

TITLES 13 and 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE AIRBORNE TOXIC CONTROL MEASURE FOR DIESEL PARTICULATE MATTER FROM PORTABLE ENGINES RATED AT 50 HORSEPOWER AND GREATER - AND TO THE STATEWIDE PORTABLE EQUIPMENT REGISTRATION PROGRAM REGULATION -

The California Air Resources Board (CARB or Board) will conduct a public hearing at the time and place noted below to consider approving for adoption the proposed amendments to the "Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater" (Portable Engine ATCM) (California Code of Regulations, title 17, sections 93116-93116.5) and to the "Portable Engine and Equipment Registration" program (collectively, the PERP Regulation) (California Code of Regulations, title 13, chapter 9, article 5, sections 2450-2465).

DATE: November 16, 2017

TIME: 9:00 a.m.

LOCATION: California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., November 16, 2017, and may continue at 8:30 a.m. on November 17, 2017. Please consult the agenda for the hearing, which will be available at least ten days before November 16, 2017, to determine the day on which this item will be considered.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by mail or by electronic submittal before the hearing. The public comment period for this regulatory action will begin on September 29, 2017. Written comments not physically submitted at the hearing must be submitted on or after September 29, 2017, and received **no later than 5:00 p.m. on November 13, 2017**. CARB requests that when possible, written and email statements be filed at least ten days before the hearing to give CARB staff and Board members additional time to consider each comment. The Board also 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. Comments submitted in advance of the hearing must be addressed to one of the following:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Additionally, the Board requests, but does not require, that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in California Health and Safety Code, sections 39600, 39601, 39650, 39658, 39659, 39666, 41752, 41753, 41754, 41755, 43013, and 43018. This action is proposed to implement, interpret, and make specific sections 39650, 39666, 41750, 41751, 41752, 41753, 41754, and 41755.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW (GOV. CODE, § 11346.5, subd. (a)(3))

Sections Affected:

Proposed amendments to California Code of Regulations, title 17, sections 93116, 93116.1, 93116.2, 93116.3, 93116.4, and 93116.5 which are the Portable Engine ATCM. Proposed amendments to California Code of Regulations, title 13, chapter 9, article 5, sections 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, and 2465 which are the PERP Regulation.

Background and Effect of the Proposed Regulatory Action:

Since 1995, existing State law (California Health and Safety Code (HSC) §§ 41750 through 41755) has required CARB to administer a uniform statewide program for the voluntary registration and regulation of portable engines and equipment units in California, and provided the CARB authority to collect fees to cover administration and enforcement of the program (HSC § 47152). In 1997, CARB adopted the PERP Regulation, which defined the equipment allowed to register in PERP, set operational limits for registered equipment, established registration procedures, and set registration fees.

Absent this uniform statewide program, portable equipment owners would be subject to requirements to obtain permits from each air district in which the engine or equipment unit was to operate, potentially leading to multiple permits for one piece of equipment. The existing PERP Regulation provides an alternative to district permits for owners that operate in multiple air districts. Under PERP, only engines meeting the most current federal tier of emission standards for new off-road engines are eligible for initial engine registration, with certain exceptions. The existing PERP Regulation defines the equipment eligible to register in PERP, sets operational limits for registered equipment, and establishes registration procedures. Because local air pollution control and air quality management districts (districts or local air districts) enforce PERP registration requirements, a portion of the fees are distributed to the local air districts for these enforcement activities.

CARB adopted the Portable Engine ATCM in 2004 as part of a broad initiative, called the Diesel Risk Reduction Plan, to control diesel particulate emissions from many diesel engines and equipment to protect public health. The existing ATCM prohibits operating older portable engines that emit higher levels of air pollutants than newer engines, sets strict engine eligibility for portable engines registering in PERP, limits districts to permitting only engines certified to meet federal emission standards and requires all fleets to meet prescriptive emission standards.

Because PERP was in place when the Portable Engine ATCM was adopted, the ATCM was implemented by CARB through PERP for engines registered in the program. The local air districts implement the ATCM requirements for engines subject to district permits. Changes proposed to the ATCM will be reflected in the PERP Regulation, where applicable, to maintain consistency in the two regulations. As a result, all regulated portable engines are affected by the changes proposed here regardless whether they are registered in PERP or permitted by the air districts.

The Portable Engine ATCM is technology forcing, and during development in 2004, staff assumed fleets would naturally purchase new engines on a regular replacement schedule that would enable the fleets to meet progressively more stringent average emission rates, and any remaining non-compliant engines could be retrofit with Verified Diesel Emission Control Strategies (VDECS) to meet the emission requirements.

The amendments have become necessary because not all of the assumptions staff made when the regulations were originally adopted were borne out over time. VDECS have not become available for most portable applications, engines meeting the most current federal standards for new engines, referred to as Tier 4, became available much later and at a much higher cost than anticipated, and the federal engine performance standard for Tier 4 engines allows more emissions than previously anticipated. As a result, the current regulation is becoming financially and technologically infeasible for many operators as it becomes more stringent, and the benefits it was intended to produce are not being captured. The amendments are intended to remedy this situation by introducing needed flexibilities in order to ensure that the regulation ultimately can

capture the emission reductions previously projected, while accounting for industry conditions.

CARB may also consider other changes to the sections affected, as listed on page two of this notice, during the course of this rulemaking process. Interested persons should be aware that any of the provisions of the amendments under consideration could be substantively changed as a result of public comment, staff recommendations, or discussions at the Board hearing. If the Board makes substantive changes proposed amendments that a reasonable person could have anticipated could be made as within the scope of this notice, it will make the full text of the modified amendments available to the public at least 15 days before adoption, as required by Government Code 11346.8.

