

RULE 206 MOBILE AND TRANSPORTATION SOURCE EMISSION REDUCTION CREDITS**Adopted 12-15-92
(Amended 12-05-96)****INDEX****100 GENERAL**

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100 **GENERAL**

101 **PURPOSE:** To provide an administrative mechanism for the review of emission reduction credits from control of mobile sources and transportation sources for deposit and registration pursuant to Rule 204, EMISSION REDUCTION CREDITS. This rule is also intended to provide encouragement for development and implementation of innovative control methods for mobile and transportation sources. Emissions reduction credits generated pursuant to this rule may be available for use by stationary sources in other districts located within the Sacramento Federal Ozone Nonattainment Area.

102 **APPLICABILITY:** This rule shall apply to all emissions reductions for use by the stationary source or for transfer to other sources.

103 **SEVERABILITY:** If a court of competent jurisdiction issues an order that any provision of this rule is invalid, all other provisions of this rule shall remain in full force and effect to the extent allowed by law.

200 **DEFINITIONS:** Unless otherwise defined below, the terms used in this rule shall have the meanings as defined in Rule 201, GENERAL PERMIT REQUIREMENTS, Rule 202, NEW SOURCE REVIEW and Rule 204, EMISSION REDUCTION CREDITS.

201 **ACTUAL EMISSION REDUCTIONS:** Actual emission reductions are real, enforceable, permanent, and quantifiable, are surplus within the meaning of this rule; and shall be calculated pursuant to Section 410, Calculation of Emissions.

202 **AFFECTED POLLUTANTS:** Reactive organic compounds, nitrogen oxides, sulfur oxides, PM10, and carbon monoxide.

203 **BASE VEHICLE:** Any motor vehicle that is not a California Air Resources Board certified reduced emission vehicle.

204 **BURDEN:** A computer transportation model used for estimating the emissions from mobile and transportation sources by coupling the emission rates from EMFAC with vehicle activity information.

205 **DRIVEABLE:** Any vehicle that is street legal, licensed by the California Department of Motor Vehicles (if appropriate), and available for use and testing.

206 **CERTIFIED EMISSION KIT:** Any alternative fuel or add-on hardware conversion (retrofit) kit which has been certified by the California Air Resources Board to meet either:

206.1 One of the low-emission vehicle standards as specified in Title 13, California Code of Regulations; or

206.2 The heavy duty optional emissions standards as specified in Title 13, California Code of Regulations.

207 **EMFAC:** The most recent computer model approved by the California Air Resources Board for estimating emission rates from mobile and transportation sources.

208 **FLEET:** Fifteen (15) or more active vehicles operating within the District and that are under common ownership or operation and are dispatched from at least one location within the District.

209 **MOBILE SOURCE CONTROL MEASURE:** Any strategy to reduce new or existing motor vehicle emissions through additional control, disposal, change of fuel, or energy source.

210 **REDUCED-EMISSION VEHICLE:** A light-duty or medium-duty vehicle that is certified by the California Air Resources Board to one of the low-emission vehicle standards as specified in Title 13, California Code of Regulations, or a heavy-duty vehicle that is

equipped with an engine certified by the California Air Resources Board to one of the optional emission standards as specified in Title 13, California Code of Regulations.

211 **SURPLUS**

- 211.1 Emission reduction in excess of any emission reduction which is:
- a. Required or encumbered by any laws, rules, regulations, agreements, orders, by its terms states that the emission reduction shall be considered surplus; or
 - b. Attributed to a control measure which has been noticed for workshop in the District, or proposed or contained in a State Implementation Plan; or
 - c. Proposed or contained as near-term measures in the District Air Quality Attainment Plan for attaining the annual reductions required by the California Clean Air Act. Temporary actual emissions reductions may be authorized, if they meet all the requirements of this rule except they are not permanent, and shall cease to exist as temporary actual emission reductions upon implementation of the near-term control measure.
- 211.2 Emissions reductions attributed to a proposed control measure may be re-eligible as surplus actual emissions reductions for:
- a. Control measures identified in the District Air Quality Attainment Plan or State Implementation Plan where no rule has been adopted within two years from the scheduled adoption date, provided, however, the Air Pollution Control Officer has not extended the scheduled adoption date; or
 - b. Control measures not identified in the District Air Quality Attainment Plan or State Implementation Plan where no rule has been adopted and two years have elapsed beyond the date of the latest public workshop notice; or
 - c. Control measures proposed in the District Air Quality Attainment Plan which are not included into the Plan adopted by the District Board.

