

**TITLE 13. CALIFORNIA AIR RESOURCES BOARD****NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF PROPOSED  
AMENDMENTS TO THE REGULATION FOR THE STATEWIDE PORTABLE  
EQUIPMENT REGISTRATION PROGRAM**

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider the proposed amendments to the Statewide Portable Equipment Registration Program Regulation (Statewide Regulation).

**DATE:** February 26, 2004

**TIME:** 9:00 a.m.

**PLACE:** California Environmental Protection Agency  
Air Resources Board  
Central Valley Auditorium, Second Floor  
1001 I Street  
Sacramento, California 95814

This item will be considered at a two-day meeting of the ARB, which will commence at 9:00 a.m., February 26, 2004, and may continue at 8:30 a.m., February 27, 2004. This item may not be considered until February 27, 2004. Please consult the agenda for the meeting, which will be available at least 10 days before February 26, 2004, to determine the day on which this item will be considered.

If you have special accommodation or language needs, please contact the ARB's Clerk of the Board at (916) 322-5594 or [sdorais@arb.ca.gov](mailto:sdorais@arb.ca.gov) as soon as possible. TTY/TDD/Speech-to-Speech users may dial 7-1-1 for the California Relay Service.

**INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT  
OVERVIEW**

**Sections Affected:** Proposed amendments of title 13, California Code of Regulations (CCR), article 5, sections 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, and repeal of 2466 which is the Statewide Portable Equipment Registration Program.

**Background:** The Statewide Regulation was approved by the Board on March 27, 1997 and became effective on September 17, 1997. The Board also approved amendments to the Statewide Regulation on December 11, 1998.

The Statewide Regulation establishes a uniform program to register portable engines and equipment units in California. Once registered in this voluntary program, owners or operators of portable engines and associated equipment units can operate throughout the State without having to obtain permits from individual air pollution control and air

quality management districts (districts). However, the districts play an important role in enforcing the requirements of the Statewide Regulation.

The current Statewide Regulation requires a phase-in of cleaner technologies that would result in the reduction and eventual elimination of high-emission engines. By January 1, 2010, any engine registered in the Statewide Portable Equipment Registration Program (Statewide Program) must be replaced or modified to meet California or federal nonroad emission standards (certified engines). Portable engines used on dredges must be retrofitted or replaced with certified engines by January 1, 2005.

Since 1997, ARB staff has received approximately 5,600 registration applications. Currently, the PERP program has about 14,500 portable engines, 1,500 associated equipment units, and another 5,200 pieces of military tactical support equipment (TSE) registered in the program.

## **DESCRIPTION OF THE PROPOSED REGULATORY ACTION**

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

### *Applicability Section*

The proposed amendments would not allow the use of engines registered under the Statewide Regulation for certain specified applications. These applications include using portable generators to feed the electrical grid; providing primary or supplemental power to a building, stationary source or stationary equipment; or using registered engines to supplement or otherwise power equipment or operations permitted by the districts. For these applications, district approval would be necessary. Portable engines used in maintenance and repair, and emergency operations would continue to be allowed to operate under the Statewide Regulation. In addition, the temporary use of portable generators in remote locations, where grid power is unavailable, may be allowed under the Statewide Regulation upon approval of the Executive Officer.

### *Previously Exempt and Unpermitted Engines*

Of the 33,000 portable engines estimated to be operating in California, 15,500 engines are believed to be operating without permits or registrations. Currently, the Statewide Regulation allows only portable engines certified to California or federal nonroad emission standards (certified engines) to register in the Statewide Program. ARB staff is proposing to allow any portable engine operating in California before 2003, certified or not, to apply and obtain registration under the Statewide Regulation until December 31, 2005. After that time, only certified engines will be accepted into the Statewide Program. The purpose of the proposed amendment is to encourage owners and operators of portable engines operating in California to seek registration and ultimately bring their equipment into compliance with State regulatory requirements.

Without this proposed amendment, many owners/operators of portable equipment would not be able to obtain registration or permits from local districts.

### *Increase Program Fees*

Pursuant to Health and Safety Code section 41752(d), the ARB has established a fee schedule to collect registration, renewal, and other fees under the Statewide Regulation to cover resources necessary to operate and maintain the Statewide Program. When first establishing the Statewide Regulation, staff significantly underestimated the resources necessary to operate and maintain the Statewide Program. Fees currently collected do not cover the State's cost to administer the Statewide Program. Because of the current budget crisis, the ARB can no longer subsidize the costs of running the Statewide Program.

Staff is proposing an increase in fees to cover the full cost of the Statewide Regulation. Among the fees propose to be increased are the initial application fee from \$90 to \$270 for a 3-year registration and renewal fee from \$90 to \$225 for a 3-year renewal.

### *Recordkeeping and Reporting*

The proposed amendments would require owners/operators of engines who are subject to daily recordkeeping requirements to keep a log onsite with each unit to track operation of the engine. The retention time for maintaining the records would be extended from two years to five years. Also, the operators of engines that are subject to hour limitations would be required to install hour meters. Staff is also proposing to remove the requirement for the submittal of annual reports to ARB staff; however, owners would need to make those reports available to district and ARB staff upon request. In addition, operators of generators used to power a building or stationary source during an unforeseen interruption of electrical power would be required to record the location, date, and length of time the generator was operated.

### *Miscellaneous Amendments*

ARB staff is proposing to modify, add, and delete terms in the definition section, delete outdated provisions, require non-operational engines to be made operational, clarify the process for the change of ownership of registered engines, and modify the requirements for identical replacements of engines. These changes are considered to be non-substantive and are intended to provide additional clarity and enforceability to the Statewide Regulation.

## AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed amendments to the Statewide Regulation. *The Executive Summary* provides an overview of the proposed amendments to the Statewide Regulation. It contains a summary of the recommendations and a brief discussion of the environmental and economic impacts of the proposal. *The Technical Support Document* is a more detailed presentation of the technical aspects of the proposed amendments to the Statewide Regulation.

Copies of the Staff Report and the full text of the proposed regulatory language may be obtained from the Board's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, CA 95814, (916) 322-2990 at least 45 days prior to the scheduled hearing which will begin on February 26, 2004.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on the web site listed below.

Inquiries concerning the substance of the proposed regulations may be directed to the designated agency contact persons, Todd Wong, Manager of the Technology Assessment Section, at (916) 324-8031 or by email at [twong@arb.arb.ca.gov](mailto:twong@arb.arb.ca.gov) or Winston Potts, Air Resources Engineer, PE, Technology Assessment Section, (916) 327-5600 or by e-mail at [wpotts@arb.ca.gov](mailto:wpotts@arb.ca.gov).

Further, the agency representative and designated back-up contact persons to whom non-substantive inquiries concerning the proposed administrative action may be directed are Artavia Edwards, Manager, Board Administration & Regulatory Coordination Unit, (916) 322-6070, and Alexa Malik, Regulations Coordinator, (916) 322-4011. The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

If you are a person with a disability and desire to obtain this document in an alternative format, please contact the ARB's Clerk of the Board at (916) 322-5594, or [sdorais@arb.ca.gov](mailto:sdorais@arb.ca.gov) as soon as possible. TTY/TDD/Speech-to-Speech users may dial 7-1-1 for the California Relay Service.

This notice, ISOR, and all subsequent regulatory documents, including the FSOR, when completed, are available on the ARB Internet site for this rulemaking at <http://www.arb.ca.gov/regact/portreq/portreq.htm>.

## **COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED**

The determination of the Executive Officer concerning the costs or savings necessarily incurred by public agencies, private persons, and businesses in reasonable compliance with the proposed amendments to the Statewide Regulation are presented below.

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action will result in neither costs nor savings impacts to any state agency or in federal funding to the state, costs or mandate to any local agency or school district, whether or not reimbursable by the state pursuant to part 7 (commencing with section 17500), division 4, and title 2 of the Government Code, as discussed below or other non-discretionary savings to local agencies.

The cost to local agencies primarily involves the increase in renewal and administrative fees for those agencies with portable engines and associated equipment units registered in the Statewide Program. The total economic cost to local agencies is estimated to be \$76,000. These costs are not reimbursable state mandated costs pursuant to part 7 (commencing with 17500), division 4, title 2 of the Government Code because most if not all, of these agencies are authorized to collect fees to recoup their cost under Section 17500 et seq. of the Government Code. The proposed amendments to the Statewide Regulation apply to all entities who operate portable engines and chose to register those engines in the Statewide Program, and, therefore, does not impose unique requirements on local government agencies.

The Executive Officer has determined that individual local air districts may incur permitting and enforcement costs as a result of implementing the proposed amendments to the Statewide Regulation. However, the costs incurred by the districts are not reimbursable state costs because of the districts' authority to recover permitting and enforcement costs through fees assessments authorized under Health and Safety Code sections 41512 and 42311. Also, the costs incurred by the district of inspecting registered engines are recoverable under section 2461(e), title 13, CCR.

The Executive Officer has determined that State agencies will incur a total economic impact of \$27,000. Given the current fiscal and economic conditions, the Executive Officer cannot determine with certainty whether State agencies will be able to absorb these additional costs within current or future budgets, but it is anticipated that the agencies will be able to absorb annualized costs of this magnitude.

In developing the regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. Summarized below are cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

The Executive Officer has made an initial determination that the proposed regulatory action will have minimal statewide adverse economic impacts directly affecting businesses. The Executive Officer has also assessed that the proposed regulatory

action will have minimal statewide adverse economic impacts directly affecting the ability of California businesses to compete with businesses in other states or representative private persons.

The Executive Officer has determined, pursuant to title 1, CCR, section 4, that the proposed amendments to the Statewide Regulation will affect small businesses. The total economic impact to small businesses would be \$1.1 million dollars. The total economic impact to all businesses would be \$1.57 million dollars. The increased costs are for those businesses that use portable engines in applications that would require permits from local districts, increased costs from the proposed increase in renewal fees, costs to register non-operational engines that have been made operational, costs for engines required to install hour meters, and costs for increased recordkeeping requirements.

In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action will not affect the creation or elimination of jobs within California, the creation of new businesses or elimination of existing businesses within California, or the expansion of businesses currently doing business within California. A more detailed assessment of economic impact is found in the Staff Report.

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the amended reporting requirements that apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

The proposed amendments to the Statewide Regulation will continue to have a beneficial effect on the California business climate by eliminating the need for duplicative permits, allowing increased flexibility, and lowering overall costs compared to obtaining and maintaining multiple district permits.

Before taking final action on the proposed regulation, the Board must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the amendment is proposed, or would be as effective and less burdensome to affected private persons than the proposed action.

A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Initial Statement of Reasons.

## **SUBMITTAL OF COMMENTS**

The public may present comments relating to this matter orally or in writing at the hearing, and in writing or by e-mail before the hearing. To be considered by the Board, written submissions must be received **no later than 12:00 noon, February 25, 2004**, and addressed to the following:

Postal mail is to be sent to:

Clerk of the Board  
Air Resources Board  
1001 I Street, 23<sup>rd</sup> Floor  
Sacramento, California 95814

Electronic mail is to be sent to: [portreg@listserv.arb.ca.gov](mailto:portreg@listserv.arb.ca.gov), and received at the ARB **no later than 12:00 noon, February 25, 2004**.

Facsimile submissions are to be transmitted to the Clerk of the Board at (916) 322-3928 and received at the ARB **no later than 12:00 noon, February 25, 2004**.

The Board requests but does not require 30 copies of any written submission. Also the ARB requests that written, facsimile, and e-mail statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The ARB encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

## **STATUTORY AUTHORITY AND REFERENCES**

This regulatory action is proposed under the authority granted to the ARB in Health and Safety Code sections 39600, 39601, 41752, 41753, 41754, 41755, 43013, and 43018. This action is proposed under the authority granted to the ARB in Health and Safety Code sections 41750, 41751, 41752, 41753, 41754, and 41755.

## **HEARING PROCEDURES**

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the ARB may adopt the regulatory language as originally proposed or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the

proposed regulatory action. In the event that such modifications are made, the full regulatory text, with the modifications clearly indicated, will be made available to the public for written comment at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from the ARB's Public Information Office, Air Resources Board, 1001 "I" Street, Visitors and Environmental Center, 1<sup>st</sup> Floor, Sacramento, California 95814, (916) 322-2990.

CALIFORNIA AIR RESOURCES BOARD



for Catherine Witherspoon  
Executive Officer

Date: 12/30/2003

"The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at [www.arb.ca.gov](http://www.arb.ca.gov).

State of California  
AIR RESOURCES BOARD

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

**Public Hearing to Consider**

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

To be considered by the Air Resources Board on February 26, 2004 at:

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

**STATIONARY SOURCE DIVISION**

Peter D. Venturini, Chief  
Robert D. Barham, Assistant Chief  
Michael J. Tollstrup, Chief, Project Assessment Branch  
Todd S. Wong, Manager, Technology Assessment Section

This report has been reviewed by the staff of the California Air Resources Board and approved for publication. Approval does not signify that the contents necessarily reflect the views and policies of the Air Resources Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

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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 for portable engines and associated equipment units.

The report comprises the Initial Statement of Reasons for the Proposed Amendments to Statewide Portable Equipment Registration Program Regulation as required by the Administrative Procedures Act (Government Code 11340 et seq.). The Executive Summary 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 Technical Support Document provides a more detailed presentation of the technical aspects of the proposed amendments to the Statewide Regulation.

**B. BACKGROUND**

California law establishes the authority to regulate motor vehicles with the ARB. Air pollution control and air quality management districts (districts) have been given the primary authority to regulate stationary sources of air pollution.

Although portable equipment shares attributes of both mobile and stationary sources, portable equipment has historically been permitted as a stationary source under district rules and regulations. The 35 districts treat portable equipment differently, having a variety of independent permit requirements and fee structures. As a result, owners of portable equipment must pay fees, obtain permits, and adhere to different sets of regulations as they move between districts.

In response to the need for a uniform and consistent statewide permitting program for portable engines, the California Legislature approved Assembly Bill 531 (AB 531), which the Governor signed in October 1995. AB 531 required the ARB to adopt a regulation that established a uniform statewide system to register and regulate portable engines.

Subsequent 1996 legislation, Assembly Bill 2653 (AB 2653) and Senate Bill 1880 (SB 1880), expanded the scope of the Statewide Regulation to include other equipment associated with portable engines. AB 2635 also prohibited source testing of engines for compliance purposes more frequently than once every three years unless emission problems are identified. It also clarified AB 531's intent to ensure that equipment registered in the Statewide Portable Equipment Registration Program (PERP) does not compromise the State Implementation Plan to attain the ambient air quality standards. In addition, recordkeeping and reporting requirements were to be the minimum necessary to provide emission data, track equipment use, and allow enforcement of the program. SB 1880 expanded the scope of the Statewide Regulation to include associated equipment units such as tub grinders, trommel screens, and wood chippers. SB 1880 also modified the definition of portable internal combustion engine to be consistent with federal law. AB 531, AB 2635, and SB 1880 are codified in sections 41750-41755 of the California Health and Safety Code.

State law also prohibits the districts from permitting, registering, or regulating portable engines and associated equipment units registered with the ARB. However, the districts are responsible for enforcement of engines registered under the State program. Portable engines and associated equipment units not registered with the ARB are subject to district permitting requirements.

Since the implementation of the PERP in 1997, ARB staff has received about 5,600 registration applications. Each application contains anywhere from one to a few hundred engines and associated equipment unit. Currently, the PERP has about 14,500 portable engines, 1,200 equipment units, and over 5,200 military tactical support equipment registered in the program.

## **C. PORTABLE ENGINE USE AND CURRENT REGULATIONS**

### **1. What is a portable engine?**

In broad terms, a portable engine is any piston-driven internal combustion engine that can be moved and would remain at a single location for less than 12 consecutive months. Unlike stationary engines, portable engines may be moved to several locations throughout the State, where they may operate for several hours or several months. Engines registered in the PERP are used for a variety of applications, such as pumps, ground support equipment at airports, 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.

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

Both private businesses and public agencies operate portable engines registered in the PERP. The types of businesses registering engines in the PERP include motion picture studios, amusement parks, air couriers, airlines, utilities, construction services, crushing, screening, and recycling services, industrial cleaning services, marine construction and dredging services, oil and gas companies, refineries, and rental services. Public agencies include public schools and universities, local governments, county landfills, municipal utilities, wastewater treatment facilities, prisons, the California Department of Transportation, and other state agencies.

