

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 17

REPORT: Report to Legislature and CARB on South Coast AQMD's Regulatory Activities for Calendar Year 2023

SYNOPSIS: South Coast AQMD is required by law to submit a report to the Legislature and CARB on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by South Coast AQMD, number of permits issued, denied, or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015 - Backstop Provisions.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file the attached report and direct staff to forward the final report to the Legislature.

Wayne Natri  
Executive Officer

LTO:EH:CC

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**Background**

South Coast AQMD is subject to several internal and external reviews of its air quality programs. These include an annual review of South Coast AQMD's proposed operating budget for the upcoming fiscal year and compliance program audits.

In 1990, the Legislature directed South Coast AQMD to provide an annual review of its regulatory activities (SB 1928, Presley), and specified the type of information required (Health and Safety Code § 40452). Many of the required elements overlap with other requirements of separate legislation. For example, information on South Coast AQMD's Clean Fuels Program is a requirement of this report but is also a separate requirement under legislation passed in 1999 (SB 98, Alarcón). The purpose of this report is to fill in pieces of additional data needed to compile a comprehensive regulatory overview. Most of the information included in this report is not new but is simply a compilation of information previously seen by the Board.

The specific requirements of this report include:

- A summary of each major rule and rule amendment adopted by the Board;
- The number of permits to operate or permits to construct that were issued, denied, cancelled or not renewed;
- Data on emission offset transactions and applications during the previous year;
- The budget and forecast of staff increases or decreases for the following fiscal year;
- An identification of the source of all revenues used to finance South Coast AQMD's activities;
- An update on South Coast AQMD's Clean Fuels program; and
- The annual RECLAIM Audit Report.

### **Attachment**

Report to the Legislature on the Regulatory Activities of the South Coast AQMD for Calendar Year 2023<sup>1</sup>

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<sup>1</sup> Due to the bulk of these materials, chapters III, IV and V of the report can be found online at <http://www.aqmd.gov/home/research/documents-reports>. Anyone who would like to obtain a hard copy of these materials may do so by contacting South Coast AQMD's Public Information Center at (909) 396-2001.

REPORT TO THE LEGISLATURE ON THE  
REGULATORY ACTIVITIES OF THE  
SOUTH COAST  
AIR QUALITY MANAGEMENT DISTRICT

Pursuant to  
Chapter 1702, Statutes of 1990 (SB 1928)



November 2024  
**Cleaning the Air that We Breathe...**

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

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Wayne Nastri  
Executive Officer

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# EXECUTIVE SUMMARY

## Introduction

South Coast Air Quality Management District (South Coast AQMD) is subject to internal and external reviews of its air quality programs. These include annual reviews of the South Coast AQMD's budget, forecast and proposed operating budget for the upcoming fiscal year, and compliance program audits. In addition, South Coast AQMD is required to submit to the California Air Resources Board (CARB) and State Legislature an annual review of its regulatory activities for the preceding calendar year (CY). The attached report satisfies this latter requirement, which is mandated pursuant to Chapter 1702, Statutes of 1990 (SB 1928, Presley), Section 40452 of the Health and Safety Code.

## Rule and Regulation Development Projects Approved in 2023 and CEQA Alternatives

This section contains a summary of the adoption or amendment of each rule and regulation development project approved by the South Coast AQMD Governing Board in the preceding CY (e.g., 2023). No plans were adopted or amended in 2023, however. Each summary contains information about the estimated emission reductions, cost-effectiveness, alternatives considered pursuant to the requirements in the California Environmental Quality Act (CEQA), socioeconomic impacts, and sources of funding.

South Coast AQMD operates under a regulatory program certified by the Secretary for Resources pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and implemented pursuant to South Coast AQMD Rule 110. The adoption or amendment of South Coast AQMD rules and regulations are subject to South Coast AQMD's certified regulatory program for CEQA, while the adoption or amendment of plans such as the Air Quality Management Plan (AQMP) are not. Having a certified regulatory program means South Coast AQMD can incorporate its environmental analyses into CEQA documents other than environmental impact reports (EIRs), negative declarations (NDs), or mitigated NDs (MNDs) without being subject to a limited number of specific CEQA requirements identified in Public Resources Code Section 21080.5. Instead, all CEQA documents prepared by South Coast AQMD pursuant to its certified regulatory program are either called an Environmental Assessment (EA), or some variant of an EA such as a Subsequent or Supplemental EA, or Addendum to an EA. For any rule or plan development project that is determined to be exempt from CEQA, regardless of whether the project is subject to the South Coast AQMD's certified regulatory program, a Notice of Exemption, while not required, can be prepared.

In 2023, the South Coast AQMD Governing Board adopted or amended the following major rules and regulations for which a public workshop was conducted: Rules 219, 222, 463, 1106, 1107, 1110.2, 1110.3, 1111, 1118, 1148.2, 1153.1, 1178, 1401.1, 1405, 2011, 2012, 2202, and Regulation III (which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320). Refer to Chapter 1 for more details regarding these approved major rule/regulation projects.

## Socioeconomic Impact Assessments

Health and Safety Code Sections 40440.8 and 40728.5 require that South Coast AQMD perform socioeconomic impact assessments for its rules and regulations that will significantly affect air

quality or emissions limitations. Prior to implementing the requirements of Health and Safety Code, South Coast AQMD staff had been evaluating the socioeconomic impacts of its actions pursuant to a 1989 Governing Board Resolution. Additionally, South Coast AQMD staff assesses socioeconomic impacts of CEQA alternatives analyzed for rules with significant cost and emission reduction impacts.

The elements of socioeconomic impact assessments include direct effects on various types of affected industries and businesses in terms of control costs and cost-effectiveness as well as public health benefits associated with AQMPs. Additionally, South Coast AQMD staff uses an economic model developed by Regional Economic Models, Inc. (REMI) to analyze the potential direct and indirect socioeconomic impacts of South Coast AQMD rules, regulations and plans on Los Angeles, Orange, Riverside, and San Bernardino Counties. These impacts include, but are not limited to, employment and competitiveness.

In 2023, the South Coast AQMD identified and analyzed potential socioeconomic impacts of amendments to seven existing rules (Rules, 219, 222, 1148.2, 1153.1, 1178, 1401.1, 1405, and 2202). Additionally, a Socioeconomic Impact Assessment is prepared annually for Rule 320 because it contains a requirement for an automatic annual California Consumer Price Index (CPI) adjustment to most fees paid to South Coast AQMD. Finally, a Socioeconomic Impact Assessment was also prepared for the amendments to Regulation III – Fees, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320. No Socioeconomic Impact Assessments were conducted for plans since none were adopted or amended in 2023.

## **Engineering and Permitting**

### Background

Section 40452 of the California Health and Safety Code requires that the South Coast AQMD submit an annual report to both the state board and Legislature that summarizes its regulatory activities for the preceding calendar year. Paragraph (b) of Section 40452 requires that the annual report include data on “the number of permits to operate or to construct, by type of industry, that are issued and denied, and the number of permits to operate that are not renewed.” Paragraph (c) of section 40452 requires that the annual report also include data on emission offset transactions and applications during the previous fiscal year, including an accounting of the number of applications for permits for new or modified sources that were denied because of the unavailability of emission offsets. In addition, South Coast AQMD Rule 2015 requires submittal of the annual Regional Clean Air Incentives Market (RECLAIM) Audit Report for the 2023 Compliance Year to the Legislature.

The following paragraphs provide a brief summary for each report.

### Permitting Data – Calendar Year 2023

During calendar year 2023, South Coast AQMD dispositioned a total of 5,874 applications. The majority of these applications were for Permits to Operate (2,281), Plans (900), Area Sources & Certified/ Registrations (1,043), and Changes of Operators (709). Also, 859 permits were not renewed. This data, broken down into nine different categories, is summarized in Table 1.

Table 2 contains a breakdown of permits dispositioned (in the nine categories) by type of industry. The type of industry was based on North American Industry Classification System (NAICS) codes, which were provided by the applicant at the time of application filing. The top three NAICS codes were 447110/447190 – Gasoline Service Stations, 324110 – Petroleum Refineries and 445110 – Supermarkets and Other Grocery Retailers.

### Emission Offset Transactions Data – Fiscal Year 2022/2023

During fiscal year 2022-2023, a total of 19 emission offset transactions were completed, which include 15 transactions for reactive organic gases (ROG), two transactions for oxides of nitrogen (NO<sub>x</sub>), and 2 transactions for particulate matter with an aerodynamic diameter less than 10 microns (PM<sub>10</sub>). There were no transactions for carbon monoxide (CO). The amounts of emissions offsets transferred, by pollutant, include 270 pounds per day of ROG, 154 pounds per day of NO<sub>x</sub>, and two pounds of PM<sub>10</sub> (see Table 3 in the Annualized Publication of Emission Reduction Credit (ERC) and Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2022-23 (California Health and Safety Code 40452)). There were five banking applications processed, resulting in the issuance of new emission offsets of 39 pounds per day of ROG, four pounds per day of SO<sub>x</sub>, and 58 pounds per day of PM<sub>10</sub>. Additionally, no applications were denied for a permit for a new source for the reason of failure to provide the required emission offsets. (See Table 4 in the Annualized Publication of Emission Reduction Credit (ERC) and Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2022-23 (California Health and Safety Code 40452)).

### RECLAIM Audit Report

The REgional CLean Air Incentives Market (RECLAIM) program was adopted in 1993 to provide facilities with flexibility in achieving the same emissions reduction goals as would have been achieved under the traditional command and control approach, while lowering the cost of compliance. To ensure RECLAIM is achieving its goal, South Coast AQMD Rule 2015 - Backstop Provisions, requires preparation of an annual audit report on the program. This Annual RECLAIM Audit Report assesses emission reductions, availability of RECLAIM Trading Credits (RTCs) and their average annual prices, job impacts, compliance issues, and other measures of performance for the twenty-ninth year of this program. The results of the annual audit show that RECLAIM continues to meet its aggregate emission goals and all other specified objectives.



As discussed in more detail in the audit report (see Chapter V), a total of 229 facilities were in the RECLAIM program at the end of Compliance Year 2022. Audited NO<sub>x</sub> emissions from RECLAIM facilities were 11% less than programmatic NO<sub>x</sub> allocations, and audited SO<sub>x</sub> emissions were 27% less than programmatic SO<sub>x</sub> allocations. The vast majority of RECLAIM facilities complied with their allocations during the 2022 compliance year (93% of NO<sub>x</sub> facilities and 96% of SO<sub>x</sub> facilities).

A total of over \$1.59 billion in RTCs has been traded since the adoption of RECLAIM, of which \$12.1 million occurred in calendar year 2023 (compared to \$21.8 million in calendar year 2022), excluding swaps. Annual average prices were calculated and reported for discrete-year NO<sub>x</sub> and SO<sub>x</sub> RTCs and infinite-year block (IYB – trades that involve blocks of RTCs with a specified start year and continuing in perpetuity). The annual average prices of discrete-year SO<sub>x</sub> RTCs, IYB SO<sub>x</sub> RTCs and IYB NO<sub>x</sub> RTCs were below the applicable review thresholds for average RTC prices. The annual average prices of discrete-year NO<sub>x</sub> RTCs for Compliance Year 2023 and 2024 exceeded Rule 2015 threshold. As such, the provisions of Rule 2015 (b)(6) triggered subsequent action to conduct assessments of the RECLAIM program and provide recommendations to the Board. Assessments and recommendations when prices in Calendar Year 2021 exceeded the Rule 2015 price threshold were reported to the Governing Board on August 5, 2022. At the March 1, 2024, Governing Board meeting, the Board resolved that the circumstances associated with implementation of the RECLAIM had not changed and continuing analysis is not required.

In Compliance Year 2022, RECLAIM facilities reported a net gain of 3,878 jobs, representing 4.32% of their total employment. The RECLAIM program also met other applicable requirements including meeting the applicable federal offset ratio under New Source Review and having no significant seasonal fluctuation in emissions. Additionally, there is no evidence that RECLAIM resulted in any increase in health impacts due to emissions of air toxics.

Refer to Chapter V for the “Annual RECLAIM Audit Report for 2022 Compliance Year.”

### **Budget and Work Program**

Refer to Chapter II for the Fiscal Year 2023-2024 Budget Report.

### **Clean Fuels Programs**

#### 2023 Annual Report

In Calendar Year 2023, the South Coast AQMD Clean Fuels Program executed 19 new contracts, projects or studies and modified three projects adding dollars toward research, development, demonstration, and deployment projects as well as technology assessment and transfer of alternative fuel and clean fuel technologies. South Coast AQMD’s Clean Fuels Program contributed over \$1.4 million in partnership with other governmental organizations, private industry, academia, and research institutes, and interested parties, with total project costs of approximately \$16.9 million. Additionally, in Calendar Year 2023, the Clean Fuels Program continued to leverage outside funding opportunities, securing new awards totaling almost \$94

million from federal, state, and local funding opportunities. The significant project scope of a few key contracts executed in 2023 resulted in high leveraging of Clean Fuels dollars. Typical historical leveraging is \$4 for every \$1 in Clean Fuels funding. In 2023, South Coast AQMD exceeded this upward trend with almost \$13 leveraged for every \$1 in Clean Fuels funds. Leveraging dollars and aggressively pursuing funding opportunities is critical given the magnitude of needed funding identified in the 2022 AQMP to achieve NAAQS.

The projects or studies executed in 2023 included a diverse mix of advanced technologies. The following core areas of technology advancement for 2023 executed contracts (in order of funding percentage) include:

1. Technology Assessment and Transfer/Outreach;
2. Electric and Hybrid Vehicle Technologies and Infrastructure (including battery electric and hybrid electric trucks developed by OEMs and container transport technologies with zero emission operations);
3. Stationary Clean Fuels Technologies (including microgrids and renewables); and
4. Hydrogen and Mobile Fuel Cell Technologies and Infrastructure.

During Calendar Year 2023, South Coast AQMD supported a variety of projects and technologies, ranging from near-term to long-term research, development, demonstration, and deployment activities. This “technology portfolio” strategy provides South Coast AQMD the ability and flexibility to leverage state and federal funding while also addressing the specific needs of the Basin. Projects included significant battery electric and hybrid electric technologies and infrastructure to develop and demonstrate medium- (MD) and heavy- (HD) vehicles in support of transitioning to near-zero and zero emission goods movement; development, demonstration, and deployment of large displacement ultra-low NO<sub>x</sub> engines; and demonstration of hydrogen fuel cell MD and HD vehicles and infrastructure.

In addition to the 22 executed contracts and projects, 16 research, development, demonstration and deployment projects or studies and 17 technology assessment and transfer contracts were completed in 2023. As of January 1, 2024, there were 64 open contracts in the Clean Fuels Program.

In accordance with California H&SC Section 40448.5.1(d), this annual report must be submitted to the state legislature by March 31, 2024, after approval by the South Coast AQMD Board.

#### 2024 Plan Update

The Clean Fuels Program is re-evaluated annually to develop the annual Plan Update based on a reassessment of technology progress and direction for the agency. The Program continually seeks to support the development and deployment of cost-effective clean fuel technologies with increased collaboration with OEMs to achieve large scale deployment. The design and implementation of the Clean Fuels Program Plan must balance the needs in the various technology sectors with technology readiness on the path to commercialization, emission and GHG reduction potential and co-funding opportunities. South Coast AQMD is committed to developing,

demonstrating, and commercializing technologies that reduce criteria pollutants, specifically NOx and toxic air contaminants (TACs). Most of these technologies address the Basin's need for NOx and TAC reductions and garner GHG reductions and petroleum use. Due to these co-benefits, South Coast AQMD has been successful in partnering with the state and public/private partnerships to leverage its Clean Fuels funding. To identify technology and project opportunities where funding can make a significant difference in deploying cleaner technologies in the Basin, South Coast AQMD engages in outreach and networking efforts. These activities range from close involvement with state and federal collaboratives, partnerships, and industrial coalitions, and discussions with OEMs and technology providers on the current state of technologies and development and commercialization challenges. Additionally, unsolicited proposals from OEMs and other clean fuel technology developers are regularly received and reviewed. Potential development, demonstration and certification projects resulting from these outreach and networking efforts are included conceptually within the 2024 Clean Fuels Plan Update.