- 212 **TRANSPORTATION CONTROL MEASURE:** Any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions.

300 **STANDARDS**

- 301 **CERTIFICATION OF CREDITS:** A stationary source may obtain credits for actual emission reductions from one or more mobile or transportation source control measures provided:
- 301.1 An Initial Plan and Compliance Plan prepared pursuant to Sections 401 and 402 are approved in writing by the Air Pollution Control Officer; and
 - 301.2 Plans prepared pursuant to Sections 401, and 402 are implemented according to the schedules contained therein; and
 - 301.3 The Authority to Construct and Permit to Operate for the emissions unit are both conditioned to require continuous implementation of and compliance with specified plans prepared pursuant to Sections 401, and 402.

The credits shall be certified pursuant to the requirements of Rule 204, EMISSION REDUCTION CREDITS except as provided in Sections 407 through 410 of this rule.

- 302 **ADJUSTMENT OF CREDITS:** If audits performed pursuant to Section 402, Compliance Plan, show that emission reductions are not being achieved as quantified pursuant to Section 401, Initial Plan, then emission reduction credits shall be adjusted to reflect actual emission reductions achieved. Written notification of such adjustment shall be provided to the source and user of the emission reduction credits. If such credits have been used by a stationary source, then such stationary source shall provide additional emission reductions as required by Rule 202, NEW SOURCE REVIEW.

400 **ADMINISTRATIVE REQUIREMENTS**

- 401 **INITIAL PLAN:** A plan detailing the process shall be prepared to qualify the actual emission reductions from implementation of a mobile source or transportation control measure. The Initial Plan shall demonstrate that the emission reductions are real, surplus, quantifiable, enforceable, permanent and shall include data and methods for quantifying the actual emission reductions for all affected pollutants, specify the life of the actual emission reductions, quantify any increases in emissions projected to occur over the life of the actual emission reductions, and identify requirements or encumbrances as defined in Section 211 for the specified life of the actual emission reductions.
- 402 **COMPLIANCE PLAN:** A plan detailing the process for confirming the actual emission reductions shall be submitted for approval of the Air Pollution Control Officer. The Compliance Plan shall include but not be limited to all of the following elements:
- 402.1 **Records:** The Compliance Plan shall identify records which confirm projections made in the Initial Plan, and procedures for maintaining such records.
- 402.2 **Audits:** Audits performed on a regular basis, at the expense of the stationary source, by independent contractors to verify records, perform emissions testing and sampling, calculate emissions, and to verify continued implementation of the control strategy and actual emission reductions. Results of all audits shall be submitted to the Air Pollution Control Officer for review and approval.
- 402.3 **Contract:** A contractual agreement between the stationary source and the District stating the consequences for not complying with all requirements of the Initial Plan and Compliance Plan. Such a contract shall not limit the District's enforcement options as provided under District, state, or federal laws, rules or regulations.
- 403 **NEW VEHICLES:** For purposes of compliance with Sections 401 and 402 for actual emission reductions from the addition of new reduced-emission fleet vehicles to new or existing fleets:
- 403.1 Initial Plans shall include, but not be limited to the following:
- a. Current number of fleet vehicles, proposed number of new, reduced-emission vehicles for specified weight class; passenger car, light duty truck, medium duty vehicle, or heavy duty vehicle (engine) as defined in the California Code of Regulations Title 13, Section 1900.
 - b. Emission rate for all affected pollutants and the corresponding emission standard for the new vehicle as specified in the appropriate section of the California Code of Regulations, Title 13, Section 1960.1 or 1956.8.
 - c. Emission standard for the base vehicle of the same vehicle class and model year, as specified in the appropriate section of the California Code of Regulations Title 13, Section 1960.1 or 1956.8.
 - d. Quarterly emission projections for all affected pollutants for the new vehicle and base vehicle using the latest version of transportation models, EMFAC and BURDEN, based on the emission rate estimates and standards provided in Section 403.1.c and 403.1.d. Where EMFAC and BURDEN are not applicable, provide written analysis and justification for other estimates including methodology, data, and assumptions for approval of the Air Pollution Control Officer.
 - e. Mileage projections for lower emitting vehicle use within the air basin expressed quarterly.
 - f. Fuel usage projections for each fuel type expressed quarterly.
 - g. Projections for new vehicle life, and projected increases in emissions over the vehicle life due to engine wear, degradation of controls, and other causes.
 - h. Identify requirements or encumbrances as defined in Section 211 for the specified life of the actual emission reductions.
 - i. Estimation of actual emission reductions utilizing the aforementioned assumptions and data.