3. How are portable engines and associated equipment units 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 U.S. EPA emission standards for newly manufactured nonroad (or off-road) engines. The standards are tiered (i.e. Tier 1, 2, 3), with each set of standards phased in over several years based on the power rating of the engine. In 2006, new portable engines of all sizes will be subject to Tier 2 standards, and in 2008, new engines of all sizes will be subject to Tier 3 standards. Tier 4 emission standards were proposed by U.S. EPA in April 2003, and if adopted, would require most engines to meet more stringent particulate matter (PM) and oxides of nitrogen (NOx) limits in the 2011 to 2014 timeframe.

b. Local air district permit programs

The ARB staff estimates that there are approximately 3,100 portable engines in California that are permitted by the districts. District permit requirements vary, depending on the severity 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 emissions standards. Districts may also restrict the operating hours of portable engines to reduce air quality impacts to acceptable levels. If an owner chooses to obtain permits from the local districts, they must pay fees, and adhere to different sets of regulations as they move equipment among different districts.

c. Statewide Portable Equipment Registration Program

In lieu of obtaining multiple permits from individual districts, a portable engine owner can register the engine in the PERP. Currently, portable engine owners have registered

about 14,500 engines in the PERP, which represents nearly half of the estimated statewide inventory of portable engines. Most of the engines are diesel-fueled engines. As stated previously, about 3,100 engines are permitted or registered with the districts and 14,500 are registered under the PERP. The remaining 15,400 portable engine are either exempt from district permits or operators who have not obtained permits from the districts.

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 be registered in the PERP (certified engines). This means that about one-third of the currently registered engines must be replaced with certified engines by that date.

On a parallel rulemaking effort with the proposed amendments to the Statewide Regulation, ARB staff is proposing the Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Greater than 50 Horsepower (Portable Engine ATCM) (title 13, California Code of Regulations (CCR), section 93116). The proposed Portable Engine ATCM requires all portable engines in 2010 to meet ARB/U.S. EPA off-road emission standards. In addition, progressively more stringent fleet averaging requirements are proposed for 2013, 2017, and 2020 to further reduce engine emissions. The proposed Portable Engine ATCM will be presented at the February 2004 meeting of the ARB

#### **D. PUBLIC PROCESS**

1. What action did staff take to consult with interested parties during the development of the proposed amendments?

In developing any regulations, the public, local districts, and affected industries play an important role in shaping the regulatory proposals. The 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.

From January 2002 to September 2003, the ARB staff held six workgroup meetings in Sacramento. Besides attending in person, staff also provided the option of participating in the meetings by conference calls. The meeting dates for the proposed amendments of the Statewide Regulation and the proposed Portable Engine ATCM were coordinated to allow interested parties to participate in both rulemaking efforts affecting portable engines. ARB staff held public workshops on October 3, 2003, November 18, 2003,

and December 4, 2003 to solicit comments from the public on the proposed amendments.

Staff also created an e-mail list serve to notify interested parties of the meeting dates and the availability of information to be discussed at the meetings. 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 web sites. The web site address is located at <http://www.arb.ca.gov/diesel/portdiesel.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 California Air Pollution Control Officers Association (CAPCOA) Engineering Managers Committee and the Enforcement Managers Committee to discuss district the current PERP and to solicit comments on the proposed amendments to the Statewide Regulation.

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

### **1. What equipment will qualify for registration in the PERP?**

During the 2001 energy crisis, there were proposals to bring in large portable generators to produce electricity to meet the State's energy demands. Also, businesses that had enrolled in programs to curtail energy use in exchange for lower energy rates were asked to reduce their energy consumption. These are known as load reduction programs. In order to maintain production, a number of these facilities brought in portable generators. The NOx emission rates from portable engines are from 100 to several hundred times greater than modern power generation facilities. Accordingly, the Executive Officer had to clarify that the PERP registered engines were not to be used for these applications, except in cases where an imminent blackout was declared for an area and only for the duration of the blackouts. To provide clarity in the Statewide Regulation and reflect ARB policy, ARB staff is proposing that portable generators used to feed an electrical grid and portable generators used to provide power to a building, a stationary source, or stationary equipment would need to obtain district permits.

Equipment such as portable hot mix asphalt plants, boilers, and heaters are sources that are subject to district permit programs. In some applications, portable engines are used to power the permitted equipment. ARB staff believes that the permitted equipment and the portable engines should be evaluated under a single regulatory program; therefore, ARB staff is proposing that portable engines be required to obtain district permits when used to power equipment that is permitted by the districts. The owners of the portable engines can retain and use their PERP registration in other applications.

Since July 1, 2001, the Statewide Regulation has prohibited portable engines that do not meet ARB/U.S. EPA nonroad emission standards to enter the PERP. This restriction has generally prevented pre-1996 engines from registering in the program. ARB staff is proposing to allow existing portable engines operating in California that were previously exempt from district permits and existing engines that should, but do not have district permits, to register in the PERP by December 31, 2005. The proposal would even allow engines that were not manufactured to meet ARB/U.S. EPA emission standards to be registered. This amendment is being proposed to comport with the proposed Portable Engine ATCM, which would require all portable engines greater than 50 horsepower to obtain permits or registration and meet specified requirements. In many cases, the engines do not meet nonroad emission standards or the districts' New Source Review BACT requirements. After discussions with the CAPCOA Engineering Managers Committee and to provide flexibility to engine owners, ARB staff proposes to allow these engines to register in the PERP until the end of 2005. After that time, only certified engines will be allowed into the program. Once in the program, the owners of these engines will be required to comply with the requirements of the PERP, including the 2010 requirement that engines meet certified nonroad emission standards.

2. Why are program fees proposed to be increased?

ARB staff is proposing to increase program fees to make this program commensurate with the resources currently needed to implement the program. As specified in Health and Safety Code section 41752 (d), the ARB is authorized to charge fees to cover the cost of operating the PERP. Since the inception of the PERP, the fees collected fall short of the staff resources used to implement the PERP. Staff is proposing that the existing fee schedule for all tasks (except for the initial military tactical support equipment application fee) be increased to cover staff costs. The major increases are for the initial application fee where the current 3-year registration fee of \$90 would increase to \$270 and renewal fees where the current 3-year renewal fee of \$90 would increase to \$225. Even with the proposed fee increases, PERP registration will be considerably less costly than permit fees required by the districts. For a 500 horsepower engine, the cost for district permits range from \$150 to \$2,167 and renewal fees range from \$90 to \$1,012 per year.

3. What other amendments are being proposed?

Other amendments include removing the outdated requirements for equivalent engine replacements and clarifying when identical engine replacements are allowed. Before July 1, 2001, owners were able to replace uncertified engines with an equivalent replacement engine of the same emissions and size range. The Statewide Regulation now requires equivalent engine replacements to meet the most stringent emission standards; therefore, ARB staff is proposing to delete the provisions for equivalent engine replacement. ARB staff is also proposing to clarify that an identical engine

replacement is allowed only when the engine has a mechanical breakdown. This is proposed to allow only legitimate identical engine replacement to occur.

The Statewide Regulation does not specify the process for change of ownership when a PERP registered engine is sold from one person to another person. The proposed amendments will specify that a change of ownership is allowed when the ARB receives from the new owner, a completed change of ownership application along with the appropriate fees. At this point, the new owner can operate the portable engine under the PERP.

Senate Bill 700, which was signed by Governor Davis on September 22, 2003, removed the provision in State law that exempted agricultural sources from district permitting programs. The Statewide Regulation has a provision to exclude portable engines used in agricultural operations from registering in the program. ARB staff is proposing to remove the exemption from the Statewide Regulation to provide flexibility to owners/operators of portable agricultural engines to register in the PERP in those districts that choose to not permit portable agricultural engines.

The proposed amendments would require owners/operators of non-operational engines to make those engines operational and that non-operational engines would no longer be accepted in the program. In the early years of the PERP, non-operational engines were allowed in the program to provide owners/operators the flexibility of registering their uncertified engines before the July 1, 2001 deadline in order to meet future needs. The non-operational engine provision was used sparingly in the early years of the program. Also, ARB staff has not received any applications for non-operational engines in the past few years because only certified engines are allowed in the program. Therefore, ARB staff is proposing to remove the non-operational provision and to not allow future non-operational engines into the program.

The proposed amendment to the recordkeeping and reporting requirements are minimal and would improve the enforceability of the Statewide Regulation. Operators would be required to records when portable engines are used to power a stationary source or stationary equipment during an interruption of electrical service from a serving utility company.

The military bases are on a three-year billing cycle for tactical support equipment registered in the PERP. They are required to submit annual reports to the ARB staff updating their inventory of tactical support equipment. If their inventory increases, cost adjustments are made to their bills. To align the billing cycle and annual reports, ARB staff is proposing amendments that will revise the billing cycle to one year rather than three years.

## **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 will have no direct environmental impacts. The discussion below will identify the different areas that may be affected.

The proposed amendment requires district permits for the use of portable engines in certain applications. ARB staff does not expect that this requirement will result in a large number of owner/operators having to obtain permits from the districts and will probably occur in a few locations. Consequently, the emission impacts should be minor.

ARB staff is proposing amendment to allow owners/operators of portable engines that were previously exempt from district permits and those who should, but have not obtained district permits, to register in the PERP by December 31, 2005. This is expected ultimately to result in a positive environmental benefit. The positive benefit will come from uncertified engines that come into the PERP and replaced with certified engines in order to comply with the 2010 engine requirements.

The other miscellaneous amendments such as to increase program fees, to delete outdated provisions, and changes to recordkeeping and reporting requirements will not have any adverse environmental impacts. The reason is that these amendments are administrative in nature, which provides better clarification and enforceability of the Statewide Regulation.

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

Staff estimates that the economic impact of the proposed amendments to the Statewide Regulation to affected businesses and government agencies is \$2.2 million dollars.

The proposed amendments to the Statewide Regulation will require certain uses of portable engines to be permitted with the districts. ARB staff anticipates that relatively few owners of portable engines will be impacted by the proposed amendments. ARB staff estimates a cost impact of \$415,000.

The proposed amendments to the Statewide Regulation will increase the fees associated with the PERP in order to meet operating expenses. ARB staff estimated the total economic impact from increased renewal and administrative fees to be \$1.38 million dollars.

In some areas in California, portable engines (less than 1000 cubic inches) are not required to be permitted by the districts. Also, there are many portable engine owners who have not permitted their equipment in district permit programs. If the proposed Portable Engine ATCM is implemented, it is likely that these engines will have to obtain district permits. As an alternative to district permits, ARB staff is proposing to allow owners/operators to register their certified and uncertified engines in the PERP. Uncertified engines have until 2006 to register in the program and will be subject to daily and annual PM and NOx emission caps. By 2010, all portable engines operating in California must meet ARB/U.S. EPA off-road emission standards.

Most portable engine owners who were previously exempt from district permits or have been operating without district permits will now have the option of obtaining district permits for their equipment or participating in the PERP. ARB staff believes that their decision will be based on which program gives them the most favorable economic advantage. Currently, the registration fees for the PERP is less than the fees assessed by the districts for permit processing and permit renewal.

The economic cost for complying with the proposed recordkeeping and reporting requirements and other administrative requirements is estimated by ARB staff to be \$410,000. Because PERP is a voluntary program, business owners and government agencies that determine that the program is not financially advantageous and administratively convenient can obtain district permits.

## **G. NEXT STEPS**

Upon approval by the Board of the proposed amendments to the Statewide Regulation, ARB staff will continue to implement the PERP and continue its outreach efforts with affected parties, industry associations, and governmental agencies. ARB staff will work with the CAPCOA and affected parties to inform owners/operators of PERP registered equipment of the amendments to the Statewide Regulation. ARB staff will work with the districts to identify portable engine owners that have not obtained permits or have not registered their equipment in the PERP. These unregulated engine owners will need to be identified and brought into the regulatory process so that all owners of portable engines in the State are ultimately complying with applicable portable engine requirements.

## **H. RECOMMENDATION**

The staff recommends that the Board approve the proposed amendments to the Statewide Regulation. The proposed amendments will retain the flexibility of operating portable engines and associated equipment units throughout the State without having to obtain multiple district permits. The proposed amendments define more specifically which portable engines and equipment units qualify for registration in the PERP and will provide for increased program fees to cover the cost staff resources needed to

implement the PERP. It will also delete outdated provisions from the Statewide Regulation, and provide additional flexibility for unpermitted engines and engines previously not required to be permitted with the districts.

State of California  
**AIR RESOURCES BOARD**

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

**Technical Support Document**

**I. INTRODUCTION**

In this chapter, the Air Resources Board (ARB or Board) staff provides an overview of the Technical Support Document, discusses the purpose of the proposed amendments, and discusses the regulatory authority the ARB has to adopt the proposed amendments. This chapter also provides background information on the Statewide Portable Equipment Registration Program Regulation (Statewide Regulation), and discusses the outreach efforts of the ARB staff in developing the proposed amendments.

**A. OVERVIEW**

The Technical Support Document outlines the ARB staff's proposed amendments to the Statewide Regulation as first approved by the Board on March 27, 1997 and subsequently amended by the Board on December 11, 1998. The Statewide Regulation establishes the Statewide Portable Equipment Registration Program (PERP) to register portable engines and associated equipment units in California. Once registered in this voluntary program, portable engines and equipment units can operate throughout the State without having to be permitted by the local air pollution control and air quality management districts (districts). However, the districts are responsible for enforcing the requirements of the Statewide Regulation.

The technical information presented in this document supports and explains the proposed amendments to the Statewide Regulation. A copy of the proposed amended Statewide Regulation is included in Appendix A. In this report, the ARB staff will provide the following information:

- A summary of the proposed amendments to the Statewide Regulation;
- A discussion of portable engine use and existing regulatory programs for portable engines;
- Environmental and economic impacts; and
- Other supplemental information (Appendices).

## **B. PURPOSE**

The primary purpose of the proposed amendments to the Statewide Regulation is to harmonize with the proposed Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Greater than 50 Horsepower (Portable Engine ATCM). In addition, staff is proposing additional amendments to provide clarity and ensure enforceability of the Statewide Regulation and increase program fees.

## **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, the 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.

In addition, HSC sections 39600 (General Powers) and 39601 (Standards, Definitions, Rules, and Measures) confers to the 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 the 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 (including districts) from adopting emissions standards or other requirements for non-road engines [CAA, section 209(e)]. Portable engines are a subset of non-road engines. However, recognizing the special circumstances confronting California, Congress allowed California, upon receiving authorization from the U.S. EPA, to adopt standards for preempted equipment with the exception of new engines under 175 brake-horsepower (bhp) used in farm and construction operations.

#### **D. PUBLIC PROCESS**

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

In developing the proposed amendments, staff had to balance the requirements of the State law with industry and district concerns. To assist in developing the proposed amendments to the PERP, staff convened the Portable Equipment Workgroup (Workgroup). The original workgroup was instrumental with the development of the 1997 Statewide Regulation and the 1998 amendments. Other interested parties were added to the workgroup. The workgroup consisted of over 60 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, telecommunications, and utilities.

From January 2003 to September 2003, ARB staff held six workgroup meetings in Sacramento. Besides attending the meetings in person, staff also provided the option for people to participate by conference calls. The meeting dates for the proposed amendments of the Statewide Regulation and the proposed Portable Engine ATCM was coordinated to allow interested parties to participate in both rulemaking efforts affecting portable engines. ARB staff held public consultation meetings on October 3, 2003, November 18, 2003, and December 4, 2003, to solicit comments from the public on the proposed amendments.

Staff also created an e-mail list serve to notify interested parties of the meeting dates and the availability of information to be discussed at the meetings. 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 ARB web sites. The web site address is located at <http://www.arb.ca.gov/diesel/portdiesel.htm>.

Staff attended individual meetings and conference calls with affected industries and industry associations during the development of the proposed amendments to the Statewide Regulation to address their specific concerns. In addition, staff attended several meetings of the California Air Pollution Control Officers Association (CAPCOA) Engineering Manager Committee and the Enforcement Managers Committee to discuss the current PERP and to solicit their comments on the proposed amendments to the Statewide Regulation.

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## **II. PORTABLE ENGINE USE AND EXISTING REGULATORY PROGRAMS**

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

### **A. SUMMARY OF PORTABLE ENGINE USE AND ACTIVITIES**

A portable engine is an internal combustion engine that is designed and capable of being carried or moved from one location to another and does not remain at a single location for more than 12 consecutive months. Unlike stationary engines, portable engines may be moved to several locations throughout the State, where they may operate for several hours or several months. The engines are used to power a variety of equipment, including: pumps (e.g., agricultural irrigation pumps and other water pumps), ground support equipment at airports, cranes, oil well drilling and workover rigs, power generators, dredging equipment, rock crushing and screening equipment, welding equipment, woodchippers, and compressors.

