Antelope Valley Air Quality Management District

2551 W Avenue H
Lancaster, CA 93536
www.avaqmd.ca.gov

Governing Board Regular Meeting

Agenda

MEETING LOCATION

Antelope Valley Transit Authority
District Office
42210 6th Street West
Lancaster, CA 93534
661.723.8070

TUESDAY, APRIL 16, 2024
10:00 A.M.

BOARD MEMBERS
Marvin Crist, Chair, City of Lancaster
Austin Bishop, Vice Chair, City of Palmdale
Ron Hawkins, Los Angeles County
Howard Harris, Los Angeles County
Ken Mann, City of Lancaster
Richard Loa, City of Palmdale
Newton Chelette, Public Member

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO FIVE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

EXCEPT WHERE NOTED, ALL SCHEDULED ITEMS WILL BE HEARD IN THE DISTRICT OFFICE OF THE GOVERNING BOARD, 43301 DIVISION STREET, SUITE 206, LANCASTER, CA 93535 AND THE TELECONFERENCE LOCATION(S), IF APPLICABLE. PLEASE NOTE THAT THE BOARD MAY ADDRESS ITEMS IN THE AGENDA IN A DIFFERENT ORDER THAN THE ORDER IN WHICH THE ITEM HAS BEEN POSTED.

PUBLIC COMMENTS ON ANY AGENDA ITEM WILL BE HEARD AT THE TIME OF DISCUSSION OF THE AGENDA ITEM. PUBLIC COMMENTS NOT PERTAINING TO AGENDA ITEMS WILL BE HEARD DURING THE PUBLIC COMMENT PERIOD BELOW.

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call

Items with potential Conflict of Interests — If you believe you have a conflict of interest, please recuse yourself at the appropriate time. If you have a question regarding a potential conflict of interest, please contact District Counsel.

PUBLIC COMMENT

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION Antelope Valley Air Quality Management District v. United States Environmental Protection Agency, et al. 9th Cir. Case No. 23-1614.

CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial and will be acted upon by the Board at one time without discussion unless a Board Member requests an item be held for discussion under DEFERRED ITEMS.

2. Approve Minutes from Regular Governing Board Meeting of March 19, 2024. Find that the California Environmental Quality Act does not apply to this item.
3. Monthly Grant Funding Summary. Receive and file. Find that the California Environmental Quality Act does not apply to this item.
4. Monthly Activity Report. Receive and file. Find that the California Environmental Quality Act does not apply to this item.
5. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 29, 2024.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

NEW BUSINESS

6. The annual financial audit for Fiscal Year 2022-23 is complete and presented for review and to receive and file. Find that the California Environmental Quality Act does not apply to this item.

7. 1) Award $2,880 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Fair Association toward an existing Electric Vehicle Charging Station; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

8. 1) Award an amount not to exceed $191,000 in Carl Moyer Program funds to Jose Diaz for the replacement of older diesel tractors with new, cleaner technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

9. 1) Allocate an amount not to exceed $130,000 in Mobile Source Emissions Reduction Program funds (AB 2766) in support of Public Transit Rideshare Programs in the Antelope Valley; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and agreements, approved as to legal form by the Office of District Counsel; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

10. Conduct a public hearing to consider the amendment of AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area): a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, adopting the amendment of Antelope Valley Air Quality Management District (AVAQMD) Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area).

11. Reports: Governing Board Counsel, Executive Director/APCO, Staff.

12. Board Member Reports and Suggestions for Future Agenda Items.

13. Adjourn to Regular Governing Board Meeting of Tuesday, May 21, 2024.

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the Executive Director during regular business hours at 661.723.8070 x23. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations. All accommodation requests will be processed swiftly and resolving any doubt in favor of

***accessibility*.**

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at www.avaqmd.ca.gov or by contacting Adrianna Castaneda at 661.723.8070 ext. 21 or by email at acastaneda@avaqmd.ca.gov.

Mailed & Posted on: Thursday, April 11, 2024

Adrianna Castañeda
Adrianna Castaneda

The following page(s) contain the backup material for Agenda Item: Approve Minutes from Regular Governing Board Meeting of March 19, 2024. Find that the California Environmental Quality Act does not apply to this item.
Please scroll down to view the backup material.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, MARCH 19, 2024
ANTELOPE VALLEY TRANSIT AUTHORITY DISTRICT OFFICE
LANCASTER, CA

Draft Minutes

Board Members Present:
Marvin Crist, *Chair*, City of Lancaster
Austin Bishop, *Vice Chair*, City of Palmdale
Laura Bettencourt, City of Palmdale
Ken Mann, City of Lancaster
Howard Harris, Los Angeles County
Ron Hawkins, Los Angeles County
Newton Chelette, Public Member
Board Members Absent:

The swearing-in of new Board Member City of Palmdale Alternate Board Member **LAURA BETTENCOURT** occurred prior to the meeting. Legal Counsel ALLISON BURNS swore-in new Alternate Board Member **LAURA BETTENCOURT.**

CALL TO ORDER
Chair **CRIST** called the meeting to order at 10:01 a.m. Chair **CRIST** asked Board Member **MANN** to lead the Pledge of Allegiance. Chair **CRIST** called for roll call, roll call was taken.

PUBLIC COMMENT

- Chair **CRIST** called for **PUBLIC COMMENT**. At this time, no public comment was made in person, or electronically, moved onto **CONSENT CALENDAR**.

CLOSED SESSION

Agenda Item #1- CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION Antelope Valley Air Quality Management District v. United States Environmental Protection Agency, et al. 9th Cir. Case No. 23-1614.

The Governing board entered the Closed session at 10:09 am and concluded at 10:24 am with no report.

CONSENT CALENDAR – The following consent items were acted upon by the Board at one time without discussion. Upon motion by Board Member **BISHOP**, seconded by Board Member **HAWKINS**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **MARVIN CRIST**, **AUSTIN BISHOP, NEWTON CHELETTE, HOWARD HARRIS, RON HAWKINS, LAURA BETTENCOURT and KEN MANN,** on the Consent Calendar, as follows:

Agenda Item #2 – Approve Minutes from Regular Governing Board Meeting of February 20, 2024. Find that the California Environmental Quality Act does not apply to this item.

Approved Minutes from Regular Governing Board Meeting February 20, 2024.

Agenda Item #3 – Monthly Grant Funding Summary. Receive and file. Find that the California Environmental Quality Act does not apply to this item.

Received and Filed Monthly Grant Funding Summary.

Agenda Item #4 – Monthly Activity Report. Receive and file.
Presenter: Barbara Lods, Executive Director/APCO.
Received and Filed Monthly Activity Report.

Agenda Item #5– This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2024.
Presenter: Barbara Lods, Executive Director/APCO.
Received and filed the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2024.

CONSENT CALENDAR – The following consent item was acted upon by the Board at one time without discussion. Board Member **AUSTIN BISHOP** recused himself from this item due to conflicts of interest and left the room prior to the vote. Upon motion by Board Member **MANN**, seconded by Board Member **BETTENCOURT**, and carried by the following roll call vote, with six **AYES** votes by Board Members, **MARVIN CRIST, NEWTON CHELETTE, HOWARD HARRIS, RON HAWKINS, LAURA BETTENCOURT and KEN MANN** with Board Member **BISHOP** recused**,** on the Consent Calendar, as follows:

Agenda Item #6– Approve a Second Amendment to the Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster to provide administrative and operations services; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement.
Presenter: Barbara Lods, Executive Director/APCO.
Approved a Second Amendment to the Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster to provide administrative and operations services; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement.

ITEMS FOR DISCUSSION

DEFERRED ITEMS
None.

NEW BUSINESS

Agenda Item #7– 1) Award an amount not to exceed $38,000 in Community Air Protection Program funds to Dieseltronics Equipment Repair for the replacement of an older diesel forklift with new, cleaner technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an

agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

Presenter: Julie McKeehan, Grants Analyst.

Chair **CRIST** opened the public hearing. Julie McKeehan, Grants Analyst, presented background information and answered questions from the Board. Chair **CRIST** called for public comment, no public comment was made in person, or electronically, being none, Chair **CRIST** closed the public hearing. Upon motion by Board Member **AUSTIN BISHOP**, seconded by Alternate Board Member **BETTENCOURT**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **MARVIN CRIST, AUSTIN BISHOP, LAURA BETTENCOURT, NEWTON CHELETTE, HOWARD HARRIS, RON HAWKINS, and KEN MANN,** the Board, 1) **Awarded** an amount not to exceed $38,000 in Community Air Protection Program funds to Dieseltronics Equipment Repair for the replacement of an older diesel forklift with new, cleaner technology; 2) **Authorized** the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

Agenda Item #8– 1) Award an amount not to exceed $66,266 in Carl Moyer Program funds to QSP Auto Salvage for the replacement of an older propane forklift with new, zero emissions technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

Presenter: Julie McKeehan, Grants Analyst.

Chair **CRIST** opened the public hearing. Julie McKeehan, Grants Analyst, presented background information and answered questions from the Board. Chair **CRIST** called for public comment, no public comment was made in person, or electronically, being none, Chair **CRIST** closed the public hearing. Upon motion by Board Member **HARRIS**, seconded by Board Member **HAWKINS**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **MARVIN CRIST**, **AUSTIN BISHOP, LAURA BETTENCOURT, NEWTON CHELETTE, HOWARD HARRIS, RON HAWKINS, and KEN MANN,** the Board, 1) **Awarded** an amount not to exceed $66,266 in Carl Moyer Program funds to QSP Auto Salvage for the replacement of an older propane forklift with new, zero emissions technology; 2) **Authorized** the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

Agenda Item #9– 1) Award an amount not to exceed $39,000 in Carl Moyer Program funds to Guy Taghavi for the replacement of an older diesel tractor with new, cleaner technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

Presenter: Julie McKeehan, Grants Analyst.

Chair **CRIST** opened the public hearing. Julie McKeehan, Grants Analyst, presented background information and answered questions from the Board. Chair **CRIST** called for public comment, no public comment was

made in person, or electronically, being none, Chair **CRIST** closed the public hearing. Upon motion by Board Member **HARRIS**, seconded by Board Member **BISHOP**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **MARVIN CRIST**, **AUSTIN BISHOP, LAURA BETTENCOURT, NEWTON CHELETTE, HOWARD HARRIS, RON HAWKINS, and KEN MANN,** the Board, 1) **Awarded** an amount not to exceed $39,000 in Carl Moyer Program funds to Guy Taghavi for the replacement of an older diesel tractor with new, cleaner technology; 2) **Authorized** the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act

Agenda Item #10– Reports.

Governing Board Counsel –

- Legal Counsel, reminded the Board and staff of the Form 700 submission deadline of April 1, 2024.

Executive Director/APCO –

- Fiscal Year 23 Year end audit is complete and will be presented during April Meeting.
- Interim Audit for FY24 will begin in early May.
- The Contingency Measure Plan has been posted and is out for public review. Will be brought to April meeting for Board approval.
- Announced that our Executive Assistant is leaving at the end of July. and Staff will begin the process to find a replacement as well as add a new Planner to staff.
-

Staff –

- No report.

Agenda Item #11– Board Member Reports and Suggestions for Future Agenda Items.

- No Report.

Agenda Item #12– Adjourn to Regular Governing Board Meeting of Tuesday, April 16, 2024.

Being no further business, the meeting adjourned at 10:28 a.m. to the next regularly scheduled Governing Board Meeting of Tuesday, April 16, 2024.

The following page(s) contain the backup material for Agenda Item: Monthly Grant Funding Summary. Receive and file. Find that the California Environmental Quality Act does not apply to this item.
Please scroll down to view the backup material.

Item #3 – Grant Funds Project Summary

March 2024

AB 2766 ($4 DMV Fee)

$655,000 **Annually by Monthly Distribution**

These fees fund the District's Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used on eligible projects that reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988.
Funding Limits: No surplus emission reductions or cost-effectiveness limit requirements.

Current Balance: $561,840.00

AB 923 ($2 DMV Fee)

$614,000 **Annually by Monthly Distribution**

These fees fund the District's Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used on eligible projects that remediate air pollution harms created by motor vehicles. These funds may also be used on Carl Moyer eligible projects; unregulated agriculture vehicles and equipment; school bus projects; light-duty vehicle retirement program; and alternative fuel and electric infrastructure projects.
Funding Limits: Surplus emission reductions required. Subject to CARB's cost-effectiveness limit.

Current Balance: $612,353.00

Carl Moyer Program (CMP)

$1,169,166.00 **FY 23/24 Allocation**

Carl Moyer Program (CMP) funds are used toward projects eligible under the Carl Moyer Program Guidelines. Program goals are to gain early or extra emission reductions by retrofitting, repowering, or replacing older more polluting engines with newer, cleaner engines including zero and near zero emission technologies. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects.
Funding Limits: Surplus emission reductions required. Subject to CARB's cost-effectiveness limit.

Current Balance: $2,330,338.00

AB 134 Community Air Protection Program (CAPP) Incentives

$967,560 **FY 23/24**

Community Air Protection Program (CAPP) funds are used toward eligible projects under the CAPP and CMP Guidelines. Eligible projects must also be needed and supported within the community. These funds are focused on replacing older polluting engines, operating in disadvantaged and low-income communities, with newer, cleaner engines with a priority for zero-emissions. Funding categories include on-road heavy-duty vehicles, off-road equipment, light duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects.
Funding Limits: Surplus emission reductions required. Subject to CARB's cost-effectiveness limit.

Current Balance: $3,060,953.00

The following page(s) contain the backup material for Agenda Item: Monthly Activity Report. Receive and file. Find that the California Environmental Quality Act does not apply to this item.
Please scroll down to view the backup material.

Agenda Item # 4

Date: April 16, 2024
Subject: March Operations Activity Report

Permit Inspections - 168
Notices of Violation (NOV) Issued – 0
Vapor Recovery Tests Witnessed – 7
Complaints – 0
Complaint Investigations – 1
Asbestos Notifications – 6
Asbestos Project Inspections - 0

Active Companies - 286
Active Facilities - 555
Active Permits - 1121
Certificate of Occupancy/Building Permit Reviews - 4

CEQA Project Comment Letters - 9

State or Local Air Monitoring Stations (SLAMS) Network Air Monitoring Site:

Lancaster Site (full meteorology, CO, NOx, 03, PM10, PM2)
Full meteorology (exterior temperature, wind speed, wind direction, exterior pressure and relative humidity)

Community Sensors:
13 **PurpleAir** particulate sensors (Del Sur School, Leona Valley Elementary, Anaverde Hills, Esperanza Elementary School, Joe Walker Middle School, Desert Willow Middle School, Amargosa Creek, Eastside High School, Littlerock High School, Knight High School, Westside School District Offices, (2) Wilsona School District.

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		4/16/2024				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
2/21/2024	Palmdale	2 Buildings used for Semi-truck Storage and Office Space	Pre-Application 23-0031 requesting to construct two buildings (a 43,520 square-foot building with 32,654 square feet of office space to split into four units and a 32,283 square foot warehouse building with 2,456 square feet of office space split into three units) for a semi-truck storage and delivery facility. This project site is located on 10.29 acres on the south side of Palmdale Blvd and the west side of 15th Street East in the city of Palmdale, CA (APN: 3022-004-024).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	3/7/2024	3/12/2024
2/21/2024	Palmdale	38 Single-family Residences	Pre-Application 24-0007 requesting to develop 10 acres into 38 single-family residences with 38 accessory dwelling units on a one-acre parcel. This project site is located on the west side of 47th Street East, south of Avenue R-8 in the city of Palmdale, CA (APN: 3023-008-054 and -055).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment	3/7/2024	3/12/2024
2/22/2024	Palmdale	2 Industrial Buildings	Site Plan Review 20-011 requesting to construct and operate two industrial buildings totaling approximately 118,200 square feet of building area and associated improvements including, landscaping, sidewalks, utility connections, pavement of parking areas and drive aisles on approximately 6-acres of land. This project site is located east of Lockheed Way, west of 10th Street East, south of Blackbird Drive, and north of East Rancho Vista Boulevard (Avenue P) in the city of Palmdale, CA (APN: 3022-026-003).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	3/25/2024	3/12/2024

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		4/16/2024				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
2/29/2024	Lancaster	Parkway Village Specific Plan: Mixed-use Walkable Community w/ Commercial, Residential, Medical, & Public Spaces	Notice of Preparation (NOP) of a Draft Environmental Impact Report (EIR) for the Parkway Village Specific Plan requesting to provide a mixed-use, walkable community with a variety of commercial, residential, medical, and open space/public uses. The residential uses would include traditional single-family residences, single-family residences on smaller lots, townhomes, condominiums, and apartment complexes. This project site consists of approximately 435 acres in the central portion of the City. The project is generally bound by Avenue K, Sierra Hwy, 10th Street West, Avenue K-8, and the eastern side of the apartment complexes at 6th Street West in the city of Lancaster, CA (APNs: 3128-001-005, -008, -009, -015 thru -019, -021, -022; 3128-002-001 thru -005, -014, -017 thru -020, -900, -901; 3128-004-011, -013, -017, -024, -025, -900, -902, -903; 3128-005-001 thru -038; 3128-006-001 thru -007, -009, -010, -010, -017 thru -025, -027 thru -029, -031, -032, -046, -049 thru -052, -054 thru -060, -062 and -900 thru -906).	Rule 302-Construction Excavation DCP Rule 1403-Asbestos Rule 219-Permitting CARB Equipment EV Charging Grant	3/28/2024	3/12/2024
3/7/2024	Palmdale	Four 2-Story Buildings including: Medical, Offices, and Retail	Pre-Application 24-0010 requesting to develop four 2-story buildings totaling 114,000 square feet. This project site is located on 7.96 acres at the northwest corner of Avenue Q and 5th Street West in the city of Palmdale, CA (APN: 3003-080-020).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	3/20/2024	3/18/2024
3/20/2024	Palmdale	Automotive Repair Facility	Site Plan Review 24-0012/ Minor Use Permit 24-0003 for the request to construct an 8,369 square-foot minor automotive repair facility on an approximately 1-acre vacant parcel. This project site is located south of Palmdale Blvd and west of 27th Street East in the city of Palmdale, CA (APN: 3018-026-081).	Dust Control Signage & Project Signage Information Form Rule 219-Permitting CARB Equipment EV Charging Grant	4/3/2024	3/28/2024

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		4/16/2024				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
3/26/2024	Palmdale	Four-story Multi-family Building	Pre-Application 24-0005 for the request to develop a four-story multi-family building totaling 78,400 square feet. This project site is located at 38313 6th Street East, Palmdale, CA (APN: 3003-009-012).	Dust Control Signage & Project Signage Information Form Rule 219-Permitting CARB Equipment EV Charging Grant	4/18/2024	3/28/2024
3/26/2024	Palmdale	100,000 Square-foot Manufacturing Facility	Pre-Application 24-0008 requesting the development of a 100,000 square-foot manufacturing facility with a second-story mezzanine for offices. This project site is located south of Avenue P-8 on the west side of 15th Street East in the City of Palmdale, CA (APN: 3022-015-007).	DCP Rule 219-Permitting CARB Equipment EV Charging Grant	4/22/2024	3/28/2024

The following page(s) contain the backup material for Agenda Item: This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 29, 2024.
Please scroll down to view the backup material.

MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA

AGENDA ITEM # 5

DATE: April 16, 2024

RECOMMENDATION: Receive and file. Find that the California Environmental Quality Act does not apply to this item.

SUMMARY: This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 29, 2024.

BACKGROUND: The Financial Reports for February 2023 provide financial and budgetary performance information for the District for the period referenced.

BALANCE SHEET. The balance sheet summarizes the District's financial position on February 29, 2024.

STATEMENT OF REVENUES & EXPENDITURES. A summary of all District revenue and related expenditures incurred in the day to day administration of District Operations.

STATEMENT OF ACTIVITY. The target variance for February is 67%.

BANK REGISTERS. This report details the Districts bank activity.

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Barbara Lods, Executive Director/APCO on or about April 10, 2023.

PRESENTER: Barbara Lods, Executive Director/APCO.

Antelope Valley AQMD

Balance Sheet - Governmental Funds

As of February 29, 2024

Financial Report

	General Fund	AB2766 Mobile Emissions	AB923 Mobile Emissions	Carl Moyer	Total
Assets					
Current Assets					
Cash	4,972,686.01	1,216,130.10	2,258,102.29	3,027,063.46	11,473,981.86
Cash Held For Other Fund	93,413.27	31,039.42	(5,005.23)	(119,447.46)	0.00
Receivables	156,624.71	0.00	0.00	0.00	156,624.71
Pre-Paids	3,722.14	0.00	0.00	0.00	3,722.14
Total Current Assets	**5,226,446.13**	**1,247,169.52**	**2,253,097.06**	**2,907,616.00**	**11,634,328.71**
Total Assets	**5,226,446.13**	**1,247,169.52**	**2,253,097.06**	**2,907,616.00**	**11,634,328.71**
Liabilities and Net Position					
Current Liabilities					
Payables	12,051.28	0.00	0.00	0.00	12,051.28
Due to Others	(711.00)	0.00	0.00	0.00	(711.00)
Unearned Revenue	1,334,745.47	0.00	0.00	2,884,385.67	4,219,131.14
Total Current Liabilities	**1,346,085.75**	**0.00**	**0.00**	**2,884,385.67**	**4,230,471.42**
Restricted Fund Balance	0.00	1,207,392.88	2,134,903.41	65,830.33	3,408,126.62
Cash Reserves	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Unassigned Fund Balance	2,483,258.83	0.00	0.00	0.00	2,483,258.83
Pre-Paid	1,378.50	0.00	0.00	0.00	1,378.50
Change in Net Position	493,830.05	39,776.64	118,193.65	(42,600.00)	609,200.34
Total Liabilities & Net Position	**5,324,553.13**	**1,247,169.52**	**2,253,097.06**	**2,907,616.00**	**11,732,435.71**

Antelope Valley AQMD

Statement of Revenues & Expenditures

For the Period Ending February 29, 2024

Financial Report	General Fund	AB2766 Mobile Emissions Program	AB923 Mobile Emissions Program	Carl Moyer Program	Total Governmental Funds
Revenues					
Application and Permit Fees	98,125.60	0.00	0.00	0.00	98,125.60
AB 2766 and Other Program Revenues	55,445.94	45,968.72	43,099.99	0.00	144,514.65
Fines	16,484.11	0.00	0.00	0.00	16,484.11
Investment Earnings	0.00	0.00	0.00	0.00	0.00
Federal and State	68,680.80	0.00	0.00	0.00	68,680.80
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	**238,736.45**	**45,968.72**	**43,099.99**	**0.00**	**327,805.16**
Expenditures					
Program Staff	5,120.67	0.00	0.00	0.00	5,120.67
Services and Supplies	5,469.52	6,250.00	3,825.00	0.00	15,544.52
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
Total Expenditures	**10,590.19**	**6,250.00**	**3,825.00**	**0.00**	**20,665.19**
Excess Revenue Over (Under) Expenditures	**228,146.26**	**39,718.72**	**39,274.99**	**0.00**	**307,139.97**

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/29/2024

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	115,728.85	1,006,625.53	1,353,600.00	(0.74)
Programs	144,514.65	1,499,180.34	3,418,217.00	(0.44)
Application Fees	4,142.00	36,347.82	32,325.00	(1.12)
State Revenue	68,680.80	235,088.51	1,604,523.00	(0.15)
Federal Revenue	0.00	7,939.47	63,982.00	(0.12)
Fines & Penalties	791.81	40,326.38	10,000.00	(4.03)
Interest Earned	0.00	49,102.67	10,000.00	(4.91)
Adjustments to Revenue	(6,052.95)	(12,471.91)	0.00	0.00
Total Revenues	**327,805.16**	**2,862,138.81**	**6,492,647.00**	**(0.44)**
Expenses				
Office Expenses	1,604.46	26,006.94	109,800.00	0.24
Communications	1,955.09	13,202.73	22,000.00	0.60
Vehicles	687.82	9,528.05	21,000.00	0.45
Program Costs	10,075.00	1,471,147.68	3,948,962.00	0.37
Travel	154.38	276.19	12,000.00	0.02
Professional Services				
Financial Audit & Actuarial Svcs	0.68	4,294.71	0.00	0.00
Consulting Fees	0.00	0.00	25,000.00	0.00
Stipends	1,400.00	4,800.00	8,400.00	0.57
Maintenance & Repairs	0.00	20.93	2,000.00	0.01
Non-Depreciable Inventory	198.75	2,198.87	18,500.00	0.12
Dues & Subscriptions	0.00	5,645.15	36,100.00	0.16
Legal	(917.88)	46,999.92	53,000.00	0.89
Miscellaneous Expense	0.00	(171.17)	1,000.00	(0.17)
Suspense	0.00	42.26	0.00	0.00
Capital Expenditures	0.00	23,883.98	105,000.00	0.23
Total Expenses	**15,158.30**	**1,607,876.24**	**4,362,762.00**	**0.37**
Program Staff				
Excess Revenue Over (Under) Expenditures	**312,646.86**	**1,254,262.57**	**2,129,885.00**	**(0.59)**

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/29/2024

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Expenses				
Professional Services				
Financial Audit & Actuarial Svcs	386.22	28,814.74	220,000.00	0.13
Total Expenses	**386.22**	**28,814.74**	**220,000.00**	**0.13**
Program Staff				
Program Staff	5,120.67	616,247.49	1,828,647.00	0.34
Total Program Staff	**5,120.67**	**616,247.49**	**1,828,647.00**	**0.34**
Excess Revenue Over (Under) Expenditures	**(5,506.89)**	**(645,062.23)**	**(2,048,647.00)**	**(0.31)**

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/29/2024

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	115,728.85	1,006,625.53	1,353,600.00	(0.74)
Programs	144,514.65	1,499,180.34	3,418,217.00	(0.44)
Application Fees	4,142.00	36,347.82	32,325.00	(1.12)
State Revenue	68,680.80	235,088.51	1,604,523.00	(0.15)
Federal Revenue	0.00	7,939.47	63,982.00	(0.12)
Fines & Penalties	791.81	40,326.38	10,000.00	(4.03)
Interest Earned	0.00	49,102.67	10,000.00	(4.91)
Adjustments to Revenue	(6,052.95)	(12,471.91)	0.00	0.00
Total Revenues	**327,805.16**	**2,862,138.81**	**6,492,647.00**	**(0.44)**
Expenses				
Office Expenses	1,604.46	26,006.94	109,800.00	0.24
Communications	1,955.09	13,202.73	22,000.00	0.60
Vehicles	687.82	9,528.05	21,000.00	0.45
Program Costs	10,075.00	1,471,147.68	3,948,962.00	0.37
Travel	154.38	276.19	12,000.00	0.02
Professional Services				
Financial Audit & Actuarial Svcs	386.90	33,109.45	220,000.00	0.15
Consulting Fees	0.00	0.00	25,000.00	0.00
Stipends	1,400.00	4,800.00	8,400.00	0.57
Maintenance & Repairs	0.00	20.93	2,000.00	0.01
Non-Depreciable Inventory	198.75	2,198.87	18,500.00	0.12
Dues & Subscriptions	0.00	5,645.15	36,100.00	0.16
Legal	(917.88)	46,999.92	53,000.00	0.89
Miscellaneous Expense	0.00	(171.17)	1,000.00	(0.17)
Suspense	0.00	42.26	0.00	0.00
Capital Expenditures	0.00	23,883.98	105,000.00	0.23
Total Expenses	**15,544.52**	**1,636,690.98**	**4,582,762.00**	**0.36**
Program Staff				
Program Staff	5,120.67	616,247.49	1,828,647.00	0.34
Total Program Staff	**5,120.67**	**616,247.49**	**1,828,647.00**	**0.34**
Excess Revenue Over (Under) Expenditures	**307,139.97**	**609,200.34**	**81,238.00**	**(7.50)**

Antelope Valley AQMD

Bank Register from 2/01/2024 to 2/29/2024

General Fund P6A LA County

Check/Ref	Date	Name/Description	Check Amount	Deposit Amount	Account Balance
0000507	2/01/2024	DAILY DEPOSIT	0.00	41,359.14	2,775,129.70
R24-22	2/02/2024	OPERATING FUND REPLENISHMENT #3	135,198.74	0.00	2,639,930.96
0000508	2/08/2024	DAILY DEPOSIT	0.00	33,991.35	2,673,922.31
R24-20	2/08/2024	AB2766 TRANSFER - NOV 2023	45,070.24	0.00	2,628,852.07
R24-21	2/08/2024	AB923 TRANSFER - NOV 2023	42,257.57	0.00	2,586,594.50
0000509	2/15/2024	DAILY DEPOSIT	0.00	169,304.19	2,755,898.69
0000510	2/22/2024	DAILY DEPOSIT	0.00	34,809.65	2,790,708.34
0000511	2/29/2024	DAILY DEPOSIT	0.00	99,654.97	2,890,363.31
		Total for Report:	**222,526.55**	**379,119.30**	

Antelope Valley AQMD

Bank Register from 2/01/2024 to 2/29/2024

Wells Fargo Operating

Check/Ref	Date	Name/Description	Check Amount	Deposit Amount	Account Balance
0000542	2/01/2024	CREDIT CARD TRANSACTION BREEZ AUTO BODY	0.00	654.00	1,468,393.01
0000526	2/02/2024	CREDIT CARD TRANSACTION LESTER KNOX TRADECRAFT VENTURES	0.00	11,470.22	1,479,863.23
R24-22	2/02/2024	OPERATING FUND REPLENISHMENT #3	0.00	135,198.74	1,615,061.97
0000528	2/05/2024	CREDIT CARD TRANSACTION VB BTS II, LLC	0.00	901.28	1,615,963.25
0000530	2/05/2024	EFT TRANSACTION SNR 24 RANCHO VILLAGE LOCKHEED CLEARWAY	0.00	3,929.82	1,619,893.07
0000529	2/06/2024	CREDIT CARD TRANSACTION NASA	0.00	10,069.08	1,629,962.15
0005493	2/07/2024	[10016] COUNTY OF LOS ANGELES-Invoices , ,	64.45	0.00	1,629,897.70
0005494	2/07/2024	[11511] JOEL S CRAIG-Invoices ,	4,550.89	0.00	1,625,346.81
0005495	2/07/2024	[11540] LINDE GAS & EQUIPMENT INC.-CYLINDER RENTAL 12/20/2023 - 01/20/2024	26.73	0.00	1,625,320.08
0005496	2/07/2024	[10023] LOS ANGELES COUNTY CLERK-NOE ERC TRANSFER - NORTHROP GRUMMAN	75.00	0.00	1,625,245.08
0005497	2/07/2024	[10071] QUADIENT LEASING-POSTAGE METER LEASE 02/02/2024-03/01/2024	77.96	0.00	1,625,167.12
0005498	2/07/2024	[11512] SAMUEL OKTAY-ENGINEERING SERVICES JANUARY 2024	1,975.00	0.00	1,623,192.12
0005499	2/07/2024	[10455] STRADLING YOCCA CARLSON & RAUTH-Invoices 404106, 404107	8,065.00	0.00	1,615,127.12
0005500	2/07/2024	[10483] STREAMLINE-WEB HOSTING 02/01/2024 - 03/01/2024	249.00	0.00	1,614,878.12
0005501	2/07/2024	[10046] VERIZON CALIFORNIA - NJ-LONG DISTANCE 01/28/2024 - 02/27/2024	35.30	0.00	1,614,842.82
0005502	2/07/2024	[11259] WEX BANK-FUEL PURCHASES 01/25/2024	57.90	0.00	1,614,784.92
0000531	2/08/2024	CREDIT CARD TRANSACTION GREENBACKER	0.00	661.00	1,615,445.92
0000532	2/08/2024	CREDIT CARD TRANSACTION EXELON	0.00	661.00	1,616,106.92
0000533	2/12/2024	CREDIT CARD TRANSACTION WORLD CLASS DISTRIBUTION KEVIN HARBISON	0.00	15,925.00	1,632,031.92
0000534	2/12/2024	CREDIT CARD TRANSACTION RANCHO VISTA DEVELOPMENT	0.00	68.28	1,632,100.20
0000535	2/12/2024	CREDIT CARD TRANSACTION ZAYO GROUP	0.00	610.89	1,632,711.09
0005503	2/15/2024	[10518] AUSTIN BISHOP-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,632,611.09
0005504	2/15/2024	[10007] BOHN'S PRINTING-BUSINESS ENVELOPES AND BUSINESS CARDS	347.29	0.00	1,632,263.80
0005505	2/15/2024	[10055] NEWTON CHELETTE-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,632,163.80

Check/Ref	Date	Name/Description	Check Amount	Deposit Amount	Account Balance
0005506	2/15/2024	[10057] MARVIN CRIST-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,632,063.80
0005507	2/15/2024	[10599] HOWARD HARRIS-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,631,963.80
0005508	2/15/2024	[10058] RONALD HAWKINS-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,631,863.80
0005509	2/15/2024	[11684] RICHARD LOA-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,631,763.80
0005510	2/15/2024	[10054] KENNETH MANN-Attendance Governing Board meeting 01/16/2024	100.00	0.00	1,631,663.80
0005511	2/15/2024	[10483] STREAMLINE-WEB HOSTING 01/01/2024 - 02/01/2024	249.00	0.00	1,631,414.80
0005512	2/15/2024	[11402] TIME WARNER CABLE-SPECTRUM BUSINESS INTERNET 02/01/2024 - 02/29/2024	214.98	0.00	1,631,199.82
0005513	2/15/2024	[10045] VERIZON BUSINESS-VOIP 02/01/2024-02/29/2024	360.81	0.00	1,630,839.01
0000536	2/20/2024	CREDIT CARD TRANSACTION NORTHROP GRUMMAN	0.00	89,438.70	1,720,277.71
0000537	2/20/2024	CREDIT CARD TRANSACTION SOLAR STAR	0.00	661.00	1,720,938.71
0000540	2/20/2024	CREDIT CARD TRANSACTION GUARDIAN CAPITAL VULCAN	0.00	8,745.00	1,729,683.71
0000538	2/21/2024	CREDIT CARD TRANSACTION T-MOBILE	0.00	610.89	1,730,294.60
0000539	2/22/2024	CREDIT CARD TRANSACTION CORE ENVIRONMENTAL	0.00	660.00	1,730,954.60
0000543	2/26/2024	CREDIT CARD TRANSACTION AVSR1	0.00	702.52	1,731,657.12
0000544	2/26/2024	CREDIT CARD TRANSACTION ECONSTRUCT, INC CALIBER	0.00	2,137.24	1,733,794.36
0005514	2/29/2024	[01148] ANTELOPE VALLEY PRESS-LEGAL NOTICE - NOTICE OF PRELIMINARY DETERMINATION	326.09	0.00	1,733,468.27
0005515	2/29/2024	[11646] BMO BANK N.A. - PAYMENT-CREDIT CARD 4950	1,347.55	0.00	1,732,120.72
0005516	2/29/2024	[11646] BMO BANK N.A. - PAYMENT-CREDIT CARD - 1465	148.21	0.00	1,731,972.51
0005517	2/29/2024	[11646] BMO BANK N.A. - PAYMENT-CREDIT CARD 8190	713.14	0.00	1,731,259.37
0005518	2/29/2024	[10405] CANON FINANCIAL SERVICES-COPIER LEASE 02/01/2024-02/29/2024	344.96	0.00	1,730,914.41
0005519	2/29/2024	[10014] CITY OF LANCASTER-Invoices 2400488 QTR 1, 2400488 QTR 2	565,734.61	0.00	1,165,179.80
0005520	2/29/2024	[11405] IT SOLUTIONS INTEGRATED-MONTHLY IT FEBRUARY 2024	1,095.00	0.00	1,164,084.80
0005521	2/29/2024	[01107] VERIZON WIRELESS-AIR MONITORING SIM CARD	40.01	0.00	1,164,044.79
0005522	2/29/2024	[11259] WEX BANK-FUEL PURCHASES 02/23/2024	196.18	0.00	1,163,848.61
		Total for Report:	**586,995.06**	**283,104.66**	

Antelope Valley AQMD

Bank Register from 2/01/2024 to 2/29/2024

WF AB2766

Check/Ref	Date	Name/Description	Check Amount	Deposit Amount	Account Balance
0022760	2/07/2024	[11677] CARLOS ALVARADO-AB 2766 GRANT	500.00	0.00	1,320,236.64
0022761	2/07/2024	[10100] ANTELOPE VALLEY FAIR ASSOCIATION-Invoices ,	140,426.78	0.00	1,179,809.86
0022762	2/07/2024	[10568] PATRICK CASTILLO-AB 2766 GRANT	500.00	0.00	1,179,309.86
0022763	2/07/2024	[11683] ERIC M DAY-AB2766 GRANT	500.00	0.00	1,178,809.86
0022764	2/07/2024	[11682] KEVIN C DILLIARD-AB 2766 GRANT	500.00	0.00	1,178,309.86
0022765	2/07/2024	[11674] AMANDA ESTRADA HAYNIE-AB 2766 GRANT	500.00	0.00	1,177,809.86
0022766	2/07/2024	[11679] RYAN FRANCOEUR-AB 2766 GRANT	500.00	0.00	1,177,309.86
0022767	2/07/2024	[11678] FLOR DE MARIA ANA GUIMET-AB 2766 GRANT	500.00	0.00	1,176,809.86
0022768	2/07/2024	[11675] CARLOS MAURICIO MARTINEZ BONILLA-AB 2766 GRANT	500.00	0.00	1,176,309.86
0022769	2/07/2024	[11676] OSMIN O VILLATORO-AB 2766 GRANT	500.00	0.00	1,175,809.86
R24-20	2/08/2024	AB2766 TRANSFER - NOV 2023	0.00	45,070.24	1,220,880.10
0022770	2/15/2024	[10015] CITY OF PALMDALE-AB 2766 GRANT AVTA FREE FARE SUBSIDIES	4,750.00	0.00	1,216,130.10
		Total for Report:	**149,676.78**	**45,070.24**	

Antelope Valley AQMD

Bank Register from 2/01/2024 to 2/29/2024

WF AB923

Check/Ref	Date	Name/Description	Check Amount	Deposit Amount	Account Balance
0001091	2/07/2024	[11681] EHC INVESTMENT LLC-AB923 GRANT EV CHARGING PROJECT	50,073.00	0.00	2,219,669.72
R24-21	2/08/2024	AB923 TRANSFER - NOV 2023	0.00	42,257.57	2,261,927.29
0001092	2/15/2024	[10884] COAST AUTO SALVAGE LLC-AB 923 GRANT ANNUAL LAWN MOWER EXCHANGE PROGRAM	2,625.00	0.00	2,259,302.29
0001093	2/29/2024	[10884] COAST AUTO SALVAGE LLC-AB923 GRANT VOLUNTARY ACCELERATED VEHICLE RETIREMENT	1,200.00	0.00	2,258,102.29
		Total for Report:	**53,898.00**	**42,257.57**	

Antelope Valley AQMD

Bank Register from 2/01/2024 to 2/29/2024

WF Carl Moyer

Check/Ref	Date	Name/Description	Check Amount	Deposit Amount	Account Balance
0011048	2/07/2024	[11680] PETER PAUL TEJADA-CARL MOYER GRANT ROUND 24 FY 21/22	38,395.00	0.00	3,028,049.85
		Total for Report:	**38,395.00**	**0.00**	

The following page(s) contain the backup material for Agenda Item: The annual financial audit for Fiscal Year 2022-23 is complete and presented for review and to receive and file. Find that the California Environmental Quality Act does not apply to this item.
Please scroll down to view the backup material.

MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA

AGENDA ITEM # 6

DATE: April 16, 2024

RECOMMENDATION: Receive and file. Find that the California Environmental Quality Act does not apply to this item.

SUMMARY: The annual financial audit for Fiscal Year 2022-23 is complete and presented for review and to receive and file.

BACKGROUND: C.J. Brown and Company, CPAs performed the audit services for the District for the fourth year of the District's second three-year engagement. They conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts.

In their opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Antelope Valley Air Quality Management District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

REASON FOR RECOMMENDATION: The audit process is complete and the information is provided to the Governing Board for review to receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel as to legal form and by Barbara Lods, Executive Director/APCO on or about April 4, 2024.

FINANCIAL DATA: Funds were budgeted for the service provided and sufficient funds were available to pay the obligation.

PRESENTER: Barbara Lods, Executive Director/APCO, with a representative from C.J. Brown and Company.

Antelope Valley Air Quality Management District

Lancaster, California

Annual Financial Report
For the Fiscal Year Ended
June 30, 2023

DRAFT

Antelope Valley
Air Quality Management District

Governing Board as of June 30, 2023

Name	Title	Elected/ Public
Marvin Crist	Chair	Elected
Austin Bishop	Vice Chair	Elected
Ron Hawkins	Governing Board Member	Elected
Howard Harris	Governing Board Member	Elected
Andrea Alarcon	Governing Board Member	Elected
Ken Mann	Governing Board Member	Elected
Newton Chelette	Governing Board Member	Public

Antelope Valley Air Quality Management District
Barbara Lods, Executive Director
2551 West Avenue H
Lancaster, California 93536
(661) 723-8070

DRAFT

Antelope Valley Air Quality Management District

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

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Antelope Valley Air Quality Management District

For the Fiscal Year Ended June 30, 2023

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Financial Section

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Independent Auditor's Report

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of the Antelope Valley Air Quality Management District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the required supplementary information on pages 26 through 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C.J. Brown & Company, CPAs
Cypress, California
April 16, 2024

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The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Antelope Valley Air Quality Management District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2023, the District's net position increased 25.98% or $1,456,787 to $7,064,258 from ongoing operations.
- In 2023, total revenues from all sources increased 0.73% or $37,234 to $5,118,933.
- In 2023, total expenses decreased 19.13% or $866,337 to $3,662,146.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. Think of the District's net position – assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the District's financial health or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors to assess the *overall financial health* of the District.

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Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 through 25.

Government-wide Financial Analysis

Statements of Net Position

The following table is a summary of the statements of net position at June 30, 2023 and 2022.

	2023	2022	Change
Assets:			
Current assets	$ 10,851,881	9,060,607	1,791,274
Capital assets, net	258,244	336,660	(78,416)
Total assets	11,110,125	9,397,267	1,712,858
Liabilities:			
Current liabilities	4,045,867	3,706,100	339,767
Total liabilities	4,045,867	3,706,100	339,767
Net position:			
Net investment in capital assets	258,244	336,660	(78,416)
Restricted	5,446,119	4,909,565	536,554
Unrestricted	1,359,895	361,246	998,649
Total net position	$ 7,064,258	5,607,471	1,456,787

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Government-wide Financial Analysis, continued

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $7,064,258 as of June 30, 2023. The District's total net position is made-up of three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

Statements of Activities

The following table is a summary of the statements of activities for the years ended June 30, 2023 and 2022.

Condensed Statements of Activities

		2023	2022	Change
Revenues:				
Program revenues:				
Charges for services	$	1,338,715	1,196,687	142,028
Operating grants		3,709,277	3,854,439	(145,162)
Total program revenues		5,047,992	5,051,126	(3,134)
General revenues		70,941	30,573	40,368
Total revenues		5,118,933	5,081,699	37,234
Expenses:				
General		2,381,139	3,218,826	(837,687)
Mobile emission program AB 2766		445,327	266,783	178,544
Mobile emission program AB 923		215,082	429,914	(214,832)
Carl Moyer program		620,598	612,960	7,638
Total expenses		3,662,146	4,528,483	(866,337)
Changes in net position		1,456,787	553,216	903,571
Net position – beginning of year		5,607,471	5,054,255	553,216
Net position – end of year	$	7,064,258	5,607,471	1,456,787

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Government-wide Financial Analysis, continued

Statements of Activities, continued

In the case of the District, net position increased 25.98% or $1,456,787 to $7,064,258 from ongoing operations.

The District's total revenues from all sources increased 0.73% or $37,234 to $5,118,933. Program revenues decreased $3,134, primarily due to a decrease in operating grants of $145,162, which was offset by an increase in charges for services of $142,028. General revenues increased $40,368, primarily due to increases in investment revenues of $33,489, fines, forfeitures, and penalties of $3,750, and other revenues of $3,129.

The District's total expenses decreased by 19.13% or $866,337 to $3,662,146, due primarily to decreases in general fund expenses of $837,687 and mobile emissions program (AB 923) of $214,832; which were offset by increases in mobile emissions program (AB 2766) of $178,544 and Carl Moyer program expenses of $7,638.

Governmental Fund Balance

The following table is a summary of the changes in fund balance for all governmental funds for the year ended June 30, 2023.

Condensed Changes in Fund Balance

	General Fund	AB 2766	AB 923	Carl Moyer	Total
Fund balance – beginning of year	$ 2,551,013	1,020,598	1,757,312	65,829	5,394,752
Changes in fund balance	846,875	186,795	377,592	-	1,411,262
Fund balance – end of year	$ 3,397,888	1,207,393	2,134,904	65,829	6,806,014

In 2023, total fund balance increased by 26.16% or $1,411,262 to $6,806,014. The General fund increased by 33.20% or $846,875 to $3,397,888; the mobile emissions program (AB2766) increased by 18.30% or $186,795 to $1,207,393; and the mobile emissions program (AB 923) increased by 21.49% or $377,592 to $2,134,904, and the Carl Moyer Fund program was unchanged at $65,829.

Governmental Activities Budgetary Highlights

For the year ended June 30, 2023, the final actual expenditures were less than budgeted for the General fund by $1,314,512, AB 2766 fund by $174,673, AB 923 fund by $330,918, and Carl Moyer fund by $1,069,065. For the year ended June 30, 2023, actual revenues were more than budgeted for the AB 2766 fund by $12,122, and AB 923 fund by $46,674; and less than budgeted for the General fund by $422,503 and Carl Moyer fund by $1,069,065. At June 30, 2023, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General fund, AB 2766 fund, AB 923 fund, and Carl Moyer fund under Required Supplementary Information section on pages 26 through 30).

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Capital Asset Administration

		Balance 2022	Additions	Deletions/ Transfers	Balance 2023
Capital assets:					
Depreciable assets	$	864,727	121,745	(387,633)	598,839
Total capital assets		864,727	121,745	(387,633)	598,839
Accumulated depreciation		(528,067)	(109,678)	297,150	(340,595)
Total capital assets, net	$	336,660	12,067	(90,483)	258,244

At the end of fiscal year 2023, the District's investment in capital assets amounted to $258,244 (net of accumulated depreciation). This investment in capital assets includes building improvements, furniture and fixtures, machinery and equipment, vehicles, computers, and software. The capital assets of the District are more fully analyzed in Note 4 to the basic financial statements.

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Antelope Valley Air Quality Management District, 43301 Division Street, Suite 206, Lancaster, California 93535 or (661) 723-8070.

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Basic Financial Statements

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Antelope Valley Air Quality Management District
Statement of Net Position
June 30, 2023

		2023
Assets:		
Current assets:		
Cash and cash equivalents (note 2)	$	4,972,728
Restricted cash and cash equivalent (note 2)		5,446,119
Accounts receivable		430,312
Prepaid expenses and other assets		2,722
Total current assets		10,851,881
Non-current assets:		
Capital assets – being depreciated, net (note 4)		258,244
Total non-current assets		258,244
Total assets		11,110,125
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses		638,516
Unearned revenues (note 5)		3,407,351
Total current liabilities		4,045,867
Total liabilities		4,045,867
Net position (note 6):		
Net investment in capital assets		258,244
Restricted		5,446,119
Unrestricted		1,359,895
Total net position	$	7,064,258

See accompanying notes to the basic financial statements

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Antelope Valley Air Quality Management District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants	Net Revenue and Changes in Net Position
Governmental activities				
General	$ 2,381,139	1,338,715	1,863,883	821,459
Mobile emission program AB 2766	445,327	-	632,122	186,795
Mobile emission program AB 923	215,082	-	592,674	377,592
Carl Moyer program	620,598	-	620,598	-
Total governmental activities	$ 3,662,146	1,338,715	3,709,277	1,385,846
General revenues:				
Fines, forfeitures, and penalties				$ 23,000
Investment earnings				44,812
Other revenue				3,129
Total general revenues				70,941
Changes in net position				1,456,787
Net position, beginning of year				5,607,471
Net position, end of year				$ 7,064,258

See accompanying notes to the basic financial statements

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Antelope Valley Air Quality Management District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

	General Fund	AB 2766 Fund	AB 923 Fund	Carl Moyer Fund	Total Fund
Assets:					
Cash and cash equivalents (note 2)	$ 4,972,728	-	-	-	4,972,728
Restricted cash and cash equivalents (note 2)	-	1,058,115	2,075,991	2,312,013	5,446,119
Accounts receivable	430,312	-	-	-	430,312
Inter-fund receivable (note 3)	119,447	150,778	107,261	-	377,486
Prepaid expenses	2,722	-	-	-	2,722
Total assets	$ 5,525,209	1,208,893	2,183,252	2,312,013	11,229,367
Liabilities:					
Accounts payable and accrued expenses	$ 588,668	1,500	48,348	-	638,516
Inter-fund payable (note 3)	258,039	-	-	119,447	377,486
Unearned revenue	1,280,614	-	-	2,126,737	3,407,351
Total liabilities	2,127,321	1,500	48,348	2,246,184	4,423,353
Fund balance (note 7):					
Nonspendable	2,722	-	-	-	2,722
Restricted	-	1,207,393	2,134,904	65,829	3,408,126
Unassigned	3,395,166	-	-	-	3,395,166
Total fund balance	3,397,888	1,207,393	2,134,904	65,829	6,806,014
Total liabilities and fund balance	$ 5,525,209	1,208,893	2,183,252	2,312,013	11,229,367

See accompanying notes to the basic financial statements

Reconciliation:

Total Fund Balance of Governmental Funds	$ 6,806,014
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, not in the governmental fund balance sheet. However, the statement of net position includes those capital position among the assets of the District as a whole as follows:	
Capital assets, net	258,244
Net Position of Governmental Activities	$ 7,064,258

See accompanying notes to the basic financial statements

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Antelope Valley Air Quality Management District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

	General Fund	AB 2766 Fund	AB 923 Fund	Carl Moyer Fund	Total Fund
Revenues:					
Charge for services	$ 1,338,715	-	-	-	1,338,715
Operating grants	1,863,883	632,122	592,674	620,598	3,709,277
Fine, forfeitures, and penalties	23,000	-	-	-	23,000
Investment earnings	44,812	-	-	-	44,812
Other revenue	3,129	-	-	-	3,129
Total revenues	3,273,539	632,122	592,674	620,598	5,118,933
Expenditures:					
Services and supplies	2,304,919	445,327	215,082	620,598	3,585,926
Capital outlay	121,745	-	-	-	121,745
Total expenditures	2,426,664	445,327	215,082	620,598	3,707,671
Net change in fund balance	846,875	186,795	377,592	-	1,411,262
Fund balance – beginning of year	2,551,013	1,020,598	1,757,312	65,829	5,394,752
Fund balance – end of year	$ 3,397,888	1,207,393	2,134,904	65,829	6,806,014

See accompanying notes to the basic financial statements

Reconciliation:

Net Change in Fund Balance – Total Governmental Funds	$	1,411,262
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:		
Depreciation expense		(109,678)
Capital outlay		121,745
Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenses in the governmental funds as follows:		
Lease rent payment		33,458
Changes in Net Position of Governmental Activities	$	1,456,787

See accompanying notes to the basic financial statements

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(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Antelope Valley Air Quality Management District (District) was created based on a program established in 1997 by the State Legislature and pursuant to Health and Safety Code Section 41300, which separated Antelope Valley, located in the northern Los Angeles County, from the South Coast Air Quality Management District. The District's primary responsibility is to develop, implement, monitor, and enforce air pollution control strategies and motor vehicle use reduction measures. The District represents the citizens within its jurisdiction covering the San Bernardino County line to the east, the Kern County line to the north, the San Gabriel Mountains to the south, and the Sierra Nevada Mountains to the west.

The District's mission is to work in partnership with the local communities to achieve and preserve a healthful environment through effective air quality programs by promoting community and individual responsibility for air quality while supporting strong-economic growth throughout the region. The District is an independent special district, governed by a seven-member Governing Board consisting of two City Council members of the City of Lancaster by appointment, two City Council members of the City of Palmdale by appointment, two members appointed by the Board of Supervisors of the County of Los Angeles, and one appointed public member.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for governmental activities. Accordingly, all of the District's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used; such as unbilled but utilized utility services that are recorded at year end. The Statement of Activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items, properly not included among program revenues, are reported instead as general revenues.

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balance, as presented in these statements, to the net position presented in the Government-wide Financial Statements.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements, continued

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are interest earnings, investment revenue, and operating grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Funds are organized into two major categories: governmental and proprietary categories. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operational fund of the District or meets the following criteria:

a) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
b) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined; or
c) The entity has determined that a fund is important to the financial statement user.

The governmental funds of the financial reporting entity are described below:

General – this fund is a government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.
Mobile Emissions Program (AB 2766) – this fund is a special revenue fund used to account for the retention of funds allocated for the support of the District's mobile emissions grant program pursuant to Assembly Bill No. 2766.
Mobile Emissions Program (AB 923) – this fund is a special revenue fund used to account for the retention of funds allocated for the support of the District's mobile emissions grant program pursuant to Assembly Bill No. 923.
Carl Moyer Fund – this fund is a special revenue fund used to account for revenues received pursuant to the Carl Moyer Air Quality Standards Attainment Program. Expenditures are restricted to providing incentive for participating entities to undertake reduced-emission heavy-duty engine projects.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has adopted the following GASB pronouncements in the current year:

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

D. Financial Statement Elements

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

The District has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following area:

- Los Angeles County Pooled Surplus Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been recorded.

5. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements

6. Internal Balances and Activities

Internal activities and balances reported as inter-fund activity in the governmental fund financial statements are reclassified or eliminated in the preparation of the government-wide statements of net position and activities. This elimination will avoid the "grossing up" of amounts resulting from internal activity within the primary government.

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at acquisition value and/or historical cost at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings – 20 to 50 years
- Buildings and improvements – 20 years
- Vehicles – 5 years
- Machinery and equipment – 15 to 20 years
- Computer equipment – 3 to 15 years

8. Unearned Revenues

Certain receipts from customer reflect revenue applicable to future accounting periods and are recorded as unearned revenues in both the government-wide and fund financial statements.

9. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net investment in capital assets –** consists of capital assets, net of accumulated depreciation and amortization, and reduced by debt balances outstanding or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* components of net position.

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(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

10. Fund Balance

The government fund financial statements report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** – the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

The Governing Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

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(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified as follows:

		2023
Unrestricted cash and cash equivalents:		
General Fund	$	4,972,728
Total unrestricted cash and cash equivalents		4,972,728
Restricted cash and cash equivalents:		
AB 2766 Fund		1,058,115
AB 923 Fund		2,075,991
Carl Moyer Fund		2,312,013
Total restricted cash and cash equivalents		5,446,119
Total cash and cash equivalents	$	10,418,847

Cash and investments as of June 30, consisted of the following:

		2023
Deposits held with financial institutions	$	2,403,416
Deposits held with Los Angeles County Treasurer		8,015,431
Total	$	10,418,847

Authorized Deposits and Investments

Under the District's investment policy and in accordance with Section 53601 of the California Government Code, the District invests in the Los Angeles County Pooled Surplus Investments.

Los Angeles County Pooled Surplus Investments complies with the California Government Code Sections 53601 and 53635, and the investment policy adopted by the Board of Supervisors of the County of Los Angeles. The Treasurer and Tax Collector of the Los Angeles County have the delegated authority to invest funds in the County Treasury.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

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(2) Cash and Cash Equivalents, continued

Custodial Credit Risk, continued

The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. Of the District's bank balances, up to $250,000 is federally insured and the remaining balance is collateralized in accordance with the code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has, the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. As of June 30, 2023, the District's deposits in Los Angeles County Pooled Surplus Investments had an average of 933 days to maturity for the entire portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Los Angeles County Pooled Surplus Investments is not rated.

Concentration of Credit Risk

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. There were no investments in any one non-governmental issuer that represent 5.0% or more of the District's total investments.

(3) Internal Transfers

Inter-fund Operational Transfers

Inter-fund receivables/payables are used to move financial resources between the General fund, AB 2766 fund, AB 923 fund, and the Carl Moyer fund as advances to temporarily support the operations of each respective fund.

As of June 30, 2023 inter-fund receivables/payables between the District's funds were as follows:

Receivable from	Payable to		2023
General Fund	AB 2766 Fund	$	150,778
General Fund	AB 923 Fund		107,261
General Fund payable			258,039
Carl Moyer Fund	General Fund		119,447
Inter-fund receivables/payables		$	377,486

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(4) Capital Assets

The change in capital assets as of June 30 was as follows:

		Balance 2022	Additions/ Transfers	Deletions/ Transfers	Balance 2023
Depreciable assets:					
Improvements	$	22,282	-	(15,875)	6,407
Building lease		201,363	-	(201,363)	-
Furniture and fixtures		49,173	-	(49,173)	-
Machinery and equipment		94,122	88,467	(49,937)	132,652
Vehicles		98,757	-	-	98,757
Computers		19,483	-	(19,483)	-
Software		379,547	33,278	(51,802)	361,023
Total depreciable assets		864,727	121,745	(387,633)	598,839
Accumulated depreciation:					
Improvements		(19,800)	(1,282)	15,875	(5,207)
Building lease		(80,545)	(40,245)	120,790	-
Furniture and fixtures		(48,830)	-	48,830	-
Machinery and equipment		(61,337)	(17,409)	49,938	(28,808)
Vehicles		(48,539)	(15,729)	-	(64,268)
Computers		(19,483)	-	19,483	-
Software		(249,533)	(35,013)	42,234	(242,312)
Total accumulated depreciation		(528,067)	(109,678)	297,150	(340,595)
Total depreciable assets, net		336,660	12,067	(90,483)	258,244
Total capital assets, net	$	336,660			258,244

(5) Unearned Revenues

The change in unearned revenues as of June 30 was as follows:

		Balance 2022	New Awards	Expenses/ Revenues	Balance 2023
Carl Moyer	$	2,247,336	500,000	(620,599)	2,126,737
AB 134		897,313	755,159	(432,742)	1,219,730
Farmer		-	45,297	-	45,297
AB 197		11,715	8,583	(10,811)	9,487
AB 617		34,699	-	(34,699)	-
NSR Lockheed		6,500	-	(400)	6,100
Total unearned revenues	$	3,197,563	1,309,039	(1,099,251)	3,407,351

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(6) Net Position

Net investment in capital assets is calculated as follows:

	2023
Net investment in capital asset:	
Capital assets – being depreciated, ne	$ 258,244
Total net investment in capital ass	$ 258,244

Restricted net position is calculated as follows:

	2023
Restricted:	
Restricted cash and cash equivalents	$ 5,446,119
Total restricted	$ 5,446,119

Unrestricted net position is calculated as follows:

	2023
Unrestricted:	
Non-spendable net position	
Prepaid expenses and other assets	$ 2,722
Spendable net position	
Unrestricted	1,357,173
Total unrestricted	$ 1,359,895

(7) Fund Balance

Fund balance is presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.10 for a description of these categories). Fund balance and its funding composition at June 30, 2023, are as follows:

	2023
Nonspendable:	
Prepaid expenses and other asset	$ 2,722
Restricted:	
Mobile Emissions Program AB 2766	1,207,393
Mobile Emissions Program AB 923	2,134,904
Carl Moyer Program	65,829
Total restricted	3,408,126
Unassigned	
Operations	3,395,166
Total fund balance	$ 6,806,014

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(8) Operating Lease

Woelfl Family Trust

The District has entered into an operating lease with the Woelfl Family Trust (Trust) for office space located at 43301 Division Street, Suites 205 and 206, Lancaster, California. The operating lease calls for monthly rent of $4,720 through 2025.

On December 8, 2022, the lease agreement between the District and the Trust was terminated by the District.

(9) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2023, the District participated in the liability and property programs of the SDRMA as follows:

- Property coverage consists of general property and catastrophic loss of $1 billion, boiler & machinery of $100 million, and pollution of $2 million per occurrence.
- General liability insurance covers bodily injury, property damage, employment benefits, employee and public officials errors and omission, and employment practices liability of $2.5 million per occurrence; public officials personal of $500,000 per occurrence; and employee and public officials dishonesty of $1 million per occurrence.
- Auto liability consists of auto bodily injury and auto property damage of $2.5 million per occurrence.

Settled claims, if any, have not exceeded any of the coverage amounts in the last fiscal year. There were no reductions in insurance coverage in fiscal year 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no material IBNR claim payables as of June 30, 2023.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

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(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 99, continued

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101

However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – Certain Risk Disclosures. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

(11) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such an audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(12) Subsequent Event

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of April 16, 2024, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.

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Required Supplementary Information

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Antelope Valley Air Quality Management District
Budget Comparison Schedule – General Fund
For the Year Ended June 30, 2023

	Adopted Original Budget	Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:					
Charge for services	$ 1,231,700	-	1,231,700	1,338,715	107,015
Operating grants	2,444,342	-	2,444,342	1,863,883	(580,459)
Fine, forfeitures, and penalties	10,000	-	10,000	23,000	13,000
Investment earnings	10,000	-	10,000	44,812	34,812
Other revenue	-	-	-	3,129	3,129
Total revenues	3,696,042		3,696,042	3,273,539	(422,503)
Expenditures:					
Services and supplies	3,691,176	-	3,691,176	2,304,919	1,386,257
Capital outlay	50,000	-	50,000	121,745	(71,745)
Total expenditures	3,741,176	-	3,741,176	2,426,664	1,314,512
Net change in fund balance	(45,134)	-	(45,134)	846,875	892,009
Fund balance – beginning of year	2,551,013		2,551,013	2,551,013	
Fund balance – end of year	$ 2,505,879		2,505,879	3,397,888	

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Antelope Valley Air Quality Management District
Budget Comparison Schedule – AB 2766 Fund
For the Year Ended June 30, 2023

	Adopted Original Budget	Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:					
Operating grants	$ 620,000	-	620,000	632,122	12,122
Total revenues	620,000	-	620,000	632,122	12,122
Expenditures:					
Services and supplies	620,000	-	620,000	445,327	174,673
Total expenditures	620,000	-	620,000	445,327	174,673
Net change in fund balance	-	-	-	186,795	186,795
Fund balance – beginning of year	1,020,598		1,020,598	1,020,598	
Fund balance – end of year	$ 1,020,598		1,020,598	1,207,393	

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Antelope Valley Air Quality Management District
Budget Comparison Schedule – AB 923 Fund
For the Year Ended June 30, 2023

		Adopted Original Budget	Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:						
Operating grants	$	546,000	-	546,000	592,674	46,674
Total revenues		546,000	-	546,000	592,674	46,674
Expenditures:						
Services and supplies		546,000	-	546,000	215,082	330,918
Total expenditures		546,000	-	546,000	215,082	330,918
Net change in fund balance		-	-	-	377,592	377,592
Fund balance – beginning of year		1,757,312		1,757,312	1,757,312	
Fund balance – end of year	$	1,757,312		1,757,312	2,134,904	

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Antelope Valley Air Quality Management District
Budget Comparison Schedule – Carl Moyer Fund
For the Year Ended June 30, 2023

		Adopted Original Budget	Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:						
Operating grants	$	1,655,061	-	1,655,061	620,598	(1,034,463)
Investment earnings		34,602	-	34,602	-	(34,602)
Total revenues		1,689,663	-	1,689,663	620,598	(1,069,065)
Expenditures:						
Services and supplies		1,689,663	-	1,689,663	620,598	1,069,065
Total expenditures		1,689,663	-	1,689,663	620,598	1,069,065
Net change in fund balance		-	-	-	-	-
Fund balance – beginning of year		65,829		65,829	65,829	
Fund balance – end of year	$	65,829		65,829	65,829	

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Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the District's Executive Director will prepare and submit an operating budget to the Governing Board and the operating budget is adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. Annual budgets are adopted on the modified accrual basis of accounting for government fund types. The adopted budget becomes operative on July 1.

The Governing Board must approve all supplemental appropriations to the budget and transfers between major funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the General fund, Mobile Emissions Program (AB 2766) fund, Mobile Emissions Program (AB 923) fund, and the Carl Moyer fund.

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Report on Internal Controls and Compliance

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Antelope Valley Air Quality Management District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Independent Auditor's Report on Internal Controls Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards,* continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
April 16, 2024

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Antelope Valley Air Quality Management District

Management Report

June 30, 2023

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Antelope Valley Air Quality Management District

Management Report

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CONFIDENTIAL

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

Dear Members of the Governing Board:

In planning and performing our audit of the basic financial statements of the Antelope Valley Air Quality Management District (District) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

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Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America.

Disclosure of Audit Adjustments and Reclassifications, continued

For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system as of June 30, 2023.

C.J. Brown & Company, CPAs
Cypress, California
April 16, 2024

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APPENDIX

Antelope Valley Air Quality Management District

Audit/Finance Committee Letter

June 30, 2023

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Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

We have audited the financial statements of the Antelope Valley Air Quality Management District (District) as of and for the year ended June 30, 2023, and have issued our report thereon dated April 16, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 28, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting, if applicable, and material noncompliance, and other matters noted during our audit in a separate letter to you dated April 16, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

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Required Risk Assessment Procedures per Auditing Standards

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

- Management's estimate of the fair value of cash and investments which is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of capital assets depreciation which is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- The disclosure of fair value of cash and investments in Note 2 to the basic financial statements which represents amounts susceptible to market fluctuations.
- The disclosure of capital assets, net in Note 4 to the basic financial statements which is based on historical information which could differ from actual useful lives of each capitalized item.

Significant Unusual Transactions

- For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management.

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Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. All journal entries, including material misstatements (if any), that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management and are included on the Schedule of Audit Adjusting and Reclassifying Journal Entries on pages 6 and 7.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 16, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

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Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Conclusion

We appreciate the cooperation extended us by Barbara Lods, Executive Director and the City of Lancaster Team in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs
Cypress, California
April 16, 2024

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Antelope Valley Air Quality Management District
Schedule of Client Adjusting Journal Entries
June 30, 2023

Client Adjusting Journal Entries JE # 1

To reconcile 2022 general fund balance with 2023 general fund balance.

10-3300-00-0000	Unassigned Fund Balance	$	3,806.59	
10-7599-00-0000	Miscellaneous			3,806.59

Client Adjusting Journal Entries JE # 2

Client Journal Entry- Reverse the deletion of two vehicles that were not taken out of service.

10-1750-00-0000	Vehicles		40,895.14	
10-1755-00-0000	Acc Dep Vehicles			40,895.14

Client Adjusting Journal Entries JE # 3

Adjustment to depreciation and accumulated depreciation.

10-1775-00-0000	Acc Amort Software		14,873.39	
10-1745-00-0000	Acc Dep Machinery & Equipment			10,355.05
10-3700-00-0000	Investment in Capital Assets			4,518.34

Client Adjusting Journal Entries JE # 4

To book remaining balance of prepaid hours for software

10-1300-00-0000	Pre Paid Expenses		3,900.00	
10-7000-00-1999	Software Contract Transition		1,625.00	
10-1300-00-0000	Pre Paid Expenses			1,625.00
10-7000-00-1999	Software Contract Transition			3,900.00

Client Adjusting Journal Entries JE # 5

To adjust Carl Moyer Def Rev and Def Admin Rev to proper ending balance

30-2600-00-3120	Deferred Revenue LG		15,000.00	
30-2610-00-3120	Deferred Admn Rev LG			15,000.00

Client Adjusting Journal Entries JE # 6

To expense Questys Capture Server License.

10-8870-00-0000	Capital Exp Software		10,250.00	
10-1770-00-0000	Software	$		10,250.00

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Antelope Valley Air Quality Management District
Schedule of Audit Adjusting Journal Entries
June 30, 2023

Adjusting Journal Entries JE # 1
To adjust the prepaid and accounts payable balance

10-2000-00-0000	Accounts Payable System	$	21,617.00	
10-1310-00-0000	Pre Paid Insurance			19,815.58
10-7045-00-0000	Liability Insurance			1,801.42

Adjusting Journal Entries JE # 2
Reverse the adjustment made from PY audit adjustments as this adjustment was entered twice.

10-1290-00-0000	Bank Transfers	110,139.43	
10-1010-00-0000	Wells Fargo Operating		74,338.41
10-2000-00-0000	Accounts Payable System		35,801.02

Adjusting Journal Entries JE # 3
Adjusting entry to fully dispose of asset and remove debit balance in accumulated depreciation.

10-1735-00-0000	Acc Dep Furniture & Fixtures	0.56	
10-4999-00-0000	Gain/Loss on Sale of Fixed Assets	342.28	
10-1730-00-0000	Furniture & Fixtures		0.56
10-1735-00-0000	Acc Dep Furniture & Fixtures		342.28

Adjusting Journal Entries JE # 4
Reclassifying depreciation from equity account to expense account

10-7685-00-0000	Depr Exp Other	69,433.00	
10-3700-00-0000	Investment in Capital Assets		69,433.00

Adjusting Journal Entries JE # 5
Adjust Carl Moyer Deferred Revenue, Revenue, and Expenses

30-2600-00-3100	Deferred Revenue EV	43,872.00	
30-7300-00-3100	Program Expenditures Round 23S	43,872.00	
30-4120-00-3090	Carl Moyer Revenue Round 23		43,872.00
30-4120-00-3100	Carl Moyer Revenue Round 23S		43,872.00

Adjusting Journal Entries JE # 6
To reclass Carl Moyer expense to its proper account.

10-1100-30-0000	Cash Held For Other Fund	21,116.99	
30-6000-10-3070	Program Staff Round 21	21,116.99	
10-6000-10-3070	Round 21		21,116.99
30-1100-10-0000	Cash Held For Other Fund	$	21,116.99

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Antelope Valley Air Quality Management District
Schedule of Audit Adjusting Journal Entries, continued
June 30, 2023

Adjusting Journal Entries JE # 7
To reclass Carl Moyer Expense to its proper account

10-1100-30-0000	Cash Held For Other Fund	$	79,406.17	
30-6000-10-3080	Program Staff Round 22		79,406.17	
10-6000-10-3080	Round 22			79,406.17
30-1100-10-0000	Cash Held For Other Fund			79,406.17

Adjusting Journal Entries JE # 8
To reclass Carl Moyer Expense to its proper account

10-1100-30-0000	Cash Held For Other Fund		18,924.30	
30-6000-10-3090	Program Staff Round 23		18,924.30	
10-6000-10-3090	Program Staff Round 23			18,924.30
30-1100-10-0000	Cash Held For Other Fund			18,924.30

Adjusting Journal Entries JE # 9
Reclassifying capital expense accounts due to already being capitalized.

10-3700-00-0000	Investment in Capital Assets		121,745.04	
10-8840-00-0000	Capital Exp Equipment			88,467.54
10-8870-00-0000	Capital Exp Software			6,887.50
10-8870-00-1999	Capital Exp Software Contract Transition			26,390.00

Adjusting Journal Entries JE # 10
Adjustment to recognize Carl Moyer revenue and reduce deferred revenue

30-2610-00-3080	Deferred Admn Rev Round 22		68,468.77	
30-2610-00-3090	Deferred Admn Rev Round 23		50,978.69	
30-4120-00-3080	Carl Moyer Revenue Round 22			68,468.77
30-4120-00-3090	Carl Moyer Revenue Round 23			50,978.69

Adjusting Journal Entries JE # 11
Adjustment to recognize Other Grant revenue and correct deferred revenue balances.

10-1250-00-0000	Due From Other Gov't		2,378.90	
10-2600-00-1197	Deferred Revenue AB197		2,228.87	
10-2600-00-1617	Deferred Revenue AB617		34,699.43	
10-4100-00-1134	Administrative Funding AB134		152,045.08	
10-4100-00-1230	Administrative Funding Farmers		45,296.85	
10-2610-00-1134	Deferred Admn Rev AB134			152,045.08
10-2610-00-1230	Deferred Admn Rev Farmers			45,296.85
10-4410-00-1197	State Contracts AB197			2,228.87
10-4410-00-1617	State Contracts AB617	$		37,078.33

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Antelope Valley Air Quality Management District

Board of Directors

Presentation Of The June 30, 2023 Annual Audited Financial Statements

C.J. Brown & Company, CPAs
An Accountancy Corporation

The Audit

- **The Audit was Performed in Accordance with Auditing Standards Generally Accepted in the United States of America**
  - **Our Audit Procedures Include:**
    - **Assess the District's internal controls**
    - **Agree balance to supporting documentation**
    - **Perform analysis of key relationships**

The Reports

Independent Auditor's Report

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Antelope Valley Air Quality Management District** as of June 30, 2023….

Management Report

Communication to Governing Board

- **Auditor's Responsibility Under U.S. GAAS**
- **Scope of Audit**
- **District's Accounting Practices**
- **Corrected and/or Uncorrected Misstatements**
- **Difficulties Encountered in Performing the Audit – Transitional Year**
- **Disagreements with Management – None Noted**

Financial Highlights

Condensed Statements of Net Position

		2023	2022	Change
Assets:				
Current assets	$	10,851,881	9,060,607	1,791,274
Capital assets, net		258,244	336,660	(78,416)
Total assets		11,110,125	9,397,267	1,712,858
Liabilities:				
Current liabilities		4,045,867	3,706,100	339,767
Total liabilities		4,045,867	3,706,100	339,767
Net position:				
Net investment in capital assets		258,244	336,660	(78,416)
Restricted		5,446,119	4,909,565	536,554
Unrestricted		1,359,895	361,246	998,649
Total net position	$	7,064,258	5,607,471	1,456,787

Financial Highlights

In 2023:

Net Position - Increased by $1,456,787 to $7,064,258 from ongoing operations.

Total Revenues - Increased by $37,234 to $5,118,933.

- **Program Revenues** - Decreased by $3,134, primarily due to a decrease in operating grants of $145,162, which was offset by an increase in charges for services of $142,028.
- **General Revenues** - Increased by $40,368, primarily due to increases in investment revenues of $33,489, fines, forfeitures, and penalties of $3,750, and other revenues of $3,129.

Total Expenses - Decreased by $866,337 to $3,662,146, due primarily to decreases in general fund expenses of $837,687 (Reduced AB 134 expense), and mobile emissions program (AB 923) of $214,832; which were offset by increases in mobile emissions program (AB 2766) of $178,544 and Carl Moyer program expenses of $7,638.

Financial Highlights

Condensed Statements of Activities

		2023	2022	Change
Revenues:				
Program revenues:				
Charges for services	$	1,338,715	1,196,687	142,028
Operating grants		3,709,277	3,854,439	(145,162)
Total program revenues		5,047,992	5,051,126	(3,134)
General revenues		70,941	30,573	40,368
Total revenues		5,118,933	5,081,699	37,234
Expenses:				
General		2,381,139	3,218,826	(837,687)
Mobile emission program AB 2766		445,327	266,783	178,544
Mobile emission program AB 923		215,082	429,914	(214,832)
Carl Moyer program		620,598	612,960	7,638
Total expenses		3,662,146	4,528,483	(866,337)
Changes in net position		1,456,787	553,216	903,571
Net position – beginning of year		5,607,471	5,054,255	553,216
Net position – end of year	$	7,064,258	5,607,471	1,456,787

Financial Highlights

Condensed Changes in Fund Balance

	General Fund	AB 2766	AB 923	Carl Moyer	Total
Fund balance – beginning of year	$ 2,551,013	1,020,598	1,757,312	65,829	5,394,752
Changes in fund balance	846,875	186,795	377,592	-	1,411,262
Fund balance – end of year	$ 3,397,888	1,207,393	2,134,904	65,829	6,806,014

Questions

The following page(s) contain the backup material for Agenda Item: 1) Award $2,880 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Fair Association toward an existing Electric Vehicle Charging Station; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.
Please scroll down to view the backup material.

MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA

AGENDA ITEM # 7

DATE: April 16, 2024

RECOMMENDATION: 1) Award $2,880 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Fair Association toward an existing Electric Vehicle Charging Station; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by Special Counsel to the Governing Board; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

SUMMARY: This item awards funding to Antelope Valley Fair Association (AV Fair) toward the costs of replacement of one (1) EV charging station located at AV Fair outside of Turf Club. The AV Fair proposes to remove the non-operable EV charger and install new efficient EV charging technology. AVAQMD will reimburse sixty percent (60%) of the costs at the completion of the Project in the amount not to exceed $2,880 in Mobile Source Emission Reductions Program (AB 923) funds.

BACKGROUND: In March 2013, AV Fair was awarded funding to establish EV charging infrastructure and an EV charging station. AV Fair was one of the few early adopters of EV charging technology at their facility to offer EV charging at a location just off the 14 freeway. Since then, the EV charging station has become inoperable, unrepairable and obsolete. AV Fair proposes to remove the non-operable EV charging station and replace with new efficient EV charging technology to accommodate public access. The District has reviewed the project for eligibility for the use of AB 923 funding and proposes to support the project with sixty (60) percent of the costs as proposed. AV Fair's efforts to improve EV charging options and increase the number of available EV charging units helps move California closer to the 2025 goal of putting 1.5 million zero-emission vehicles on the road as well as reducing greenhouse gases.

cc: Barbara Lods
Julie McKeehan

REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Barbara Lods, Executive Director/APCO on or before April 9, 2024.

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions Program (AB 923) funds.

INTERESTED PARTIES: AV Fair Association

PRESENTER: Julie McKeehan, Grants Analyst

The following page(s) contain the backup material for Agenda Item: 1) Award an amount not to exceed $191,000 in Carl Moyer Program funds to Jose Diaz for the replacement of older diesel tractors with new, cleaner technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.
Please scroll down to view the backup material.

MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA

AGENDA ITEM # 8

DATE: April 16, 2024

RECOMMENDATION: 1) Award an amount not to exceed $191,000 in Carl Moyer Program funds to Jose Diaz for the replacement of older diesel tractors with new, cleaner technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by Special Counsel to the Governing Board; and 4) Find that this item is not a project pursuant to the California Environmental Quality Act.

SUMMARY: This item awards an amount not to exceed $191,000 in Carl Moyer Program funds to Jose Diaz of Rancho Cinco for the replacement of (2) older diesel tractors with new, cleaner technology certified to the Final Tier 4/current emission standards.

BACKGROUND: AVAQMD received an application from Jose Diaz of Rancho Cinco for grant funding to replace two (2) older diesel tractors. Applicant is not subject to any diesel off-road regulation and proposes voluntary participation in the off-road equipment replacement program to reduce emissions by early retirement of older, higher polluting diesel tractors and replacing them with new, cleaner diesel technology that meets the current emission standards. Staff has evaluated the project for eligibility pursuant to the guidelines and finds the proposed project eligible for 80% percent toward the replacement equipment. Retirement of the proposed tractors produces an estimated 1.76 tons/yr. early emission reductions. Early fleet turnover provides emission reductions that help the Valley towards attainment of the national ambient air quality standards.

REASON FOR RECOMMENDATION: Governing Board approval is needed for the use of District funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO and staff to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Barbara Lods, Executive Director/APCO on or before April 9, 2024.

FINANCIAL DATA: Funding is available from the District's Carl Moyer Program funds.

INTERESTED PARTIES: Jose Diaz of Rancho Cinco

PRESENTER: Julie McKeehan, Grants Analyst

cc: Barbara Lods
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: 1) Allocate an amount not to exceed $130,000 in Mobile Source Emissions Reduction Program funds (AB 2766) in support of Public Transit Rideshare Programs in the Antelope Valley; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and agreements, approved as to legal form by the Office of District Counsel; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.
Please scroll down to view the backup material.

MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA

AGENDA ITEM # 9

DATE: April 16, 2024

RECOMMENDATION: 1) Allocate an amount not to exceed $130,000 in Mobile Source Emissions Reduction Program funds (AB 2766) in support of Public Transit Rideshare Programs in the Antelope Valley; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; 3) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and agreements, approved as to legal form by Special Counsel to the Governing Board; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

SUMMARY: This action continues the fare subsidy programs for seniors, students and disabled persons established in 2015 by the District in cooperation with the Antelope Valley Transit Authority (AVTA) Member Agencies and Antelope Valley College (AVC). The District will support the programs for an amount not to exceed 50 percent of the costs already incurred by each agency and up to a maximum of $50,000 annually per agency.

BACKGROUND: In June 2015, the District established a program in support of subsidizing fares for seniors, students and disabled persons. The District provides funding in the form of reimbursement upon receipt of invoices from any one of the Member Agencies and AVC.

Pursuant to the District's Mobile Source Emissions Reduction Program Workplan, AB 2766 funds can be used to fund projects that reduce vehicle emissions such as subsidizing transit fares.

REASON FOR RECOMMENDATION: Governing Board approval is needed to award Mobile Source Emissions Reduction Program funds (AB 2766). Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Barbara Lods, Executive Director/APCO on or before April 9, 2024.

FINANCIAL DATA: Sufficient funds are available from the District's Mobile Source Emissions Reduction Program (AB 2766) funds.

INTERESTED PARTIES: City of Palmdale, City of Lancaster, Los Angeles County and Antelope Valley College.

PRESENTER: Julie McKeehan, Grants Analyst

cc: Barbara Lods
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: Conduct a public hearing to consider the amendment of AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area): a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, adopting the amendment of Antelope Valley Air Quality Management District (AVAQMD) Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area).
Please scroll down to view the backup material.

MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA

DATE: April 16, 2024

RECOMMENDATION: Conduct a public hearing to consider the amendment of *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, adopting the amendment of *Antelope Valley Air Quality Management District (AVAQMD) Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)*.

SUMMARY: This plan is proposed for amendment to address an issue identified by United States Environmental Protection Agency (USEPA) implementation provisions for the contingency measure contained in the plan.

CONFLICT OF INTEREST: None.

BACKGROUND: The USEPA designated the Western Mojave Desert Nonattainment Area (WMDONA) as nonattainment for the March 2008 75 ppb 8-hour ozone National Ambient Air Quality Standard (NAAQS) pursuant to the provisions of the Federal Clean Air Act (FCAA). The AVAQMD is in the WMDONA. This SIP revision is focused on satisfying the requirement for contingency measures elements for the plan. Contingency measures are defined by CAA Section 172(c)(9) as "specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date". The CAA Section 182(c)(9) further requires that ozone nonattainment areas classified as "serious" or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone. In the event that the required amount of reductions cannot be achieved by the contingency measure, the Draft Guidance requires the development of a reasoned infeasibility analysis and justification for achieving less than the required amount.
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The proposed amendment includes the ARB California Smog Check Contingency Measure and the MDAQMD Enhanced Vehicle Inspection and Maintenance Program Contingency Measures, which are expected to achieve less than the required amount of reductions. However, AVAQMD and CARB were not able to identify any other feasible contingency measures. AVQMD has therefore prepared an Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard to satisfy applicable Clean Air Act (CAA) requirements. This SIP revision satisfies requirements for reasonable further progress (RFP) and attainment contingency measures.

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the amendment of *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)* pursuant to the requirements of CEQA.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulations. Health & Safety Code §42311 and various other sections as indicated in the Staff Report authorize the imposition of fees by action of the Governing Board.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Barbara Lods, Executive Director on or about April 11, 2024.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Barbara Lods, Executive Director

RESOLUTION NO. 24-02

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING AVAQMD FEDERAL 75 PPB OZONE ATTAINMENT PLAN (WESTERN MOJAVE DESERT OZONE NONATTAINMENT AREA) AND DIRECTING STAFF ACTIONS.

On _____, on motion by Member _____, seconded by Member , and carried, the following resolution is adopted:

WHEREAS, the Antelope Valley Air Quality Management District (AVAQMD) has authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

WHEREAS, the AVAQMD is proposing to amend the AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area); and

WHEREAS, the USEPA designated the Western Mojave Desert Nonattainment Area (WMDONA) as nonattainment for the March 2008 75 ppb 8-hour ozone National Ambient Air Quality Standard (NAAQS) pursuant to the provisions of the Federal Clean Air Act (FCAA); and

WHEREAS, the entire AVAQMD is included in the WMDONA; and

WHEREAS, the proposed amendments are focused on satisfying the requirement for contingency measures elements in the plan; and

WHEREAS, contingency measures are defined by CAA Section 172(c)(9) as "specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date"; and

WHEREAS, the CAA Section 182(c)(9) further requires that ozone nonattainment areas classified as "serious" or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone; and

WHEREAS, the Draft Guidance requires the development of a reasoned justification for achieving less than the required amount; and

WHEREAS, the California Smog Check Contingency Measure and AVAQMD

Enhanced Vehicle Inspection and Maintenance Program are expected to achieve less than the required amount of reductions; and

WHEREAS, the AVAQMD and CARB were not able to identify any other feasible contingency measures;

WHEREAS, the AVAQMD has prepared the Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard to satisfy applicable Clean Air Act (CAA) requirements; and

WHEREAS, this SIP revision is focused on satisfying the requirement for contingency measures elements for the plan; and

WHEREAS, this proposed SIP revision satisfies requirements for reasonable further progress (RFP) and attainment contingency measures; and

WHEREAS, the AVAQMD has the authority pursuant to H&S Code §40702 to amend rules and regulations; and

WHEREAS, the proposed amendments are clear in that the meaning can be easily understood by the persons impacted by the plan; and

WHEREAS, the proposed amendments are in harmony with, and not in conflict with, or contradictory to existing statutes, court decisions, or state or federal regulations because this the proposed SIP revision is focused on satisfying the requirement for contingency measures elements for the plan; and

WHEREAS, the proposed amendments do not impose the same requirements as any existing state or federal regulation because they aim to satisfy federal requirements through the addition of two contingency measures and an infeasibility justification; and

WHEREAS, the proposed amendments are needed in order to satisfy the CAA Section 182(c)(9) requirement that ozone nonattainment areas classified as "serious" or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone; and

WHEREAS, a public hearing has been properly noticed and conducted, pursuant to H&S Code §40725, concerning the proposed amendment of the *AVAQMD Federal 75 ppb*

Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area): and

WHEREAS, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)*, completed in compliance with the California Environmental Quality Act (CEQA), has been presented to the Governing Board of the AVAQMD; each member having reviewed, considered and approved the information contained therein prior to acting on the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)*, and the Governing Board of the AVAQMD having determined that proposed amendments will not have any potential for resulting in any adverse impact upon the environment; and

WHEREAS, the Board has considered the evidence presented at the public hearing; and

NOW, THEREFORE, BE IT RESOLVED, that the Governing Board of the AVAQMD finds that the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)* is necessary, authorized, clear, consistent, non-duplicative and properly referenced; and

BE IT FURTHER RESOLVED, that the Governing Board of the AVAQMD hereby makes a finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of Exemption for the proposed amendment of amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)*; and

BE IT FURTHER RESOLVED, that the Governing Board of the AVAQMD does hereby adopt, pursuant to the authority granted by law, the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area)*, as set forth in the attachments to this resolution and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately upon adoption, and that the Executive Director is directed to file the Notice of Exemption in compliance with the provisions of CEQA.

RESOLUTION NO. 24-02

PASSED, APPROVED and ADOPTED by the Governing Board of the Antelope Valley Air Quality Management District by the following vote:

AYES: **MEMBER:**

NOES: **MEMBER:**

ABSENT: **MEMBER:**

ABSTAIN: **MEMBER:**

STATE OF CALIFORNIA)
) SS:
COUNTY OF LOS ANGELES)

I, Adrianna Castaneda, Executive Assistant of the Governing Board of the Antelope Valley Air Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same appears in the Official Minutes of said Governing Board at its meeting of April 16, 2024.

_____
Executive Assistant,
Antelope Valley Air Quality Management District.

Antelope Valley
Air Quality Management District

Draft

Staff Report
Proposed Amendment to
AVAQMD Federal 75 ppb Ozone Attainment Plan
(Western Mojave Desert Nonattainment Area)

For adoption on
April 16, 2024

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LANCASTER, CALIFORNIA 93536
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STAFF REPORT
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AVAQMD Federal 75 ppb Ozone Attainment Plan
(Western Mojave Desert Nonattainment Area)

List of Acronyms

AQMA	Air Quality Management Area
AVAQMD	Antelope Valley Air Quality Management District
BARCT	Best Available Retrofit Control Technology
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
FCAA	Federal Clean Air Act
H&S Code	California Health & Safety Code
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
NAAQS	National Ambient Air Quality Standards
Ppb	parts per billion
SBCAPCD	San Bernardino Air Pollution Control District
SAAQS	State Ambient Air Quality Standards
SCAQMD	South Coast Air Quality Management District
SEDAB	Southeast Desert Air Basin
SIP	State Implementation Plan
SSAB	Salton Sea Air Basin
USEPA	United States Environmental Protection Agency
WMDONA	Western Mojave Desert Ozone Nonattainment Area

STAFF REPORT

AVAQMD Federal 75 ppb Ozone Attainment Plan
(Western Mojave Desert Nonattainment Area)

I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

II. EXECUTIVE SUMMARY

The United States Environmental Protection Agency (USEPA) designated the Western Mojave Desert Nonattainment Area (WMDONA) as nonattainment for the March 2008 75 ppb 8-hour ozone National Ambient Air Quality Standard (NAAQS) pursuant to the provisions of the Federal Clean Air Act (FCAA). A portion of the Mojave Desert Air Quality Management District (MDAQMD) is included in the WMDONA. The entire AVAQMD is included in the Western Mojave Desert nonattainment area.

In response to court decisions which altered the interpretation of contingency measure requirements, USEPA released the Draft Guidance on the Preparation of State Implementation Plan Provisions that address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter (Draft Guidance).[1] The Draft Guidance confirms that contingency measures need to include automatic triggering mechanisms, and cannot rely on surplus emission reductions of previously implemented emission reduction measures. It also defines the amount of emission reductions that contingency measures are required to achieve. In the event that the required amount of reductions cannot be achieved by the contingency measure, the Draft Guidance requires the development of a reasoned justification for achieving less than the required amount. The California Smog Check Contingency Measure and AVAQMD Enhanced Vehicle Inspection and Maintenance Program are expected to achieve less than the required amount of reductions. However, AVAQMD and CARB were not able to identify any other feasible contingency measures.

AVAQMD has prepared a contingency measure, the CARB California Smog Check Contingency Measure along with an Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard in order to satisfy applicable Clean Air Act (CAA) requirements. In addition, Mojave Desert Air Quality

[1] Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter. March 17, 2023.

Management District (MDAQMD) has prepared two contingency measures, the MDAQMD Enhanced Vehicle Inspection and Maintenance Program, and CARB California Smog Check Contingency Measure along with and Infeasibility Analysis. Although MDAQMD's contingency measures, if triggered, does not span into the AVAQMD, it does pertain to the WMDONA as a whole and will result in some reductions. This SIP revision is focused on satisfying the requirement for contingency measure elements for the plan. Contingency measures are defined by CAA Section 172(c)(9) as "specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date." CAA Section 182(c)(9) further requires that ozone nonattainment areas classified as "serious" or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone. This SIP revision satisfies requirements for reasonable further progress (RFP) and attainment contingency measures.

The CARB California Smog Check Contingency Measure State Implementation Plan Revision presented in this amendment is expected to achieve less than the required amount of reductions. However, the AVAQMD and CARB were not able to identify any other contingency measures due to the infeasibility of implementation according to EPA draft guidance timelines and/or lack of available non-technology forcing measures. Therefore, infeasibility justifications demonstrating the scarcity of further opportunities for stationary and mobile source contingency measures are presented in this amendment. Additionally, infeasibility justifications for Transportation Control Measures (TCMs) and Area Sources under CARB's authority are also presented as a part of this amendment. The infeasibility justification comprehensively evaluates all source categories contributing non-negligible VOC and NOx emissions in the WMDONA.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD or District) adopt the proposed amendment to the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* and approve the appropriate California Environmental Quality Act (CEQA) documentation. This action is necessary to allow USEPA to completely approve *the 2017 WMD Ozone Attainment Plan*

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct adoption of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)*. Each item is discussed, if applicable, in Section V. Copies of related documents are included in the appropriate appendices.

FINDINGS REQUIRED FOR RULES & REGULATIONS:

X Necessity

X Authority

X Clarity

X Consistency

X Nonduplication

X Reference

X Public Notice & Comment

X Public Hearing

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

X Public Notice & Comment

X Availability of Document

X Notice to Specified Entities (State, Air Districts, USEPA, Other States)

X Public Hearing

X Legal Authority to adopt and implement the document.

X Applicable State laws and regulations were followed.

ELEMENTS OF A FEDERAL SUBMISSION:

X Elements as set forth in applicable Federal law or regulations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

N/A Ministerial Action

X Exemption

N/A Negative Declaration

N/A Environmental Impact Report

X Appropriate findings, if necessary.

X Public Notice & Comment

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

X Environmental impacts of compliance.

N/A Mitigation of impacts.

N/A Alternative methods of compliance.

OTHER:

X Written analysis of existing air pollution control requirements

N/A Economic Analysis

X Public Review

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed adoption of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)*. These are actions that need to be performed and/or information that must be provided in order to amend the plan in a procedurally correct manner.

1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the District Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Board in making these findings.

a. Necessity:

The proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is necessary to comply with the provisions of the FCAA §§172(c)(9) and 182(c)(9) (42 U.S.C. §§7502(c)(9) and 7511a(c)(9)) regarding contingency measures to be implemented in case of failure to make either an RFP milestone or to attain by the applicable attainment date. This document addresses USEPA concerns regarding clarifications for triggers and implementation of the contingency measure currently included in the plan.

b. Authority:

The District has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations.

c. Clarity:

The proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is clear in that it is written so that the persons subject to the plan can easily understand the meaning.

d. Consistency:

The proposed adoption of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is in harmony with, and not in conflict with or contradictory to any

state law or regulation, federal law or regulation, or court decisions. The Western Mojave Desert Ozone Nonattainment Area (WMDONA), as defined in 40 CFR 81.305 was designated nonattainment for the NAAQS for ozone by USEPA effective on July 20, 2012. The Western Mojave Desert Ozone Nonattainment Area (WMDONA) includes the Antelope Valley portion of Los Angeles County, as well as the San Bernardino County portion of the MDAQMD. Ozone Nonattainment Area (WMDONA). Both the AVAQMD and MDAQMD adopted plans to meet the planning requirements which were applicable as a result of the designation. These plans were combined and submitted by CARB to USEPA as the *2017 WMD Attainment Plan*.

On May 10, 2021 USEPA published an NPRM proposing approval of the 2008 8-Hour Ozone Nonattainment Area Requirements; West Mojave Desert. The *2017 WMD Attainment Plan* was conditionally approved so long as clarification regarding the triggers for, and implementation of, the plan's contingency measures to comply with the provisions of FCAA §§172(c)(9) and 182(c)(9) (42 U.S.C. §§7502(c)(9) and 7511a(c)(9)) were provided. Since the contingency measure is contained in the AVAQMD's portion of the *2017 WMD Attainment Plan* an amendment to that plan is needed to maintain consistency with the FCAA requirements.

e. Nonduplication:

The proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* does not impose the same requirements as an existing state or federal law or regulation. The USEPA designated the Western Mojave Desert Nonattainment Area as nonattainment for the March 2008 (75 ppb) 8-hour ozone NAAQS pursuant to the provisions of the FCAA. The entire AVAQMD is included in the Western Mojave Desert nonattainment area. This plan addresses USEPA's concerns such that it may fully approve the *2017WMD Attainment Plan*.

f. Reference:

AVAQMD has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendment to the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western*

Mojave Desert Nonattainment Area) will published on March 15, 2024. See Appendix "B" for a copy of the public notice. See Appendix "C" for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. The information below indicates which elements are required for the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The amendment of the *AVDAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is subject to all the requirements for a SIP submittal because the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is to be included in the AVAQMD State Implementation Plan (SIP). The criteria for determining completeness of SIP submissions are set forth in 40 CFR Part 51, Appendix V, 2.0.

b. Public Notice and Comment:

Notice for the public hearing for the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* will be published March 15, 2024. See Appendix "B" for a copy of the public notice. See Appendix "C" for copies of comments, if any, and District responses.

c. Availability of Document:

Copies of the proposed amendment to the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* and the accompanying draft staff report will be made available to the public on or before March 15, 2024.

d. Notice to Specified Entities:

Copies of the proposed amendment to the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* and the accompanying draft staff report will be sent to all affected agencies. The proposed amendments will be sent to the California Air Resources Board (CARB) and USEPA on or before March 15, 2024.

e. Public Hearing:

A public hearing to consider the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* has been set for April 16, 2024.

f. Legal Authority to Adopt and Implement:

The District has the authority pursuant to H&S Code §40702 to adopt, amend, or repeal rules and regulations and to do such acts as may be necessary or proper to execute the duties imposed upon the District.

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S Code §40727.2. See Section (V)(C) for compliance with economic analysis requirements pursuant to H&S Code §40920.6. See Section (V)(D) below for compliance with provisions of CEQA.

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The proposed amendments to the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* are required to justify the infeasibility for various contingency measures, clarify triggering events and detail implementation for the contingency measures to address USEPA's concerns regarding compliance with FCAA §§172(c)(9) and 182(c)(9) (42 U.S.C. §§7502(c)(9) and 7511a(c)(9)). Since this action is required to comply with FCAA requirements the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

C. ECONOMIC ANALYSIS

1. General

Not applicable, as no local control measures are proposed as part of the proposed action.

2. Incremental Cost Effectiveness

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act (CCAA) requirements for Best Available Retrofit Control Technology (BARCT) or "all feasible measures" to control volatile compounds (VOCs), oxides of nitrogen (NO_X) or oxides of sulfur (SO_X). The proposed amendment to the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is not subject to incremental cost effectiveness calculations because this plan does not impose BARCT or "all feasible measures".

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below, it was determined that a Notice of Exemption would be the appropriate CEQA process for the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)*.

1. The proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* meets the CEQA definition of "project". They are not "ministerial" actions.

2. The proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* is exempt from CEQA review because there is not potential that the adoption might cause the release of additional air contaminants or create any adverse environmental impacts. The proposed amendment will strengthen the plan by providing an infeasibility justification for various infeasible contingency measures, as well as clarify triggering events and detail implementation for the proposed contingency measures. Copies of the documents relating to CEQA can be found in Appendix "D".

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

There are no potential negative environmental impacts of compliance with the proposed amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* as it does not change any provisions of the previously adopted plan; and provides an infeasibility justification for various infeasible contingency measures, as well as clarify triggering events and detail implementation for the proposed contingency measures.

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) and (2)(b), as well as Appendix "B"

VI. TECHNICAL DISCUSSION

Pursuant to provisions of the Federal Clean Air Act (FCAA), State Implementation Plans (SIPs) for areas designated nonattainment and classified Moderate or above must include contingency measures to be implemented in the event the area fails to make Reasonable further Progress (RFP) or to attain the National Ambient Air Quality Standards (NAAQS) by the applicable attainment date.[2] In 2008 the United States Environmental Protection Agency (USEPA) revised the NAAQS for Ozone to 0.075 parts per million over an 8-hour period (2008 O_3 Standard).[3] Thereafter pursuant to FCAA §107(d) (42. U.S.C. §7407(d)), USEPA designated various areas nonattainment for the 2008 O_3 Standard and indicated severity classifications for same.[4] The WMD, consisting of northeast Los Angeles County and portions of southwest San Bernardino County[5] was designated nonattainment and classified "Severe-15." The Los Angeles County Portion of the WMD is entirely within the jurisdiction of the AVAQMD while the San Bernardino County portion of the WMD is partially contained within the MDAQMD.[6]

USEPA promulgated a Notice of Proposed Rule Making regarding the 2008 8-Hour Ozone Nonattainment Area for the West Mojave Desert.[7] In that NPRM, USEPA proposed approval of the 2017 WMD Attainment Plan with conditional approval of the contingency measure pending the adoption by the AVAQMD of further detail of the circumstances, timing and procedures for implementation of the measure. The proposed amendment utilizes the USEPA's Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone to identify two contingency measures, justify the infeasibility for various other contingency measures, clarify triggering events and detail implementation for the contingency measures to address USEPA's concerns regarding compliance with FCAA §§172(c)(9) and 182(c)(9) (42 U.S.C. §§7502(c)(9) and 7511a(c)(9)).

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[2] FCAA §§172(c)(9) and 182(c)(9); 42 U.S.C. §§7502(c)(9) and 7511a(c)(9).
[3] 73 FR 16436, 3/27/2008.
[4] 77 FR 30088 5/21/2012
[5] Geographic boundaries of the WMD are provided at 40 CFR 81.305
[6] The WMDONA boundary is roughly co-terminus with the boundary of the Greater Los Angeles Metropolitan Statistical Area within the jurisdiction of the MDAQMD. It is that portion of the MAQMD contained in the Southeast Desert Modified Air Quality Management Area (40 CFR 81.167) commonly referred to in District documents as the Federal Ozone Nonattainment Area (FONA) and is defined in District Rule 102, 9/28/2020 and 17 CCR §60200(b).
[7] 86 FRE 24809, 5/10/2021

A. SIP HISTORY

1. SIP History.

The USEPA designated the desert part of Los Angeles County as non-attainment and classified it as Moderate for the 8-hour standard. This area was classified based on an ozone design value calculated from 2001 through 2003 concentrations in the region. The Moderate classification requires attainment of the 8-hour ozone NAAQS by June 2010, six years after the date of designation.

The desert portion of Los Angeles County was established as its own air district as of July 1, 1997, the Antelope Valley Air Pollution Control District (AVAPCD), pursuant to former H&SC §40106 (Statutes 1996 ch 542, Repealed Statutes 2001 ch. 163). This air district was replaced by the AVAQMD on January 1, 2002, pursuant to H&SC §41300 et seq (Statutes 2001 ch. 163). As a successor district to SCAQMD, the AVAQMD assumes the authorities and duties of the SCAQMD for the Antelope Valley (H&SC §41302).

The SCAQMD addressed the desert portion of Los Angeles County in the 1991 AQMP, the 1994 AQMP, and the 1997 AQMP. The 1994 AQMP was approved by USEPA (62 FR 1150, January 8, 1997). However the initial adoption of the 1997 AQMP was not acted upon by USEPA and was only acted upon after revisions which were adopted by SCAQMD after the formation of the AVAPCD (65 FR 18903, April 10, 2000). Therefore, the 1997 AQMP as revised is not effective within the jurisdiction of the AVAQMD. Thereafter the AVAQMD adopted the AVAQMD 2004 Ozone Attainment Plan on April 20, 2004. In 2008, USEPA reduced the 8-hour NAAQS from 84 ppb to 75 ppb. The Western Mojave Desert nonattainment area was again designated nonattainment for the 75 ppb NAAQS pursuant to provisions of the FCAA. The AVAQMD prepared the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* to satisfy the planning requirements under this standard including a contingency measure.

The contingency measure identified in the AVAQMD 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area) was to maintain the California Enhanced Vehicle Inspection and Maintenance Program (Enhanced I&M). On May 10, 2021, USEPA published a Notice of Proposed Rule Making (NPRM) at 86 FR 24809 proposing approval of the *2017 Western Mojave Desert Nonattainment Plan* for the WMDONA conditional upon additional clarification regarding the triggers for, and implementation of, the plan's contingency measure.

USEPA finalized a finding of failure to submit contingency measure elements for the 2008 ozone NAAQS effective October 31, 2022[8]. The finding established an 18-month deadline for the AVAQMD to submit contingency measures or face stationary source permitting sanctions as defined in CAA Section 179(b)(2).

[8] 87 FR 59012

There is also a 24-month deadline for highway sanctions as defined in CAA Section 179(b)(1). Submission of the SIP revision followed by a completeness determination by USEPA will stay the sanctions. In addition, if within 24 months USEPA has not approved a contingency measure SIP revision, USEPA must promulgate a federal contingency measure plan in the WMDONA.

AVAQMD has prepared the Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard to satisfy applicable Clean Air Act (CAA) requirements. This SIP revision is focused on satisfying the requirement for contingency measures elements for the plan. Contingency measures are defined by CAA Section 172(c)(9) as "specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date." CAA Section 182(c)(9) further requires that ozone nonattainment areas classified as "serious" or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone. This SIP revision satisfies requirements for reasonable further progress (RFP) and attainment contingency measures.

2. SIP Analysis.

The proposed amendment will strengthen the *2017 WMD Attainment Plan* by providing an analysis for the lack of feasible contingency measures, specifics regarding under what circumstances the included contingency measure will be triggered and particulars regarding implementation of such measure (s).

Appendix "A"

AVAQMD Federal 75 ppb Ozone Attainment Plan
(Western Mojave Desert Nonattainment Area)

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.

2. ~~Lined out text~~ identifies language which is being deleted.

3. Normal text identifies the current language of the rule which will remain unchanged by the adoption of the proposed amendments.

4. *[Bracketed italicized text]* is explanatory material that is not part of the proposed language. It is removed once the proposed amendments are adopted.

This section is not applicable. Refer to

AVAQMD Contingency Measures for the 75 ppb Ozone Attainment Plan

Appendix "B"
Public Notice Documents

1. Draft Proof of Publication – Antelope Valley Press, March 15, 2024

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on April 16, 2024 at 10:00 A.M. to consider the amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)*.

SAID HEARING will be conducted in the Governing Board Chambers at Antelope Valley Transit Authority located at 42210 6th Street West, Lancaster, CA 93534 where all interested persons may be present and be heard.

AVAQMD has prepared the Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard to satisfy applicable Clean Air Act (CAA) requirements. This SIP revision is focused on satisfying the requirement for contingency measures elements for the plan.

Copies of the proposed amendment to *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)* and the Staff Report are posted on the AVAQMD website at www.avaqmd.ca.gov and are also available at the AVAQMD Office at 2551 W Avenue H, Lancaster, CA 93536.

Written comments may be submitted to Barbara Lods, Executive Director, at the above office address, and should be received no later than April 15, 2024 to be considered. If you have any questions you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at blods@avaqmd.ca.gov for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a *Notice of Exemption* for this action.

Appendix "C"
Public Comments and Responses

No comments received at this time.

Appendix "D"
California Environmental Quality Act
Documentation

1. Draft Notice of Exemption – Los Angeles County

NOTICE OF EXEMPTION

TO: Los Angeles County Clerk
12400 E. Imperial Hwy, #1001
Norwalk, CA 90650

FROM: Antelope Valley Air Quality Management District
2551 W Avenue H
Lancaster, CA 93536

X AVAQMD Clerk of the Governing Board

PROJECT TITLE: Amendment of the *AVAQMD Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Nonattainment Area)*.

PROJECT LOCATION – SPECIFIC: Los Angeles County portion of the Mojave Desert Air Basin.

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: The Antelope Valley Air Quality Management District has prepared an Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard to satisfy applicable Clean Air Act (CAA) requirements. This SIP revision is focused on satisfying the requirement for contingency measures elements for the plan *AVAQMD Federal 75 ppb Ozone Attainment Plan*.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Antelope Valley AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Antelope Valley AQMD

EXEMPT STATUS (CHECK ONE)

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)
Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))
X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

REASONS WHY PROJECT IS EXEMPT: The proposed amendment is exempt from CEQA review because the amendment will strengthen the plan through the adoption of contingency measures and will not create any new emissions or adverse impacts on the environment. Because there is no potential that the adoption might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Barbara Lods **PHONE:** (661) 723-8070

SIGNATURE: _____ **TITLE:** APCO **DATE:** April 16, 2024

DATE RECEIVED FOR FILING:

Appendix "E"
Bibliography

The following documents were consulted in the preparation of this staff report.

1. USEPA Draft Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter
2. SCAQMD - Draft Staff Report: Coachella Valley Contingency Measure SIP Revision for the 2008 8-Hour Ozone Standard Mojave Desert Modeling Analysis, prepared by SCAQMD staff.

Western Mojave Desert Infeasibility Analysis for the Contingency Measure SIP Revision for the 2008 8-Hour Ozone Standard

Proposed for adoption on April 16, 2024

TABLE OF CONTENTS

AVAQMD Contingency Measures for the 75 ppb Ozone Attainment Plan

Section 1 - Overview

The United States Environmental Protection Agency (USEPA) designated the Western Mojave Desert Nonattainment Area (WMDONA) as nonattainment for the March 2008 75 ppb 8-hour ozone National Ambient Air Quality Standard (NAAQS) pursuant to the provisions of the Federal Clean Air Act (FCAA). The entire Antelope Valley Air Quality Management District (AVAQMD) is included in the WMDONA.

In response to court decisions which altered the interpretation of contingency measure requirements, USEPA released the Draft Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter (Draft Guidance).[1] The Draft Guidance confirms that contingency measures need to include automatic triggering mechanisms, and cannot rely on surplus emission reductions of previously implemented emission reduction measures. It also defines the amount of emission reductions that contingency measures are required to achieve. In the event that the required amount of reductions cannot be achieved by the contingency measure, the Draft Guidance requires the development of a reasoned justification for achieving less than the required amount. The California Smog Check Contingency Measure is expected to achieve less than the required amount of reductions. However, AVAQMD and CARB were not able to identify any other feasible contingency measures.

AVAQMD has prepared a contingency measure, the CARB California Smog Check Contingency Measure along with an Infeasibility Analysis for the Western Mojave Desert Nonattainment Area Contingency Measure Requirement for the 2008 8-Hour Ozone Standard in order to satisfy applicable Clean Air Act (CAA) requirements. In addition, Mojave Desert Air Quality Management District (MDAQMD) has prepared two contingency measures, the MDAQMD Enhanced Vehicle Inspection and Maintenance Program, and CARB California Smog Check Contingency Measure along with and Infeasibility Analysis. Although MDAQMD's contingency measures, if triggered, does not span into the AVAQMD, it does pertain to the WMDONA as a whole and will result in some reductions. This SIP revision is focused on satisfying the requirement for contingency measure elements for the plan. Contingency measures are defined by CAA Section 172(c)(9) as "specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date." CAA Section 182(c)(9) further requires that ozone nonattainment areas classified as "serious" or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone. This SIP revision satisfies requirements for reasonable further progress (RFP) and attainment contingency measures.

[1] Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter. March 17, 2023.

List of Acronyms

BACT	Best Available Control Technology
BAR	Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
CARB	California Air Resources Board
FIP	Federal Implementation Plan
FCAA	Federal Clean Air Act
FONA	Federal Ozone Nonattainment Area
H&S Code	California Health & Safety Code
MACT	Maximum Achievable Control Technology
MDAQMD	Mojave Desert Air Quality Management District
NSPS	New Source Performance Standards
NSR	New Source Review
SCAB	South Coast Air Basin
SCAQMD	South Coast Air Quality Management District
SIP	State Implementation Plan
USEPA	U.S. Environmental Protection Agency
VOC	Volatile Organic Compounds
WMD	Western Mojave Desert
WMDONA	Western Mojave Desert Ozone Nonattainment Area

Background on the WMDONA Contingency Measure for the 2008 Ozone Standard

42. U.S.C. §§7502(c)(9) and 7511a(c)(9) (Federal Clean Air Act §§172(c)(9) and 182(c)(9)) requires attainment plans for areas designated nonattainment and classified moderate and above to include contingency measures that would provide additional emissions reductions. Such contingency measures would only be implemented in the event that the area fails to meet statutory deadlines related to contingency measures.

The contingency measure identified for the Western Mojave Desert Nonattainment Area at the time of development of the AVAQMD 75 ppb Ozone Attainment Plan was the MDAQMD Enhanced Vehicle Inspection and Maintenance Program.

On October 31, 2022 USEPA finalized a finding of failure to submit contingency measure elements for the 2008 ozone NAAQS. The finding established an 18-month deadline for the AVAQMD and MDAQMD to submit contingency measures for the Western Mojave Desert Nonattainment Area or face stationary source permitting sanctions as defined in CAA Section 179(b)(2). There is also a 24-month deadline for highway sanctions as defined in CAA Section 179(b)(1). Submission of the SIP revision followed by a completeness determination by USEPA will stay the sanctions. In addition, if within 24 months USEPA has not approved a contingency measure SIP revision, USEPA must promulgate a federal contingency measure plan in the WMDONA.

Setting

The AVAQMD includes the Los Angeles County portion of the Antelope Valley. The USEPA designated the northern desert part of Los Angeles County as nonattainment for the 75 ppb 8-hour ozone NAAQS. The ozone design value classifies the area as a Severe nonattainment area with 2026 as the required attainment year (42 U.S.C. 7511(a)(2); FCAA §181(a)(2)). The Antelope Valley is downwind of the SCAQMD, and to a lesser extent, is downwind of the San Joaquin Valley. Prevailing winds transport ozone and ozone precursors from both regions into and through the Antelope Valley during the summer ozone season. These transport couplings have been officially recognized by CARB. Local Antelope Valley emissions contribute to exceedances of both the national and state ambient air quality standards for ozone, but photochemical ozone modeling conducted by the SCAQMD and CARB indicates that the Antelope Valley would be in attainment of both standards without the influence of this transported air pollution from upwind regions. The meteorology, terrain, distribution of emissions, and transport mechanisms are the key factors driving the ozone nonattainment challenge. [2],

[2] "Ozone Transport: 2001 Review," April 2001, CARB identifies the South Coast Air Basin as having an overwhelming and significant impact on the Mojave Desert Air Basin (which includes the Mojave Desert) and the San Joaquin Valley as having an overwhelming impact on the MDAB.

