



San Joaquin Valley
Unified Air Pollution Control District

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 4-6-93
BY BOARD SECRETARY

April 5, 1993

4/8/93
93-6-1

XC: Bud Moore
JS mHS
JD TSO
JB Legal

Linda C. Murchison, Chief
Stationary Source
Emissions Inventory Branch
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

RE: CALIFORNIA CLEAN AIR ACT AND ATMOSPHERIC ACIDITY ACT FEES

Dear Ms. Murchison:

As indicated in your March 24, 1993 letter, with respect to oil producing facilities, there seems to be some confusion over the definition of a source for the purpose of determining emissions subject to the above fees.

State law Section 90621, Title 17, California code of regulations requires that "holders of permits for sources which emitted 500 tons per year" to pay the specified fees. The sources are permitted and stationary sources are defined pursuant to the provisions of the District's New Source Review Rule. District rule 2201, Subsection 3.31.4, states that "light oil production, heavy oil production, and gas production shall constitute separate stationary sources." Therefore, after examining the state laws and the local regulations, it is our conclusion that the definition of a source for the purpose of determining these fees should be consistent with the definition used in the District's permitting practices consistent with New Source Review rule.

Enclosed is breakdown of facility emissions indicating the impact of this determination. Please incorporate these figures in setting the new fees by your Board on April 8, 1993.

If you have any further questions, please feel free to call me at (209) 497-1080.

Sincerely,

Seyed Sadredin
Director of Permit Services

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Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

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Executive Director: Air Pollution Control Officer

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**DISTRIBUTION OF POLLUTANT TONNAGE
WESTERN/CENTRAL AND HEAVY/LIGHT OIL PRODUCTION
KERN COUNTY**

Based on 1991 emissions, with the Western and Central devices split by the Toxics group for the purposes of their billing.

Data listed in tons

FACILITY/ID #/POLLUTANT	WESTERN		CENTRAL		TOTAL
	HEAVY	LIGHT	HEAVY	LIGHT	
Santa Fe/#211/NOx	1158	---	<u>401</u> combined		1560
Santa Fe/#211/SOx	2378	---	<u>385</u> combined		2764
Mobil Oil/#247/NOx	837	<u>305</u>	---	---	842
Mobil Oil/#247/ROG	1311	<u>28</u>	---	---	1337
Chavron USA/#257/NOx	1073	---	<u>351</u> combined		1424
ARCO/#201/NOx	2228	---	<u>460</u> combined		2888
Shell West Coast/#331/NOx	<u>45</u>	---	577	---	622
Shell Kernridge/#204/NOx	2801	<u>88</u>	---	---	2899
Elk Hills Prod./#441/NOx	---	905	---	---	905
Texaco West/#332/NOx	<u>304</u>	<u>217</u>	---	---	521

Underlined numbers above represent tonnage that would no longer be included in the California Clean Air Act (CCAA) and Atmospheric Acidity Protection Act (AAPA) fee programs. The total is 2592 tons.

Only one company would completely drop out of the fee programs. (Texaco West)

For certain companies, the Central heavy and light tonnage is combined. Since the combined number is less than the 500 ton trigger for the CCAA/AAPA fee programs, the number given represents the total tonnage not subject to fees no matter how the emissions are split between heavy and light oil production.

Since the deadline for any change to the 1994 CCAA/AAPA billing (based on the 1991 inventory) is April 8, it would be extremely difficult to split these facilities at this time. Andy Delac of the ARB would know whether or not the split could be accomplished for the 1991 inventory. If the split is allowed for 1992, it is imperative that the Southern Region office know as soon as possible. Oil companies are in the process of completing their fuel use and emission surveys, and should still have time to segregate their data into Western/Central and heavy/light sections.