Objectives and Benefits of the Proposed Regulatory Action:

The proposed amendments to the Portable Engine ATCM would restructure the current rule to improve implementation and enforcement of the regulatory requirements. They provide a realistic path to achieve emission reductions equivalent to those previously expected, in light of the pace of technological development. The amendments to the PERP Regulation are also necessary to support the changes to the Portable Engine ATCM, maintain consistency between regulatory requirements and registration practices, and to improve program implementation. Overall, the amendments ensure the emissions reductions envisioned by the ATCM will be achieved, both by giving fleets time to make the necessary investments, and by increasing the enforceability of the emission reduction requirements. The amendments to both regulations are summarized below. The amendments are detailed in Chapter II of the Initial Statement of Reasons (ISOR).

Portable Engine ATCM

The existing Portable Engine ATCM is applicable to all portable engines in California, with certain specific exemptions. It contains requirements related to emissions of fleets of engines under common ownership, permit and registration eligibility, and administrative functions, all of which are designed to work together to reduce emissions of diesel PM throughout the State. Staff worked with stakeholders and local air districts to develop the proposed amendments to these existing requirements in order to improve implementation and enforceability, and therefore ensure the expected emission reductions are achieved.

Fleet Requirements

Staff is proposing to revise the emission control strategies for fleets in the Portable Engine ATCM by establishing small and large fleet categories based on each individual fleet's total horsepower. Staff is proposing that all small fleets follow a tiered phase-out schedule instead of the current fleet-average emission standards for all fleets. The federal emission requirements established a regulatory structure where non-road

engines would be produced with progressively cleaner emissions over time and the result is a “tiered” engine structure with Tier 1 being the least clean and Tier 4 Final being the cleanest. These standards also provide flexibility options through the Transition Program for Equipment Manufacturers, (TPEM or flexibility program). Under TPEM, equipment manufacturers may delay manufacturing engines that comply with Tier 4 standards for up to seven years if they comply with certain production limitations and requirements for notification, recordkeeping, and annual reporting.

Large fleets will have an option to use the fleet average method or follow a tier phase out schedule. Certain definitions related to this proposal had to be added or revised to explain the functionality of the requirements. A large fleet will have to meet certain requirements to make them eligible for the fleet average method. Engines that have been equipped with verified diesel emission control strategies will be exempt from the tier phase-out schedule, but will be incorporated into the fleet average if it is owned by a large fleet using that method. Staff proposed additional provisions to incorporate replacement engines and engines certified for on-road standards into these revised emission control strategies because these types of engines are sometimes used in portable equipment. The proposed strategies will have later deadlines that are designed to make it easier for most fleets to achieve compliance, while still preserving emission reductions. Although the rate of emission reductions is delayed under this proposal, the rate of emissions reductions will align with the original strategy by 2027.

Permit and Registration Eligibility

Staff is proposing to revise permit or registration eligibility for flexibility engines. It is not equitable to allow engines produced several years in the past (e.g. all Tier 1 engines and Tier 2 engines rated at 750 bhp or less) to be newly permitted just because they are flexibility engines when their normally-certified counterparts are not eligible. The eligibility for flexibility engines should be limited to only those TPEM engines that were most recently produced, which includes Tier 3 and interim Tier 4 interim engines rated at less than 750 bhp and Tier 2 and Tier 4 interim engines rated at 750 and greater. Engines built under the Averaging Banking, and Trading program that have Tier 4 final emissions will be eligible for permits or registration as flexibility engines. Staff is proposing to allow local air districts to permit older certified engines indefinitely as long as the engines meet certain residency requirements. This will allow the districts to regulate certified engines discovered during normal enforcement activities and put them on a path to compliance.

Applicability

Staff is proposing to revise the types of engines that are exempt from the ATCM. The exemption for engines used at airports in the South Coast Air Quality Management District will be removed because it is obsolete. A new exemption will be added for engines used exclusively in agricultural operations. Engines operating at agricultural sources, except those owned by a rental business, were redefined to be part of those stationary sources under Senate Bill 700 (SB 700) which was passed in 2003. Since that time, CARB has been treating these engines as stationary, and this amendment will

codify the provisions of SB 700. Staff will also add exemptions for engines used exclusively during emergency events and certain engines approved for use at hazardous locations. These engines must be operated at hazardous locations for safety reasons and should not be subject to the restrictions of this ATCM. Staff will also add exemptions for engines on vessels subject to the Commercial Harborcraft Regulation, and the auxiliary engines on two-engine vehicles subject to the Regulation for In-Use Off-Road Diesel-Fueled Fleets. These engines are covered by other regulatory requirements, and will be exempted from this ATCM to avoid duplication.

Low-use and emergency-use engines

Staff is proposing to allow low-use engines to operate up to 200 hours per year and make them and emergency-use engines exempt from the proposed emission control strategies. Fleets will be required to newly designate low-use or emergency use engines no later than six months prior to the applicable phase-out date. Conversely, fleets will not be allowed to designate certain older engines back to regular use. This will only be allowed for Tier 1 and Tier 2 engines if the fleet owner has exceeded the operational limitations for these engines. This restriction on Tier 1 and Tier 2 engines will prevent fleets from increasing emissions for the time these engines operate until they are placed out of service.

Non-certified engines

Staff is proposing to expand to all engines the requirement that engines must be certified in order to operate in California, not just those that have been permitted or registered. This requirement should be applicable to all engines in California to be fair and equitable.

Emission Reduction Incentives

Staff is proposing to add three provisions and revise one provision that will benefit fleets that took the initiative to reduce emissions prior to or beyond the requirements in the proposed amendments. First, staff is proposing that fleets will get a benefit when demonstrating compliance with the proposed emission control strategies if they can prove that they meet the fleet average standard that took effect on January 1, 2017, in the current ATCM. Second, staff is proposing that fleets that replace Tier 1 or Tier 2 engines at least a year prior to the deadlines in the phase-out schedule will get an additional year to operate specific Tier 3 engines. Finally, staff is proposing additional scenarios where a fleet may modify the fleet average calculation if they choose to use electrification instead of diesel engines. Allowing fleets to modify the fleet average calculation when they use electrification promotes the use of zero-emission technology. Staff is also revising the existing benefit that fleets can double count a Tier 4 engine that they added prior to 2015. The fleets will instead get this benefit for having added Tier 4 engines rated >750 bhp to the fleet prior to 2017.