The Antelope Valley covers 1300 square miles and included 219,628 persons as of the 1990 census (approximately 366,000 in 2015), centered within the cities of Lancaster and Palmdale. The region is characterized by a wide, arid valley with little precipitation. The District has industry that is directly related to aerospace research and development as well as manufacturing.

The primary roadways in the AVAQMD are State Route 14 and State Route 138. Both of these highways carry a significant amount of transiting heavy-duty truck traffic, and State Route 14 carries a substantial amount of commuter traffic into the greater Los Angeles Basin. The AVAQMD is a growing bedroom community for the greater Los Angeles area, but does have significant mining and military support activity.

Contingency Measures for Stationary and Mobile Sources

The AVAQMD Contingency Measure SIP revision for the 2008 75 ppb ozone standard contains analysis documenting the scarcity of available contingency measures for stationary sources and a commitment to maintaining and providing mobile source measures for the WMDONA including the MDAQMD's Enhanced Vehicle Inspection and Maintenance Program, as well as CARB's California Smog Check Contingency Measure

CARB California Smog Check Contingency Measure

A state mobile source contingency measure, the California Smog Check Contingency Measure was adopted by CARB in October 2023. Currently, new vehicles are exempt from the smog check program for the first 8 years. If triggered, the contingency measure will narrow the newer model year vehicle smog check exemption from 8 to 7 years and 7 to 6 years upon the first and second triggering, respectively. Emission reductions would be achieved by identifying additional emissions control equipment failures from vehicles previously exempt. On December 20, 2023, USEPA proposed approval of the smog check contingency measure.[3]

In response to court decisions which altered the interpretation of contingency measure requirements, USEPA released the Draft Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter (Draft Guidance).[4] The Draft Guidance confirms that contingency measures need to include automatic triggering mechanisms, and cannot rely on surplus emission reductions of previously implemented emission reduction measures. It also defines the amount of emission reductions that contingency measures are required to achieve. In the event that the required amount of reductions cannot be achieved by the contingency measure, the Draft Guidance requires the development of a reasoned justification for achieving less than the required amount.

[3] 88 FR 87981

[4] *Guidance on the Preparation of State Implementation Plan Provisions that Address the Nonattainment Area Contingency Measure Requirements for Ozone and Particulate Matter*. March 17, 2023.

Summary

The MDAQMD's enhanced smog check program and CARB California Smog Check Contingency Measure State Implementation Plan Revision are expected to achieve less than the required amount of reductions. However, the AVAQMD and CARB were not able to identify any other contingency measures due to the infeasibility of implementation according to EPA draft guidance timelines and/or lack of available non-technology forcing measures. Therefore, infeasibility justifications demonstrating the scarcity of further opportunities for stationary and mobile source contingency measures are presented in this document. Additionally, infeasibility justifications for Transportation Control Measures (TCMs) and area sources under CARB's authority are presented in Appendix A and Appendix B, respectively. The infeasibility justifications comprehensively evaluate all source categories contributing non-negligible VOC and NOx emissions in the WMDONA.

Section 2 - Emissions Inventory from the WMDONA

Emissions inventories are estimates of the amount and type of pollutants emitted into the atmosphere by facilities, mobile sources, and areawide sources. They are fundamental components of an air quality plan and serve critical functions such as:

1. the primary input to air quality modeling used in attainment demonstrations;
2. the emissions data used for developing control strategies; and
3. a means to track progress in meeting the emission reduction commitments.

The California Air Resources Board (CARB) and both the Antelope Valley Air Quality Management District and the Mojave Desert Air Quality Management District (Districts) have developed a comprehensive current emissions inventory. CARB and District staff conducted a thorough review of the inventory to ensure that the emission estimates reflect accurate emissions reports for point sources and that estimates for mobile and areawide sources are based on the most recent approved models and methodologies.
Table 1, 2 and 3 below present the summer planning emissions of VOC's and NOx for the WMD by major source category in 2012 (base year) and 2026 (attainment year).

Table 1: Base Year Emissions Inventory

All emissions are presented in tons per ozone seasonal day for the 2012 base year

	VOC	NOx
Stationary		
ELECTRIC UTILITIES	0.05	1.24
MANUFACTURING AND INDUSTRIAL	0.29	3.87
FOOD AND AGRICULTURAL PROCESSING	0.01	0.09
SERVICE AND COMMERCIAL	0.19	1.45
OTHER (FUEL COMBUSTION)	0.07	0.73
SEWAGE TREATMENT	0.12	0.00
LANDFILLS	0.16	0.02
INCINERATORS	0.00	0.06
OTHER (WASTE DISPOSAL)	0.05	0.00
DEGREASING	3.41	0.00
COATINGS AND RELATED PROCESS SOLVENTS	1.79	0.00
PRINTING	0.03	0.00
ADHESIVES AND SEALANTS	0.07	0.00
OTHER (CLEANING AND SURFACE COATINGS)	0.01	0.00
PETROLEUM MARKETING	5.52	0.00
CHEMICAL	0.50	0.01
FOOD AND AGRICULTURE	0.01	0.00
MINERAL PROCESSES	0.34	17.96
METAL PROCESSES	0.00	0.48
ELECTRONICS	0.01	0.00
OTHER (INDUSTRIAL PROCESSES)	0.18	1.60
Stationary Subtotal	**12.81**	**27.51**

Area-Wide		
CONSUMER PRODUCTS	4.49	0.00
ARCHITECTURAL COATINGS AND RELATED PROCESS SOLVENTS	2.45	0.00
PESTICIDES/FERTILIZERS	0.13	0.00
ASPHALT PAVING / ROOFING	0.31	0.00
RESIDENTIAL FUEL COMBUSTION	0.55	1.11
FARMING OPERATIONS	2.06	0.00
FIRES	0.02	0.00
MANAGED BURNING AND DISPOSAL	0.95	0.39
COOKING	0.45	0.00
Area-Wide Subtotal	**11.40**	**1.50**

On-Road Mobile		
LIGHT DUTY PASSENGER (LDA)	4.34	3.64
LIGHT DUTY TRUCKS - 1 (LDT1)	1.45	1.06
LIGHT DUTY TRUCKS - 2 (LDT2)	1.94	2.40
MEDIUM DUTY TRUCKS (MDV)	1.74	2.72
LIGHT HEAVY DUTY GAS TRUCKS - 1 (LHDV1)	0.72	0.95
LIGHT HEAVY DUTY GAS TRUCKS - 2 (LHDV2)	0.06	0.10
MEDIUM HEAVY DUTY GAS TRUCKS (MHDV)	0.14	0.22
HEAVY HEAVY DUTY GAS TRUCKS (HHDV)	0.04	0.08
LIGHT HEAVY DUTY DIESEL TRUCKS - 1 (LHDV1)	0.09	3.82
LIGHT HEAVY DUTY DIESEL TRUCKS - 2 (LHDV2)	0.03	1.12
MEDIUM HEAVY DUTY DIESEL TRUCKS (MHDV)	0.09	1.90
HEAVY HEAVY DUTY DIESEL TRUCKS (HHDV)	1.07	19.60
MOTORCYCLES (MCY)	1.35	0.46
HEAVY DUTY DIESEL URBAN BUSES (UB)	0.07	1.10
HEAVY DUTY GAS URBAN BUSES (UB)	0.04	0.11
SCHOOL BUSES - GAS (SBG)	0.02	0.02
SCHOOL BUSES - DIESEL (SBD)	0.02	0.26
OTHER BUSES - GAS (OBG)	0.02	0.06
OTHER BUSES - MOTOR COACH - DIESEL (OBC)	0.00	0.05
ALL OTHER BUSES - DIESEL (OBD)	0.00	0.05
MOTOR HOMES (MH)	0.04	0.19
On-Road Mobile Subtotal	**13.28**	**39.93**

Other Mobile		
AIRCRAFT	1.47	1.36
TRAINS	1.78	28.42
RECREATIONAL BOATS	0.27	0.05
OFF-ROAD RECREATIONAL VEHICLES	0.75	0.04
OFF-ROAD EQUIPMENT	1.57	2.16
FARM EQUIPMENT	0.03	0.12
FUEL STORAGE AND HANDLING	0.35	0.00
Other Mobile Subtotal	**6.21**	**32.16**
WMDONA Total	***43.70***	***101.10***

Table 2: 2026 Forecasted Emission Inventories: VOC

VOC SUB CATEGORY	WMDAB 2012	WMDAB 2018	WMDAB 2020	WMDAB 2023	WMDAB 2026	AVAQMD 2026
ELECTRIC UTILITIES	0.05	0.04	0.04	0.05	0.05	0.00
MANUFACTURING AND INDUSTRIAL	0.29	0.36	0.39	0.41	0.43	0.13
FOOD AND AGRICULTURAL PROCESSING	0.01	0.00	0.01	0.01	0.01	0.00
SERVICE AND COMMERCIAL	0.19	0.30	0.35	0.41	0.45	0.04
OTHER (FUEL COMBUSTION)	0.07	0.07	0.07	0.07	0.08	0.01
SEWAGE TREATMENT	0.12	0.14	0.15	0.16	0.17	0.02
LANDFILLS	0.16	0.17	0.17	0.18	0.19	0.03
INCINERATORS	0.00	0.01	0.01	0.01	0.01	0.00
OTHER (WASTE DISPOSAL)	0.05	0.05	0.06	0.06	0.06	0.03
DEGREASING	3.41	4.62	5.07	5.69	6.19	4.31
COATINGS AND RELATED PROCESS SOLVENTS	1.79	2.32	2.52	2.76	2.95	1.47
PRINTING	0.03	0.05	0.05	0.06	0.07	0.05
ADHESIVES AND SEALANTS	0.07	0.10	0.11	0.12	0.13	0.10
OTHER (CLEANING AND SURFACE COATINGS)	0.01	0.01	0.01	0.01	0.01	0.01
PETROLEUM MARKETING	5.52	5.45	5.31	5.04	4.73	2.42
CHEMICAL	0.50	0.67	0.73	0.79	0.83	0.00
FOOD AND AGRICULTURE	0.01	0.02	0.02	0.02	0.02	0.01
MINERAL PROCESSES	0.34	0.44	0.47	0.50	0.52	0.09
ELECTRONICS	0.01	0.01	0.01	0.02	0.02	0.02
OTHER (INDUSTRIAL PROCESSES)	0.18	0.16	0.15	0.16	0.17	0.01
CONSUMER PRODUCTS	4.49	4.38	4.47	4.68	4.89	2.22
ARCHITECTURAL COATINGS AND RELATED PROCESS SOLVENTS	2.45	2.08	2.15	2.26	2.37	1.24
PESTICIDES/FERTILIZERS	0.13	0.20	0.20	0.20	0.20	0.07
ASPHALT PAVING / ROOFING	0.31	0.47	0.52	0.57	0.62	0.11
RESIDENTIAL FUEL COMBUSTION	0.55	0.54	0.54	0.54	0.54	0.03
FARMING OPERATIONS	2.06	2.06	2.06	2.06	2.06	0.23
FIRES	0.02	0.02	0.02	0.02	0.02	0.01
MANAGED BURNING AND DISPOSAL	0.95	0.96	0.96	0.97	0.98	0.87
COOKING	0.45	0.54	0.57	0.61	0.65	0.06
LIGHT DUTY PASSENGER (LDA)	4.34	2.30	1.95	1.65	1.47	0.69
LIGHT DUTY TRUCKS - 1 (LDT1)	1.45	0.71	0.59	0.47	0.38	0.18
LIGHT DUTY TRUCKS - 2 (LDT2)	1.94	1.12	0.94	0.80	0.71	0.24
MEDIUM DUTY TRUCKS (MDV)	1.74	1.33	1.16	0.93	0.78	0.28
LIGHT HEAVY DUTY GAS TRUCKS - 1 (LHDV1)	0.72	0.54	0.51	0.44	0.39	0.11
LIGHT HEAVY DUTY GAS TRUCKS - 2 (LHDV2)	0.06	0.04	0.04	0.03	0.02	0.01
MEDIUM HEAVY DUTY GAS TRUCKS (MHDV)	0.14	0.05	0.04	0.04	0.03	0.01
HEAVY HEAVY DUTY GAS TRUCKS (HHDV)	0.04	0.01	0.01	0.01	0.01	0.00
LIGHT HEAVY DUTY DIESEL TRUCKS - 1 (LHDV1)	0.09	0.07	0.07	0.05	0.04	0.01
LIGHT HEAVY DUTY DIESEL TRUCKS - 2 (LHDV2)	0.03	0.02	0.02	0.01	0.01	0.00
MEDIUM HEAVY DUTY DIESEL TRUCKS (MHDV)	0.09	0.04	0.02	0.01	0.01	0.00
HEAVY HEAVY DUTY DIESEL TRUCKS (HHDV)	1.07	0.21	0.20	0.14	0.16	0.03
MOTORCYCLES (MCY)	1.35	1.12	1.08	1.03	0.98	0.39
HEAVY DUTY DIESEL URBAN BUSES (UB)	0.07	0.04	0.03	0.02	0.02	0.00
HEAVY DUTY GAS URBAN BUSES (UB)	0.04	0.03	0.03	0.02	0.01	0.00
SCHOOL BUSES - GAS (SBG)	0.02	0.00	0.00	0.00	0.00	0.00
SCHOOL BUSES - DIESEL (SBD)	0.02	0.00	0.00	0.00	0.00	0.00
OTHER BUSES - GAS (OBG)	0.02	0.01	0.01	0.01	0.01	0.00
MOTOR HOMES (MH)	0.04	0.01	0.01	0.01	0.00	0.00
AIRCRAFT	1.47	1.47	1.47	1.51	1.56	1.16
TRAINS	1.78	0.90	0.70	0.61	0.49	0.01
RECREATIONAL BOATS	0.27	0.20	0.18	0.15	0.13	0.06
OFF-ROAD RECREATIONAL VEHICLES	0.75	0.65	0.63	0.59	0.57	0.06
OFF-ROAD EQUIPMENT	1.57	1.40	1.38	1.41	1.45	0.78
FARM EQUIPMENT	0.03	0.02	0.02	0.02	0.01	0.00
FUEL STORAGE AND HANDLING	0.35	0.25	0.24	0.22	0.20	0.12
Overall totals:	43.69	38.82	38.49	38.61	38.87	17.76

Table 3: 2026 Forecasted Emission Inventories: NOx

NOx SUB CATEGORY	WMDAB 2012	WMDAB 2018	WMDAB 2020	WMDAB 2023	WMDAB 2026	AVAQMD 2026
ELECTRIC UTILITIES	1.24	0.98	0.98	1.06	1.08	0.000
MANUFACTURING AND INDUSTRIAL	3.87	4.44	4.67	4.72	4.74	5.780
FOOD AND AGRICULTURAL PROCESSING	0.09	0.05	0.06	0.06	0.06	0.066
SERVICE AND COMMERCIAL	1.45	2.15	2.46	2.83	3.09	0.424
OTHER (FUEL COMBUSTION)	0.73	0.79	0.78	0.83	0.87	0.267
LANDFILLS	0.02	0.02	0.03	0.03	0.03	0.024
INCINERATORS	0.06	0.08	0.08	0.09	0.1	0.000
CHEMICAL	0.01	0.01	0.01	0.01	0.01	0.000
MINERAL PROCESSES	17.96	24.38	26.53	28.22	29.33	0.000
METAL PROCESSES	0.48	0.48	0.47	0.51	0.55	0.000
OTHER (INDUSTRIAL PROCESSES)	1.6	1.41	1.32	1.41	1.53	0.085
RESIDENTIAL FUEL COMBUSTION	1.11	0.92	0.91	0.9	0.89	0.198
MANAGED BURNING AND DISPOSAL	0.39	0.39	0.4	0.4	0.4	0.371
LIGHT DUTY PASSENGER (LDA)	3.64	2	1.64	1.28	1.04	0.367
LIGHT DUTY TRUCKS - 1 (LDT1)	1.06	0.47	0.37	0.27	0.19	0.069
LIGHT DUTY TRUCKS - 2 (LDT2)	2.4	1.15	0.88	0.65	0.5	0.135
MEDIUM DUTY TRUCKS (MDV)	2.72	1.6	1.28	0.86	0.61	0.166
LIGHT HEAVY DUTY GAS TRUCKS - 1 (LHDV1)	0.95	0.63	0.57	0.46	0.37	0.010
LIGHT HEAVY DUTY GAS TRUCKS - 2 (LHDV2)	0.1	0.07	0.06	0.05	0.04	0.010
MEDIUM HEAVY DUTY GAS TRUCKS (MHDV)	0.22	0.12	0.1	0.08	0.06	0.016
HEAVY HEAVY DUTY GAS TRUCKS (HHDV)	0.08	0.05	0.05	0.05	0.05	0.016
LIGHT HEAVY DUTY DIESEL TRUCKS - 1 (LHDV1)	3.82	2.6	2.29	1.75	1.33	0.377
LIGHT HEAVY DUTY DIESEL TRUCKS - 2 (LHDV2)	1.12	0.68	0.56	0.38	0.25	0.067
MEDIUM HEAVY DUTY DIESEL TRUCKS (MHDV)	1.9	1.14	0.83	0.44	0.5	0.259
HEAVY HEAVY DUTY DIESEL TRUCKS (HHDV)	19.6	9.71	8.87	4.41	4.6	0.844
MOTORCYCLES (MCY)	0.46	0.38	0.37	0.36	0.35	0.095
HEAVY DUTY DIESEL URBAN BUSES (UB)	1.1	0.61	0.48	0.35	0.25	0.035
HEAVY DUTY GAS URBAN BUSES (UB)	0.11	0.08	0.07	0.05	0.04	0.003
SCHOOL BUSES - GAS (SBG)	0.02	0.01	0.01	0	0	0.001
SCHOOL BUSES - DIESEL (SBD)	0.26	0.23	0.21	0.17	0.14	0.045
OTHER BUSES - GAS (OBG)	0.06	0.04	0.03	0.02	0.02	0.003
OTHER BUSES - MOTOR COACH - DIESEL (OBC)	0.05	0.03	0.03	0.01	0.01	0.006
ALL OTHER BUSES - DIESEL (OBD)	0.05	0.03	0.02	0.01	0.01	0.007
MOTOR HOMES (MH)	0.19	0.11	0.09	0.06	0.04	0.008
AIRCRAFT	1.36	1.37	1.37	1.41	1.46	0.892
TRAINS	28.42	22.03	19.41	16.36	12.54	0.372
RECREATIONAL BOATS	0.05	0.04	0.04	0.04	0.04	0.018
OFF-ROAD RECREATIONAL VEHICLES	0.04	0.05	0.05	0.06	0.06	0.004
OFF-ROAD EQUIPMENT	2.16	1.98	1.86	1.54	1.33	0.521
FARM EQUIPMENT	0.12	0.09	0.09	0.07	0.06	0.004
Overall totals:	101.09	83.4	80.29	72.24	68.56	11.56

Mobile sources comprise a significant percentage of the 2026 NOx emissions in the WMDONA. While CARB has unique authority to regulate certain mobile sources by obtaining a waiver from USEPA, a significant portion of mobile source categories such as aircraft, ships, locomotives, and inter-state trucks lie under primarily federal regulatory authority. It is important to note that USEPA is not obligated to evaluate contingency measures for sources under its authority. Furthermore, the dominance of mobile source NOx emissions significantly limits the ability for the AVAQMD to achieve the required amount of NOx reductions from contingency measures.

One Year's Worth of NOx and VOC Reductions

Table 4 lists the One Year's Worth (OYW) of NOx and VOC reductions in the WMDONA with respect to the base year 2012, the RFP base year of the AVAQMD 75 ppb ozone plan. Consistent with the Draft Guidance, OYW of NOx and VOC reductions are calculated to be 1.5 tpd and 0.38 tpd, respectively. The infeasibility justification to support the scarcity of available contingency measures achieving OYW of progress.

Table 4 – OYW of NOx and VOC summer planning emissions reductions for the WMDONA (tpd)

Emission Inventory	NOx (tpd)	VOC (tpd)
2012 Summer	98.9	46.8
2026 Summer	68.7	40.7
OYW of Progress	1.50	0.38

Contingency Measures – Infeasibility Justification

This section contains evaluation of primary VOC and NOx source categories in the WMD and associated control measures. In order to identify relevant source categories for this evaluation, AVAQMD staff examined the stationary source categories identified in the emissions inventory for the WMD.

Methodology

The AVAQMD followed the procedures outlined in the Draft Guidance for the preparation of a contingency measure and a reasoned justification for providing contingency measures achieving less than the required amount of reductions. These procedures, which involve the identification of existing and potential controls and evaluation of the feasibility of such controls, are outlined below:

Step 1. Thoroughly examine the emission sources in the WMDONA and identify applicable rules.

Step 2. Compare existing source control measures (i.e. rule requirements) with those in other jurisdictions and identify potential control measures.

Step 3. Review each of the measures identified in Step 2 to determine whether it is feasible to implement within up to two years as a contingency measure. If feasible, include the measure in the contingency measure submission.

Step 4. For the remaining infeasible measures from Step 3, document the reason why each measure is infeasible as a contingency measure, including whether the conclusion is based on technological, economic, or other infeasibility considerations

Section 3 - Identifying Potential Contingency Measures by Source Category

The District has assessed the non-mobile sources of VOC and NOx in the WMDONA emissions inventory (Tables 5 and 13 below). Contingency measures for source categories that would not generate 1% of OYW of RFP (0.015 tpd) due to a lack of available reductions were not analyzed as any measures for those sources would be unquestionably negligible and fail to meet the requirements of the Draft Guidance.

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Table 5 - 2026 NOx Non-Mobile Source Categories[5]

Western Mojave Desert – Antelope Valley Top NOx Emission Sources and SIP Approved Rules				
Source Category (EIC)	Subcategory	Sub-Subcategory	2026 NOX Emissions (tpd)	% of total NOX
MANUFACTURING AND INDUSTRIAL (COMBINED SOURCE CATEGORY)	BOILER AND PROCESS HEATERS, IC ENGINES and OTHER	NATURAL GAS	5.78	50%

*Combined source categories comprise all closely related sources within an emission inventory category

WMDONA Top NOx Emission Sources and SIP Approved Rules				
Source Category (EIC)	Subcategory (EICSOU)	Sub-Subcategory (EICMAT)	2026 NOX Emissions (tpd)	% of total NOX
MINERAL PROCESSES	OTHER	MINERAL AND METAL PRODUCTS (UNSPECIFIED)	21.2008	30.93%
MINERAL PROCESSES	CEMENT (PORTLAND AND OTHERS) MANUFACTURING	CEMENT	5.6815	8.29%

[5] EPA-R09-OAR-2020-0254

Combined Source Categories*	I.C. RECIPROCATING ENGINES	COMBINED	4.3983	6.42%
MANUFACTURING AND INDUSTRIAL	OTHER	NATURAL GAS	2.638	3.85%
MINERAL PROCESSES	CEMENT (PORTLAND AND OTHERS) MANUFACTURING	COAL	2.2252	3.25%
OTHER (INDUSTRIAL PROCESSES)	OTHER	HYDROCARBON COMPOUNDS (UNSPECIFIED)	1.4154	2.06%
Combined Source Categories*	I.C. TURBINE ENGINES	COMBINED	1.3447	1.96%
SERVICE AND COMMERCIAL	OTHER	NATURAL GAS	1.2263	1.79%
Combined Source Categories*	BOILER AND PROCESS HEATERS	COMBINED	0.7984	1.16%

Mineral Processes

Although Mineral Processes do not exist in the AVAQMD, this top emission category is present in MDAQMD, which is part of the WMDONA, and was evaluated per MDAQMD's Rules and Regulations.

Background:

The largest individual stationary sources of NOx in the WMDONA are three cement facilities, the Cemex Black Mountain Quarry Plant in Apple Valley, the Mitsubishi Cement Plant in Lucerne Valley, and the CalPortland Cement Plant in Oro Grande. These facilities are all located in the MDAQMD portion of WMD, and the emissions from each are controlled by Rule 1161. In Table 6, emissions from these facilities are spread across two subcategories, covering, respectively, cement manufacturing and other mineral processes. In 2018, the EPA conditionally approved the District's RACT SIP based on the District's commitment to revise and resubmit several rules, including Rule 1161, for inclusion in the SIP.[6] In response to the conditional approval, MDAQMD adopted a revised Rule 1161 that CARB submitted for incorporation into the California SIP on May 18, 2018. Relative to the previous SIP-approved version of Rule 1161, the revised rule reduced NOx limits to 2.8 pounds of NOx per ton of clinker[7] produced for preheater-precalciner kilns and 3.4 pounds of NOx per ton of clinker produced for Portland cement kilns operating with more than 15 percent heat input from any combination of low carbon fuels.[8] However, the District's staff report indicated that the rule would not result in actual emissions reductions, because the cement kilns in WMD already meet the reduced emission limits.[9] More recently, USEPA proposed to fully approve the revised version of 1161 for inclusion in to the SIP. These limits are also the basis for the limits used in EPA's Good Neighbor FIP for Cement Kilns.

Evaluation:
The MDAQMD compared rule 1161 to EKAPCD (Table 6), a severe ozone nonattainment area. The MDAQMD Rule sets equivalent emissions limits with an added requirement for RACT level controls such a low NOx burners or NOx reducing Fuels.

Conclusion:
In conclusion, MD Rule 1161 as stringent or more stringent as other comparable District rules, and available Contingency Measures identified such as lowering NOx limits would require extensive testing and implementation time. No additional measures were identified for Kilns.

[6] Approval of California Air Plan Revisions, MDAQMD, 83 FR 5921 (February 12, 2018)
[7] Clinker is a nodular material produced in the kilning stage during the production of cement. It is ground to a powder and used as the binder in many cement products.
[8] Based on a 30-day average. Separate limits apply to start-up and shut-down. Additionally, the rule offers an alternative emissions control that includes an aggregate minimum 90% reduction in NO_x emissions from all kilns.
[9] Final Staff Report, Amendments to Rule 1161 – *Portland Cement Kilns*, MDAQMD, Amended on January 22, 2018.

Table 6: Comparison of MDAQMD Rule 1161 - Portland Cement Kilns

Rule	Applicability	Requirements	
MD 1161 - Portland Cement Kilns	all existing Portland Cement Kilns Operated within the Federal Ozone Non-Attainment Area of the Mojave Desert Air Quality Management District.	Each Owner or Operator of a Kiln subject to this Rule shall Operate such Equipment with NOx RACT. RACT shall be specific to the type of Kiln being Operated, and can include - but is not limited to - any one, or a combination of, the following: (i) Combustion Controls (ii) Low NOx burners (iii) Staged combustion (iv) NOx-reducing fuels or substances (includes tire-derived fuels).	(i) For Preheater-Precalciner Kilns: 2.8 lb/ton of Clinker produced when averaged over any 30 consecutive day period; or, (ii) For a Portland Cement Kiln operating with over fifteen (15) percent of Heat Input from any combination of Low-Carbon Fuels: 3.4 lb/ton of Clinker produced when averaged over any 30 consecutive day period.
EKAPCD 425.3 - Portland Cement Kilns (Oxides of Nitrogen)	Provisions of this Rule shall apply to all Portland cement manufacturing facilities operating in the Eastern Kern Air Pollution Control District (District)	Effective March 8, 2018, No person shall operate a Portland cement manufacturing facility unless 30-operating day rolling average of NOx emissions from the kiln do not exceed: 1. 2.8 lb/ton of clinker produced; or 2. 3.4 lb/ton of clinker produced if low-NOx burner or low-NOx precalciner was installed and made operational by January 1, 2007.	

Manufacturing and Industrial Fuel Combustion (Various)

Clean Fuels

The advancement of cleaner burning fuels plays an important role in reducing emissions from motor vehicles and engines in these source categories. CARB has adopted standards to ensure that the fuels sold in California are the cleanest in the nation. These programs include the California Reformulated Gasoline program (CaRFG), which controls emissions from gasoline, and the Ultra-Low Sulfur Diesel requirements (2006), which provide the nation's cleanest diesel fuel specifications and help to ensure that diesel fuels burn as cleanly as possible and work synergistically with cleaner-operating heavy-duty trucks equipped with advanced emission control systems that debuted in 2007, and the Low Carbon Fuel Standard. These fuel standards, in combination with engine technology requirements, ensure that California's transportation system achieves the most effective emission reductions possible.

Taken together, California's emission standards, fuel specifications, and incentive programs for other mobile sources and fuels represent all measures that are technologically and economically feasible within California. There are no available contingency measures that would result in OYW of reductions.

The analysis of fuel combustion equipment was grouped into four categories: (1) boilers, stream generators, and process heaters; engines; combustion turbines; and (4) residential fuel combustion. Each source group is analyzed below.

Boilers and Process Heaters

Background: Boilers and Process Heaters

Manufacturing and industrial operations combust various types of fuel (primarily natural gas) in a variety of ways, including space heating or for use in boilers and burners for specific processes. These operations are combined into this category. Within the WMDONA, the AVAQMD regulates boilers and process heaters equal to or greater than 5 MMBTU, through AVAQMD Rule 1146 and boilers and process heaters greater than 2 mmbtu and less than 5 mmbtu AVAQMD Rule 1146.1. Upon amendment of Rule 1146, emissions of these larger boilers and process heaters would be reduced by 25%, from 40 to 30 ppb.[10] .

Evaluation:

A comparison with rules from similar attainment designations for Ozone also showed that Rule 1146 is comparable to other District rules (Table 7 below). When comparing to measures/rules which implement Best Available Control Technology (BACT) from extreme ozone nonattainment areas such as SCAQMD, AV Rule 1146 is less stringent in terms of applicability thresholds as SCAQMD has separate rules for Boilers and Process Heaters greater than 5 MMBtu/hr rated input capacity, greater than 2 MMBtu/hr but less than 5 MMBtu/hr rated heat input capacity, and less than 2 MMBtu/hr rated input capacity.

Conclusions:

Implementation timeline is an additional consideration regarding the feasibility lowering NOx limits for this source category. Achieving lower limits would potentially require single stage Selective Catalytic Reduction (SCR), two stage SCR systems, or next generation ultra-low NOx Burners (ULNB) combined with SCR. Staff considered several potential measures such as lower NOx limits using ULNB and SCR, but these were not suitable contingency measures considering that it would be technologically infeasible to design, install and operate advanced emission control technology within two years of the triggering event. A contingency measure that will not result in emission reductions until more than two years in the future would not satisfy the criteria of contingency measures as defined in the Draft Guidance. The District also evaluated the adopting of a boiler rule for new boilers with a heat input rating of 75,000 BTU to 2 MMBTU as a potential contingency measure, however emissions reductions for this category would take 5-10 years as older units are replaced and would still not achieve OYW of reductions.

[10] Letter dated May 18, 2018, from Richard Corey, CARB, to Alexis Strauss, EPA Region IX

Table 7: Comparison of AVAQMD Rule 1146 – *Boilers, Steam Generators, & Process Heaters*

Rule	AV 1146 - Boilers, Steam Generators, & Process Heaters	EKAPCD Rule 425.2 - Boilers, Steam Generators, and Process Heaters (Oxides of Nitrogen)	MD 1157 - Boilers and Process Heaters
Applicability	This rule applies to boilers, steam generators, and process heaters of equal to or greater than 5 million Btu per hour rated heat input capacity used in all industrial, institutional, and commercial operations with the exception of: (1) boilers used by electric utilities to generate electricity; and (2) boilers and process heaters with a rated heat input capacity greater than 40 million Btu per hour that are used in petroleum refineries; and (3) sulfur plant reaction boilers.	any boiler, steam generator or process heater operating in the Eastern Kern Air Pollution Control District (District) with rated heat input of 5 million Btu per hour or more and fired with gaseous and/or liquid fuels. An owner/operator of any unit subject to this Rule with annual heat input of 90,000 therms or more during one or more of the three preceding years of operation shall comply with following applicable NOx emission limit(s): 1. 30 parts per million by volume (ppmv) or 0.036 pound per million Btu of heat input when operated on gaseous fuel. 2. 40 parts per million by volume (ppmv) or 0.052 pound per million Btu of heat input when operated on liquid fuel. 3. The heat-input weighted averaged of the limits specified in Section V.A.1 and V.A.2 above when operated on combination of gaseous and liquid fuel.	This rule applies to boilers, steam generators, and process heaters of equal to or greater than 5 million Btu per hour rated heat input capacity used in all industrial, institutional, and commercial operations with the exception of: (1) boilers used by electric utilities to generate electricity; and (2) boilers and process heaters with a rated heat input capacity greater than 40 million Btu per hour that are used in petroleum refineries; and (3) sulfur plant reaction boilers.
Requirements	The owner or operator of any unit(s) shall not discharge into the atmosphere oxides of nitrogen, expressed as nitrogen dioxide (NO2), in excess of the concentrations shown in the following: Gaseous, Liquid, or Solid Fossil Fuels Equal to or greater than 5 million Btu per hour and Greater than 9 x 109 Btu p%r yr (90,000 Therms) fuel use - 40 ppm (0.05 lb per106 Btu of heat input)	An owner/operator of any unit subject to this Rule with annual heat input of 90,000 therms or more during one or more of the three preceding years of operation shall comply with following applicable NOx emission limit(s): 1. 30 parts per million by volume (ppmv) or 0.036 pound per million Btu of heat	RACT Standards: (a) High Annual Heat Input permit units, shall not emit: (i) CO in excess of 400 ppmv; and (ii) NOx in excess of 30 ppmv, and/or 0.036 lbs/MMBtu of heat input, when operated on Gaseous Fuel; and (iii) NOx in excess of 40 ppmv, and/or 0.052 lbs/MMBtu of heat input, when operated on Liquid Fuels; and (iv) NOx in excess of the heat-input weighted average of the limits specified in (C)(3)(a)(ii) and (C)(3)(a)(iii), above, when operated on combinations of Gaseous and/or Liquid Fuels. (b) Low Annual Heat Input permit units shall: (i)

	Equal to or greater than 40 million Btu per hour and Greater than 25% annual capacity factor - 30 ppm Equal to or greater than 40 million Btu per hour and Equal to or 25% annual capacity less than factor and greater than 9 x 109 Btu (90,000 Therms) per year fuel use - 40 ppm **Carbon monoxide (CO)** emissions from unit(s) subject to this subparagraph shall not exceed 400 ppm.	input when operated on gaseous fuel. 2. 40 parts per million by volume (ppmv) or 0.052 pound per million Btu of heat input when operated on liquid fuel. 3. The heat-input weighted averaged of the limits specified in Section V.A.1 and V.A.2 above when operated on combination of gaseous and liquid fuel.	be operated in a manner that maintains stack-gas oxygen (O2) concentrations at less than or equal to 3.0 percent by volume on a dry basis; or (ii) be operated with a stack-gas oxygen trim system set at 3.00±0.15 percent oxygen by volume on a dry basis; or (iii) be tuned at least annually in accordance with the procedure described in Section (I), a modification of the tuning procedure described in Section (I) as approved by the APCO, CARB and USEPA, or the permit unit manufacturer's specified tune-up procedure; or (iv) be operated in compliance with the applicable emission levels specified in subsection (C)(3)(a).

Stationary I.C. Reciprocating Engines

Background:
Stationary reciprocating internal combustion engines are non-mobile piston engines that run on gaseous or liquid fuels. Though their use varies widely, examples of such engines can be found on compressors or rock crushers, or more typically used for emergency power systems critical to human life (i.e. emergency standby engines). In the AVAQMD portion of the WMDONA, NOx emissions from these engines are regulated by AVAQMD Rule 1110.2 – *Emissions from Stationary, Non-Road and Portable Internal Combustion Engines*.

AVAQMD Rule 1110.2 was updated in 2018 following a RACT SIP analysis for the 2008 ozone standard. This rule amendment was approved into the SIP by USEPA on September 10, 2021, 86 FR 50645

Evaluation:
The limits in AV 1110.2 were compared to EKAPCD an MDAQMD requirements in Table 8 for this source category. In general, AVAQMD is comparable, as both have equivalent applicability and higher NOx limits, however AVAQMD Rule 1110.2 also provides VOC limitations not found in EKAPCD Rule 427. When comparing to measures/rules which implement Best Available Control Technology (BACT) found in an extreme ozone nonattainment area such as SCAQMD Rule 1110.2, AVAQMD Rule 1110.2 contains less stringent limits for both NOx and VOC.

Conclusion:

There are no Contingency Measures identified that could be implemented within the 60-day trigger timeline. Implementation of BACT level NOx and VOC limits on all stationary engines would take much longer than 60 days from the triggering event. Comparison with comparable District Rules EKAPCD and MDAQMD shows that AVAQMD Rule 1110.2 is comparable to other severe nonattainment areas. Although lower limits of NOx could potentially be achieved by installing SCR, installing SCR and achieving reductions within two years of triggering would be technically and practically infeasible. Contingency measures should be measures that would result in the projected emission reductions within a year after the triggering event, or up to within two years with proper justification. A contingency measure that will not result in emission reductions until further in the future would not satisfy the criteria of contingency measures as defined in the Draft Guidance.

