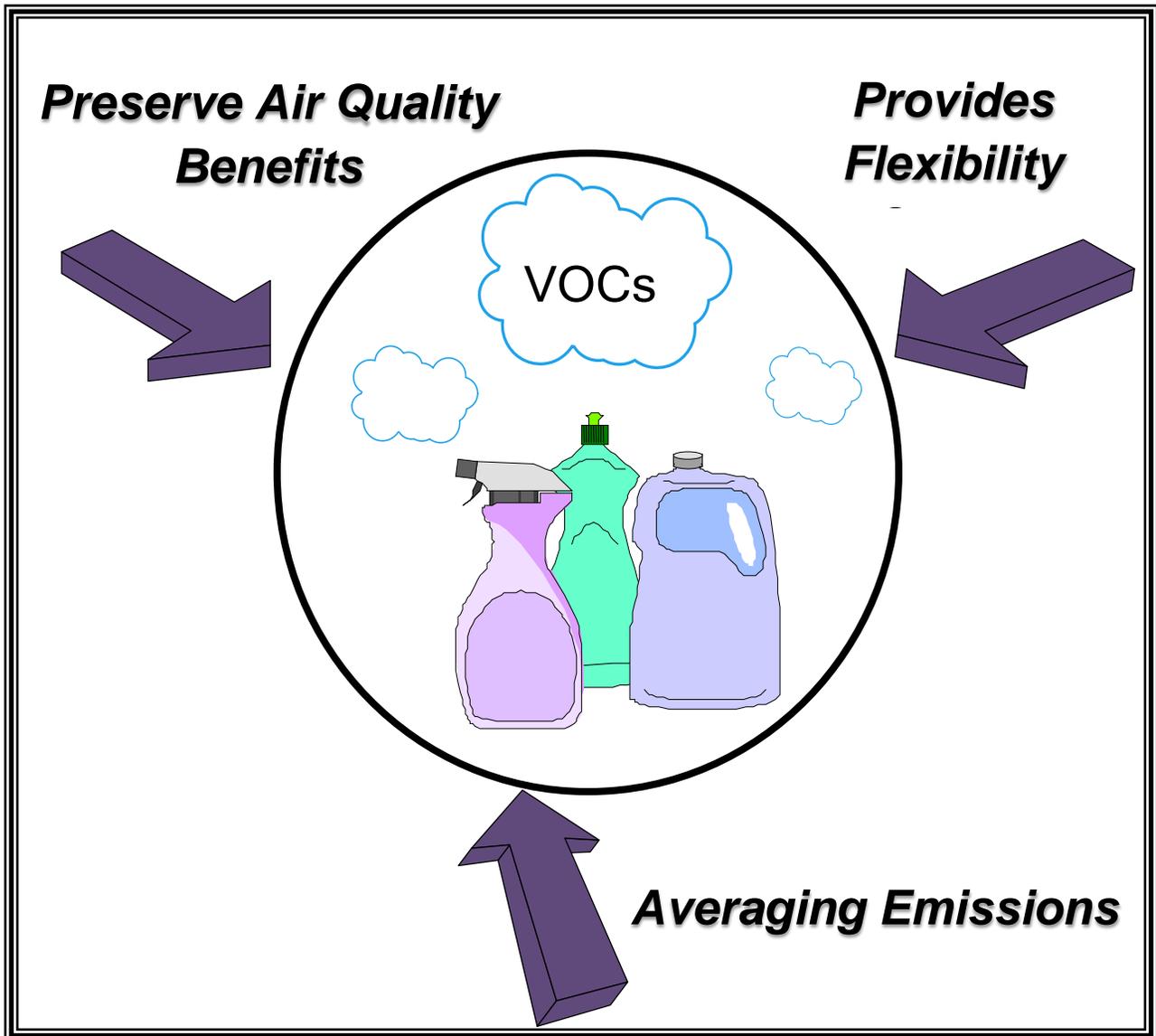


California Environmental Protection Agency

 **Air Resources Board**

**ALTERNATIVE CONTROL PLAN  
APPLICATION AND COMPLIANCE REPORT GUIDANCE**



## **Legal Disclaimer**

Air Resources Board's Consumer Products regulations, Sections 94500-94555 (title 17, California Code of Regulations), is a series of regulations that sets Volatile Organic Compound (VOC) limits for numerous product categories. ARB staff has prepared the Alternative Control Plan Application Guidance Document (Guidance Document) to describe the application process in a user-friendly format. Unlike the regulation itself, the Guidance Document does not have the force of law. It is not intended to and cannot establish new requirements beyond those that are already in the regulation, and it does not supplant, replace or amend any of the legal requirements of the regulations. Conversely, any omission or truncation of regulatory requirements found within this Guidance Document does not relieve a person of the legal obligation to fully comply with all requirements of the regulations.