Prohibition of Sale

Staff is proposing to add a provision that will prohibit the sale of engines that are not compliant with the ATCM requirements. Prohibiting sales of noncompliant engines will give enforcement staff the ability to penalize sellers of these engines and thereby help reduce the occurrence of these purchases to unsuspecting buyers.

Disclosure of Applicability

Staff is proposing to add a requirement for sellers of portable engines to provide a written disclosure of the applicability of the Portable Engine ATCM. This type of requirement has previously been established in other CARB regulations and has been a valuable part of informing the regulated community of all applicable requirements.

Recordkeeping and Reporting

Staff is proposing to revise the current recordkeeping and reporting requirements to align with the proposed emission control strategies and incentives. Engines meeting Tier 4 interim standards and engines equipped with an approved Verified Emission Control Strategy will be exempt from all recordkeeping requirements. Additional recordkeeping and reporting will be added for low-use and emergency-use engines to ensure they are staying within their required thresholds. Additional recordkeeping will be added for the additional scenarios proposed for fleets using electrification which is necessary to make those scenarios enforceable.

Miscellaneous

Staff is proposing the modification, addition, and deletion of terms in the definitions section, deletion of outdated provisions, and minor clarifications where needed. These changes are considered to be non-substantive and are intended to provide additional clarity and expediency to the Portable Engine ATCM.

PERP Regulation

The existing PERP Regulation was adopted to provide a uniform permitting program for owners of portable equipment that operate at multiple locations throughout the State. It contains requirements related to registration eligibility, emission requirements, and administrative functions such that portable engines and equipment units may operate throughout the state without needing additional permits from the local air districts. Staff worked with stakeholders and local air districts to develop the proposed amendments to align with the changes to the Portable Engine ATCM, increase the efficiency of the registration process, and improve the overall implementation of the program.

Applicability

Staff is proposing to make revisions to the list of engines or equipment units that are not eligible to be registered in the program. For engines or equipment units that are not eligible because they qualify as part of a stationary source, it is not relevant if that

stationary source has been permitted by a district, so staff is deleting that language. Engines used exclusively in agricultural operations, except those owned by a rental business, will be ineligible for the program. These engines are to be regulated as stationary per Senate Bill 700, statutes of 2003, chapter 479, and will be regulated as such by the local air districts. Staff is proposing to clarify that engines that are certified only for stationary use will be ineligible for registration because it is inappropriate to allow a stationary-only engine to be used as a portable engine. Staff will revise the language for specific engine eligibility to align with the changes proposed in the Portable Engine ATCM such as removing eligibility for older flexibility engines and allowing engines permitted by the districts to register as resident engines. Staff will also add eligibility requirements for engines approved for operation at hazardous locations as defined in federal law. They may stay registered in the program until January 1, 2029, which is the final phase-out date for non-flex certified Tier 3 engines. After this date, they may continue to operate if they obtain permits from the local air districts. As stated previously, at hazardous locations these engines must be operated for safety reasons, and they should be allowed to continue to operate beyond the restrictions in the ATCM, but only at hazardous locations. The local air districts are better equipped than CARB staff to evaluate if specific projects have a safety need for these engines.

Two-Engine Vehicles

Staff is proposing to add provisions for the registration of two-engine vehicles. As mentioned previously, these vehicles are subject to the Regulation for In-Use Off-Road Diesel Fueled fleets, and the auxiliary engines on these vehicles will be exempt from the Portable Engine ATCM. It is appropriate to let these engines be eligible for registration in PERP since they still may need to be permitted or registered according to local district rules. These engines will also be exempt from other emission and administrative requirements in the PERP regulation since they have to meet similar requirements in the aforementioned Off-Road Regulation.

Ambient Air Quality Standard Protection

Staff is proposing to add an enforcement mechanism to the existing requirement that the emissions from registered portable engines shall not interfere with the attainment or maintenance of any California or federal Ambient Air Quality Standard (AAQS). With certain exceptions, large projects that operate in local air districts with the greatest air quality challenges will be required to notify the local air district and provide information to the district so that they may evaluate the emissions impacts from the project. If the district evaluation shows that emissions from the registered engines used on the projects will interfere with an AAQS, then the district will have the authority to mitigate the emissions from those engines.

Registration Preemption

Staff is proposing to revise the provision where district permits are preempted by statewide registration. These changes will be applicable to both temporary registration

and full registration. Staff is also revising the list of circumstances where district permits are not preempted. The situations being revised or added include locations where the local district has determined that a registered engine or equipment unit qualifies as part of a stationary source, portable generators used during electrical upgrades, locations where the limits have been exceeded on the stationary source permit, and the temporary replacement of a stationary backup generator. The provisions for temporary replacement of stationary backup generators were revised to specify that portable generators may be used only under certain conditions and only upon the approval of the local air districts. Staff believes that the local air districts have always had the authority to determine the applicable requirements at stationary sources, so this language was revised to improve clarity.

Emergency Events

Staff is proposing to revise the exemption for engines brought into California during an emergency event. These engines brought in during an emergency event are considered registered for the duration of the emergency event and are exempt from all the requirements in the PERP Regulation and Portable Engine ATCM. During the recent drought, many older water well drilling rigs with non-certified engines were brought in to provide more groundwater, and have stayed here for several years. This created a hardship for the existing water well drilling industry that couldn't compete with companies that didn't have to pay permit fees or meet emission requirements. Therefore, staff is proposing to limit the emergency event exemption to only certified engines and they will only be considered registered for one year.

