

TITLE 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE STATIONARY DIESEL ENGINE CONTROL MEASURE

The Air Resources Board (Board or ARB) will conduct a public hearing at the time and place noted below to consider adoption of amendments to the Airborne Toxic Control Measure for Stationary Compression Ignition Engines (Stationary Diesel Engine ATCM). The primary purpose of the proposed amendments is to establish regulatory requirements for in-use stationary diesel engines used in agriculture (agricultural engines). Other amendments are being proposed to clarify and streamline implementation of the Stationary Diesel Engine ATCM.

DATE: November 16, 2006

TIME: 9:00 a.m.

PLACE: Public Utilities Commission
Auditorium
505 Van Ness Avenue
San Francisco, California 94102

This item will be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., November 16, 2006, and may continue at 8:30 a.m., November 17, 2006. This item may not be considered until November 17, 2006. Please consult the agenda for the meeting, which will be available at least 10 days before November 16, 2006, to determine the day on which this item will be considered.

For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. Please contact ARB's Disability Coordinator at (916) 323-4916 by voice or through the California Relay Services at 711, to place your request for disability services. If you are a person with limited English and would like to request interpreter services, please contact ARB's Bilingual Manager at (916) 323-7053.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Sections Affected: Proposed adoption of title 17, California Code of Regulations (CCR), section 93115.1 through 93115.15 inclusive to supersede the requirements set forth in title 17, CCR, section 93115, as amended September 9, 2005, and amending existing title 17, CCR, section 93115.

Background: The California Toxic Air Contaminant Identification and Control Program, established under California law by Assembly Bill 1807 (Stats. 1983, Ch. 1047) and set forth in Health and Safety Code sections 39560-39675, requires ARB to identify and control toxic air contaminants (TAC) in California. The Board identified particulate

matter from diesel-fueled engines (diesel PM) as a TAC in August 1998. In October 2000, ARB staff published the diesel PM control needs assessment, Risk Reduction Plan to Reduce Particulate Matter Emissions from Diesel-Fueled Engines and Vehicles (Diesel Risk Reduction Plan). In the Diesel Risk Reduction Plan, ARB staff recommended control measures to reduce diesel PM from a variety of diesel-fueled vehicles and engines, including in-use agricultural engines.

In October 2001, the Office of Environmental Health Hazard Assessment (OEHHA) identified diesel PM among the top priority pollutants affecting children's health in accordance with The Children's Environmental Health Protection Act (Stats. 1999, Ch. 731).

Stationary Diesel Engine ATCM for Stationary Compression Ignition Engines

At a public hearing on February 26, 2004, the Board approved the Stationary Diesel Engine ATCM in order to reduce diesel PM emissions from new and in-use stationary diesel engines. Among other provisions, the Stationary Diesel Engine ATCM established emission standards for new agricultural engines, but specifically exempted in-use agricultural engines. In-use agricultural engines were exempted because the State Legislature was considering Senate Bill 700 (Stats. 2003, Ch. 479) to determine the regulatory/permitting status of agricultural emission sources, such as engines. Senate Bill 700 was subsequently enacted into law and removed the long-standing permit exemption for agricultural equipment. Additionally, the bill set forth local air district requirements and guidance for regulating agricultural emission sources. At public hearings in March 2005 and May 2005, the Board approved amendments to the regulation that established interim and final standards for new stationary agricultural engines.

In-Use Agricultural Engines Investigation

During the public hearing on February 26, 2004, the Board directed ARB staff to investigate the opportunities and challenges associated with replacing in-use agricultural engines with electric motors in order to reduce diesel PM emissions.

In March 2004, ARB staff began investigating and discussing electrification and other in-use agricultural engine regulatory measures with representatives from the agricultural industry, agricultural equipment suppliers, engine manufacturers, engine distributors/dealers, electric utilities, fuel suppliers, local air districts, environmental and community groups, and others.