Table 8: Comparison of AVAQMD Rule 1110.2 – *Internal Combustion Engines*

Rule	Applicability	NOx Limits	VOC Limits
AVAQMD - Rule 1110.2 - Emissions from Stationary, Non-Road and Portable Internal Combustion Engines	This rule is applicable to all Internal Combustion Engine(s) over 50 bhp	General Engine Emission Limits for the owner/operator of any Stationary Engine subject to this rule shall ensure the emissions from such engine do not exceed - 36 ppm	250 ppm
MDAQMD - Rule 1160 - Internal Combustion Engines	This rule applies to any stationary Internal Combustion Engine rated at 50 or more brake horsepower (bhp), when located within the Federal Ozone Nonattainment Area.	Spark-Ignited Internal Combustion Engine, Rich Burn: 50 ppmv	Spark-Ignited Internal Combustion Engine, Rich Burn: 106 ppmv;
		Spark-Ignited Internal Combustion Engine, Lean Burn: 125 ppmv	Spark-Ignited Internal Combustion Engine, Lean Burn: 106 ppmv;
		Compression-Ignited Internal Combustion Engine 80 ppmv	Compression-Ignited Internal Combustion Engine: 106 ppmv.
EKAPCD Rule 427 -- Stationary Piston Engines (Oxides of Nitrogen)	This Rule shall apply, as specified, to all rich-burn, lean-burn, and diesel engines of more than 50 rated brake horsepower.	Rich-Burn Engine: 1. Exhaust gas oxides of nitrogen concentration, averaged over not less than 15 consecutive minutes: a. Shall be reduced by 90 percent across any exhaust gas control device; or b. Shall not exceed 50 ppm by volume, on dry basis, corrected to 15 percent oxygen. .	No VOC limits list in EKAPCD Rule 427
		Lean-Burn Engine: 1. Exhaust gas oxides of nitrogen concentration, averaged over not less than 15 consecutive minutes: a. Shall be reduced by at least 80 percent across any exhaust gas control device; or b. Shall not exceed 125 ppm by volume, on dry basis, corrected to 15 percent oxygen; or 2. For lean burn engines controlled exclusively by combustion modifications, exhaust gas oxides of nitrogen emission rate shall not exceed 2.0 grams per brake horsepower hour of output, or	

		where engine has no means to measure shaft output, exhaust gas oxides of nitrogen concentration, averaged over not less than 15 consecutive minutes, shall not exceed 125 ppm by volume, on dry basis, corrected to 15 percent oxygen.	
		Diesel Engine: Exhaust gas oxides of nitrogen concentration, averaged over not less than 15 consecutive minutes: 1. Shall be reduced by at least 30 percent across any exhaust gas control device; or 2. Shall not exceed 600 ppm by volume, on dry basis, corrected to 15 percent oxygen.	

Stationary Gas Turbines

Background:
Emissions from combustion turbines are regulated by AVAQMD Rule 1134. Rule 1134 was last amended on 01/19/10. USEPA determined that Rule 1134 implements RACT for units in the current federal ozone nonattainment area (FONA) (01/18/2012, 77 FR 2469). This rule applies to any new or existing Stationary Gas Turbine of 0.3 megawatt (MW) and larger unless the equipment is exempt from this rule pursuant to Section (D) of this rule. The rule has varied emission limits for NOx and CO based on fuel type.

Evaluation:
Additional control of NOx from combustion turbines can be accomplished using combustion controls, such as water or steam injection dry low NOx (DLN) and ULNB, or post-combustion controls, including SCR.40 DLN combustors can achieve between 9 ppm and 25 ppm in gas turbines operating with natural gas and between 10 ppm and 27.5 ppm in gas turbines operating on refinery gas. SCR can achieve about 95 percent NOx reduction in both types of gas turbines. It is common for multiple control technologies to be applied (e.g., DLN + SCR + oxidation catalyst). Combination of DLN and SCR can achieve 2 ppm NOx with proper engineering and design.

Conclusion:
Lowering regulatory limits as a contingency measure would not be appropriate as affected sources would need to design and install advanced emission control technology such as SCR. This feasibility consideration is discussed in further detail in the evaluation section for boilers, steam generators, and process heaters. No contingency measures are proposed for combustion turbines, as implementing potential measures within 2 years is not feasible.

Residential Fuel Combustion – Water Heating

Background:
Water heating is source of residential fuel combustion. Cold water is typically brought into a special tank affixed typically with a natural gas burner. As the burner combusts, NOx emissions rise out of the tank through an internal vent and is eventually emitted outside of the home. The AVAQMD has placed Rule 1121 *Control of Nitrogen Oxides from Residential Type, Natural Gas Fired Water Heaters* on the Rule Development list for 2023.

Evaluation:
Upon amendment, AVAQMD Rule 1121 will include limits comparable to the stringency of South Coast AQMD Rule 1121 and MDAQMD Rule 1121, even though the AVAQMD is not classified as an extreme non-attainment zone. Due to the urgent need to achieve emission reductions to attain ozone NAAQS, it would be impractical to withhold the zero emission limits to satisfy contingency measure obligations - these emission reductions are needed for attainment purposes. According to USEPA's Draft Guidance and recent case laws, a control measure relied upon for attainment purposes cannot serve as a contingency measure. In addition, CARB has committed to adopt the Zero-Emission Standard for space and water heaters control measure with implementation beginning in 2030.[11]

Conclusion:
The only potential contingency measure that would be surplus to those efforts would be to require replacement of existing units before the end of their useful life or Require that, at replacement, natural gas and propane water or space heaters be replaced with units that run on electricity. Staff does not consider this to be feasible, especially due to the undue burden it would place on disadvantaged communities. Time to design, manufacture, and install these units must also be considered. Therefore, staff has not identified any feasible controls to propose as contingency measures for this source category.

Small NOx sources (<1% Total NOx Inventory)

Less significant sources of NOx are listed below. These are source that comprise less than 1% of the total NOx in the WMDONA but may have enough available emissions to achieve the 1% of OYW of RFP (0.015 tpd NOx) threshold for CM evaluation.

Table 9: WMDONA NOx Sources above 1% of OYW threshold

670-MANAGED BURNING AND DISPOSAL	0262-AGRICULTURAL WASTE	NOX	SUMMER	0.2375	0.35%
130-INCINERATORS	0110-NATURAL GAS	NOX	SUMMER	0.093	0.14%
870-FARM EQUIPMENT	1210-DIESEL (UNSPECIFIED)	NOX	SUMMER	0.0753	0.11%
120-LANDFILLS	0136-WASTE GAS	NOX	SUMMER	0.0246	0.04%

[11] https://ww2.arb.ca.gov/sites/default/files/2022-08/2022_State_SIP_Strategy.pdf

AVAQMD NOx Sources above 1% of OYW threshold					
060 - SERVICE AND COMMERCIAL	0110 – NATURAL GAS	NOX	SUMMER	0.4235	0.61%
120 - LANDFILLS	0136 - WASTE GAS	NOX	SUMMER	0.0246	0.04%

Managed Burning and Disposal – Agricultural Waste

Although Agricultural burning does not happen in the AVAQMD, this emission category is present in MDAQMD, nd has been evaluated, as it is part of the WMDONA, based on MDAQMD Rules and Regulations.

Background:
Agricultural burning involves open burning of vegetative materials produced from growing and harvesting of crops. This source category comprises 0.35% of the WMDONA NOx inventory. It includes the burning of grass and weeds in fence rows, ditch banks and berms in no-till orchard operations, the burning of fields being prepared for cultivation, the burning of agricultural wastes, and the operation or maintenance of a system for the delivery of water for agricultural operations. In the MDAQMD, this agricultural waste burning is regulated by MDAQMD Rule 444 - *Open Outdoor Fires* (9/25/2006). Rule 444 applies to persons that set and/or permit Open Outdoor Fires, including, but not limited to tumbleweed burning, agricultural burning, field crop burning, range improvement burning, forest management burning, and wildland vegetation management burning.

Evaluation:
Staff identified more stringent requirements in other District rules such as SJVAPCD's near complete prohibition of agricultural burning by 2025. Agricultural burning is extremely limited in the MDAQMD as evidenced by the very small emissions inventory. The limited extent of agricultural burning in the MDAQMD combined with the high cost and implementation time of alternatives such as electrical or combustion powered grinders/chippers indicates that this measure is infeasible and would have an inconsequential impact on air quality.

Conclusion:
There are no potential contingency measures for this source category that could take place within 60 days of a triggering event and result in significant emission reductions within a 2-year time frame. The district evaluated a seasonal open burning ban. However, this would not generate sufficient emissions reductions to meet the CM criteria and would generate the reductions outside the ozone season, as most tumbleweed burning is in the spring, winter and fall.

Table 10: Comparison of MDAQMD Rule 444 – Open Outdoor Fires

Rule	Applicability	Requirements
VCAPCD Rule 56 "Open Burning" (11/11/2003)	Combustible materials in open outdoor fires	No specific crop phase-outs or bans; Permit required for open burning; Burning only allowed on permissive burn days; Open burning allowed for the disposal of agricultural wastes in the pursuit of agricultural operations, range improvement burning, wildland vegetation management burning, levee, reservoir, or ditch maintenance and the disposal of Russian Thistle
MDAQMD Rule 444 - Open Outdoor Fires (9/25/2006)	Any persons that set and/or permit Open Outdoor Fires, including, but not limited to Tumbleweed burning, Agricultural Burning, field crop burning, Range Improvement Burning, Forest Management Burning, and Wildland Vegetation Management Burning.	No burning of garbage or other materials; Smoke management Plans for burn projects greater than 10 acres; Permit required for open burning; Burning only allowed on permissive burn days; Open burning allowed for the disposal of agricultural wastes in the pursuit of agricultural operations, range improvement burning, wildland vegetation management burning, levee, reservoir, or ditch maintenance and the disposal of Russian Thistle

SJVAPCD Rule 4103 – Open Burning	Open burning conducted in the San Joaquin Valley Air Basin, except for prescribed burning and hazard reduction burning (regulated under District Rule 4106)	No burning of garbage or other materials; Burning shall be allocated by the APCO dependent on dispersion conditions and shall avoid negative impacts to receptors; No permit shall be issued for the burning of the field crops, prunings, weed abatement, orchard removals, vineyard removals, surface harvested prunings and other materials, except for crops covered by section 5.5.2; Additional requirements for burning times, drying times, contraband burning; Permit required for burning of Russian Thistle; Conditional burning permit required for diseased materials with specific requirements; Burn plans required for fire suppression training; burning of contraband Burn plans required for fire suppression training, burning of contraband; BMP selection required for weed maintenance.

Incinerators

Background:
Incinerators in the WMDONA are primarily used at crematoriums and are fueled by natural gas. This source category will make up 0.093 tpd of the 2026 modeled emissions inventory. While the AVAQMD does not have a source specific rule for incinerators, the AVAQMD does restrict emissions by permit. These permits regulate crematoriums through limitations such as total quantity of material introduced, fuel type, and amount of time in operation annually.

Evaluation:
The District requires TBACT on most, the units have combustion controls to ensure remains are completely combusted, however the controls are not NOx controls. Similar in concept to BACT, T-BACT requirements ensure that new or modified sources that emit toxic air contaminants are well controlled. The AVAQMD evaluated other District rules such as Placer County Air Pollution Control District (PCAPCD) Rule 241 - *Crematories*. However, PCAPCD Rule 241 does not contain NOx emissions limits and limits in the rule focus on opacity of stack emissions. SCAQMD does not have a crematorium or incinerator-specific rule.

Conclusion:

Staff evaluated contingency measures such as installing low NOx or Ultra Low NOx units, however such measures would be infeasible due to the lack available retrofit controls for these types of incinerators. Additionally, the category is already borderline for qualifying as 1% of OYW and additional controls would not meet OYW of RFP.

Agricultural Equipment

Agricultural Equipment emissions are negligible in the AVAQMD and are subject to AVAQMD Rule 1110.2. MDAQMD, which is part of the WMDONA, has evaluated Agricultural Equipment which is regulated by MDAQMD 1160.1.

Background:
Farm equipment makes up 0.11% of the forecasted MDAQMD NOx emissions inventory and is primarily regulated by MDAMD Rule 1160.1. MDAQMD Rule 1160.1 applies to any Internal Combustion Engine used in an Agricultural Operation with a Rated Brake Horsepower of fifty (50) or more. Rule 1160.1 was adopted in 2012 in order to satisfy the requirements of SB 700 and H&S Code §39614(d) and is primarily based off of San Joaquin Valley APCD Rule 470 – *Internal Combustion Engines – phase 2*, as amended on January 18, 2007.

Evaluation:
Rule 1160.1 does not increase stringency beyond existing state law (ATCM) for compression-ignited agricultural engines (which was adopted in 2004 by the state). The majority of this rule was derived from San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) Rule 4702, which has been determined to implement Best Available Control Measures/Best Available Control Technology (BACM/BACT) (TSD, August 2007, SIP approved 73 FR 1819, 01/10/2008). In general, SJVAPCD Rule 4702 contains more stringent requirements with a minimum of 90% NOx reduction compared to MDAQMD 1160.2, which only sets an 80% reduction requirement. CO and VOC limits in these rules are identical despite SVJAPCD's higher ozone nonattainment designation.

Conclusion:
The District evaluated contingency measures such as lowering NOx limits in MDAQMD Rule 1160.1, however such measures would require significantly longer than 60 days after a CM trigger to be implemented and fails to meet the OYW of RFP required due to the minimal amount of emissions from this source category.

Table 11: Rule Comparison - *Internal Combustion Engines in Agricultural Operations*

Rule	Engine type	NOx Limits	CO	VOC
MDAQMD Rule 1160.1 - *Internal Combustion Engines in Agricultural Operations* (01/23/12)	Rich Burn	90 ppmv or 80% reduction	2000 ppmv	250 ppmv
	Lean Burn	150 ppmv or 70% reduction	2000 ppmv	750 ppmv
SJVAPCD Rule 4702 - *INTERNAL COMBUSTION ENGINES* (8/19/2021)	Rich Burn			
	Waste gas fueled (≥ 50% total heat monthly input from waste gas based on hhv) 90% reduction 2000 ppmv 250 ppmv	90% reduction	2000 ppmv	250 ppmv
	Cyclic loaded, field gas fueled	50 ppmv	2000 ppmv	250 ppmv
	All other engines	25 ppmv or 96% reduction		
	Lean Burn			
	Two stroke, gaseous fueled, less than 100 horsepower	75 ppmv or 85% reduction	2000 ppmv	750 ppmv
	All other engines	65 ppmv or 90% reduction	2000 ppmv	750 ppmv

Landfills - Flares

Background:

Landfill gas (LFG) is a natural byproduct of the decomposition of organic material in landfills. LFG is extracted from landfills using a series of wells and a blower/flare (or vacuum) system. This system directs the collected gas to a central point where it can be processed and treated depending upon the ultimate use for the gas. From this point, the gas can be flared or beneficially used in an LFG energy project. In the AVAQMD, Landfill Flaring makes up 0.21% of the 2026 forecasted NOx inventory. Municipal Solid Waste (MSW) landfills are subject to AVAQMD Rule 1150.1 – *Control of Gaseous Emissions from Active Landfills* as well as California's Landfill Methane Regulation (LMR). AVAQMD Rule 1150.1 implements the provisions of 40

Code of Federal Regulations (CFR) Part 60, Subpart Cf - *Emission Guidelines and Compliance Times for MSW Landfills*.

Evaluation:
Both AVAQMD Rule 1150.1 and California's Landfill Methane Regulation (LMR) require municipal solid waste landfills to reduce methane and other air pollutant emissions through emissions monitoring and through capturing fugitive methane. The State LMR has more stringent provisions than the federal requirements[12], as well as specific requirements for both enclosed and open landfill flares.

Conclusions:
The District did not identify any contingency measures for landfill flaring which could be implemented within the 60-day timeframe. Furthermore, additional measures would fall well short of the OYW of RFP required.

VOC

In general, as air masses travel downwind from major emissions source areas, entrainment of fresh emissions, atmospheric reactions, depositional processes, and dilution increase the ROG:NOX ratio. As a result, ozone formation in downwind suburban and rural areas is typically regarded as "NOX-limited," which means that ozone formation is limited by available NOx emissions such that reductions in NOx emissions will reduce ozone concentrations. Consistent with this dynamic, because the West Mojave Desert is located downwind of the San Joaquin Valley and SCAB extreme ozone nonattainment areas, the area is expected to be NOx-limited.[13]

Despite this fact, the District has also analyzed the major VOC sources with the potential to achieve 1% of OYW of RFP.:

Table 12 – 2026 Top (>1%) VOC Non-Mobile Source Categories

AVAQMD portion of West Mojave Desert 2026 VOC Emissions Sources		
Source Category (EIC)	2026 VOC Emissions	Percent of Total VOC
220-DEGREASING	4.3101	31.68%
330-PETROLEUM MARKETING	2.4246	17.82%
510-CONSUMER PRODUCTS	2.2175	16.30%
230-COATINGS AND RELATED PROCESS SOLVENTS	1.4685	10.80%
520-ARCHITECTURAL COATINGS AND RELATED PROCESS SOLVENTS	1.2433	9.14%

[12] EPA-R09-OAR-2019-0393-0003
[13] EPA-R09-OAR-2020-0254

West Mojave Desert 2026 VOC Emission Sources				
Source Category (EIC)	Subcategory (EICSOU)	Sub-Subcategory (EICMAT)	2026 VOC Emissions	Percentage of total VOC
220-DEGREASING	204-COLD CLEANING (BATCH - CONVEYOR - SPRAY GUN)	8106-DEGREASING SOLVENTS - BLENDS (UNSPECIFIED)	4.5615	11.27%
510-CONSUMER PRODUCTS	506-CONSUMER PRODUCTS	Combined	4.5409	11.22%
330-PETROLEUM MARKETING	390-TANK CARS AND TRUCKS - WORKING LOSSES	1100-GASOLINE (UNSPECIFIED)	3.6158	8.93%
520-ARCHITECTURAL COATINGS AND RELATED PROCESS SOLVENTS	522-THINNING AND CLEANUP SOLVENTS	8350-CLEANUP SOLVENTS - COATINGS (UNSPECIFIED)	2.6984	6.67%
620-FARMING OPERATIONS	618-LIVESTOCK HUSBANDRY	0262-AGRICULTURAL WASTE	2.0636	5.10%
220-DEGREASING	208-HANDWIPING	8106-DEGREASING SOLVENTS - BLENDS (UNSPECIFIED)	1.6041	3.96%
230-COATINGS AND RELATED PROCESS SOLVENTS	995-OTHER	9200-WATER BASED COATINGS (UNSPECIFIED)	1.2118	2.99%
330-PETROLEUM MARKETING	318-NATURAL GAS TRANSMISSION LOSSES	0110-NATURAL GAS	0.8021	1.98%
099-OTHER (FUEL COMBUSTION)	040-I.C. RECIPROCATING ENGINES	1200-DIESEL/DISTILLATE OIL (UNSPECIFIED)	0.6744	1.67%
670-MANAGED BURNING AND DISPOSAL	662-AGRICULTURAL BURNING - FIELD CROPS	0262-AGRICULTURAL WASTE	0.5777	1.43%
230-COATINGS AND RELATED PROCESS SOLVENTS	218-AUTO REFINISHING	9100-OIL BASED (ORGANIC SOLVENT BASED) COATINGS (UNSPECIFIED)	0.5157	1.27%
690-COOKING	680-COMMERCIAL CHARBROILING	6000-FOOD AND AGRICULTURAL PRODUCTS (UNSPECIFIED)	0.481	1.19%
230-COATINGS AND RELATED PROCESS SOLVENTS	232-WOOD FURNITURE AND FABRICATED PRODUCTS COATINGS	9000-COATINGS (UNSPECIFIED)	0.4231	1.05%
230-COATINGS AND RELATED PROCESS SOLVENTS	238-AIRCRAFT AND AEROSPACE COATINGS	9100-OIL BASED (ORGANIC SOLVENT BASED) COATINGS (UNSPECIFIED)	0.4082	1.01%
410-CHEMICAL	403-FIBERGLASS AND FIBERGLASS PRODUCTS MANUFACTURING	5018-FIBERGLASS	0.392	0.97%

Consumer Products

Background:
Consumer products are defined as chemically formulated products used by household and institutional consumers. The category will comprise almost 11% of the total emissions inventory for VOC in 2026. For thirty years, CARB has taken actions pertaining to the regulation of consumer products. Three regulations have set VOC limits for over 100 consumer product categories. These regulations have been amended frequently, and progressively stringent VOC limits and reactivity limits have been established. The program's most recent rulemaking occurred in 2020.

Conclusions:
To provide reductions qualifying for contingency purposes, the CARB would need to adopt regulatory amendments which yield emission reductions that could be implemented within a short period of time from a triggering event. For a given product category for which CARB proposes more stringent VOC standards, CARB cannot call for earlier implementation of those standards for contingency purposes. This is because CARB already requires implementation under short timelines to maximize air quality benefits in support of expeditious attainment of ambient air quality standards. Neither can CARB set lower limits for products that would be produced and warehoused, but not sold unless a triggering event occurred. Warehousing of "contingency" products would be cost prohibitive for manufacturers and would not provide the Consumer Products Program with the maximum feasible air quality benefits, as required by the Legislature. Some consumer products also have limited shelf life and given the uncertainty of when a triggering event may occur, such an approach is not feasible. In summary, a consumer product contingency measure seeking additional emission reductions either by setting more restrictive standards, or by accelerating effective dates of standards, is infeasible. An in-depth analysis on the potential CARB contingency measures surrounding consumer products in Appendix B.

Petroleum Marketing Tank Cars and Trucks - Working Losses

Background:
For decades, air districts with significant oil production have adopted and implemented rules designed to reduce criteria pollutant precursor emissions from the oil and gas sector to meet national ambient air quality standards (NAAQS) and Clean Air Act requirements. The air district rules control emissions of reactive organic gases (ROG) from tanks, separators, and compressors, and specify requirements for leak detection and repair (LDAR). The air district rules do not cover methane specific sources. Fuel dispensing, storage and distribution has been regulated by capturing VOC vapors displaced by the filling of vehicle gasoline tanks at refueling stations (Stage II Vapor Recovery). The advancement of zero-emission vehicle adoption has also contributed to reduced VOC emissions in the source category. The category will comprise approximately 9% of the total emissions inventory for VOC in 2026.

Evaluation:
AVAQMD Rules 461 - *Gasoline Transfer and Dispensing,* 462 - *Organic Liquid Loading,* and 463 - *Storage of Organic Liquids* regulate this source category in the WMAB. Concurrently, CARB implements statewide Enhanced Vapor Recovery program regulations to implement advanced state-of-the-art vapor control technology on an ongoing basis.

Recent analysis indicates that CARB certified vapor recovery systems designed for use at GDFs are well over 90% effective[14] in reducing VOC emissions that would otherwise be emitted to the atmosphere. Given the maturity and robustness of the program and the stringency of existing control measures that have been implemented statewide, there are no available additional control measures that would be feasible to implement within the timeframes required for contingency measures. Even if more stringent control measures could be adopted, they would not be able to be implemented in the contingency timeframe required as manufacturers and retailers would need more than two years of lead-time, as has been provided in the past, to comply with new standards.

Conclusions:
The emission control program for the source category is widely considered the most stringent in the nation, leaving no technological or economically feasible opportunity for further emission reductions. Consequently, there are no Contingency Measures available that would enable further emissions reductions in this source category per USEPA requirements.

Degreasing

Background:
Degreasing operations remove grease and oil from surfaces using various organic solvents. Degreasing operations (combined) will comprise approximately 32% of the total VOC emissions inventory in 2026. In the AVAQMD portion of the WMDONA, VOC emissions form degreasing operations are regulated through SIP approved Rule 1122 – *Solvent Degreasers* and Rule 1171 - *Solvent Cleaning Operations,*[15] which implements RACT level controls for any Facility engaged in Wipe Cleaning, Cold Solvent Cleaning and/or Vapor Cleaning (Degreasing) operations for metal/non-metal parts/products, which utilize volatile Organic Solvents.

Evaluation:
Facilities subject to these rules may not use a Solvent with a VOC content that exceeds 50 grams VOC per liter as applied, for cleaning or surface preparation in any operation, or alternatively, operators may use cleaning materials with a VOC composite vapor pressure limit of 8 millimeters of mercury (mmHg) or less at 20 degrees Celsius. Additionally, the rule establishes that Control Equipment shall reduce emissions from an emission collection system by at least 95 percent (95%), by weight, or by reducing the output of the air pollution Control Equipment to less than 50 ppm calculated for carbon with no dilution;

Further Contingency Measures were not identified as this category is regulated by several SIP-approved rules and there is a lack of further available reductions through additional controls. Furthermore, existing limits are in line with neighboring Districts. A contingency measure should be a measure that would result in the projected emission reductions within a year after the triggering event, or up to within two years with proper justification, no additional qualifying measures were identified.

[14] https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2023/vapor_recovery_2023/isor.pdf
[15] 84 FR 31684, 7/2/2019

Farming Operations – Livestock Husbandry

Although Farming Operations - Livestock Husbandry are not present in the AVAQMD, this emission category is present in MDAQMD, which is part of the WMDONA, and was evaluated per MDAQMD Rules and Regulations.

Background:
Farming operations and livestock husbandry comprise approximately 5% of the emissions inventory for VOC in 2026. MDAQMD Rule 1119 includes control measures for the livestock categories identified in 17 CCR §86500(a), specifically: Beef Feedlots; Dairies; Other Cattle; Swine; Turkey; Chicken; and Duck Large Confined Animal Facilities (LCAF). The LCAF permit application includes an emissions mitigation plan which will list a specified number of VOC mitigation measures chosen from the measures listed in the rule for each emission area on their facility. This "cafeteria plan" provides flexibility to facilities considering that CAF facilities vary from one another and not all controls are feasible for all facilities.

Evaluation:
Rule 1119 is applicable to any LCAF pursuant to the requirements of California Health and Safety Code §40724.6. Rule 1119 is primarily based on two SIP approved district rules: Imperial County Air Pollution Control District Rule 217 – Large Confined Animal Facilities (LCAF) Permits Required and San Joaquin Valley Unified Air Pollution Control District Rule 4570 – Confined Animal Facilities.[16] Furthermore, USEPA has indicated in the respective TSDs, that these two rules implement RACT-level controls.

Conclusions:
The District has considered the benefits of adopting a similar rule for smaller CAF's which do not meet the LCAF threshold. However, requiring these controls of smaller sources would result in insufficient emissions reductions to meet the Contingency Measure criteria and could not be implemented within 60 days

Architectural Coatings

Background:
Architectural coatings are any coatings used to enhance the appearance of and to protect stationary structures and their appurtenances, including homes, office buildings, factories, pavements, curbs, roadways, racetracks, bridges, and other structures on a variety of substrates. Architectural coatings are typically applied using brushes, rollers, or spray guns by homeowners, painting contractors, and maintenance personnel.

[16] Imperial County Air Pollution Control District Rule 217 – Large Confined Animal Facilities (LCAF) Permits Required
(2/09/2016, 82 FR 26594, June 8, 2017), and San Joaquin Valley Unified Air Pollution Control District Rule 4570 – Confined Animal Facilities (October 21, 2010, 77 FR 2228, January 17, 2012)

AVAQMD Rule 1113 was most recently amended in 2013 and implements the emissions limitations and other requirements of the rule to those set forth in the SCM for Architectural Coatings as adopted by CARB on October 26, 2007. The amendment lowered the VOC content limits for a number of coatings categories resulting in an estimated 15.2 tons per day reduction in VOC emissions state-wide which represents a 28 percent overall emissions reduction.

Evaluation:
The district evaluated possible contingency measures by comparing AVAQMD Rule 1113 with other Districts' rules. Besides a specific few types of coatings in SCAQMD, an extreme nonattainment area, AVAQMD Rule 1113 is as stringent as comparable districts rules in terms of VOC Content of Coatings.

Conclusions:
There are no Contingency Measures identified that would enable further emissions reductions in this source category per USEPA draft guidance requirements. Furthermore, implementation time would exceed the 60-day threshold for Contingency Measures

Table 13: Architectural Coatings Rule Comparison

Rule	AVAQMD – Rule 1113 Architectural Coatings (Amended 06/18/2013)	South Coast AQMD Rule 1113- Architectural Coatings (Amended 02/05/2016)	MDAQMD Rule 1113- Architectural Coatings (Amended 10/26/20)	VCAPCD Rule 74.2- Architectural Coatings (Amended 11/10/2020)
Applicability	Except as provided in subsection (A)(3), this rule is applicable to any person who supplies, sells, offers for sale, manufactures, blends, or repackages any Architectural Coating for use within the Antelope Valley Air Quality Management District (District) as well as any person who applies or Solicits the application of any Architectural Coating within the District. This rule does not apply to: **(a)** Any Architectural Coating that is supplied, sold, offered for sale, or manufactured for use outside of the District or for shipment to other manufacturers for reformulation or repackaging. **(b)** Any Aerosol Coating Product. **(c)** With the exception of Section (E), any Architectural Coating that is sold in a container with a volume of one (1) liter (1.057 quart) or less.	Any person who supplies, applies, stores, sells, markets, offers for sale, or manufactures any architectural coating that is intended to be field applied within the District to stationary structures or their appurtenances, and to fields and lawns	Any person who supplies, applies, sells, offers for sale, manufactures, blends or repackages any Architectural Coating for use within the District	Any person who markets, supplies, applies, sells, offers for sale, or manufactures, blends, or repackages any architectural coating for use within the District
Primary Coatings (g/L)				
Flat Coatings	50	50	50	50
Nonflat Coatings	100	50	50	50
Specialty Coatings (g/L)				
Aluminum Roof Coatings	400	100	100	100

Basement Specialty Coatings	400	separate applicable rule	400	400
Bituminous Roof Coatings	50	50	50	50
Bituminous Roof Primers	350	350	350	350
Bond Breakers	350	350	350	350
Building Envelope Coatings		50	50	50
Concrete Curing Compounds	350	100	100	350
Concrete/Masonry Sealers	100	separate applicable rule	100	100
Driveway Sealers	50	50	50	50
Dry Fog Coatings	150	50	50	50
Faux Finishing Coatings:	350	separate applicable rule	350	350
Fire Resistive Coatings	350	150	150	150
Floor Coatings	100	50	50	50
Form-Release Compounds	250	100	100	100
Graphic Arts Coatings (Sign Paints)	500	200	500	500
High Temperature Coatings	420	separate applicable rule	420	420
Industrial Maintenance (IM) Coatings:	250	100	250	250
Low Solids Coatings	120	120	120	120
Magnesite Cement Coatings	450	450	450	450
Mastic Texture Coatings	100	100	100	100
Metallic Pigmented Coatings	500	150	500	500
Multi-Color Coatings	250	250	250	250

Pre-Treatment Wash Primers	420	420	420	420
Primers, Sealers, and Undercoaters	100	100	100	100
Reactive Penetrating Sealers	350	350	350	350
Recycled Coatings	250	150	250	250
Roof Coatings	50	50	50	50
Rust Preventative Coatings	250	100	250	250
Shellacs:				
Clear	730	730	730	730
Opaque	550	550	550	550
Specialty Primers, Sealers, and Undercoaters	350	100	100	100
Stains:				
Exterior/Dual		100	100	100
Interior	250	250	100	250
Stone Consolidants	450	450	450	450
Swimming Pool Coatings	340	340	340	340
Tile and Stone Sealer		100	100	100
Traffic Marking Coatings	100	100	100	100
Tub and Tile Refinish Coatings	420	420	420	420
Waterproofing Membranes	250	separate applicable rule	100	100
Wood Coatings	275	275	275	275
Wood Preservatives	350	350	350	350
Zinc-Rich Primers	340	separate applicable rule	340	340
VOC Content of Colorants (g/L)				
Architectural Coatings,excluding IM Coatings		50	50	50
Solvent-Based IM		600	600	600
Waterborne IM		50	50	50

Wood Products Coatings

Although Wood Products Coatings operations are not present in the AVAQMD, this emission category is present in MDAQMD, which is part of the WMDONA, and was evaluated per MDAQMD Rules and Regulations.

Background:
MDAQMD Rule 1114 implements the RACT requirements found in Control of Volatile Organic Compound Emissions from Wood Furniture Manufacturing Operations (USEPA-453/R-96-007, April 1996) and Control Techniques Guidelines: Industrial Cleaning Solvents (EPA 453/R-06-001, September 2006). The source category covered by Rule 1114 is also subject to two additional CTGs titled *Control of Volatile Organic Emissions from Existing Stationary Sources – Volume VII: Factory Surface Coating of Flat Wood Paneling* (EPA 450/2-78-032, June 1978) and *Control Techniques Guidelines for Flat Wood Paneling Coatings* (EPA 453/R-06-004, September 2006) for which the District has filed Federal Negative Declarations (October 28, 2019).

The District has several facilities that primarily coat wood products and some additional facilities that may coat wood products as part of their operations. There are no current facilities that meet the specific applicability threshold of the CTG titled Control of *Volatile Organic Compound Emissions from Wood Furniture Manufacturing Operations* (sources located in nonattainment areas that emit, or have the potential to emit, 25 tons/year or more of VOCs).

Evaluation:
The most recent amendment of Rule 1114 in 2020 incorporated suggestions from the November 2018 Technical Support Document for EPA's Rulemaking for the California State Implementation Plan for Rule 1114 (EPA-R09-OAR-2018-0512, 12/27/2018), amending the emissions limit for High-Solids Stains coating category, requiring a Work Practice Implementation Plan, and reducing the general exemption limits from 55 gallons per year to 20 to be consistent with the CTG. This rule is also equivalent to comparable District rules and in some cases rules from Districts with an extreme Ozone nonattainment designation.

Conclusion:
No further control measures were identified for use as contingency measures as this rule already has similar requirements to rule from Extreme nonattainment areas, and there is an overall lack of available reductions to satisfy draft guidance requirements. Furthermore, implementation time following a CM trigger would not fall within the 60-day limit.

Table 14: Comparison of MDAQMD Rule 1114 - Wood Products Coatings

Rule	Applicability	Control Measure
South Coast AQMD Rule 1136 - Wood Products Coatings (Last Amended 06/14/96)	Applies to the application of coatings or strippers to, and surface preparation of, any wood products, including furniture, cabinets, shutters, frames, and toys	VOC content limit ranges from 120- 750 g/L VOC (e.g., Low-Solid Stains limit 120 g/L) • Averaging provisions and add-on control are allowed • At least 65% transfer efficiency is required, otherwise the use of additional control equipment must be used. (e.g., HVLP equipment)
Bay Area Air Quality Management District (BAAQMD) Rule 32 – Wood Products Coatings (Last Amended 08/05/09)	Applies to the coating of wood products, including surface preparation, application of coatings and cleanup	VOC content limit ranges from 120- 550 g/L VOC – (No mold seal application limit) (e.g., Low-Solid Stains limit 120 g/L) • Emissions to the atmosphere must be controlled with an abatement device efficiency of at least 85% instead of complying with VOC content limits
Mojave Desert Air Quality Management District (MDAQMD) Rule 1114 - Wood Products Coating Operations (Last Amended 08/24/20)	Applies to wood products coating application operations	VOC content limit ranges from 120- 750 g/L VOC (e.g., Low-Solid Stains limit 120 g/L) • Gives alternative in lieu of complying with the VOC content limits with a capture and control system of combined efficiency

		of at least 90%
SJVAPCD Rule 4606 - Wood Products and Flat Wood Paneling Products Coating Operations (Last Amended 10/16/08)	Applies to the application of coatings to wood products, including furniture, cabinets, flat wood paneling, and custom replica furniture	VOC content limit ranges from 120- 750 g/l VOC (e.g. Low -Solid Stains limit 120 g/L) • Gives alternative in lieu of complying with the VOC content limits with control system of efficiency of at least 85% by weight for wood product coating

Coating Type	SCAQMD 1136, VOC Limit, g/L	MDAQMD Rule 1114 VOC Limit, g/L	SJVAPCD Rule 4606 VOC Limit, g/L	BAAQMD Rule 32 VOC Limit, g/L
Clear Sealers	275	275	275	275
Clear Topcoat	275	275	275	275
Fillers	275	275 (new) 500 (refurbished)	275	275
High-Solids Stains	350	240 (new) 700 (refurbished)	240	350
Inks	500	500	500	500
Low-Solid Stains	120	120	120	120
Mold-Seal Coating	750	750	750	
Multi-colored Coatings	275	275 (new) 700 (refurbished)	275	275
Pigmented Primers, Sealers, & Undercoats	275	275	275	275
Pigmented Topcoats	275	275	275	275

Aircraft and Aerospace Coatings

Background:
VOC emissions from Aircraft and Aerospace Coatings are regulated by AVAQMD Rule 1124 - *Aerospace Assembly and Component Manufacturing Operations.* Rule 1124 was most recently amended in 2013 and is subject to the CTG entitled *Control of Volatile Organic Compound Emissions from Coating Operations at Aerospace Manufacturing and Rework Operations*. In addition, USEPA also has promulgated the Maximum Achievable Control Technology (MACT) Standard for Aerospace Manufacturing and Rework Facilities (40 CFR 63 Subpart GG, commencing with §63.741).

The District has several facilities subject to the provisions of Rule 1124 – Aerospace Assembly and Component Manufacturing Operations. This rule amendment was approved into the SIP (80 FR 60040, October 5, 2015) and determined to fulfill federal RACT at that time.

Evaluation:
A comparison of comparable District Aerospace Coatings rules shows the AVAQMD Rule 1124 has equivalent, and in some cases more stringent limits than Extreme Non-attainment areas such as SCAQMD.

Conclusions:
Reformulating aerospace coatings to achieve lower VOC limits is not feasible as a contingency measure since this process requires significant lead time. No further technological or economically feasible CM's were identified for this source category.