Application Processing

Staff is proposing to revise the provisions regarding the processing of registration applications. Identical replacement applications must be submitted within 30 days instead of 5 days and the replacement engine must be in full compliance with the emission control strategies of the ATCM. This gives industry more time to utilize this provision and also ensures that any engine entering California under this provision is compliant with applicable requirements. Staff is also proposing to revise the timelines for application processing and registration issuance to improve functionality.

Temporary Registration

Staff is proposing to add a provision that would allow CARB to issue a temporary registration for the cleanest engines available. Temporary registration will be issued as expeditiously as possible which will allow the engine owners to start operating new clean engines quickly instead of waiting the normal application processing time.

Change of Ownership

Staff is proposing to add a restriction that would prohibit applications for change of ownership from being accepted within six months prior to the phase-out dates in the

Portable Engine ATCM. This will prevent fleets from selling imminently non-compliant engines to other fleets within the state. These engines will either have to be sold out of state, kept in the fleet as part of a fleet average, or changed to low-use status.

Recordkeeping and Reporting

Staff is proposing to revise certain recordkeeping and reporting requirements based on practical concerns from industry and to enhance the emission inventory for portable engines. Rental companies will be able to keep separate recordkeeping logs for each rental transaction instead of keeping one annual log, which has proven to be difficult. The rental agreement will no longer be required to be kept on the jobsite, but must be provided within two business days after the request. Upon renewal of the registration, the owner must specify an hour meter reading taken from the engine being renewed.

Inspection Requirements

Staff is proposing to revise the provision that allows registrants to pay a discounted fee if they arrange to have multiple engines inspected at one time. Many companies that claim the discount don't understand how it works and underpay the inspection fees because they do not qualify for the discount. To solve this problem, local air districts will be given the ability to bill the company for the difference in fees. Additionally, if a company regularly misuses the discount, the local air district can request they be prevented from paying the discounted inspection fee in the future. Staff is also proposing to allow the home district to be changed at any time to avoid the wrong home district being listed on the registration when inspection is due.

Program Fees

Staff is proposing to increase the fees charged for both registration and inspection. This fee increase is necessary to meet the statutory direction to assess sufficient fees to cover the reasonable cost of program implementation and local district resources spent on inspections. Additionally, staff is proposing to change the way fees are collected for the program. Fees will no longer be due upon application submittal, but may be submitted upon receipt of an invoice or by future processes developed to improve program efficiency.

Miscellaneous

Staff is proposing the modification, addition, and deletion of terms in the definitions section, deletion of outdated and unnecessary provisions, and minor clarifications where needed. These changes are considered to be non-substantive and are intended to provide additional clarity and expediency to the PERP Regulation.

Comparable Federal Regulations:

Particulate matter from diesel engines was declared a toxic air contaminant by the Air Resources Board in 1998. Since then, CARB adopted many diesel fleet regulations to reduce California's exposure to diesel PM. The Portable Engine ATCM was adopted in 2004 to reduce toxic diesel PM emissions from portable engines. The PERP Regulation was adopted to provide an alternative to local district permitting. There are no comparable federal regulations.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):

During the process of developing the proposed regulatory action, CARB conducted a search of any similar regulations on this topic and concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURE REGARDING THE PROPOSED REGULATION

Fiscal Impact/Local Mandate Determination Regarding the Proposed Action (Gov. Code, § 11346.5, subds. (a)(5)&(6)):

Under Government Code section 11346.5, subdivisions (a)(5) and (a)(6), the Executive Officer has determined that the proposed regulatory action would create costs as well as cost savings to a State agency, and create costs to and require a mandate on a local agency or school district, whether or not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500), and create other nondiscretionary costs or savings to State or local agencies. The Executive Officer has determined that the proposed regulatory action would not create any costs or savings in federal funding to the State.

The additional costs to local government are not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), because the proposed amendments apply generally to all entities operating affected sources. They do not impose unique new requirements on local agencies and therefore are not a reimbursable mandate. (Cal. Const., Art. XIIB, subd. (a); Gov. Code § 17514; *County of Los Angeles v. State of California* (1987) 43 Cal.3d 46; *accord City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 68; State Administrative Manual, § 6606.)

The determinations of the Board's Executive Officer concerning the costs or savings incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Fiscal Impact on Local Agencies

Local government agencies have two separate roles in PERP. First, many local government agencies register their portable equipment in PERP and will see a change in compliance costs and higher registration fees under the proposed amendments as compared to the current regulation. In the second role, the 35 California air districts regulate portable equipment and enforce the PERP registrations. A portion of the higher registration fees in the proposed amendments will be distributed to the local air districts representing increased revenue to local government.

Specific fiscal impacts to local government are described in Appendix C. The March 2017 SRIA estimated annual cost-savings to local governments of \$23.6 million each year between 2017 and 2020, and that air districts would see an increase in revenue of approximately \$672,000 per year on average between 2017 and 2030. The Revised SRIA estimated cumulative cost savings to local government agencies between 2017 and 2030 of approximately \$11,177,913. In total, the air districts are expected to see an increase in revenue of approximately \$9,578,578 between 2017 and 2030, or \$684,184 per year on average.

Fiscal Impact on State Agencies or Federal Funding to the State

State government agencies have two separate roles in PERP. First, state agencies register their portable equipment in PERP and will see changing compliance costs and higher registration fees under the proposed amendments as compared to the current regulation.

In the second role, CARB, as a state agency, will see increased revenue by \$1.2 million per year on average between 2017 and 2030, after accounting for the portion of the fee apportioned to air districts, as a result of the proposed increase in registration costs. The increased revenue would pay for additional materials, updates to PERP's data management system to improve service to registrants and confirm compliance, and future permanent staffing to implement the proposed amendments.