From an air quality perspective, electrification of stationary diesel agricultural engines would be highly desirable because it virtually eliminates all emissions. There are now two utility incentive programs in operation to assist with electrification: Pacific Gas and Electric's Agricultural Internal Combustion Engine or AG-ICE Conversion Incentive Program and Southern California Edison's Time-of-Use Pumping Agricultural Internal Combustion Engine or TOU-PA-ICE Program. These programs provide reduced

electricity rates and electrical line and service extension allowances for growers who voluntarily replace stationary diesel agricultural irrigation pump engines with electric motors. Despite these incentive programs, cost continues to be a significant obstacle to electrification for many farmers. Staff also found that farmers' selection of irrigation pump equipment and preferred power source is a site-specific, case-by-case decision that depends on many variables including irrigation method and schedule, availability of surface water, well pumping depth, quantity of water needed, fuel costs, electricity costs, and electrical infrastructure proximity and adequacy. As a result, additional controls are necessary for those engines that cannot be replaced with electric motors.

In June 2005, the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) and the South Coast Air Quality Management District (SCAQMD) Boards approved revisions to local rules that included oxides of nitrogen (NOx) emission standards for in-use agricultural engines. Although SJVUAPCD Rule 4702 and SCAQMD Rule 1110.2 do not specifically regulate diesel PM, they are expected to result in the replacement of older in-use agricultural engines with electric motors or new, cleaner diesel or other engines.

As part of this rulemaking, ARB staff updated the emission inventory for stationary diesel agricultural pump engines. ARB staff estimates there are about 8,600 agricultural engines operating in California in 2005. These engines account for about 1.6 tons per day (tpd) of diesel PM and 33 tpd day of oxides of nitrogen (NOx). The updated inventory and regulatory proposals were discussed during two public consultation meetings and four public workshops held in Colusa, Durham, Modesto, and Sacramento.

Description of the Proposed Regulatory Action:

Regulation of In-Use Agricultural Engines

ARB staff anticipates that most of the in-use agricultural engines affected by the proposed amendments will be those used to pump water for the irrigation of crops. The proposed amendments do not apply to diesel-fueled agricultural wind machine engines. Also, in-use agricultural emergency standby generator set engines and remotely-located agricultural engines are exempt from in-use emission limits provided they are registered with the local air district and comply with certain other provisions in the regulation.

Engine replacement is expected to be the most practical and cost-effective means of complying with the proposed amendments to the Stationary Diesel Engine ATCM. This strategy is expected to result in NOx, carbon monoxide (CO), and hydrocarbon (HC) emission reductions commensurate with diesel PM emission reductions. The compliance dates in the proposed Stationary Diesel Engine ATCM should not interfere with the implementation of the SJVUAPCD and SCAQMD rules regulating in-use agricultural engines.

The proposed amendments, in conjunction with local air district regulations, engine replacement incentive programs, and a negative growth factor for California's

agricultural industry, would benefit public health by reducing diesel PM exposure and cancer risk, particularly in areas where stationary diesel agricultural engines operate. The proposed amendments are also expected to result in reductions in emissions of other air pollutants, such as NOx and reactive organic gases (ROG). NOx and ROG are precursors to ozone formation in the lower atmosphere and NOx is a precursor to secondary PM. Table 1 summarizes projected PM and NOx emission reductions.

Table 1. Projected Diesel PM and NOx Emissions Reductions^{1,2,3}

Year	Diesel PM Emission Reductions from 2005 TPD (TPY)	NOx Emission Reductions from 2005 TPD (TPY)
2012	0.9 (330)	16 (5,800)
2022	1.2 (440)	22 (8,100)

1. For in-use >50 hp stationary diesel agricultural pump engines.
2. All values have been rounded.
3. Emission reductions are based on year 2005 emission levels which were forecast based on a 2003 emission inventory.

Air pollution from diesel engines contributes to premature death, heart disease, respiratory illnesses like asthma and bronchitis, and increased risk of cancer. Decreased ozone formation is likely to reduce illness, emergency room visits, and hospital admissions due to respiratory problems. The proposed amendments would contribute to further progress in meeting ambient air quality standards for PM10, PM 2.5, and ozone. Additionally, the proposed amendments would benefit the environment by improving visibility and by reducing soiling, crop loss, and damage to ornamental and forest vegetation. ARB staff believes that the proposed amendments will effectively reduce diesel PM and other air pollutant emissions from in-use stationary diesel agricultural engines.

ARB staff has proposed renumbering title 17, CCR, section 93115 by creating multiple sections based on topic (e.g., section 93115.8 contains the specific requirements for new and in-use agricultural engines). ARB staff believes that the renumbering will facilitate the determination of applicability of the requirements of the ATCM.