Table 15: Comparison of AVAQMD Rule 1124 – *Aerospace Assembly and Component Manufacturing Operations*

Rule Element	Antelope Valley AQMD Rule 1124 – Aerospace Assembly and Component Manufacturing Operations (Amended 08/20/2013)	MDAQMD Rule 1118 - Aerospace Assembly, Rework and Component Manufacturing Operations (Amended 6/8/2020)	South Coast AQMD Rule 1124 – Aerospace Assembly Line Coating Operations (Amended 9/21/01)	SJVAPCD Rule 4605 – Aerospace Assembly and Component Coatings (Amended 6/16/11)	BAAQMD Rule 8-29 – Aerospace Assembly and Component Coating Operations (Amended 12/20/95)	SMAQMD Rule 456 – Aerospace Assembly and Component Coating Operations (Amended 10/23/08)
Applicability	This rule applies to any operation associated with manufacturing and assembling products for Aircraft and Space Vehicles. The affected industries include commercial and military Aircraft, satellite, space shuttle and rocket manufacturers and their subcontractors. This rule also applies to maskant applicators, Aircraft refinishers, Aircraft Fastener Manufacturers, Aircraft operators, and Aircraft maintenance and service facilities	any operation associated with manufacturing and assembling products for Aircraft and Space Vehicles. Industries include commercial, civil and military Aircraft, satellite, space shuttle and rocket manufacturers and their subcontractors. Also applies to maskant applicators, Aircraft refinishers, Aircraft Fastener Manufacturers, Aircraft operators and Aircraft maintenance and service facilities	Assembly and component manufacturing operations	Manufacturing, assembly, coating, and cleaning of aerospace components	Surface preparation and coating of aerospace components and cleanup of aerospace coating equipment	Coatings of aerospace components including coating removal, surface preparation and cleaning
VOC Limits	A person shall not apply to Aerospace Components any Aerospace Materials, including any VOC-containing materials added to the original Aerospace Materials supplied by the manufacturer, which contain VOC in excess of the limits specified below:	VOC limits by individual coating category, use of addon controls allowed if lieu of VOC limits	VOC limits by individual coating category; use of add-on controls allowed if lieu of VOC limits	VOC limits by individual coating category; use of addon controls allowed if lieu of VOC limits; 20 gallons per year of non-compliant coatings allowed	VOC limits by individual coating category; use of addon controls allowed if lieu of VOC limits; 100 gallons per year of non-compliant coatings allowed	VOC limits by individual coating category; use of addon controls allowed if lieu of VOC limits
General Primer	350	350	350	350	350	350
Low-Solids Corrosion Resistant Primer	350	350	350	350	-	-
Pretreatment Primer		780	780	780	-	780
Rain Erosion Resistant Coating	800	850	850	N/A	-	-
Adhesion Promoter	850	850	250	850	-	780
Adhesive Bonding Primer - New Aircraft		250	250	250	850	-
Adhesive Bonding Primer – Military Aircraft	805	805	805	805	-	-
Adhesive Bonding Primer		250	250	250	780	-
Topcoat		420	420	420	420/340	-
Clear Topcoat	520	420	520	520	-	-
Unicoat	420	420	420	420	-	-
Wing Coating	750	750	750	750	-	-
Impact Resistant Coating	420	420	420	420	-	-
High Temperature	850	720	850	850	720	420
Antichafe	420	420	600	600	-	-

Rule Element	Antelope Valley AQMD Rule 1124 – Aerospace Assembly and Component Manufacturing Operations (Amended 08/20/2013)	MDAQMD Rule 1118 - Aerospace Assembly, Rework and Component Manufacturing Operations (Amended 6/8/2020)	South Coast AQMD Rule 1124 – Aerospace Assembly Line Coating Operations (Amended 9/21/01)	SJVAPCD Rule 4605 Aerospace Assembly and Component Coatings (Amended 6/16/11)	BAAQMD Rule 8-29 – Aerospace Assembly and Component Coating Operations (Amended 12/20/95)	SMAQMD Rule 456 Aerospace Assembly and Component Coating Operations (Amended 10/23/08)
Conformal	750	750	750	750	420	600
Optical Anti Reflective	700	700	700	700	-	-
Scale Inhibitor	880	880	880	880	-	-
Metallized Epoxy	700	700	700	740	-	-
Electric or Radiation Effect	800	800	800	800	800	600
Temporary Protective	250	250	250	250	250	250
Fuel Tank	420	420	420	420	720	650
Mold Release	780	780	780	780	-	762
Flight Test – Missiles	420	420	420	420	-	420
Flight Test – All Others	840	840	840	600	-	420
Fire Resistant - Commercial	650	650	650	650	-	600
Fire Resistant – Military	800	800	970	N/A	-	600
Wire Coatings – Phosphate Ester Resistant Ink	925	925	925	925	-	-
Wire Coatings – Other	420	420	420	420	-	-
Space Vehicle – Electrostatic Discharge Protection		800	800	800	-	880
Space Vehicle - Other	1000	-	1000	1000	-	1000
Non Structural Adhesive	250	250	250	250	-	600
Structural Adhesive - Autoclavable		50	50	50	-	600
Structural Adhesive – Non-Autoclavable	850	700	850	850	-	600
Space Vehicle Adhesive	800	800	800	800	-	600
Fuel Tank Adhesive	620	620	620	620	-	600
Fastener Sealant	675	675	675	600/675	600	600
Extrudable, Rollable or Brushable Sealant	280	280	600	280/600	600	600
Other Sealant	600	600	600	N/A	-	600
Maskant for Chemical Processing		250	250	250	-	-
Maskant for Chemical Milling Type I	250	250	250	250	-	622
Maskant for Chemical Milling Type II	160	160	160	250	-	160
Photolithographic Maskant	850	850	850	-	-	850
Touch Up, Line Sealer Maskant	750	1230	750	-	-	850
Fastener Installation Solid-Film Lubricant	880	880	880	880	-	880
Fastener Installation Dry Lubricative Material	675	675	675	880	-	-
Fastener Manufacturing Solid Film Lubricant	250	250	250	250	-	880
Fastener Manufacturing Dry Lubricative Material	120	120	120	120	-	-
Fastener Manufacturing Barrier Coating	420	420	420	250	-	-
Non-Fastener Solid Film Lubricant	880	880	880	880	-	880
Non-Fastener Dry Lubricative Material	675	675	675	675	-	-

Rule Element	Antelope Valley AQMD Rule 1124 – Aerospace Assembly and Component Manufacturing Operations (Amended 08/20/2013)	MDAQMD Rule 1118 - Aerospace Assembly, Rework and Component Manufacturing Operations (Amended 6/8/2020)	South Coast AQMD Rule 1124 – Aerospace Assembly Line Coating Operations (Amended 9/21/01)	SJVAPCD Rule 4605 – Aerospace Assembly and Component Coatings (Amended 6/16/11)	BAAQMD Rule 8-29 – Aerospace Assembly and Component Coating Operations (Amended 12/20/95)	SMAQMD Rule 456 – Aerospace Assembly and Component Coating Operations (Amended 10/23/08)
Transfer Efficiency	(a) Electrostatic application; (b) Flow coater; (c) Roll coater; (d) Dip coater; (e) High-Volume, Low-Pressure (HVLP) Spray; (f) Hand Application Methods	Use of HVLP or equivalent transfer efficiency	Use of HVLP or equivalent transfer efficiency	Use of HVLP or equivalent transfer efficiency	Use of HVLP or equivalent transfer efficiency	Use of HVLP or equivalent transfer efficiency
Work Practices	All VOC containing material, used or unused, including but not limited to surface Coatings, thinners, cleanup solvents, or surface preparation materials, and all solvent laden cloth and paper, shall be stored in non-absorbent, non-leaking containers which shall be kept closed at all times except during extraction or introduction of material for mixing, use or storage.	Storage, use, and disposal of coatings and waste; VOC limits and work practices for solvent cleaning	Storage, use, and disposal of coatings and waste; VOC limits and work practices for solvent cleaning	Storage, use, and disposal of coatings and waste; VOC limits and work practices for solvent cleaning	Storage, use, and disposal of coatings and waste; VOC limits and work practices for solvent cleaning	Storage, use, and disposal of coatings and waste; VOC limits and work practices for solvent cleaning
Surface Cleaning	(i) The VOC composite partial pressure is 45 mm Hg or less at a temperature of 20°C (68°F); or (ii) The material contains 200 grams or less of VOC per liter of material.	45 mm Hg	200 g/L or 45 mm Hg	200 g/L or 45 mm Hg	None	200 g/L or 45 mm Hg
Stripping	300 grams of VOC per liter of material; or the VOC composite partial pressure is 9.5 mm Hg (0.18 psia) or less at 20°C (68°F	300 g/L or 9.5 mm Hg	300 g/L or 9.5 mm Hg	300 g/L or 9.5 mm Hg	400 g/L or 10 mm Hg	300 g/L or 9.5 mm Hg

Conclusions

The District is already implementing all reasonable stationary control measures (and the State is already implementing all feasible non-mobile control measures). Any measures which are applicable and feasible are in place – no opportunities exist to obtain the tons per day of emission reductions required by the contingency measure requirement within the stationary source categories subject to the District's control authority. Any measure that could achieve this level of stationary source reductions would be adopted to improve air quality and support attainment of the NAAQS, and would not be withheld for contingency purposes.

Nonetheless, the MDAQMD has committed to a contingent control measure which will obtain some emission reductions in the WMDONA, if needed. The MDAQMD has reaffirmed the use of the State Enhanced Inspection and Maintenance (Enhanced I&M) Program as a contingency measure. With the addition of the CARB Smog Check Contingency Measure, the WMDONA has a State and local air district measure available to trigger as contingency measures. The MDAQMD enhanced smog check measure would generate a minimum of 0.03 tons per day of VOC reductions and 0.04 tons per day of NOx reductions. The contingency measures achieve less than the required amount of reductions, however, the AVAQMD and CARB were not able to identify any other qualifying contingency measures.

Furthermore, CARB, the AVAQMD and USEPA recently engaged in an extensive analysis of potential control measures[17]. RACM analysis as performed during recent attainment plan development, for example, was an exhaustive examination of stringency, economic, and technological feasibility. In addition, such analysis covered all the source categories including sources considered minor sources, existent within the FONA which potentially have the ability to contribute in a meaningful amount to the nonattainment.[18]

In 2021, USEPA completed an analysis focused on identifying potential NOx measures that have yet to be implemented by comparing applicable rules for stationary and area sources as part of an evaluation of the 2016 AVAQMD and MDAQMD Attainment Plans.[19] The analysis concluded no new measures could achieve the 1.2 tpd of NOx EPA conservatively estimated was needed to advance attainment by 1 year. This further illustrates the difficulty the AVAQMD now faces to find any combination of additional measures resulting in 1.50 tpd of NOx reductions and which could be put in place within 6 months of a finding of failure to attain. The two new measures were identified by USEPA in their analysis; a new rule for residential water heaters and various amendments to the AVAQMD Boiler and Process Heaters Rule (AV1146). Even combined, these measures only totaled 0.47 tpd of NOx, with many reductions occurring more than 5-10 years in the future as equipment is replaced over time.

[17] AVAQMD 2023 70 ppb Ozone Attainment Plan

[18] Otherwise known as Facilities which emit or have the potential to emit more than the Federal Major Source threshold of nonattainment air pollutants as well as those Facilities covered by CTG's or Alternative Control Techniques Guidance (ACTs).

[19] EPA-R09-OAR-2020-0254

As noted above, the District will adopt an amended residential water heater rule for heaters with Heat Input rates less than 75,000 BTU per hour. A re-analysis covering the same issues and subject matter appears to be mere extraneous effort for no clear air quality benefit, especially when USEPA is unable to identify measures that fulfill their own requirements with significantly more resources than a local District. The only place where such an analysis would be reasonable would be if the underlying control techniques guideline (CTG) or RACT itself has shifted between the last analysis and the present.

It must be noted that the underlying rubric of the Federal Clean Air Act that while State, and Local agencies have the primary responsibility for the reduction of air pollution there is a substantial Federal role.[20] Specifically, motor vehicle and other mobile sources, are clearly identified under the Federal Clean Air Act, as source category specifically under Federal control. While emissions standards for stationary sources and light-duty motor vehicles have improved tremendously over the last thirty years the regulation of many heavy-duty mobile sources such as locomotive and interstate trucking has not kept pace. In fact, it is only very recently that USEPA has even commenced the initial stages to consider potential controls on such sources. That being said, one ends up with the situation that no matter what contingency measures are adopted and implemented "One Year's Worth of Emissions Reductions" will be impossible to ever be achieved.

In the AVAQMD this situation is exacerbated by the overwhelming intrastate transport from upwind extreme ozone nonattainment areas which themselves have significant emissions from mobile sources. Unfortunately, air pollution does not stay put in one area and thus in many places' attainment is highly dependent upon actions occurring in upwind jurisdictions regardless of the number and effect of contingency measures adopted. As noted previously, the AVAQMD is overwhelmingly impacted by emissions emanating in the SCAB and the SJV to its south and north-west respectively and the adoption of contingency measures will have no impact on those emissions.

Finally, USEPA indicates that a nonattainment area should consider adopting measures from a higher classification area prior to attempting an infeasibility analysis.[21] It is heavily implied that all such measures should be adopted regardless of the amount or nature of the emissions reductions obtained from such measures. This would result in a de facto bump up in the level of control required to that of the higher nonattainment area. This is an untenable requirement, especially in California, where the regulations in the extreme nonattainment areas, SCAQMD and San Joaquin Unified APCD, are more in line with BACT, LAER, or in some cases are technology forcing. The FCAA does not require this level of control in non-extreme ozone nonattainment areas.
To make matters even more complex, in California there is a requirement that any new or modified permit unit which emits or has the potential to emit 25 pounds per day or more of a nonattainment air pollutants be equipped with Best Available Control Technology (BACT).[22] This requirement is codified in many air districts, the AVAQMD included, New Source Review

[20] 42 U.S.C. §7401(a)(3), Federal Clean Air Act §101(a)(3)
[21] Draft Guidance, pgs. 8, 33
[22] California Health & Safety Code §40918{a){l), emphasis added

rules.[23] Thus, any facility in a source category affected by a contingency measure which has happened to modify prior to the triggering event will have already installed BACT thus rendering the contingency measure less effective overall.

In the AVAQMD there are simply no opportunities for further emission reductions from these sources as they not only have RACT but also acquire BACT not only when equipment is originally installed but also whenever it is modified. This has resulted in the emissions inventories in the AVAQMD to become dominated by mobile source emissions, a good portion of which are Federally regulated. Add to this the overwhelming impact of upwind areas and you have a situation where the infeasibility analysis becomes the only method available to the AVAQMD to meet the 42 U.S.C. §7502(c)(9) and §7511a(c)(9) contingency measure requirements. In conclusion, no individual nor combination of potential Contingency Measures for stationary sources under District authority, if adopted and implemented, could provide the 1.5 tpd of NOx and 0.38 tpd of VOC reductions that would be needed to satisfy the requirement that CMs should achieve emissions reductions equal to or greater than one year's worth of RFP for the Ozone nonattainment area.

As stated above, the AVAQMD respectfully submits to the SIP the following contingency measures to be included in the WMDONA 75 ppb Ozone Attainment Plan. Should the contingency measure be triggered by failure to attain the Federal 75ppb ozone standard, the District will implement the CARB Enhanced Smog Check Contingency Measure.

[23] AVAQMD Regulation XIII as amended 7/20/2021 and prior versions thereof

Appendix A:
California Smog Check Contingency Measure State Implementation Plan Revision

California Smog Check Contingency Measure State Implementation Plan Revision

Released: September 15, 2023

Table of Contents

Executive Summary

The *California Smog Check Contingency Measure State Implementation Plan Revision* (Measure) addresses State Implementation Plan (SIP) contingency measure requirements of the federal Clean Air Act (Act) for certain areas designated as nonattainment of the national ambient air quality standards (NAAQS or standards) within the State. This Measure is necessary to address contingency measure requirements and respond to recent court actions to meet statutory deadlines related to contingency measures. This Measure includes an action that is triggered if a nonattainment area fails to attain by the applicable attainment date, fails to meet a reasonable further progress (RFP) milestone, fails to meet a quantitative milestone, or fails to submit a required quantitative milestone report or milestone compliance demonstration (collectively referred to as "Triggering Events").

The Motor Vehicle Inspection and Maintenance Program (Smog Check Program) is a vehicle inspection and maintenance program administered by the California Bureau of Automotive Repair (BAR) that identifies vehicles with faulty emission control components. Smog Check inspections are required biennially as a part of the vehicle registration process and/or when a vehicle changes ownership or is registered for the first time in California. In 2017, Assembly Bill (AB) 1274 added Health and Safety Code (H&SC) § 44011(a)(4)(B)(ii) which allowed vehicles eight or less model-years old to be exempt from requirements for Smog Check inspections. In lieu of an inspection, this law requires seven and eight model-year old vehicles owners to pay an annual Smog Abatement Fee of $25, $21 of which goes to the Air Pollution Control Fund for use to incentivize clean vehicles and equipment through the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program). This law also specifies that this exemption is allowed unless CARB determines that exempting these vehicles prohibits the State from meeting SIP commitments. At that time, the AB 1274 analysis[1] indicated that the emissions reductions from the increase in funding to the Moyer Program would outweigh the benefits of requiring seven and eight model-year old vehicles to obtain a Smog Check inspection.

CARB staff has now determined that removal of these exemptions may be needed to meet the contingency measure SIP requirements. CARB staff has also determined that in all of the relevant nonattainment areas, requiring a Smog Check inspection on eight model-year old vehicles provides more emission reductions than the potential loss in Moyer Program emission reductions that would result from the foregone funding. In 2017, when AB 1274 enacted this change in Smog Check exemptions, the benefit from additional funding for Moyer Program projects was estimated to outweigh the disbenefit from exempting additional vehicles. However, since 2017 the Program has successfully incentivized the

[1] *Bill Analysis - AB-1274 Smog check: exemption. (ca.gov)*

turnover of many dirty engines and equipment and Moyer Program projects are now less cost-effective than before, resulting in a net benefit from this Measure.

If a Triggering Event occurs, the Measure would:

- Change the existing smog check inspection exemptions in the California Smog Check Program in the applicable nonattainment area(s);
- Apply to the California nonattainment area(s) and standard(s) for which the Triggering Event occurs, from those listed on the next page in Table 1.; and
- Be implemented within 30 days of the effective date of a U.S. EPA finding that a Triggering Event occurred.

Seven areas in California under State jurisdiction are designated as nonattainment for the 75 parts per billion (ppb) 8-hour ozone standard, and ten areas in California under State jurisdiction are designated as nonattainment for the 70 ppb 8-hour ozone standard, with classifications of Moderate, Serious, Severe or Extreme. Additionally, the San Joaquin Valley is designated as nonattainment for the 80 ppb 8-hour ozone standard, the 12 microgram per meter cubed ($\mu g/m^3$) annual, 15 $\mu g/m^3$ annual, and 35 $\mu g/m^3$ 24-hour PM2.5 standards. The South Coast Air Basin is also designated as nonattainment for the 12 $\mu g/m^3$ annual PM2.5 standard. For all of these standards, nonattainment areas were or will be required to submit SIP revisions meeting contingency measure and other applicable requirements of the Act.

CARB staff has worked with local air districts to prepare contingency measure SIP revisions which were adopted and submitted to the U.S. Environmental Protection Agency (U.S. EPA) through CARB. Further, in 2018, CARB staff submitted the *2018 Updates to the California State Implementation Plan* (2018 SIP Update) which included a statewide contingency measure that was developed following U.S. EPA guidance available at the time. However, multiple lawsuits challenging U.S. EPA's interpretation of the Act led to U.S. EPA's determination that the previously submitted 2018 SIP Update contingency measures did not fully meet the Act's requirements. CARB staff is now proposing to submit the Measure to be consistent with U.S. EPA's current interpretation of the contingency measure provisions of the Act. The Measure as included in this SIP revision will be applicable for the California nonattainment areas and standards as listed in Table 1.

Table 1. Nonattainment Areas and Applicable Standards

Area	Applicable Standards
Coachella Valley	70 ppb Ozone, 75 ppb Ozone
Eastern Kern County	70 ppb Ozone, 75 ppb Ozone
Mariposa County	70 ppb Ozone
Sacramento Metro Area	70 ppb Ozone, 75 ppb Ozone
San Diego County	70 ppb Ozone, 75 ppb Ozone
San Joaquin Valley	70 ppb Ozone, 75 ppb Ozone, 80 ppb Ozone, 15 $\mu g/m^3$ PM2.5, 35 $\mu g/m^3$ PM2.5, 12 $\mu g/m^3$ PM2.5
South Coast Air Basin	12 $\mu g/m^3$ PM2.5, 70 ppb Ozone, 75 ppb Ozone
Ventura County	70 ppb Ozone
Western Mojave Desert	70 ppb Ozone, 75 ppb Ozone
Western Nevada	70 ppb Ozone

CARB staff initiated the public process with release of a concept document and workshop in August 2023 to solicit input from the public. The concept document and other materials were available in English and Spanish, and the workshop provided a forum in both English and Spanish for the proposed Measure to be discussed in a public setting and provide additional opportunity for public feedback, input, and ideas. CARB staff also analyzed the impacts of the Measure on vehicle owners in disadvantaged communities (DACs). CARB staff compared the proportion of the vehicles subject to the Measure if triggered to those registered in DACs to the proportion of vehicles subject to the Measure in total using DMV data. CARB staff found that, in all nonattainment areas, the proportion of vehicle owners potentially impacted by the Measure, if triggered, is not disproportionate to the population as a whole.

CARB staff has determined that the Measure meets the Act contingency measure requirements and that exercising H&SC § 44011(a)(4)(B)(ii) is needed to meet the SIP requirements.

Further, CARB staff last submitted updates to the Smog Check Program to U.S. EPA for incorporation into the California SIP in 2009 and U.S. EPA approved them on July 1, 2010.[2] As previously mentioned, the additional exemptions from the Smog Check Program were made by AB 1274 in 2017. As a part of this SIP revision, CARB staff is submitting H&SC § 44011(a)(4)(A) and (B) into the California SIP to incorporate these changes in the Smog Check Program.

The Board is scheduled to consider the Measure on October 26, 2023. CARB staff recommends the Board to adopt the Measure addressing contingency measure requirements for the applicable standards and nonattainment areas as listed in Table 1 and approve submittal into the California SIP of California H&SC sections 44011(a)(4)(A) and (B). If adopted, CARB staff will submit the Measure and H&SC sections 44011(a)(4)(A) and (B) to U.S. EPA as a revision to the California SIP.

[2] 75 Fed. Reg. 38023 (July 1, 2010)

Section 1. Contingency Requirements and Litigation

The Clean Air Act ("Act") specifies that SIPs must provide for contingency measures, defined in section 172(c)(9) as "specific measures to be undertaken if the area fails to make reasonable further progress (RFP), or to attain the national primary ambient air quality standard by the attainment date…."[3] The Act is silent though on the specific level of emission reductions that must flow from contingency measures. In the absence of specific requirements for the amount of emission reductions, in 1992, U.S. EPA conveyed that the contingency measures should, at a minimum, ensure that an appropriate level of emissions reduction progress continues to be made if attainment of RFP is not achieved and additional planning by the State is needed (57 Federal Register 13510, 13512 (April 16, 1992)). While U.S. EPA's ozone guidance states "contingency measures should represent one year's worth of progress amounting to reductions of 3 percent of the baseline emissions inventory for the nonattainment area", U.S. EPA has accepted contingency measures that equal less than one year's worth of RFP in some situations. Specifically, U.S. EPA has historically accepted lesser amounts as they see appropriate considering "U.S. EPA's long-standing recommendation that states should consider 'the potential nature and extent of any attainment shortfall for the area' and that contingency measures 'should represent a portion of the actual emissions reductions necessary to bring about attainment in the area.'"[4]

In recent years, court decisions, as described below, have excluded a category of contingency measures from what U.S. EPA may properly approve. Historically, U.S. EPA allowed contingency measure requirements to be met via excess emission reductions from ongoing implementation of adopted emission reduction programs. In the past, CARB used this method to meet contingency measure requirements. In 2016, in *Bahr v. U.S. Environmental Protection Agency*[5] *(Bahr),* the Ninth Circuit determined U.S. EPA erred in approving a contingency measure that relied on an already-implemented measure for a nonattainment area in Arizona, thereby rejecting U.S. EPA's longstanding interpretation of section 172(c)(9) of the Act. U.S. EPA staff interpreted this decision to mean that contingency measures must include a future action triggered by a Triggering Event. This decision was applicable to only the states covered by the Ninth Circuit. In the rest of the country, U.S. EPA still allowed contingency measures using their pre-Bahr stance. In January 2021, in *Sierra Club v. Environmental Protection Agency*[6], the United States Court of Appeals for the D.C. Circuit, ruled that already implemented measures do not qualify as contingency measures for the rest of the country (*Sierra Club*).

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[3] 42 U.S.C. § 7502(c)(9).

[4] See, e.g. 78 Fed.Reg. 37741, 37750 (Jun. 24, 2013), approval finalized with 78 Fed.Reg. 64402 (Oct. 29, 2013).

[5] *Bahr v. U.S. Environmental Protection Agency,* (9th Cir. 2016) 836 F.3d 1218.

[6] *Sierra Club v. Environmental Protection Agency,* (D.C. Cir. 2021) 985 F.3d 1055.

In response to *Bahr* and as part of the 75 ppb 8-hour ozone SIPs due in 2016, CARB staff developed the statewide Enhanced Enforcement Contingency Measure (Enforcement Contingency Measure) as a part of the *2018 Updates to the California State Implementation Plan* to address the need for a triggered action as a part of the contingency measure requirement. CARB staff worked closely with U.S. EPA regional staff in developing the contingency measure package that included the triggered Enforcement Contingency Measure, a district triggered measure and emission reductions from implementing CARB's mobile source emissions program. However, as part of the *San Joaquin Valley 2016 Ozone Plan for 2008 8-hour Ozone Standard* SIP action, U.S. EPA wrote in their final approval that the Enforcement Contingency Measure did not satisfy requirements to be approved as a "standalone contingency measure" and approved it only as a "SIP strengthening" measure[7]. U.S. EPA did approve the San Joaquin Valley Air Pollution Control District triggered measure and the implementation of the mobile reductions along with a CARB emission reduction commitment as meeting the contingency measure requirement for this SIP.

Subsequently, the Association of Irritated Residents filed a lawsuit against the U.S. EPA for its approval of various elements within the *San Joaquin Valley 2016 Ozone Plan for 2008 8--hour Ozone Standard*, including the contingency measure. The Ninth Circuit issued its decision in *Association of Irritated Residents v. EPA*[8] (*AIR*) that U.S. EPA's approval of the contingency element was arbitrary and capricious and rejected the triggered contingency measure that achieves much less than one year's worth of RFP. Most importantly, the Ninth Circuit said that, in line with U.S. EPA's longstanding interpretation of what is required of a contingency measure and the purpose it serves, together with *Bahr*, all reductions needed to satisfy the Act's contingency measure requirements must come from the contingency measure itself. The Ninth Circuit also said that the amount of reductions needed for contingency should not be reduced absent U.S. EPA adequately explaining its change from its historic stance on the amount of reductions required. U.S. EPA staff has interpreted *AIR* to mean that triggered contingency measures must achieve the entirety of the amount of emission reductions needed for the contingency measure requirement on their own. In addition, surplus emission reductions from ongoing programs cannot reduce the amount of reductions needed for the contingency measure requirements.

In response to *Bahr* and *Sierra Club*, in 2021, U.S. EPA convened a nationwide internal task force to develop guidance to support states in their development of contingency measures. The draft guidance was released in March 2023 and is currently undergoing a public review process. The draft guidance proposes a new method for how to calculate one year's worth of progress for the targeted amount of contingency measures reductions and provides new clarification on the reasoned justification U.S. EPA requires to facilitate approval of contingency measures with lesser amounts of reductions. Per the draft guidance, such a

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[7] 87 Fed. Reg. 59688 (October 3, 2022)

[8] *Association of Irritated Residents v. U.S. Environmental Protection Agency*, (9th Cir. 2021) 10 F.4th 937

reasoned justification would need to include an infeasibility analysis detailing why there are insufficient measures to meet one year's worth of progress. U.S. EPA relied on the draft guidance when they proposed a federal implementation plan to meet the PM2.5 contingency measure requirements in the San Joaquin Valley on August 8, 2023[9].

Section 2. CARB's Opportunities for Contingency Measures

Much has changed since U.S. EPA's 1992 guidance on contingency measures. Control programs across the country have matured as have the health-based standards. U.S. EPA strengthened ozone standards in 1997, 2008 and 2015 with attainment dates out to 2037 for areas in "extreme" nonattainment. California has the only three extreme ozone nonattainment areas in the country for the 2015 ozone NAAQS. Extreme ozone nonattainment areas are allowed to use a provision in the Act where emission reduction measures can wait for technology to advance. California also has multiple PM2.5 nonattainment areas with the highest possible classification and greatest attainment challenges. Thus, control measures are needed for meeting the NAAQS as expeditiously as possible, rather than being held in reserve.

To address contingency measure requirements given the courts' decisions and U.S. EPA's draft guidance, CARB staff and local air districts would need to develop a measure or measures that, when triggered by a Triggering Event, will achieve one year's worth of progress for the given nonattainment area unless it is determined that it is infeasible to achieve one year's worth of emission reductions. Given CARB's wide array of mobile source control programs, the relatively limited portion of emissions primarily regulated by the local air districts, and the fact that primarily-federally regulated sources are expected to account for approximately 52 percent of statewide nitrogen oxides (NOx) emissions by 2037[10], finding triggered measures that will achieve the required reductions is nearly impossible. That said, even discounting the amount to reflect the proportion of sources that are primarily federally regulated, additional control measures that can be identified by CARB staff are scarce or nonexistent that would achieve the required emissions reductions needed for a contingency measure.

Adding to the difficulty of identifying available control measures, not only does the suite of contingency measures need to achieve a large amount of reductions, but they will also need to achieve these reductions in the year following the year in which the Triggering Event has been identified. Although the newly released draft guidance proposes allowing for up to two years to achieve those reductions, control measures achieving the level of reductions required often take more than two years to implement and will likely not result in immediate reductions. In California's 2022 State SIP Strategy, CARB's three largest NOx reduction

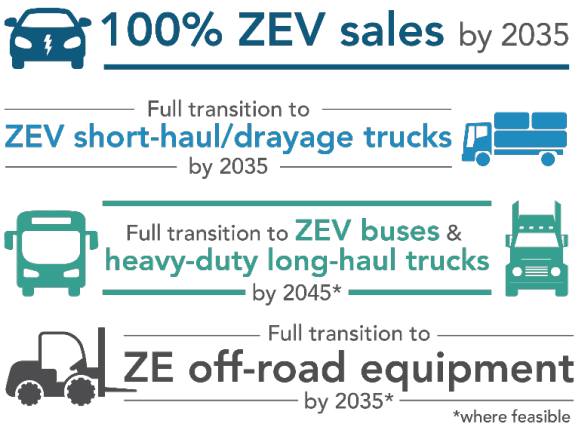
[9] 88 Fed. Reg. 53431 (August 8, 2023)
[10] Source: CARB 2022 CEPAM v1.01; based on 2037 emissions totals.

measures, In-Use Locomotive Regulation, Advanced Clean Fleets, and Transportation Refrigeration Unit II, rely on accelerated turnover of older engines/trucks. The need for buildout of potential infrastructure upgrades and market-readiness of new equipment options that meet requirements limits the availability to have significant emission reductions in a short amount of time. Options for a technically and economically feasible triggered measure that can be implemented and achieve the necessary reductions in the time frame required are scarce in California.

CARB has over 50 years of experience reducing emissions from mobile sources like cars and trucks, as well as other sources of pollution under State authority. The Reasonably Available Control Measures for State Sources analysis that CARB included in all of the 70 ppb 8-hour ozone SIPs illustrates the reach of CARB's current programs and regulations, many of which set the standard nationally for other states to follow. Few sources CARB has primary regulatory authority over remain without a control measure, and all control measures that are in place support the attainment of the NAAQS. There is a lack of additional control measures that would be able to achieve the necessary reductions for a contingency measure. Due to the unique air quality challenges California faces, should such additional measures exist, CARB would pursue those measures to support expeditious attainment of the NAAQS and would not reserve such measures for contingency purposes. Nonetheless, CARB staff has continued to explore options for potential statewide contingency measures utilizing its authorities and applying draft guidance.

A central difficulty in considering a statewide contingency measure under CARB's authority, is that CARB is already fully committed to driving sources of air pollution in California to zero-emission everywhere feasible and as expeditiously as possible. In 2020, Governor Newsom signed Executive Order N-79-20 (*Figure 1*) that established a first-in-the-nation goal for 100 percent of California sales of new passenger cars and trucks to be zero emission by 2035. The Governor's order also set a goal to transition 100 percent of the drayage truck fleet to zero- emission by 2035, all off-road equipment where feasible to zero -emission by 2035, and the remainder of the medium and heavy-duty vehicles to zero--emission where feasible by 2045.

Figure 1 - Governor Newsom Executive Order N-79-20



California is committed to achieving these goals, and CARB is pursuing an aggressive control program in conjunction with other state and local agencies. CARB's programs not only go beyond emissions standards and programs set at the federal level, but many include zero-emissions requirements or otherwise, through incentives and voluntary programs, that drive mobile sources to zero-emissions, as listed in Table 2 below. CARB is also exploring and developing a variety of new measures to drive more source categories to zero-emissions and reduce emissions even further, as detailed in the 2022 State SIP Strategy. With most source categories being driven to zero-emissions as expeditiously as possible, opportunities for having triggered measure that could reduce NOx, reactive organic gases (ROG) and PM2.5 emissions by the amount required for contingency measures are scarce.

Table 2. Emissions Sources and Respective CARB Programs with a Zero-Emissions Requirement/Component

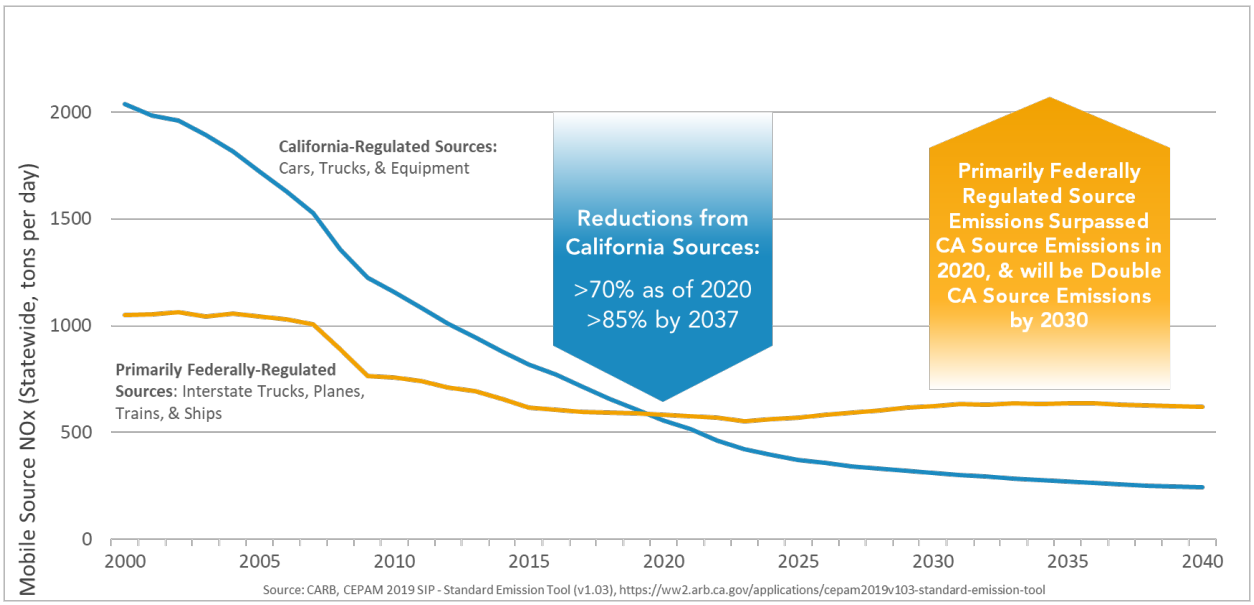
Emission Source	Regulatory Programs
Light-Duty Passenger Vehicles and Light-Duty Trucks	• Advanced Clean Cars Program (I and II), including the Zero Emission Vehicle Regulation • Clean Miles Standard
Motorcycles	• On-Road Motorcycle Regulation*
Medium Duty-Trucks	• Advanced Clean Cars Program (I and II), including the Zero Emission Vehicle Regulation • Zero-Emission Powertrain Certification Regulation • Advanced Clean Trucks Regulation • Advanced Clean Fleets Regulation
Heavy-Duty Trucks	• Zero-Emission Powertrain Certification Regulation • Advanced Clean Trucks Regulation • Advanced Clean Fleets Regulation
Heavy-Duty Urban Buses	• Innovative Clean Transit • Advanced Clean Fleets Regulation
Other Buses, Other Buses – Motor Coach	• Zero-Emission Airport Shuttle Regulation • Advanced Clean Fleets Regulation
Commercial Harbor Craft	• Commercial Harbor Craft Regulation
Recreational Boats	• Spark-Ignition Marine Engine Standards*
Transport Refrigeration Units	• Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (Parts I and II*)
Industrial Equipment	• Zero-Emission Forklifts* • Off-Road Zero-Emission Targeted Manufacturer Rule*
Construction and Mining	• Off-Road Zero-Emission Targeted Manufacturer Rule*
Airport Ground Support Equipment	• Zero-Emission Forklifts*
Port Operations and Rail Operations	• Cargo Handling Equipment Regulation • Off-Road Zero-Emission Targeted Manufacturer Rule*
Lawn and Garden	• Small Off-Road Engine Regulation • Off-Road Zero-Emission Targeted Manufacturer Rule*
Ocean-Going Vessels	• At Berth Regulation
Locomotives	• In-Use Locomotive Regulation

*Indicates program or regulation is in development

Most air pollution sources in California that are not as well controlled are primarily-federally regulated sources. (Figure 2). This includes interstate trucks, ships, locomotives, aircraft, and certain categories of off-road equipment, constituting a large source of potential emissions reductions. Since these are primarily regulated at the federal and, in some cases,

international level, options to implement a contingency measure with reductions approximately equivalent to one year's worth of progress are limited.