Specific fiscal impacts to state government are described in Appendices C-1 and C-2. The March 2017 SRIA estimated average net annual cost savings of approximately \$4.9 million between 2017 and 2020. The Revised SRIA estimated cumulative cost-savings to State government agencies between 2017 and 2030 is approximately \$2,328,732. CARB is expected to retain registration fees of approximately \$1.2 million per year on average between 2017 and 2030, after accounting for fees to local government, under either analysis.

This regulation does not affect any federally funded State agency or program.

Housing Costs (Gov. Code, § 11346.5, subd. (a)(12)):

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs. Nothing in the record shows that the revised emission standards or fees for portable equipment will have a significant effect on housing costs.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete (Gov. Code, §§ 11346.3, subd. (a), 11346.5, subd. (a)(7), 11346.5, subd. (a)(8)):

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Results of The Economic Impact Analysis/Assessment (Gov. Code, § 11346.5, subd. (a)(10)):

MAJOR REGULATION: Statement of the Results of the Standardized Regulatory Impact Analysis (SRIA) (Gov. Code, § 11346.3, subd. (c)):

In March 2017, CARB submitted a Standardized Regulatory Impact Assessment (SRIA) to the Department of Finance (DOF). The SRIA, as initially submitted to the Department of Finance in March 2017, is included in Appendix C-1 of the ISOR and is also available at:

http://dof.ca.gov/Forecasting/Economics/Major_Regulations/Major_Regulations_Table/

The March SRIA uses a theoretical baseline of full compliance with the original regulations, which does not represent current emission conditions and is not reasonably foreseeable. This baseline was used as requested by DOF. DOF provided comments in April 10, 2017. CARB summarized the comments received from DOF, and provides responses below in section A.

In addition to responding to DOF's comments, CARB revised the SRIA, which is also contained in the ISOR Appendix C-2. The revised SRIA reflects a baseline of actual and reasonably foreseeable conditions, consistent with SRIA requirements. CARB believes this analytical approach is supported by the SRIA statute (Senate Bill 617, stats. 2011, ch. 496), is sound policy because it accurately reflects the real world impacts of these proposed amendments relative to current conditions, and is consistent with other requirements for assessing the impacts of a regulation. The revised SRIA provides stakeholders information about actual compliance in the absence of the proposed amendments. Thus, though CARB is providing responses to DOF's comments on the March SRIA for completeness, and the public may review both the March and revised SRIAs, CARB believes the revised SRIA most accurately reflects the effects of the proposal.

A further reason why CARB believes the March SRIA 100 percent compliance baseline is inappropriate is that, even if the rule were to be fully enforced, the provisions of the rule are not workable as drafted. The necessity for these amendments is to recast the rule to be properly enforceable, support compliance, and ultimately to capture critical emissions reductions that the current rule cannot capture as drafted.

(A) Department of Finance Comments and CARB's Responses.

1) DOF Comment: While the analysis identifies increased cancer risk, CARB has quantified estimates of health impacts of pollutant emissions in other analyses, and the SRIA must include similar modeling.

CARB analyzed the health impacts of changes in PM2.5 and NOx emissions for the SRIA submitted March 2017, as described below. A detailed methodology description and associated references for the health impact analyses can be found in the ISOR Appendix C.

The March SRIA uses a theoretical baseline of full compliance with the original regulations, which does not represent current emission conditions and is not reasonably foreseeable. For example, the March SRIA assumes that fleets are in compliance in 2017, and thus have low emissions, when this is demonstrably not the current condition of the industry. Using this theoretical baseline, the proposed amendments would result in increased emissions in some years leading to health impacts. However, this is not likely to actually occur because the industry is not, overall, in compliance, or able to comply, with the current regulation.

Working off the hypothetical 100 percent compliance baseline in the March SRIA, theoretical statewide health impacts between 2016 and 2030 include 136 fewer avoided premature deaths, 20 fewer avoided hospitalizations for cardiovascular and respiratory conditions, and 57 fewer avoided emergency room visits. These impacts are estimated by California Air Basin in Table 1.

Table 1: Cumulative Regional and Statewide Health Incidences from 2016 to 2030

Air Basin	Fewer Avoided Premature Deaths	Fewer Avoided Hospitalizations	Fewer Avoided ER Visits
Great Basin Valleys	0	0	0
Lake County	0	0	0
Lake Tahoe	0	0	0
Mojave Desert	2	0	1
Mountain Counties	0	0	0
North Central Coast	0	0	0
North Coast	0	0	0
Northeast Plateau	0	0	0
Sacramento Valley	5	1	2
Salton Sea	2	0	0
San Diego County	5	1	2
San Francisco Bay	27	5	12
San Joaquin Valley	21	3	9
South Central Coast	2	0	1
South Coast	96	14	41
Statewide	136	20	57

The health impacts were valued by multiplying the incidence in Table 1 by the per-incident health valuation in Table 2, without discounting. The theoretical statewide health impacts represent \$1,170 million in costs related to fewer avoided premature deaths, \$418,000 in costs related to fewer avoided hospital visits, and \$571,000 in costs related to fewer avoided emergency room visits between 2016 and 2030.

Table 2: Estimated Valuation per Incident for Avoided Health Outcomes (\$2015)

Outcome	Valuation per Incident
Avoided Premature Death	\$8,629,716
Avoided Acute Respiratory Hospitalizations	\$45,221
Avoided Cardiovascular Hospitalizations	\$51,844
Avoided ER Visits	\$742

The valuation for avoided premature death is based on estimates of individual's willingness to trade money for reductions in mortality risk. This willingness to pay for avoided premature deaths is a statistical construct and does not represent an estimate of how much any single individual would be willing to pay to prevent a certain death of any particular person, nor does it consider any specific costs to the California economy or individuals associated with mortality such as hospital expenditures. As such, this cost would not be included in determining macroeconomic impacts of the Portable Regulatory Amendments.

