or the written notification of denial;
 - (D) a concise statement of the issues to be raised, with supporting facts, setting forth the basis for challenging the denial, suspension, or revocation (mere conclusory allegations will not suffice);
 - (E) a brief summary of evidence in support of the statement of facts required in (D) above; and
 - (F) the signature of an authorized person requesting the hearing.
- (2) A request for a hearing shall be filed within 20 days from the date of issuance of the notice of the denial, suspension, or revocation.
- (3) A hearing requested pursuant to this section shall be heard by a qualified and impartial hearing officer appointed by the Executive Officer. The hearing officer may be an employee of the ARB, but may not be any employee who was involved with the registration at issue. In a request for a hearing of a denial of registration, after reviewing the request for a hearing and supporting documentation provided under subsection (1) above, the hearing officer shall

- grant the request for a hearing if he or she finds that the request raises a genuine and substantial question of law or fact.
- (4) Except as provided in (3) above, the hearing officer shall schedule and hold, as soon as practicable, a hearing at a time and place determined by the hearing officer.
 - (5) Upon appointment, the hearing officer shall establish a hearing file. The file shall consist of the following:
 - (A) the determination issued by the Executive Officer which is the subject of the request for hearing;
 - (B) the request for hearing and the supporting documents that are submitted with it;
 - (C) all documents relating to and relied upon in making the determination to deny registration or to suspend or revoke registration; and
 - (D) correspondence and other documents material to the hearing.
 - (6) The hearing file shall be available for inspection by the applicant at the office of the hearing officer.
 - (7) An applicant may appear in person or may be represented by counsel or by any other duly-authorized representative.
 - (8) The ARB may be represented by staff or counsel familiar with the registration program and may present rebuttal evidence.
 - (9) Technical rules of evidence shall not apply to the hearing, except that relevant evidence may be admitted and given probative effect only if it is the kind of evidence upon which reasonable persons are accustomed to relying in the conduct of serious affairs. No action shall be overturned based solely on hearsay evidence, unless the hearsay evidence would be admissible in a court of law under a legally recognized exception to the hearsay rule.
 - (10) The hearing shall be recorded either electronically or by a certified shorthand reporter.
 - (11) The hearing officer shall consider the totality of the circumstances of the denial, suspension, or revocation, including but not limited to, credibility of witnesses, authenticity and reliability of documents, and qualifications of experts. The hearing officer may also consider relevant past conduct of the applicant including any prior incidents involving other ARB programs.
 - (12) The hearing officer's written decision shall set forth findings of fact and conclusions of law as necessary.
 - (11) Within 30 days of the conclusion of a hearing, if a hearing is held, the hearing officer shall submit a written proposed decision, including proposed finding as well as a copy of any material submitted by the hearing participants as part of that hearing and relied on by the hearing officer, to the Executive Officer, within 30 working days from the last day of hearing. The hearing officer may recommend to the Executive Officer any of the following:
 - (A) uphold the denial, suspension, or revocation action as issued;
 - (B) reduce a revocation to a suspension;
 - (C) increase a suspension to a revocation if the registration holder's conduct so warrants; and or
 - (D) overturn a denial, suspension, or revocation in its entirety.

~~(12) The hearing officer shall consider the totality of the circumstances of the denial, suspension, or revocation, including but not limited to credibility of witnesses, authenticity and reliability of documents, and qualifications of experts. The hearing officer may also consider relevant past conduct of the applicant including any prior incidents involving other ARB programs.~~

~~(13) The hearing officer's written decision shall set forth findings of fact and conclusions of law as necessary.~~

(14) The Executive Officer shall render a final written decision within 60 working days of the last day of hearing. The Executive Officer may do any of the following:

(A) adopt the hearing officer's proposed decision;

(B) modify the hearing officer's proposed decision; or

(C) render a decision without regard to the hearing officer's proposed decision.

(b) Hearing conducted by written submission.

(1) In lieu of the hearing procedure set forth in (a) above, an applicant may request that the hearing be conducted solely by written submission.

(2) In such case the requestor must submit a written explanation of the basis for the appeal and provide supporting documents within 20 days of making the request. Subsequent to such a submission the following shall transpire:

(A) ARB staff shall submit a written response to the requestor's submission and documents in support of the Executive Officer's action no later than 10 days after receipt of requestor's submission;

(B) The registration holder may submit one rebuttal statement which may include supporting information, as attachment(s), but limited to the issues previously raised;

(C) If the registration holder submits a rebuttal, ARB staff may submit one rebuttal statement which may include supporting information, as attachment(s), but limited to the issues previously raised; and

(D) the hearing officer shall be designated in the same manner as set forth in (a)(3) above. The hearing officer shall receive all statements and documents and ~~render~~ submit a proposed written decision and such other documents as described in (a) 13 above - to the Executive Officer ~~The hearing officer's decision shall be mailed to the requestor no later than 30 working days after the final deadline for submission of papers. The Executive Officer's final decision shall be mailed to the holder of registration no later than 60 days after the final deadline for submission of papers.~~

(E) The Executive Officer shall render a final written decision within 60 working days of the last day of hearing. The Executive Officer may do any of the following:

(1) adopt the hearing officer's proposed decision;

(2) modify the hearing officer's proposed decision; or

(3) render a decision without regard to the hearing officer's proposed decision.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

§ 2465. Penalties.

Violation of the provisions of this article may result in a ~~nuisance~~, civil, and/or criminal penalties violations pursuant to the California Health and Safety Code. Each day during any portion of which a violation occurs is a separate violation.

NOTE: Authority cited: Sections 39600, 39601, 41752, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750, 41751, 41752, 41753, 41754, and 41755, Health and Safety Code.

Appendix B
Increased Program Fees

Appendix B

Increased Program Fees

1	Initial Registration	\$270.00
a	existing program participants until 12/31/05; all applicants thereafter (3 year cycle)	\$270.00
b	existing program participants until 12/31/05; all applicants thereafter (5 year cycle)	\$450.00
c	new program participants until 12/31/05, except applicants that lost permit exemption (3 year cycle)	\$370.00
d	new program participants until 12/31/05, except applicants that lost permit exemption (5 year cycle)	\$550.00
2	Tactical support equipment, initial registration	
a	Registration of first 25 units (or portion thereof)	\$750.00
b	Registration of every additional 50 units (or portion thereof)	\$750.00
3	Change of status from non-operational to operational	
a	Where initial evaluation has not been previously completed	\$180.00
b	Where initial evaluation has been previously completed	\$90.00
4	Identical replacement	\$75.00
5	Renewal, non-TSE	\$225.00
a	Every 3 years	\$225.00
b	Every 5 years	\$375.00
6	Penalty fee for late renewal payments, non-TSE	
a	Postmarked within 2 calendar months prior to registration expiration date	\$45.00
b	Postmarked within the calendar month prior to registration expiration date	\$90.00
c	Postmarked after the registration expiration date	\$250.00
7	Annual TSE inventory fee	
a	first 25 units (or portion thereof)	\$375.00
b	every additional 50 units (or portion thereof)	\$375.00
8	Modification to registered portable engine or equipment unit	\$75.00
9	Change of ownership	\$75.00
10	Replacement of registration identification device <u>or placard</u>	\$30.00
11	Correction to an engine or equipment unit description	\$45.00
12	Update company information, copy of registration documents	\$45.00
13	Copy of registration documents	\$45.00
14	Total district inspection fee per registered portable engine, paid once every 3 years or equipment unit inspected	\$75.00 \$345.00
a	General district inspection fee	\$30.00
b	Home district inspection fee	\$315.00
15	District off-hour service fee per hour	\$50.00
16	District inspection fees for equipment units	

<u>a</u>	<u>General district inspection fee, paid once every 3 years</u>	<u>\$75.00</u>
<u>b</u>	<u>District inspection fee per equipment unit, per hour</u>	<u>\$98.00</u> <u>(not to</u> <u>exceed</u> <u>\$500.00)</u>
<u>17</u>	<u>TSE inspection fees</u>	
<u>a</u>	<u>General district inspection fee per TSE unit, paid annually</u>	<u>\$10.00</u>
<u>b</u>	<u>District inspection fee per TSE unit</u>	<u>\$75.00</u>
<u>18</u>	<u>Placard</u>	<u>\$5.00</u>