Both private businesses and public agencies operate portable engines and associated equipment in California. Examples of businesses that use portable engines in their activities include motion picture studios, amusement parks, air couriers, airlines, utilities, construction services, crushing, screening, and recycling services, industrial cleaning services, marine construction and dredging services, oil and gas companies, refineries, 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, prisons, military installations, the California Department of Transportation, and other state agencies.

There is significant variation in the size of the engines as well as the way the engines are used. The size of engines can range from about 50 horsepower to 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 the ARB and local districts to regulate portable engines. It also describes specific federal, state, and local programs that currently impact portable engines used in California. These programs include the ARB/U.S. EPA emission standards for newly manufactured off-road engines, the 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 the ARB and districts to attain the State and federal ambient air quality standards, particularly the ozone standards. Consequently, the focus of the programs has been to reduce emissions of NO<sub>x</sub>, and to a lesser extent reduce emissions of carbon monoxide (CO), reactive organic gases (ROG), and particulate matter (PM).

### **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, as well as districts, 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 regulating new off-road engines less than 175 hp that are used in farm and construction operations and prevents the districts from requiring add-on air pollution controls or otherwise modifying portable engines. However, districts do maintain the authority to require permits and establish in-use restrictions (e.g. limit hours of operations).

### **2. ARB/U.S. EPA New Engine Emission 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, 1996, new diesel fueled portable engines sold in California have been subject to ARB's Off-Road Compression Ignition emission standards (title 13, CCR, sections 2320 et seq.), which are equivalent to the U.S. EPA emission standards for newly manufactured nonroad engines (40 CFR, Part 89). The standards are tiered (i.e. Tier 1, 2, 3), with each set of standards phased in over several years based on the power rating of the engine. In 2006, newly manufactured portable engines of all sizes will be subject to Tier 2 standards, and in 2008, newly manufactured engines of all sizes will be subject to Tier 3 standards. Table II-1 illustrates the emission standards that will be in place for portable engines greater than 50 horsepower when Tier 1, Tier 2, and Tier 3 standards are fully phased in.

**Table II-1: Emission standards (g/bhp-hr) that will be in effect when all current off-road standards are fully implemented**

Rated Power (hp)	PM	CO	When Standards Apply	NMHC + NOx	When Standards Apply
Greater than or equal to 50 but less than 100	0.30	3.7	2004	3.5	2008
Greater than or equal to 100 but less than 175	0.22	3.7	currently	3.0	2007
Greater than or equal to 175 but less than 750	0.15	2.6	currently	3.0	2006
Greater than 750	0.15	2.6	2006	4.8	2006

In April 2003, U.S. EPA proposed Tier 4 emission standards for off-road engines. When these standards are promulgated, portable engines will be manufactured to meet more stringent PM and NOx limits in the 2011 to 2014 timeframe. The proposed Tier 4 emission standards are presented in Table II-2 below:

**Table II-2: Proposed U.S. EPA Tier 4 Emission Standards (g/hp-hr)**

Rated Power	First year that Standards Apply	PM	NOx
Greater than or equal to 25 but less than 75	2013	0.02	3.5*
Greater than or equal to 75 but less than 175	2012-2014	0.02	0.30
Greater than or equal to 175 but less than 750	2011-2013	0.01	0.30
Greater than 750	2011-2014	0.01	0.30

\* The 3.5 g/hp-hr standard includes both NOx and nonmethane hydrocarbons.

### 3. Statewide Portable Equipment Registration Program

In lieu of obtaining multiple permits from individual districts, a portable engine owner can register the engine in the PERP. Currently, portable engine owners have registered about 14,500 engines in the PERP, which represents nearly half of the estimated statewide inventory of portable engines. Most of the engines are diesel-fueled engines. Of this amount, 14,123 are portable diesel fueled engines and 293 engines are gasoline, natural gas, kerosene, methanol, and liquid petroleum gas-fueled engines. In addition, there are 1,200 equipment units and over 5,200 military tactical support equipment registered in the program. A summary of PERP-registered portable diesel-fueled engines by size range is listed in Table II-3 below:

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 be registered in the 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. Also, portable engines operating on dredges must meet off-road emission standards by January 1, 2005.

**Table II-3: Summary of Portable Diesel-Fueled Engines by Size Range Currently Registered in the PERP**

Size Range (HP)	Number of Engines
Size not specified	8
<50	50
≥50 to <175	7,392
≥175 to <750	5,113
≥750	1,560

### 4. Local District Permit Programs

Portable engines not registered in the PERP may be subject to local district permitting requirements. ARB staff estimates that there are approximately 3,100 portable engines in California that are permitted by the districts. District permit requirements will vary, depending on the nonattainment status in the district. The State and federal permitting requirements (termed New Source Review (NSR)) have been incorporated into the districts' pre-construction and operating permit programs. NSR is intended to allow new sources to construct and existing sources to expand or modify operations in non-attainment areas. Sources constructing in nonattainment areas are required to apply the Lowest Achievable Emission Rate (LAER), which is referred to as Best Available Control Technology (BACT) in California, and to "offset" the remaining emissions with reductions from other sources. BACT varies among districts. For portable engines,

BACT in some districts is defined as an engine certified to the ARB/U.S. EPA off-road engine emission standards.

ARB staff reviewed district rules and surveyed a cross-section of air districts to better understand the specific requirements placed on portable engines by the districts. Five districts have implemented registration programs specifically for portable engines and associated equipment, in lieu of NSR programs. Owners of portable engines in these districts can register their engines with the district by demonstrating their engines meet specific emission rates. Some air districts specifically exempt portable engines from permit requirements. Ventura County Air Pollution Control District specifically regulates oilfield drilling operations by requiring, if certain criteria are met, the use of electrified drilling equipment. ARB staff's survey also indicated that some districts limit the hours of operation of certain portable operations to minimized localized impacts.



### III. SUMMARY OF THE PROPOSED AMENDMENTS TO THE STATEWIDE REGULATION

This chapter complies with Government Code section 11343.2 by providing to the public a "plain English" discussion of the proposed amendments to the Statewide Regulation. Each of the major amendments will be discussed, including changes to the applicability requirements and increased program fees for the Statewide Regulation.

#### A. REVISIONS TO THE STATEWIDE REGULATION

##### 1. Applicability

Section 2451(c) of the proposed amendments would require portable engines used in certain applications to obtain district approvals, thereby, making the PERP registrations invalid for those uses.

##### Generators Used to Feed the Grid or to Power Stationary Sources or Equipment

During the energy crisis in 2001, proposals were made to bring in large portable generators to produce electricity to meet the State's energy demands. Also, businesses that had enrolled in programs to curtail energy use in exchange for lower energy rates were asked to reduce their energy consumption. These are known as load reduction programs. In order to maintain production, a number of these facilities brought in portable generators. NOx and diesel PM emission rates from portable engines are from 100 to several hundred times greater than modern power generation facilities. These uses of portable generators without restriction could result in extremely high NOx and diesel PM emissions, which could cause localized air quality and health impacts.

Accordingly, the Executive Officer had to clarify that PERP registered engines were not to be used for these applications, except in cases where an imminent blackout was declared for an area and only for the duration of the blackouts. To provide clarity in the Statewide Regulation and reflect ARB policy, ARB staff is proposing that portable generators used to feed an electrical grid (section 2451(c)(5)(C)) and portable generators used to provide power to a building, a stationary source, or stationary equipment (section 2451(c)(5)(D)) would need to obtain district permits. However, exemptions are allowed in section 2451(c)(5)(D) for the use of the registered generators if there is an unforeseen interruption of electrical power (blackout conditions) from the serving utility and generators used during maintenance and repair operations.

##### Engines Powering or Mounted on Same Trailer/Skid with Permitted Equipment

ARB staff is proposing in section 2451(c)(5)(E) that PERP registered portable engines that power equipment units permitted by a district or registered engines that are mounted on the same trailer or skid with permitted equipment need to be permitted by the districts. Examples of the associated equipment permitted by the district include boilers, heaters, hot mix asphalt plants, and soil remediation units. ARB staff believes

that the permitted equipment and the portable engines should be evaluated under a single regulatory program; therefore, ARB staff is proposing that portable engines be required to obtain district permits when used to power equipment that is permitted by the districts. The owners of the portable engines can retain and use their PERP registration in other applications.

## 2. Increased Program Fees

California Health and Safety Code section 41752 authorizes the ARB to implement a fee schedule to collect sufficient fees to administer the PERP. When the original Statewide Regulation became law, the fees were based on an estimated cost to the State to administer the PERP. It was assumed that the staff time required to process each new unit would be 1.5 hours and each renewed unit would be 0.5 hours. This approach significantly underestimated the resources needed to fully process an application and the unique problems inherent to many applications, as well as to administer and manage a program consisting of such a diverse combination of units (includes various types of engines and equipment units) and requirements.

Since the inception of the PERP, staff has processed approximately 5,600 applications for registration representing approximately 25,000 engines and equipment units. A review of resources expended for processing an application reveals actual staff time required is 4 hours to process each new unit and 3 hours for renewal of each unit.

Staff is proposing that the existing fee schedule be increased in an equitable manner such that the program fees will balance current and expected future program costs. It is important to note that no previous fee increase has occurred since the PERP regulation became effective in 1997.

Staff analyzed fees received and expenses incurred over the last five and one half years of the PERP. It was shown that the program had received fees of about \$2.5 million dollars and the total expenses were about \$6 million dollars. Given the State's current budget crisis, the ARB can no longer subsidize the costs incurred to operate and maintain the PERP. This analysis indicated that even if the workload did not increase, the fees would need to increase by nearly two and one half times for the program to be sustainable. Staff determined the annual average fees received during the last three years of the program (including only those years when renewal fees were received). The three year average annual fee amount received was about \$0.5 million dollars. Future expenses were projected to be about \$1.5 million dollars per year to account for expected continued growth in the PERP. As a result, the required annual income to match expenses needs to nearly triple. The fee schedule and the difficulty of each associated task were considered in determining the appropriate fee adjustment to achieve a sustainable program.

The major proposed fee changes are for initial application and renewal registrations. Both new and renewed registrations are currently \$90 for three years. Staff is proposing that the initial application fee for a new registration be increased to \$270 for

three-year registration (or \$90 per year) and renewal fees be increased to \$225 for a three-year registration (or \$75 per year).

Other fees such as change of ownership, registration modification, and renewal penalties are propose to be increased as well. The specific fee increases are listed in Table III-1. A more detailed discussion of the increased program fees is presented in Appendix B.

### 3. Unpermitted and Exempt Engines

Currently, the Statewide Regulation only allows portable engines in the PERP that meets ARB/U.S. EPA nonroad emission standards (certified engines). The proposed amendments in sections 2456 (d)(5) and 2456(d)(7) would allow existing portable engines operating in California that were previously exempt from district permits and engines that should, but do not have district permits to register in the PERP until December 31, 2005. The intent of the proposed amendments is to encourage owners and operators of exempt and unpermitted engines to seek registration and ultimately bring their engines into compliance with State regulatory requirements. The amendments are also proposed to harmonize with the proposed Portable Engine ATCM, which would require all portable engines greater than 50 horsepower to obtain permits or registration and meet specified fleet average requirements.

In many cases, exempt and unpermitted engines do not meet the requirements for the PERP or the districts' New Source Review requirements and the owners of these engines are left with very few options. After discussions with the CAPCOA Engineering Managers Committee and to provide flexibility to engine owners, ARB staff proposes to allow these engines to register in the PERP until the end of 2005. After that time, only certified engines will be allowed into the program. Once in the program, the owners of these engines will be required to comply with the requirements of the PERP, including the 2010 requirement that engines meet certified nonroad emission standards. The replacement of uncertified engines with cleaner lower emitting certified engines would result in emission reductions of about 1,900 tons of NO<sub>x</sub> annually and 100 tons of PM annually. In addition, uncertified engines would be subject to annual PM and NO<sub>x</sub> emission limits of 10 tons per year per district and a daily NO<sub>x</sub> emission limit of 100 pounds per day.

In workgroup meetings and public consultation meetings, some opposition was encountered from stakeholders who wanted penalties assessed against people who had operated their engines illegally. Since many of these engines do not meet district BACT requirements, they will not be able to obtain

## Table III-1--Current and Proposed PERP Fees

(Fees are per registered unit except where noted otherwise)

1	Initial Registration	\$90.00-270.00
2	Tactical support equipment, initial registration	
a	Registration of first 25 units (or portion thereof)	\$1,500.00-750.00
b	Registration of every additional 50 units (or portion thereof)	\$1,500.00-750.00
3	Non-operational portable engines or equipment units	
a	Without initial evaluation	\$30.00
b	With initial evaluation	\$60.00
43	Change of status from non-operational to operational	
a	Where initial evaluation has not been previously completed	\$60.00-180.00
b	Where initial evaluation has been previously completed	\$30.00-90.00
54	Identical replacement	\$15.00-75.00
6	Equivalent replacement (treated as a new registration, fees are the same as above for new registration)	
7	Renewal	
a5	Renewal Every 3 years, non-TSE per registered portable engine or equipment unit	\$90.00-225.00
b	Pro-rated yearly per registered portable engine or equipment unit	\$30.00
c	Non-operational 3 years (prorated @ \$10/year) per registered portable engine or equipment unit	\$30.00
d	Change of status from operational to non-operational plus non-operational renewal	\$45.00
8	Renewal for tactical support equipment	
a	first 25 units (or portion thereof)	\$750.00
b	every additional 50 units (or portion thereof)	\$750.00
96	Penalty fee for late renewal payments, non-TSE per registered portable engine or equipment unit	
a	30-60 days after receiving renewal notice Postmarked within 2 calendar months prior to registration expiration date	\$15.00-45.00
b	60-90 days after receiving renewal notice Postmarked within the calendar month prior to registration expiration date	\$30.00-90.00
c	90 days after receiving renewal notice Postmarked after the registration expiration date	\$45.00-250.00
7	Annual TSE inventory fee	
a	first 25 units (or portion thereof)	\$375.00
b	every additional 50 units (or portion thereof)	\$375.00
108	Modification to registered portable engine or equipment unit	\$15.00-75.00
119	Change of ownership per registered portable engine or equipment unit	\$15.00-75.00
1210	Replacement of registration identification device	\$10.00-30.00
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
134	District inspection fee per registered portable engine or equipment unit inspected	\$75.00

\* When multiple registered portable engines or equipment units are inspected at a given source, the district inspection fee shall be equal to the lesser of the actual cost, including staff time, for conducting the inspection or \$75 per registered portable engine or equipment unit inspected.

district permits. However, ARB staff believes that it is necessary to provide an option to bring these people into a regulatory program so that they can comply with applicable regulatory requirements. ARB staff will make available to the districts a list of people who have registered potentially suspect engines in order for the districts to take appropriate and necessary action.

#### 4. Miscellaneous Revisions

ARB staff is proposing additional minor revisions, which are discussed below.

Under the current Statewide Regulation, operators were able, until July 1, 2001, to replace uncertified engines with equivalent replacement engines of the same emissions and size range. The Statewide Regulation now requires equivalent engine replacements to meet the most stringent nonroad emission standards; therefore, ARB staff is proposing to delete sections 2452(l) and 2453(d) that are applicable to equivalent engine replacements.

ARB staff proposes to clarify that identical engine replacements are allowed only if there is a mechanical breakdown of a registered engine. This will ensure that only legitimate identical engine replacements are allowed to occur. The proposed amendments would add a new definition for mechanical breakdown and add clarifying language to the definition of identical replacements and the engine requirement section (see sections 2452(l) and (q), 2453(c) of the proposed amendments).

Under the current Statewide Regulation, resident engines are no longer allowed in this program as of July 1, 2001 because resident engines do not meet an ARB/U.S. EPA nonroad emission standard. ARB staff proposes to delete or modify the applicable sections for resident engines in sections 2452(gg), 2453(g)(7), and 2456(d)(5) of the proposed amendments).

In the early years of the PERP, non-operational engines were allowed in the program to provide owners/operators the flexibility of registering their uncertified engines before the July 1, 2001 deadline in order to meet future needs. The non-operational engine provision was used sparingly in the early years of the program. Also, ARB staff has not received any applications for non-operational engines in the past few years because only certified engines are currently allowed in the program. ARB staff is proposing to phase out non-operational engines from the program by requiring owners of non-operational engines to make their engines operational. Also, ARB staff will not allow new applications for non-operational engines. The proposed amendments are found in sections 2453(j) and (k).

The Statewide Regulation does not specify the process for change of ownership when a PERP registered engine is sold from one person to another person. Under the proposed amendment, clarification is provided that once a registered engine is sold, the registration would not be valid until the new owner submits a change of ownership application to ARB with applicable fees (see section 2453(m) of the proposed

amendments). At this point, the new owner can operate the portable engine under the PERP.