- 403.2 Compliance Plans shall include, but not be limited to the following:
- a. Monthly records compiled quarterly of mileage inside and outside the air basin, fuel usage by fuel type, vehicle maintenance records.
 - b. Audits performed on a regular basis to verify records, perform actual vehicle emissions testing, fuel sampling, and calculate actual emission reductions. Results from emissions testing shall not be used to adjust the actual emission reductions pursuant to Section 302. Audit reports shall be prepared and submitted to the District summarizing the results.
 - c. A contractual agreement between the stationary source and the District stating the consequences for not complying with all requirements of the Initial and Compliance Plans, including the provisions of Section 302, Adjustment of Credits. Such a contract shall not limit the District's enforcement options as provided under District, state, or federal laws, rules or regulations.

404 **REPLACEMENT VEHICLES:** For purposes of compliance with Sections 401 and 402 for actual emission reductions from the replacement of existing fleet vehicles with cleaner burning vehicles:

- 404.1 Initial Plans shall include, but not be limited to the following:
- a. Current number of fleet vehicles, proposed number of new, reduced-emission vehicles, and proposed number of vehicles being removed from service. Specify the weight class for each of the aforementioned items; passenger car, light duty truck, medium duty vehicle, or heavy duty vehicle (engine) as defined in the California Code of Regulations, Title 13, Section 1900.
 - b. Emission rate for all affected pollutants and the corresponding emission standard for vehicles being removed from service, as specified in the appropriate section of the California Code of Regulations, Title 13, Section 1960.1 or 1956.8.
 - c. Emission rate for all affected pollutants and the corresponding emission standard for the new reduced-emission vehicle and a base vehicle of the same vehicle class and model year, as specified in the appropriate section of the California Code of Regulations, Title 13, Section 1960.1 or 1956.8.
 - d. Quarterly emission projections for all affected pollutants for the new reduced-emission vehicles, base vehicles, and the vehicles being replaced, using the latest version of transportation models, EMFAC and BURDEN, based on emission rate estimate provided in Section 404.1.b and 404.1.c. where EMFAC and BURDEN are not applicable provide written analysis and justification for other estimates including methodology, data, and assumptions for approval of the Air Pollution Control Officer.
 - e. Mileage projections for new vehicle use within the Sacramento Valley air basin expressed quarterly. Actual odometer readings for the vehicle being replaced.
 - f. Fuel usage projections for each fuel type expressed quarterly.
 - g. Average age of the existing vehicle fleet, and projections for new vehicle life, and projected increases in emissions over the vehicle life due to depreciation, engine wear, degradation of controls, and other causes.
 - h. Identify requirements or encumbrances as defined in Section 211 for the specified life of the actual emission reductions.
 - i. Estimation of actual emission reductions utilizing the aforementioned assumptions.
 - j. California Department of Motor Vehicles vehicle registration for the vehicles being replaced for two years prior to the date of replacement. Vehicles not registered within the District are not eligible for use as emission reduction credits within the District unless records demonstrating the use of vehicles within the District are submitted to, verified, and