Appendix C

Economic Impact Analysis

Appendix C

Economic Impact Analysis

Table 1 - Total Fee Increase Attributed to Amendments to PERP

Cumulative Impact (Assumes 5-Year Life + One-Time Costs)	
Cumulative Impact From District Inspection Fee Engines	\$9,803,925
Cumulative Impact From District Inspection Fee Equipment	\$1,896,200
Cumulative Impact From District Inspection Fee TSE	\$236,050
Cumulative Impact From Obtaining a Placard	\$193,525
Cumulative Impact From Placard Replacement	\$33,750
Cumulative Impact From Hour Meter Installation	\$876,000
Cumulative Impact From Recordkeeping	\$41,192,000
Total Fee Increase Attributed to Amendments to the PERP Regulation	\$54,231,450
Breakout of Impacts:	
Private Businesses:	
Cumulative Impact From District Inspection Fee Engines	\$9,172,650
Cumulative Impact From District Inspection Fee Equipment	\$1,831,337
Cumulative Impact From Obtaining a Placard	\$150,685
Cumulative Impact From Placard Replacement	\$26,279
Cumulative Impact From Hour Meter Installation	\$682,082
Cumulative Impact From Recordkeeping	\$38,661,409
Total Cumulative Impact – Businesses	\$50,524,441
Total Cumulative Impact - (Small Businesses Only)	\$35,366,376
State Agencies:	
Cumulative Impact From District Inspection Fee Engines	\$10,876
Cumulative Impact From District Inspection Fee Equipment	\$0
Cumulative Impact From Obtaining a Placard	\$161
Cumulative Impact From Placard Replacement	\$28
Cumulative Impact From Hour Meter Installation	\$727
Cumulative Impact From Recordkeeping	\$41,221
Total Cumulative Impact - State Agencies	\$53,012
Local Agencies:	
Cumulative Impact From District Inspection Fee Engines	\$551,834
Cumulative Impact From District Inspection Fee Equipment	\$58,124
Cumulative Impact From Obtaining a Placard	\$8,634
Cumulative Impact From Placard Replacement	\$1,506
Cumulative Impact From Hour Meter Installation	\$39,081
Cumulative Impact From Recordkeeping	\$2,215,163
Total Cumulative Impact - Local Agencies	\$2,874,342
Federal Agencies:	
Cumulative Impact From District Inspection Fee Engines	\$68,566
Cumulative Impact From District Inspection Fee Equipment	\$6,739
Cumulative Impact From District Inspection Fee TSE	\$236,050
Cumulative Impact From Obtaining a Placard	\$34,046
Cumulative Impact From Placard Replacement	\$5,937
Cumulative Impact From Hour Meter Installation	\$154,110
Cumulative Impact From Recordkeeping	\$274,207
Total Cumulative Impact - Federal Agencies	\$779,655

Table 2 – Summary of Costs Impacts

				Small Business			Typical Business		
	Federal (all agencies)	State (all agencies)	Local (all agencies)	Total (all businesses)	Low Estimate (per business)	High Estimate (per business)	Total (all businesses)	Low Estimate (per business)	High Estimate (per business)
Inspection Fees Engines									
One Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual					\$115	\$992		\$518	\$5,950
Total Program (5 Years)	\$68,566	\$10,876	\$551,834	\$6,420,855			\$9,172,650		
Inspection Fees Equipment									
One Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual				\$256,387	\$58	\$958		\$346	\$5,750
Total Program (5 Years)	\$6,739	\$0	\$58,124	\$1,281,936			\$1,831,337		
Inspection Fees TSE									
One Time	\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual	\$47,210	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Program (5 Years)	\$236,050								
Placard									
One Time	\$34,046	\$161	\$8,634	\$105,477	\$5	\$25	\$150,685	\$30	\$150
Annual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Program (5 Years)	\$34,046	\$161	\$8,634	\$105,477			\$150,685	\$30	\$150
Recordkeeping									
One Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual				\$5,412,454	\$0	\$2,000	\$7,732,282	\$0	\$12,000
Total Program (5 Years)	\$274,207	\$41,221	\$2,215,163	\$27,062,269			\$38,661,409		
Hour Meters									
One Time	\$154,110	\$727	\$39,081	\$477,445	\$0	\$1,000	\$682,082	\$0	\$6,000
Annual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Program (5 Years)	\$154,110	\$727	\$39,081	\$477,445			\$682,082	\$0	
Placard Replacment									
One Time	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual				\$3,679	\$0	\$25	\$3,679	\$0	\$900
Total Program (5 Years)	\$5,937	\$28	\$1,506	\$18,395			\$26,279	\$0	
Total Cumulative Impacts from Regulation Changes									
	Federal	State	Local	Small Business Total			Business Total		
One Time	\$188,156	\$888	\$47,715	\$582,921			\$832,766		
Cummulative annual (5 Year)	\$591,499	\$52,125	\$2,826,628	\$34,783,455			\$49,691,674		
Total Program Cost	\$779,655	\$53,012	\$2,874,342	\$35,366,376			\$50,524,441		
Total Cost 5 years for all Amendments									
	Low	High							
A Small Business Initial	\$5	\$1,025							
A Typical Business Initial	\$30	\$6,150							
A Small Business Annual	\$173	\$3,975							
A Typical Business Annual	\$864	\$24,600							

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Table 3 – Master Information

Businesses w/Engines/Equipment	
Private Businesses (Non-TSE)	1916
Private Small Businesses (Non-TSE)*	1341
Federal (Non-TSE)	22
State (Non-TSE)	8
Local (City-County) (Non-TSE)	181
Total (Non-TSE)	2127
Total Business w/TSE	2155
Typical Business	
# of Engines/Equipment Low	6
# of Engines/Equipment High	30
Typical Small Business*	
# of Engines/Equipment Low	1
# of Engines/Equipment High	5
Registered Engines	
Number of Registered Engines Private	19398
Number of Registered Engines Private (Small Business)*	13579
Number of Registered Engines State	23
Number of Registered Engines Local	1167
Number of Registered Engines Federal (Non-TSE)	145
Total Registered Engines (Non-TSE)	20733
Registered Equipment	
Number of Registered Equipment Private	2174
Number of Registered Equipment Private (Small Business)	1522
Number of Registered Equipment State	0
Number of Registered Equipment Local	69
Number of Registered Equipment Federal (Non-TSE)	8
Total Registered Equipment (Non-TSE)	2251
Table 3 - Master Information (Cont)	
Registered Engines and Equipment	
Number of Registered Engines and Equipment Private	21572
Number of Registered Engines and Equipment Private (Small Business)	15100
Number of Registered Engines and Equipment State	23
Number of Registered Engines and Equipment Local	1236
Number of Registered Engines and Equipment Federal (w/TSE)	4874
Number of Registered Engines and Equipment Federal (w/o TSE)	153
Number of Registered Engines and Equipment Federal (TSE Only)	4721
Total Registered Engines and Equipment	27705
Total Registered Engines and Equipment (w/o TSE)	22984
New Equipment	
New Engines Entering Program/yr	2500
New Equipment Units Entering Program/Yr	250
Equipment Inspections Time	
Inspection Time (low) = 1 Hr	1
Inspection Time (High)= 5.1	5
Hour Meters	
Cost for Hour Meter Installed	\$200
Engines w/Hour Meters	16353
Need Hour Meters (Fuel Stick)	3423
May Need Hour Meters (No Indication of Having Meters)	957
Total Needing Meters (2006)	4380
Recordkeeping	
Engines Required to Keep records	5637
Equipment Units Required to Keep Records	2251
Total Required to Keep Records	7888
Total Units That Will Need to Keep Records (2006)	15096
Cost Data	
Recordkeeping (per Unit)	\$400
Placards (Per Unit)	\$5
Placard Replacement (Per Replacement)	\$30
Hour Meter Installed (Per Unit)	\$200
District Inspection Engines (New and Every 3 Years)	\$345
District Inspection Engines (25% Discount Rate 4-9 Engines)	\$259
District Inspection Engines (35% Discount Rate > 10 Engines)	\$224
Off-Hour Inspection Cost (4 Hours@\$50/Hour)	\$200
District Equipment Inspection Cost per Hour (High)	\$500
District Equipment Inspection Cost per Hour (Low)	\$98
Average Cost to Inspect Equipment (Every Three Years)	\$400
General Inspection Fee \$75 (Every Three Years)	\$75
Total Fee to Inspect Equipment (Average)	\$475
District Inspection Fee TSE (Annual Per Unit)	\$10
*Small Business is Equal to 70 Percent of Total Business	