ARB staff proposes, in section 2456(d)(6), to allow certified on-road diesel engines into the program. The reason is that emission standards for certified on-road diesel-fueled engines are lower than the emission standards for certified diesel-fueled non-road engines. The use of these engines in portable applications may result in potential diesel PM and NOx reductions of approximately 75 and 40 percent, respectively, when compared to a certified nonroad engine.

The proposed amendment to the recordkeeping and reporting requirements are minimal and would improve the enforceability of the Statewide Regulation. ARB staff proposes that the requirement for an annual report to be submitted to the ARB be deleted; however, the reports must be made available to ARB and district staff upon request. Also, the retention time for maintaining the records would be extended from two years to five years to be consistent with the proposed Portable Engine ATCM. Recordkeeping provisions are now required for owners or operators of portable generators used to provide power to a building, stationary source, or stationary equipment during an unforeseen interruption of electrical power from a serving utility. They would have to record daily where the generator was used, the date of operation, and the hours of operation.

ARB staff is proposing that the billing cycle for military tactical support equipment (TSE) be changed from three years to one year in order to simplify the process. TSE in California tend to have a high turnover rate due to TSE entering and leaving the State. Presently, the military bases are on a three-year billing cycle for tactical support equipment registered in the PERP. However, they are required to submit annual reports to the ARB staff updating their inventory of TSE. If their inventory increases, cost adjustments are made to their bills. To align the billing cycle and annual reporting requirement, ARB staff is proposing amendments that will revise the billing cycle to one year rather than three years. This change will make it easier to administer the program for TSE.

The existing Statewide Regulation (section 2466) includes a "sunset" provision where the ARB, in consultation with the California Environmental Protection Agency, determines whether the Statewide Regulation should be retained, revised, or repealed. ARB staff is proposing to remove this provision. Currently, the PERP has registered about half of the portable engines operating in the State. The affected industry has strongly supported the PERP because the program provides them the maximum flexibility to operate a portable engine throughout the State under a single registration, rather than having to obtain permits from multiple districts. In addition, the PERP provides cost savings because the program fees are less costly than a district permit or having multiple district permits. Because of the benefits to businesses operating in California, ARB staff is proposing to delete the sunset provision.

Senate Bill 700, which was signed by Governor Davis on September 22, 2003, removed the provision in State law that exempted agricultural sources from district permitting programs. The current Statewide Regulation has a provision to exclude portable engines used in agricultural operations from registering in the program. ARB staff is proposing to remove the exemption from the Statewide Regulation to provide flexibility to owners/operators of portable agricultural engines to register in the PERP if districts choose to not permit portable agricultural engines.



#### **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. In the ISOR, the ARB must include a functionally equivalent document, rather than adhering to the format described in CEQA 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 PERP 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 PERP 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 amendment to allow into the PERP portable engines that have been operating in California and were either previously exempt from district permits or should have but were not permitted would have a potential short term air quality impact. The proposed Portable Engine ATCM, if implemented, will impact all portable engines operating in California. Some districts will require owners of the engines to obtain permits. Many engines are the older dirtier engines that will not meet district BACT requirements. Without the proposed amendment, many business owners would have to

purchase new certified engines at a great expense, operate illegally, or close their businesses.

These existing engines are currently operating in the State and the proposed amendment would not create a new market or increase existing emissions. Once in the PERP, the engines will be subject to daily and annual emission limits, which would minimize their emission impacts. In addition, uncertified engines would have to comply with the 2010 requirement, where portable engines have to meet ARB/U.S. EPA nonroad emission standards. ARB staff estimated that the replacement of uncertified engines with certified engines would result in 1,900 tons per year of NOx reductions and 100 tons per year of diesel PM emissions reductions.

ARB staff is proposing that certified on-road diesel engines be allowed to register into the PERP. Current emission standards for on-road diesel-fueled engines are lower than the standards for diesel-fueled non-road engines. The use of on-road diesel engines in portable applications would result in lower PM and NOx emissions compared to a non-road engine operated the same number of hours, load, and conditions. Table IV-1 shows the NOx and diesel PM emission standards in grams per brake horsepower-hour (g/bhp-hr) for a 2000 model year 500 brake-horsepower (bhp) engine. The diesel on-road engine has lower PM and NOx emission standards by about 75 percent and 40 percent, respectively, compared to the standards for a similar size diesel non-road engine. ARB staff believes that this amendment would not result in any adverse environmental impacts.

Table IV-1  
On-Road and Non-Road Emission Standards For A  
500 Horsepower Diesel Engine

2000- model year engine	NOx (g/bhp-hr)	PM (g/bhp-hr)
On-road	4.0	0.10
Non-road	6.9	0.40

### 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 the PERP shall not, in aggregate, interfere with the attainment or maintenance of the State and federal ambient air quality standards. ARB staff believes that the proposed amendments to the Statewide Regulation would not impede or cause any of the ambient air quality standards to be exceeded. The proposed amendments are expected to result in positive air quality benefits.

The implementation of the current Statewide Regulation results in reductions of NO<sub>x</sub>, ROG, and diesel PM emissions from portable engines in future years due to the 2010 requirement that all registered engines have to meet certified emission standards.

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

As specified in Health and Safety Code section 41755, the districts are responsible for enforcing the requirements of the Statewide Regulation. If the Board approves the proposed amendments, the districts would continue to enforce the amended Statewide Regulation.

Compliance with the proposed amendments is expected to directly impact air quality alone and not other environmental media such as water or soil. The only reasonably foreseeable impact on other environmental media (i.e., water, soil, or hazardous waste disposal) would be a consequence of the air quality impact. One of the proposed amendments would allow portable engines that were previously exempt from district permits and engines that were required to be permitted by the districts, but have not done so, to register in the PERP. Once in the program, operators would be subject to the daily and annual emission limits and the 2010 requirement that uncertified engines be replaced with certified engines. Compliance with the 2010 requirement is reasonable because all new nonroad diesel-fueled engines sold in California since 1996 have been required to meet ARB/U.S. EPA emission standards. Because certified engines are less polluting, the use of these engines would result in less of an environmental impact.

#### **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**

The proposed amendments are intended to align the Statewide Regulation with the proposed Portable Engine ATCM, provide consistency with ARB policy on power generation, provide clarity and enforceability for the PERP, and provide sufficient funding to ensure that the PERP can be maintained at the current level of efficiency. 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, and the program harmonizes with the proposed Portable Engine ATCM.

## **G. ENVIRONMENTAL JUSTICE**

The ARB is committed to integrating environmental justice in all of its activities. On December 13, 2001, the Board approved "Policies and Actions for Environmental Justice," which formally established a framework for incorporating Environmental Justice into the ARB's programs, consistent with the directive of California state law. Environmental Justice is defined as the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. These policies apply to all communities in California, but recognize that environmental justice issues have been raised more in the context of low-income and minority communities.

The Environmental Justice Policies are intended to promote the fair treatment of all Californians and cover the full spectrum of the ARB's activities. Underlying these policies is a recognition that the agency needs to engage community members in a meaningful way as it carries out its activities. People should have the best possible information about the air they breathe and what is being done to reduce unhealthy air pollution in their communities. The ARB recognizes its obligation to work closely with all communities, environmental and public health organizations, industry, business owners, other agencies, and all other interested parties to successfully implement these Policies.

During the process to develop the proposed amendments, the ARB staff proactively identified and contacted representatives from engine and diesel emission control associations, portable fleet owners and associations, environmental organizations, and other parties interested in portable engines. These individuals participated by providing data, reviewing draft regulations, and attending public forum meetings, in which staff directly addressed their concerns.

## **V. ECONOMIC IMPACTS OF STATEWIDE REGISTRATION PROGRAM**

This chapter discusses legal requirements that must be satisfied in analyzing the economic impacts of the proposed amendments to the Statewide Regulation, 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 PERP's 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 2.2 million dollars. The total economic impact is attributable to cost for increased renewal and administrative fees (\$1.4 million dollars); for uses of portable engines having to obtain district permits (\$415,000); to purchase hour meters (\$79,000); increase in recordkeeping requirements (\$301,000) and registration of non-operational units (\$30,000). 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, Table 1 for the individual work sheets).

### **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 (DOF). 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 the 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 PERP regulation does not exceed ten million dollars in a single year, the proposed amended 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**

In evaluating the cost impacts from the proposed amendments to the Statewide Regulation for federal, state, local agencies and small businesses, ARB staff conducted an analysis of the PERP database. This analysis was conducted on September 19, 2003. Based on the analysis, staff determined that there are over 1,350 "companies" with 22,146 engines or equipment (units) registered in the PERP. Of these "companies", there are nine (9) State agencies with 270 registered units, 103 local agencies with 769 registered units, 41 federal agencies with 5,368 registered units, and 1,205 private businesses with 15,739 registered units. These percentages are used to determine the cost of the proposed amendments to the various "companies."

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 the 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 applied to the estimated number of units that would have to obtain district permits for engines that can no longer be utilized in certain applications, and the cost to purchase hour meters. Because the number of engines and associated equipment in the program varies over time, staff based the increased cost due to the proposed fee schedule on the annual average number of units registered during the three-year period from 2000 through 2002. The three-year average number of units was then multiplied by the new fee schedule and then compared to the amount of fees received during this same three-year period to determine the increase. For TSE equipment, staff utilized the three-year average of fees received and assumed a 1.5 multiplier to determine the increased cost.

## **D. BUSINESSES AFFECTED**

Any business that owns or operates portable internal combustion engines and/or equipment units currently registered in the PERP is affected by the proposed amendments. In addition, any business that owns or operates portable internal combustion engines and equipment units in California may be potentially 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.

## **E. COST DUE TO INCREASED ADMINISTRATIVE AND RENEWAL FEES**

The amendments to the Statewide Regulation include increased registration, administrative, and renewal fees. The proposed fee schedule is found in Appendix C, Table 2. Discussions of the economic impacts associated with the increased fees are as follows:

### **1. Registration Fee Increase**

Though there is an increase in the initial registration fees, staff assumed that owners/operators currently with registered engines and associated equipment units in the PERP will not be affected by the increase in registration fees since their units are already in the program.

### **2. Renewal and Administrative Fees Increase**

The total potential economic impact due to increased renewal and administrative fees as a result of the proposed amendments for engines and associated equipment currently in the PERP is approximately \$1.38 million dollars. Because the program is voluntary, total potential economic impact is calculated by multiplying the annual cost out five years and adding any one-time fees. Staff estimates that the cost for the increased renewal and administrative fees in the proposed amendments for engines and associated equipment currently in the program to be approximately \$277,000 per year. The cost analysis table is included in Appendix C, Table 3.

### **3. Uses of Portable Engines Requiring District Permits**

The total potential economic impact due to owners/operators having to obtain district permits for some applications is estimated to be approximately \$415 thousand dollars. Because the program is voluntary, total potential economic impact is calculated by multiplying the annual cost for having to obtain permits for five years and adding any one-time fees (see Appendix C, Table 4).

The amendments to the Statewide Regulation specify certain uses of portable engines and equipment units to require permits from the districts. Staff assumes owners of engines and associated equipment currently in the program will retain their registration and would either choose not to use portable equipment for the restricted activities or

Table V-1

<b>Industries Affected by Statewide Registration programmers</b>	
<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

apply for a district permit. Staff estimated the total cost to obtain permits to use engines for certain activities is about \$83,000 for permitting fee and approximately \$83,000 thereafter for annual permit renewal fees.

District permitting and renewal fees vary widely depending on the district. A survey of districts indicated permitting costs for a 500 BHP portable engine ranged from \$150 to \$2,167, while renewal fees ranged from \$90 to \$1,012 (see Appendix C, Table 5). For the analysis, staff assumed an initial permit fee of \$750 and an annual renewal fee of \$750 per engine. Staff assumed a cost impact if one-half of one percent (0.05%) of the units (111 units) may need district permits (in addition to maintaining PERP registration).

Staff also 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 the PERP. Based on the survey results, permitting and registration in multiple districts is greater than the cost from the increased fees from the proposed amendments (see Appendix C, Table 4). In addition, the PERP's standardized emission limits, monitoring, and recordkeeping requirements allow for consistency for which engine and associated equipment owners also realize a cost saving. Because the PERP is a voluntary program, eligible businesses and government agencies that find it is not financially advantageous and administratively convenient will obtain district permits.

#### 4. Increased Recordkeeping

The total potential economic impacts due to owners/operators having to maintain records of engines used during an emergency situation is estimated to be \$301,000. Because the program is voluntary, total potential economic impact is calculated by multiplying the annual cost for having to obtain records each year for five years.

As proposed, the PERP would require recordkeeping for engines used during an emergency. Staff assumed annual costs of \$100 per emergency engine 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 also assumed that as a conservative estimate, ten percent of the 6,013 generators currently registered in the program would be used in an emergency and, therefore, be required to maintain records. Based on this estimate, 601 engines would be used each year for a total cost of \$60,100 per year for recordkeeping costs (see Appendix C, Table 5).

The proposed changes to the PERP also require that records be maintained for a period of five years from the current requirement to maintain records for 2 years. However, the requirement to submit these records in the form of annual reports to the ARB each year has been removed. Staff assumed that there is no net increase in costs to retain

the records longer because of the savings of no longer having to assemble and send the data to AF 3. Therefore, staff did not include a cost increase for the increased record retention time.

#### 5. Non-Operational Units

The total potential economic impact due to some owners/operators having to register units and renew the registration is estimated to be approximately \$29,610. There are currently 54 non-operational units in the PERP. Of these 54 units, 50 units have not had an engineering evaluation performed, while 4 units had an engineering evaluation completed. The proposed amendments require that that these units either be registered as operational units in the PERP, obtain district permits, or removed from the program. If these units are removed from the program there is no increased cost. If these units are registered into the PERP, fees for registration would be \$180 per engine for the 50 units without an initial engineering evaluation, and \$90 for 4 units with initial engineering evaluations completed as a one-time fee. The total cost to register the non-operational units would be \$9,360. These units must also renew their registration 1.66 times over the course of the five-year cumulative period. Cost for three years is \$225 or \$75 per year per unit or \$20,250 for the cumulative five-year period (See Appendix C, Table 7).

#### 6. Installation of Hour Meters

The total potential economic impact due to some owners/operators having to purchase hour meters is estimated to be approximately \$79,000 dollars as a one-time fee. Currently there are 6,013 reported generators currently registered in the PERP. Of these, 5,199 units are reported to have hour meters and 814 units do not have meters. The amendments to the Statewide Regulation require that electrical generation generators used during an emergency maintain records of the number of hours used during the emergency period. In order to maintain these records, ARB staff assumed that some units will need to install hour meters. As a conservative estimate, ARB staff assumed that half of the generators currently without hour meters (407 generators) will be used for emergency operations and will retrofit with an hour meter. A quartz hour meter can be purchased and installed at a cost of \$195 each. The hour meter may also be useful to properly identify maintenance schedules for the engine and may save the owner/operator money (see Appendix C, Table 8).

### **F. POTENTIAL IMPACTS ON EMPLOYMENT**

The proposed amendments to the Statewide Regulation are not expected to cause a noticeable change in California employment.

## **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 businesses and government agencies would be able to absorb the costs of the proposed regulation with no significant adverse impacts. 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 \$1.1 million dollars. Because the program is voluntary, total potential economic impact from the amendments is calculated by multiplying the annual cost out five years and adding any one-time fees. The cost impacts included increased administrative and renewal fees, as well as district permitting and renewal fees for business owners/operators who would be required to obtain district permits for certain uses of their portable engines. The cost to small business was estimated to be approximately \$220,000 annually (see Appendix C, Table 9).

To determine the number of small business 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 STATE AND LOCAL AGENCIES**

The total potential economic impact to state agencies is approximately \$27,000. The total potential economic impact to local agencies is approximately \$76,000. Because the program is voluntary, the total potential economic impact is calculated by multiplying the annual cost out five years and adding any one-time fees. The cost impact includes increased administrative and renewal fees, permitting fees, hour meter, registration and

renewal of non-operational units and recordkeeping fees. Staff determined the annual cost impact for administrative, renewal, district permitting, hour meter installation, registration on renewal of non-operational units, and increased recordkeeping for State owned units to be approximately \$5,482 and approximately \$15,611 for local agencies (see Appendix C, Table 9).

**Appendix A:**

**PROPOSED AMENDED REGULATION TO ESTABLISH A STATEWIDE PORTABLE  
EQUIPMENT REGISTRATION PROGRAM**

*[Faint, illegible text, possibly bleed-through from the reverse side of the page]*

**Regulation to Establish a Statewide Portable Equipment  
Registration Program  
(As Adopted December 10, 1998, with Amendments)  
California Air Resources Board**

Article 5 and sections 2459 – 2460, 2461, 2462, 2463, 2464, 2465, 2466, Title 13, California  
Code of Regulations

(Note: Proposed amendments to the regulation are identified below. Underline is used to indicate the proposed additions. ~~Strikeout~~ is used to indicate proposed deletions from the regulation text.)