Assembly Bill (AB) 617 requires reduced exposure to communities most impacted by air pollution; TAO conducts additional outreach to AB 617 communities regarding available zero and near-zero emission technologies and incentives to accelerate deployment of cleaner technologies. Cleaner technologies such as <https://ww2.arb.ca.gov/capp> 2023 Annual Report & 2024 Plan Update EX-7 March 2024 zero emission HD trucks are in the Community Emission Reduction Plans (CERPs) for these AB 617 communities, and a zero emission HD truck loaner program is being launched in 2023. This program will allow smaller fleets and independent owner operators to learn about zero emission trucks by trying them out in their business operations. This program is being funded through Community Air Protection Program (CAPP) funds but utilizes zero emission truck technologies developed under the Clean Fuels Program.

Since 2020, CARB has adopted several critical milestone regulations for reducing emissions from on-road HD mobile sources. These regulations include: 1) Advanced Clean Truck (ACT) regulation which mandates an increasingly higher percentage of zero emission truck sales starting in 2024, 2) Omnibus Low NOx regulation which requires lower exhaust NOx standards on HD engines starting in 2024, 3) HD Vehicle Inspection and Maintenance Program for removing high emitters from legacy trucks, and 4) Advanced Clean Fleets (ACF) regulation which requires fleets to transit to zero-emission trucks starting in 2024. CARB also finalized the 2022 State Implementation Plan (SIP) Strategy pending U.S. Environmental Protection Agency (U.S. EPA) approval.

On the federal level, U.S. EPA has adopted a national low NOx truck rule in December 2022. The "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards," sets more stringent emissions from HD vehicles starting in model year 2027. This regulation is one of three rulemakings planned under the EPA Clean Trucks Plan. Two additional rulemakings include Phase 3 heavy-duty (HD) GHG standards and light-duty (LD) and MD vehicle multi-pollutant standards for model years 2027 will be finalized by the end of 2023. These EPA regulations have slight differences when compared to CARB counterparts. In August 2023, CARB announced proposed amendments to the Omnibus regulation aligning with the adopted U.S. EPA

rule in MY 2027 and provisions for allowing the sale of legacy engines starting MY 2024. Both the federal and state low-NOx regulations complement various zero emission regulations and will together bring much needed mobile source NOx reductions to the South Coast Air Basin.

The South Coast AQMD Warehouse Actions and Investments to Reduce Emissions (WAIRE) program to reduce NOx and DPM emissions from indirect sources such as warehouse facilities. The San Pedro Bay Ports implemented the Clean Truck Fund (CTF) to generate funds for achieving the goal of zero emission drayage trucks by 2035. Despite these major efforts, additional NOx emission reductions in the South Coast Air Basin are needed to meet ozone attainment target deadlines.

The Plan Update includes projects to develop, demonstrate and commercialize a variety of technologies, from near-term to long-term commercialization, that are intended to provide significant emission reductions over the next five to ten years. Areas of focus include:

- Developing and demonstrating technologies to reduce emissions from goods movement and Port related activities, including zero emission drayage trucks and infrastructure;
- Understanding particulate emissions from tire and brake wear;
- Developing and demonstrating ultra-low NOx, gaseous and liquid alternative/renewable fueled, large displacement/high efficiency engines and HD zero emission engine technologies;
- Mitigating criteria pollutant emissions from the production of renewable fuels, such as renewable natural gas, diesel and hydrogen as well as other renewable, low/zero carbon fuels and waste streams;
- Producing transportation fuels and energy from renewable and waste stream sources;
- Developing and demonstrating electric-drive (fuel cell, battery, plug-in hybrid and non-plug-in hybrid) technologies across LD, MD and HD platforms;
- Establishing large-scale hydrogen fueling and electric vehicle (EV) charging infrastructure to support LD, MD and HD zero emission vehicles;
- Ultra-fast, higher power charging (1 megawatt (MW)) for HD battery electric vehicles;
- Developing and demonstrating high flow fueling protocols and standards to address hydrogen refueling station network health and reliability and expand HD hydrogen refueling stations;
- Developing and demonstrating portable hydrogen refueling equipment to address the short-term need for hydrogen refueling and advance these technologies;
- Developing and demonstrating green hydrogen production pathways and hydrogen ecosystem to reduce the cost of hydrogen and improve state-wide hydrogen station reliability and availability;
- Developing and demonstrating low and zero emission alternative charging solution (ACS) technologies to support delay in deploying permanent EV charging infrastructure or to provide temporary and/or backup power generation; and

- Developing and demonstrating zero emission microgrids that utilize battery energy storage systems and onsite clean power generation to support transportation electrification demands associated with goods movement and freight handling activities.

Potential projects across ten core technologies by funding priority:

- Zero Emission Infrastructure (especially large-scale fueling and production facilities and stations that support MD and HD vehicles);
- Hydrogen / Mobile Fuel Cell Technologies;
- Electric / Hybrid Technologies (battery electric and hybrid electric trucks and container transport technologies with zero emission operations);
- Stationary Clean Fuel Technologies (microgrids that support EV and Hydrogen infrastructure and renewables);
- Fuel and Emission Studies;
- Renewable Fuel Infrastructure;
- Health Impact Studies within disadvantaged communities;
- Technology Assessment and Transfer / Outreach
- Engine Systems / Technologies (alternative and renewable fuels for truck and rail applications);
- Emission Control Technologies; and
- These potential projects for 2024 total \$33 million of Clean Fuels funding, with the anticipation of total project costs of \$556.8 million, leveraging \$17 for every \$1 of Clean Fuel funds spent. Some proposed projects may also be funded by other funding sources, such as state and federal grants for clean fuel technologies, incentive programs such as AB 617 CAPP funding, Volkswagen Mitigation, and Carl Moyer, and other mitigation funds.

These potential projects for 2024 total \$33 million of Clean Fuels funding, with the anticipation of total project costs of \$556.8 million, leveraging almost \$17 for every \$1 of Clean Fuel funds spent. Some proposed projects may also be funded by other funding sources, such as state and federal grants for clean fuel technologies, incentive programs such as AB 617 CAPP funding, Volkswagen Mitigation, and Carl Moyer, and other mitigation funds.

**CHAPTER I**  
**RULE DEVELOPMENT, CEQA, and SOCIOECONOMIC IMPACT ANALYSES**

## **RULE AND REGULATION DEVELOPMENT PROJECTS APPROVED IN 2023 AND CEQA ALTERNATIVES**

This section contains a summary of the adoption or amendment of each rule and regulation development project approved by the South Coast AQMD Governing Board in the preceding CY (e.g., 2023). No plans were adopted or amended in 2023, however. Each summary provides information about the estimated emission reductions, cost-effectiveness, alternatives considered, if applicable, pursuant to the requirements in the CEQA, socioeconomic impacts, and sources of funding.

Projects undertaken by public agencies are subject to CEQA. For any proposal that is either not a “project” or determined to be exempt from CEQA, no further action is required. However, if a project has the potential to create significant or less than significant adverse effects on the environment, then an environmental analysis is necessary. Typically, South Coast AQMD’s development of rules/regulations and plans are considered to be a “project” as defined by CEQA. The adoption of new rules, regulations and plans, or the amendment to existing rules, regulations and plans require a comprehensive CEQA document that contains an environmental impact analysis which includes the following:

- identification of potentially significant adverse environmental impacts evaluated based on environmental checklist topics;
- identification of feasible measures, if any, to mitigate significant adverse environmental impacts to the greatest extent feasible;
- if necessary, a discussion and comparison of the relative merits of feasible project alternatives that generally achieve the goals of the project, but may generate fewer or less severe adverse environmental impacts; and
- identification of environmental topics not significantly adversely affected by the project.

If significant adverse environmental impacts are identified, feasible mitigation measures, if any, and alternatives must be identified and an analysis of the relative merits of each alternative is required. However, if the CEQA document concludes that no significant adverse environmental impacts would be generated by a proposed project, neither the identification of feasible mitigation measures nor an analysis of CEQA alternatives to the project is required. However, even if a project is determined not to have significant environmental impacts, the CEQA document will contain a focused analysis of the potential environmental impacts.

South Coast AQMD operates under a regulatory program certified by the Secretary for Resources pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and implemented pursuant to South Coast AQMD Rule 110. The adoption or amendment of South Coast AQMD rules and regulations are subject to South Coast AQMD’s certified regulatory program for CEQA, while the adoption or amendment of plans such as the AQMP are not. Having a certified regulatory program means that the South Coast AQMD can incorporate its environmental analyses into CEQA documents other than environmental impact reports (EIRs), negative declarations (NDs), or mitigated NDs (MNDs) without being subject to a limited number of specific CEQA requirements identified in Public Resources Code Section 21080.5. Instead, all

CEQA documents prepared by South Coast AQMD pursuant to its certified regulatory program are either called an Environmental Assessment (EA), or some variant of an EA such as a Subsequent or Supplemental EA, or Addendum to an EA. For any rule or plan development project that is determined to be exempt from CEQA, regardless of whether the project is subject to the South Coast AQMD's certified regulatory program, a Notice of Exemption, while not required, can be prepared.

In 2023, the South Coast AQMD Governing Board adopted or amended the following major rules and regulations for which a public workshop was conducted, and which are presented in sequential order according to the month of project approval. Alternatives are summarized only for those projects identified as having potentially significant impacts requiring an alternatives analysis pursuant to CEQA.

### **JANUARY 6, 2023**

Two projects were approved by the South Coast AQMD Governing Board in January:

- 1. Amended Rule 1106 – Marine and Pleasure Craft Coatings, and Amended Rule 1107 – Coating of Metal Parts and Products:** Rule 1106 and Rule 1107 were amended to address the United States Environmental Protection Agency (U.S. EPA) limited disapproval of the State Implementation Plan (SIP) for Rule 1106 and Rule 1107 citing a deficiency from referencing ASTM International D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers and Blends and Thin Coatings Made from Them” (ASTM D7767). Rule 1106 and Rule 1107 were amended to remove the references to ASTM D7767. Rule 1106 was also amended to delete two product categories and their corresponding volatile organic compound (VOC) limits: Elastomeric Adhesives and Metallic Heat Resistant Coating, because they were not included in the U.S. EPA 1996 Control Techniques Guidelines. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Emission Fees.

- 2. Amended Rule 1118 – Control of Emissions from Refinery Flares:** Rule 1118 was amended to address a U.S. EPA SIP limited disapproval of the July 2017 version of Rule 1118 because it granted the South Coast AQMD's Executive Officer sole authority to approve ASTM International standards not explicitly included in the rule. Rule 1118 was amended such that ASTM standards not listed in the rule also require approval by California Air Resources Board (CARB) and U.S. EPA, along with approval by the South



Coast AQMD's Executive Officer. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Emission Fees.

### **FEBRUARY 3, 2023**

One project was approved by the South Coast AQMD Governing Board in February:

**Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers:** Rule 1148.2 was amended to expand the notification requirements for facilities that operate onshore oil and gas wells and conduct oil and gas well drilling, well rework, well completion, and well injection activities, and to: 1) add four new definitions to further clarify the amendments being proposed; 2) revise the timing when notifications are required to occur from no less than 48 hours to no less than 72 hours prior to the start of drilling, well completion, rework or acidizing of an onshore oil, gas, or injection well; 3) require notification when 20 gallons or more of any chemical, excluding water, are used for chemical treatment activities; 4) add an alternative method for operators to provide notification to the South Coast AQMD if the Notification and Reporting Portal on the South Coast AQMD website is inaccessible; 5) reduce the number of allowable extensions from five to three when the start date and time of a notification for the drilling, well completion, well rework, or chemical treatment of an onshore oil or gas well specified in a notification is anticipated to occur after the originally projected 24-hour window of the start date and time; 6) require workover rig operations and injection well acidizing to be included in notifications; 7) require written notification (U.S. Mail or personal service) and recordkeeping for acidizing jobs located near sensitive receptors; 8) delete an obsolete reporting requirement; and 9) incorporate additional minor changes for consistency and clarity. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not Applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessments section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, and AB 617.

### **MARCH 3, 2023**

One project was approved by the South Coast AQMD Governing Board in March:

**Amended Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools:**

Rule 1401.1 was amended to harmonize the definition of school in Rule 1401.1 with other air toxic rules, and to: 1) extend the health protection features of Rule 1401.1 to include early learning and development programs, including those centers that serve prekindergarten children, consistent with the findings on early-life exposure from the Office of Environmental Health Hazard Assessment; and 2) improve clarity and consistency with other South Coast AQMD air toxic rules by: a) removing the unimproved school property language because children may still be present in some unimproved areas and those currently unimproved areas could be developed or improved in the future; b) clarifying that an evaluation of a permit application will be based on the version of Rule 1401.1 in effect at the time a permit application is deemed complete; and c) making corrections to some table references. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessments section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

**APRIL 7, 2023**

One project was approved by the South Coast AQMD Governing Board in April:

**Amended Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Amended Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II:**

Rule 219 was amended to add or clarify permit exemption requirements and include enhanced recordkeeping provisions to address comments by U.S. EPA, and to also include targeted exemptions per the South Coast AQMD Governing Board’s direction to encourage the usage of low-emission technologies. Rule 222 was amended to align with the revisions in Rule 219 and address certain sources with negligible emissions. The key changes included: 1) adding new equipment categories that are exempt from permitting requirements including ultraviolet (UV)/electron beam (EB) light emitting diodes (LED) technology and other low-emission curing technologies, and gas insulating equipment that has a low potential to emit VOCs; 2) adding a separate exemption for small food ovens with no process VOC emissions that are not subject to registration requirements in Rule 222; 3) updating emissions thresholds for non-Title V agricultural sources; 4) clarifying that recordkeeping requirements apply to all emission sources and removing two compliance

options which do not require continuous recordkeeping requirements for Printing and Reproduction Equipment and Coating and Adhesive Process/Equipment; 5) removing Rule 222 requirements from Rule 219 since registration is not the basis for determining if specific equipment should be exempted from permit requirements; 6) clarifying that the exemption from permitting for identical replacement in whole or in part of any equipment at federal major sources that has been issued a permit must be based on U.S. EPA guidance in determining what qualifies as “routine maintenance, repair, and replacement” (RMRR); 7) amending the exemption provisions specific to remote reservoir cleaners and manually operated abrasive blasting cabinets; 8) aligning Rule 222 with the changes in Rule 219; 9) including minor rule language revisions; 10) adding a recordkeeping option for food ovens; and 11) adding a new subdivision for exemptions to improve rule clarity. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not Applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessments section. *Source(s) of Funding:* Permit Fees and Annual Operating Fees.

## **MAY 5, 2023**

Two projects were approved by the South Coast AQMD Governing Board in May:

- 1. Amended Regulation III – Fees:** Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320 was amended to establish the fee rates and schedules to recover South Coast AQMD’s reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III included: 1) an increase of most fees by 5.6 percent consistent with the Consumer Price Index (CPI) pursuant to Rule 320; 2) an increase to permit processing, annual renewal, and plan processing fees of two percent in fiscal year 2023-24 and an additional two percent increase in fiscal year 2024-25; 3) a clarification on the applicability of fees subject to an automatic CPI adjustment; and 4) administrative changes in Regulation III such as clarifications, deletions, insertions, or corrections of existing rule language, which were concluded to have no fee impact. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* None, not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, and Area Source Fees.