Table 4 – District Inspection Engine

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In program		# of Engines Needing Inspection Renewal *					
		% of Total	2006	2007	2008	2009	2010
Number of Active Engines Private	19398	0.94	3318	5374	4577	***	***
Number of Active Engines Private (Small Business)	13579	0.65	2323	3762	3204	***	***
Number of Active Engines State	23	0.00	4	6	5	***	***
Number of Active Engines Local	1167	0.06	200	323	275	***	***
Number of Active Engines Federal (non TSE)	145	0.01	25	40	34	***	***
Total Active Engines (non TSE)	20733	1.00	3547	5744	4892		
Total Number of Engines Needing Inspection (Renewal Plus New)							
			2006	2007	2008	2009***	2010***
Engines Private			5,657	7,713	6,916	6,593	8,648
Engines Private (Small Business)			3,960	5,399	4,841	4,615	6,054
Engines State			7	9	8	8	10
Engines Local			340	464	416	397	520
Engines Federal (non TSE)			42	58	52	49	65
Cost to Perform Inspection In Program and New W/O Discount/Fees							
			2006	2007	2008	2009	2010
Engines Private			\$1,951,803	\$2,660,882	\$2,385,868	\$2,274,588	\$2,983,667
Engines Private (Small Business)			\$1,366,262	\$1,962,617	\$1,670,108	\$1,592,212	\$2,088,567
Engines State			\$2,314	\$3,155	\$2,829	\$2,697	\$3,538
Engines Local			\$117,422	\$160,081	\$143,536	\$136,841	\$179,500
Engines Federal (non TSE)			\$14,590	\$19,890	\$17,834	\$17,003	\$22,303
Total			\$2,086,129	\$2,844,008	\$2,550,068	\$2,431,129	\$3,189,008
Discount for Multiple Engine Inspections							
	# of engines in category	Percent will Utilize Discount **	Total Engines Using Discount				
# of Engines = 4 through 9	2302	0.25	576				
# of Engines = >10	16443	0.33	5426				
4 Thru 9 Engines							
			538	\$46,441			
Engines Private			377	\$32,509			
Engines Private (Small Business)			1	\$55			
Engines State			32	\$2,794			
Engines Local			4	\$347			
Engines Federal (non TSE)							
>=10 Engines							
			5077	\$613,023			
Engines Private			3554	\$429,116			
Engines Private (Small Business)			6	\$727			
Engines State			305	\$36,880			
Engines Local			38	\$4,582			
Engines Federal (non TSE)							
Cost to Perform Inspection with Discounts							
			2006	2007	2008	2009	2010
Engines Private			\$1,292,339	\$2,001,418	\$1,726,404	\$1,615,124	\$2,324,203
Engines Private (Small Business)			\$904,637	\$1,400,992	\$1,208,483	\$1,130,587	\$1,626,942
Engines State			\$1,532	\$2,373	\$2,047	\$1,915	\$2,756
Engines Local			\$77,748	\$120,407	\$103,862	\$97,167	\$139,826
Engines Federal (non TSE)			\$9,660	\$14,961	\$12,905	\$12,073	\$17,373
Off-Hour Service Fee							
			2006	2007	2008	2009	2010
Engines Private			\$33,944	\$46,276	\$41,493	\$39,558	\$51,890
Engines Private (Small Business)			\$23,761	\$32,393	\$29,045	\$27,691	\$36,323
Engines State			\$40	\$55	\$49	\$47	\$62
Engines Local			\$2,042	\$2,784	\$2,496	\$2,380	\$3,122
Engines Federal (non TSE)			\$254	\$346	\$310	\$296	\$388
Total Cost For Inspection (Total + Discount + Off-Hour Service Fee)							
			2006	2007	2008	2009	2010
Engines Private			\$1,326,283	\$2,047,694	\$1,767,898	\$1,654,682	\$2,376,093
Engines Private (Small Business)			\$928,398	\$1,433,386	\$1,237,528	\$1,158,278	\$1,663,265
Engines State			\$1,573	\$2,428	\$2,096	\$1,962	\$2,817
Engines Local			\$79,790	\$123,191	\$106,358	\$99,547	\$142,948
Engines Federal (non TSE)			\$9,914	\$15,307	\$13,215	\$12,369	\$17,761
							\$9,803,925
Active Engines in Program	# engines	% renew	Total Renew				
2006 = 4729 engines due for renewal*	4729	0.75	3547				
2007 = 7658 engines due for renewal*	7658	0.75	5744				
2008 = 6522 engines due for renewal*	6522	0.75	4892				
2009 = 2006 new and renewed engines plus 1000***							
2010 = 2007 new and renewed engines plus 1000***							
New Engines Coming Into Program/Yr (2006-2008)	2500						
Inspection Costs							
Cost For Inspection	\$345						
Cost for Discounted Inspection (4-9) engines (25%)	\$259						
Cost for Discounted Inspection (>10) engines (35%)	\$224						
Off-Hour Inspection Service Fee (\$50/Hr x 4 Hrs)(***)	\$200						
* Historically 75 Percent of engines renew their Registration							
** Assumed 3% of engines would be inspected off hours							
*** Assumptions for 2009 and 2010							

Table 5 – District Inspection Equipment

		Check	%			
Active Equipment						
Number of Registered Equipment Units Private	2174	2174	0.97			
Number of Registered Equipment Units Private (Small Business)	1522	1522	0.68			
Number of Registered Equipment Units State	0	0	0.00			
Number of Registered Equipment Units Local	69	69	0.03			
Number of Registered Equipment Units Federal	8	8	0.00			
Total Registered Equipment Units	2251	2251				
Equipment Inspections						
Equipment Cost per hour (high)	\$500					
Equipment Cost per hour (low)	\$98					
Inspection Time (low) = 1 Hr	1					
Inspection Time (High)= 5.1	5					
Inspection Time Average (Hours)	4.08					
General Insp Fee \$75 Every Three Years	\$75					
Total Average Inspection Cost/Unit (Every Three Years)	\$475					
	Can Renew	Percent renew	Will Renew	New Units	Total Need Inspection	
2006	601	75%	451	250	701	
2007	763	75%	572	250	822	
2008	769	75%	577	250	827	
2009 (2006 Total Plus 250 Units)	701	75%	526	250	776	
2010 (2007 Total Plus 250 Units)	822	75%	617	250	867	
	Number of Equipment that need inspection					
	2006	2007	2008	2009	2010	
Equipment Private	677	794	798	749	837	
Equipment Private (Small Business)	474	556	559	524	586	
Equipment State	0	0	0	0	0	
Equipment Local	21	25	25	24	27	
Equipment Federal (non TSE)	2	3	3	3	3	
	701	822	827	776	867	
	Cost to Inspect Units					
	2006	2007	2008	2009	2010	Total
Cost to Inspect Equipment Units Private	\$321,470	\$377,209	\$379,273	\$355,791	\$397,594	\$1,831,337
Cost to Inspect Equipment Units Private (Small Business)	\$225,029	\$264,046	\$265,491	\$249,053	\$278,316	\$1,281,936
Cost to Inspect Equipment Units State	\$0	\$0	\$0	\$0	\$0	\$0
Cost to Inspect Equipment Units Local	\$10,203	\$11,972	\$12,038	\$11,292	\$12,619	\$58,124
Cost to Inspect Equipment Units Federal	\$1,183	\$1,388	\$1,396	\$1,309	\$1,463	\$6,739
Total						\$1,896,200

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Table 6 – District Inspections TSE

Cost to inspect per year	\$10					
# Of TSE equipment*	4721					
Total Annual Cost to Inspect TSE	\$47,210					
*Historically, the number of TSE equipment has been relatively constant; therefore, staff used the current number for all years.						
	Cost for TSE Inspection					
	2006	2007	2008	2009	2010	Total
Cost to Inspect Tactical Support Units Federal	\$47,210	\$47,210	\$47,210	\$47,210	\$47,210	\$236,050