Emission Limits

The proposed amendments to the ATCM use the off-road engine certification standards to determine which engines need to be replaced/upgraded, by when, and what emission limit must be met. The off-road engine certification standards are phased in as Tiers 1 through 4. The standards become more stringent as each tiered standard takes effect in four to five year increments. Pre-1996 engines are generally referred to as noncertified (Tier 0) engines because they were manufactured before the ARB/United States Environmental Protection Agency (U.S. EPA) off-road certification standards were effective.

The emission performance standards in the proposed amendments require greater than 50 hp in-use agricultural engines to meet Tier 3 or Tier 4 off-road compression ignition (CI) engine certification standards (title 13, CCR, section 2423) beginning December 31, 2010. With two exceptions, noncertified (pre-1996, uncontrolled or Tier 0) engines would be required not to exceed Tier 3 or Tier 4 standards in the 2011-2012 timeframe (see Table 2). Less than 175 horsepower (hp) Tier 0 non-emergency generator set engines would be required not to exceed Tier 4 standards in the 2016 timeframe. Greater than 750 hp Tier 0 engines would be required not to exceed Tier 4 standards in the 2015 timeframe.

All Tier 1- and Tier 2-certified engines would be required not to exceed Tier 4 standards in the 2015-2016 timeframe or 12 years after the date of initial installation, whichever is later (see Table 3). The purpose of the 12-year provision is to allow the owner/operators of Tier 1- and Tier 2-certified in-use agricultural engines at least 12 years of useful life.

Table 2. Proposed In-Use Stationary Diesel Agricultural Engine PM Emission Limits (Tier 0)

Noncertified (Tier 0) Engine Horsepower	Off-Road CI Engine Certification Standard	Proposed Stationary Diesel Engine ATCM Compliance Date
> 50 to 99	Tier 3 or Interim Tier 4	December 31, 2011
100-174	Tier 3	December 31, 2010
175-750	Tier 3	December 31, 2010
> 750	Tier 4	December 31, 2014

Table 3. Proposed In-Use Stationary Diesel Agricultural Engine PM Emission Limits (Tiers 1 and 2)

Tier 1 or Tier 2 Certified Engine Horsepower	Off-Road CI Engine Certification Standard	Proposed Stationary Diesel Engine ATCM Compliance Date
> 50 to 174	Tier 4	December 31, 2015 ¹
≥ 175	Tier 4	December 31, 2014 ¹

1. Or 12 years after initial installation

Compliance Dates

The compliance dates in the proposed amendments have been designed to take effect four years after Tier 3 and Tier 4 Off-Road CI Engine Certification Standards for new engines become effective. This compliance schedule allows one year to ensure the availability of compliant engine packages for agricultural applications and the potential for three years of operation prior to a compliance deadline. Providing up to three years of operation before the final compliance deadline would ensure that Carl Moyer Program funding could be used to provide incentives for earlier and more significant emissions reductions. Additionally, to ensure that compliant new engine packages for

agricultural applications are available, ARB staff is proposing to allow the ARB Executive Officer to extend an in-use stationary diesel agricultural emission standard compliance date for up to one year.

Residual Risk Provision

Depending on proximity to receptors, it is possible that some owner/operators who replace their Tier 0 engines with Tier 3 engines in accordance with the proposed amendments may still pose a risk to nearby receptors. Pursuant to the goals of the AB 2588 "Hot Spots" Program (title 17, CCR, section 93300.5) to address such risk issues, the proposed amendments to the ATCM contain a provision allowing local air districts, on a site-specific basis, to extend compliance dates with ATCM emission standards provided the engine meets Tier 4 engine Off-Road CI Engine Certification Standards for PM (i.e., 0.02 grams per brake horsepower hour (g/bhp-hr) for an engine greater than 50 bhp but less than 75 bhp or 0.01 g/bhp-hr for an engine greater than or equal to 75 bhp) no later than three years after the otherwise applicable ATCM compliance date. Staff does not anticipate any significant residual risk issues from engines with such low PM emission rates.