2. **Amended Rule 463 – Organic Liquid Storage, and Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities:** Rule 463 and Rule 1178 were amended to address deficiencies identified by the U.S. EPA in CARB’s Oil and Gas Methane rule which is designed to implement Reasonably Available Control Technology (RACT) requirements for sources subject to the U.S. EPA’s 2016 Control Techniques Guidelines (2016 CTG) for the Oil and Gas Industry that include storage tanks, and which partially relies on Rule 463 and Rule 1178 to achieve 95 percent emission control or greater for storage tanks subject to the 2016 CTG. The deficiency was addressed by modifying the applicability to include storage tanks subject to the 2016 CTG, which have a potential to emit six tons per year or greater of VOCs and are used in crude oil production. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* None, not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, Area Source Fees and AB 617.

## **JUNE 2, 2023**

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in June.

## **AUGUST 4, 2023**

Two projects were approved by the South Coast AQMD Governing Board in August:

1. **Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens:** Rule 1153.1 is applicable to Regional Clean Air Incentives Market (RECLAIM), non-RECLAIM, and former RECLAIM facilities that operate commercial food ovens with a rated heat input capacity equal to or greater than 325,000 British thermal units per hour (Btu/hr) which are used to prepare food or products for making beverages for human consumption. Commercial food ovens include bakery ovens, cooking ovens, dryers, drying ovens, roasters, smokehouses, and tortilla ovens. Rule 1153.1 was amended to implement two phases of oxides of nitrogen (NOx) emission limits. Phase I established a NOx emission limit of 15 parts per million by volume (ppmv) for tortilla ovens heated only by infrared burners, and a NOx emission limit of 30 ppmv for all other commercial food ovens. Phase II established zero-NOx emission limits for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses. Amendments to Rule 1153.1 also included: 1) interim NOx emission limits to prevent backsliding if a facility exits the RECLAIM program before they are required to meet the limits in Rule 1153.1; and 2) an Alternative Compliance Schedule Plan to address

additional time that might be needed by a utility provider to upgrade electrical infrastructure to provide electricity to operate electric zero-emission oven(s). The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* 0.11 ton per day of NO<sub>x</sub> by 2040. *Cost-Effectiveness:* \$349,000 per ton of NO<sub>x</sub> reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

- 2. Amended Rule 2202 – On Road Motor Vehicle Mitigation Options:** Rule 2202 was amended to require limited additional reporting of worksites with more than 250 employees to collect information that would be used to inform a potential second future amendment. More specifically, Rule 2202 was amended to: 1) incorporate additional data collection requirements for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite; 2) revise the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program Guidelines; 3) add provisions to permanently allow the use of Human Resources and/or payroll records to account for telecommute trips to streamline reporting; 4) update rideshare strategies; 5) incorporate new and amended definitions; and 6) make minor administrative changes for clarity and consistency. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Transportation Fees.

## SEPTEMBER 1, 2023

Two projects were approved by the South Coast AQMD Governing Board in September:

- 1. Amended Rule 1111 – Reduction of NO<sub>x</sub> Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces:** Rule 1111 establishes a NO<sub>x</sub> emission limit of 14 nanograms per Joule (ng/J) for residential and commercial gas furnaces. Rule 1111 was amended to extend the end date of the mitigation fee alternate compliance option for mobile home furnaces from September 30, 2023, to September 30, 2025, and allow manufacturers of mobile home furnaces to continue to comply by paying the mitigation fee for 40 ng/J NO<sub>x</sub> units with recordkeeping and reporting requirements for two more years. A delay in achieving approximately 0.016 ton per day (equivalent to 32 pounds per day) of NO<sub>x</sub> emission reductions was expected to occur as a result of the extended compliance date for mobile home furnaces. The South Coast AQMD committed to continue evaluating the feasibility of zero-emission technologies for future rule amendments to Rule 1111, which

may be able to achieve additional NOx emission reductions over the long-term. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Area Source Fees and CARB Subvention.

- 2. Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities:** Rule 1178 was amended to establish enhanced leak detection and repair (LDAR) and more stringent control requirements. More specifically, Rule 1178 was amended to: 1) require weekly optical gas imaging inspections for tank farms and semi-annual optical gas imaging inspections on individual floating roof tank components; 2) require doming for crude oil tanks that are currently exempt from doming requirements but with full implementation for doming occurring in 2038 for most tank with an alternative doming schedule for certain facilities that will require full implementation in 2041; 3) require secondary seals on all floating roof tanks with installation of secondary seals being required at the time when the tank is emptied and degassed next but no later than 10 years after date of rule adoption; 4) require more stringent gap requirements for floating roof tanks and increased emission control efficiency of 98 percent by weight for fixed roof tanks; and 5) establish additional requirements for true vapor pressure testing, reporting, and recordkeeping.

A Final Environmental Assessment (EA) was prepared for the project and the analysis concluded that there would be no significant adverse environmental impacts; thus, no alternatives analysis was required. The South Coast AQMD Governing Board certified the Final EA and approved the project as proposed.

*Estimated Emission Reductions:* 0.82 ton per day of VOC. *Cost-Effectiveness:* \$27,800 per ton of VOC reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees and AB 617.

### **OCTOBER 6, 2023**

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in October.

### **NOVEMBER 3, 2023**

Two projects were approved by the South Coast AQMD Governing Board in November:

- 1. Adopted Rule 1110.3 – Emissions from Linear Generators, and Amended Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines:** Rule 1110.3 was adopted to establish NO<sub>x</sub>, carbon monoxide (CO), and VOC emission limits for linear generators, as well as provisions for source testing, monitoring, reporting and recordkeeping. More specifically, Rule 1110.3 was adopted to: 1) establish the rule’s applicability to include all linear generators fueled solely by natural gas; 2) define linear generator and other terms to provide context and clarity; 3) establish concentration-based emission limits for NO<sub>x</sub>, VOC, and CO; and 4) establish requirements for conducting maintenance, source testing, monitoring, reporting, and recordkeeping. Rule 1110.3 also included limited exemptions for: 1) laboratory units used for testing and research purposes; and 2) emergency standby units, units used for fire-fighting and flood control, or any other emergency unit approved by the Executive Officer which have permit conditions that limit operation(s) to 200 hours or less per year as determined by an operational non-resettable totalizing time meter. With requirements for linear generators established in Rule 1110.3 in lieu of Rule 1110.2, Rule 1110.2 was amended to: 1) remove all requirements applicable to linear generators; 2) provide clarifications to the definition of an engine; and 3) define linear generator for the purpose of exempting this technology from Rule 1110.2. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* Slight decrease in unquantified VOC emissions. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

- 2. Amended Rule 2011 – Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO<sub>x</sub>) Emissions, and Amended Rule 2012 – Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO<sub>x</sub>) Emissions:** Rules 2011 and 2012 establish requirements for continuous emission monitoring systems (CEMS) for facilities in the SO<sub>x</sub> and NO<sub>x</sub> RECLAIM program, respectively. Rules 2011 and 2012 were amended to: 1) allow the owner or operator to shut down the SO<sub>x</sub> and/or NO<sub>x</sub> CEMS when the emission source for which the CEMS is monitoring is not scheduled to be operating and is not generating emissions for an extended period of time, provided specific conditions are met; and 2) expand the alternative performance test options to allow a three-point linearity error test to measure concentrations for SO<sub>x</sub> and NO<sub>x</sub>. Implementation of PAR 2011 and PAR 2012 neither delays the transition of NO<sub>x</sub> RECLAIM to a command-and-control regulatory structure, nor results in a change in emissions. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not Required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Permit Fees, Emission Fees, Permit Fees, Emission Fees, Annual Operating Fees and AB 617.

## DECEMBER 1, 2023

One project was approved by the South Coast AQMD Governing Board in December:

- 1. Amended Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations:** Rule 1405 was amended to establish new and enhanced control and monitoring requirements to further reduce stack and fugitive ethylene oxide (EtO) emissions from sterilization operations by gathering information from: 1) facilities that conduct sterilization and related operations; 2) facilities that receive materials that have been sterilized with EtO in another facility; and 3) warehouses receiving materials sterilized with EtO. Rule 1405 was also amended to contain: 1) enhanced performance standards for stack emissions; 2) new emission limits based on achieved-in-practice levels observed at EtO sterilization facilities; 3) improved control efficiency requirements to further reduce stack emissions; 4) provisions to prevent, detect, and capture any potential EtO emissions; 5) new requirements which rely on permanent total enclosures (PTEs) for equipment and areas with known EtO emissions to prevent fugitive emissions from leaving facilities by containing and controlling any EtO gases inside the PTE; 6) enhanced leak detection and repair; 7) a new definition for large facilities subject to the most stringent requirements that reduces the throughput from 4,000 to 2,000 pounds per year of EtO; 8) interim fence-line air monitoring requirements for Tier I warehouses for one year and large facilities until certified Continuous Emission Monitoring Systems or Semi-Continuous Monitoring Systems are in place; 9) requirements to monitor stack and fugitive emissions; 10) interim mobile monitoring requirements for large sterilization facilities; 11) requirements for certain large warehouses to provide records and emissions data; 12) curtailment provisions to reduce EtO fence-line levels when trigger thresholds are exceeded as determined by fence-line air monitoring; 13) requirements to conduct continuous monitoring of key parameters and reporting; 14) requirements to label equipment and provide facility diagrams for all types of sterilization facilities and Post-Aeration Storage facilities; 15) new and modified definitions, recordkeeping and source testing requirements, and prohibitions; and 16) other clarifications for continuity and consistency throughout the rule. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

*Estimated Emission Reductions:* Unquantifiable amount of reduced ethylene oxide. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not Required. *Socioeconomic Impact:* Yes, See Socioeconomic Impact Analysis section. *Sources of Funding:* Area Source Fees, Permit Fees, Emission Fees, Annual Operating Fees.



## **SOCIOECONOMIC IMPACT ASSESSMENTS**

Health and Safety Code Sections 40440.8 and 40728.5 require that South Coast AQMD perform socioeconomic impact assessments for its rules and regulations that will significantly affect air quality or emissions limitations. Prior to implementing the requirements of Health and Safety Codes, South Coast AQMD staff had been evaluating the socioeconomic impacts of its actions pursuant to a 1989 Governing Board Resolution. Additionally, South Coast AQMD staff assesses socioeconomic impacts of CEQA alternatives for the rules with significant cost and emission reduction impacts.

The elements of socioeconomic impact assessments include direct effects on various affected industries and businesses in terms of control costs and cost-effectiveness, as well as public health benefits associated with AQMPs. Additionally, when the total annualized costs exceed one million current U.S. dollars, South Coast AQMD staff uses an economic model developed by Regional Economic Models, Inc. (REMI) to analyze potential direct and indirect socioeconomic impacts of South Coast AQMD rules on Los Angeles, Riverside, Orange, and San Bernardino Counties. These impacts include, but are not limited to, employment and competitiveness.

In 2023, the South Coast AQMD identified and analyzed potential socioeconomic impacts of amendments to seven existing rules (Rules 219, 222, 1148.2, 1153.1, 1178, 1401.1, 1405, and 2202). Additionally, a Socioeconomic Impact Assessment is prepared annually for Rule 320 because it contains a requirement for an automatic annual California Consumer Price Index (CPI) adjustment to most fees paid to South Coast AQMD. Finally, a socioeconomic impact assessment was also prepared for the amendments to Regulation III – Fees, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320. No socioeconomic impact assessments were conducted for plans since none were adopted or amended in 2023.

## **AMENDMENTS OF RULES AND REGULATIONS WITH SOCIOECONOMIC IMPACTS**

### **Rule 1148.2 — Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers (Amended February 3, 2023)**

Amended Rule 1148.2, as described above, is expected to affect approximately 307 operators of onshore oil and gas well operations in the support activities for mining sector (North American Industrial Classification System [NAICS] 213). The primary source of costs is the notification requirement in paragraph (d)(10) of Rule 1148.2, which requires mailed notifications to sensitive receptors within a distance of 1,500 feet of the well or drilling site.

Notification by mail cost estimates were analyzed by taking into account: 1) the density of sensitive receptors located within 1,500 feet of a typical well or drilling operation; 2) the average number of notifications occurring previous to amending Rule 1148.2; and 3) the distribution of affected operations in Los Angeles and Orange Counties. No affected operations were assumed for Riverside or San Bernardino Counties because no significant oil and gas well operations were identified in these counties. The total annual cost assumed for the notifications by mail in the affected universe of operations is \$0.42 million (\$420,000); \$0.36 million (\$357,000) in Los Angeles County, and \$0.06 million (\$63,000) in Orange County.

Since the total annual compliance cost of amended Rule 1148.2 was less than one million current U.S. dollars, South Coast AQMD did not estimate regional macroeconomic impacts as the Regional Economic Models Inc.'s Policy Insight Plus Model is not able to reliably evaluate impacts that are so small relative to the baseline regional economy.

### **Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools (Amended March 3, 2023)**

Rule 1401.1 was amended on March 3, 2023, to harmonize the definition of school in Rule 1401.1 with other air toxic rules, and to: 1) extend the health protection features of Rule 1401.1 to include early learning and development programs, including those centers that serve prekindergarten children, consistent with the findings on early-life exposure from the Office of Environmental Health Hazard Assessment; and 2) improve clarity and consistency with other South Coast AQMD air toxic rules by: a) removing the unimproved school property language because children may still be present in some unimproved areas and those currently unimproved areas could be developed or improved in the future; b) clarifying that an evaluation of a permit application will be based on the version of Rule 1401.1 in effect at the time a permit application is deemed complete; and c) making corrections to some table references.

The expanded definition of schools, which applies to new and relocated facilities, was expected to result in more potentially affected facilities subject to the health risk assessment requirement of Rule 1401.1; however, the number of potentially affected facilities cannot be determined. Based on a retrospective analysis the permit actions between 2017 and 2022, approximately 91 additional facilities per year would be subject to the risk demonstration requirement in amended Rule 1401.1 but these facilities may not need to submit health risk assessments (HRAs). Of the potentially affected facilities identified in the retrospective analysis, more than 98% of the facilities with available data meet the Small Business Administration's definition of a small business. However, the retrospective analysis was not able to predict the types of industries that would potentially

require future permit actions that would be subject to amended Rule 1401.1; as such, the industry-specific impacts that may result from amended Rule 1401.1 could not be forecasted.

There are four tiers of HRAs that can be conducted but only Tier 3 and Tier 4 HRAs would result in costs to facilities due to the need to use more complex air dispersion modeling. The analysis assumed that 10% of the affected universe, which is equivalent to nine facilities, would be required to conduct either a Tier 3 or Tier 4 HRA each year which resulted in a total annual compliance cost of \$158,000 per year.

Since the total annual compliance cost of amended Rule 1401.1 was less than one million current U.S. dollars, South Coast AQMD did not estimate regional macroeconomic impacts as the Regional Economic Models Inc.'s Policy Insight Plus Model is not able to reliably evaluate impacts that are so small relative to the baseline regional economy.

**Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II (Amended April 7, 2023)**

Rule 219 was amended on April 7, 2023, to add or clarify permit exemption requirements and include enhanced recordkeeping provisions to address comments by U.S. EPA, and to also include targeted exemptions per the South Coast AQMD Governing Board's direction to encourage the usage of low-emission technologies. Rule 222 was also amended on April 7, 2023, to align with the revisions in Rule 219 and address certain sources with negligible emissions. The key changes included: 1) adding new equipment categories that are exempt from permitting requirements including ultraviolet (UV)/electron beam (EB) light emitting diodes (LED) technology and other low-emission curing technologies, and gas insulating equipment that has a low potential to emit VOCs; 2) adding a separate exemption for small food ovens with no process VOC emissions that are not subject to registration requirements in Rule 222; 3) updating emissions thresholds for non-Title V agricultural sources; 4) clarifying that recordkeeping requirements apply to all emission sources and removing two compliance options which do not require continuous recordkeeping requirements for Printing and Reproduction Equipment and Coating and Adhesive Process/Equipment; 5) removing Rule 222 requirements from Rule 219 since registration is not the basis for determining if specific equipment should be exempted from permit requirements; 6) clarifying that the exemption from permitting for identical replacement in whole or in part of any equipment at federal major sources that has been issued a permit must be based on U.S. EPA guidance in determining what qualifies as "routine maintenance, repair, and replacement" (RMRR); 7) amending the exemption provisions specific to remote reservoir cleaners and manually operated abrasive blasting cabinets; 8) updating the rule to align with the changes in Rule 219; 9) including minor rule language revisions; 10) adding a recordkeeping option for food ovens; and 11) including a new subdivision for exemptions to improve rule clarity.

The applicable industries within the North American Industrial Classification System (NAICS) include but are not limited to manufacturing (NAICS 31-33), technical services (NAICS 54), and other services (NAICS 81). Some of the affected industries may be classified as small businesses.

Amended Rule 219 includes clarifications for certain equipment categories which could result in minimal additional cost, with potential cost-savings from the addition of new equipment categories that are exempt from the requirement to obtain a written permit. Amended Rule 222 removes a one-time filing option, so the additional cost for the one applicable facility to return to annual filing renewals is estimated to be less than \$300 per year.

Since there are minimal anticipated additional costs, a detailed industry impact and cost quantification was not conducted and the macroeconomic impacts of implementing amended Rules 219 and /222 are expected to be minimal.

### **Amended Regulation III – Fees (Amended May 5, 2023)**

Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320 was amended to establish the fee rates and schedules to recover South Coast AQMD's reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III included: 1) an increase of most fees by 5.6 percent consistent with the Consumer Price Index (CPI) pursuant to Rule 320; 2) an increase to permit processing, annual renewal, and plan processing fees of two percent in fiscal year 2023-24 and an additional two percent increase in fiscal year 2024-25; 3) a clarification on the applicability of fees subject to an automatic CPI adjustment; and 4) administrative changes in Regulation III such as clarifications, deletions, insertions, or corrections of existing rule language, which were concluded to have no fee impact.

The amendments to Regulation III also clarified the applicability of Rule 320 which authorized automatic adjustments of most fees adopted after October 29, 2010, by the percent increase in California CPI for the preceding calendar year. In addition, amended Rules 301 and 306 increased the permit processing and annual renewal fees by 4 percent above the CPI that will be phased in over the next two years (e.g., a 2-percent increase in Fiscal Year (FY) 2023-2024 and an additional 2-percent increase in FY 2024-2025).

As presented in the following table, the total fee impact of the amendments to Regulation III was estimated to be about \$1.92 million in FY 2023-24, and \$3.66 million in FY 2024-25 and thereafter. Amended Rules 301 and 306 were concluded to have the most significant fee impact. In contrast, amended Rule 320 was concluded to have relatively minor fee impacts.

**Estimated Fee Impacts of Amended Regulation III by Fiscal Year**

<b>Amendment</b>	<b>FY 2023-24</b>	<b>FY 2024-25 And thereafter</b>
Amended Rule 320: Clarify Applicability to Rules Adopted After October 29, 2010	\$175,000	\$175,000
Amended Rules 301 and 306: Increase Permit Processing and Annual Renewal Fees	\$1,742,402	\$3,484,802
<b>Total</b>	<b>\$1,917,402</b>	<b>\$3,659,802</b>

**Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (Amended August 4, 2023)**

Rule 1153.1 was amended on August 4, 2023, to implement two phases of NOx emission limits on Regional Clean Air Incentives Market (RECLAIM), non-RECLAIM, and former RECLAIM facilities that operate commercial food ovens with a rated heat input capacity equal to or greater than 325,000 Btu/hr which are used to prepare food or products for making beverages for human consumption. Commercial food ovens include bakery ovens, cooking ovens, dryers, drying ovens, roasters, smokehouses, and tortilla ovens. Phase I established a NOx emission limit of 15 ppmv for tortilla ovens heated only by infrared burners, and a NOx emission limit of 30 ppmv for all other commercial food ovens. Phase II established zero-NOx emission limits for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses. Amendments to Rule 1153.1 also included: 1) interim NOx emission limits to prevent backsliding if a facility exits the RECLAIM program before they are required to meet the limits in Rule 1153.1; and 2) an Alternative Compliance Schedule Plan to address additional time that might be needed by a utility provider to upgrade electrical infrastructure to provide electricity to operate electric zero-emission oven(s).

Amended Rule 1153.1 affects 47 facilities which manufacture and operate commercial food ovens, roasters, and smokehouses, with a rated heat input capacity greater than 325,000 Btu/hr, that produce food and beverage products for human consumption. These facilities mainly belong to food and beverage manufacturing, as classified in the North American Industrial Classification System (NAICS 311 and NAICS 312).

The average annual compliance cost of amended Rule 1153.1 is estimated to range from \$12.82 million to \$13.50 million, at a 1% and 4% real interest rate, respectively. All the estimated annual costs are expected to be incurred by the bakery ovens in the food manufacturing sector (NAICS 311). About 83 percent of the total annual compliance cost is attributed to the bakery ovens alone. The recurring costs of bakery ovens, which is mainly attributed to the fuel switching costs, are estimated to account for 65 percent of the total annual cost of amended Rule 1153.1, followed by the bakery ovens one-time capital costs which would be about 18 percent of the total annual cost.

When the compliance cost is annualized using a 4% real interest rate, the analysis projected an annual average of 116 net jobs will be foregone from 2024 to 2051. The 116 annual jobs foregone represents less than 0.001% of total annual jobs in the four-county area. Food manufacturing sector (NAICS 311) would incur the largest share of the average annual jobs foregone (52) as all the assumed compliance costs will be borne by this industry.

### **Rule 2202 – On-Road Motor Vehicle Mitigation Options (Amended August 4, 2023)**

Rule 2202 was amended on August 4, 2023, to require limited additional reporting of worksites with more than 250 employees to collect information that would be used to inform a potential second future amendment. More specifically, Rule 2202 was amended to: 1) incorporate additional data collection requirements for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite; 2) revise the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program Guidelines; 3) add provisions to permanently allow the use of Human Resources and/or payroll records to account for telecommute trips to streamline reporting; 4) update rideshare strategies; 5) incorporate new and amended definitions; and 6) make minor administrative changes for clarity and consistency. Amended Rule 2202 applies to all employers located within the South Coast AQMD with 250 or more employees. Approximately 1,186 worksites with over 600,000 employees were identified as arriving to the worksite within the peak window of 6:00 a.m. to 10:00 a.m. More than 60 percent of the affected facilities belong to the sectors of retail trade North American Industrial Classification Systems (NAICS 44-45), public administration (NAICS 92), health care and social assistance (NAICS 62), and manufacturing (NAICS 31-33).

Of the 1,186 facilities subject to amended Rule 2202: 1) no facilities met South Coast AQMD's Rule 102 definition of a small business; 2) eight facilities qualified as a small business according to the South Coast AQMD's Small Business Assistance Office definition; 3) 72 facilities would be classified as small business based on the Small Business Administration's definition; and 4) no facilities met the small business criteria set forth in the 1990 CAAA definition.

Amended Rule 2202 requires all affected worksites to collect additional data and report this additional information. The analysis estimated that affected worksites would need to complete these additional requirements with a minimal amount of labor and time (approximately 10 hours per year). The total additional cost was estimated by applying the highest hourly wage rate (\$38.56) from the typical category of employee responsible for gathering Rule 2202 annual submittal information. Based on a total of 1,187 regulated worksites that were identified in the Rule 2202 universe, the total additional annual cost was estimated to be \$457,707.2 (or \$385.60 per worksite). The annual compliance costs of amended Rule 2202 were concluded to be less than significant when compared to the size of the economy for the South Coast Air Basin area. Thus, amended Rule 2202 was concluded to have minimal impacts on the regional economy.

### **Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities (Amended September 1, 2023)**

Rule 1178 was amended on September 1, 2023, to reduce VOC emissions from storage tanks located at petroleum facilities by requiring doming, vapor recovery units, secondary seals, and optical gas imaging (OGI) inspections.

Amended Rule 1178 would affect 27 facilities in the four-county area which belong to sectors of petroleum refineries, petroleum bulk stations and terminals, crude oil production, and asphalt manufacturing. Of the 27 facilities, eight facilities refine petroleum, 16 facilities store petroleum in bulk terminals, two facilities produce or extract crude oil, and one facility manufactures asphalt mixtures and blocks.

The total present worth of compliance cost of amended Rule 1178 is estimated at \$328.26 million and \$152.91 million with 1% and 4% discount rate, respectively. The average annual compliance costs of amended Rule 1178 are estimated to range from \$5.86 million to \$7.04 million, for a 1% and 4% interest rate, respectively. Conducting weekly OGI inspections and doming roofs of storage tanks comprise approximately 60% and 38% of the total annual cost of amended Rule 1178, respectively. The analysis indicated that the petroleum and coal products manufacturing industry (NAICS 324) will incur about 54% of total average annual cost.

The small business analysis shows that out of the 27 affected facilities, none met the definition of a small business under South Coast AQMD's Rule 102 but one facility was identified as a small business according to the South Coast AQMD's Small Business Assistance Office (SBAO) definition. Lastly, under the 1990 Clean Air Act Amendments (CAAA) definition, none of the affected facilities met the criteria of a small business.

When the compliance cost is annualized using a 4% interest rate, the analysis concluded that due to the capital-intensive nature of the affected businesses, characterized by a substantial proportion of equipment/machinery relative to labor, no net jobs would be added or foregone from the economy on average over the period from 2024 to 2080.

### **Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations (Amended December 1, 2023)**

Rule 1405 was amended on December 1, 2023, to establish new and enhanced control and monitoring requirements to further reduce stack and fugitive ethylene oxide (EtO) emissions from sterilization operations by gathering information from: 1) facilities that conduct sterilization and related operations; 2) facilities that receive materials that have been sterilized with EtO in another facility; and 3) warehouses receiving materials sterilized with EtO. Rule 1405 was also amended to contain: 1) enhanced performance standards for stack emissions; 2) new emission limits based on achieved-in-practice levels observed at EtO sterilization facilities; 3) improved control efficiency requirements to further reduce stack emissions; 4) provisions to prevent, detect, and capture any potential EtO emissions; 5) new requirements which rely on permanent total enclosures (PTEs) for equipment and areas with known EtO emissions to prevent fugitive emissions from leaving facilities by containing and controlling any EtO gases inside the PTE; and 6) enhanced leak detection and repair 7) a new definition for large facilities subject to the most stringent requirements that reduces the throughput from 4,000 to 2,000 pounds per year of EtO; 8) interim fence-line air monitoring requirements for Tier I warehouses for one year and large facilities until certified Continuous Emission Monitoring Systems or Semi-Continuous Monitoring Systems are in place; 9) requirements to monitor stack and fugitive emissions; 10) interim mobile monitoring requirements for large sterilization facilities; 11) requirements for certain large

warehouses to provide records and emissions data; 12) curtailment provisions to reduce EtO fenceline levels when trigger thresholds are exceeded as determined by fenceline air monitoring; 13) requirements to conduct continuous monitoring of key parameters and reporting; 14) requirements to label equipment and provide facility diagrams for all types of sterilization facilities and Post-Aeration Storage facilities; 15) new and modified definitions, recordkeeping and source testing requirements, and prohibitions; and 16) other clarifications for continuity and consistency throughout the rule.

Sixteen facilities were identified as being subject to amended Rule 1405 with 13 facilities belonging to the following sectors: 1) medical product manufacturers; 2) surgical or veterinary facilities; 3) surgical and medical instrument manufacturing; 4) contract sterilizers; 5) electromedical and electrotherapeutic apparatus manufacturing; and 6) all other miscellaneous manufacturing. The remaining three facilities which use less than four pounds per year of EtO belong to the following sectors: 1) college and universities; and 2) zoos and botanical gardens. Amended Rule 1405 exempt these three facilities from the interim requirements for venting to control equipment in subdivision (i), the prohibitions in subdivision (n), and the recordkeeping requirements in subparagraph (s)(1)(L) specific to maintaining a log for each sterilization cycle. In addition, 28 large warehouses which mainly belong to the wholesale trade, and transportation and warehousing sectors were identified as being subject to amended Rule 1405.

The total present value of the compliance cost of amended rule 1405 was estimated at \$88.96 million and \$65.45 million with a 1% and 4% discount rate, respectively, from 2023 to 2043. Correspondingly, the average annual compliance cost of amended Rule 1405 was estimated to range from \$4.56 million to \$4.73 million, at a 1% and 4% real interest rate assumed. The utilization of dry-bed scrubbers and Continuous Emission Monitoring Systems/Semi-Continuous Monitoring Systems were estimated to account for about 73 percent (%) of the total annual cost of amended Rule 1405, followed by the PTE requirement and its associated electricity costs which was estimated to account for about 14% of the total annual cost. About 91% of the total average annual compliance cost was expected to be incurred by seven facilities designated as “large facility” based on the thresholds in amended Rule 1405.

When the compliance cost was annualized using a 4% real interest rate, an annual average of 54 net jobs foregone was projected from 2023 to 2043. The 54 annual jobs foregone represented less than 0.0005% of total annual jobs in the four-county area. Amended Rule 1405 was projected to have a maximum single-year increase in the cost of production for the miscellaneous manufacturing industry by 0.015% and electromedical and electrotherapeutic apparatus manufacturing by 0.002% in the South Coast region. The maximum increase in delivered prices for these sectors were projected to be 0.012% and 0.002%, respectively. Overall, the analysis concluded that amended Rule PAR 1405 would not have a significant impact on the competitiveness of the affected industries in the region as these industries are regional businesses and could pass on the costs to their end users.



## **ONGOING SOCIOECONOMIC IMPACTS FROM ANNUAL AUTOMATIC FEE ADJUSTMENTS**

### **Ongoing Implementation of Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III – Fees**

The October 29, 2010, South Coast AQMD Governing Board Resolution requires an assessment of the increase in fee rates per Rule 320 based on the previous year's California Consumer Price Index (CPI) by March 15 of every year and the South Coast AQMD Governing Board has the option to decide to forego the increase.

Pursuant to Rule 320 and South Coast AQMD's statutory fee authority set forth in Health and Safety Code Section 40510, the analysis conducted for Rule 320 indicated that most fees within Regulation III would need to be increased by 5.6 percent in order to be consistent with the change in the California Consumer Price Index (CPI) from December 2021 to December 2022. The South Coast AQMD Governing Board did not decide to forego the increase.

The analysis of the ongoing implementation of Rule 320 provided background information, historical revenue trends, sectoral distributions, and estimated increased fee revenue from the CPI adjustment of South Coast AQMD fees. The analysis considered a 5.6 percent increase in CPI being applied to the fees that are generally collected generally in FY 2021-2022, but in some cases, in calendar year 2022.