Table 7 - Placards

Cost for Placard	\$5							
Total Registered Engines and Equipment	# Of Equipment	% of Total						
Number of Registered Engines and Equipment Private	21572	0.78						
Number of Registered Engines and Equipment Private (Small Business)	15100	0.55						
Number of Registered Engines and Equipment State	23	0.00						
Number of Registered Engines and Equipment Local	1236	0.04						
Number of Registered Engines and Equipment Federal	4874	0.18						
Total Number of Registered Engines and Equipment	27705	1						
Number of New Engines and Equipment Entering Program per Year	2750							
			Number of Placards Needed					
			2006	2007	2008	2009	2010	
Number of Engines and Equipment That Need Placards Private			21572	2141	2141	2141	2141	
Number of Engines and Equipment That Need Placards Private (Small Business)			15100	1499	1499	1499	1499	
Number of Engines and Equipment That Need Placards State			23	2	2	2	2	
Number of Engines and Equipment That Need Placards Local			1236	123	123	123	123	
Number of Engines and Equipment That Need Placards Federal			4874	484	484	484	484	
Total			27705	2750	2750	2750	2750	
			Cost for Placards					Total
			2006	2007	2008	2009	2010	
Cost For Placards Private			\$107,860	\$10,706	\$10,706	\$10,706	\$10,706	\$150,685
Cost For Placards Private (Small Business)			\$75,500	\$7,494	\$7,494	\$7,494	\$7,494	\$105,477
Cost For Placards State			\$115	\$11	\$11	\$11	\$11	\$161
Cost For Placards Local			\$6,180	\$613	\$613	\$613	\$613	\$8,634
Cost For Placards Federal			\$24,370	\$2,419	\$2,419	\$2,419	\$2,419	\$34,046
Total								\$193,525

Table 8 – Placard Replacement

Cost for Placard Replacement	\$30							
Total Active Engines and Equipment	# Of Equipment	% of Total						
Number of Active Engines and Equipment Private	21572	0.78						
Number of Active Engines and Equipment Private (Small Business)	15100	0.55						
Number of Active Engines and Equipment State	23	0.00						
Number of Active Engines and Equipment Local	1236	0.04						
Number of Active Engines and Equipment Federal	4874	0.18						
Total Number of Active Engines and Equipment	27705	1						
Number of replacement placards needed per year*	225							
*Based on 1/2 of total PERP replacement stickers issued in 2005								
			# of Placards needed					
			2006	2007	2008	2009	2010	
Number of Engines and Equipment That Will Replace Placards Private			175	175	175	175	175	
Number of Engines and Equipment That Will Replace Placards Private (Small Business)			123	123	123	123	123	
Number of Engines and Equipment That Will Replace Placards State			0	0	0	0	0	
Number of Engines and Equipment That Will Replace Placards Local			10	10	10	10	10	
Number of Engines and Equipment That Will Replace Placards Federal			40	40	40	40	40	
Total			225	225	225	225	225	
			Cost for placards					Total
			2006	2007	2008	2009	2010	
Cost For Placard Replacements Private			\$5,256	\$5,256	\$5,256	\$5,256	\$5,256	\$26,279
Cost For Placard Replacements Private (Small Business)			\$3,679	\$3,679	\$3,679	\$3,679	\$3,679	\$18,395
Cost For Placard Replacements State			\$6	\$6	\$6	\$6	\$6	\$28
Cost For Placard Replacements Local			\$301	\$301	\$301	\$301	\$301	\$1,506
Cost For Placard Replacements Federal			\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$5,937
Total								\$33,750

Table 9- Hour Meters

Cost of Meter Installed	\$200									
	#	% of Total	# Engines/Equipment That Need Hour Meters							
Total Registered Engines and Equipment			2006	2007*	2008*	2009*	2010*			
Number of Registered Engines and Equipment Private	21572	0.78	3410	0	0	0	0			
Number of Registered Engines and Equipment Private (Small Business)	15100	0.55	2387	0	0	0	0			
Number of Registered Engines and Equipment State	23	0.00	4	0	0	0	0			
Number of Registered Engines and Equipment Local	1236	0.04	195	0	0	0	0			
Number of Registered Engines and Equipment Federal	4874	0.18	771	0	0	0	0			
Total Registered Engines and Equipment	27705	1	4380	0	0	0	0			
# Engines That Need Hour Meters (2006)	4380		Cost For Hour Meters							
			2006	2007	2008	2009	2010	Total		
Cost for Engines and Equipment That Need Hour Meters Private			\$682,082	\$0	\$0	\$0	\$0	\$682,082		
Cost for Engines and Equipment That Need Hour Meters Private (Small Business)			\$477,445	\$0	\$0	\$0	\$0	\$477,445		
Cost for Engines and Equipment That Need Hour Meters State			\$727	\$0	\$0	\$0	\$0	\$727		
Cost for Engines and Equipment That Need Hour Meters Local			\$39,081	\$0	\$0	\$0	\$0	\$39,081		
Cost for Engines and Equipment That Need Hour Meters Federal			\$154,110	\$0	\$0	\$0	\$0	\$154,110		
Total								\$876,000		
* Assumes all engines entering program after 2006 will be equipped with an hour meter.										

Table 10- Recordkeeping

Cost to keep records per engine/unit	\$400								
	#	% of Total	# Engines/Equipment That Need to Keep Records						
Total Registered Engines and Equipment			2006	2007	2008	2009	2010		
Number of Registered Engines and Equipment Private	21572	0.94	14169	16750	19331	21912	24493		
Number of Registered Engines and Equipment Private (Small Business)	15100	0.66	9918	11724	13531	15338	17145		
Number of Registered Engines and Equipment State	23	0.00	15	18	21	23	26		
Number of Registered Engines and Equipment Local	1236	0.05	812	960	1108	1255	1403		
Number of Registered Engines and Equipment Federal	153	0.01	100	119	137	155	174		
Total Registered Engines and Equipment	22984	1							
# engines/equipment that need recordkeeping (2006)	15096								
#engines/equipment new (2007-2010)	2750		Cost To Keep Records					Total	
			2006	2007	2008	2009	2010		
Cost for Engines and Equipment That Need Recordkeeping Private			\$5,667,437	\$6,699,859	\$7,732,282	\$8,764,704	\$9,797,127	\$38,661,409	
Cost for Engines and Equipment That Need Recordkeeping Private (Small Business)			\$3,967,101	\$4,689,777	\$5,412,454	\$6,135,131	\$6,857,807	\$27,062,269	
Cost for Engines and Equipment That Need Recordkeeping State			\$6,043	\$7,143	\$8,244	\$9,345	\$10,446	\$41,221	
Cost for Engines and Equipment That Need Recordkeeping Local			\$324,724	\$383,878	\$443,033	\$502,187	\$561,341	\$2,215,163	
Cost for Engines and Equipment That Need Recordkeeping Federal			\$40,196	\$47,519	\$54,841	\$62,164	\$69,486	\$274,207	
Total								\$41,192,000	

Appendix D
List of Acronyms

Appendix D

List of Acronyms

AB	Assembly Bill
AQIA	Air Quality Impact Analysis
ARB or Board	Air Resources Board
ARB staff or Staff	Air Resources Board Staff
ATCM	Airborne Toxic Control Measure
BACT	Best Available Control Technology
bhp	Brake-horsepower
CAA	Federal Clean Air Act
CAPCOA	California Air Pollution Control Officers Association
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
CO	Carbon Monoxide
Districts	Air Pollution Control Districts or Air Quality Management Districts
DOF	Department of Finance
g/bhp-hr	Grams per Brake Horsepower-hour
HAP	Hazardous Air Pollutant
HC	Hydrocarbons
HSC	California Health and Safety Code
ISOR	Initial Statement of Reasons
LAER	Lowest Achievable Emission Rate
MACT	Maximum Achievable Control Technology
NMHC	Non-methane Hydrocarbons
NO _x	Oxides of Nitrogen
NSR	New Source Review
OCS	Outer Continental Shelf
PEPS	Provider of Essential Public Service
PERP	Statewide Portable Equipment Registration Program
PM	Particulate Matter
ppmvd	Parts Per Million by Dry Volume
PSD	Prevention of Significant Deterioration
SB	Senate Bill
SCAQMD	South Coast Air Quality Management District
SO _x	Oxides of Sulfur
STW	State Territorial Waters
Statewide Regulation	Statewide Portable Equipment Registration Program Regulation
TACs	Toxic Air Contaminants
TSE	Tactical Support Equipment
U.S. EPA	United States Environmental Protection Agency

UTM
VOC
Workgroup

Universal Transverse Mercator
Volatile Organic Compounds
Portable Equipment Workgroup

Appendix E

PERP Consensus Development Workgroup Proposal

**PERP CONSENSUS DEVELOPMENT WORKGROUP
PROPOSAL**

August 1, 2005

**PERP CONSENSUS DEVELOPMENT WORKGROUP
PROPOSAL**

1. REGISTRATION RENEWAL PERIOD - § 2462 (a)

All registrations and renewals would be valid for three years. There would be no five-year registrations or renewals.