## Table of Contents

<b><u>Introduction</u></b>	<b><u>Page</u></b>
I. Alternative Control Plans and Compliance Reports .....	1

<b><u>Alternative Control Plan</u></b>	<b><u>Page</u></b>
I. <u>General Information</u> .....	2
1. What is an Alternative Control Plan? .....	2
2. Why is the ACP Regulation part of the Consumer Products Program?.....	2
3. What are the advantages of having an Alternative Control Plan? .....	2
4. What are the possible uses for an Alternative Control Plan? .....	3
5. What can happen under an Alternative Control Plan? .....	3
II. <u>Application Procedure</u> .....	4
1. How do I apply for an Alternative Control Plan? .....	4
2. What do I include in my application? .....	4
3. What kind of supporting documentation is needed? .....	4
4. Can my application include more than one product? .....	5
III. <u>Processing of Applications</u> .....	6
1. What happens after my application is received by ARB? .....	6
IV. <u>Post Approval</u> .....	7
1. What if the formulation is changed? .....	7
2. What happens if the VOC standard changes? .....	7

## Table of Contents (Cont'd)

	<b><u>Page</u></b>
V. <u>Compliance Report</u> .....	8
1. What should be included in an Annual Compliance Report? .....	8
2. How do I submit a Compliance Report? .....	10
3. What happens after my Compliance Report is received by ARB? .....	10

### **Appendix**

Compliance Report Template (see accompanying Excel file on ACP home page:  
<http://www.arb.ca.gov/consprod/regact/acp/acp.htm>)

## INTRODUCTION

### **ALTERNATIVE CONTROL PLANS AND COMPLIANCE REPORTS**

The California Air Resources Board (ARB or the "Board") has adopted four consumer products regulations. These regulations are the Regulation for Reducing Volatile Organic Compound Emissions from Antiperspirants and Deodorants (Antiperspirants and Deodorants Regulation, title 17, California Code of Regulations (CCR), Sections 94500-94506.5), the Regulation for Reducing Volatile Organic Compound Emissions from Consumer Products (Consumer Products Regulation, title 17, CCR, Sections 94507-94517), the Regulation for Reducing Volatile Organic Compound Emissions from Aerosol Coating Products (Aerosol Coating Products Regulation, title 17, CCR, Sections 94520-94528), and the Alternative Control Plan (ACP) Regulation for Consumer Products and Aerosol Coating Products (ACP Regulation, title 17, CCR, Sections 94540-94555). The current regulations are available at <http://www.arb.ca.gov/consprod/regs/regs.htm>.

The purpose of this Guidance Document is to provide general guidance in applying for an ACP and completing an ACP Compliance Report. The ACP Regulation allows an alternative to compliance with the Volatile Organic Compound (VOC) percent by weight content standards. This compliance flexibility differs from the traditional "command and control" approach where performance standards such as VOC content limits must be met for each individual product. To better understand this regulation and the application process, this Guidance Document has been prepared. Sections II through IV in the Alternative Control Plan Sections, provide a series of questions and answers (Q & As) to the most commonly asked questions about the ACP.

Applicants with an Alternative Control Plan (ACP) approved by ARB are required to submit a yearly compliance report for products sold during the calendar year. Compliance periods and dates are agreed upon by both the applicant and ARB staff during the application process. Once agreed upon, the dates are added to the ACP Executive Order (EO). The compliance report includes the VOC content and enforceable sales data for all ACP products outlined. This document is also designed to assist in providing a better understanding of how the Compliance Report fits into the ACP. Section V provides a series of Q & As on submitting and processing a Compliance Report.