The across-the-board CPI-based fee-rate increase of 5.6 percent was projected to bring additional revenue totaling \$5.73 million to South Coast AQMD. The manufacturing sector was identified as incurring the largest increase in fees (approximately \$2.32 million for about 3,400 facilities), followed by the services sector (approximately \$1.00 million for about 9,500 facilities) and the retail trade sector (approximately \$0.81 million for about 4,200 facilities). Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, would experience an increase of approximately \$0.96 million.

**CHAPTER II**  
**ENGINEERING AND PERMITTING ACTIVITIES**

## ENGINEERING & PERMITTING

### JASON ASPELL DEPUTY EXECUTIVE OFFICER

<b>At a Glance:</b>	
FY 2023-24 Adopted	\$28.7M
FY 2024-25 Adopted Budget	\$30.7M
% of FY 2024-25 Adopted Budget	14.5%
Total FTEs FY 2024-25 Adopted Budget	176

#### DESCRIPTION OF MAJOR SERVICES:

Engineering & Permitting (E&P) is responsible for processing applications for Permits to Construct & Operate, and special services. The permit processing activities involve approximately 330 major facilities that have been issued Title V Federal Operating permits, about 230 facilities in the RECLAIM program, and over 25,000 large and small business operations. In addition, staff also participates in activities with other agencies, assists with Economic Development and Business Retention programs, provides engineering support to other divisions, and evaluates and implements permit backlog reduction and permit streamlining activities, including automation and other permit processing modernization efforts.

#### ACCOMPLISHMENTS

##### RECENT:

- Initiated aggressive promotional and recruitment efforts to reduce elevated E&P vacancy rate after hiring freeze and increased staff retirements during the COVID pandemic period. This included the promotion of 2 Senior Engineering Managers, 6 Supervising AQ Engineers, 12 Senior AQ Engineers, and the onboarding of 15 new engineers during the calendar year.
- Reached out to and hired former district engineering staff from South Coast AQMD as temporary employees to assist with permit processing duties.
- Continued permit streamlining efforts by:
  - Processing almost 1,800 Permits to Construct and over 6,100 applications for Permits, Plans, and ERC during Fiscal Year (FY) 2021-22; and
  - Focusing on reducing aged permit applications to the extent possible.
- Continued efforts to reach the 3,000 - 3,500 (less RECLAIM transition applications, less Permits to Construct issued) target from FY 2020-21.
- Achieved and maintained the timely completion rate for new permit applications by processing over 70 percent of new permit applications within 180 days of being deemed complete.

- Issued 180 Title V renewal and modification permits in Calendar Year (CY) 2022.
- Implemented new return-to-office teleworking policy and increased in-office levels of production and processing of applications and permits.
- Continued development of Online Permit Processing tools and other automation efforts.
- Continued support for online applicants for dry cleaning equipment, gasoline dispensing facilities, automotive refinishing spray booths, negative air machines, char broilers, and small heaters and boilers. Over 500 applications were filed online during CY 2022.
- New Emergency IC Engine online permitting module made available to interested stakeholders to apply for a registration permit for smaller certified emergency IC engines.
- Maintained and surpassed Division's Permit Streamlining goal of application delivery to Permitting Teams within an average of 4 business days.
- Continued implementation of EPA Title V Program Audit Findings Action Plan.
- Continued efforts to post all newly issued Title V permits to the internet for online public access on an ongoing basis.
- Participated in public meetings to address public concerns regarding high toxic risks and emissions.
- Assisted in developing and amending South Coast AQMD Rules and Regulations such as Reg. III, Reg. XI, Reg. XIII, Reg. XIV, and other amendments called for under AB 617, including Reg. XX, and incorporating updated Best Available Retrofit Control Technology (BARCT).
- Initiated implementation of Rule 1109.1 which includes significant permit application and plan requirements.
- Amended Best Available Control Technology Guidelines which included cleaner emission requirements for emergency diesel engines at major sources.
- Participated in AB617 Community Meetings and in the Community Emissions Reduction Plan (CERP) implementation with respect to permitting crosschecks.
- Provided Pre- and Post-application conferences to help permit applicants.
- Participated, reviewed, and provided permit remedies to permit holders throughout CY 2022 from Fee Review cases.
- Provided technical support to IM to test and troubleshoot CLASS programs issues.
- Continued to provide engineering support and/or expert testimony in Hearing Board cases throughout CY 2022.
- Continued to maintain the Certified Permitting Professional (CPP) program by reaching out to existing CPP holders to provide support and to update and confirm contact information.
- Conducted a CPP exam for 13 individuals seeking certification as Permitting Professionals, taking into account Risk Management and COVID-19 distancing guidelines to ensure a secure and safe testing process for all those involved.
- Prepared Federal New Source Review (NSR) Equivalency Determination Reports pursuant to Rule 1315.
- Prepared annual report on the NO<sub>x</sub> and SO<sub>x</sub> RECLAIM Program in accordance with Rule 2015.

## **ANTICIPATED:**

- Continue to fill vacancies at all levels and utilize former district engineering staff to assist with permit inventory reduction efforts.
- Continue to provide training to new engineers and newly promoted seniors and supervisors by offering a range of learning opportunities, including in-house workshops, online courses, and external training programs, to ensure they have the skills and knowledge necessary to succeed in their roles.
- Work towards reducing the pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications to maintain levels at or near 3,000, and total pending applications inventory to below 3,500.
- Continue to maintain the timely completion rate for new permit applications by processing 75 to 80 percent of new permit applications within 180 days of being deemed complete.
- Monitor and reduce average permit application residence times.
- Continue to complete timely renewal of Title V permits.
- Continue to implement action plan to further improve Title V program pursuant to EPA's recommendations:
  - a) Continue to prepare expanded Statement of Basis (SOB) for all initial Title V permits, at least 10 percent of Title V renewals, and all De-Minimis and Significant Title V revisions,
  - b) Continue efforts to develop automated capability to publish Title V permits online,
  - c) Provide more detailed accounts of applicable federal requirements in Title V permits,
  - d) Provide public with online access to all issued Title V permits, and
  - e) Develop formal policy for sources exiting the Title V program.
- Continue efforts to streamline and expedite permit issuance through:
  - a) Equipment certification/registration programs
  - b) Streamlined standard permits
  - c) Enhancement of permitting systems (including electronic permitting)
  - d) Expedited Permit Processing Program
  - e) Maintaining adequate staff resources
  - f) Improve technical training.
  - g) Revisiting policies and rules.
- Expand the outreach of the online permitting and permit automation tools for dry cleaning, gasoline dispensing facilities, automotive spray booths, negative air machines, small heaters, and boilers, char broilers, and future modules.
- Continue the development and deployment of Phase II Online Permitting efforts:
  - a) Maintain existing internal and external-facing Permit Application Status
  - b) Dashboard, and implement enhancements based on user feedback,
  - c) Remaining Rule 222 Filing & Registration Forms,
  - d) Registration/Certification for Emergency Generators,
  - e) 400-E-xx Permit Application Forms, and
  - f) Future enhancements to Dry Cleaning, Gasoline Dispensing and Automotive Spray Booth modules.

- Continue permit processing modernization efforts through the development of a plan and business model that will facilitate transition to electronic permit application submittal and processing and can be deployed as soon as the development of electronic smart permit applications forms is complete.
- Resume implementation of the staff recognition program, recognizing top performing individuals and teams to help maintain high morale and acknowledge performance.
- Continue to improve and monitor the operational and permitting efficiency of permitting teams by:
  - a) Streamlining workflow,
  - b) Enhancing permitting tools,
  - c) Standardizing permit conditions,
  - d) Reviewing and updating outdated Permitting Policies and Procedures, and
  - e) Standardizing time and processing status metrics for monitoring permit applications through completion.
- Continue soliciting stakeholder input on permit application backlog reduction and permit streamlining efforts through Permit Streamlining Task Force subcommittee meetings.
- Continue certification testing of Certified Permitting Professionals (CPPs).
- Continue to improve customer services and public outreach by:
  - a) Providing public education by attending public meetings and addressing public concerns,
  - b) Aiding permit applicants through pre- and post-conferences, and
  - c) Providing permitting information for Public Record requests.
- Continue to evaluate the optional Expedited Permitting Program and propose improvements if warranted.
- Continue to update and expand the Permit Processing Handbook.
- Review and comment on Rule 1402 Risk Reduction Plans.
- Continue to provide critical input in developing and amending South Coast AQMD Rules.
- Continue to provide critical input to Compliance & Enforcement in enforcing South Coast AQMD Rules.
- Continue to provide support in Fee Review cases and Hearing Board cases.
- Continue to prepare Federal NSR Equivalency Determination Reports pursuant to Rule 1315.
- Continue to prepare annual report on the NO<sub>x</sub> and SO<sub>x</sub> RECLAIM Program in accordance with Rule 2015.
- Continue to provide critical guidance to PRDI in developing a streamlined NSR process for facilities exiting the RECLAIM program.
- Develop options for training of new engineers, and newly promoted seniors and supervisors.
- Continue implementation of Rule 1109.1 application processing and reporting (refinery rule associated with RECLAIM sunset)
- Continue to assist PRDI with the development of PAR 1405 to reduce emissions and associated health risks of ethylene oxide.
- Continue to support the development and rollout of the Source Testing portal, an online platform designed to streamline the process of collecting and reporting data on air

emissions. Collaborate with IM and other divisions to ensure that the portal is user friendly, efficient, and fully compliant with relevant regulations.

- Revisit policies on public notices to ensure accessibility to affected community members.

**ORGANIZATIONAL CHART:**

**POSITION SUMMARY: 176 FTEs**

<b>Engineering &amp; Permitting</b>	<b>Amended FY 2023-24</b>	<b>Change</b>	<b>Adopted FY 2024-25</b>
Administration	4	-	4
Engineering	144	-	144
Operations	28	-	28
Total	176	-	176

**POSITION DETAIL:**

<u>FTEs</u>	<u>Title</u>
6	Administrative Assistant I
94	94 Air Quality Engineer II
1	1 Air Quality Specialist
1	1 Assistant Deputy Executive Officer
2	2 Data Technician
1	1 Deputy Executive Officer
1	1 Office Assistant
1	1 Program Supervisor
2	2 Senior Administrative Assistant
23	23 Senior Air Quality Engineer
8	8 Senior Air Quality Engineering Manager
17	17 Senior Office Assistant
2	2 Staff Specialist
15	15 Supervising Air Quality Engineer
2	2 Supervising Office Assistant
176	Total FTEs



**Permitting Data**

During Calendar Year 2023, South Coast AQMD dispositioned a total of 5874 applications. Most of these applications were for Permits to Operate (2281), Plans (900), Area Sources & Certified/ Registrations (1043), and Changes of Operators (709). Also, 859 permits were not renewed. This data, broken down into nine different categories, is summarized in Table 1, below.

<b>Table – 1 Permit Applications Completed in Calendar Year 2023</b>	
<b>Type</b>	<b>Count</b>
Permits to Construct	388
Permits to Operate (PO)*	2,281
Changes of Operator (C/O)	709
Denials	3
Cancellations	366
Emission Reduction Credits (ERCs)	28
Plans	900
Title V (TV)/RECLAIM	156
Area Sources & Certified/Registrations	1,043
<b>Total</b>	<b>5,874</b>
<i>Permits Not Renewed</i>	859

\*This includes 1460 applications for Permit to Construct that were issued as Permits to Construct/Operate.

Table 2, on the following pages, contains a breakdown of permits dispositioned (in the nine categories) by type of industry. The type of industry was based on North American Industry Classification System (NAICS) codes, which were provided by the applicant at the time of application filing. The top three NAICS codes were 324110 – Petroleum Refineries, 447110/447190 – Gasoline Service Stations, and 445110 – Supermarkets and Other Grocery Retailers.

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
111998	All Other Miscellaneous Crop Farming	0	0	0	0	0	0	0	1	0	1
112990	All Other Animal Production	0	0	0	0	0	0	0	1	0	1
115112	Soil Preparation, Planting, and Cultivating	0	0	0	0	0	0	0	1	0	1
115210	Support Activities for Animal Production	0	0	3	0	0	0	0	1	0	4
211111	Crude Petroleum and Natural Gas Extraction – crude petroleum extraction	1	0	1	0	0	5	8	2	3	20
211120	Crude Petroleum Extraction	2	0	0	0	0	5	0	3	1	11
211130	Natural Gas Extraction	0	0	0	0	0	0	0	5	1	6
212312	Crushed and Broken Limestone Mining and Quarrying	0	0	0	0	0	0	0	1	0	1
212313	Crushed and Broken Granite Mining and Quarrying	0	2	0	0	0	0	0	0	0	2
212319	Other Crushed and Broken Stone Mining and Quarrying	0	3	3	0	0	0	0	6	2	14
212321	Construction Sand and Gravel Mining	0	2	1	0	0	0	0	2	0	5
212399	All Other Nonmetallic Mineral Mining	4	0	0	0	0	0	0	0	0	4
213112	Support Activities for Oil and Gas Operations	1	0	0	0	0	1	2	0	1	5

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
221111	Hydroelectric Power Generation	0	1	2	0	0	0	0	0	0	3
221112	Fossil Fuel Electric Power Generation	0	0	9	0	0	6	1	15	5	36
221114	Solar Electric Power Generation	0	0	0	0	0	0	0	1	0	1
221115	Wind Electric Power Generation	0	0	0	0	0	0	0	2	0	2
221118	Other Electric Power Generation	0	0	1	0	2	0	10	14	5	32
221122	Electric Power Distribution	0	0	0	0	0	0	0	0	1	1
221210	Natural Gas Distribution	0	0	0	0	0	6	0	6	1	13
221310	Water Supply and Irrigation Systems	5	0	6	0	0	1	6	11	0	29
221320	Sewage Treatment Facilities	1	0	0	0	0	4	7	27	0	39
236115	New Single-Family Housing Construction (except For-Sale Builders)	31	0	0	0	0	0	0	1	0	32
236116	New Multifamily Housing Construction (except For-Sale Builders)	0	0	0	0	0	0	0	1	0	1
236117	New Housing For-Sale Builders	0	0	0	0	0	0	1	0	0	1
236118	Residential Remodelers	0	0	0	0	0	0	0	2	0	2
236210	Industrial Building Construction	0	1	0	0	0	0	0	2	0	3
236220	Commercial and Institutional Building Construction	1	0	0	0	0	5	2	11	0	19
237120	Oil and Gas Pipeline and Related	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Structures Construction										
<b>237210</b>	Land Subdivision	0	0	0	0	0	0	9	1	0	10
<b>237310</b>	Highway, Street, and Bridge Construction	0	0	0	0	1	0	1	1	0	3
<b>238110</b>	Poured Concrete Foundation and Structure Contractors	0	0	1	0	0	0	1	3	0	5
<b>238160</b>	Roofing Contractors	2	0	0	0	0	0	0	0	0	2
<b>238210</b>	Electrical Contractors and Other Wiring Installation Contractors	11	0	4	0	0	0	0	2	0	17
<b>238220</b>	Plumbing, Heating, and Air-Conditioning Contractors	0	0	1	0	0	0	1	1	0	3
<b>238320</b>	Painting and Wall Covering Contractors	0	1	0	0	0	0	0	2	0	3
<b>238350</b>	Finish Carpentry Contractors	0	0	0	0	0	0	0	1	0	1
<b>238910</b>	Site Preparation Contractors	104	2	0	0	0	0	1	3	0	110
<b>238990</b>	All Other Specialty Trade Contractors	122	0	0	0	1	0	1	5	0	129
<b>311119</b>	Other Animal Food Manufacturing	0	1	0	0	0	0	1	0	0	2
<b>311211</b>	Flour Milling	0	0	2	0	0	0	0	10	0	12
<b>311230</b>	Breakfast Cereal Manufacturing	0	10	0	0	0	0	1	0	0	11
<b>311411</b>	Frozen Fruit, Juice, and Vegetable Manufacturing	6	0	0	0	0	0	0	0	0	6