2. ARRANGED INSPECTIONS

A. Home District Designation

1. Each applicant for ARB registration would be required to designate in the application a “home district” based on the district in which the portable engine or equipment unit resides most of the time. § 2452 (l)
2. An owner/operator of a portable engine or portable equipment unit with an existing registration for which a home district has not been designated would be required to designate a home district within 90 days of the effective date of the amended regulation based on the district in which the portable equipment resides most of the time. § 2453 (i)(1)
1. **Home-District Switch:** If, at the time of the registration renewal following the required submittal of three annual reports after the effective date of the amended regulation, the last three annual reports for a portable engine or portable equipment unit showed that the engine or unit, based on an averaging of the data for the three years for those reports, operated the largest percentage of the time in one non-home district, the owner/operator would be required to change the home district designation to that other district at the time of the next registration renewal for that engine or unit. The switch would not be required if the difference in the two largest percentages was 5 % or less. This review would then happen every three years at the time of the registration renewal. § 2453 (i)(3)
 - a. **Exception to Home-District Switch for Rental Businesses:** The home-district switch provisions would not apply to a “rental business” as defined in the ARB regulation. § 2453 (i)(3)

B. Arranged Inspections by Home District

1. **Scope:** Each district would inspect all portable equipment registered with ARB for which the district in question is designated as the home district, as specified below. § 2460 (b)
2. **Contact:** Within 45 days of the date of issuance or renewal of a registration for the portable equipment in question, the owner/operator would be required to contact the district to start the arrangement process for the inspection of the portable equipment engine or portable equipment unit. The 45-day period would be the period in which the owner/operator must make that contact. The actual scheduling of the inspection, and the performance of the inspection, would not have to be completed within that period. [For clarity, the “arrangement” process includes the initial contact and the subsequent scheduling (date/time/location) of the inspection.] § 2460 (b)(1)
3. **Time Period/Frequency:** The district and owner/operator would arrange the inspection of the portable engine or portable equipment unit so that the inspection would be completed within one year of the registration date or registration renewal date. Each engine or unit would have an arranged inspection every three years. § 2460 (b)(1)
4. **Non-field Inspections:** Each district would conduct at least 80 percent of the arranged inspections for that district as “non-field” inspections at a location that is mutually acceptable to the district and the owner/operator (i.e., a company location or a district location). The at least 80 percent number applies on a district basis -not on an owner/operator basis. § 2460 (b)(2)
5. **In-field Inspection:** Each district could conduct up to 20 percent of the arranged inspections for that district as “in-field” inspections with the portable engine or portable equipment unit under operation in the field. The up to 20 percent number applies on a district basis -not on an owner/operator basis.
§ 2460 (b)(2)
 - a. Generally the district would work out with the owner/operator the number of engines or units that would be inspected in the field under operating conditions. This would be a reasonable number of engines and/or units and not a large number of engines and/or units. Not addressed in reg.
 - b. If an owner/operator requested an in-field inspection for one or more of its portable engines or portable equipment units, the number of engines/units covered under that request would not have to count toward the district’s “up to 20 percent” number. Not addressed in reg.
 - c. There would be a provision to address reasonable situations where the engine or unit might not be running at the arranged time. § 2460 (b)(5)

- d. The owner/operator would be subject to enforcement if the district determined that owner/operator was trying to circumvent having an infield inspection under operation based on a pattern of activity. § 2460 (b)(5)
 - e. If a portable engine or portable equipment unit failed an in-field inspection, the next arranged inspection for that engine would be an infield inspection. § 2460 (b)(2)
 - f. Because utility/telecommunication industry registered portable engines and portable equipment units need to move frequently as they provide critical services to the public, the arranged inspections for utility/telecommunications industry registered portable engines and portable equipment units would all be non-field inspections at locations that are mutually acceptable to the district and the owner/operator (i.e., company locations or district locations). § 2460 (b)(4)
6. **Time of Inspection:** The time for the arranged inspection would be arranged in advance and company preferences regarding time of day would be accommodated within reason. (CAPCOA recognizes that early or late afternoon inspections would be more workable for many businesses due to work force and operational reasons.) § 2460 (b)(5)
- a. To the extent that part or all of an arranged early-or late-in-the-day inspection does not fall within the district's normal workday, the district could charge for the off-hour time based on a fee for service of \$50 per hour. § 2460 (b)(5)
7. **Arranged Inspection in a Non-Home District:** In a situation where the portable engine/portable equipment unit was operating in another district for an extended period, the owner/operator or rental business could request that the home district contact that other district and request that the other district conduct the arranged inspection in that district. Such an inspection would be arranged in advance with the owner/operator. § 2460 (b)(1)
8. **Engines and/or Equipment Units Operating Out of State/Country:** If a particular portable engine or portable equipment unit is out-of-state (or country) for the one-year period following the registration renewal date, the engine or equipment unit would be automatically be excused from having the arranged inspection within that one-year period if: § 2460 (b)(8)
- a. the owner/operator submitted a letter to the district noting the registration number of the engine or unit and that the engine or unit is out-of-state for the one-year period; § 2460 (b)(8)(B)
 - b. The owner/operator arranged, upon the return of the portable engine or portable equipment unit to the state, to have the engine or unit inspected within 30 days of the return of the engine or unit to the state. § 2460 (b)(8)(C)

9. **Cooperation:** The regulation would provide that owner/operator would not unreasonably withhold the scheduling of the inspection. CAPCOA recognizes that there is a one-year period in which the inspection could be scheduled. An example of unreasonably withholding the scheduling would be where the owner/operator did not return the district's calls regarding scheduling within a reasonable period of time. Noncompliance with this provision could trigger a Notice to Comply. Not addressed in reg.

C. Arranged Inspections for Multiple Portable Engines/Portable Equipment Units

1. The owner/operator could request the scheduling of one or more arranged inspections for multiple engines and/or equipment units in order to qualify for an inspection fee discount for multiple engines and/or equipment units. (This might involve multiple inspections with multiple engines and/or equipment units for one owner/operator.) § 2460 (b)(7)
2. The scheduling of the multiple engine and/or equipment unit inspections would be arranged so that the home district would perform the inspection of a particular engine or equipment unit within one year of the registration renewal date for that engine or equipment unit. § 2460 (b)(7)
3. If the owner/operator chose to make such a request, the owner operator would be required by January 30 to submit to the district an equipment list with the registration renewal dates, and the corresponding registration numbers, for the portable engines and equipment units for which the renewal date would occur in that year. The company would select which engines and/or equipment units would be aggregated at the particular arranged inspection for multiple engines and/or equipment units. § 2460 (b)(7)

D. "Based Out-Of-State" Optional Exception from Arranged Inspection and Automatic Fee Requirement

1. At the time of registering a portable engine or equipment unit, or renewing the registration for a portable engine or equipment unit, which is based out-ofstate and that occasionally operates in California, the owner/operator could elect in writing in the registration to except the engine/unit from the arranged inspection requirement. § 2460 (b)(8)
2. An owner/operator that elects the exception for an engine or equipment unit would be required to:
 - a. designate a home district in California based on where the engine or unit is most likely to be used. § 2452 (1) - definition of Home District
 - b. pay the triennial inspection fee of \$345 or annual inspection fee of \$115 per year; and § 2460 (b)(8)(A)
 - c. notify the appropriate district via facsimile or e-mail as soon as the equipment is ordered for a job in California (i.e., this would be prior to movement of the engine or unit into the state for operation in that

district).