- approved by the Air Pollution Control Officer. Emission reduction credits are not eligible for vehicles unless such vehicles are driveable.
- 404.2 Compliance Plans shall include, but not be limited to the following:
- a. Monthly records compiled quarterly of mileage inside and outside the Sacramento Valley air basin, fuel usage by fuel type, vehicle maintenance records.
 - b. Audits performed on a regular basis to verify records, perform actual vehicle emissions testing, fuel sampling, and calculate actual emission reductions. Results from emissions testing shall not be used to adjust the actual emission reductions pursuant to Section 302. Audit reports shall be prepared and submitted to the District summarizing the results.
 - c. Certification of vehicles taken out-of service, and that such vehicles were driveable at the time of removal from service.
 - d. A contractual agreement between the stationary source and the District stating the consequences for not complying with all requirements of the Initial and Compliance Plans. Such a contract shall not limit the District enforcement options as provided under District, state, or federal laws, rules or regulations.
- 405 **CONVERSIONS:** For purposes of compliance with Sections 401 and 402 for actual emission reductions from the conversion of existing fleet vehicles to reduced-emission vehicle configurations using certified conversion kits, the applicant shall submit to the District the following:
- 405.1 Initial Plans shall include, but not be limited to the following:
- a. Proposed number of vehicles undergoing conversion for a specified weight class; passenger car, light duty truck, medium duty vehicle, or heavy duty vehicle (engine) as defined in the California Code of Regulations, Title 13, Section 1900.
 - b. Proposed emission rate for all affected pollutants of converted vehicles from California Air Resources Board certification test data.
 - c. Emission rate of all affected pollutants and emission standard for an unconverted vehicle of the same vehicle class and model year, as specified in the appropriate section of the California Code of Regulations, Title, 13, Section 1960.1 or 1956.8.
 - d. Quarterly emission projections for all affected pollutants for the converted vehicles and unconverted vehicles, using the latest version of transportation models, EMFAC and BURDEN, based on emission rate estimate provided in Section 405.1.b and 405.1.c. Where EMFAC and BURDEN are not applicable provide written analysis and justification for other estimates including methodology, data, and assumptions for approval of the Air Pollution Control Officer.
 - e. Actual mileage and trip records for two years prior to conversion for use within the Sacramento Valley air basin expressed quarterly. If the last two years are unrepresentative of normal operations as determined by the Air Pollution Control Officer, then any two consecutive years of the last five years, that represent normal source operation, may be used.
 - f. Average age of the existing vehicle fleet, projections for lower emitting vehicle life, and projected increases in emissions over the vehicle life due to engine wear, degradation of controls, and other causes.
 - g. Identify requirements or encumbrances as defined in Section 211 for the specified life of the actual emission reductions.
 - h. Estimation of actual emission reductions utilizing the aforementioned projections.
- 405.2 Compliance Plans shall include, but not be limited to the following:
- a. Monthly records compiled quarterly of mileage inside and outside the Sacramento Valley air basin, fuel usage by fuel type, vehicle maintenance records.
 - b. Annual inspection and maintenance of emissions.

- c. Audits performed on a regular basis to verify records, perform actual vehicle emissions testing, fuel sampling, and calculate actual emission reductions. Results from emissions testing shall not be used to adjust the actual emission reductions pursuant to Section 302. Audit reports shall be prepared and submitted to the District summarizing the results.
- d. A contractual agreement between the stationary source and the District stating the consequences for not complying with all requirements of the Initial and Compliance Plans. Such a contract shall not limit the District enforcement options as provided under District, state, or federal laws, rules or regulations.

406 **COMMUTE ALTERNATIVES: TELECOMMUTING:** For purposes of compliance with Sections 401 and 402 for actual emission reductions from the reduction in commute trips from telecommute options:

406.1 Initial Plans shall include, but not be limited to the following:

- a. Current trips of commuters participating in the program for two years prior including vehicle miles traveled, number of trips per month, time required for travel or other congestion estimation method, ridership, and vehicle weight class as defined in the California Code of Regulations, Title 13, Section 1900. If the last two years are unrepresentative of normal operations as determined by the Air Pollution Control Officer, then any two consecutive years of the last five years, that represent normal operations, may be used.
- b. Emission standards for specified vehicle class and model year of vehicles as specified in the appropriate section of the California Code of Regulations, Title 13, Section 1960.1 or 1956.8.
- c. Proposed trips of commuters participating in the program including vehicle miles traveled, number of trips per month, time required for travel or other congestion estimation method, and ridership.
- d. Estimation of actual emission reductions utilizing the aforementioned assumptions.
- e. Identify requirements or encumbrances as defined in Section 211 for the specified life of the actual emission reductions.