**NORTH COAST UNIFIED
AIR QUALITY
MANAGEMENT DISTRICT**

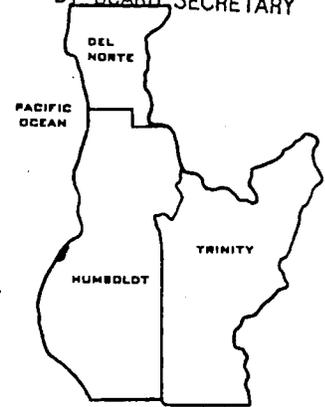
2389 MYRTLE AVENUE
EUREKA, CALIFORNIA 95501

PHONE (707) 443-3093

FAX (707) 443-3099

April 2, 1993

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 4-5-93
BY BOARD SECRETARY



Jananne Sharpless
Chairwoman
State of California
Air Resources Board
P.O. Box 2815
Sacramento, Ca 95812

4/8/93
93-6-1

XC: Bud Miller
JS MHS
JD TSD
JB Legal

Subject: April 8, 1993 Public Hearing - Fee Regulation for California Clean Air Act (93-94)

Dear Chairwoman Sharpless and Board Members:

Recently while thinking about the proposed changes to the toxic "Hot Spots" fees that are currently under consideration and the state of the local economy, I started reflecting upon other industrial fees being assessed and collected locally and sent to the state Air Resources Board (ARB). On February 11, 1993, I informed Jim Boyd of my concerns with the California Clean Air Act Fees and requested some consideration for change.

Since no changes to the proposed fee regulation were made, I wish to appeal my concern with the fees associated with the California Clean Air Act (CCAA) to your Board for consideration.

Fees for the CCAA program have been collected from large industrial sources across the state since 1989-90. The North Coast has contributed \$213,277 in such fees over the past 4 year period. The statewide effort, since the CCAA adoption, has been predominantly directed at ozone nonattainment areas that are urban in nature. The efforts are being directed to reductions in VOC/NO_x emissions through several varied attainment planning efforts.

The North Coast Unified Air Quality Management District is currently designated as "unclassified" for ozone. Ozone has been monitored on the North Coast for several years without incurring a violation of the state ozone standard. We are currently trying to have our status changed to "attainment." The only pollutant for which an occasional 24 hour state standard is violated is for PM-10.

In the scheduled April 8, 1993 Public Hearing to adopt 1993-94 fees for the CCAA, I am requesting the ARB to consider the elimination of such fees in ozone attainment and unclassified areas. This action would only affect the North Coast since all other fee paying districts are classified as "Ozone Nonattainment". It appears that industrial sources in attainment areas are being charged considerable fees but are receiving nothing in return. In short, rural areas with good air quality should not be required to support or subsidize state programs in highly polluted urban areas of California.

Jananne Sharpless
April 2, 1993
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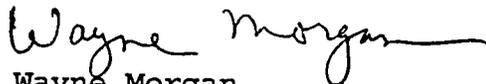
This is at best unfair and may even pose a legal question of charging fees without providing a public service or a product to the community where the fees are generated.

I realize that your staff will make an argument about NO_x and SO_x being precursors also to PM-10 formation and therefore appropriate to apply the fees because the District fails to achieve the state PM-10 standard. I cannot argue against that except to say that such is dependent on many factors and when one examines those factors and applies them to the North Coast, the contributions to PM-10 formation via secondary aerosol formation would be extremely minute.

Even if ARB staff were to successfully argue the precursor issue, the issues of fairness, equity and legality still remain. I made inquiry of any effort or products ARB has produced under the CCAA that were designed to address state PM-10 nonattainment areas. Terry McGuire informed me that in April 1991 a report to the legislature was prepared by ARB, titled, "Prospects for Attaining the State Ambient Air Quality Standards for Suspended Particulate Matter (PM-10), Visibility Reducing Particles, Sulfates, Lead, and Hydrogen Sulfide." Evidently, this was the only PM-10 related product that was formulated under the auspices of the CCAA. Other districts that have prepared federal PM-10 attainment plans were surveyed to determine if PM-10 guidance under the California Clean Air Act had been provided. The answer I received is that guidance came from other districts or from EPA and not the state Air Resources Board.

Thank you for the opportunity to comment on this fee issue and I respectfully request your consideration for a change in the manner the fees are being applied to the North Coast Unified Air Quality Management District.

Sincerely,



Wayne Morgan
Air Pollution Control Officer

WM:darbltr.ltrs