3. This category would not be subject to the arranged inspection requirement if the owner/operator did not bring the engine into the State. However, once the owner/operator notified a district that it was moving the engine or unit into a district in the State, that district could arrange an inspection with the owner/operator in coordination with the designated home district. § 2460 (b)(8)(c)?

E. Non-Arranged Inspections

The regulation would not preclude a district from conducting a non-arranged inspection for a registered portable engine or registered portable equipment unit. However, the district could not charge the owner/operator and additional inspection fee for that inspection. In other words, an owner/operator would be required to pay only one inspection fee for a portable engine or portable equipment unit for each 3-year registration cycle. § 2460 (c)

3. NEW PORTABLE ENGINES AND EQUIPMENT UNITS

The vendor that sells the new portable engine or portable equipment unit would be required to:

- A) notify ARB of the sale of the engine. Such notifications could be made on a monthly basis to allow “bundling” of the notifications; and
- B) notify the buyer of the PERP requirements (e.g., with a fact sheet).

4. READILY VISIBLE INDICATOR OF REGISTRATION - § 2452(n) and 2453(f)

The Workgroup wants to explore the notion of a larger sticker or other indicator that would be stuck to or mounted to the engine/equipment unit or the engine/equipment unit cover (along with the registration sticker) so that the engine or equipment unit could be easily identified as a registered engine or equipment unit or a permitted engine or equipment unit. This new generic indicator would be separate from the registration sticker to simplify distribution and installation (i.e., the new indicator would not have the registration number on it). For registered engines or equipment units, the indicator could include an indication of the home district (e.g., with a number assigned to each district). § 2452 (n) and § 2453 (f)

5. HOUR METERS

A. Scope: Non-resettable hour meters or functionally equivalent devices would be required for both non-certified and certified engines.

B. Phase-In: A phase-in period of 6 months from the effective date of the amended regulation would be provided for installation of the meter/devices.

6. RECORD KEEPING

A. Non-Certified Engines (General Provision): The record keeping provisions that are currently proposed to go to OAL for non-certified engines would apply to non-certified engines (with the exceptions noted below). Under these provisions, the owner/operator would record for each day of operation the hours of operation (for engines that are subject to hour limits) or fuel usage (for engines that are subject to fuel use limitations) and the location(s) by district, county or specific location. (See the proposed amended rule for more detail.) See Sections 6.C., 6.D., 6.E and 6.F. for exceptions. § 2458 (a)

B. Certified Engines (General Provision): The record keeping provisions that are currently proposed to go to OAL for **non-certified** engines would apply to **certified** engines. Under these provisions, the owner/operator would record for each day of operation the hours of operation (for engines that are subject to hour limits) or fuel usage (for engines that are subject to fuel use limitations) and the location(s) by district, county or specific location. (See the proposed amended rule for more detail.) See Sections 6.C., 6.D., 6.E, and 6.F. for exceptions.

§ 2458 (a)

C. Rental Business: Record keeping for a rental business would consist of the following for both non-certified and certified engines: § 2458 (b)

- 1) the portable engine or equipment unit registration number;
- 2) the hours at the start of the rental transaction, the hours at the return of the rental transaction and the difference (the hours of operation for the rental period);
- 3) the location of use (by district, county or specific location) that was reported to the rental business by the entity renting the portable engine or portable equipment unit for the rental period.

[Note – the rental business would be required to request that the company renting the portable engine or portable equipment provide the location of use.]

D. Third-Party Rentals: For third-party rentals not involving a rental business, the record keeping for the owner/operator would consist of the following for both non-certified and certified engines: § 2458 (b)

- 1) the portable engine or equipment unit registration number;
- 2) the hours at the start of the rental transaction, the hours at the return of the rental transaction and the difference (the hours of operation for the rental period);
- 3) the location of use (by district, county or specific location) that was reported to them by the entity renting the portable engine or portable equipment unit for the rental period.

[Note – the owner/operator would be required to request that the company renting the portable engine or portable equipment provide the location of use.]

E. Record Keeping and Annual Report for Portable Engines and Portable Equipment Units Owned/Operated/Rented/Leased by Utilities/

Telecommunication Industry: This category would report the total annual hours operated in the annual report (from the hour meter or functionally equivalent device) and **estimate** the percentage of hours for the three counties in which the engine operates the most (e.g., 50% San Joaquin, 30% Sacramento, 20% Colusa) for both non-certified and certified engines. This category would not have to maintain daily or other records under PERP. § 2458 (g)

F. Tactical Support Equipment (TSE): This package does not propose any changes to the record keeping requirements for TSE. NA

7. RECORDS REQUESTS - § 2458 (h)

- A. A PERP records request would have to be made by the district in writing;
- B. the records request would go to the designated contact person;

- C. the requirement would cover records prospectively (records made after the effective date of the regulation);
- D. the owner/operator would have 30 days to provide the records; and
- E. the APCO would be willing to meet with the owner/operator if the owner/operator believed that the district in question was making unreasonable multiple requests for PERP records.

8. ANNUAL OWNER/OPERATOR REPORT

A. Contents:

1. **Non-Certified Engines (General Provision):** Except as noted below, the annual report requirement that applies currently applies to non-certified engines (and is proposed to be stricken in the current proposal going to OAL) would apply again for non-certified portable engines and portable equipment units. § 2458 (e)
2. **Certified Engines (General Provision):** Except as noted below, the annual report requirement that applies currently to non-certified engines and equipment units (and does not apply to certified engines) **would apply to certified** portable engines and portable equipment units. § 2458 (e)
3. **Rental Businesses:** For non-certified and certified portable engines or portable equipment units that a rental business rents, the rental business would include in the annual report: § 2458 (f)
 - a. the reporting year;
 - b. the portable engine or equipment unit registration number;
 - c. the total hours of operation for that year for that engine or equipment unit based on, and including, beginning and ending annual hour meter readings and dates upon which the total hours of annual operation calculation is based;
 - d. a list of all counties that the portable engine or portable equipment operated in during that reporting year as reported to the rental business by the entity(ies) that operated the rented engine;
 - e. an estimate of the percentage of total hours operated in the reporting year that the portable engine or portable equipment unit operated in the county in question for each of those counties.
4. **Third-Party Rentals:** For non-certified and certified portable engines or portable equipment units that an owner/operator (as opposed to a rental business) rents to a third party, the owner/operator would include in the annual report: § 2458 (f)
 - a. the reporting year;
 - b. the portable engine or equipment unit registration number;
 - c. the total hours of operation for that year based on, and including, the hour reading at the beginning of the year, and for the last time out for that year;
 - d. a list of all counties that the portable engine or portable equipment operated in during that reporting year as reported to the owner/operator by the entity(ies) that operated

- e. the rented engine;
- e. an estimate of the percentage of total hours operated in the reporting year that the portable engine or portable equipment unit operated in the county in question for each of those counties.

5. **Portable Engines and Portable Equipment Units Owned/Operated/Rented/Leased by Utilities/Telecommunication Industry:** This category would report in the annual report for both non-certified and certified engines and equipment units: § 2458 (g)

- a. the reporting year;
- b. the portable equipment engine or equipment unit registration number;
- c. the total hours of operation (from the hour meter or functionally equivalent device);
- d. an estimate of the percentage of hours for the three counties in which the engine operates the most (e.g., 50% San Joaquin, 30% Sacramento, 20% Colusa).

6. **Tactical Support Equipment:** ARB regulation requirements apply (i.e., if that is no annual report requirement, then no annual report requirement applies). NA

B. Signatory: The signatory for the owner/operator annual report would have to be a manager in the owner/operator company. § 2458 (e) & (f)

9. **DELETION OF PERP NOTIFICATION REQUIREMENTS**

With the exceptions noted below, the notification requirements would be deleted from the regulation because of the creation of the arranged inspection program and the addition of the other elements of this proposal. § 2459 (e)

A. “Based Out-of State” Exception: As noted above, a specific notification requirement would apply to portable engines and portable equipments that are based out-of-state and elect out of the arranged inspection program. § 2460(b)(8)(C)

B. Auxiliary Equipment Exception: See Section 12 below.

10. **INCREASED UNIFORM INSPECTION FEE**

A. Amount/Payee/Period: The owner/operator would pay to ARB a district inspection fee according to one of the following two options from which the owner/operator would select:

- 1. Option 1 -Triennial: \$345 at the time of registration renewal (i.e., every three years) – which includes a \$30 general inspection fee; § 2461 Table 2.
 - a. ARB would distribute the district inspection fee to the home district in

question on an annual basis. § 2461 Table 2.