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
311412	Frozen Specialty Food Manufacturing	1	0	0	0	0	0	6	0	0	7
311421	Fruit and Vegetable Canning	6	9	0	0	0	0	0	0	0	15
311422	Specialty Canning	1	0	0	0	0	0	0	6	0	7
311511	Fluid Milk Manufacturing	1	0	0	0	0	0	0	0	0	1
311611	Animal (except Poultry) Slaughtering	2	0	6	0	0	0	0	0	0	8
311612	Meat Processed from Carcasses	0	1	0	0	0	0	0	0	0	1
311613	Rendering and Meat Byproduct Processing	0	0	0	0	0	1	0	5	1	7
311812	Commercial Bakeries	0	0	0	0	2	0	1	2	0	5
311821	Cookie and Cracker Manufacturing	0	0	0	0	0	1	0	0	0	1
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour	0	0	0	2	0	0	0	0	0	2
311911	Roasted Nuts and Peanut Butter Manufacturing	0	0	0	0	0	0	0	2	0	2
311919	Other Snack Food Manufacturing	0	0	3	0	0	1	1	4	1	10
311920	Coffee and Tea Manufacturing	0	5	0	0	0	0	0	2	0	7
311930	Flavoring Syrup and Concentrate Manufacturing	0	0	0	0	0	0	3	0	1	4
311942	Spice and Extract Manufacturing	0	0	0	0	0	0	2	2	0	4
312111	Soft Drink Manufacturing	0	6	0	0	0	0	0	66	0	72

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
312120	Breweries	0	0	0	0	0	0	0	4	0	4
312140	Distilleries	0	0	21	0	0	0	0	0	0	21
312230	Tobacco Manufacturing	0	0	0	0	0	0	0	2	0	2
313310	Textile and Fabric Finishing Mills	0	7	2	0	0	0	0	4	1	14
313320	Fabric Coating Mills	0	7	1	0	0	0	0	6	0	14
314999	All Other Miscellaneous Textile Product Mills	0	0	1	0	0	0	0	0	0	1
316210	Footwear Manufacturing	0	0	0	0	0	0	0	2	0	2
316998	All Other Leather Good and Allied Product Manufacturing	0	0	0	0	0	0	0	33	0	33
321920	Wood Container and Pallet Manufacturing	0	3	0	1	0	0	0	0	0	4
322121	Paper (except Newsprint) Mills	0	0	1	0	0	0	0	2	0	3
322130	Paperboard Mills	0	0	0	0	0	0	0	1	2	3
322211	Corrugated and Solid Fiber Box Manufacturing	0	0	1	0	0	0	0	4	3	8
322212	Folding Paperboard Box Manufacturing	0	0	0	0	0	1	1	2	0	4
322220	Paper Bag and Coated and Treated Paper Manufacturing	0	0	2	0	0	1	1	6	0	10
323111	Commercial Printing (except Screen and Books)	0	0	0	0	1	6	0	1	0	8
323113	Commercial Screen Printing	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
324110	Petroleum Refineries	0	0	11	0	1	32	11	161	38	254
324121	Asphalt Paving Mixture and Block Manufacturing	1	15	3	0	3	1	1	21	7	52
324122	Asphalt Shingle and Coating Materials Manufacturing	1	1	0	0	0	0	3	14	4	23
324191	Petroleum Lubricating Oil and Grease Manufacturing	0	3	2	0	0	1	0	1	1	8
325110	Petrochemical Manufacturing	0	0	0	0	0	0	0	4	0	4
325120	Industrial Gas Manufacturing	0	0	1	0	0	0	0	4	4	9
325130	Synthetic Dye and Pigment Manufacturing	0	52	0	0	0	1	0	8	0	61
325180	Other Basic Inorganic Chemical Manufacturing	0	0	3	0	0	0	1	7	2	13
325211	Plastics Material and Resin Manufacturing	0	0	0	0	0	0	1	4	1	6
325212	Synthetic Rubber Manufacturing	4	0	6	0	0	0	0	2	2	14
325311	Nitrogenous Fertilizer Manufacturing	0	0	1	0	0	0	0	0	0	1
325411	Medicinal and Botanical Manufacturing	0	0	0	0	0	0	0	26	0	26
325412	Pharmaceutical Preparation Manufacturing	1	0	0	0	0	0	5	11	1	18

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
325414	Biological Product (except Diagnostic) Manufacturing	0	0	0	0	0	0	0	1	0	1
325510	Paint and Coating Manufacturing	0	0	0	0	0	1	1	4	1	7
325520	Adhesive Manufacturing	0	0	3	0	0	0	0	2	1	6
325611	Soap and Other Detergent Manufacturing	0	55	1	0	0	0	0	21	0	77
325620	Toilet Preparation Manufacturing	0	0	14	0	0	0	2	2	0	18
326113	Unlaminated Plastics Film and Sheet (except Packaging) Manufacturing	0	0	0	0	0	0	0	4	0	4
326121	Unlaminated Plastics Profile Shape Manufacturing	5	55	0	0	0	0	0	3	1	64
326130	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing	0	0	1	0	0	0	0	0	0	1
326140	Polystyrene Foam Product Manufacturing	0	0	0	0	0	0	0	1	1	2
326199	All Other Plastics Product Manufacturing	0	0	9	0	6	5	2	3	1	26
326211	Tire Manufacturing (except Retreading)	0	0	0	0	0	0	0	3	0	3
326299	All Other Rubber Product Manufacturing	0	0	0	0	0	0	0	4	0	4



Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing	0	8	0	0	0	0	0	0	0	8
327120	Clay Building Material and Refractories Manufacturing	0	10	1	0	0	0	0	0	2	13
327211	Flat Glass Manufacturing	0	0	1	0	0	0	1	0	0	2
327213	Glass Container Manufacturing	0	0	0	0	0	0	0	3	1	4
327320	Ready-Mix Concrete Manufacturing	0	0	2	0	0	0	0	17	0	19
327331	Concrete Block and Brick Manufacturing	0	0	0	0	0	0	0	3	0	3
327332	Concrete Pipe Manufacturing	0	23	0	0	0	0	0	0	0	23
327390	Other Concrete Product Manufacturing	0	0	1	0	0	1	1	23	0	26
327992	Ground or Treated Mineral and Earth Manufacturing	0	0	0	0	0	0	0	7	0	7
331110	Iron and Steel Mills and Ferroalloy Manufacturing	0	0	0	0	0	0	0	3	0	3
331221	Rolled Steel Shape Manufacturing	1	0	0	0	0	0	0	5	0	6
331313	Alumina Refining and Primary Aluminum Production	0	0	0	0	0	0	1	0	1	2
331315	Aluminum Sheet, Plate, and Foil Manufacturing	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
331318	Other Aluminum Rolling, Drawing, and Extruding	0	0	1	0	0	0	0	2	1	4
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing, and Extruding	0	0	1	0	0	0	0	0	0	1
331492	Secondary Smelting, Refining, and Alloying of Nonferrous Metal (except Copper and Aluminum)	0	0	0	0	0	4	0	4	3	11
331513	Steel Foundries (except Investment)	0	0	0	0	0	1	0	5	0	6
331523	Nonferrous Metal Die-Casting Foundries	0	0	0	0	0	0	0	1	0	1
331529	Other Nonferrous Metal Foundries (except Die-Casting)	0	0	0	0	0	0	0	1	1	2
332112	Nonferrous Forging	0	0	7	0	0	6	0	16	4	33
332114	Custom Roll Forming	0	4	0	0	0	0	0	0	0	4
332311	Prefabricated Metal Building and Component Manufacturing	0	0	0	0	0	0	0	1	0	1
332312	Fabricated Structural Metal Manufacturing	0	0	0	0	0	0	0	3	0	3
332313	Plate Work Manufacturing	0	0	0	0	0	0	0	2	0	2
332321	Metal Window and Door Manufacturing	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
332322	Sheet Metal Work Manufacturing	0	0	0	0	0	0	0	1	0	1
332323	Ornamental and Architectural Metal Work Manufacturing	0	2	1	0	0	0	0	0	0	3
332410	Power Boiler and Heat Exchanger Manufacturing	0	0	0	0	0	0	5	0	0	5
332420	Metal Tank (Heavy Gauge) Manufacturing	0	0	0	0	0	0	0	1	0	1
332431	Metal Can Manufacturing	0	0	0	0	0	0	1	0	0	1
332439	Other Metal Container Manufacturing	0	2	0	0	0	0	0	0	0	2
332510	Hardware Manufacturing	0	0	0	0	0	0	0	3	0	3
332710	Machine Shops	0	0	1	0	0	1	0	2	0	4
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing	0	0	2	0	0	0	0	14	0	16
332811	Metal Heat Treating	0	0	3	0	0	0	0	4	2	9
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers	0	0	1	0	0	0	2	9	1	13
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring	0	0	5	0	0	7	0	19	0	31
332912	Fluid Power Valve and Hose Fitting Manufacturing	0	0	0	0	0	0	2	4	0	6

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
332919	Other Metal Valve and Pipe Fitting Manufacturing	0	0	1	0	0	0	0	0	0	1
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing	0	0	0	0	0	0	0	1	0	1
332996	Fabricated Pipe and Pipe Fitting Manufacturing	0	0	0	0	0	3	1	3	1	8
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	0	0	0	0	0	0	0	3	0	3
333111	Farm Machinery and Equipment Manufacturing	0	0	0	0	0	0	0	3	0	3
333120	Construction Machinery Manufacturing	0	0	0	0	0	0	2	1	2	5
333243	Sawmill, Woodworking, and Paper Machinery Manufacturing	0	0	0	0	0	0	0	1	0	1
333314	Optical Instrument and Lens Manufacturing	0	0	0	0	0	0	0	2	0	2
333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing	0	0	0	0	0	0	0	2	0	2
333515	Cutting Tool and Machine Tool	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Accessory Manufacturing										
<b>333618</b>	Other Engine Equipment Manufacturing	0	0	0	0	0	0	0	2	0	2
<b>333914</b>	Measuring, Dispensing, and Other Pumping Equipment Manufacturing	0	0	0	0	0	0	0	1	0	1
<b>333921</b>	Elevator and Moving Stairway Manufacturing	0	1	0	0	0	0	0	0	0	1
<b>333924</b>	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturing	0	0	0	0	0	0	1	2	0	3
<b>333994</b>	Industrial Process Furnace and Oven Manufacturing	0	0	0	0	0	0	0	4	0	4
<b>333997</b>	Scale and Balance Manufacturing	0	0	0	0	0	0	0	1	0	1
<b>334118</b>	Computer Terminal and Other Computer Peripheral Equipment Manufacturing	0	0	0	0	0	0	4	1	0	5
<b>334220</b>	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	0	0	0	0	0	0	0	1	1	2
<b>334412</b>	Bare Printed Circuit Board Manufacturing	0	0	0	0	0	0	1	1	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
334413	Semiconductor and Related Device Manufacturing	0	36	0	0	0	0	1	10	1	48
334419	Other Electronic Component Manufacturing	0	0	1	0	0	0	0	4	0	5
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	0	0	0	0	0	0	1	1	0	2
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	0	0	0	0	0	0	4	0	0	4
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables	0	0	0	0	0	0	0	0	1	1
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	3	0	1	0	0	0	1	0	0	5
334516	Analytical Laboratory Instrument Manufacturing	0	0	0	0	0	0	0	14	0	14
334519	Other Measuring and Controlling Device Manufacturing	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
335220	Major Household Appliance Manufacturing	0	0	0	0	0	0	0	4	0	4
335311	Power, Distribution, and Specialty Transformer Manufacturing	0	0	1	0	0	0	0	0	0	1
335314	Relay and Industrial Control Manufacturing	0	0	1	0	0	1	1	0	0	3
335911	Storage Battery Manufacturing	0	0	4	0	0	1	0	9	0	14
335931	Current-Carrying Wiring Device Manufacturing	0	0	0	0	0	0	0	3	0	3
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing	0	0	0	0	0	0	0	5	0	5
336111	Automobile Manufacturing	0	0	1	0	0	0	1	1	0	3
336211	Motor Vehicle Body Manufacturing	0	0	1	0	0	0	0	2	0	3
336212	Truck Trailer Manufacturing	0	1	0	0	0	0	0	0	0	1
336213	Motor Home Manufacturing	0	0	0	0	0	1	0	0	0	1
336360	Motor Vehicle Seating and Interior Trim Manufacturing	0	0	0	0	0	0	0	1	0	1
336390	Other Motor Vehicle Parts Manufacturing	0	0	1	0	0	0	0	2	0	3
336411	Aircraft Manufacturing	0	0	3	0	0	2	1	5	5	16

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
336412	Aircraft Engine and Engine Parts Manufacturing	0	0	0	0	0	1	0	19	1	21
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing	0	0	2	0	0	0	4	18	0	24
336414	Guided Missile and Space Vehicle Manufacturing	0	0	9	0	0	0	1	21	0	31
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing	0	0	0	0	0	0	0	2	0	2
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing	0	1	0	0	0	1	0	13	5	20
337110	Wood Kitchen Cabinet and Countertop Manufacturing	0	0	0	0	0	0	0	1	0	1
337215	Showcase, Partition, Shelving, and Locker Manufacturing	0	0	0	0	0	0	0	2	0	2
339112	Surgical and Medical Instrument Manufacturing	0	0	0	0	0	2	0	17	0	19
339113	Surgical Appliance and Supplies Manufacturing	0	0	1	0	0	0	0	0	1	2
339114	Dental Equipment and Supplies Manufacturing	0	0	0	0	0	0	0	13	0	13



Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
339115	Ophthalmic Goods Manufacturing	0	0	0	0	0	4	0	0	0	4
339920	Sporting and Athletic Goods Manufacturing	0	23	0	0	0	0	0	0	0	23
339930	Doll, Toy, and Game Manufacturing	0	0	0	0	0	0	2	0	0	2
339950	Sign Manufacturing	0	0	0	0	0	0	0	1	0	1
339999	All Other Miscellaneous Manufacturing	0	0	3	0	0	5	0	4	0	12
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	1	0	0	0	0	0	0	0	1
423130	Tire and Tube Merchant Wholesalers	0	0	0	0	0	0	0	3	0	3
423140	Motor Vehicle Parts (Used) Merchant Wholesalers	0	0	2	0	0	0	0	0	0	2
423210	Furniture Merchant Wholesalers	0	0	0	0	0	0	1	8	0	9
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers	0	0	0	0	0	0	1	1	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
423410	Photographic Equipment and Supplies Merchant Wholesalers	0	0	0	0	0	0	1	0	0	1
423440	Other Commercial Equipment Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423510	Metal Service Centers and Other Metal Merchant Wholesalers	0	0	1	0	0	0	1	10	1	13
423520	Coal and Other Mineral and Ore Merchant Wholesalers	0	0	0	0	0	0	0	3	0	3
423710	Hardware Merchant Wholesalers	0	0	0	0	0	0	3	0	0	3
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers	5	0	0	0	0	0	0	0	0	5
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers	10	0	0	0	0	0	0	0	0	10
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423830	Industrial Machinery and Equipment	0	0	1	0	0	0	0	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Merchant Wholesalers										
423840	Industrial Supplies Merchant Wholesalers	1	0	0	0	0	0	1	4	0	6
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	0	0	0	0	0	1	0	7	0	8
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers	0	1	0	0	0	0	0	0	0	1
423930	Recyclable Material Merchant Wholesalers	0	1	1	0	0	0	0	0	0	2
423990	Other Miscellaneous Durable Goods Merchant Wholesalers	3	1	1	0	0	0	0	1	1	7
424210	Drugs and Druggists' Sundries Merchant Wholesalers	0	0	0	0	0	0	3	1	0	4
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
424330	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers	0	0	0	0	0	0	2	0	0	2
424340	Footwear Merchant Wholesalers	1	0	0	0	0	0	0	1	0	2
424410	General Line Grocery Merchant Wholesalers	3	0	0	0	0	0	2	0	0	5
424490	Other Grocery and Related Products Merchant Wholesalers	2	0	0	0	1	0	2	3	0	8
424690	Other Chemical and Allied Products Merchant Wholesalers	0	0	0	0	0	0	0	40	0	40
424710	Petroleum Bulk Stations and Terminals	0	1	9	0	2	9	5	17	1	44
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	0	0	1	0	0	1	0	4	0	6
424910	Farm Supplies Merchant Wholesalers	0	0	1	0	0	0	0	0	0	1
424950	Paint, Varnish, and Supplies Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
424990	Other Miscellaneous Nondurable Goods	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Merchant Wholesalers										
<b>441110</b>	New Car Dealers	0	5	1	0	0	1	1	2	0	10
<b>441120</b>	Used Car Dealers	0	0	0	0	0	0	0	2	0	2
<b>441228</b>	Motorcycle, ATV, and All Other Motor Vehicle Dealers	0	0	2	0	0	3	0	1	0	6
<b>441310</b>	Automotive Parts and Accessories Stores	0	2	3	0	0	0	0	0	0	5
<b>442110</b>	Furniture Stores	0	0	0	0	0	0	1	0	0	1
<b>442210</b>	Floor Covering Stores	0	0	0	0	0	0	0	1	0	1
<b>443142</b>	Electronics Stores	0	0	0	0	0	0	1	0	0	1
<b>444110</b>	Home Centers	0	0	0	0	0	0	1	7	0	8
<b>444120</b>	Paint and Wallpaper Retailers	0	1	0	0	0	0	0	0	0	1
<b>444220</b>	Nursery, Garden Center, and Farm Supply Stores	0	0	1	0	0	0	0	0	0	1
<b>445110</b>	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	3	1	0	0	0	0	118	8	2	132
<b>445120</b>	Convenience Stores	0	0	0	0	0	2	9	13	0	24
<b>445291</b>	Baked Goods Retailers	0	0	0	0	0	0	0	1	0	1
<b>445299</b>	All Other Specialty Food Stores	0	0	0	0	1	0	0	0	0	1
<b>446110</b>	Pharmacies and Drug Stores	0	0	0	0	0	0	1	0	0	1
<b>446120</b>	Cosmetics, Beauty Supplies, and Perfume Stores	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
447110	Gasoline Stations with Convenience Stores	10	67	8	0	0	50	3	114	0	252
447190	Other Gasoline Stations	3	0	14	0	1	37	7	103	0	165
448120	Women's Clothing Stores	0	0	0	0	0	0	4	0	0	4
448140	Family Clothing Stores	1	0	0	0	0	0	1	2	0	4
448150	Clothing Accessories Stores	0	0	0	0	0	0	1	0	0	1
448190	Other Clothing Stores	0	0	0	0	0	0	0	1	0	1
448210	Shoe Stores	0	0	0	0	0	0	0	1	0	1
448320	Luggage and Leather Goods Stores	0	0	0	0	0	0	0	37	0	37
451110	Sporting Goods Stores	0	0	0	0	0	1	0	0	0	1
451120	Hobby, Toy, and Game Stores	0	0	0	0	0	0	2	0	0	2
452111	Department Stores (except Discount Department Stores)	0	0	0	0	0	0	1	2	0	3
452112	Discount Department Stores – insignificant perishable grocery sales	0	0	0	0	0	0	9	5	0	14
452210	Department Stores	1	0	0	0	0	0	32	3	0	36
452311	Warehouse Clubs and Supercenters	89	0	0	0	0	1	17	8	0	115
452319	All Other General Merchandise Stores	0	0	0	0	0	0	0	1	0	1
452910	Warehouse Clubs and Supercenters	37	0	0	0	0	0	1	0	0	38
453110	Florists	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
453220	Gift, Novelty, and Souvenir Stores	0	0	0	0	0	0	1	0	0	1
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	0	0	0	0	0	0	5	5	0	10
454110	Electronic Shopping and Mail-Order Houses	0	0	1	0	0	0	0	1	0	2
454310	Fuel Dealers	0	1	0	0	0	0	0	2	0	3
457120	Other Gasoline Stations	0	0	2	0	0	0	0	0	0	2
481111	Scheduled Passenger Air Transportation	1	0	0	0	0	0	0	1	0	2
481112	Scheduled Freight Air Transportation	0	0	0	0	0	0	0	1	0	1
481219	Other Nonscheduled Air Transportation	0	1	0	0	0	0	0	0	0	1
482111	Line-Haul Railroads	0	0	2	0	0	0	0	0	0	2
484110	General Freight Trucking, Local	0	0	0	0	0	0	0	1	0	1
484121	General Freight Trucking, Long-Distance, Truckload	1	0	0	0	0	0	0	0	0	1
485111	Mixed Mode Transit Systems	0	0	0	0	0	0	1	1	0	2
485113	Bus and Other Motor Vehicle Transit Systems	1	0	0	0	0	0	0	1	0	2
486110	Pipeline Transportation of Crude Oil	0	0	0	0	0	0	0	1	0	1
486210	Pipeline Transportation of Natural Gas	1	0	0	0	0	11	0	0	1	13

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
486910	Pipeline Transportation of Refined Petroleum Products	0	0	0	0	0	0	1	14	0	15
487110	Scenic and Sightseeing Transportation, Land	0	1	0	0	0	0	0	0	0	1
488111	Air Traffic Control	1	0	0	0	0	0	0	0	0	1
488119	Other Airport Operations	1	0	0	0	0	0	1	1	1	4
488190	Other Support Activities for Air Transportation	0	4	0	0	0	0	0	1	3	8
488310	Port and Harbor Operations	0	0	0	0	0	0	2	0	0	2
488320	Marine Cargo Handling	1	0	1	0	1	3	0	1	0	7
488410	Motor Vehicle Towing	0	0	0	0	0	0	0	1	0	1
488510	Freight Transportation Arrangement	0	0	0	0	0	1	0	0	0	1
488999	All Other Support Activities for Transportation	0	0	0	0	1	2	2	3	0	8
491110	Postal Service	1	0	0	0	0	0	1	0	0	2
493110	General Warehousing and Storage	4	7	4	0	0	0	0	23	0	38
493120	Refrigerated Warehousing and Storage	0	0	0	0	0	4	0	0	0	4
493190	Other Warehousing and Storage	0	0	0	0	1	0	0	5	0	6
511110	Newspaper Publishers	0	0	0	0	0	0	2	0	0	2



Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
511210	Software Publishers	0	0	4	0	0	0	0	0	0	4
512110	Motion Picture and Video Production	0	1	1	0	0	3	5	6	0	16
512210	Record Production	0	0	0	0	0	0	1	0	0	1
512240	Sound Recording Studios	0	0	0	0	0	0	1	0	0	1
515111	Radio Networks	1	0	0	0	0	0	0	0	0	1
515120	Television Broadcasting	0	0	0	0	0	0	2	0	0	2
515210	Cable and Other Subscription Programming	1	4	0	0	0	0	2	0	0	7
517311	Wired Telecommunications Carriers	0	8	0	0	0	0	1	1	0	10
517312	Wireless Telecommunications Carriers (except Satellite)	0	0	17	0	0	0	2	20	0	39
517911	Telecommunications Resellers	0	0	0	0	0	0	2	12	0	14
517919	All Other Telecommunications	0	0	0	0	0	0	3	0	0	3
518210	Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	0	0	0	0	0	0	2	0	0	2
519120	Libraries and Archives	0	0	0	0	0	0	8	0	0	8
519130	Internet Publishing and Broadcasting and Web Search Portals	0	0	0	0	0	0	1	0	0	1
522110	Commercial Banking	0	0	0	0	0	0	3	0	0	3

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
522120	Savings Institutions	0	5	0	0	0	0	0	0	1	6
522130	Credit Unions	1	0	0	0	0	0	3	0	0	4
522310	Mortgage and Nonmortgage Loan Brokers	0	1	0	0	0	0	0	0	0	1
522390	Other Activities Related to Credit Intermediation	0	0	0	0	0	0	1	0	0	1
523910	Miscellaneous Intermediation	1	0	0	0	0	0	1	3	0	5
523930	Investment Advice	0	0	0	0	0	0	2	0	0	2
524113	Direct Life Insurance Carriers	0	0	0	0	0	0	1	0	0	1
524114	Direct Health and Medical Insurance Carriers	0	0	0	0	0	0	3	0	0	3
524126	Direct Property and Casualty Insurance Carriers	0	0	0	0	0	0	4	0	0	4
524127	Direct Title Insurance Carriers	0	0	0	0	0	0	2	0	0	2
524210	Insurance Agencies and Brokerages	0	0	0	0	0	0	1	1	0	2
524298	All Other Insurance Related Activities	15	0	0	0	0	0	0	0	0	15
525920	Trusts, Estates, and Agency Accounts	0	0	0	0	0	0	1	0	0	1
525990	Other Financial Vehicles	0	1	1	0	0	0	1	0	0	3
531110	Lessors of Residential Buildings and Dwellings	3	9	1	0	0	0	21	19	0	53
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	2	1	1	0	0	0	13	4	0	21

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
531130	Lessors of Miniwarehouses and Self-Storage Units	0	0	0	0	0	0	0	6	0	6
531190	Lessors of Other Real Estate Property	0	0	0	0	0	0	1	0	0	1
531210	Offices of Real Estate Agents and Brokers	5	0	2	0	0	1	15	0	0	23
531312	Nonresidential Property Managers	0	0	0	0	0	0	11	2	0	13
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	0	0	0	0	0	0	0	1	0	1
532210	Consumer Electronics and Appliances Rental	0	1	0	0	0	0	0	0	0	1
532289	All Other Consumer Goods Rental	0	0	0	0	0	0	2	0	0	2
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing	0	0	0	0	0	1	0	1	2	4
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	5	0	0	0	0	0	0	1	0	6
541110	Offices of Lawyers	0	0	0	0	0	0	1	0	0	1
541330	Engineering Services	0	0	7	0	0	6	2	3	0	18
541350	Building Inspection Services	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
541380	Testing Laboratories and Services	0	0	0	0	0	0	1	6	0	7
541410	Interior Design Services	0	0	0	0	0	0	1	0	0	1
541430	Graphic Design Services	0	0	0	0	0	0	0	1	0	1
541511	Custom Computer Programming Services	0	0	1	0	0	0	1	0	0	2
541512	Computer Systems Design Services	0	0	0	0	0	0	1	0	0	1
541611	Administrative Management and General Management Consulting Services	23	3	0	0	0	4	0	2	0	32
541618	Other Management Consulting Services	5	0	0	0	0	0	1	3	0	9
541620	Environmental Consulting Services	30	0	1	0	0	0	1	11	0	43
541690	Other Scientific and Technical Consulting Services	0	0	0	0	0	0	0	9	0	9
541711	Research and Development in Biotechnology – nanobiotechnologies research and experimental development laboratories	2	0	0	0	0	0	0	0	0	2
541712	Research and Development in the Physical, Engineering, and Life Sciences (except	0	0	1	0	0	0	1	6	0	8

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Biotechnology) – nanotechnology research and experimental development laboratories										
<b>541713</b>	Research and Development in Nanotechnology	0	1	0	0	0	0	2	1	0	4
<b>541715</b>	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	0	0	0	0	0	0	4	0	0	4
<b>541860</b>	Direct Mail Advertising	0	0	0	0	0	1	0	3	0	4
<b>541890</b>	Other Services Related to Advertising	0	0	0	0	0	0	0	17	0	17
<b>541922</b>	Commercial Photography	0	0	0	0	0	0	1	0	0	1
<b>541940</b>	Veterinary Services	0	0	0	0	0	0	0	1	0	1
<b>541990</b>	All Other Professional, Scientific, and Technical Services	0	0	0	0	0	1	3	5	0	9
<b>551112</b>	Offices of Other Holding Companies	0	1	0	0	0	0	0	3	0	4
<b>561110</b>	Office Administrative Services	0	0	0	0	0	0	4	5	0	9
<b>561210</b>	Facilities Support Services	14	0	0	0	0	0	0	38	0	52
<b>561311</b>	Employment Placement Agencies	0	0	0	0	0	0	0	6	0	6

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
561320	Temporary Help Services	1	0	0	0	0	0	0	0	0	1
561421	Telephone Answering Services	0	0	0	0	0	0	0	1	0	1
561431	Private Mail Centers	0	0	0	0	0	0	0	1	0	1
561450	Credit Bureaus	0	0	0	0	0	0	1	0	0	1
561499	All Other Business Support Services	0	0	6	0	0	0	3	12	0	21
561510	Travel Agencies	0	0	0	0	0	0	0	1	0	1
561599	All Other Travel Arrangement and Reservation Services	0	0	0	0	0	0	1	1	0	2
561613	Armored Car Services	0	0	0	0	0	0	1	0	0	1
561720	Janitorial Services	0	0	0	0	0	0	0	5	0	5
561730	Landscaping Services	0	0	2	0	0	0	0	1	0	3
561790	Other Services to Buildings and Dwellings	0	0	1	0	0	0	0	2	0	3
561910	Packaging and Labeling Services	0	0	0	0	0	2	0	10	0	12
561920	Convention and Trade Show Organizers	0	0	0	0	0	0	1	0	0	1
561990	All Other Support Services	1	0	0	0	0	1	12	5	0	19
562211	Hazardous Waste Treatment and Disposal	0	0	4	0	0	0	5	10	0	19
562212	Solid Waste Landfill	0	0	2	0	0	14	3	5	1	25
562910	Remediation Services	75	0	0	0	1	0	1	19	0	96
562920	Materials Recovery Facilities	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
611110	Elementary and Secondary Schools	0	0	0	0	0	0	21	6	0	27
611210	Junior Colleges	2	0	0	0	0	0	12	4	1	19
611310	Colleges, Universities, and Professional Schools	6	0	2	0	0	7	17	19	3	54
611699	All Other Miscellaneous Schools and Instruction	0	0	0	0	0	0	1	2	0	3
621111	Offices of Physicians (except Mental Health Specialists)	0	4	0	0	0	0	6	1	0	11
621210	Offices of Dentists	0	0	0	0	0	0	1	0	0	1
621491	HMO Medical Centers	0	0	0	0	0	0	3	4	0	7
621511	Medical Laboratories	0	1	1	0	0	0	3	2	0	7
621999	All Other Miscellaneous Ambulatory Health Care Services	0	0	0	0	0	0	1	0	0	1
622110	General Medical and Surgical Hospitals	2	2	5	0	0	0	22	12	4	47
622210	Psychiatric and Substance Abuse Hospitals	1	0	1	0	0	0	1	2	0	5
623110	Nursing Care Facilities (Skilled Nursing Facilities)	0	0	0	0	0	0	4	2	0	6
623210	Residential Intellectual and Developmental Disability Facilities	0	0	0	0	0	0	0	5	0	5