## 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, 41755, Health and Safety Code.

### § 2451. Applicability.

- (a) Except for (d) of this section, 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.

[Note: Under section 209 (e)(1) of the federal Clean Air Act [42 U.S.C. 7543 (e)(1)], California is preempted from establishing emission standards or other requirements related to the control of emissions (other than in-use operational

controls) for new engines under 175 horsepower used in farm and construction operations, as defined by the U.S. EPA in 40 Code of Federal Regulations (CFR) Part 85, Subpart Q, Section 85.1601 et seq. [see 59 Fed. Reg. 36969 (July 20, 1994)]. ~~Federal preemptions should only affect engines less than 175 brake horsepower used in construction operations because California law exempts agricultural operations from permit and registration programs as stated in section (e)(2) below. Accordingly, references to the federal preemptions as they apply to this regulation will refer to requirements for construction equipment using engines less than 175 brake horsepower.~~

See *Engine Manufacturers Association v. EPA* (88 F.3d 1075 [D.C. Cir. 1996]). Under section 209 (e)(2) [42 U.S.C. 7543 (e)(2)] of the CAA, California is required to receive authorization from the U.S. EPA prior to enforcing its regulations for nonroad equipment not otherwise preempted under section 209 (e)(1). See *Engine Manufacturer's Association*, (supra). To date, ARB has received authorization for regulations covered in Title 13, California Code of Regulations sections 2400-, 2401, 2402, 2403, 2404, 2405, 2406, 2407 (see 54 Fed. Reg. 37440 [July 20, 1995]) and sections 2420-, 2421, 2422, 2423, 2424, 2425, 2426, 2427 (see 59 Fed. Reg. 48981 [September 21, 1995]).]

- (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;
  - ~~(2) any portable engine or equipment unit used exclusively in agricultural operations as defined in California Health and Safety Code section 42310 (e);~~
  - (32) any engine or equipment unit not meeting the definition of portable as defined in section 2452 (x) of this regulation;
  - ~~(4) any equipment unit determined by the Executive Officer to qualify as part of a stationary source permitted by a district;~~
  - (53) 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);
  - (64) 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 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).];
  - (5) operation of an engine or equipment unit at any location determined by the Executive Officer to require permits from a district. Examples include but are not limited to:

- (7) (A) any dredging operation in the Santa Barbara Harbor; and
- (8) (B) 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;
- (C) generators used for power production into the grid;
- (D) 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, and remote operations where grid power is unavailable. For interruptions of electrical power, the operation of a registered generator shall not exceed the time of the actual interruption of power; and
- (E) engines 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.
- (F) any equipment unit determined by the Executive Officer to qualify as part of a stationary source permitted by a district, and its associated engine.

(d) In the event that the owner or operator of a 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. ~~However, registration under this program is mandatory for those portable engines rated at 50 brake horsepower or greater that are located in a district having a permit or registration program that establishes emission standards or emission limits applicable to portable engines, and the Executive Officer has determined that the district program has been preempted by federal law.~~

- (1) ~~For the purpose of this provision, a permit or registration program applicable to portable engines is defined as a program which establishes emission control technology requirements, in-use operational controls (e.g., daily or annual emission limits), or proposed control measures contained in the State Implementation Plan.~~
- (2) ~~Upon determining that a district program has been preempted as to specific engines by the federal Clean Air Act, the Executive Officer will issue an Executive Order setting forth such findings. Affected owners and/or operators of portable engines will be notified within 30 days by the ARB and/or districts of the issuance of the Executive Order and shall, within 180 days of issuance of the Executive Order, submit an application for registration under this regulation. An owner or operator of portable engines that are required to register pursuant to this section may elect to use current daily and annual emission limit permit conditions of the district in which the portable engine is to be operated, in place of the daily~~

~~and annual requirements of this regulation. Any daily and hourly emission limits of a district that are used in lieu of this regulation's limits are only valid during operation in that district. If the engine is operated in a district that previously did not have a permit program, the daily and annual requirements of this regulation will apply. All other requirements of this regulation are applicable to the portable engine.~~

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, 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.
- (b) **ARB** means the California Air Resources Board.
- (c) **Construction Equipment** means equipment that uses an engine and that is primarily used (as defined below) in construction and operated at commercial construction sites.
- (d) **Corresponding Onshore District** means the district which has jurisdiction for the onshore area that is geographically closest to the engine or equipment unit.
- (e) **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.
- (f) **Emergency** 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.
- (g) **Engine** means any piston driven internal combustion engine.
- (h) **Equipment Unit** means equipment that emits ~~air contaminants~~  $PM_{10}$  over and above ~~those that~~ emitted from ~~the an associated~~ portable engine ~~and is associated with, and driven solely by, any portable engine.~~ Equipment units may include equipment necessary for the operation of a portable engine (e.g., fuel tanks).

- (i) ~~**Equivalent Replacement** means a substitution of one or more registered portable engine(s) or equipment unit(s) with a portable engine or equipment unit that is intended to perform the same or similar function as the original portable engine or equipment unit, and where the following conditions exist:~~
- (1) ~~the replacement engine or equipment unit results in equal or lower air contaminant emissions than the existing engine or equipment unit (or sum of existing engines or equipment units) expressed as a mass per unit time (limitations on capacity or hours of operation shall not be taken into account in qualifying for lower air contaminant emissions);~~
  - (2) ~~the replacement engine or equipment unit meets the emission control technology requirements of this article contained in sections 2456 and 2457;~~
  - (3) ~~the rated brake horsepower of the replacement engine does not exceed the rated brake horsepower of the existing engine (or sum of existing engines) by more than 20 percent. For every percentage point increase of the rated brake horsepower, there shall be an associated decrease in emissions of nitrogen oxides, expressed as a mass per unit time, equal to or exceeding two percentage points; and~~
  - (4) ~~the manufacturer's maximum rated capacity of the replacement equipment unit does not exceed the maximum rated capacity of the existing equipment unit.~~
- (j) **Executive Officer** means the Executive Officer of the California Air Resources Board or his designee.
- (k) **Farm Equipment** means equipment that uses an engine and that is primarily used (as defined below) in the commercial production and or commercial harvesting of food, fiber, wood, or commercial organic products or in the processing of such products for further use on a farm.
- (l) **Hazardous Air Pollutant (HAP)** means any air contaminant that is listed pursuant to section 112(b) of the federal Clean Air Act.
- (m) **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.
- (n) **Location** means any single site at a building, structure, facility, or installation.

- (en) **Maximum Achievable Control Technology (MACT)** means any federal requirements promulgated as part of 40 CFR Parts 61 and 63.
- (eo) **Maximum Rated Capacity** is the maximum throughput rating or volume capacity listed on the nameplate of the portable equipment unit as specified by the manufacturer.
- (ep) **Maximum Rated Horsepower (brake horsepower (bhp))** is the maximum brake horsepower rating specified by the portable engine manufacturer and listed on the nameplate of the portable engine.
- (q) **Mechanical Breakdown** means any failure of an engine's electrical system or mechanical parts that necessitates the removal of the engine from service.
- (r) **Modification** means any physical change in portable engine or equipment unit method of operation, or an addition to an existing portable engine or equipment unit, which may cause or result in 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 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 engine or equipment unit from one location to another;
- (s) **New Nonroad Engine** means a domestic or imported 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.
- (t) **New Source Performance Standard** means any federal requirement promulgated as part of 40 CFR Part 60.
- (u) **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.

(v) **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.

(w) **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.).

- (x) **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. 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.

[Note: The period during which the engine or equipment unit is maintained at a storage facility shall be excluded from the residency time determination.]

- (y) **Prevention of Significant Deterioration (PSD)** means any federal requirements promulgated as part of 40 CFR Part 52.
- (z) **Primarily Used** is a determination by U.S. EPA under section 209 (e) of the federal Clean Air Act, that 51 percent or more of a specific type of engine or equipment, with an engine under 175 maximum brake horsepower rating, is used in the farm and construction industries.
- (aa) **Process** means any air-contaminant-emitting activity associated with the operation of a portable engine.
- (bb) **Project, for the purposes of onshore operation**, means the use of one or more registered portable engines or equipment units operated at one location under the same or common ownership or control to perform a single activity.

- (cc) **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.
- (dd) **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 engine or equipment unit within the requirements established by this article as it pertains to portable engines and equipment units.
- (ee) **Rental Business** means a business in which the principal use of its engines or equipment units is to temporarily rent or lease for profit, portable engines or equipment units to operators other than the owner(s) of the engine or equipment unit.
- (ff) **Renter** means a person who rents a portable engine or equipment unit from a rental business.
- (gg) **Resident Engine** means:
- (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 July 1, 2001 December 31, 2005 or
  - (2) a portable engine that resided and operated in the State of California at any time during calendar year ~~1995~~ 2003 and an application for registration is submitted to the Executive Officer no later than July 1, 2000 December 31, 2005; or
  - (3) a portable engine where registration becomes mandatory pursuant to section 2451 (d) of this article.

[Note: The owner or operator shall provide sufficient documentation to prove the portable engine's residency to the satisfaction of the Executive Officer. Examples of adequate documentation are valid permits issued by a district, tax records, and usage or maintenance records. ~~With the exception of section 2456 (e)(8) of this regulation, an equivalent or identical replacement engine replacing a registered resident engine shall be treated as a resident engine.~~]

**(hh)** **Responsible Official** is the individual employed by a company, public agency, municipality, or his contracted designee that has the authority to certify that the portable equipment complies with all applicable requirements of this article.

**(hii)** **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.

**(hij)** **Stationary Source** means any building, structure, facility or installation which emits any affected pollutant 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.]

**(jjk)** **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.

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

**(lmm)** **Tactical Support Equipment (TSE)** means equipment using a portable engine, including turbines, that meets military specifications, owned by the U.S. Department of Defense ~~and/or~~, 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.

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

**(ooo)** **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).

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

NOTE: Authority cited: Sections 39600-~~39601~~, 41752-~~41753~~, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Refer to: Sections 41750-~~41751~~, 41752, 41753, 41754-~~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 (x) and meet all applicable requirements established in this article.
- (b) For purposes of registration under this article, a 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, contact, 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 failure to meet the requirements of this regulation shall subject the owner or operator to section 2465.
- ~~(d) For an equivalent replacement, except for TSE, the owner or operator of a registered portable engine or equipment unit shall file a new application for registration with the Executive Officer prior to operating the equivalent replacement. The application shall include surrender of the registration identification label for the portable engine or equipment unit being replaced and appropriate fees as required in section 2461. Failure to meet the requirements of this article prior to operating the equivalent replacement may subject the owner or operator to section 2465 of this article.~~
- (ed) 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, ~~according to the following schedule:~~

- (1) ~~within 45 days of receipt of an application, for applications received on or before June 1, 2000; and~~
- (2) ~~within 30 days of receipt of an application, for applications received after June 1, 2000.~~

(fe) The Executive Officer shall issue or deny registration ~~according to the following schedule:~~

- (1) ~~within 180 days of receipt of an application, for applications received on or before June 1, 2000; and~~
- (2) ~~within 90 days of receipt of an complete application, for applications received after June 1, 2000.~~

(gf)

Upon finding that a 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(s), any conditions to ensure compliance with state and federal requirements, and a registration identification device for each registered portable engine or equipment unit. Except for TSE, the registration identification ~~label~~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.

(hg) 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, ~~non-resident, non-operational, rental business, etc~~) and general nature of business (e.g. rental business, etc.);
- (2) indication of "home" district, the district in which the portable engine or equipment unit operates most of the time (optional);
- (3) the name of applicant, and a contact person 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, 2457;
- (7) for resident engines, a copy of a current permit to operate or a registration certificate that was granted by a district ~~prior to July 1, 2001~~, or other proof of California residency as described in section 2452 (gg); and
- (8) the signature of the responsible official ~~person authorized to act on behalf of the applicant~~ and date of the signature.

(ih) 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, and a contact person 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 signature of the responsible official ~~person authorized to act on behalf of the applicant~~ and date of the signature.

(ji) 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 of this article.

(kj) ~~An owner or operator registering a portable engine or equipment unit as non-operational may choose to have the equipment evaluated for registration eligibility at the time the initial application is filed or at the time the portable engine or equipment unit is changing to operational status. Where an initial evaluation is performed, switching from non-operational status to operational status requires notification in writing to the Executive Officer of the change in operational status and payment of all applicable fees prior to operation. Where no initial evaluation is performed, switching from non-operational status to operational status requires a complete application to be filed and approved by the Executive~~

Officer and payment of all applicable fees prior to operation. Within six months from the effective date of the regulation revisions, applications must be filed with the Executive Officer to change all registered non-operational engines and equipment units to operational status, or the registrations will be cancelled.

- (k) After the effective date of the regulation revisions, 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, ~~any current~~ district permits or registrations for registered portable engines or equipment units are preempted by the statewide registration and are, therefore, considered null and void, except for the following circumstances where a district permit may be required:
- (1) ~~for current district permits or registrations issued for 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) ~~for current district permits or registrations issued for 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 engine or equipment unit may obtain a district permit or registration for the location(s) where the statewide registration is not valid; or
  - (5) any engine or equipment unit that has been determined to cause a public nuisance as defined in Health and Safety Code Section 41700.

The portable engine or equipment unit may not be operated under both statewide registration and a district permit at any specific location.

- (m) When a registered engine or equipment unit has been purchased, the new owner shall submit a change of ownership application. 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.

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, 41755, Health and Safety Code.

§ 2454. Registration Process.

- (a) The Executive Officer shall make registration data available to the districts (e.g., on the Internet).
- (b) The Executive Officer may conduct an inspection of a 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 owner or operator of the registered portable engines or equipment units may operate within the boundaries of the State of California so long as such portable engines or equipment units comply with all applicable requirements of this article and any other applicable federal or 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, state or federal laws by the owner or operator of registered portable engines or equipment units. The Executive Officer will provide all districts with such information (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, 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 California or federal ambient air quality standards. The emissions from any one portable engine or equipment unit, exclusive of background concentration, shall not cause an exceedance of any ambient air quality standard. This paragraph shall not be construed as requiring portable engine or equipment unit operators to provide emission offsets for a portable engine or equipment unit registered under this article.
- (b) Portable 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 occurs, a portable engine or equipment unit operated during an emergency as defined in section 2452 (f) of this article, is considered registered under the requirements of this article for the duration of the emergency and is exempt from sections 2455, ~~through 2456, 2457, 2458, and~~ 2459 of this article for the duration of the emergency 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 under this provision exists. If the Executive Officer deems that an emergency 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 and failure to cease operation under notice of the Executive Officer is 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 equipment unit operates at a facility defined as a major source under 40 CFR 51.166 or 52.21, and
    - (A) the facility is located within 10 kilometers of a Class I area; or
    - (B) the portable equipment unit, operating in conjunction with other registered portable equipment units, operates at the 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 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-~~2~~39601, 41752-~~3~~, 41753, 41754, 41755, 43013(b) and 43018, Health and Safety Code. Reference: Sections 41750-~~1~~, 41751, 41752, 41753, 41754, 41755, Health and Safety Code.