The \$418,000 related to fewer avoided hospital visits, and \$571,000 related to fewer avoided emergency room visits includes hospital charges, post-hospitalization medical care, out-of-pocket expenses, and lost earnings or both individuals and family members, lost recreation value, and lost household production (e.g., valuation of time-losses from inability to maintain the household or provide childcare). This represents costs to the California economy and individuals. Over 15 years (2016-2030) this represents an annual cost of \$66,000.

The U.S. EPA has not monetized cancer mortality in recent regulatory impact analyses. Following U.S. EPA, CARB does not monetize cancer mortality. A small increase in cancer mortality could occur as a result of diesel PM emissions when compared to a theoretical baseline of 100 percent compliance, as described in the March SRIA.

CARB, again, emphasizes that these costs relative to a 100 percent compliance baseline are very unlikely to actually occur, because this level of compliance is not occurring and is highly likely under current conditions. Accordingly, the revised SRIA, Appendix C-2, which shows public health benefits, provides the more accurate depiction of the effects of this proposed regulation. For comparison, the revised SRIA shows the following health benefits: between 2017 and 2030, there are anticipated to be 38 avoided premature deaths, 6 avoided hospitalizations, and 16 avoided ER visits as a result of the proposed amendments. Health benefits represent a cost-savings to individuals and the California Economy. The cost-savings of avoided premature deaths is \$327,916,887, avoided hospitalization is \$273,454, and avoided ER visits is \$11,899. More detail can be found in the revised SRIA in Appendix C.

- 2) DOF Comment: The discussion of impacts must also include an analysis of whether the higher exposure to these air pollutants generates disproportionate negative health effects across various categories of individuals. In particular, the workers using the portable equipment emitting more pollutants will be affected. Low income communities may also be exposed to higher concentrations of air pollutants which can lead to higher health problems. Across age groups, evidence shows that exposure to pollutant emissions can have higher negative consequences on the health of children and senior adults. These impacts should be discussed to the extent possible.**

Impacts across age groups are accounted for in the CARB health analysis methodology. Incidence rates vary according to age. For instance, an older person is more likely to die or be hospitalized because of heart disease or stroke than a child or young adult. Age-specific incidence rates were taken from the Centers for Disease Control and Prevention Wonder database. The CARB methodology divides the population into five-year age brackets up to ages 80-84, and an 85+ age bracket. Thus the analysis reflects differences in vulnerability between different age groups.

In general, health studies have shown that populations with low socioeconomic standings are more susceptible to health problems from exposure to air pollution, therefore, emissions near these populations may have additional impacts. However, the models currently used by U.S. EPA and CARB do not have the granularity to account for this impact. In addition, the underlying scientific research contains high uncertainty and cannot currently be used to quantify this impact.

The California Division of Occupational Safety and Health (Cal/OSHA) does not have a permissible exposure limit (PEL) specifically for diesel PM. Still, ARB recognizes that workers that use portable diesel-powered equipment, such as power generators, pumps, compressors, pile-driving hammers, welders, cranes, wood chippers and dredgers, may be at risk to occupational diesel particulate matter exposure. Individuals who operate portable equipment will experience higher occupational exposure to diesel PM. This effect cannot be quantified due to lack of data on the typical occupational exposure for these types of portable equipment.

Because these health impacts are determined compared to a theoretical baseline that does not reflect current conditions, these health impacts are not anticipated to occur. Using the current state of the industry and reasonably foreseeable assumptions, a net emission decrease is expected as discussed in the revised SRIA analysis in Appendix C-2 of the ISOR.

3) DOF Comment: For fiscal impacts on local and state governments, the analysis needs to be expanded beyond the identification of additional fees paid to the state by adding expenditure changes by state and local government operators of affected equipment, and by adding expenditures on state and local health programs.

As described in the March SRIA, State and local governments will see two distinct impacts. First, government fleets that operate portable equipment will experience increased registration fees, and decreased equipment operating fees. In the second role, CARB and the 35 California air districts that regulate and enforce PERP registrations will receive a portion of the higher registration fees, increasing revenue. Overall, State and local governments are expected to experience an equipment cost-savings and an increase in revenue. This expenditure change by state and local government operators of affected equipment is fully described in the March SRIA submitted to DOF, Section G, which can be found at Appendix C-1.

The March SRIA analysis, from the hypothetical and implausible 100 percent compliance baseline, shows an annual average of \$66,000 increase in health costs across California. These costs are divided among individuals and State, local, and Federal health providers. Using the values of the State share of Medi-Cal expenditures from 2014 to 2016, and the observed and forecasted ratio of Medi-Cal expenditures to total expenditures on hospital care, the data suggest that 8.2 to 11.6 percent of the costs would be borne by the State General Fund. This is equivalent to approximately

\$5,400 to \$7,600 per year. The share of costs attributable to local government is not easily quantified. The magnitude of costs, however, is small compared to total spending on medical care. Additional detail on the methodology to distribute the costs to the State General Fund can be found in Section F of the ISOR Appendix C-2. Once again, as described in Appendix C of the ISOR, these costs are not likely to occur, because 100 percent compliance is not being achieved. In fact, health benefits will result from bringing industry into compliance via the amendments.

The following section, B, summarizes the findings of the March SRIA, Appendix C-2. As discussed above, CARB revised the SRIA analysis using current conditions and reasonably foreseeable assumptions about the future of the industry. CARB considers this revised SRIA to be the most accurate assessment of the economic impact compared to current conditions. Sections C through H summarize the findings of the revised SRIA.

(B) Summary of findings of the March SRIA

Creation or elimination of jobs: As modeled, the proposed amendments would have a small impact on employment growth relative to the BAU scenario. Fleets are estimated to spend less on equipment in early years and use the increased profit as expenditures on labor and other capital - growing employment in California. The REMI model responds to decreases in production costs by increasing output and thus increasing both capital and labor purchases. The delayed purchase requirements will thus increase employment for businesses that use portable equipment, while decreasing employment for the engine manufacturers that face a lowered demand compared to the baseline predominantly in 2017 and 2020. The growth in employment in early years offsets the slowing of growth in 2020 and 2021, yielding a slight decline beginning in 2025. However, this slowing of growth represents less than 0.01 percent of California employment in the most negatively impacted year.