Engine Registration Program

With the exception of agricultural wind machines, the proposed amendments require new and in-use stationary diesel agricultural engine owners or operators to register each engine with the local air district. As part of the registration, owners or operators are required to pay any fees assessed by the districts to implement and enforce the ATCM and manage the registration program. To assist the local air districts, ARB staff plans to publish guidelines for the registration program, including suggested requirements for the submittal of contact, engine, and engine location information. Since most agricultural engines are not permitted, the registration program will provide a means for affected party notification and compliance assurance. The Executive Officer may approve alternative district programs that are equivalent.

Fuel Usage

The proposed amendments require owners and operators to fuel their in-use stationary diesel agricultural engines with CARB diesel or another Stationary Diesel Engine ATCM-compliant fuel. ARB staff does not foresee any difficulty in meeting this fuel requirement because CARB diesel fuel (and CARB diesel fuel-biodiesel blends) are the only diesel fuels that can be marketed in California as of July 2006.

Recordkeeping and Reporting

Owners and operators of in-use stationary diesel agricultural engines will be subject to recordkeeping and reporting requirements similar to the existing ATCM requirements for other stationary diesel engines. These requirements include maintaining records of annual hours of operation, where applicable.

Other Proposed Amendments

Staff is proposing several other changes to the Stationary Diesel Engine ATCM to address implementation and compliance issues. These include streamlining certain fuel reporting requirements, updating electricity tariff schedules, changing the definitions of California (CARB) diesel fuel and alternative diesel, adding a new compliance option to meet the 0.01 g/bhp-hr diesel PM standard, providing engine “sell-through” provisions, clarifying the definition of “emergency use” for emergency standby engines performing military launch tracking, and updating references. Staff is also proposing changes to the fuel requirements relative to the use of certain alternative diesel fuels in stationary CI engines, including the use of biodiesel and biodiesel blends.

Additionally, staff is proposing that local air districts be provided discretion in defining “maintenance and testing,” and for exempting from the requirements of the ATCM stationary CI engines at test cell, test stand, and research and development facilities, and for stationary CI engines used exclusively for training at educational facilities.

Potential Changes to the Consideration of the use of Engines Enrolled in Demand Response Programs

It has been recently brought to the attention of ARB staff that a recent California Public Utilities Commission ruling has directed three California utilities to initiate reconsideration of utility demand response programs (DRP) for 2007 and 2008. As defined in the ATCM, a DRP is a program for reducing electrical demand using an interruptible service contract. Currently, two of these utilities, Pacific Gas and Electric, and Southern California Edison, do not participate in a DRP program. At this time, it is unclear how this ruling may affect the current DRP provisions in the ATCM.

At the hearing, staff may consider proposing additional changes to the Board regarding the use of engines enrolled in demand response programs. These changes may include allowances for the Executive Officer to approve additional hours of operation beyond those already provided for in the ATCM for DRP engines, requirements for prioritizing the use of DRP engines during Stage 2 or Stage 3 electrical alerts, or other changes as appropriate.

COMPARABLE FEDERAL REGULATIONS

Federal New Nonroad (Mobile) CI Engine Certification Standards

Federal nonroad CI engine certification standards set forth in the United States Code of Federal Regulations (CFR) Title 40, Chapter I, Part 89, Subpart B and Part 1039, Subpart B and California Off-Road CI Engine Certification Standards (title 13, CCR, section 2423) are the same with respect to standards and implementation schedules. The only areas of difference include mandatory labeling for “flexibility” and rebuilt engines in California.

The proposed Stationary Diesel Engine ATCM is expected to result in in-use agricultural engine replacement with new engines. Though compliant for the purposes of the certification standards, new "flexibility" engines would only be allowed if they meet the PM emission limit for the model year engine specified in the Stationary Diesel Engine ATCM. "Flexibility" engines are not expected to present a problem for implementation of the proposed amendments because such engines are required to be identified by labels.

Federal New Source Performance Standards (NSPS) for Stationary CI Internal Combustion Engines

U.S. EPA has recently adopted federal performance standards for new stationary CI internal combustion engines (Vol. 71, No. 132, July 11, 2006, FR 39154). The standards essentially require manufacturers of 2007 and later model year stationary engines, including those used in agriculture, to comply with the federal nonroad CI engine certification standards which are essentially the same as California Off-Road CI Engine Certification Standards as described above. By complying with the Stationary Diesel Engine ATCM, an owner/operator replacing an in-use agricultural engine would be complying with the NSPS.