Figure 2 - State vs. Federal Mobile Source NOx Emissions



CARB staff has analyzed CARB's suite of control measures for all sources under CARB authority to identify potential contingency measure options. CARB currently has programs in place or under development for most sources and have evaluated a variety of regulatory mechanisms within existing and new programs for potential contingency triggers. After conducting a full analysis of measures for contingency measure opportunities, CARB staff determined that changes in the Smog Check Program are appropriate to use to meet the Act contingency measure requirement. The Measure was found to be the most feasible option given timing and technical constraints for adoption and implementation. The full infeasibility analysis can be found in Appendix A. Further, U.S. EPA recently released their own infeasibility analysis[11] in which they came to the same conclusion with respect to the scarcity of available contingency measures in CARB's mobile source control programs.

With this proposal, CARB staff would adopt and submit the Measure for the 70 ppb 8-hour ozone, 75 ppb 8-hour ozone, 80 ppb 8-hour ozone, the 12 $\mu g/m^3$ and 15 $\mu g/m^3$ annual PM2.5, and 35 $\mu g/m^3$ 24-hour PM2.5 standards for the relevant nonattainment areas to address the contingency measure requirements of the Act as interpreted by U.S. EPA in the draft guidance. The Measure consists of a triggered contingency measure that, if triggered,

[11] EPA Source Category and Control Measure Assessment and Reasoned Justification Technical Support Document; Federal Implementation Plan for Contingency Measures for the Fine Particulate Matter Standards; San Joaquin Valley, California. *https://www.regulations.gov/docket/EPA-R09-OAR-2023-0352*

would change the exemptions for motor vehicles in the California Smog Check Program for the relevant local air district and applicable standard as specified in Table 1 that, together with the local air districts' contingency measures, addresses the contingency measure requirements of the Act. A detailed description of the Measure is described in Section 4 below.

Section 3. California Smog Check Program

The Smog Check Program is a vehicle inspection and maintenance program administered by BAR. The Smog Check Program aims to reduce air pollution in the state by identifying vehicles with harmful excess emissions for repair or retirement. While BAR administers the Program, the California Department of Motor Vehicles (DMV) provides the vehicle registration and licensing information to support administration and enforcement of the Smog Check Program. Smog Check inspections are required biennially as a part of the vehicle registration process and/or when a vehicle changes ownership or is registered for the first time in California, depending on the area and severity of the air quality problem. Certain areas with worse air quality issues are subject to an enhanced version of the Program with stricter requirements. All gasoline-powered vehicles, hybrid vehicles, and alternative-fuel vehicles that are model-year 1976 and newer, as well as all diesel vehicles model-year 1998 and newer with a gross-vehicle weight rating of 14,000 pounds and less, are subject to Smog Check inspections.

However, there are several exceptions. Motorcycles and electric-powered vehicles are not subject to the Smog Check Program. Additionally, in 2017, California Assembly Bill (AB) 1274 was enacted, which amended the H&SC to exempt vehicles up to eight model -years old (MYO); previously, vehicles had been exempt up to six MYO. These seven and eight MYO vehicles that would otherwise be subject to a Smog Check inspection must pay an annual Smog Abatement Fee of $25, $21 of which goes to the Air Pollution Control Fund for use through the Moyer Program. Per H&SC § 44011(a)(4)(B)(ii), these motor vehicles eight or less MYO are exempted from biennial Smog Check inspection, unless CARB finds that providing an exception for these vehicles will prohibit the state from meeting the state commitments with respect to the SIP.

In 2017, when this change in Smog Check exemptions was enacted, the benefit from additional funding for Moyer Program projects was estimated to outweigh the disbenefit from exempting additional vehicles. However, since 2017, the cost-effectiveness of Moyer Program projects has increased as the program has successfully incentivized the turnover of many dirty engines and equipment. Moyer Program projects are now less cost-effective than before, resulting in a net benefit from this Measure.

As such, the ability to make the relevant finding for H&SC § 44011(a)(4)(B)(ii) purposes is within CARB's authority, and the other State agencies that implement California's Smog Check Program will be bound by it. CARB staff last submitted updates to the Smog Check Program to U.S. EPA for incorporation into the California SIP in 2009 and approved by U.S. EPA on July 1, 2010.[12] As previously mentioned, the additional exemptions from the Smog Check Program were made by AB 1274 in 2017. As a part of this SIP revision, CARB

[12] 75 Fed. Reg. 38023 (July 1, 2010)

staff is also proposing the Board approve submittal of H&SC § 44011(a)(4)(A) and (B) into the California SIP to incorporate these changes in the Smog Check Program. The H&SC sections are included in Appendix D.

Further the Smog Check Program meets federal requirements for an inspection and maintenance (I/M) program. On March 23, 2023, CARB adopted the California Smog Check Performance Standard Modeling (PSM) and Program Certification for the 70 parts per billion (ppb) 8-hour Ozone Standard (Smog Check Certification) to address I/M SIP requirements for the 70 ppb 8-hour ozone standard. CARB staff submitted it to U.S. EPA as a SIP revision. The Smog Check Certification demonstrated that the California's Smog Check Program meets the applicable federal I/M program requirements for all the 70 ppb 8-hour ozone nonattainment areas in California.

Section 4. Smog Check Contingency Measure

The Measure will consist of changing the existing Smog Check inspection exemptions in California's Smog Check Program in any applicable nonattainment area listed in Table 1. that fails to satisfy any one of the following (failures of which are collectively referred to as "Triggering Events"):

- Attain by the applicable attainment date;
- Meet a reasonable further progress (RFP) milestone;
- Meet a quantitative milestone; or
- Submit a required quantitative milestone report or milestone compliance demonstration.

The Measure will be initiated within 30 days of the effective date of a U.S. EPA determination of a Triggering Event. The exemption will change from the existing eight or less MYO to seven or less MYO in the applicable nonattainment area. If triggered, these additional vehicles would then be subject to Smog Check inspections based on the area in which the vehicle is registered (i.e., enhanced, basic, and change of ownership), resulting in additional emissions control equipment failures being identified and corrected, thereby reducing emissions that typically result when emissions control equipment is not performing as designed. The emissions reduction estimates from the Measure are detailed for each nonattainment area in Section 5 of this report. The methodology for calculating these estimates can be found in Appendix B. The Measure can be triggered a second time for a nonattainment area; if triggered a second time, the Smog Check exemption would then only apply to vehicles six or less MYO.

Implementation of the Measure will require coordination with other California State agencies. Their relevant roles and responsibilities are outlined below.

- **Bureau of Automotive Repair:** BAR, as part of the Department of Consumer Affairs, provides oversight of the automotive repair industry and administers vehicle emissions reduction and safety programs. Specifically, as it pertains to the Measure, BAR administers and enforces the Smog Check Program.
- **California Department of Motor Vehicles:** DMV administers vehicle registration and licensing and supports BAR in administering the Smog Check Program.

CARB staff will work closely with BAR and DMV staff throughout the process and leading up to a possible Triggering Event, so that both agencies have as much notice as possible for the work that will be required for full implementation of the Measure. For most potential failures to attain a relevant standard, preliminary data for the relevant ozone or PM2.5 season is available earlier and U.S. EPA makes their failure to attain findings six months after the attainment date, so CARB staff will be able to notify and work with BAR and DMV preemptively to ensure the Measure implementation is as smooth as possible.

CARB staff has quantified the emission reductions that would be achieved from implementation of the Measure, if triggered, and have documented the results in Section 5 of this report. The emission reductions anticipated are surplus to the current Smog Check Program in the nonattainment areas and they are not otherwise required by or assumed in a SIP-related program, or any other adopted State air quality program. The changes to Smog Check exemptions are enforceable since DMV requires a vehicle owner to obtain a Smog Check inspection certificate indicating a vehicle has passed its Smog Check inspection to renew their vehicle registration. The reductions from the Measure are permanent in that, if triggered, the vehicle will need to be repaired in order to renew their registration.

A. Implementation

Within 30 days of the effective date of U.S. EPA determining an applicable Triggering Event occurred, CARB will transmit a letter to BAR and DMV conveying its finding under H&SC § 44011(a)(4)(B)(ii) that providing the exception for certain motor vehicles from Smog Check inspection in specific nonattainment areas (defined by specified ZIP Codes) will prohibit the State from meeting commitments with respect to the SIP as required by the Act. This letter will explain that the Measure is being triggered to meet contingency measure requirements under Act section 172(c)(9) and/or 182(c)(9), and effectuating the change to the Smog Check exemptions for motor vehicles from eight or less MYO to seven or less MYO throughout the applicable nonattainment area (or six or less MYO in cases of the second trigger).

Prior to CARB staff submitting a letter to BAR and DMV, CARB staff will coordinate with BAR and DMV if there is potential for contingency to be triggered in the nonattainment areas in Table 1. CARB staff will meet regularly with BAR and DMV staff throughout the process to implement this Measure. Upon receipt of the CARB letter and the applicable ZIP Codes, CARB, BAR and DMV staff will begin implementation of the change in exemption length to Smog Check and take the following actions:

- DMV will update their Smog Check renewal programing to require a Smog Check inspection for the eight MYO vehicles (or seven MYO in the case of a second trigger) in the ZIP Codes provided by CARB staff;
- The eight to seven MYO (or seven to six MYO) exemption change will begin for registrations expiring beginning January 1st of the applicable year considering the time it takes for DMV to program this change and their registration renewal process;
- 60 days before the expiration date of the vehicle registration, DMV will send out registration renewals that include these newly impacted vehicles along with those already subject to Smog Check inspection;
- The notice will include information on the change in exemptions, reason for change, and resources for obtaining a Smog Check inspection from a certified station;

- CARB staff will work with DMV to develop and include an informational paper that will accompany the registration renewal with the information as included in the notice; and
- BAR and DMV will administer and enforce the new changes to the Smog Check Program.

B. Title VI and Environmental Justice

Title VI of the Civil Rights Act of 1964 (Title VI) provides that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Other relevant federal laws prohibit discrimination in the use of federal funds based on disability, sex, and age.[13] As a recipient of federal funds, CARB must ensure it complies with Title VI and U.S. EPA's Title VI implementation regulations[14] in its relevant programs and policies.

CARB's public process to engage with stakeholders in development of the Measures, its equity analysis of the Measure, and information about CARB's Civil Rights Policy and Compliant process is summarized below.

Public Process

In developing the proposed Measure, CARB staff engaged in a thorough public process that addresses the requirements of Title VI. CARB staff initiated the public process with release of a concept document and hosting a remote online workshop in August 2023 to solicit input from the public.[15] The workshop was hosted through Zoom in the late afternoon to allow more community members to participate without needing to travel. The public notice for the workshop provided a contact for special accommodation requests by interested stakeholders, and CARB staff also made available on the notice and its website a staff email address to accept public questions and comments. The concept document and other materials were available in English and Spanish on the website and through emails sent to relevant email list serves, including the Environmental Justice Stakeholders Group. The workshop included translation services that provided a forum in both English and Spanish for the proposed Measure to be discussed in a public setting and provide additional opportunity for public feedback, input, and ideas. After the workshop, CARB staff

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[13] Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794; Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. §§ 1681 et seq.; Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 et seq.; and Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 § 13, 86 Stat. 903 (codified as amended at 33 U.S.C. § 1251 (1972)).

[14] 40 C.F.R. Part 7.

[15] *https://ww2.arb.ca.gov/resources/documents/california-smog-check-contingency-measure*

has made the recording of the workshop available on its website. CARB staff considered the public feedback it received in developing the Measure. CARB staff will continue to address the requirements of Title VI in the event implementation of the Measure is triggered and provide continuing opportunities for public feedback.

Racial Equity, Environmental Justice, and Equity Analysis

Central to CARB's mission is the commitment to racial equity and environmental justice and ensuring a clean and healthy environment for all Californians. Many low-income and overburdened communities within the nonattainment areas, and across the State, continue to experience disproportionately high levels of air pollution and the resulting detrimental impacts to their health. To address longstanding environmental and health inequities from elevated levels of criteria pollutants (and toxic air contaminants), CARB prioritizes environmental justice, incorporating racial equity, and conducting meaningful community engagement in its policy and planning efforts and programs. It is imperative to optimize California's control programs to maximize emissions reductions and provide targeted near-term benefits in those communities that continue to bear the brunt of poor air quality.

Across the agency, CARB is engaged in specific localized efforts include development of community air monitoring networks to learn about local exposures, development of a racial equity assessment lens to consider benefits and burdens of CARB programmatic work in the planning stages, continuously increasing and improving community engagement efforts, and implementation of Assembly Bill (AB) 617 (C. Garcia, Chapter 136, Statutes of 2017), known as the Community Air Protection Program[10]. Significant progress has been made to address air pollution statewide and in local communities, and it is imperative to also ensure all Californians have access to healthy air quality.

Specific to this Measure, given the existing disproportionate impacts overburdened communities already face, CARB staff sought to evaluate whether the proposed Measure would itself impact disproportionately burden certain communities. In conducting this evaluation, CARB staff analyzed whether there would be disproportionate impact on disadvantaged communities within the affected nonattainment areas if the Measure is triggered.

CARB staff also analyzed the impacts of the Measure on vehicle owners in disadvantaged communities (DACs). CARB staff evaluated the potential impacts on owners of 8 MYO vehicles that reside in disadvantaged communities (DACs), which are defined by California Senate Bill 535[16] as census tracts receiving the highest 25 percent of overall scores in *CalEnviroScreen 4.0*[17]. These communities face the highest air pollution and other

[16] De Leon, *https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535*
[17] *https://oehha.ca.gov/calenviroscreen*

environmental burdens, and CARB staff is working to ensure that policy changes do not have a negative disproportionate impact on these populations.

In order to evaluate whether vehicle owners in DACs will be disproportionately impacted by this Measure if it is triggered, CARB staff compared the proportion of 8 MYO vehicles subject to the Smog Check inspection that are registered in DACs in each nonattainment area to the proportion of vehicles that are subject to the Smog Check inspection at some point in their lifetime that are registered in DACs for each nonattainment area. CARB staff used DMV data reflecting vehicle registrations as of 2021; thus, model year 2013 was used to represent 8 MYO vehicles and calculate the proportion of vehicles subject to the change. CARB staff assumes that the proportion of 8 MYO vehicles subject to the Smog Check inspection will be approximately equivalent in future attainment years. Based on this analysis for all areas in Table 1, CARB staff found that the proportion of vehicle owners potentially impacted by the Measure, if triggered, is not disproportionate to the population as a whole in each of the nonattainment areas analyzed. The proportion of people impacted with vehicles registered in DACs is about equal to the proportion of vehicle owners residing in DACs area-wide and generally represent a relatively small portion of the total population being impacted.

$$\frac{8MYO\ vehicles\ registered\ in\ DACs\ in\ nonattainment\ area}{8MYO\ vehicles\ registered\ in\ nonattainment\ area} = \frac{all\ vehicles\ registered\ in\ DACs\ in\ nonttainment\ area}{all\ vehicles\ registered\ in\ nonattainment\ area}$$

If the Measure is triggered, though, there could be other potential impacts to vehicle owners that should be considered. The main impacts to vehicle owners are the additional monetary cost and time of obtaining a Smog Check inspection and potential repairs one year earlier than previously required. The inspection and certification costs are mostly offset by the Smog Abatement Fee that exempted vehicle owners must pay. A Smog Check inspection averages $55 and is required every other year in most areas of the State. The Smog Abatement Fee is $25 and paid annually as a part of renewal of vehicle registration, thus two years of the Smog Abatement Fee is roughly equivalent to the average cost of a Smog Check Inspection.

Repair costs can range, but generally cost $750 on average, which could be a significant cost burden. However, financial assistance is available through BAR's Consumer Assistance Program, which provides up to $1,200 for repair costs. In terms of time to obtain a Smog Check inspection which can vary significantly due to location, many vehicles require regular service throughout the year, and owners may be able to schedule a Smog Check inspection concurrently. Additionally, the potential foregone dollars to the Moyer Program may reduce additional opportunities for emission reductions in districts where the local air district dedicates Moyer Program funds exclusively to disadvantaged communities. CARB staff will

continue to explore additional activities or funding opportunities to mitigate these potential disproportionate impacts.

Civil Rights Policy and Discrimination Complaint Process

Under CARB's written Civil Rights Policy and Discrimination Complaint process (Civil Rights Policy), CARB has a policy of nondiscrimination in its programs and activities and implements a process for discrimination complaints filed with CARB, which is available on CARB's website. The Civil Rights Officer coordinates implementation of CARB's nondiscrimination activities, including as the Equal Employment Opportunity (EEO) Officer for employment purposes, and who can be reached at *EEOP@arb.ca.gov*, or (279) 208-7110.[18]

The Civil Rights Policy and Discrimination Complaint Process provides the following information about the nondiscrimination policy and its applicability:

> It is the California Air Resources Board (CARB) policy to provide fair and equal access to the benefits of a program or activity administered by CARB. CARB will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by CARB. Members of the public who believe they were unlawfully denied full and equal access to an CARB program or activity may file a civil rights complaint with CARB under this policy. This non-discrimination policy also applies to people or entities, including contractors, subcontractors, or grantees that CARB utilizes to provide benefits and services to members of the public. [. . .]

As described in the Civil Rights Policy and Discrimination Complaint Process, the Civil Rights Officer coordinates implementation of nondiscrimination activities:

> CARB's Executive Officer will have final authority and responsibility for compliance with this policy. CARB's Civil Rights Officer, on behalf of the Executive Officer, will coordinate this policy's implementation within CARB, including work with the Ombudsman's Office, Office of Communications, and the staff and managers within a program or activity offered by CARB. The Civil Rights Officer coordinates compliance efforts, receives inquiries concerning non-discrimination requirements, and ensures CARB is complying with state and federal reporting and record retention requirements, including those required by Code of Federal Regulations, title 40, section 7.10 et seq.

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[18] CARB. California Air Resources Board and Civil Rights. *https://ww2.arb.ca.gov/california-air-resources-board-and-civil-rights*; Civil Rights Policy and Discrimination Compliant Process. November 1, 2016. *https://ww2.arb.ca.gov/sites/default/files/2023-01/2016-11-03%20CARB%20Civil%20Rights%20Policy%20Revised%20Final.pdf*

The Civil Rights Policy and Discrimination Complaint Process also describes in detail the complaint procedure, as follows:

> A Civil rights complaint may be filed against CARB or other people or entities affiliated with CARB, including contractors, subcontractors, or grantees that CARB utilizes to provide benefits and services to members of the public. The complainant must file his or her complaint within one year of the alleged discrimination. This one-year time limit may be extended up to, but no more than, an additional 90 days if the complainant first obtained knowledge of the facts of the alleged violation after the expiration of the one-year time limit. [. . .]
>
> The Civil Rights Officer will review the facts presented and collected and reach a determination on the merits of the complaint based on a preponderance of the evidence. The Civil Rights Officer will inform the complainant in writing when CARB has reached a determination on the merits of the discrimination complaint. Where the complainant has articulated facts that do not appear discriminatory but warrants further review, the Civil Rights Officer, in his or her discretion, may forward the complaint to a party within CARB for action. The Civil Rights Officer will inform the complainant, either verbally or in writing, before facilitating the transfer. [. . .]
>
> CARB will not tolerate retaliation against a complainant or a participant in the complaint process. Anyone who believes that they have been subject to retaliation in violation of this policy may file a complaint of retaliation with CARB following the procedures outlined in this policy.

There is a Civil Rights Complaint Form available[19] on the webpage, which should be used by members of the public to file a complaint of discrimination against CARB that an individual believes occurred during the administration of its programs and services offered to the public. As described on CARB's webpage, for all complaints submitted, the Civil Rights Officer will review the complaint to determine if there is a prima facie complaint (which means, if all facts alleged were true, would a violation of the applicable policy exist). If the Civil Rights Officer identifies a prima facie complaint in the jurisdiction of the Civil Rights Office, the Civil Rights Office will investigate and determine whether there is a violation of the policy.

The laws and regulations that CARB implements through this policy include:

- Code of Federal Regulations, Title 40 Parts 5 and 7;
- Title VI of the U.S. Civil Rights Act of 1964, as amended;

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[19] CARB. Civil Rights Complaint Form. July 2019. *https://ww2.arb.ca.gov/sites/default/files/2023-01/eo_eeo_033_civil_rights_complaints_form.pdf*

- Section 504 of the Rehabilitation Act of 1973;
- Age Discrimination Act of 1975;
- Title IX of the Education Amendments of 1972;
- California Government Code, title 2, Division 3, Part 1, Chapter 2, Article 9.5, *Discrimination*, section 11135 et seq.; and
- California Code of Regulations, title 2, section 10000 et seq.

As part of its overarching civil rights and environmental justice efforts, CARB is in the process of updating its Civil Rights Policy and will make those publicly available once complete. These updates will reflect available U.S. EPA and U.S. Department of Justice resources for Title VI and environmental justice policies. CARB encourages U.S. EPA to issue additional guidance to further clarify Title VI requirements and expectations to assist state implementation efforts.

C. Fiscal Impacts to State Programs

The Measure has some fiscal impacts. Previously exempted vehicles will no longer pay the annual Smog Abatement Fee of $25, but instead pay the biennial Smog Check inspection certification fee of $8.25, which is directed to BAR to fund the Smog Check Program. Of the Smog Abatement fee, $21 is directed to the Air Pollution Control Fund to fund the Moyer Program, which will no longer be collected if the exemption changes. If the Measure is triggered, this will result in fewer funds being directed towards the Air Pollution Control Fund for the Moyer Program, but an increase in certification fees for BAR. For each nonattainment area and standard, CARB staff used the estimated number of vehicles impacted by the change in exemption model year to estimate the fiscal impact of a potential change in exemption if the Measure is triggered. The estimated loss of funding if triggered is detailed for each nonattainment area in Section 5.

The potential loss of funds resulting from the Measure being triggered in an area may result in a loss of funds for the Moyer Program, which could result in fewer Moyer Program projects and fewer opportunities for additional emission reductions. If the Measure is triggered in a nonattainment area, the monetary impacts will be statewide. The Moyer Program funds are collected statewide but allocated to each local air district according to requirements set by H&SC §44299.2. For South Coast Air Basin only, the allocation is based on human population relative to the State as a whole. For the remaining local air districts, funds are allocated based on each local air district's population, air quality, and historical allocation awarded in Fiscal Year (FY) 2002-2003. CARB staff used the statewide average cost effectiveness of Moyer Program projects to estimate the Moyer Program emission reductions impact if the Measure is triggered. Based on CARB staff analysis, the resulting potential foregone emissions reductions from fewer potential projects funded through the Moyer Program will not outweigh the emissions reductions benefit from the Measure. The

estimated loss in potential emissions reductions from the Moyer Program is detailed below in each nonattainment area section of this report. The methodology for calculating the impact of the loss of Moyer Program funds can be found in Appendix C.

D. CEQA

CARB staff has determined that the Measure is exempt from CEQA under the "general rule" or "common sense" exemption (14 CCR 15061(b)(3)). The common sense exemption states a project is exempt from CEQA if "the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." The Measure addresses contingency measure requirements under the Act and would remove an exemption from a Smog Check inspection for certain model year vehicles only in the event a Triggering Event occurs. The Measure would only go into effect in the area in which it is triggered. The change in exemptions for vehicles required to obtain a Smog Check inspection, only if triggered by an applicable event, would not require new equipment and has no potential to adversely affect air quality or any other environmental resource area. Based on CARB staff's review it can be seen with certainty that there is no possibility that the Measure may result in a significant adverse impact on the environment; therefore, this activity is exempt from CEQA.

CARB staff has also determined that the Measure is categorically exempt from CEQA under the "Class 8" exemption (Cal. Code Regs., tit. 14, § 15308). Class 8 exemptions apply to "actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment." The proposed Measure is an action by CARB, a regulatory agency, to protect the environment in the event a Triggering Event occurs. The Measure will assure the maintenance and enhancement of the environment by removing exemptions from the Smog Check Program, resulting in additional emissions control equipment failures being identified and corrected, thereby reducing emissions that typically result when emissions control equipment is not performing as designed. CARB staff analysis indicates air emission benefits exceed the disbenefits in each relevant air basin. Therefore, the Smog Check Contingency Measure is also exempt as a Class 8 exemption.

Section 5. Nonattainment Area Analyses

California's nonattainment challenge for ozone and PM2.5 NAAQS in most of the State is driven in part due to motor vehicle emissions. While CARB's regulations require motor vehicles to meet emission standards throughout their useful lives, this is not guaranteed. CARB staff recommends the Board exercise the authority under this statute and find that exempting motor vehicles that are less than 8 years old from the requirements is preventing the State from meeting its commitments under the Act related to complying with the Act's contingency measure requirements. Subjecting vehicles to the Smog Check Program to reduce emissions as a contingency measure when a Triggering Event occurs would help the State meet its contingency measure requirement under the Act. In addition to CARB's actions, each local air district has either included a complementary contingency measure or measures in their SIP or will provide a reasoned justification for why they are unable to provide contingency measures for the full amount of reductions as specified in the draft guidance. Below, for each nonattainment area listed in Table 1, CARB staff is providing the estimate of the one year's worth of progress, estimate of contingency measure reductions, equity impacts, and Moyer Program impacts.

A. Coachella Valley

The Measure complements local air district efforts to meet contingency measure requirements for the 75 ppb and 70 ppb 8-hour ozone standards. The required amount of emission reductions from contingency measures, or one year's worth (OYW) of progress based on the draft guidance, is shown in Table 3.

Table 3. Coachella Valley OYW of Progress
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
75 ppb 8-hour Ozone	2031	0.34	0.14
70 ppb 8-hour Ozone	2037	0.17	0.10

Table 4 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 4. Coachella Valley Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
75 ppb 8-hour Ozone	2031	0.008	0.003
70 ppb 8-hour Ozone	2037	0.008	0.003

Equity Impacts

Table 5 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in the Coachella Valley. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 4 percent. There is not expected to be a disproportionate impact on disadvantaged communities should the measure be triggered.

Table 5. Coachella Valley Vehicle Populations

All Vehicles	All Vehicles Population	8MYO Vehicles* (MY 2013)	8MYO Vehicles* (MY 2013) Population
Total Vehicle Population	320,375	Vehicle Population	14,622
Vehicle Population in DACs	15,492	Vehicle Population in DACs	640
Proportion DAC	4.84%	Proportion DAC	4.38%

*MY 2013 Vehicle populations were used to represent 8MYO vehicles.

Carl Moyer Impacts

Should the Measure be triggered in Coachella Valley, the potential funds lost by year is listed below in Table 6. The loss in funding would have statewide impacts as the funds are collected and redistributed to districts based on the formula H&SC § 44299.2. Based on statewide cost effectiveness and historical allocations to each local air district, the estimated loss in potential emission reduction benefits in Coachella Valley if the Measure is triggered is shown in Table 7.

Table 6. Coachella Valley 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
75 ppb 8-hour Ozone	2031	$ 311,468
70 ppb 8-hour Ozone	2037	$ 325,868

Table 7. Coachella Valley Carl Moyer Program Potential Foregone Emissions Reductions

(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
75 ppb 8-hour Ozone	2031	0.0002
70 ppb 8-hour Ozone	2037	0.0002

B. Eastern Kern County

The Measure complements local air district efforts to meet contingency measure requirements for the 75 ppb and 70 ppb 8-hour ozone standards. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 8.

Table 8. Eastern Kern County OYW of Progress

(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
75 ppb 8-hour Ozone	2026	0.30	0.08
70 ppb 8-hour Ozone	2032	0.26	0.07

Table 9 documents the emission reductions that would occur after the attainment year due to implementation of the Measure if triggered.

Table 9. Eastern Kern County Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
75 ppb 8-hour Ozone	2026	0.003	0.001
70 ppb 8-hour Ozone	2032	0.003	0.001

Equity Impacts

Table 10 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in Eastern Kern County. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 4 percent. There is not expected to be a disproportionate impact on disadvantaged communities, should the measure be triggered.

Table 10. Eastern Kern County Vehicle Populations
(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles	All Vehicles Population	8MYO Vehicles* (MY 2013)	8MYO Vehicles* (MY 2013) Population
Total Vehicle Population	86,909	Vehicle Population	4,209
Vehicle Population in DACs	3,640	Vehicle Population in DACs	174
Proportion DAC	4.19%	Proportion DAC	4.12%

*MY 2013 Vehicle populations were used to represent 8MYO vehicles.

Carl Moyer Impacts

Should the Measure be triggered in Eastern Kern County, the potential funds lost statewide by year is listed below in Table 11. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in Eastern Kern County if the Measure is triggered is shown in Table 12.

Table 11. Eastern Kern County 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
75 ppb 8-hour Ozone	2026	$ 112,514
70 ppb 8-hour Ozone	2032	$ 116,670

Table 12. Eastern Kern Carl Moyer Program Potential Foregone Emissions Reductions
(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
75 ppb 8-hour Ozone	2026	0.000003
70 ppb 8-hour Ozone	2032	0.000003

C. Mariposa County

The Measure complements local air district efforts to meet contingency measure requirements for the 70 ppb 8-hour ozone standard. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 13.

Table 13. Mariposa County OYW of Progress
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
70 ppb 8-hour Ozone	2026	0.02	0.13

Table 14 documents the emission reductions that would occur after the attainment year due to implementation of the Measure if triggered.

Table 14. Mariposa County Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
70 ppb 8-hour Ozone	2026	0.0003	0.0001

Equity Impacts

Per scores in *CalEnviroScreen 4.0*, there are very few vehicles registered in DACs in Mariposa County. There is not expected to be a disproportionate impact on disadvantaged communities should the measure be triggered.

Carl Moyer Impacts

Should the Measure be triggered in Mariposa County, the potential funds lost by year is listed below in Table 15. Based on district allocations of Moyer Program funds per H&SC §44299.2, Mariposa County receives $200,000 regardless of the funding available statewide. Thus, there will be no emissions disbenefit from a decrease in Moyer Funds in Mariposa County if the measure is triggered, shown in Table 16.

Table 15. Mariposa County 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
70 ppb 8-hour Ozone	2026	$ 8,691

Table 16. Mariposa County Carl Moyer Program Potential Foregone Emissions Reductions

(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
70 ppb 8-hour Ozone	2026	0.000

D. Sacramento Metro Area

The Measure complements the local air districts' efforts to meet contingency measure requirements for the 75 ppb and 70 ppb 8-hour ozone standards. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 17.

Table 17. Sacramento Metro OYW of Progress

(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
75 ppb 8-hour Ozone	2024	2.20	1.78
70 ppb 8-hour Ozone	2032	1.26	0.99

Table 18 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 18. Sacramento Metro Area Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
75 ppb 8-hour Ozone	2024	0.077	0.037
70 ppb 8-hour Ozone	2032	0.047	0.015

Equity Impacts

Table 19 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in the Sacramento Metro area. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 7 percent. There is not expected to be a disproportionate impact on disadvantaged communities should the measure be triggered.

Table 19 Sacramento Metro Area Vehicle Populations
(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles		8 MYO Vehicles (MY 2013)	
Total Vehicle Population	1,766,464	MY13 Vehicle Population	88,163
Vehicle Population in DACs	135,377	MY13 Vehicle Population in DACs	6,387
Proportion DAC	7.66%	Proportion DAC	7.24%

Carl Moyer Impacts

Should the Measure be triggered in the Sacramento Metro Area, the potential funds lost by year is listed below in Table 20. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in Sacramento Metro Area if the Measure is triggered is shown in Table 21.

Table 20. Sacramento Metro Area 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
75 ppb 8-hour Ozone	2024	$ 2,554,206
70 ppb 8-hour Ozone	2032	$ 2,020,844

Table 21. Sacramento Metro Area Carl Moyer Program Potential Foregone Emissions Reductions

(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
75 ppb 8-hour Ozone	2024	0.0009
70 ppb 8-hour Ozone	2032	0.0007

E. San Diego County

The Measure complements local air district efforts to meet contingency measure requirements for the 75 ppb and 70 ppb 8-hour ozone standards. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 22.

Table 22. San Diego County OYW of Progress

(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
75 ppb 8-hour Ozone	2026	2.19	1.97
70 ppb 8-hour Ozone	2032	1.26	0.89

Table 23 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 23. San Diego County Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
75 ppb 8-hour Ozone	2026	0.065	0.027
70 ppb 8-hour Ozone	2032	0.056	0.016

Equity Impacts

Table 24 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in San Diego County. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 5.5 percent. There is not expected to be a disproportionate impact on disadvantaged communities, should the measure be triggered.

Table 24. San Diego County Vehicle Populations
(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles		8 MYO Vehicles (MY 2013)	
Total Vehicle Population	2,360,242	MY13 Vehicle Population	117,373
Vehicle Population in DACs	146,252	MY13 Vehicle Population in DACs	6,433
Proportion DAC	6.20%	Proportion DAC	5.48%

Carl Moyer Impacts

Should the Measure be triggered in San Diego County, the potential funds lost by year is listed below in Table 25. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in San Diego County if the Measure is triggered is shown in Table 26.

Table 25. San Diego County 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
75 ppb 8-hour Ozone	2026	$ 2,308,061
70 ppb 8-hour Ozone	2032	$ 2,341,248

Table 26. San Diego County Carl Moyer Program Potential Foregone Emissions Reductions

(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
75 ppb 8-hour Ozone	2026	0.001
70 ppb 8-hour Ozone	2032	0.001

F. San Joaquin Valley

The Measure complements district efforts to meet contingency measure requirements for the 80 ppb, 75 ppb and 70 ppb 8-hour ozone standards, the 15 ug/m^3 and 12 ug/m^3 annual PM2.5 standards, and the 35 ug/m^3 24-hour PM2.5 standard. On May 18, 2023, specific to PM2.5 standards, the San Joaquin Valley Air Pollution Control District adopted their *PM2.5 Contingency Measure SIP Revision* which was submitted to U.S. EPA by CARB staff. Further, on June 23, 2023, CARB staff committed to submit to U.S. EPA a triggered contingency measure under State authority for the PM2.5 standards. If adopted, the Measure will be submitted to U.S. EPA to fulfill that commitment.

The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 27 for the 80 ppb, 75 ppb and 70 ppb 8-hour ozone standards.

Table 27. San Joaquin Valley OYW of Progress

(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
80 ppb 8-hour ozone	2023	7.57	2.40
75 ppb 8-hour Ozone	2031	4.25	1.88
70 ppb 8-hour Ozone	2037	2.35	1.73

Table 28 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 28. San Joaquin Valley Potential Reductions from Measure
(reductions calculated on summer planning inventory for ozone, annual planning inventory for PM2.5)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
80 ppb 8-hour Ozone	2023	0.112	0.056
15 µg/m^3 Annual PM2.5	2023	0.117	0.052
35 µg/m^3 24-hour PM2.5	2024	0.120	0.052
12 µg/m^3 Annual PM2.5	2030	0.086	0.027
75 ppb 8-hour Ozone	2031	0.079	0.025
70 ppb 8-hour Ozone	2037	0.076	0.024

Equity Impacts

Table 29 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in the San Joaquin Valley. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 28-29 percent, though the percentage of people residing in DACs in San Joaquin Valley is relatively higher compared to other districts. There is not expected to be a disproportionate impact on disadvantaged communities should the measure be triggered.

Table 29. San Joaquin Valley Vehicle Populations
(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles		8 MYO Vehicles (MY 2013)	
Total Vehicle Population	2,493,831	MY13 Vehicle Population	113,744
Vehicle Population in DACs	738,064	MY13 Vehicle Population in DACs	31,906
Proportion DAC	29.60%	Proportion DAC	28.05%

Carl Moyer Impacts

Should the Measure be triggered in San Joaquin Valley, the potential funds lost by year is listed below in Table 30. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in the San Joaquin Valley if the Measure is triggered is shown in Table 31.

Table 30. San Joaquin Valley 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars[20]
80 ppb 8-hour Ozone	2023	$ 3,781,802
15 µg/m^3 Annual PM2.5	2023	$ 3,781,802
35 µg/m^3 Annual PM2.5	2024	$ 3,880,753
12 µg/m^3 Annual PM2.5	2030	$ 3,171,435
75 ppb 8-hour Ozone	2031	$ 3,167,124
70 ppb 8-hour Ozone	2037	$ 3,300,289

Table 31 San Joaquin Valley Carl Moyer Program Potential Foregone Emissions Reductions

(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
80 ppb 8-hour Ozone	2023	0.004
15 µg/m^3 Annual PM2.5	2023	0.004
35 µg/m^3 Annual PM2.5	2024	0.004
12 µg/m^3 Annual PM2.5	2030	0.003
75 ppb 8-hour Ozone	2031	0.003
70 ppb 8-hour Ozone	2037	0.003

[20] For years with multiple standards/ triggers in the same year, the loss in smog abatement fees would only be triggered once.

G. South Coast Air Basin

The Measure complements local air district efforts to meet contingency measure requirements for the 75 ppb and 70 ppb 8-hour ozone standards, and the 12 ug/m^3 annual PM2.5 standard. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 32 for the 75 ppb and 70 ppb 8-hour ozone standards.

Table 32. South Coast Air Basin OYW of Progress
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
75 ppb 8-hour Ozone	2031	4.12	6.38
70 ppb 8-hour Ozone	2037	2.62	3.54

Table 33 documents the emission reductions that occur after the attainment or final RFP milestone year due to implementation of the Measure if triggered.

Table 33. South Coast Air Basin Potential Reductions from Measure
(reductions calculated on summer planning inventory for ozone, annual planning inventory for PM2.5)

Standard	Attainment/RFP Year	NOx Benefits (tpd)	ROG Benefits (tpd)
75 ppb 8-hour Ozone	2029	0.295	0.096
70 ppb 8-hour Ozone	2035	0.254	0.077
12 µg/m^3 Annual PM2.5	2030	0.300	0.093

Equity Impacts

Table 34 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in the South Coast Air Basin. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is lower than the proportion of the general population of all vehicles registered in DACs overall, though the percentage of people residing in DACs in the South Coast Air Basin is relatively higher compared to other local air districts. There is not expected to be a disproportionate impact on disadvantaged communities should the measure be triggered.