Creation or elimination of businesses: There is anticipated to be growth in industries using portable equipment due to the proposed amendments which may expand businesses in early years relative to the BAU scenario. However, any expansion of the portable equipment sector would likely be minor given that the purchase requirement of Tier 4 engines is not eliminated, but instead delayed. The manufacturers of portable equipment who face lower demand in early years as a result of delayed compliance may scale back their operations slightly, but may invest in the new Tier 4 technology which yields higher revenues. The REMI model indicates that only about 10 percent of the agriculture, construction, and mining machinery manufacturing industry is located in California, thus the impact of the decreased demand faced by this industry is largely concentrated outside of California and is not likely to have a significant impact on businesses in California.

Competitive advantages or disadvantages: Where permitting is required for California-based companies, out of state portable equipment used in California are also required to be permitted, resulting in a comparable increase in costs for both Californian and

non-Californian companies. Thus, portable engine owners are not expected to face competitive disadvantages as a result of the proposed amendments, but instead this industry will face more favorable economic conditions. Those companies that have already complied will be able to use their engines for compliance and have already incurred the costs to comply. Thus, in compliance years, their spending will be lower than that of other business and may give them a slight advantage in compliance years. In future years, as new businesses are beginning to meet the requirements, those with Tier 4 engines already will face lower cost to offer the same service.

Increase or decrease in investment in the State: As modeled, the proposed amendments would produce very small impacts on private business investments in California, relative to the BAU scenario. There will be reductions in equipment purchases in early years, which will slow the growth in investments in the portable equipment manufacturing sector in early years. However, the REMI model estimates, approximately 90 percent of that portable equipment sector is located outside of California. Any change in private investment is indiscernible from the baseline given the size of California's economy.

Incentives for innovation: The proposed amendments are designed to encourage innovation in the manufacturing of cleaner portable engines. Currently, the engine manufacturers are working with portable equipment companies to design Tier 4 engines that will fit on the footprints of more types of equipment. However, more time is needed for research and development for some pieces of equipment, especially specialized equipment that is often the oldest equipment in the fleet. Delaying the compliance date will afford manufacturers the time needed to manufacture more Tier 4 engines and find additional opportunities for emissions reductions, economies of scale, and efficiencies to lower the cost of Tier 4 engines. Delayed compliance under the proposed amendments will ensure adequate time for innovation to occur.

Benefits: The proposed amendments benefit regulated businesses by spreading out the compliance costs. The proposed amendments provide approximately 3,000 small fleets additional time to meet requirements, and the tier phase-out requirements greatly simplify fleet management and therefore reduce compliance costs for implementation. The proposed amendments are more easily enforceable which will result in high compliance rates.

Sections C through H summarize the findings of the revised SRIA.

(C) The creation or elimination of jobs within the state.

Regional Economic Models, Inc. (REMI), Policy Insight Plus Version 2.1.1 was used to estimate the macroeconomic impacts of the proposed amendments on the California economy. REMI is a structural economic forecasting and policy analysis model that integrates input-output, computable general equilibrium, econometric and economic geography methodologies. As modeled and explained in the revised SRIA, the proposed amendments would have a small impact on employment growth relative to the

BAU scenario. Decreases in employment in early years are consistent with the higher direct costs to the primary industries as additional purchases of equipment are made. These decreases are likely due to REMI's response to increases in production costs by decreasing output and thus decreasing both capital and labor purchases. While the primary industries face cost savings in later years due to decreases in penalties, these savings also result in decreases in state spending due to lower fine revenues. Combined, these two factors lead to a small increase in employment growth in years 2025 through 2030. The cumulative impact of the Portable Regulatory Amendments on employment growth is negative. However, the overall slowing of growth represents less than 0.01 percent of California's projected employment in all years of the assessment.

(D) The creation of new businesses or the elimination of existing businesses within the state.

Without the proposed amendments, fleets will face prohibitively high costs of compliance. As analyzed in the revised SRIA many will choose to remain out of compliance until enforced upon. Some fleets that cannot afford to come into compliance will go out of business. CARB developed the amendments in order to provide feasible compliance pathways. As a result, there will be fewer businesses driven out of business by enforcement actions. The amendments result in increased costs to the primary industries in early years and decreased costs in later years. Thus, it is unlikely that there will be any creation or elimination of new businesses as a result of these additional costs. Entities will have more time to become compliant with regulations, but the amendments are unlikely to drastically change the structure of the market in ways that would incentivize firms to enter or exit the market.

(E) The competitive advantages or disadvantages for businesses currently doing business within the state.

Where permitting is required for California-based companies, out of state portable equipment used in California is also required to be permitted, resulting in a comparable increase in costs for both Californian and non-Californian companies. Thus, portable engine owners in California are not expected to face competitive disadvantages as a result of the proposed amendments, as analyzed in the revised SRIA. The proposed amendments are also not anticipated to lead to business operations moving out of state because portable equipment is generally used for site specific operations.

(F) The increase or decrease of investment in the state.

The proposed amendments would produce very small impacts on private business investments in California, relative to the BAU scenario, as analyzed in the revised SRIA. There will be small changes in equipment purchases in early years, and a surge of purchases in 2020 which will slow the growth in investments in the portable equipment manufacturing sector in early years. However as the REMI model estimates, approximately 90 percent of that portable equipment sector is located outside of California, changes within state are anticipated to be small. The REMI modeling results

suggest that the increase in production costs for primary industries can impact private investment, but as costs level out investments in capital stock grow slightly, relative to the BAU scenario. The change in California private investments from 2017 to 2030, ranges from a 0.01 percent decrease in growth in 2020 and an increase of 0.01 percent from 2025 to 2030. The slowed growth in private investment is indiscernible from BAU given the size of California's economy, which is anticipated to increase from \$2.5 to \$3.4 trillion from 2017 to 2030.