#### § 2456. Engine Requirements

- (a) For TSE, no air contaminant shall be discharged 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)~~ A new nonroad engine rated less than 175 brake horsepower used in construction equipment as defined in 40 CFR Part 85, Subpart Q, section 85.1601 et seq. shall 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; comply with the applicable daily and annual emission limits contained in section 2456 (j) of this article; and is exempt from further requirements of this section.
- (eb) 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.
- (dc) To be registered in the Statewide Registration Program, a registered portable engine rated less than 50 brake horsepower shall 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, the engine shall comply with the applicable daily and annual emission limits contained in section 2456 (jg) of this article. No other requirements of this section are applicable to portable engines rated less than 50 brake horsepower.
- (ed) Portable engines registered under this article shall:
- (1) comply with the applicable daily and annual emission limits contained in section 2456 (jg) of this article;
  - (2) 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;
  - (3) not exceed particulate matter emissions concentration of 0.1 grain per standard dry cubic feet corrected to 12 percent CO<sub>2</sub>;
  - (4) 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;
  - ~~(5) for an engine manufactured before January 1, 1996, meet the applicable requirements of Table 1 for compression ignition engines or Table 2 for spark ignition engines;~~
  - ~~(6) for an engine manufactured on or after January 1, 1996, meet the most stringent emissions standard;~~

- (7) ~~except for an engine that qualifies as a resident engine, regardless of engine manufacture date, if registering on or after July 1, 2000, meet the most stringent emissions standards for the applicable brake horsepower range specified for California or federally certified newly manufactured engines; if no emissions standards exist, then the applicable requirements contained in Table 1 or Table 2 must be met;~~
- (85) 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. on or after July 1, 2001 December 31, 2005, except for change of ownership, applications filed for new registration or identical or equivalent replacement of a registered portable engine, meet the most stringent emissions standard;
- (96) 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 (resident 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); and. The requirements of this sub-section do not apply if the requirements of Title 13 CCR 93105.4 are satisfied;
- (97) after the effective date of this regulation revision, meet all applicable requirements in Title 13 CCR 93105; and
- (408) for the purpose of sub-sections (ed), (h), and (j), the most stringent emissions standard shall be the applicable emissions standard in effect at the time an application is deemed complete 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 applicable emissions standard set forth in 40 CFR Part 86 or 40 CFR Part 89 shall apply. If no standard exists under the California Code of Regulations 40 CFR Part 86, or 40 CFR Part 89, then the applicable requirements of 40 CFR part 1048 or Table 1 for compression-ignition engines or Table 2 for spark-ignition engines shall apply. Any engine meeting the most stringent emission standard, as defined above, is not subject to requirements (3) and (4) of sub-section (ed).
- (f) ~~Subject to Executive Officer approval, the owner or operator of a registered portable engine may obtain a temporary exemption, not to exceed 18 months in duration, except as provided in section 2456 (g), from daily and annual emission limits, and recordkeeping and reporting requirements, by submitting a compliance plan (in a format to be specified by prior agreement with the Executive Officer) to replace the existing portable engine with a newly manufactured engine or to modify the existing portable engine to satisfy the requirements that have been set for new engines under 40 CFR Part 89 or Title 13 of the California Code of~~

~~Regulations or for spark ignition engines that satisfy the more stringent of either an applicable emissions standard in effect at the time of application or the applicable emissions standard set forth in Table 2 of this regulation for nonresident engines. For the purposes of this section, a compliance plan shall include at a minimum:~~

- ~~(1) registration number of portable engine being replaced or modified;~~
- ~~(2) a schedule of increments of progress, which will be taken to replace or modify the registered portable engine;~~
- ~~(3) the proposed date of replacement or completion of modifications;~~
- ~~(4) the name of applicant, and a contact person including mailing address and telephone number;~~
- ~~(5) a brief description of typical portable engine use;~~
- ~~(6) newly manufactured portable engine description, including portable engine make, model, manufacture year, rated brake horsepower, emission control engine, and serial number;~~
- ~~(7) detailed description of proposed modifications, including make and model of any add-on equipment;~~
- ~~(8) all necessary engine engineering data, emissions test data, or manufacturer's emissions data to demonstrate compliance with the requirements as specified in section 2456; and~~
- ~~(9) the signature of person authorized to act on behalf of the applicant and date of the signature.~~

~~[Note: An owner or operator may revise a compliance plan by submitting a modified plan to the Executive Officer at least 30 calendar days prior to the date of replacing or modifying the portable engine. The modified compliance plan shall not extend the temporary exemption from daily and annual emission limits for the registered portable engine beyond the applicable time frame allowed. Misrepresentation of portable engine information in the compliance plan or failure to comply with an approved compliance plan may result in the registration being revoked and the owner or operator being subject to penalties.]~~

- ~~(g) At the discretion of the Executive Officer, the temporary exemption of section 2456 (f) may be increased to 24 months for applications to replace or modify 50 or more engines and 36 months for applications to replace or modify 100 or more engines. In order to keep the 24 month or 36 month temporary exemption, the owner or operator must demonstrate measurable progress toward replacement or modification. Measurable progress shall be defined as 40 percent of the total number of engines replaced or modified each year reaching full replacement or modification by the end of the exemption period. As proof of measurable progress, the owner or operator shall provide the Executive Officer an annual report, within 60 days after the end of each calendar year, to include the reporting~~

~~year, the number of engines replaced along with their registration numbers, and the number of engines modified along with their registration numbers.~~

- (he) 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 ~~time~~hour meters or fuel flow meters for purposes of complying with the requirements of section 2458.
- (f) Any registered portable engine that is subject to an hours of operation limitation shall be equipped with a non-resettable hour meter.
- ~~(i) Subject to Executive Officer approval, 4 degree injection timing retard is not required for compression ignition engines if it can be demonstrated that such modification is technologically infeasible, may cause potential engine damage, or cause an exceedance of a pollutant standard (e.g., opacity limit). The Executive Officer shall consider appropriate documentation, including, but not limited to: cost effectiveness studies or engineering analyses. The Executive Officer may grant exemptions or require reduced injection timing (e.g., 3, 2 or 1 degree) as determined appropriate on a case-by-case basis, for specific identical engines of the same make, model, model-year, and configuration.~~
- (jg) 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 (PM<sub>10</sub>);
  - (3) for registered portable engines operating onshore, 10 tons for each pollutant per district per year per engine for NO<sub>x</sub>, SO<sub>x</sub>, VOC, PM<sub>10</sub>, 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/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/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 resident engines operating in the South Coast Air Quality Management District (SCAQMD), 100 pounds nitrogen oxides (NOx) per project per day [An owner may substitute SCAQMD permit or registration limits in effect on or before September 17, 1997 (optional)];
- (6) ~~for nonresident engines~~, 100 pounds NOx per engine per day, except in SCAQMD where the limit is 100 pounds NOx 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.
- (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 ~~the more stringent of either the standards set forth in 40 CFR part 1048 an applicable emissions standard in effect at the time of application or the applicable emissions standard set forth in Table 21 of this regulation for nonresident engines~~, is exempt from the daily and annual emission limits specified above.
- (kh) Portable engines operated on a dredge shall ~~be subject to the emission controls and limits as follows:~~
- (1) ~~for resident dredge engines, meet section 2456 (de) requirements;~~
- (2) ~~for non resident dredge engines, meet the most stringent emissions standards for the applicable brake horsepower range specified for California or federally certified newly manufactured engines pursuant to 40 CFR Part 89 or Title 13 of the California Code of Regulations; and~~
- (3) ~~for all engines operated on a dredge, meet the most stringent emission standard pursuant to 40 CFR Part 89 or Title 13 of the California Code of Regulations by January 1, 2005.~~
- (li) 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.

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, 41755, Health and Safety Code.

Table 1 Compression Ignition Engine Requirements\*

Rated Brake Horsepower	Resident Engine	Non-resident Engine
50-116	810 ppmdv NO <sub>x</sub> (10.5 g/bhp-hr)** or turbocharger or 4 degree injection timing retard***	770 ppmdv NO <sub>x</sub> (10.0 g/bhp-hr)** or turbocharger and 4 degree injection timing retard***
117-399	770 ppmdv NO <sub>x</sub> (10.0 g/bhp-hr)** or turbocharger and aftercooler/intercooler or 4 degree injection timing retard***	550 ppmdv NO <sub>x</sub> (7.2 g/bhp-hr)** or turbocharger and aftercooler/intercooler and 4 degree injection timing retard***
400-749	550 ppmdv NO <sub>x</sub> (7.2 g/bhp-hr)** or turbocharger and aftercooler/intercooler or 4 degree injection timing retard***	535 ppmdv NO <sub>x</sub> (7.0 g/bhp-hr)** or turbocharger and aftercooler/intercooler and 4 degree injection timing retard***
750+	550 ppmdv NO <sub>x</sub> (7.2 g/bhp-hr)** or turbocharger and aftercooler/intercooler or 4 degree injection timing retard***	535 ppmdv NO <sub>x</sub> (7.0 g/bhp-hr)** or turbocharger and aftercooler/intercooler and 4 degree injection timing retard***

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

\*\* For the purpose of compliance with this article, ppmdv is parts per million NO<sub>x</sub> as NO<sub>x</sub> @ 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 35 percent efficient.

\*\*\* Requirements for 4 degree injection timing retard is not required where it can be demonstrated technologically infeasible to the satisfaction of the Executive Officer. (Refer to paragraph if)

Table 21 Spark-ignition Engine Requirements\*

Engine Status	Pollutant Emission Limits or Control Technology		
	NO <sub>x</sub> **	VOC**	CO**
Resident	213 ppmdv NO <sub>x</sub> (4.0 g/bhp-hr) or three-way catalyst*** or 15 lbs/day (except in the SCAQMD)	800 ppmdv VOC (5.0 g/bhp-hr) or three-way catalyst*** or 25 lbs/day (except in the SCAQMD)	17,600 ppmdv CO (200 g/bhp-hr) <sup>†</sup> or three-way catalyst*** or 550 lbs/day (except in the SCAQMD)
Non-Resident	80 ppmdv NO <sub>x</sub> (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.

\*\*\* The three-way catalyst must provide a minimum of 80 percent control of NO<sub>x</sub> and CO, and a minimum of 50 percent control of VOC.

<sup>†</sup> At the request of the Executive Officer, CO modeling may be required to demonstrate compliance with ambient air quality standards.

## § 2457. Requirements for Portable 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 ~~any single criteria pollutant~~  $PM_{10}$ ; and
  - (2) 82 pounds per project per day of  $PM_{10}$ .
  - (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 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 ~~to ensure~~ 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 ~~to ensure~~ 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;
  - (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) 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) 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 is 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, 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), (f), and (g):
- (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) the requirements for a temporary exemption pursuant to sections 2456 (f) or (g) of this article; or~~
  - ~~(3) for spark-ignition engines, the more stringent of an applicable emissions standard set forth in effect at the time of application 40 CFR part 1048 or set forth in Table 21 of section 2456 for nonresident engines.~~
- (b) Except for a rental business engines and TSE, the owner of a registered portable engine subject to operational limitations, including engines otherwise preempted under section 209 (e), or portable equipment unit shall maintain daily records for each registered portable engine and equipment unit. The daily records shall be maintained at a central place of business for ~~two~~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;
  - (3) the location(s) at which the portable engine or equipment unit was operated, identified by district, county, or specific location(s);
  - (4) for equipment units, the total process weight or throughput; and
  - (5) for engines that are subject to hours of operation limitations, either total fuel used in gallons per hour or day and an estimate of hours of operation, or actual hours of operation; and

~~(A) If recordkeeping of actual hours of operation is kept instead of fuel use records, then the engine shall be equipped with an operational and properly maintained non-resettable hour meter.~~

(6) for engines that are subject to fuel use limitations, total fuel used in gallons.

~~(B)~~ Daily fuel consumption mustshall 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 mustshall 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 mustshall 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 mustshall 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.

(c) The owner of a registered portable engine ~~or equipment unit~~ owned by a rental business and designated for the purpose of renting, shall maintain records for each transaction. The owner shall provide each person who rents the 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 engine ~~or equipment unit~~ of having received the above information, shall be maintained at a central location for ~~two~~ 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 engine ~~or equipment unit~~ registration number;
- (2) dates portable engine ~~or equipment unit~~ left and returned to a rental yard;
- ~~(3) location of operation, identified by district, county, or specific location(s);~~  
and
- (43) hours of operation for each rental period ~~and estimation of hours operated per day.~~

~~(d) Except for TSE, the owner of a registered portable engine or equipment unit 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 all of the following information:~~

- ~~(1) reporting year;~~
- ~~(2) for engines, quarterly summaries for each district or county of total fuel usage in gallons per quarter and an estimate of hours of operation, or total~~

hours of operation per quarter, for each portable engine or equipment unit;  
and

~~(3) for equipment units, quarterly summaries for each district or county of total process weight or throughput.~~

(ed) 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. ~~Any increase in the number of TSE at each military installation during the calendar year shall require the military installation to submit an application for registration for the additional TSE along with any applicable fees to the Executive Officer, within 60 days after the end of each calendar year.~~

(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, the owner or operator shall maintain a daily record that shall include the following:

(1) location; and

(2) month, day, and year of operation; and

(3) hours of operation.

(f) For each engine subject to the requirements of Title 13 California Code of Regulations section 93105, the owner shall keep records and submit reports in accordance with Title 13 California Code of Regulations section 93105.5:

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, 41755, Health and Safety Code.

§ 2459. Notification.

- (a) Except as listed in sub-section (f) of this section, if a registered portable engine or equipment unit will be in a district for more than five days, the owner or operator or renter (except as noted in (c) below), shall notify the district in writing, via facsimile, or by telephone, within two working days of commencing operations in that district. The notification shall include all of the following:
- (1) the registration number of the portable engine or equipment unit;
  - (2) the name and phone number of a contact person with information concerning the locations where the portable engine or equipment unit will be operated within the district; and
  - (3) estimated time the portable engine or equipment unit will be located in the district.
- (b) If the district has not been notified as required in paragraph (a), because the owner or operator did not expect the duration of operation in the district to trigger the notification requirement, the owner or operator or renter (except as noted in (c) below), shall notify the district within 12 hours of determining the portable engine or equipment unit will be operating in the district 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.
- (d) Owners and operators of TSE are not subject to notification requirements.
- (e) Except as listed in sub-section (f) of this section, owners and operators of registered portable engines or equipment units moving ~~into from one location to another location within the boundaries of~~ the designated "home" district are not subject to notification requirements, providing the home district is identified at the time of registration.
- (f) For STW projects, the owner and/or operator of such equipment ~~must~~ shall notify the corresponding onshore district in writing, via facsimile, or by telephone, 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 portable engine(s) or equipment unit(s);
  - (2) the name and phone number of a contact person with information concerning the locations where the portable engine(s) or equipment unit(s) will be operated within the district;

- (3) estimated time the portable engine(s) or equipment unit(s) will be located in the district; and
- (4) estimation of actual emissions expected for the project.

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, 41755, Health and Safety Code.

§ 2460. Testing.

- (a) In determining if a portable engine or equipment unit is eligible for registration, the Executive Officer may inspect a 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) After issuance of registration, the Executive Officer or district may at any time conduct an inspection of any registered portable engine or equipment unit in order to verify compliance with the requirements of this article. 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 portable engine for which there is no applicable emission standard, emission limit or other emission related requirement contained in this regulation.
- (c) Testing shall be conducted in accordance with the following methods or other methods approved by the Executive Officer:

<b><i>Particulate Matter:</i></b>	<b><i>ARB Test Method 5 <u>with probe catch and filter catch only</u></i></b>
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

- (d) Initial or follow-up source testing of engines to verify compliance with the requirements of this regulation shall not be required for 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.
- (e) The exemption provided in section 2460 (d) 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, 41755, Health and Safety Code.

#### § 2461. Fees.

- (a) 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 engine or equipment unit shall submit fees to the Executive Officer in accordance with Table 32.
- ~~(d) An owner or operator of a registered portable engine or equipment unit may, at time of renewal, change from operational to non-operational status by notifying the Executive Officer in writing and paying the applicable fee of \$45.00.~~
- ~~(ed) An owner or operator of a non-operational portable engine or equipment unit evaluated for registration eligibility at the time of registration shall be assessed a fee of \$60.00 at the time of application. Prior to switching from non-operational~~

to operational status, the owner or operator shall pay ~~a the applicable fee of \$30 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.~~

- ~~(f) An owner or operator of a non-operational portable engine or equipment unit not evaluated for registration eligibility at the time of registration shall be assessed a fee of \$30.00 at the time of application. Prior to switching from non-operational to operational, the owner or operator shall notify the Executive Officer by submitting an application including a fee of \$60.00. 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. Misrepresentation of portable engine or equipment unit information and failure to meet the requirements of this article may subject the owner or operator to revocation or suspension of registration and/or penalties under this article.~~
- (ge) A district may collect an enforcement inspection fee of ~~\$75.00 as listed in Table 2~~ one time per calendar year for each registered portable engine or equipment unit inspected. When multiple registered portable engines or equipment units are inspected at a given source, the district 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. ~~unless for reasonable cause~~ If the district performs an inspection leading to determination of non-compliance with this article, or any applicable state or federal requirements. In this instance, the district may charge \$75.00 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.
- ~~(h) If the registration is valid for more than three years, the renewal fee shall be the sum of the standard renewal fee of \$90.00 and a prorated fee of \$30.00 per year based on the number of years the registration exceeds three years.~~
- (if) Failure to pay renewal fees when due ~~may~~ shall result in penalties. If no fee payment is received ~~within 30 days of written notice and postmarked by the specified due date,~~ fee penalties ranging from ~~\$15.00 to \$45.00~~ shall be assessed per unit in accordance with Table 2. Failure to pay renewal fees prior to expiration within 90 days of written notice may ~~shall~~ result in cancellation of the registration. If a registration has expired for an engine or equipment unit that is eligible for reinstatement, a ~~Canceled~~ registration may be reinstated by reapplying for registration and after payment of all renewal and penalty fees ~~within 90 days of written notice of cancellation.~~ Registration shall 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.