Federal Fuel Standards

There are both federal and State fuel standards. The federal commercial fuel standards set forth in 40 CFR Part 80 require diesel fuel supplied to off-road engines (including stationary agricultural and other engines) to meet a 500 parts per million (ppm) sulfur limit beginning June 1, 2007. More stringent California fuel standards are set forth in title 13, CCR, sections 2281-2285. California diesel fuel standards establish a 15 ppm sulfur limit and a 10 volume percent aromatic hydrocarbon limit, or allow diesel fuel that provides equivalent or better emission performance. Fuel suppliers in California must provide diesel fuel that meets the more stringent California fuel standards. Fuel supplied as compliant California fuel also complies with less stringent federal standards. Pursuant to the existing Stationary Diesel Engine ATCM, nonagricultural stationary diesel engines in California are already subject to these fuel requirements. No issues are expected regarding owner/operator compliance with the in-use stationary diesel agricultural engine fuel-use requirements in the proposed amendments because only California-compliant fuel may be sold for use in the State.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

The Board 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: Staff Report: Initial Statement of Reasons for Proposed Requirements for Stationary Diesel In-Use Agricultural Engines, September 2006.

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format to allow for comparison with the existing regulations, may be accessed on ARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, California, 95814, (916) 322-2990 at least 45 days prior to the scheduled hearing on November 16, 2006.

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

Inquiries concerning the substance of the proposed regulation may be directed to the designated agency contact persons: Richard Boyd, Manager, Process Evaluation Section, (916) 322-8285, rboyd@arb.ca.gov, for inquires regarding in-use agricultural engines or Ronald Hand, Air Pollution Specialist, Technical Analysis Section, (916) 327-6683, rhand@arb.ca.gov, for inquires regarding nonagricultural engines. Further, the agency representative and designated back-up contact persons to whom nonsubstantive inquiries concerning the proposed administrative action may be directed are Artavia Edwards, Manager, Board Administration and Regulatory Coordination Unit, (916) 322-6070, or Alexa Malik, Regulations Coordinator, (916) 322-4011. The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB Internet site for this rulemaking at <http://www.arb.ca.gov/regact/agen06/agen06.htm>.

Additional information about publications and activities related to the proposed amendments is available at <http://www.arb.ca.gov/diesel/ag/inuseag.htm>. You may request electronic mail messages to alert you to updates to this website by joining the electronic list serve at <http://www.arb.ca.gov/listserv/inuseag.htm>.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

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

Pursuant to Government Code section 11346.5(a)(5), the Executive Officer has determined that the proposed amendments will possibly impose a mandate on local agencies or school districts. The Executive Officer has further determined pursuant to Government Code section 11346.5(a)(6) that the proposed regulations will result in some additional costs to the Air Resources Board and other state agencies. In addition, the Executive Officer has also determined pursuant to Government Code section 11346.5(a)(6) that the proposed regulatory action will possibly create a cost to

any local agency or school district that is required to be reimbursed under Part 7 (commencing with section 17500) of Division 4 of the Government Code or other nondiscretionary costs or savings imposed on local agencies. The Executive Officer further determined that the proposed amendments will not result in costs or savings in federal funding to the state.

The proposed amendments affect CI engines used in either non-agricultural or agricultural use; the amendments affecting non-agricultural engines are estimated to be cost-neutral or produce a slight cost savings to their owners/operators, and thus are not discussed below. The amendments affecting agricultural in-use engines are expected to impose costs upon those businesses or public entities as described below in the Fiscal Impact to Businesses Section, and are discussed below.

Fiscal Impact on Local Agencies or School Districts

The Executive Officer has determined that the proposed regulatory action will have an impact, although insignificant, on costs to local agencies or school districts since it will require a very small number of local agency or school districts to comply with the amended ATCM.

Some compliance (including reporting) costs may be incurred by a few local agencies and school districts, to the extent that they own or operate affected engines. Staff was unable to locate any affected agricultural in-use engines owned or operated by local agencies or school districts; therefore, staff believes that there may only be a few of these entities that will incur costs.