(G) The incentives for innovation in products, materials, or processes.

CARB designed the proposed amendments to encourage innovation in the manufacturing of cleaner portable engines through the gradual phase out of lower tier engines. Currently, engine manufacturers are working with portable equipment companies to design Tier 4 engines that will fit on the footprints of more types of equipment. However, more time is needed for research and development for some pieces of equipment, especially specialized equipment that is often the oldest equipment in the fleet. Delaying the compliance date affords manufacturers the time needed to manufacture more Tier 4 engines and find additional opportunities for emissions reductions, economies of scale, and efficiencies to lower the cost of Tier 4 engines.

(H) The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency.

The proposed amendments are intended to maximize compliance rates by simplifying implementation for both fleets and CARB while also increasing enforceability, as described above. Because the current ATCM is technologically and economically challenging to meet, absent these amendments, many fleets are anticipated to operate out of compliance and some fleets may go out of business, as analyzed in the revised SRIA. The high non-compliance leads to high emissions which affect the health of individuals in California, operators of the portable equipment, and the environment. This is referred to as the Business as Usual (BAU) scenario. The proposed amendments are achievable and enforceable, unlike the existing regulations, resulting in compliance and reduced emissions compared to the BAU of the absence of the PERP program and ATCM, providing benefits to California.

Implementation of the proposed amendments will reduce overall emissions of PM2.5 and NOx, and will lead to a net statewide health benefit. Reduced emissions will likely reduce occupational exposure for portable equipment operators, as well as other workers near this equipment. This reduced exposure may result in fewer lost work days due to health issues and better productivity. The improved quality of life may help businesses improve the recruitment and retention of the workers.

Business Report (Gov. Code, §§ 11346.5, subd. (a)(11); 11346.3, subd. (d)):

The proposed amendments update reporting requirements for businesses to reduce the burden and facilitate compliance monitoring. The amendments exempt reporting for the least-polluting engines that meet the Tier 4 standards or are with an approved Verified Emission Control Strategy. Additional recordkeeping and reporting will be added for low-use and emergency-use engines to ensure they are staying within their required thresholds. Additional recordkeeping will be added for the additional scenarios proposed for fleets using electrification which is necessary to make those scenarios enforceable. In accordance with Government Code sections 11346.5, subdivisions (a)(11) and 11346.3, subdivision (d), the Executive Officer finds the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California, to ensure that the emission reductions intended by the regulations are achieved.

Cost Impacts on Representative Private Persons or Businesses (Gov. Code, § 11346.5, subd. (a)(9)):

In developing this regulatory proposal, CARB staff evaluated the potential direct cost impacts on representative private persons or businesses. CARB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Effect on Small Business (Cal. Code Regs., tit. 1, § 4, subs. (a) and (b)):

The Executive Officer has also determined under California Code of Regulations, title 1, section 4, that the proposed regulatory action would affect small businesses. The proposed amendments provide economic relief to all regulated fleets by spreading out costs and providing the time to finance fleet upgrades to meet regulatory requirements.

Alternatives Statement (Gov. Code, § 11346.5, subd. (a)(13)):

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law. The analysis of such alternatives can be found in Chapter VII of the Initial Statement of Reasons (ISOR) for these proposed regulations.

ENVIRONMENTAL ANALYSIS

When the Portable Engine ATCM was first proposed in 2004, along with the modifications to the PERP Regulation, CARB prepared an environmental analysis (EA)

under its certified regulatory program (California Code of Regulations, title 17, sections 60000 through 60008) to comply with the requirements of the California Environmental Quality Act (CEQA; Public Resources Code section 21080.5). The EA, included in Chapter VII of the Portable Engine ATCM Staff Report and Chapter IV of the PERP Regulation Staff Report published in 2004, determined that the proposed regulations would not result in any significant adverse impacts on the environment. Staff has determined that no additional environmental review is required for the current proposed amendments because the changes do not lead to any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The basis for reaching this conclusion is provided in Appendix J of the Staff Report.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than ten business days before the scheduled Board hearing.

TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California

AGENCY CONTACT PERSONS

Inquiries concerning the substance of the proposed regulatory action may be directed to the agency representative Mr. Michael Guzzetta, Branch Chief, Citation and Registration Enforcement Branch, at (916) 229-0707 or (designated back-up contact) Ms. Zuzana Vona, Air Pollution Specialist, Portable Equipment Registration Section, at (916) 229-0759.

AVAILABILITY OF DOCUMENTS

CARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Proposed Amendments to the Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater, and to the Statewide Portable Equipment Registration Program Regulation.

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on CARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, on September 26, 2017.

Further, the agency representative to whom non-substantive inquiries concerning the proposed administrative action may be directed to Bradley Bechtold, Regulations Coordinator, (916) 322-6533. The Board staff 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.

HEARING PROCEDURES

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

Interested persons should be aware that any of the provisions of the amendments under consideration could be withdrawn or substantively changed as a result of public comments, staff recommendations, or discussions at the public hearing. Following the public hearing, the Board may take action to approve for adoption the regulatory language as originally proposed, with changes related to the proposed amendments, or with non-substantial or grammatical modifications. The Board may approve for adoption 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 and that the regulatory language as modified could result from the proposed regulatory action. If this occurs, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15-days before final adoption.

The public may request a copy of the modified regulatory text from CARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814.

FINAL STATEMENT OF REASONS AVAILABILITY

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 CARB's website listed below.

INTERNET ACCESS

This notice, the ISOR, and all subsequent regulatory documents, including the FSOR, when completed, are available on CARB's website for this rulemaking at <http://www.arb.ca.gov/regact/2017/perp2017/perp2017>

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: September 26, 2017

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 website at www.arb.ca.gov.