- ~~(j) The Executive Officer may consolidate renewal fees by prorating the renewal fees of multiple registered portable engines and equipment units.~~
- (kg) 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.
- (lh) In lieu of section 2461 (g) 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.
- (i) TSE fees are due at the time of the report pursuant to section 2458 (d). 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.

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, 41755, Health and Safety Code.

**Table 32 Registration and Renewal Fees for Statewide Registration Program**  
 (Fees are per registered unit except where noted otherwise)

1	<u>Initial Registration</u>	\$90.00-270.00
2	<u>Tactical support equipment, initial registration</u>	
a	Registration of first 25 units (or portion thereof)	\$1,500.00-750.00
b	Registration of every additional 50 units (or portion thereof)	\$1,500.00-750.00
3	<u>Non-operational portable engines or equipment units</u>	
a	Without initial evaluation	\$30.00
b	With initial evaluation	\$60.00
43	<u>Change of status from non-operational to operational</u>	
a	Where initial evaluation has not been previously completed	\$60.00-180.00
b	Where initial evaluation has been previously completed	\$30.00-90.00
54	<u>Identical replacement</u>	\$15.00-75.00
6	<u>Equivalent replacement (treated as a new registration, fees are the same as above for new registration)</u>	
7	<u>Renewal</u>	
a5	Renewal <u>Every 3 years, non-TSE per registered portable engine or equipment unit</u>	\$90.00-225.00
b	<u>Pro-rated yearly per registered portable engine or equipment unit</u>	\$30.00
e	<u>Non-operational 3 years (prorated @ \$10/year) per registered portable engine or equipment unit</u>	\$30.00
d	<u>Change of status from operational to non-operational plus non-operational renewal</u>	\$45.00
8	<u>Renewal for tactical support equipment</u>	
a	<u>first 25 units (or portion thereof)</u>	\$750.00
b	<u>every additional 50 units (or portion thereof)</u>	\$750.00
96	<u>Penalty fee for late renewal payments, non-TSE per registered portable engine or equipment unit</u>	
a	<u>30-60 days after receiving renewal noticePostmarked within 2 calendar months prior to registration expiration date</u>	\$15.00-45.00
b	<u>60-90 days after receiving renewal noticePostmarked within the calendar month prior to registration expiration date</u>	\$30.00-90.00
c	<u>90 days after receiving renewal noticePostmarked after the registration expiration date</u>	\$45.00-250.00
7	<u>Annual TSE inventory fee</u>	
a	<u>first 25 units (or portion thereof)</u>	\$375.00
b	<u>every additional 50 units (or portion thereof)</u>	\$375.00
108	<u>Modification to registered portable engine or equipment unit</u>	\$15.00-75.00
119	<u>Change of ownership per registered portable engine or equipment unit</u>	\$15.00-75.00
1210	<u>Replacement of registration identification device</u>	\$10.00-30.00
11	<u>Correction to an engine or equipment unit description</u>	\$45.00
12	<u>Update company information, copy of registration documents</u>	\$45.00

<u>13</u>	<u>Copy of registration documents</u>	<u>\$45.00</u>
<u>134</u>	<u>District inspection fee per registered portable engine or equipment unit inspected</u>	<u>\$75.00</u>

\* When multiple registered portable engines or equipment units are inspected at a given source, the district inspection fee shall be equal to the lesser of the actual cost, including staff time, for conducting the inspection or \$75 per registered portable engine or equipment unit inspected.

§ 2462. Duration of registration.

- (a) ~~For registration applications received by September 17, 1998, the Executive Officer may issue registration valid for more than three years in order to evenly distribute future renewals.~~
- (ba) Except as provided for in section 2456(d)(6), for registrations issued the first year, registrations and renewals will be valid for three consecutive years from date of issuance.
- (eb) 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.

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, 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 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 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.
- (b) A registration holder 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 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 hearing officer shall consider the reasonable likelihood that the registration holder will prevail on the merits of the appeal and the harm the registration holder 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 if the stay is not granted.
  - (e) Once a registration has been suspended pursuant to (a) above, the holder of registration ~~must~~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 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, 41755, Health and Safety Code.

§ 2464. Appeals.

(a) Hearing Procedures

- (1) Any applicant for, or a holder of, registration whose application or 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 registration holder;
  - (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 hearing of a denial of registration, after reviewing the request for 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 certified shorthand reporter.
- (11) If a hearing is held, the hearing officer shall render a written decision within 30 working days from the last day of hearing. The hearing officer may do 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
  - (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 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.

(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 requestors 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 a written decision. 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.

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, 41755, Health and Safety Code.

#### § 2465. Penalties.

Violation of the provisions of this article may result in a nuisance, civil, and/or criminal violations which may result in imprisonment and/or fines as specified in the article and in the referenced sections of the California 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, 41755, Health and Safety Code.

~~§ 2466. Sunset Review.~~

~~Within five years from the effective date of adoption or date of implementation, which ever comes later, the Air Resources Board, in consultation with the Secretary for Environmental Protection, shall review the provisions of this article to determine whether it should be retained, revised, or repealed.~~

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

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice.

2. The second part outlines the procedures for handling discrepancies between the recorded amounts and the actual cash received. It suggests a systematic approach to identify the source of the error.

3. The third part provides a detailed breakdown of the monthly financial statements, including the income statement, balance sheet, and cash flow statement.

4. The final part concludes with a summary of the key findings and recommendations for improving the internal control system.

**Appendix B:**  
**INCREASED PROGRAM FEES**



## Appendix B

### INCREASED PROGRAM FEES

California Health and Safety Code Section 41752 authorizes the ARB to implement a fee schedule such that adequate income is received to administer the Statewide Portable Equipment Registration Program (PERP program). When the original Statewide Portable Equipment Registration Program Regulation (Statewide Regulation) became law, the fees were based on an estimated cost to the State to administer the Program. It was simply assumed that the time required to process each new unit would be 1.5 hours and each renewed unit would be 0.5 hours. This approach was too simplistic given the resources needed to fully process an application and the unique problems inherent to many applications, as well as to administer and manage a program consisting of such a diverse combination of units (includes various types of engines and equipment units) and requirements. Cost analyses conducted have revealed that the program is seriously underfunded when fees received and staff resources utilized have been considered using available data since the program began. Staff is proposing that the existing fee schedule be increased in an equitable manner such that the program fees will balance current and expected future program costs. The added workload that is expected to occur due to the implementation of the Portable Engine ATCM and the proposed PERP amendments has been taken into account in the proposed fee increase. It is important to note that no previous fee increase has occurred since the Statewide Regulation became effective in 1997.

A study of fees received and expenses incurred were developed that included information from the first five and one half years of the PERP program. It was shown that the program had received fees of about \$2.5 million dollars and the total expenses were about \$6 million dollars. This analysis indicated that even if the workload did not increase, the fees would need to increase by nearly two and one half times for the program to be sustainable. The study was continued by determining annual average fees received during the last three years of the program (thus includes only those years when renewal money was received). The three year average annual fee amount received was about \$0.5 million dollars. Future expenses were projected to be about 1.5 million dollars per year to account for expected growth in the PERP program and the proposed Portable Engine ATCM. As a result, the required annual income to match expenses needs to nearly triple. The fee schedule and the difficulty of each associated task was considered in determining the appropriate fee adjustment to achieve a sustainable program and is shown in the revised Table 2 from the Statewide Regulation and as Table 1 in this appendix.

The major proposed fee change is for new and renewed registrations. Both new and renewed registrations are currently \$90 for a three-year registration. Staff is proposing a new registration fee of \$270 for a three-year registration and a renewed registration fee of \$225 for a three-year period. (Although the effort required to process a submittal varies greatly, this translates to an overall program time requirement of nearly 4 hours per new unit and about 3 hours per renewed unit.) Some reduction in the cost of a renewal versus a new unit is now proposed as a renewal should be somewhat less difficult to process. It should be noted, though, that the proposed Portable Engine ATCM may require additional conditions for existing units and an associated increased processing time during renewal. The total processing time for a renewal may actually then be nearly the same as that for a new unit.

An increase is also proposed for the other fees on the schedule, except for initial registration of military TSE. Although the other fee amounts are considerably smaller than the initial and renewal fees, the percent increase may be higher. In evaluating the other fees, staff believes certain fees are presently set far too low when the revenues are compared to the resources needed to complete the necessary tasks. Examples are changes of ownership, modifications, and identical replacements, for which the fee is proposed to increase from \$15 to \$75 per unit. These types of applications are more than just an administrative function, as a written permit analysis is prepared and often extra time is needed to verify that what is being requested is indeed appropriate.

Another example is a unit with an expired registration that has been removed from the program but later wishes to reregister. Although all renewal late fees are proposed to increase, this particular late fee is proposed to increase the most, from \$45 to \$250 per unit. The proposal to significantly increase this late fee is not only intended to recover the costs of reactivating expired registrations, but also to institute an incentive for participants to pay their renewal fees on time.

Military TSE currently has a fee structure based on groups of units (or fleets) and renewal costs are one-half the cost of initial registration fee. In addition, military TSE has much simpler operational requirements than other units. Because of this and the fact that most TSE has already been registered, the initial military registration cost is not proposed to be increase. However, Staff does propose the equivalent to a 50% increase in renewal fees for the military TSE to cover the administrative costs associated with annual inventory list development and the renewal of the registration. In addition, a fundamental change in TSE fee payment is being proposed as to better accommodate both the required annual TSE inventory submittal and the required three-year registration period. For example, the initial fee for a new TSE source with less than 25 units is proposed to be \$750, instead of \$1500. Over a three-year period, though, the newly proposed annual inventory fee of \$375 would make the total amount received after three years the same (\$1500). Further, we are proposing to eliminate the

renewal fee and utilize the new annual inventory fee as a surrogate. This new fee will result in a 50% increase in fees over a three-year period. As an example, the source described above would currently be required to submit \$750 to renew for a three-year period. Three annual inventory fees of \$375 would result in a total three-year fee payment of \$1125.

Non-operational engine/equipment units are proposed to be phase out of the PERP program. Consequently, all of the fees associated with registration and renewal of these units are being deleted. Owners with non-operational units will be allowed to change their unit status to "Operational," and there will be fees charged of \$90 or \$180, depending on whether an initial evaluation had been performed. Finally, new fees have been added to cover minor administrative duties. These include correcting an engine or equipment unit description in the registration, updating the general company information with new documents, and supplying a copy of registration documents. The charge for each of these tasks is \$45. Also, fees for replacement of a registration identification device have increased from \$10 to \$30 to more accurately account for the resources involved in processing this request.

Even with the proposed fee increases, PERP registration will be considerably less costly to industry than permit fees required by the districts. A study of six districts indicated that the three year operating permit fee for a 300 hp engine ranges from \$330 to \$2112, perhaps higher if emission associated fees are included. Moreover, if permits in multiple districts are required, the total cost would be significantly higher.

**Table 3 1 Registration and Renewal Fees for Statewide Registration Program**  
 (Fees are per registered unit except where noted otherwise)

1	<u>Initial</u> Registration	\$80.00-270.00
2	Tactical support equipment, <u>initial registration</u>	
a	Registration of first 25 units (or portion thereof)	\$1,500.00-750.00
b	Registration of every additional 50 units (or portion thereof)	\$1,500.00-750.00
3	<del>Non-operational portable engines or equipment units</del>	
a	<del>Without initial evaluation</del>	<del>\$30.00</del>
b	<del>With initial evaluation</del>	<del>\$60.00</del>
43	Change of status from non-operational to operational	
a	Where initial evaluation has not been previously completed	\$60.00-180.00
b	Where initial evaluation has been previously completed	\$30.00-90.00
54	Identical replacement	\$15.00-75.00
6	<del>Equivalent replacement (treated as a new registration, fees are the same as above for new registration)</del>	
7	Renewal	
a5	<del>Renewal Every 3 years, non-TSE per registered portable engine or equipment unit</del>	<del>\$80.00-225.00</del>
b	<del>Pro-rated yearly per registered portable engine or equipment unit</del>	<del>\$30.00</del>
c	<del>Non-operational 3 years (prorated @ \$10/year) per registered portable engine or equipment unit</del>	<del>\$30.00</del>
d	<del>Change of status from operational to non-operational plus non-operational renewal</del>	<del>\$45.00</del>
8	Renewal for tactical support equipment	
a	first 25 units (or portion thereof)	\$750.00
b	every additional 50 units (or portion thereof)	\$750.00
96	Penalty fee for late <u>renewal</u> payments, <u>non-TSE</u> per registered portable engine or equipment unit	
a	<del>30-60 days after receiving renewal notice</del> Postmarked within 2 calendar months prior to registration expiration date	<del>\$15.00-45.00</del>
b	<del>60-90 days after receiving renewal notice</del> Postmarked within the calendar month prior to registration expiration date	<del>\$30.00-90.00</del>
c	<del>90 days after receiving renewal notice</del> Postmarked after the registration expiration date	<del>\$45.00-250.00</del>
7	Annual TSE inventory fee	
a	first 25 units (or portion thereof)	\$375.00
b	every additional 50 units (or portion thereof)	\$375.00
408	Modification to registered portable engine or equipment unit	\$15.00-75.00

<u>449</u>	<del>Change of ownership per registered portable engine or equipment unit</del>	<del>\$15.00-75.00</del>
<u>4210</u>	Replacement of registration identification <u>device</u>	<del>\$10.00</del> <u>30.00</u>
<u>11</u>	<u>Correction to an engine or equipment unit description</u>	<u>\$45.00</u>
<u>12</u>	Update company information, copy of registration documents	<u>\$45.00</u>
<u>13</u>	<u>Copy of registration documents</u>	<u>\$45.00</u>
<u>134</u>	District inspection fee per registered portable engine or equipment unit inspected	<u>\$75.00</u>

\* When multiple registered portable engines or equipment units are inspected at a given source, the district inspection fee shall be equal to the lesser of the actual cost, including staff time, for conducting the inspection or \$75 per registered portable engine or equipment unit inspected.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice.

2. The second part outlines the procedures for handling discrepancies between the recorded amounts and the actual cash received. It suggests a systematic approach to identify the source of the error.

3. The final section provides a checklist for the monthly reconciliation process, ensuring that all accounts are balanced and any outstanding items are properly accounted for.