2. Option 2 -Annual: \$115 every year at the same date as the registration renewal date -which includes a \$10 general inspection fee. NA
 - a. This option would be available if the owner/operator owned or operated at least **X** registered engines.

[Note: “X” would be determined during the ARB process.]

B. TSE Inspection Fees: For TSE, the military would pay the \$30 triennial (\$10 per year) general inspection fee, but otherwise the existing fee structure would apply (i.e., the \$345 every three years would not apply except for the \$30 portion).
§ 2461 Table 2.

C. Use: The regulation would specify that the use of the inspection fee dollars is limited to enforcement of the PERP. Not addressed in reg.

D. Fee Discount for Inspection of Multiple Engines/Equipment Units: A multiple engine/equipment unit discount would apply based on the number of engines and/or equipment units made available at the inspection as follows:

1. 1-3 engines and/or equipment units: no discount;
2. 4 -9 engines and/or equipment units: 25% discount;
3. 10 or more engines and/or equipment units: 35% discount. § 2461 (d)

E. [UNDER REVIEW BY ARB] Inspection Fee “Credit” for Mid-Registration Cycle Replacement: The Workgroup proposes that if an owner/operator pays the inspection fee but then replaces that engine at some point in the registration cycle, the owner/operator should not have to pay a PERP inspection fee for the replacement engine until the next registration renewal date (or annual inspection fee payment date). ARB is evaluating this proposal for feasibility. NA

F. Renewal Date Options: There would be options (at the choice of the owner/operator) related to renewal dates and consolidation and/or staggering of inspections/fee payment. NA

1. Option 1 – maintain the existing schedule for registration renewal;
2. Option 2 – consolidate renewal dates on one new date;
3. Option 3 -stagger/consolidate renewal dates with one renewal date each year so that one-third of the engines/units are inspected each year.

11. TACTICAL SUPPORT EQUIPMENT

This package does not propose any changes for PERP requirements for Tactical Support Equipment except where explicitly stated in this document. NA

12. AUXILIARY EQUIPMENT

The following PERP provisions would apply for a specified set of auxiliary equipment.

- A. Scope:** The provisions below would apply to the list of auxiliary equipment currently listed in the PERP regulation that is proposed to go to OAL (i.e., no additions or deletions – the list would be the portable equipment units associated with:
1. confined abrasive blasting operations;
 2. concrete batch plants;
 3. sand and gravel screening, rock crushing and pavement crushing and recycling operations;
 4. unconfined abrasive blasting operations;
 5. tub grinders and trommel screens).
- B. Inspection Type:** the arranged inspections for equipment in this category would all be in-field (under load) inspections when possible;
1. the owner/operator would work in good faith with the district to schedule an inspection time when the auxiliary equipment would be already be operating under load; § 2460 (b)(6)
 2. the owner/operator would make reasonable efforts to make it possible for the inspector to inspect the auxiliary equipment at a site under load; § 2460 (b)(8)
 3. there would be a provision to address reasonable situations where a particulate piece(s) of auxiliary equipment might not be running at the arranged time;
 4. § 2460 (b)(6)
 5. the owner/operator would be subject to enforcement if the district determined that owner/operator was trying to circumvent having an in-field inspection under load based on a pattern of activity. § 2460 (b)(6)
- C. Inspection Fee:** a \$98/hour inspection fee (in lieu of regular inspection fee) for the first inspection within a **compliance year** to be billed by the local district for that inspection; § 2461 (g)
1. the inspection fee for auxiliary equipment would be **capped** at \$500. § 2461 (g)
 2. if the owner/operator thought that the inspection fee was unreasonable, the district APCO would be willing to discuss that concern with the owner/operator. § 2461 (g)
 3. the costs for all other inspections for that piece of equipment for that compliance year would be at the district's expense (i.e., no additional fee). 61(g)
 4. Inspection frequency defined in Section 2.B.3.

[Note: CAPCOA and CMAAC agreed that equipment under Section 12 of this proposal should be inspected on the same 3-yr cycle as all other PERP equipment/engines]

- D. General Inspection Fee:** The owner/operator would pay a fee of \$75 per piece of registered auxiliary equipment per three-year registration cycle (or \$25 per year) for the general inspection pool funding to be divided among local air districts (analogous to the \$30 per engine general inspection fee that is part of the \$345 inspection fee per three-year cycle or \$10 per engine general inspection fee that is part of the \$115 per year annual inspection fee for the registered portable engines and equipment units). § 2461 Table 2.
- E. Inter-District Notification:** the existing notification (5-day inter-district notification) requirement would still apply for this category of equipment. NA
- F. Intra-District Notification:** The existing “Inter-district” notification requirement (see (E) above) would be extended to apply also to movement of auxiliary equipment within a district, except that the equipment owner and the district may, by mutual agreement, arrange a limited intra-district notification requirement that would apply as follows for auxiliary units under this section: § 2459 (a)
1. the district and owner/operator would work out an agreement designating the areas in which such notification would be required based on special circumstances (e.g., sites with naturally occurring asbestos):
 2. if the owner/operator was going to move the unit into a designated area, the owner/operator would be required to notify the district of the approximate arrival time and location by facsimile or e-mail prior to moving to that area;
 3. notification would be required if the owner/operator dismantled the equipment and moved it to a different location in a designated area.
- G. Related Engine Inspection Election:** The owner/operator would select in the registration whether the related portable **engine** would be inspected and assessed an inspection fee under the arranged inspection program or would be inspected § 2460 (b)(3) together with the auxiliary equipment under these provisions (with the time for the engine inspection being counted toward the hourly-based inspection fee).
- H. Public Meeting, Status Report and Potential Program Changes for Auxiliary Equipment:**
1. After the first 3-year cycle of implementation, ARB staff would prepare a report (or memorandum) to its Board regarding implementation of the new auxiliary equipment provisions. The intent would be to determine if changes are needed to the auxiliary provisions after implementation experience.
 - a. To solicit public input for the development of the report, ARB staff would notice and hold a public meeting prior to issuing the report for that purpose.
 2. Staff would present the report (or memorandum) to the Board at a regular Board meeting, and the Board would hear public testimony on the item. The Board, at

its discretion, could decide if changes to the auxiliary sections of the program were needed (i.e., whether or not a rulemaking should be initiated).

13. ANNUAL DISTRICT REPORT - § 2458 (i)

Each district would be required to submit an annual report to ARB by March 31 of the following year that would include:

- A) the number of portable engines and equipment units inspected;

- B) the number of scofflaw engines and equipment units discovered (i.e., the number of engines and equipment units discovered that are neither registered with ARB nor permitted by a district);

- C) the number of registered engines and equipment units inspected;

- D) the number of registered auxiliary units (that fall under Section 12) inspected;

- E) summary results for its inspections as a whole.

Appendix F

CAPCOA Proposal For Home District Fees On Portable Equipment

CAPCOA PROPOSAL FOR HOME DISTRICT FEES ON PORTABLE EQUIPMENT

RECOMMENDATIONS

- **Inspection Frequency:** Sources registered in the PERP will be subject to inspection, on average, every 2 years but may be inspected more or less frequently as circumstances dictate. Increased frequency of inspection for a given piece of equipment is at the discretion of the district and will not affect the annual renewal rate.
- **Inspection/Renewal Fees:** A renewal/inspection fee on each piece of registered equipment would be would be invoiced and collected annually by each home district based on the average cost of a biannual inspection:
 - **Simple Portable Engines:** \$315 per inspection/2 = \$155 per engine per year.
 - **Portable Aggregate Plants and Other Complex Equipment:** \$353/2 = \$175 per unit per year
 - **Multiple Engines Under Single Ownership:**
 - More than 10 engines = 10% discount per engine
 - More than 50 engines = 15% discount per engine
 - More than 100 engines = 20% discount per engine
- **Home District Designation:** All portable engines registered in the PERP program must have a designated home district.
- **Unregistered Equipment:** ARB, Registered Equipment Owners and District Staff will coordinate regularly to identify and require registration for all applicable equipment not currently registered in the program. CAPCOA's Enforcement Manager's committee will work with ARB staff to develop recommended minimum penalties for unregistered equipment discovered after the amnesty period.