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
623311	Continuing Care Retirement Communities	0	0	0	0	0	0	0	1	0	1
623312	Assisted Living Facilities for the Elderly	1	0	0	0	0	0	0	0	0	1
624190	Other Individual and Family Services	0	0	0	0	0	0	2	2	0	4
624310	Vocational Rehabilitation Services	0	0	1	0	0	0	0	0	0	1
624410	Child Care Services	2	1	0	0	0	0	1	4	0	8
711110	Theater Companies and Dinner Theaters	4	0	0	0	0	0	0	0	0	4
711190	Other Performing Arts Companies	1	0	0	0	0	0	1	0	0	2
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	1	0	0	0	0	0	0	0	0	1
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	0	0	0	0	0	0	1	0	0	1
712110	Museums	0	0	0	0	0	0	2	1	0	3
713110	Amusement and Theme Parks	0	0	0	0	0	3	2	8	0	13
713910	Golf Courses and Country Clubs	1	1	0	0	0	1	0	3	0	6
713920	Skiing Facilities	0	0	0	0	0	0	0	6	1	7
713930	Marinas	0	0	0	0	0	0	0	1	0	1
713940	Fitness and Recreational Sports Centers	0	0	6	0	0	0	4	0	0	10



Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
713990	All Other Amusement and Recreation Industries	0	0	1	0	0	0	0	1	0	2
721110	Hotels (except Casino Hotels) and Motels	5	3	0	0	0	0	23	2	0	33
722310	Food Service Contractors	0	0	2	0	0	0	0	2	0	4
722511	Full-Service Restaurants	3	0	0	0	0	1	3	1	0	8
722513	Limited-Service Restaurants	5	0	0	0	0	0	0	7	0	12
722515	Snack and Nonalcoholic Beverage Bars	0	0	0	0	0	0	1	0	0	1
811111	General Automotive Repair	36	24	2	0	0	0	2	13	0	77
811112	Automotive Exhaust System Repair	0	1	0	0	0	0	0	0	0	1
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	0	4	0	0	0	0	0	7	0	11
811121	Automotive Body, Paint, and Interior Repair and Maintenance	0	48	11	0	1	2	1	56	0	119
811192	Car Washes	0	0	0	0	0	0	0	3	0	3
811211	Consumer Electronics Repair and Maintenance	0	0	0	0	0	0	0	2	0	2
811219	Other Electronic and Precision Equipment Repair and Maintenance	0	0	0	0	0	0	1	1	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	0	0	0	0	0	0	1	3	0	4
811412	Appliance Repair and Maintenance	2	0	1	0	0	0	0	2	0	5
811490	Other Personal and Household Goods Repair and Maintenance	0	0	0	0	0	0	1	0	0	1
812112	Beauty Salons	0	0	0	0	0	0	2	0	0	2
812210	Funeral Homes and Funeral Services	0	19	7	0	0	1	0	4	0	31
812220	Cemeteries and Crematories	0	0	1	0	0	3	0	8	0	12
812320	Drycleaning and Laundry Services (except Coin-Operated)	0	17	0	0	0	0	1	24	0	42
812332	Industrial Launderers	0	0	0	0	0	0	0	5	0	5
812930	Parking Lots and Garages	0	0	0	0	0	0	3	0	0	3
813110	Religious Organizations	0	0	1	0	0	0	4	2	0	7
813319	Other Social Advocacy Organizations	0	0	0	0	0	0	5	2	0	7
813410	Civic and Social Organizations	2	0	0	0	0	0	1	1	0	4
813990	Other Similar Organizations (except Business, Professional, Labor,	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	and Political Organizations)										
<b>921110</b>	Executive Offices	1	0	0	0	0	0	13	8	0	22
<b>921120</b>	Legislative Bodies	0	0	0	0	0	0	1	0	0	1
<b>921190</b>	Other General Government Support	3	2	0	0	0	0	20	5	0	30
<b>922110</b>	Courts	0	0	0	0	0	0	19	2	0	21
<b>922120</b>	Police Protection	0	0	0	0	0	1	4	5	0	10
<b>922130</b>	Legal Counsel and Prosecution	0	0	0	0	0	0	2	0	0	2
<b>922150</b>	Parole Offices and Probation Offices	0	0	0	0	0	0	2	0	0	2
<b>922160</b>	Fire Protection	0	0	0	0	0	0	2	6	0	8
<b>923130</b>	Administration of Human Resource Programs (except Education, Public Health, and Veterans' Affairs Programs)	0	0	0	0	0	0	1	0	0	1
<b>924110</b>	Administration of Air and Water Resource and Solid Waste Management Programs	0	0	0	0	0	0	2	2	0	4
<b>925120</b>	Administration of Urban Planning and Community and Rural Development	0	0	0	0	0	0	1	0	0	1
<b>926120</b>	Regulation and Administration of Transportation Programs	0	0	0	0	0	0	2	2	0	4

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
926130	Regulation and Administration of Communications, Electric, Gas, and Other Utilities	1	0	0	0	1	0	0	30	3	35
927110	Space Research and Technology	0	0	0	0	0	1	0	2	2	5
928110	National Security	2	0	1	0	0	0	0	5	0	8
XXXXXX	Uncategorized	278	98	31	0	0	81	124	250	0	862
<b>Grand Total</b>		<b>1,043</b>	<b>709</b>	<b>366</b>	<b>3</b>	<b>28</b>	<b>388</b>	<b>900</b>	<b>2,281</b>	<b>156</b>	<b>5,874</b>

## Annualized Publication of Emission Reduction Credit (ERC) And Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2022-23<sup>1</sup> (California Health and Safety Code Section 40452)

Pursuant to paragraph (c) of section 40452 of the California Health and Safety Code, this report summarizes data on emission offset transactions and applications, by pollutant, during the previous fiscal year. Note that during Fiscal Year 2022-23, no applications were denied for a permit for a new source for the reason of failure to provide the required emission offsets.

Table 1 summarizes privately held Emission Reduction Credit (ERC) and Short Term Emission Reduction Credit (STERC) transactions for Fiscal Year 2022-23, including totals, by pollutant, of the number of emission offset transactions and the quantity of emission offsets transferred in units of pounds per day and tons per year. Table 2 summarizes ERC banking applications processed during Fiscal Year 2022-23, including the number of newly generated STERCs by pollutant in units of pounds per day and tons per year.

Tables 3 and 4 provide details on the amount of each emission offset transaction and processed ERC banking application, respectively.

**Table 3: Emission Offset Transactions – Fiscal Year 2022-23**

Criteria Pollutant	Number of Emission Offset Transfer Transactions <sup>2</sup>				Quantity of Emission Offsets Transferred <sup>3</sup> (lb/day)				Annualized Quantity of Emission Offsets Transferred <sup>3</sup> (ton/year <sup>4</sup> )			
	ERC	STERC <sup>5</sup>	STERC <sup>6</sup>	TOTAL	ERC	STERC <sup>5</sup>	STERC <sup>6</sup>	TOTAL	ERC	STERC <sup>5</sup>	STERC <sup>6</sup>	TOTAL
ROG	10	5	0	15	235	35	0	270	42.9	6.4	0	49.3
NOX	2	0	0	2	154	0	0	154	28.1	0	0	28.1
SOX	0	0	0	0	0	0	0	0	0	0	0	0
CO	0	0	0	0	0	0	0	0	0	0	0	0
PM10	1	1	0	2	1	1	0	2	0.2	0.2	0	0.4

**Table 4: Emission Offset Applications – Fiscal Year 2022-23**

Criteria Pollutant	Number of Banking Applications Resulting in the Issuance of New STERCs <sup>7</sup>	Quantity of Emission Reductions Achieved (STERCs) <sup>8</sup> (lb/day)	Annualized Quantity of Emission Reductions Achieved <sup>8</sup> (ton/year <sup>9</sup> )
ROG	1	39	7.1
NOX	0	0	0
SOX	1	4	0.7
CO	0	0	0
PM10	3	58	10.6

<sup>1</sup> This report does not include RECLAIM Trading Credit (RTC) transactions.

<sup>2</sup> Includes all emission offset certificates that transferred ownership.

<sup>3</sup> Includes the total amount of emission offsets transferred.

<sup>4</sup> Sum of individual transactions in Table 3.

<sup>5</sup> STERC transfer transactions including the long-term emission offset, those that have an ending year of 9999.

<sup>6</sup> STERC transfer transactions not including the long-term emission offset in which the emission offset with the greatest year is treated like a long term emission offset.

<sup>7</sup> Includes all emission offset applications resulting in the generation of new certificates.

<sup>8</sup> Includes the total amount of emission offsets generated.

<sup>9</sup> Sum of individual transactions in Table 4.

**Table 5: Emission Offset Transaction Summary – Fiscal Year 2022-23  
Sorted by Pollutant and Amount**

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-001	ROG	1	0.2	ERC	N/A	N/A
SC2223-002	ROG	3	0.5	STERC	2021	9999
SC2223-003	ROG	4	0.7	ERC	N/A	N/A
SC2223-004	ROG	9	1.6	ERC	N/A	N/A
SC2223-005	ROG	7	1.3	STERC	2021	9999
SC2223-006	ROG	70	12.8	ERC	N/A	N/A
SC2223-007	ROG	9	1.6	ERC	N/A	N/A
SC2223-008	ROG	2	0.4	ERC	N/A	N/A
SC2223-009	ROG	2	0.4	STERC	2021	9999
SC2223-010	ROG	6	1.1	ERC	N/A	N/A
SC2223-011	ROG	21	3.8	STERC	2021	9999
SC2223-012	ROG	3	0.5	ERC	N/A	N/A
SC2223-013	ROG	2	0.4	STERC	2021	9999
SC2223-014	ROG	71	13	ERC	N/A	N/A
SC2223-015	ROG	60	11	ERC	N/A	N/A
<b>Total</b>		<b>270</b>	<b>49.3</b>		<b>N/A</b>	

**Table 5, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-016	NOX	29	5.3	ERC	N/A	N/A
SC2223-017	NOX	125	22.8	ERC	N/A	N/A
<b>Total</b>		<b>154</b>	<b>28.1</b>		<b>N/A</b>	

**Table 5, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
N/A	SOX	No Records				
<b>Total</b>		<b>0</b>	<b>0</b>		<b>N/A</b>	

**Table 5, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
N/A	CO	No Records				
<b>Total</b>		<b>0</b>	<b>0</b>		<b>N/A</b>	

**Table 5, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-018	PM10	1	0.2	ERC	N/A	N/A
SC2223-019	PM10	1	0.2	STERC	2013	9999
<b>Total</b>		<b>2</b>	<b>0.4</b>	<b>N/A</b>		

**Table 6: Emission Offset Application Summary – Fiscal Year 2022-23  
Sorted by Pollutant and Amount**

SCAQMD NO.	POLLUTANT	AMOUNT <sup>10</sup> (LB/DAY)	AMOUNT <sup>10</sup> (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-020	ROG	39	7.1	STERC	2023	2023
SC2223-021	ROG	39	7.1	STERC	2024	2024
SC2223-022	ROG	39	7.1	STERC	2025	2025
SC2223-023	ROG	39	7.1	STERC	2026	2026
SC2223-024	ROG	39	7.1	STERC	2027	2027
SC2223-025	ROG	39	7.1	STERC	2028	2028
SC2223-026	ROG	39	7.1	STERC	2029	2029
SC2223-027	ROG	39	7.1	STERC	2030	9999
<b>Total</b>		<b>39</b>	<b>7.1</b>	<b>N/A</b>		

**Table 6, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT <sup>10</sup> (LB/DAY)	AMOUNT <sup>10</sup> (TON/YR)	TYPE	START YEAR	END YEAR
NA	NOX	No Records				
<b>Total</b>		<b>0</b>	<b>0</b>	<b>N/A</b>		

**Table 6, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT <sup>10</sup> (LB/DAY)	AMOUNT <sup>10</sup> (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-028	SOX	4	0.7	STERC	2023	2023
SC2223-029	SOX	4	0.7	STERC	2024	2024
SC2223-030	SOX	4	0.7	STERC	2025	2025
SC2223-031	SOX	4	0.7	STERC	2026	2026
SC2223-032	SOX	4	0.7	STERC	2027	2027
SC2223-033	SOX	4	0.7	STERC	2028	2028
SC2223-034	SOX	4	0.7	STERC	2029	2029
SC2223-035	SOX	4	0.7	STERC	2030	9999

SCAQMD NO.	POLLUTANT	AMOUNT <sup>10</sup> (LB/DAY)	AMOUNT <sup>10</sup> (TON/YR)	TYPE	START YEAR	END YEAR
<b>Total</b>		<b>4</b>	<b>0.7</b>	<b>N/A</b>		

**Table 6, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT <sup>10</sup> (LB/DAY)	AMOUNT <sup>10</sup> (TON/YR)	TYPE	START YEAR	END YEAR
NA	CO	No Records				
<b>Total</b>		<b>0</b>	<b>0</b>	<b>N/A</b>		

**Table 6, Continued**

SCAQMD NO.	POLLUTANT	AMOUNT <sup>10</sup> (LB/DAY)	AMOUNT <sup>10</sup> (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-036	PM10	1	0.2	STERC	2024	2024
SC2223-037	PM10	1	0.2	STERC	2023	2023
SC2223-038	PM10	1	0.2	STERC	2024	2024
SC2223-039	PM10	1	0.2	STERC	2025	2025
SC2223-040	PM10	1	0.2	STERC	2026	2026
SC2223-041	PM10	1	0.2	STERC	2027	2027
SC2223-042	PM10	1	0.2	STERC	2028	2028
SC2223-043	PM10	1	0.2	STERC	2029	9999
SC2223-044	PM10	4	0.7	STERC	2024	2024
SC2223-045	PM10	4	0.7	STERC	2023	2023
SC2223-046	PM10	4	0.7	STERC	2024	2024
SC2223-047	PM10	4	0.7	STERC	2025	2025
SC2223-048	PM10	4	0.7	STERC	2026	2026
SC2223-049	PM10	4	0.7	STERC	2027	2027
SC2223-050	PM10	4	0.7	STERC	2028	2028
SC2223-051	PM10	4	0.7	STERC	2029	9999
SC2223-052	PM10	53	9.7	STERC	2023	2023
SC2223-053	PM10	53	9.7	STERC	2024	2024
SC2223-054	PM10	53	9.7	STERC	2025	2025
SC2223-055	PM10	53	9.7	STERC	2026	2026
SC2223-056	PM10	53	9.7	STERC	2027	2027
SC2223-057	PM10	53	9.7	STERC	2028	2028
SC2223-058	PM10	53	9.7	STERC	2029	2029
SC2223-059	PM10	53	9.7	STERC	2030	9999
<b>Total</b>		<b>58</b>	<b>10.6</b>	<b>N/A</b>		

<sup>10</sup> To avoid over counting, only long-term emission offsets, those that have an ending year of 9999, are quantified.



**CHAPTER III**  
**FISCAL YEAR 2024-2025 BUDGET**

*Due to the bulk of this material, Chapter III is available online at [adopted-fy-2024-25-budget.pdf](https://www.aqmd.gov/adopted-fy-2024-25-budget.pdf) ([aqmd.gov](https://www.aqmd.gov)). Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.*

**CHAPTER IV**  
**CLEAN FUELS PROGRAM 2023 ANNUAL REPORT AND 2024 PLAN UPDATE**

*Due to the bulk of this material, Chapter IV is available online at [2023 Annual Report & 2024 Plan Update \(aqmd.gov\)](#). Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.*

**CHAPTER V**  
**ANNUAL RECLAIM AUDIT REPORT FOR 2022 COMPLIANCE YEAR**

*Due to the bulk of this material, Chapter V is available online at [www.aqmd.gov/docs/default-source/reclaim/reclaim-annual-report/2022-reclaim-report.pdf](http://www.aqmd.gov/docs/default-source/reclaim/reclaim-annual-report/2022-reclaim-report.pdf). Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.*