**Appendix C**  
**ECONOMIC IMPACT ANALYSIS**



<b>Table 1 - Total Fee Increase Attributed to Amendments to the PERP Regulation</b>	
<b>Cumulative Impact (Assumes 5-Year Life + One-Time Costs)</b>	
Cumulative Impact From Renewal And Administration Fee Increase	\$1,385,000
Cumulative Impact From Obtaining a District Permit	\$415,000
Cumulative Impact From Hour Meter Installation	\$79,000
Cumulative Impact From Non-Operational Registration	\$30,000
Cumulative Impact From Recordkeeping	\$301,000
<b>Total Fee Increase Attributed to Amendments to the PERP Regulation</b>	<b>\$2,210,000</b>
<b>Breakout of Impacts:</b>	
<b>Businesses:</b>	
Cumulative Impact From Renewal And Administration	\$984,000
Cumulative Impact From Obtaining a District Permit	\$295,000
Cumulative Impact From Hour Meter Installation	\$56,000
Cumulative Impact From Non-Operational Registration	\$21,000
Cumulative Impact From Recordkeeping	\$214,000
<b>Total Cumulative Impact - Businesses</b>	<b>\$1,570,000</b>
<b>Total Cumulative Impact - Small Businesses</b>	<b>\$1,099,000</b>
<b>State Agencies:</b>	
Cumulative Impact From Renewal And Administration	\$17,000
Cumulative Impact From Obtaining a District Permit	\$5,000
Cumulative Impact From Hour Meter Installation	\$1,000
Cumulative Impact From Non-Operational Registration	<\$1,000
Cumulative Impact From Recordkeeping	\$4,000
<b>Total Cumulative Impact - State Agencies</b>	<b>\$27,000</b>
<b>Local Agencies:</b>	
Cumulative Impact From Renewal And Administration	\$48,000
Cumulative Impact From Obtaining a District Permit	\$14,000
Cumulative Impact From Hour Meter Installation	\$3,000
Cumulative Impact From Non-Operational Registration	\$1,000
Cumulative Impact From Recordkeeping	\$10,000
<b>Total Cumulative Impact - Local Agencies</b>	<b>\$76,000</b>

<b>Table 1 - Total Fee Increase Attributed to Amendments to the PERP Regulation (Cont.)</b>	
<b>Federal Agencies:</b>	
Cumulative Impact From Renewal And Administration	\$336,000
Cumulative Impact From Obtaining a District Permit	\$101,000
Cumulative Impact From Hour Meter Installation	\$19,000
Cumulative Impact From Non-Operational Registration	\$7,000
Cumulative Impact From Recordkeeping	\$73,000
<b>Total Cumulative Impact - Federal Agencies</b>	<b>\$536,000</b>

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

1	Initial Registration	\$90.00	\$270.00
2	Tactical Support Equipment Initial Registration		
A	Registration of first 25 units (or portion thereof)	\$1500.00	\$1500.00
B	Registration of every additional 50 units (or portion thereof)	\$1500.00	\$1500.00
3	<del>Non-operational portable engines or equipment units</del>		
A	<del>Without initial evaluation</del>	\$30.00	
B	<del>With initial evaluation</del>	\$60.00	
4 3	Change of status from non-operational to operational		
A	Where initial evaluation has not been previously completed	\$60.00	\$180.00
B	Where initial evaluation has been previously completed	\$30.00	\$90.00
5 4	Identical Replacement	\$15.00	\$75.00
6	Equivalent replacement (treated as a new registration, fees are the same as above for new registration)	\$90.00	
7 5	Renewal every 3 years		\$225.00
A	<del>Every 3 years per registered portable engine or equipment unit</del>	\$90.00	
B	<del>Pro-rated yearly per registered portable engine or equipment unit</del>	\$30.00	
C	<del>Non-operational 3 years (prorated @ \$10/year) per registered portable engine or equipment unit</del>	\$30.00	
D	<del>Change of status from operational to non-operational plus non-operational renewal</del>	\$45.00	
8 6	Renewal for tactical support equipment every 3 years		
A	Renewal of first 25 units (or portion thereof)	\$750.00	\$1125.00
B	Renewal of every additional 50 units (or portion thereof)	\$750.00	\$1125.00
9 7	Penalty fee for late renewal payments per registered portable engine or equipment unit		
A	30-60 days after receiving renewal notice Postmarked within 2 calendar months prior to registration expiration date	\$15.00	\$45.00
B	60-90 days after receiving renewal notice Postmarked within the calendar month prior to registration expiration date	\$30.00	\$90.00
C	90 days after receiving renewal notice Postmarked after registration expiration date	\$45.00	\$250.00
40 8	Modification to registered portable engine or equipment unit	\$15.00	\$75.00
44 9	Change of ownership per registered portable engine or equipment unit	\$15.00	\$75.00
42 10	Replacement of registration identification device	\$10.00	\$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
43 14	District inspection fee per registered portable engine or equipment unit inspected	\$75.00	\$75.00

<b>Table 3 - Administrative and Renewal Fee Cost Analysis</b>						
<b>ADMINISTRATIVE FEE INCREASE:</b>	<b># OF UNITS AFFECTED PER YEAR</b>			<b>3 Yr-Average</b>	<b>New Fee</b>	<b>(w/proposed fees)</b>
	<b>2002</b>	<b>2001</b>	<b>2000</b>			
Change of Ownership	221	167	257	215	\$75	\$16,125
Company Information Update	14	2	24	13	\$45	\$585
Correction on Certificate or Operating Conditions	7	13	15	12	\$45	\$540
Identical Replacement	41	109	49	67	\$75	\$5,025
Modification to Engine or Emissions Controls	35	142	166	114	\$75	\$8,550
Modification to Equipment or Emissions Controls	17	4	3	8	\$75	\$600
Sticker Replacement Request	116	76	46	79	\$30	\$2,370
<b>Total Proposed Administrative Fees:</b>						<b>\$33,795</b>
Total Proposed Administrative Fees	\$33,795					
3 Year annual Average Administrative Fees Received	\$8,627					
<b>Total ADMINISTRATIVE FEE INCREASE:</b>	<b>\$25,168</b>					

<b>Table 3 - Administrative and Renewal Fee Cost Analysis (Continued)</b>						
<b>RENEWAL FEE INCREASE:</b>	<b># Of UNITS RENEWED PER YEAR</b>			<b>3-yr Average</b>	<b>New Fee</b>	<b>(w/proposed fees)</b>
	<b>2002</b>	<b>2001</b>	<b>2000</b>			
Engine Renewal (Does Not Include TSE)	1,343	2,136	1,496	1,658	\$225	\$373,050
Equipment Renewal (Does Not Include TSE)	161	191	16	123	\$225	\$27,675
<b>Total</b>						<b>\$400,725</b>
<b>TSE:</b>	<b>TSE-\$ RECEIVED FOR RENEWAL PER YEAR</b>					
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>3-yr Average</b>		
TSE *Increase Based On 1.5 Times 3Yr Annual Average	\$32,147	\$31,942	\$15,000	\$26,363	1.5X	\$39,545
<b>Total Proposed Renewal Fees:</b>						<b>\$440,270</b>
<b>Total Proposed Renewal Fees</b>	<b>\$440,269</b>					
<b>3 yr Annual Average Renewal Fees Received</b>	<b>\$188,533</b>					
<b>TOTAL RENEWAL FEE INCREASE:</b>	<b>\$251,736</b>					
<b>TOTAL ANNUAL IMPACT FROM PROPOSED FEE INCREASE:</b>						
Administrative Fee Increase:	\$25,168					
Renewal Fee Increase	\$251,736					
<b>TOTAL ANNUAL IMPACT FROM PROPOSED FEE INCREASE:</b>	<b>\$276,904</b>					
<b>CUMULTIVE IMPACT FROM PROPOSED FEE INCREASE (5 YEARS)</b>	<b>\$1,384,520</b>					

<b>Table 4 - Obtaining a District Permit Cost Analysis</b>	
Number of Active Engines and Equipment Private	15,739
Number of Active Engines and Equipment State	270
Number of Active Engines and Equipment Local	769
Number of Active Engines and Equipment Federal	5,368
<b>Total Active Engines and Equipment</b>	<b>22,146</b>
Number of Private Businesses	1,205
Number of Small Businesses	844
Number of State Agencies	9
Number of Local Agencies	103
Number of Federal Agencies	41
# of Engines/Equipment (0.5% Must Get Permits - Private)	79
# of Engines/Equipment (0.5% Must Get Permits - State)	1
# of Engines/Equipment (0.5% Must Get Permits - Local)	4
# of Engines/Equipment (0.5% Must Get Permits - Federal)	27
Assumed Cost for Permitting	\$750
Assumed Cost for Renewal	\$750
Average Cost for Permitting - Private (0.5%)	\$59,021
Average Cost for Permitting - State (0.5%)	\$1,013
Average Cost for Permitting - Local (0.5%)	\$2,884
Average Cost for Permitting - Federal (0.5%)	\$20,130
<b>Total Average Annual Cost for Permitting:</b>	<b>\$83,048</b>
Average Cost for Renewal - Private (0.5%)	\$59,021
Average Cost for Renewal - State (0.5%)	\$1,013
Average Cost for Renewal - Local (0.5%)	\$2,884
Average Cost for Renewal - Federal (0.5%)	\$20,130
<b>Total Average Annual Cost for Renewal:</b>	<b>\$83,048</b>
<b>Total Cumulative Impacts from District Permitting and Renewal (5-Years):</b>	
<b>Total Cumulative Impact Private</b>	<b>\$295,106</b>
<b>Total Cumulative Impact State</b>	<b>\$5,063</b>
<b>Total Cumulative Impact Local</b>	<b>\$14,419</b>
<b>Total Cumulative Impact Federal</b>	<b>\$100,650</b>
<b>Total Cumulative Impact From District Permitting and Renewal</b>	<b>\$415,238</b>

<b>Table 4 - Obtaining a District Permit Cost Analysis (CONTINUED)</b>	
<b><u>Breakout of Costs:</u></b>	
<b>Impacts to Small and Typical Businesses:</b>	
Average One-Time Cost Impact Small Business	\$0
Average Annual Cost Impact Small Business	\$41,314.88
Average One-Time Cost to a Small Business:	
Average Annual Cost to a Small Business	\$0 - \$3,750
<b>Total Cumulative Impact From District Permitting and Renewal - Small Business (5 Years)</b>	<b>\$206,574</b>
Average One-Time Cost to a typical Business	
Average Annual Cost to a typical Business	\$0
<b>Total Cumulative Impact From District Permitting and Renewal - Typical Business (5 Years)</b>	<b>\$295,106</b>

**Table 5 : District Survey For Permitting Portable Engines**

District	Unit	Initial Fee	Annual Renewal	3 Year Total
YSAQMD	IC Engine 50-249 bhp	\$288	\$144	\$576
	IC Engine 250-499 bhp	576	288	\$1152
	Portable Equipment (Rule 3.3)	200	150	\$500
SDAPCD	Portable Engine	363	125	\$613
	Portable Equipment (Rule 12.1)	200	150	\$500
SJVUAPCD	Portable Equipment (Rule 3150)	150	90	\$330
SACQMD	IC Engine 50-249 bhp	506	253	\$1012
	IC Engine 250-499 bhp	1056	528	\$2112
	IC Engine 499-999 bhp	2024	1012	\$4048
SCAQMD	IC Engine 51-500 bhp	1370	195	\$1760
	IC Engine >500 bhp	2167	701	\$3569
	Concrete Batch Plant (Rule 2100)	2167	701	\$3569
PERP	Concrete Batch Plant	270	-	\$270
	IC Engine	270	-	\$270
Some districts may add additional fees for complex applications. Some districts may add emission rate fees.				

<b>Table 6 - Recordkeeping Cost Analysis</b>	
<b># of Generators</b>	<b>6,013</b>
<b>Cost for Recordkeeping per engine</b>	<b>\$100</b>
<b>Assumed Number of Engines used for Emergency Electrical Generation</b>	<b>601</b>
<b>Total Cost For Recordkeeping</b>	<b>\$60,100</b>
<b>Total Number of Units Currently Registered</b>	<b>22146</b>
<b>State Entity Registered Units</b>	<b>270</b>
<b>Local Entity Registered Units</b>	<b>769</b>
<b>Federal Entity Registered Units</b>	<b>5368</b>
<b>Private Business Units</b>	<b>15739</b>
<b>% State Units</b>	<b>1.22</b>
<b>% Local Units</b>	<b>3.47</b>
<b>% Federal Units</b>	<b>24.24</b>
<b>% Private Business Units</b>	<b>71.07</b>
<b>% Small Business Units</b>	<b>70</b>
<b>Total Annual Impact Small Business</b>	<b>\$29,899</b>
<b>Total Cumulative Impact Small Business (5 Years)</b>	<b>\$149,494.20</b>
	<b>Annual Cost</b>
<b>Annual Impact State</b>	<b>\$733</b>
<b>Annual Impact Local</b>	<b>\$2,087</b>
<b>Annual Impact federal</b>	<b>\$14,568</b>
<b>Annual Impact Private Business</b>	<b>\$42,713</b>
<b>Total Impact</b>	<b>\$60,100</b>
<b>Total Recordkeeping Cumulative Impact (5 Years)</b>	<b>\$300,500</b>

<b>Table 7 - Non-Operational Units Cost Analysis</b>	
# of units with engineering analysis	4
# of units without engineering analysis	50
Cost to register unit with Engineering analysis	\$90
Cost to register unit without Engineering analysis	\$180
Cost to Renew	\$225
Total cost to Register non-operational units	\$9,360
% State Units	1.22
% Local Units	3.47
% Federal Units	24.24
% Private Business Units	71.07
% Small Business Units	70
	<b>One-Time Cost</b>
One-Time Impact- State	\$114
One-Time Impact- Local	\$325
One-Time Impact- Federal	\$2,269
One-Time Impact- Business	\$6,652
<b>Total One-Time Non-Operational Impact</b>	<b>\$9,360</b>
<b>Renewal Fees (\$75/year x 5 years)</b>	<b>\$20,250</b>
Annual Impact - State	\$247
Annual Impact - Local	\$703
Annual Impact - Federal	\$4,908
Annual Impact - Business	\$14,392
<b>Total Non-Operational Impact Cumulative (5Yrs) - State</b>	<b>\$361</b>
<b>Total Non-Operational Impact Cumulative (5Yrs) - Local</b>	<b>\$1,028</b>
<b>Total Non-Operational Impact Cumulative (5Yrs) - Federal</b>	<b>\$7,177</b>
<b>Total Non-Operational Impact Cumulative (5Yrs) - Business</b>	<b>\$21,044</b>
<b>Total Non-Operational Impact Cumulative (5Yrs)</b>	<b>\$29,610</b>

<b>Table 8 - Hour Meter Cost Analysis</b>	
# of Generators	6,013
# of Generators with Hour Meters	5,199
# of Generators without Hour Meters	814
Cost for Hour Meter (with installation)	\$195
# of hour meters needed (Assumed 50%)	407
<b>Total Cost For Hour Meters</b>	<b>\$79,365</b>
% State Units	1.22
% Local Units	3.47
% Federal Units	24.24
% Private Business Units	71.07
% Small Business Units	70
	<b>One-Time Cost</b>
One-Time Impact- State	\$968
One-Time Impact- Local	\$2,756
One-Time Impact- Federal	\$19,237
One-Time Impact- Private Business	\$56,404
<b>Total Hour-Meter Cumulative Impact</b>	<b>\$79,365</b>
Total One-Time Impact Small Business	\$39,483

Table 9 - Breakout of Costs								
	Small Business			Typical Business				
	State	Local	Total	Low Estimate	High Estimate	Total	Low Estimate	High Estimate
Permit Fees	(all agencies)	(all agencies)	(all businesses)	(per business)	(per business)	(all businesses)	(per business)	(per business)
One Time	\$0	\$0	\$0	\$0		\$0		\$0
Annual	\$1,013	\$2,884	\$41,315	\$0	\$3,750	\$59,021	\$0	\$1,500
Total Program (5 Years)	\$5,063	\$14,419	\$206,574			\$295,106		
<b>Renewal and Admin</b>								
One Time	\$0	\$0	\$0	\$0		\$0		\$0
Annual	\$3,376	\$9,615	\$137,756	\$160	\$360	\$196,794	\$830	\$1,830
Total Program (5 Years)	\$16,880	\$48,076	\$688,780			\$983,968		
<b>Recordkeeping</b>								
One Time	\$0	\$0	\$0	\$0		\$0		\$0
Annual	\$733	\$2,087	\$29,899	\$0	\$500	\$42,713	\$1,000	\$3,000
Total Program (5 Years)	\$3,665	\$10,435	\$149,495			\$213,565		
<b>Hour Meters</b>								
One Time	\$968	\$2,756	\$39,483	\$0	\$975	\$56,404	\$0	\$5,850
Annual	\$0	\$0	\$0	\$0		\$0		\$0
Total Program (5 Years)	\$968	\$2,756	\$39,483			\$56,404		
<b>Non-Operational Units</b>								
One Time	\$114	\$325	\$4,656	\$0	\$180	\$6,652	\$0	\$360
Annual	\$246	\$700	\$10,074	\$0	\$75	\$14,392	\$0	\$150
Total Program (5 Years)	\$360	\$1,025	\$14,730			\$21,044		
	Low	High						
A Small Business Initial	\$0	\$1,155						
A Typical Business Initial	\$0	\$6,210						
A Small Business Annual	\$160	\$4,685						
A Typical Business Annual	\$1,830	\$6,480						
Lifetime Cost Business	\$1,570,087							
Lifetime Cost Small Business	\$1,099,062							
Small Business annual cost for lifetime of Regulation (Lifetime cost/5)	\$219,812							
Local Annual	\$15,611							
State Annual	\$5,482							

**Appendix D:**

**List of Acronyms and Abbreviations**

*[Faint, illegible text or markings]*

## LIST OF ACRONYMS AND ABBREVIATIONS

AB	Assembly Bill
ARB or Board	Air Resources Board
ARB staff or Staff	Air Resources Board staff
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
Diesel PM	Diesel Particulate Matter
Districts	Air Pollution Control Districts or Air Quality Management Districts
DOF	Department of Finance
g/bhp-hr	Grams per brake horsepower-hour
HSC	California Health and Safety Code
ISOR	Initial Statement of Reasons
LAER	Lowest Achievable Emission Rate
NMHC	Non-methane hydrocarbons
NOx	Oxides of nitrogen
NSR	New Source Review
PERP program	Statewide Portable Equipment Registration Program
PM	Particulate matter
Portable Engine ATCM	Proposed Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Greater than 50 Horsepower
ROG	Reactive organic gases
SB	Senate Bill
SIP	State Implementation Program
Statewide Regulation	Statewide Portable Equipment Registration Program Regulation
TACs	Toxic Air Contaminants
TSE	Tactical support equipment
U.S. EPA	United States Environmental Protection Agency
Workgroup	Portable Equipment Workgroup