If there are any questions about the information in this document or the language in the ACP regulation, you are encouraged to contact **Terri Edwards, Implementation Section, Consumer Products and Air Quality Assessment Branch**, Air Quality Planning and Science Division, at (916) 445-3238, or [teresa.edwards@arb.ca.gov](mailto:teresa.edwards@arb.ca.gov).

## ALTERNATIVE CONTROL PLAN SECTION I

### GENERAL INFORMATION

#### 1. **WHAT IS AN ACP?**

An ACP is a plan that offers the Responsible Party an alternative to comply with the VOC limits in the Table of Standards in section 94509 (a) of the Consumer Products Regulation. Per section 94542 (a)(6) of the ACP Regulation, an ACP means “any emissions averaging program approved by the Executive Officer pursuant to the provisions of this article”. Additionally, ACP emissions, per section 94542 (a)(1) is defined as, “ the sum of VOC emissions from every ACP product subject to an Executive Order approving an ACP, during the compliance period specified in the Executive Order...”

Under the existing regulations, the Responsible Party of two noncomplying products would have to reformulate both products to comply with each individual VOC standard. However, under the ACP, the manufacturer could retain the current formulation of the first product and reformulate the second product below its VOC standard. An ACP can have both complying and noncomplying products, because it is an emissions averaging program approved by the Executive Officer pursuant to provisions in the ACP regulation.

#### 2. **WHY IS THE ACP REGULATION PART OF THE CONSUMER PRODUCTS PROGRAM?**

The ACP Regulation was included in the Consumer Products Program to provide compliance flexibility for the Responsible Party. ARB realizes that there may be some cases where there could be a product with VOC content above the VOC standard that could be offset by a complying product, which could result in overall lower emissions. The ACP process provides the Responsible Party with the opportunity to market otherwise noncomplying and complying products as long as they are listed in an approved ACP.

#### 3. **WHAT ARE THE ADVANTAGES OF HAVING AN ACP?**

This compliance option is a voluntary one that allows Responsible Parties to choose which products they wish to reformulate. Also, in many cases, Responsible Parties may create ACP products that lower the VOC product content below the minimum VOC limits, which may result in greater emission reductions. In cases where there are excess reductions, a Responsible Party may receive surplus credits that can be retired for an environmental benefit.

**4. WHAT ARE THE POSSIBLE USES FOR AN ACP?**

The ACP option gives the Responsible Party a choice when determining which products will be the most cost effective to reformulate. The ACP also preserves the product line and can provide additional time to reformulate non-complying products.

**5. WHAT CAN HAPPEN UNDER AN ACP?**

There are three different scenarios that can occur under the ACP. The table below describes each scenario:

Scenario	ACP Emissions Cap	Compliance
First Scenario	ACP Products emissions equal to set emissions cap	ACP is in compliance
Second Scenario	ACP Products emissions are less than set emissions cap	ACP is in compliance and generating surplus emissions credits.
Third Scenario	ACP Products emissions are more than set emissions cap	ACP is out of compliance, and will need to activate shortfall plan.

## ALTERNATIVE CONTROL PLAN SECTION II

### APPLICATION PROCEDURE

#### 1. HOW DO I APPLY FOR AN ACP?

A Responsible Party must apply for the ACP by supplying data demonstrating that the product meets the requirements of the ACP Regulation provisions in section 94543 of the ACP Regulation.

The Responsible Party should send an application to the address below, or email to [csmrprod@arb.ca.gov](mailto:csmrprod@arb.ca.gov):

Implementation Section  
Consumer Products and Air Quality  
Assessment Branch  
Air Quality Planning and Science Division  
California Air Resources Board  
P. O. Box 2815  
Sacramento, CA 95812  
ATTN: ACP Application

#### 2. WHAT DO I INCLUDE IN MY APPLICATION?

An application form and specific instructions for the ACP application is available at: <http://www.arb.ca.gov/consprod/regact/acp/acp.htm>. In addition, section 94543 of the ACP Regulation further outlines the application requirements.

#### 3. WHAT KIND OF SUPPORTING DOCUMENTATION IS NEEDED?

As stated, section 94543 provides a list of the required documents. The following are descriptions of some of the important documents that must be included with the ACP application.