DISCUSSION

The current \$75.00 inspection fee authorized in ARB's Portable Equipment Registration Program (PERP) to reimburse air districts for equipment inspections is insufficient to cover the actual inspection costs incurred by Districts. It also does not address the resources needed to establish and maintain emissions, operation, and compliance databases, to estimate and prioritize health risks, or to report information to the ARB. To enable air districts to continue implementing the compliance part of the PERP program, CAPCOA has expressed the need for the inspection fee be increased to a level that covers the real costs of inspecting and reporting on this equipment.

Renewal/Inspection Fees

At ARB's March 30, 2004 and May 18, 2004 workshops on this issue, it was agreed by all participants that CAPCOA would draft a proposal that incorporated the concept of an annual fee for registered equipment. The fee would be collected by the designated home district to cover documented average costs for inspections and recordkeeping. CAPCOA has conducted surveys of districts to determine the average time spent by district staff in all activities associated with portable equipment inspections (Attachment 1). Such activities include the following:

- research and review of compliance data on the equipment prior to inspection,
- travel to and from the inspection site,
- onsite evaluation of the equipment and required records,
- post-inspection follow-up, recordkeeping, data entry and reporting, and
- invoicing and accounts receivable activities.

The average time spent per district was found to be approximately 4.2 hours for standard engines. For more complex equipment such as portable aggregate plants, the onsite inspection generally takes longer, resulting in an average total of 4.7 hours. The average billing rate for district services is approximately \$75 per hour. Thus, District costs per inspection are as follows:

- Standard Portable engines: \$75/hour x 4.2 hours = \$315
- Complex Portable equipment: \$75/hour x 4.7 hours = \$353

* *It is important to note that the costs identified above do not include district staff time and resources to implement the new requirements contained in the proposed ATCM for portable diesel engines. As CARB has acknowledged in their Notice of Public Hearing on the ATCM, local air districts may incur additional enforcement costs as a result of implementing the ATCM. Some of those new requirements (i.e. the fleet standards) may not be applicable for some time, but others have earlier compliance deadlines. These costs may have to be addressed at a later date. Attachment 2 provides more detail on the new enforcement requirements under the ATCM.*

Multiple Engines at One Site

Much discussion has occurred regarding reducing the fees for inspections of multiple equipment located at the same site. It is true that district travel time and costs per engine inspected are generally reduced when more than one engine is inspected at a specific site. However, it is also true that the current inadequate noticing requirements for portable equipment make it very difficult to know in advance if multiple engines will be present at the same site, or which engines those might be. With an annual renewal fee rather than individual inspection fees, it is not possible to adjust fees for the different situations encountered in the field. This applies not only to situations where district costs are reduced due to the presence of multiple engines at one site, but also when district costs are higher due to unexpected conditions encountered with the equipment or operations that require more time for the inspection and recordkeeping.

Given these circumstances, the only feasible way to provide a discount for multiple engines at the same site is to base the discount on the number of engines owned by each company. This method assumes that, the more engines under one ownership, the higher the probability that two or more engines may be inspected at the same site. CAPCOA is willing to agree to the following discounts for owners of multiple engines registered in the program:

- More than 10 engines under single ownership = 10% discount per engine
- More than 50 engines under single ownership = 15% discount per engine
- More than 100 engines under single ownership = 20% discount per engine

Inspection Schedule

Discussions with district staff have indicated a willingness to limit inspections to a biannual schedule. If the home districts collected an annual renewal fee based on biannual inspections, the annual fee would be

½ of the values cited above. A given district would still have discretion to conduct more frequent inspections as needed, but the annual renewal fee would remain based on a biannual inspection schedule.

Inspection Forms and Reporting

The CAPCOA Enforcement Managers committee will discuss options for creating a standardized reporting form, including consideration of modifying ARB's existing online inspection form to make it more usable for districts. However, use of any standardized reporting method developed by CAPCOA would be voluntary for each district.

Home District Registration

In order for this program to work properly, each engine registered in the PERP must designate a home district. The home district will be responsible for conducting the biannual inspections on registered equipment and for processing the annual invoices for renewal payments. ARB should publish a list annually identifying the number of registered equipment units per district. Any registered piece of equipment that does not have a designated home district would be subject to a penalty equal to 1.5 times the annual renewal fee and a requirement to designate the district that first inspects it as its home district.

Unregistered Equipment

District Staff will coordinate regularly with ARB and registered equipment owners to identify and address applicable equipment not currently registered in the program. CAPCOA's Enforcement Manager's committee will work with ARB staff to develop recommended minimum penalties for unregistered equipment discovered after the amnesty period. Such penalties should include, at a minimum, back payment for all years in which the equipment should have been registered.

UNRESOLVED ISSUES

Some districts currently have little or no portable equipment registered in their area, but may have portable equipment registered elsewhere working in their district. With a single annual registration fee rather than separate registration and inspection fees, there is no current mechanism to recover district costs if an inspection is required.

One potential mechanism for resolving this is for ARB to agree to conduct the portable equipment inspections in those districts using the funds they collect through their own registration fees. Alternatively, ARB could agree to reimburse such districts for each inspection performed by district staff on portable equipment not registered in their district.

CURRENT PERP INSPECTION ACTIVITIES

<u>ACTION</u>	<u>TIME (min)</u>
<i>For Simple Engines:</i>	
Pre-Inspection:	
Rule review for PERP	30
Database & Records Review	20
Driving Time (Round Trip)	<u>30 - 60</u>
Subtotal =	80 - 110
Inspection:	
Interview responsible person	20
Inspect ICE/s (VEE) (1 ICE to #s)	20-50
Review onsite records for CARB Certification	15
Distribute CARB Flyer, District permit info, rule review	15-25
Inspection Report Write up	<u>20</u>
Subtotal for simple engine =	90-130
Post-Inspection:	
Check CARB Registration database for certification or permit	20-30
Annual invoicing and accounts receivable recordkeeping	<u>20</u>
Subtotal =	40-50
<i>Grand Total for all PERP Activities for Simple Engines =</i>	<i>210-290</i>
<i>Average =</i>	<i>250 min</i>
<i>=</i>	<i><u>4.2 hrs</u></i>
<i>For Complex equip, extra time is required in two areas:</i>	
Inspect complex portable equipment	+10
Review records for operations & processing rates	<u>+20</u>
Subtotal for complex equip =	+30
<i>Grand Total for all PERP Activities for Complex Equipment =</i>	<i>240-320</i>
<i>Average =</i>	<i>300 min</i>
<i>=</i>	<i><u>4.7 hrs</u></i>

ADDITIONAL PERP INSPECTION ACTIVITIES TO IMPLEMENT THE PERP ATCM

The following are the additional duties and compliance efforts that districts must undertake over and above the existing PERP Regulations in order to implement the Portable Engine ATCM Enforcement Mandates:

- The use of CARB diesel or other acceptable fuel must be verified.
- Engines designated as "emergency engines" under the ATCM must be evaluated to determine that they are used for emergencies as defined in the ATCM.
- Add-on controls will be necessary for some engines. The inspector must verify that the control equipment is installed and operating properly.
- Inspectors will need to review status reports submitted to demonstrate compliance with the fleet emission standard.
- Inspectors will have to verify in the field that the data submitted to show compliance with the fleet standard is accurate.
- Electrification, alternative fueled engines and add-on controls must be evaluated in determining compliance with the fleet standard.
- Engines designated as "low use" shall operate less than 80 hours/year. The inspector must verify the engine operating time. **
- Inspectors will have to verify the accuracy of the annual hours of operation submitted for each engine subject to fleet recordkeeping. **

*** Verification of these operating parameters cannot be performed unless hour meters are installed on the equipment, which is not required under the current version of the ATCM.*