Fiscal Impact on State Agencies or Federal Funding to the State

Some relatively minor costs will occur for correctional facilities and universities (both the California State University (CSU) and University of California (UC) systems) that own or operate affected agricultural in-use engines. Staff has determined that less than 10 engines owned or operated by correctional facilities and universities would be affected. Since the compliance costs are insignificant compared to their overall budgets, we believe that the costs will be able to be met within their existing budgets. The proposed amendments will impose a cost to ARB for local air district implementation and enforcement assistance. These one-time costs to ARB primarily involve developing health risk screening materials and database tracking software for district use in their enforcement activities. These costs are estimated at approximately \$62,000; ARB staff expects that the costs will be absorbed within the existing budget.

The Executive Officer has also determined that the proposed regulatory action will not create costs or savings in federal funding to the State.

Fiscal Impact to Businesses

The Executive Officer has made an initial determination that the proposed regulatory action will 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.

In developing this regulatory proposal, the ARB staff evaluated the potential economic impacts that representative private persons or businesses might incur in reasonable compliance with the proposed Stationary Diesel Engine ATCM. The Executive Officer has initially assessed that the proposed regulatory action will affect the businesses that operate the affected engines. The costs for businesses and individuals that operate or own the affected engines are estimated to be in the range of \$34 million to \$42 million, over a 22-year period, which results in an average cost-effectiveness of \$11 per pound of diesel PM reduced (the cost-effectiveness range is from \$1 to \$22 per pound of diesel PM reduced). The cost for businesses and individuals is not expected to exceed \$10 million in any one year.

In accordance with Government Code sections 11346.3 and 11346.5(a)(10), the Executive Officer has determined that the proposed regulatory action may lead to creation or elimination of some businesses. Due to the long lead-time for compliance, the range of compliance options available, and the availability of incentive funding, we believe that most businesses will be able to meet the compliance costs. However, it is possible that a small number of businesses (those with marginal profitability) may experience financial difficulty in complying with the proposed amendments. Businesses that may be created include those that furnish, install, and maintain diesel emission control systems, as well as those that provide alternative compliance strategies. Engine and approved emission control system manufacturers, distributors, and dealers are likely to see an increase in business due to accelerated attrition and other options to meet the in-use requirements of the proposed amendments.

The Executive Officer has also determined, pursuant to title 1, CCR, section 4, that the proposed regulatory action will have an impact on small businesses. We believe that a majority of the affected engine owners and operators are likely to be small businesses. ARB estimates the initial cost to a small (as well as a typical) business (owning one to three engines) to be within the range of \$6,900 to \$33,000 in 2006.

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

In accordance with Health and Safety Code section 43013(c), the Executive Officer has determined that the standards and other requirements in the proposed amendments are

necessary, cost-effective, and technologically feasible for agricultural operations (i.e., farm equipment).

A detailed assessment of the economic impacts of the proposed amendments can be found in the ISOR.

Fiscal Impact to Local Air Districts

There will be significant costs to the local air districts to implement and enforce the ATCM. Staff estimates that a district's costs to implement the registration program (initial registration) would be approximately \$45 to \$90 per engine. An additional cost of \$26 to \$242 would be needed to cover an inspection and registration update at the time of final compliance with the ATCM. State law allows the districts to charge fees to recover these costs. These costs would not impact SJVUAPCD or SCAQMD because these districts have already established registration or permitting programs similar to the registration program in the proposed amendments.

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 or would be as effective and less burdensome to affected private persons than the proposed action.

SUBMITTAL OF COMMENTS

The public may present comments relating to this matter orally or in writing at the hearing, and in writing or by email before the hearing. To be considered by the Board, written submissions not physically submitted at the hearing must be received **no later than 12:00 noon, November 15, 2006**, and addressed to the following:

Postal mail is to be sent to:

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

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php> **no later than 12:00 noon, November 15, 2006.**

Facsimile transmissions are to be transmitted to the Clerk of the Board at (916) 322-3928 and received at ARB **no later than 12:00 noon November 15, 2006.**

The Board requests but does not require that 30 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. ARB

encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

This regulatory action is proposed under that authority granted in Health and Safety Code sections 39650-39675. This action is proposed to implement, interpret and make specific Health and Safety Code sections 39650-39675.

HEARING PROCEDURES

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

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action; in such event the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before it is adopted.

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

CALIFORNIA AIR RESOURCES BOARD

Catherine Witherspoon
Executive Officer

Date: September 19, 2006