406.2 Compliance Plans shall include, but not be limited to the following:

- a. A contractual agreement between employer and employee program participants.
- b. Contingency measures for dealing with shortfalls in actual emission reductions.
- c. Monthly records compiled quarterly of actual telecommuting activity, including information regarding the actual number of trips made and number of trips reduced.
- d. Audit reports submitted on a regular basis for records, and telecommuting activity, including information regarding the actual number of trips made and number of trips reduced.
- e. A contractual agreement between the stationary source and the District stating the consequences for not complying with all requirements of the Initial and Compliance Plans. Such a contract shall not limit the District enforcement options as provided under District, state, or federal laws, rules or regulations.

407 **COMPLETE APPLICATION:** The Air Pollution Control Officer shall determine whether the application for certification of credits is complete not later than 30 days after receipt of the application, or after such longer time as both the applicant and the Air Pollution Control Officer have agreed in writing. If the Air Pollution Control Officer determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. Upon receipt of any re-submittal of the application, a new 30-day period to determine completeness shall begin. Completeness of an application or re-submitted application shall be evaluated on the basis of the information

requirements set forth in The District's List and Criteria (adopted pursuant to Article 3, 65940 through 65944 of Chapter 4.5 of Division I of Title 7 of the California Government Code) as it exists on the date on which the application or re-submitted application was received. The Air Pollution Control Officer may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.

408 **FINAL ACTION:** The Air Pollution Control Officer shall not make a final determination of the amount of reductions achieved under an Initial Plan until the Initial Plan has been implemented for 60 days. Within 45 days after the required implementation period, the Air Pollution Control Officer shall issue a conditional approval or denial based on the actual emission reductions achieved during the implementation period. Further, the California Air Resources Board and the United States Environmental Protection Agency regional office, and to any party which requests such information, shall be notified of final action.

409 **REGISTRATION:** Following preparation and implementation of an Initial Plan and Compliance Plan and verification that the proposed emission reductions have been implemented in accordance with the provisions of this rule to the satisfaction of the Air Pollution Control Officer, the Air Pollution Control Officer shall issue the Emission Reduction Credits Certificate according to the procedures and requirements established in Rule 204, EMISSION REDUCTION CREDITS.

410 **CALCULATION OF EMISSIONS:** Calculation of actual emission reductions from mobile source control measures listed in this rule shall be consistent with Sections 410.1 through 410.3 and with the most current version of the California Air Resources Board Guidelines for the Generation and Use of Mobile Source Emission Reduction Credits and shall use information submitted pursuant to Sections 401, 403.1, 404.1, 405.1 or 406.1. Calculation of actual emissions reductions from transportation control measures shall be consistent with Sections 410.1 through 410.3 of this rule and shall use all information submitted pursuant to Sections 401, 403.1, 404.1, 405.1 or 406.1.

410.1 Actual emission reductions shall be calculated for each calendar quarter by subtracting the proposed emissions from historical actual emissions. Any positive value shall qualify for conversion to an emission reduction credit. For the purposes of calculating emission reductions pursuant to Section 403, proposed emissions from the reduced-emission vehicle will be subtracted from the proposed emissions from the base vehicle which would have been purchased had the reduced emission had the reduced-emission vehicle had not been purchased.

410.2 Credits for particulate matter emission reduction credits shall be expressed in terms of PM10.

410.3 Credits for nitrogen oxides, reactive organic compounds, carbon monoxide, sulfur oxides and PM10 shall be quantified in terms of pounds of pollutants per quarter for each calendar quarter.

500 **MONITORING AND RECORDS**

501 **MONITORING:** The Air Pollution Control Officer may require at any time monitoring or testing to ensure compliance with the provisions of this rule.

502 **RECORD KEEPING:** Any persons subject to this rule shall maintain records required by the Initial Plan and Compliance Plan or for compliance with Section 501 for three years and make them available for review by the Air Pollution Control Officer upon request.

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