1. Enforceable Sales Information: means the total amount of an ACP product sold for use in California, during the applicable compliance period specified in the ACP Executive Order, as determined through enforceable sales records (expressed to the nearest pound, excluding product container and packaging).
2. Methodology for CA Gross Sales: means the estimated total California sales of an ACP product during a specific compliance period (expressed

to the nearest pound), based on either apportionment of national or regional sales of the ACP product to California sales or any other documented method which provides an accurate estimate of the total current California sales of the ACP product.

3. Computer Query Printouts: a screenshot of the computer query used to generate sales report.
4. Copies of Labels: entire label (front, back and side panels, if any) for ACP product. Label must be legible, and the usage instructions and location of the Responsible Party must be visible.
5. Product Distribution Summary: the basic flow pattern of your ACP products (e.g. actual quantity of product that gets sold in California). This can be done in a descriptive document or flow diagram.

4. **CAN MY APPLICATION INCLUDE MORE THAN ONE PRODUCT?**

Yes, one application can include more than one product. However, each product listed in the application should meet the definition of an “ACP product” as specified in section 94542(a)(3) of the ACP regulation.

## ALTERNATIVE CONTROL PLAN SECTION III

### PROCESSING OF APPLICATIONS

#### 1. WHAT HAPPENS AFTER MY APPLICATION IS RECEIVED BY ARB?

After the application is received, it will go through the following process in accordance with section 94544 of the ACP Regulation:

ACP Application	30 working days of receipt of the ACP application*	30 working days of receipt of additional information	90 working days after application is deemed complete
ACP Application Status	Executive Officer shall inform the applicant in writing that either the application is complete and accepted for filing, or that the application is deficient, and identify the specific information required to make the application complete.	Additional information is typically provided in response to a determination that an ACP application is deficient. The Executive Officer shall inform the applicant in writing that either the additional information is sufficient to make the application complete, and the application is accepted for filing; or that the application is deficient, and identify the specific information required to make the application complete.	Executive Officer finds that an application meets the requirements of section 94543 of this article, then he or she shall issue an Executive Order in accordance with the requirements of this article. The Executive Officer shall act to approve or disapprove a complete application within 90 working days after the application is deemed complete

\* Please note that the 30 working days only takes effect when the application is complete.

## **ALTERNATIVE CONTROL PLAN SECTION IV**

### **POST APPROVAL**

#### **1. WHAT IF THE FORMULATION IS CHANGED?**

Any changes to the formulation and the labels for the ACP products must be included in the annual Compliance Report for the ACP. Compliance Report requirements are discussed in the next section.

If there are any changes in the formulation, or new products are added, this will be noted in the Executive Order for the applicable compliance reporting period. Then, ARB staff will work with the applicant to establish a timeframe for making the changes to the ACP Executive Order. The timeframe may vary according to the amount of modifications/additions that are needed.

#### **2. WHAT HAPPENS IF THE VOC STANDARD CHANGES?**

After a VOC standard is modified by the ARB in a future rulemaking, any ACP products generating surplus emission reduction credits and deficits must be re-calculated, using the updated standard.

## ALTERNATIVE CONTROL PLAN SECTION V

### COMPLIANCE REPORT

#### 1. WHAT SHOULD BE INCLUDED IN AN ANNUAL COMPLIANCE REPORT?

Once an ACP is submitted and is going through the approval process, ARB staff will work with the applicant to generate an agreed upon Compliance Reporting Period. The time period is disclosed in the applicant's Executive Order per section 94543(a)(7)(A) of the ACP Regulation. A company's ACP Executive Order specifies the requirements for compliance period. In order to ensure annual compliance with the ACP provisions, the company is expected to provide an annual update for every ACP product in the form of a Compliance Report. Some requirements listed in a company's ACP Executive Order are specific to each applicant. Below are recommended guidelines for submitting a Compliance Report that covers the general aspects that are consistent across the majority of existing ACP Executive Orders. Note that some aspects of the report may not be applicable to all ACP companies. In general, each Compliance Report submitted to ARB should include the following components:

- A. A cover letter outlining the contents of the compliance report submittal, including any requests for surplus emission reductions credits (SERCs) and their amount.
- B. A compliance report with sales data and emissions calculations for products sold during the compliance period. Dates for the compliance period should be included on the compliance report. This document may be an Excel spreadsheet, but must include 'Read Me First' tab that explains all column headers in the subsequent tabs and includes any assumptions made in the data calculations (e.g. rounding, etc.). The compliance report should include ACP products, including products listed in the ACP Executive Order with zero sales for the compliance year for completeness.
- C. An updated Table listing all ACP products approved for sale under the Executive Order, along with any changes such as new sizes, fragrances, name, etc. Changes should be highlighted and an explanation should be provided.
- D. An explanation of the data systems used to generate the compliance report, and the subsequent computer queries used to run the report. Queries should capture the following information from the inventory system:
  - a) Products shipped to California during the compliance period (typically from January to December)
  - b) Identify products in the ACP

- c) Identify actual California sales
  - d) Identify units sold and pound of product sold
- E. Copies of new or changed formulas. Changes should be highlighted and an explanation should be provided. If there are no changes to formulations, please indicate that in the report.
- F. If label has changed, provide updated labels. If there are no changes, please indicate that in the report.
- G. Other additional information that may be requested, if applicable:
  - a. Customer invoice containing amount sold in California for the largest distributor.
  - b. Individual product invoice for largest distributor.
  - c. Copies of California Mill Assessment reports submitted to the Department of Pesticide Regulation Tax Report for pesticide related products.

Prior to completing a compliance report for submittal to ARB, companies should:

- A. Use the template provided in the Appendix to submit data for the compliance report to ARB.
- B. Use actual California sales, not national sales data.
- C. Calculate total pounds of VOC emissions including excess or credits for each product sold during the applicable compliance period. Refer to section 94542 of the ACP regulation for calculation formulas.
- D. Report quarterly California sales data and total pounds of product sold per year.
- E. Report fill weight for each product if fill weight was used to calculate pounds sold. If product label weight was used, then state that in your report.
- F. Ensure ACP products not sold during the compliance period are reported with zero sales.
- G. Ensure ACP product names reported under a previously approved Table matches ACP product names in new submittal.
- H. Refrain from using abbreviations in product names, and instead use complete names. If it is necessary to use abbreviations, please provide a key with complete names for the abbreviations.
- I. Highlight products with a VOC% not equal to previously approved formulas; discrepancies should be explained to allow proper calculation of VOC emissions.
- J. Other information that could be included, if applicable:
  - a. Wipe products: Report grams of intermediate per sheet for all wipe products.

Any data inconsistencies or additional background information pertinent to the submittals should be explained in detail prior to submitting the Compliance Report to ARB. If needed, an additional comment field can be added to the compliance report.

## 2. **HOW DO I SUBMIT A COMPLIANCE REPORT?**

The Compliance Report and all supporting documentation should be scanned and emailed to [csmrprod@arb.ca.gov](mailto:csmrprod@arb.ca.gov) or mailed to:

Implementation Section  
Consumer Products and Air Quality  
Assessment Branch  
Air Quality Planning and Science Division  
California Air Resources Board  
P. O. Box 2815  
Sacramento, CA 95812  
ATTN: ACP Compliance Report

## 3. **WHAT HAPPENS AFTER MY COMPLIANCE REPORT IS RECEIVED BY ARB?**

After the application is received, ARB staff will perform the following steps:

- A. Staff evaluation of compliance report and supporting documentation.
- B. Follow-up with applicant to request additional information, if necessary.
- C. Drafting of approval documents.
- D. Review of approval documents by ARB management.

Staff will evaluate the compliance report and supporting documentation for the following:

- a) Executive Order terms and conditions are met;
- b) Product name, VOC percent, pounds of products sold, size, fragrances, etc. to ensure consistency among submitted documents including the updated Table of ACP products;
- c) VOC emission calculations are reproducible and verifiable;
- d) Products are properly categorized;
- e) Data provided should be reconcilable, in that yearly sales information is the same as quarterly sales information and so on, down to the invoice level;

- f) Correct VOC limit use for each product when making the VOC emissions calculation (refer to Table of Standards section 94509(a));

The ACP Regulation does not establish a timeframe for the processing of the yearly compliance report. However, ARB staff's goal is to review the data in a timely and expeditious manner. If your ACP generates SERCS and, to the satisfaction of ARB, the documentation and calculations provided clearly demonstrate the validity of the enforceable sales used to generate the SERCs, an Executive Order will be issued. This Executive Order certifies the SERCs earned during the compliance period, along with applicable terms and conditions for the use of the credits.