Table 34. South Coast Vehicle Populations
(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles		8 MYO Vehicles (MY 2013)	
Total Vehicle Population	11,296,609	MY13 Vehicle Population	504,562
Vehicle Population in DACs	3,324,206	MY13 Vehicle Population in DACs	129,225
Proportion DAC	29.43%	Proportion DAC	25.61%

Carl Moyer Impacts

Should the measure be triggered in the South Coast Air Basin, the potential funds lost by year is listed below in Table 35. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in the South Coast Air Basin if the Measure is triggered is shown in Table 36.

Table 35. South Coast 8 MYO Smog Abatement Fees

Standard	Attainment/RFP Year	Potential Dollars
75 ppb 8-hour Ozone	2029	$ 11,273,782
70 ppb 8-hour Ozone	2035	$ 11,195,217
12 μg/m^3 Annual PM2.5	2030	$ 11,122,871

Table 36. South Coast Carl Moyer Program Potential Foregone Emissions Reductions
(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment/RFP Year	NOx (tpd)
75 ppb 8-hour Ozone	2029	0.024
70 ppb 8-hour Ozone	2035	0.024
12 μg/m^3 Annual PM2.5	2030	0.024

H. Ventura County

The Measure complements local air district efforts to meet contingency measure requirements for the 70 ppb 8-hour ozone standard. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 37.

Table 37. Ventura County OYW of Progress
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
70 ppb 8-hour Ozone	2026	0.48	0.20

Table 38 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 38. Ventura County Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
70 ppb 8-hour Ozone	2026	0.013	0.005

Equity Impacts

Table 39 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in Ventura County. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 3 percent. There is not expected to be a disproportionate impact on disadvantaged communities, should the measure be triggered.

Table 39. Ventura County Vehicle Populations
(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles		8 MYO Vehicles (MY 2013)	
Total Vehicle Population	661,147	MY13 Vehicle Population	29,970
Vehicle Population in DACs	22,466	MY13 Vehicle Population in DACs	899
Proportion DAC	3.40%	Proportion DAC	3.00%

Carl Moyer Impacts

Should the Measure be triggered in Ventura County, the potential funds lost by year is listed below in Table 40. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in Ventura County if the Measure is triggered is shown in Table 41.

Table 40. Ventura County 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
70 ppb 8-hour Ozone	2026	$ 459,328

Table 41. Ventura County Carl Moyer Program Potential Foregone Emissions Reductions
(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
70 ppb 8-hour Ozone	2026	0.00008

I. West Mojave Desert

The Measure complements local air districts efforts to meet contingency measure requirements for the 75 ppb and 70 ppb 8-hour ozone standards. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 42.

Table 42. West Mojave Desert OYW of Progress
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
75 ppb 8-hour Ozone	2026	1.50	0.39
70 ppb 8-hour Ozone	2032	1.18	0.35

Table 43 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 43. West Mojave Desert Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
75 ppb 8-hour Ozone	2026	0.021	0.009
70 ppb 8-hour Ozone	2032	0.018	0.006

Equity Impacts

Table 44 documents the potential impact of the Measure on DACs as identified in *CalEnviroScreen 4.0* in the West Mojave Desert. The proportion of vehicles that are registered in DACs and would be impacted if the Measure is triggered is proportional to the general population of all vehicles registered in DACs overall, about 8.5 percent. There is not expected to be a disproportionate impact on disadvantaged communities, should the measure be triggered.

Table 44. West Mojave Desert Vehicle Populations

(vehicle populations calculated from EMFAC2021 Fleet Database)

All Vehicles		8 MYO Vehicles (MY 2013)	
Total Vehicle Population	665,512	MY13 Vehicle Population	23,721
Vehicle Population in DACs	56,624	MY13 Vehicle Population in DACs	2,047
Proportion DAC	8.5%	Proportion DAC	8.6%

Carl Moyer Impacts

Should the measure be triggered in West Mojave Desert, the potential funds lost by year is listed below in Table 45. Based on statewide cost effectiveness and historical allocations to each local air district, the loss in potential emission reduction benefits in West Mojave Desert if the Measure is triggered is shown in Table 46.

Table 45. West Mojave Desert 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
75 ppb 8-hour Ozone	2026	$ 746,890
70 ppb 8-hour Ozone	2032	$ 752,076

Table 46. West Mojave Desert Carl Moyer Program Potential Foregone Emissions Reductions

(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx (tpd)
75 ppb 8-hour Ozone	2026	0.00006
70 ppb 8-hour Ozone	2032	0.00006

J. Western Nevada County

The Measure complements local air district efforts to meet contingency measure requirements for the 70 ppb 8-hour ozone standard. The required amount of emission reductions from contingency measures, or OYW of progress based on the draft guidance, is shown in Table 47.

Table 47. Western Nevada County OYW of Progress

(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx (tpd)	ROG (tpd)
70 ppb 8-hour Ozone	2026	0.09	0.08

Table 48 documents the emission reductions that occur after the attainment year due to implementation of the Measure if triggered.

Table 48. Western Nevada County Potential Reductions from Measure
(reductions calculated on summer planning inventory)

Standard	Attainment Year	NOx Benefits (tpd)	ROG Benefits (tpd)
70 ppb 8-hour Ozone	2026	0.002	0.001

Equity Impacts

Per scores in *CalEnviroScreen 4.0*, there is only one vehicle registered in a DAC within the Western Nevada County nonattainment area. There is not expected to be a disproportionate impact on disadvantaged communities, should the measure be triggered.

Carl Moyer Impacts

Should the Measure be triggered in Western Nevada County, the potential funds lost by year is listed below in Table 49. Based on district allocations of Moyer Program funds per H&SC §44299.2, Northern Sierra Air Quality Management District, the local air district for Western Nevada County, receives $200,000 regardless of the funding available statewide. Thus, there will be no emissions disbenefit from a decrease in Moyer Funds in Western Nevada County if the measure is triggered, shown in Table 50.

Table 49. Western Nevada County 8 MYO Smog Abatement Fees

Standard	Attainment Year	Potential Dollars
70 ppb 8-hour Ozone	2026	$ 79,262

Table 50. Western Nevada County Carl Moyer Program Potential Foregone Emissions Reductions
(reductions calculated on annual planning inventory consistent with Moyer Program cost-effectiveness)

Standard	Attainment Year	NOx Benefits (tpd)
70 ppb 8-hour Ozone	2026	0.000

Section 6. Staff Recommendation

CARB staff recommends the Board:

1. Adopt the Measure addressing contingency measure requirements for the applicable nonattainment areas and standards as listed in Table 1;

2. Approve submittal into the California SIP of H&SC sections 44011(a)(4)(A) and (B); and

3. Direct the Executive Officer to submit the Measure, and H&SC sections 44011(a)(4)(A) and (B), to U.S. EPA as a revision to the California SIP.

Appendix A:
Infeasibility Analysis

Infeasibility Analysis

Measure Analysis

CARB staff analyzed CARB's suite of control measures for all sources under CARB authority to identify potential contingency measure options. CARB control measures reduce NOx, ROG and PM2.5 emissions. CARB currently has programs in place or under development for most of these sources and have evaluated a variety of regulatory mechanisms within existing and new programs for potential contingency triggers.

Criteria for Contingency Feasibility

CARB staff has evaluated potential options for a contingency measure within each of CARB's regulations (Table 51) using three criteria to determine its feasibility given the contingency measure requirements under the Act, recent court decisions and draft guidance. First, each measure was evaluated on whether it could be implemented within 30 days of being triggered and achieve the necessary reductions within 1-2 years of being triggered. Second, the technological feasibility of each option was considered to assess whether the measure would be technically feasible to implement. Measure requirements may be unavailable or cost prohibitive to implement, especially in the time frame required for contingency. Lastly, CARB staff evaluated whether the timeline for adoption would be compatible with the current consent decree deadline of September 30, 2024[21]. The contingency measure must be adopted by CARB and submitted to and fully approved by U.S. EPA by this date to resolve a San Joaquin Valley PM2.5 Federal Implementation Plan (FIP) published by U.S. EPA on August 7, 2023. A CARB statewide measure needing a full regulatory process typically requires five years for development and adoption by CARB and additional time for U.S. EPA's approval process including obtaining an Act waiver or authorization.

Challenges for CARB Measures

Based on CARB's feasibility analysis, there are a few common components of CARB regulations that limit the options for contingency measures. All new engine and emissions standards set by CARB require waivers or authorizations from federal preemption under the Clean Air Act; this process can take anywhere from months to several years, and then U.S. EPA must also act to approve the regulation into the California SIP. Further, CARB regulations that require fleet turnover or new engine standards require a long lead time for implementation. Engine manufacturers would need lead time to design, plan, certify, manufacture, and deploy cleaner engines to meet a new or accelerated engine standard, while fleet regulations necessitate that manufacturing is mature so that there is enough supply available to meet that demand. On the consumer side, additional time would be required for procurement implementation and there may be additional infrastructure

[21] See 87 Fed.Reg. 71631 (Nov. 23, 2022).

needed to meet new requirements. Thus, measures that require fleet turnover or new engine standards are not appropriate to be used as a triggered contingency measure.

CARB regulations are also technology-forcing, which makes it difficult to amend regulations or pull compliance timelines forward with only 1-2 years notice as industry needs time to plan, develop, and implement these new technologies. It would be infeasible to require industry to turn over their fleets within one year if the technology is not readily available at a reasonable cost. CARB regulations are also the most stringent air quality control requirements in the country, so there are few opportunities to require additional stringency. CARB is driving sources under our authority to zero-emission everywhere feasible to ensure attainment of air quality standards across the State, and to support near-source toxics reductions and climate targets. However, the zero-emissions targets also eliminates opportunities for contingency.

Lastly, many of CARB's options for a contingency measure would require a full rulemaking process and would not be adopted by CARB, received an Act waiver/authorization, and approved by U.S. EPA within the timeframe specified, making many of the options infeasible. Based on the U.S. EPA FIP timeline, CARB staff would need to find a measure that could realistically be adopted and approved by U.S. EPA within the next year. However, most CARB measures must go through a regulatory process for adoption that can take approximately five years from start to finish.

Table 51. Assessment of Potential CARB Contingency Measures

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Light-Duty Passenger Vehicles and Light-Duty Trucks	Advanced Clean Cars Program (I and II), including the Zero Emission Vehicle (ZEV) Regulation	Amended 8/25/22 Requires 100% ZEV new vehicle sales by 2035 and increasingly stringent standards for gasoline cars and passenger trucks.	Pulling compliance timelines forward. Setting more stringent standards.	No; standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard or manufacturing requirements within 60 days and achieve reductions within one year.	No; current standards and requirements are technology forcing and most stringent in the nation, including a zero-emission requirement. Further stringency would not be feasible.
	Clean Miles Standard	Adopted 5/20/21 Set eVMT (electric miles traveled) and greenhouse gas (GHG) requirements for Transportation Network Companies (TNCs).	Pulling forward timeline to achieve 100% eVMT.	No; standards and fleet requirements need lead time to be implemented; infeasible to implement new standard or purchasing requirements within 60 days and achieve reductions within one year.	No; zero-emissions technology requirement is most stringent standard; TNCs are only a small portion of on-road vehicles, depending on area, may not achieve many reductions.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	On Board Diagnostics II (OBD)	Amended July 22, 2021 Required updates to program to address cold start emissions and diesel particulate matter (PM) monitoring. Many of the regulatory changes included phase-ins that are not 100% until 2027.	Removing or pulling phase-in timelines forward. Setting more stringent OBD requirements.	No; OBD requirements need significant lead time to be developed, adopted, and implemented; infeasible to fully implement new requirements within 60 days and achieve similar reductions within one year.	No; the OBD requirements require sufficient lead time to implement with significant development time needed for hardware/ software changes and verification/validation testing.
	California Smog Check Program	Amended 2010 via legislation Smog Check Program enhancements, including new technologies and test methods.	Change the exemptions from 8 to 7 and/or 6 model years. Require annual Smog Check. Require annual Smog Check for only high mileage vehicles.	Yes (changing the exemptions) because it is not a regulatory change; No (other options); Smog Check requirements need significant lead time to be developed, adopted, and implemented; infeasible to fully implement new requirements within 60 days and achieve similar reductions within one year.	Yes (changing the exemptions) and would not have disproportionate impacts; Yes (other options), but would disproportionately impact low-income populations and disadvantaged communities.
	Reformulated Gasoline	Amended May 2003 Required removal of methyl tert-butyl ether (MTBE) and included refinery limits and cap limits.	Require more stringent standards. Change cap limits and refinery limits.	No; fuel standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year.	No; current standards and requirements are some of most stringent in the world; not feasible to require further stringency of specifications and develop or manufacture in a compressed timeline.
Motorcycles	On-Road Motorcycle Regulation*	Proposed hearing: 2023 May require exhaust emissions standards (harmonize with European standards), evaporative emissions standards, and Zero Emission Motorcycle sales thresholds.	Pulling compliance timelines forward. Require more stringent emissions standards.	No; standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year.	No; Any increase to the stringency of proposed standards would require an additional 1 to 2 years of lead time for 1) CARB staff to evaluate feasibility, and 2) manufacturers to develop and certify compliant motorcycles.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Medium Duty-Trucks	Clean Diesel Fuel	Amended 2013 Established more stringent standards for diesel fuel.	Require more stringent fuel standard.	No; fuel standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year.	No; infeasible to require more stringent standards in compressed timeline.
	Heavy-Duty Engine and Vehicle Omnibus Regulation	Adopted 8/27/20 Established new low NOx and lower PM tailpipe standards and lengthened the useful life and emissions warranty of in-use heavy-duty diesel engines.	Require more stringent standard, make optional idling standard required. Update testing requirements or corrective action procedures.	No; standards need years of lead time to be implemented; infeasible to implement new sales requirement within 60 days and achieve reductions within one year.	No; infeasible to require more stringent standards in compressed timeline.
	Advanced Clean Trucks Regulation	Adopted 6/25/20 Established manufacturer zero-emission truck sales requirement and company and fleet reporting.	Move up timeline for ZEV sales requirement. Reduce threshold for compliance.	No; manufacturer sales requirements need years of lead time to be implemented; infeasible to implement new sales requirement within 60 days. Sales requirement would not happen immediately or within one year of trigger; infeasible to achieve reductions within one year.	No; current sales requirement is technology forcing and most stringent in the nation.
	Advanced Clean Cars Program (I and II), including the Zero Emission Vehicle Regulation	Amended 8/25/22 Requires 100% ZEV new vehicle sales by 2035 and increasingly stringent standards for gasoline cars and passenger trucks.	Pulling compliance timelines forward. Setting more stringent standards.	No; standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard or manufacturing requirements within 60 days and achieve reductions within one year.	No; current standards and requirements are technology forcing and most stringent in the nation, including a zero-emission requirement. Further stringency would not be feasible.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	Advanced Clean Fleets Regulation	Adopted 4/27/23 Establishes zero-emission purchasing requirements for medium- and heavy-duty vehicle fleets (including state and local agencies, and drayage fleets, high priority, and federal fleets); would also require 100% zero-emission new vehicle sales starting 2040.	Pulling compliance timelines forward. Reduce threshold for compliance.	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing requirements within 60 days. Purchasing requirement and turnover would not happen immediately; infeasible to achieve reductions within one year. Because of near term compliance deadlines, moving forward deadlines would not result in many reductions.	No; current fleet requirements are technology forcing and most stringent in the nation, eventually requiring zero-emissions only.
Heavy-Duty Trucks	Heavy-Duty Low NOx Engine Standards	See Omnibus.	More stringent standards were set with Omnibus Regulation.	No; engine standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard or purchasing requirements within 60 days and achieve reductions within one year.	No; infeasible to require more stringent technology forcing standards in compressed timeline if technology/ alternatives are not widely available.
	Optional Low-NOx Standards for Heavy-Duty Diesel Engines	Amended 8/27/20 as a part of Omnibus to lower the optional low NOx emission standards for on-road heavy-duty engines.	Make option required.	No; engine standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard or purchasing requirements within 60 days and achieve reductions within one year.	No; infeasible to require more stringent technology forcing standards in compressed timeline if technology/ alternatives are not widely available.
	Heavy-Duty Inspection and Maintenance Regulation	Adopted 12/9/21 Requires periodic vehicle emissions testing and reporting on nearly all heavy-duty vehicles operating in California.	Increase frequency of testing.	No; increased I/M requirements need significant lead time to be developed, adopted, and implemented; infeasible to fully implement new requirements within 60 days and achieve similar reductions within one year.	Yes, but costs would disproportionally impact small businesses and low-income populations.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	Heavy-Duty OBD	Amended July 22, 2021 Required updates to program to address cold start emissions and diesel PM monitoring. Many of the regulatory changes included phase-ins that are not 100% until 2027.	Removing or pulling phase-in timelines forward. Setting more stringent OBD requirements.	No; OBD requirements need significant lead time to be developed, adopted, and implemented; infeasible to fully implement new requirements within 60 days and achieve similar reductions within one year.	No; the OBD requirements require sufficient lead time to implement with significant development time needed for hardware/ software changes and verification/validation testing.
	Heavy-Duty Engine and Vehicle Omnibus Regulation	Adopted 8/27/20 Established new low NOx and lower PM Standards and lengthened the useful life and emissions warranty of in-use heavy-duty diesel engines.	Require more stringent standard, make optional idling standard required. Update testing requirements or corrective action procedures.	No; standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard or sales requirements within 60 days and achieve reductions within one year.	No; infeasible to require more stringent technology forcing standards in compressed timeline.
	Cleaner In-Use Heavy-Duty Trucks (Truck and Bus Regulation)	Adopted 12/17/10 Requires heavy-duty diesel vehicles that operate in California to reduce exhaust emissions. By January 1, 2023, nearly all trucks and buses will be required to have 2010 or newer model year engines to reduce PM and NOx.	None	-	-
	Zero-Emission Powertrain Certification Regulation	Adopted 12/6/19 Establishes certification requirements for zero-emission powertrains.	None	-	-

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	Advanced Clean Trucks Regulation	Adopted 6/25/20 Established manufacturer zero-emission truck sales requirement and company and fleet reporting.	Move up timeline for ZEV sales requirement. Reduce threshold for compliance.	No; manufacturer sales requirements need years of lead time to be implemented; infeasible to implement new sales requirement within 60 days. Sales requirement would not happen immediately or within one year of trigger; infeasible to achieve reductions within one year.	No; current sales requirement is technology forcing and most stringent in the nation.
	Advanced Clean Fleets Regulation	Adopted 4/27/23 Establishes zero-emission purchasing requirements for medium- and heavy-duty vehicle fleets (including state and local agencies, and drayage fleets, high priority, and federal fleets); would also require 100% zero-emission new vehicle sales starting 2040.	Pulling compliance timelines forward. Reduce threshold for compliance.	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing requirements within 60 days. Purchasing requirement and turnover would not happen immediately; infeasible to achieve reductions within one year. Because of near term compliance deadlines, moving forward deadlines would not result in many reductions.	No; current fleet requirements are technology forcing and most stringent in the nation, eventually requiring zero-emissions only.
Heavy-Duty Urban Buses	Innovative Clean Transit	Adopted 12/14/2018 Requires all public transit agencies to gradually transition to a 100% zero-emission bus fleet.	Move compliance timelines forward. Remove various exemptions or compliance options.	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing requirements within 60 days. Purchasing requirement and turnover would not happen immediately; infeasible to achieve reductions within one year.	No; current requirements are technology forcing and most stringent (zero-emission requirement). Further stringency is not possible; expediting timelines would not be feasible.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	Advanced Clean Fleets Regulation	Adopted 4/27/23 Establishes zero-emission purchasing requirements for medium- and heavy-duty vehicle fleets (including state and local agencies, and drayage fleets, high priority, and federal fleets); would also require 100% zero-emission new vehicle sales starting 2040.	Pulling compliance timelines forward. Reduce threshold for compliance.	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing requirements within 60 days. Purchasing requirement and turnover would not happen immediately; infeasible to achieve reductions within one year. Because of near term compliance deadlines, moving forward deadlines would not result in many reductions.	No; current fleet requirements are technology forcing and most stringent in the nation, eventually requiring zero-emissions only.
Other Buses, Other Buses – Motor Coach	Zero-Emission Airport Shuttle Regulation	Adopted 6/27/19 Requires airport shuttles to transition to zero-emission fleet.	Pull compliance timelines forward. Remove reserve airport shuttle exemption.	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing requirements within 60 days. Purchasing requirement and turnover would not happen immediately; infeasible to achieve reductions within one year.	No; current requirements are technology forcing and most stringent (zero-emission requirement). Further stringency is not possible. Not many shuttles in area, would not achieve many reductions.
	Advanced Clean Fleets Regulation	Adopted 4/27/23 Establishes zero-emission purchasing requirements for medium- and heavy-duty vehicle fleets (including state and local agencies, and drayage fleets, high priority, and federal fleets); would also require 100% zero-emission new vehicle sales starting 2040.	Pulling compliance timelines forward. Reduce threshold for compliance.	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing requirements within 60 days. Purchasing requirement and turnover would not happen immediately; infeasible to achieve reductions within one year. Because of near term compliance deadlines, moving forward deadlines would not result in many reductions.	No; current fleet requirements are technology forcing and most stringent in the nation, eventually requiring zero-emissions only.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Commercial Harbor Craft	Commercial Harbor Craft (CHC) Regulation	Amended 3/24/22 Established more stringent standards, all CHC required to use renewable diesel, expanded requirements, and mandates zero-emission and advanced technologies.	Set more stringent standards. Pull compliance timelines forward.	No; Technology requirements and standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard or requirements within 60 days and achieve reductions within one year.	No; standards set are technology forcing and most stringent; not technologically feasible to require increased stringency in compressed timeline.
Recreational Boats	Spark-Ignition Marine Engine Standards*	Proposed hearing: 2029 Would establish catalyst-based emission standards and percentage of zero-emission technologies for certain applications.	Set more stringent standard.	No; standards need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year.	No; standards being set will be most stringent feasible, including zero-emission requirement); would not save a more stringent standard for contingency
Transport Refrigeration Units	Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (TRUs) (Parts I and II*)	Amended 2/24/22 (Part I), Part II proposed CARB hearing in 2025 Requires diesel-powered truck TRUs to transition to zero-emission, PM emission standard for newly manufactured non-truck TRUs. Part II would establish zero-emission options for non-truck TRUs.	Set more stringent standards. Pull compliance timelines forward	No; standards and fleet requirements need years of lead time to be implemented; infeasible to implement new standard or purchasing requirements within 60 days and achieve reductions within one year.	No; current requirements are technology forcing and most stringent (zero-emission requirement). Further stringency is not possible; expediting timelines would not be feasible; would not save a more stringent standard for contingency
Industrial Equipment	Large Spark-Ignition (LSI) Engine Fleet Requirements Regulation	Amended July 2016 Extended recordkeeping requirements, established labeling, initial reporting, and annual reporting requirements.	Set more stringent performance standards	No; standards and fleet requirements need years of lead time to be implemented; infeasible to implement new standard or purchasing requirements within 60 days and achieve reductions within one year.	No; Infeasible to require further stringency within one year given timeline for technology development and certification. See Zero-Emission Forklifts below.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	Off-Road Regulation	Amended 11/17/22 Requires phase out of oldest and highest-emitting engines, restricts addition of Tier 3 and 4i engines, mandates renewable diesel for all fleets.	Pull phase-out or compliance timelines forward	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing and turnover requirements within 60 days and achieve reductions within one year.	No; Infeasible to require further stringency within one year given timeline for technology development and certification.
	Zero-Emission Forklifts*	Proposed CARB hearing in 2023. Would require model-year phase-out and reporting requirements and manufacturer sales restrictions.	Pull phase-out or compliance timelines forward	No; standards requirements need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year.	No; standards being set will be technology forcing and most stringent feasible, including zero-emission requirement; would not save a more stringent standard for contingency
	Off-Road Zero-Emission Targeted Manufacturer Rule*	Proposed CARB hearing in 2027. Would require manufacturers of off-road equipment and/or engines to produce for sale zero-emission equipment and/or powertrains as a percentage of their annual statewide sales volume.	Pull forward compliance timelines or increase percentage sales requirements	No; Manufacturing and sales requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days and achieve reductions within one year.	No; standards being set will be technology forcing and most stringent feasible, including zero-emission requirement; would not save a more stringent standard for contingency
Construction and Mining	Off-Road Zero-Emission Targeted Manufacturer Rule*	Proposed CARB hearing in 2027. Would require manufacturers of off-road equipment and/or engines to produce for sale zero-emission equipment and/or powertrains as a percentage of their annual statewide sales volume.	Pull forward compliance timelines or increase percentage sales requirements	No; Manufacturing and sales requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days and achieve reductions within one year.	No; standards being set will be technology forcing and most stringent feasible, including zero-emission requirement; would not save a more stringent standard for contingency

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
	Off-Road Regulation	Amended 11/17/22 Requires phase out of oldest and highest-emitting engines, restricts addition of Tier 3 and 4i engines, mandates renewable diesel for all fleets.	Pull phase-out or compliance timelines forward	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing and turnover requirements within 60 days and achieve reductions within one year.	No; Infeasible to require further stringency within one year given timeline for technology development and certification.
Airport Ground Support Equipment	Zero-Emission Forklifts*	Proposed CARB hearing in 2023. Would require model-year phase-out and reporting requirements and manufacturer sales restrictions.	Pull phase-out or compliance timelines forward	No; standards requirements need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year.	No; standards being set will be technology forcing and most stringent feasible, including zero-emission requirement; would not save a more stringent standard for contingency
	Large Spark-Ignition (LSI) Engine Fleet Requirements Regulation	Amended July 2016 Extended recordkeeping requirements, established labeling, initial reporting, and annual reporting requirements.	Set more stringent performance standards	No; standards and fleet requirements need years of lead time to be implemented; infeasible to implement new standard or purchasing requirements within 60 days and achieve reductions within one year.	No; Infeasible to require further stringency within one year given timeline for technology development and certification.
	Off-Road Regulation	Amended 11/17/22. Requires phase out of oldest and highest-emitting engines, restricts addition of Tier 3 and 4i engines, mandates renewable diesel for all fleets.	Pull phase-out or compliance timelines forward	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing and turnover requirements within 60 days and achieve reductions within one year.	No; Infeasible to require further stringency within one year given timeline for technology development and certification.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Port Operations and Rail Operations	Cargo Handling Equipment Regulation*	Proposed CARB hearing in 2025. Amendments to transition to zero-emission technology.	None	No; Standards requirements need years of lead time to be developed, certified, and implemented; infeasible to implement new standard within 60 days and achieve reductions within one year. Fully implemented in 2017 and relies on other engine standards, making it infeasible to trigger without regulatory process changing other standards.	No; Considering regulation to move towards zero-emissions. Currently assessing availability of technologies.
	Off-Road Zero-Emission Targeted Manufacturer Rule*	Proposed CARB hearing in 2027. Would require manufacturers of off-road equipment and/or engines to produce for sale zero-emission equipment and/or powertrains as a percentage of their annual statewide sales volume.	Pull forward compliance timelines or increase percentage sales requirements	No; Manufacturing and sales requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days and achieve reductions within one year.	No; standards being set will be technology forcing and most stringent feasible, including zero-emission requirement; would not save a more stringent standard for contingency
Lawn and Garden	Small Off-Road Engine (SORE) Regulation	Amended 12/9/21 Requires most newly manufactured SORE to meet emission standards of zero starting in model year (MY) 2024.	Move up implementation deadlines	No; Standards requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days. Purchasing would not happen immediately or within one year of trigger; infeasible to achieve reductions within one year.	No; current standards and requirements are a technology forcing zero-emission certification requirement. Further stringency would not be possible.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Ocean-Going Vessels	At Berth Regulation	Amended 8/27/20 Expands requirements to roll-on roll-off vessels and tankers, smaller fleets, and new ports and terminals.	Remove option to use alternate control technology or set more stringent alternate control technology requirements. Reduce threshold for 'low activity terminals' exemption.	No; control technology requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days and achieve reductions within one year.	No; regulation already requires use of shore power or alternate control technology for every visit.
	Ocean-going Vessel Fuel Regulation	Amended 2011 Extended clean fuel zone and included exemption window.	Set more stringent requirements	No; fleet requirements need years of lead time to be implemented; infeasible to implement new purchasing and turnover requirements within 60 days and achieve reductions within one year.	No; not feasible to require further stringency in a compressed timeline.
Locomotives	In-Use Locomotive Regulation	Adopted 4/27/23, Requires each operator to deposit funds into spending account for purchasing cleaner locomotive technology, sets idling limits, and requires registration and reporting. Starting in 2030, only locomotives less than 23 years old can operate in the state. Newly built passenger, switch, and industrial locomotives must operate in a zero emission configuration, and in 2035 newly built freight line haul locomotives.	Move up implementation deadlines. Set stricter idling requirements.	No; Fleet requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days and reductions within one year. No, for idling requirements.	No; current standards and requirements are technology forcing, include a zero-emission requirement. Further stringency would not be possible. No, for idling requirements, CARB is committing to re-evaluate the requirement during next assessment.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Areawide Sources	Zero-Emission Standard for Space and Water Heaters	Proposed CARB hearing in 2025. Beginning in 2030, 100% of sales of new space heaters and water heaters would need to meet a zero-emission standard.	Set trigger for more stringent standards or timelines.	No; Standards requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days. Purchasing would not happen immediately or within one year of trigger; infeasible to achieve reductions within one year.	No; current standards and requirements are a technology forcing zero-emission certification requirement. Further stringency would not be possible.

There were few options identified for a contingency measure based on the infeasibility analysis. As previously stated, there are limitations to utilizing CARB regulations for contingency measures and CARB currently has programs in place or under development for most of these sources to reduce NOx, ROG and PM2.5 emissions. However, the analysis did result in identifying the ability to utilize provisions within the Smog Check Program for a viable contingency measure, which is now being proposed.

Appendix B:
Smog Check Contingency Measure Emissions Benefits Methodology

Smog Check Contingency Measure Emissions Benefits

Table 52. List of Non-Attainment Areas and Attainment Years

Standard	Area	Attainment Year
80 ppb 8-hour Ozone	San Joaquin	2023
75 ppb 8-hour Ozone	Sac Metro	2024
	Eastern Kern	2026
	West Mojave	2026
	San Diego	2026
	South Coast	2029
	Coachella Valley	2031
	SJV	2031
70 ppb 8-hour Ozone	Ventura	2026
	Western Nevada	2026
	Mariposa	2026
	Eastern Kern	2032
	Sacramento Metro	2032
	San Diego	2032
	West Mojave	2032
	South Coast	2035
	Coachella	2037
	SJV	2037
15 ug PM2.5	San Joaquin	2023
35 ug PM2.5	San Joaquin	2024
12 ug PM2.5	San Joaquin	2030
	South Coast	2030

Review Of Current Information

The EMission FACtor (EMFAC) model is California's official emissions inventory model for on-road mobile sources. EMFAC2021 is the latest U.S. Environmental Protection Agency (U.S. EPA) approved version for use in California for State Implementation Plan (SIP) development and transportation conformity analysis[22], and reflects the most recent emission and activity updates and newly adopted regulations at the time of its release. At the present time, almost the entire California vehicle fleet is subjected to the Smog Check Program and hence, in-use testing programs that inform emission rates in EMFAC2021 implicitly incorporate the emissions benefits of California's Smog Check Program in the model output. In addition, EMFAC2021 does not have functionality to output emissions from the light-duty

[22] *https://www.govinfo.gov/content/pkg/FR-2022-11-15/pdf/2022-24790.pdf*

fleet without the effects of Smog Check Program. However, an earlier version of the model, EMFAC2011, used a different modeling framework that allows users to estimate emissions impacts of the Smog Check based on user-defined program requirements specific to each NAA.[23]

Unlike the latest version of the model, EMFAC2011 baseline outputs reflect emissions from a fleet without an I/M Program. Because California's Smog Check Program began in 1984, emissions data without an I/M program in EMFAC2011 were derived from U.S. EPA data collected on approximately 7,000 vehicles in Hammond, Illinois and Ann Arbor, Michigan in the 1990s before an I/M program was in effect.[24] CARB staff used these data for several versions of the model, up through EMFAC2011, to inform emission rates by vehicle technology group for a theoretical California fleet without an I/M program. Using data from CARB's longstanding Light-Duty Vehicle Surveillance Program (VSP), where vehicles failing the California Smog Check Program were tested before and after repairs, CARB staff adjusted baseline emission rates to reflect the benefits of having an I/M program based on requirements for each region in the State.

Approach

Since the Measure would change the current 8 model-year exemption to 7 model-years, CARB staff applied emission benefits of the change to the calendar year when vehicles would become 8 model-years old. Using this approach, all vehicles, regardless of when annual registration is due and the initial I/M Program inspections were performed during the year the vehicles turned 7 model-years old, will reflect the impacts of being initially subject to the I/M Program requirements for a full calendar year.

CARB staff used EMFAC2011 to derive the emissions impact of an I/M Program for each pollutant and vintage of vehicle newly becoming 8 model-years old in the attainment years listed in Table 52. The emissions impact is reflected as a ratio of emissions with no I/M Program relative to a baseline with an I/M program. As a fraction, this would be: (no-I/M) / (I/M), where ratios greater than one reflect the degree of emissions benefits of having an I/M program in place. CARB staff applied the ratios calculated using EMFAC2011 to the output from EMFAC2021[25] because the newest model represents the current California fleetwide emissions reflecting the current model year distribution, populations, accrual rates (miles driven per year), and emissions rates. The details of EMFAC2011 setup and run are provided in in the next section.

CARB staff applied the following equation:

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[23] *https://www.federalregister.gov/documents/2013/03/06/2013-05245/official-release-of-emfac2011-motor-vehicle-emission-factor-model-for-use-in-the-state-of-california*

[24] *https://ww2.arb.ca.gov/sites/default/files/2023-03/emfac2000-ef.pdf*

[25] Downloaded from EMFAC2021 web database: *https://arb.ca.gov/emfac/emissions-inventory*

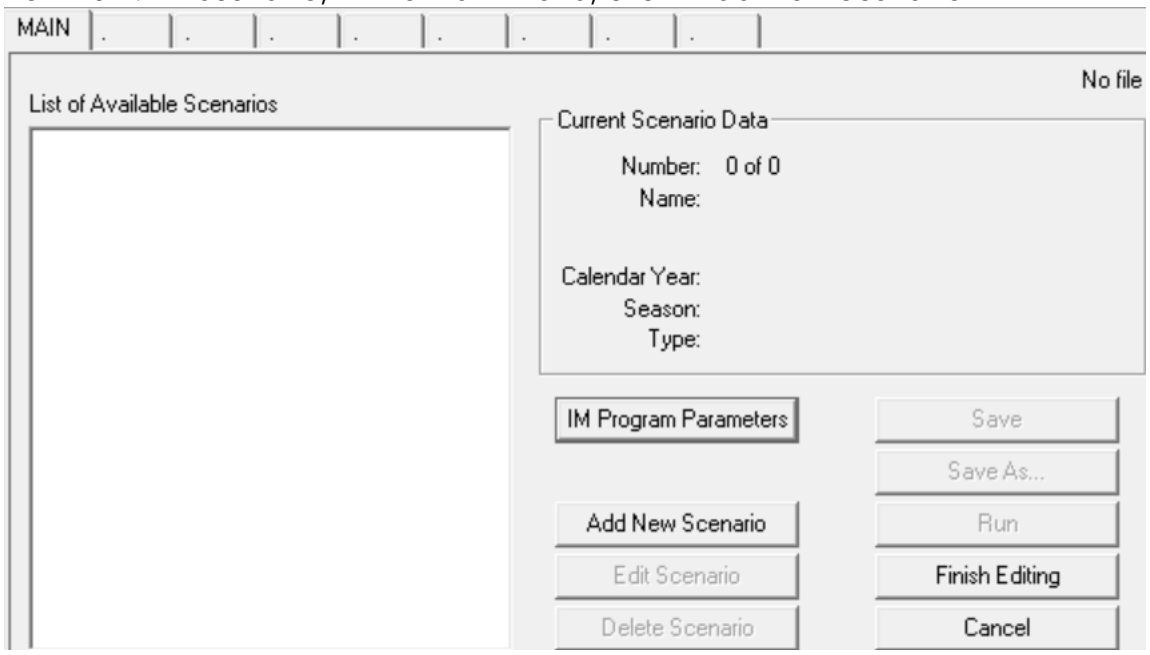
Benefits of removing 8-year exemption = Age 8 No-I/M emissions – Age 8 I/M emissions = (EMFAC2021 Age 8 Gasoline Vehicle Emissions[26] × EMFAC2011 Age 8 No-IM/IM Ratio[27]) – EMFAC2021 Age 8 Gasoline Vehicle Emissions[26]

For ozone nonattainment areas, the estimated benefits include NOx and ROG in tons per day for summer season. For $PM_{2.5}$ nonattainment areas, because EMFAC2011 does not reflect benefits from tailpipe PM emissions from the Smog Check Program, the annual NOx and ROG emission benefits are included instead, as these are precursors to secondary $PM_{2.5}$ formation in the atmosphere.

It should be noted that, some of CARB's recent regulations, including Advanced Clean Cars II (ACC II) and Advanced Clean Fleets (ACF) were finalized and adopted after release of EMFAC2021. Therefore, the emission benefits estimated for this Measure using EMFAC2021 do not reflect the impacts from these regulations.

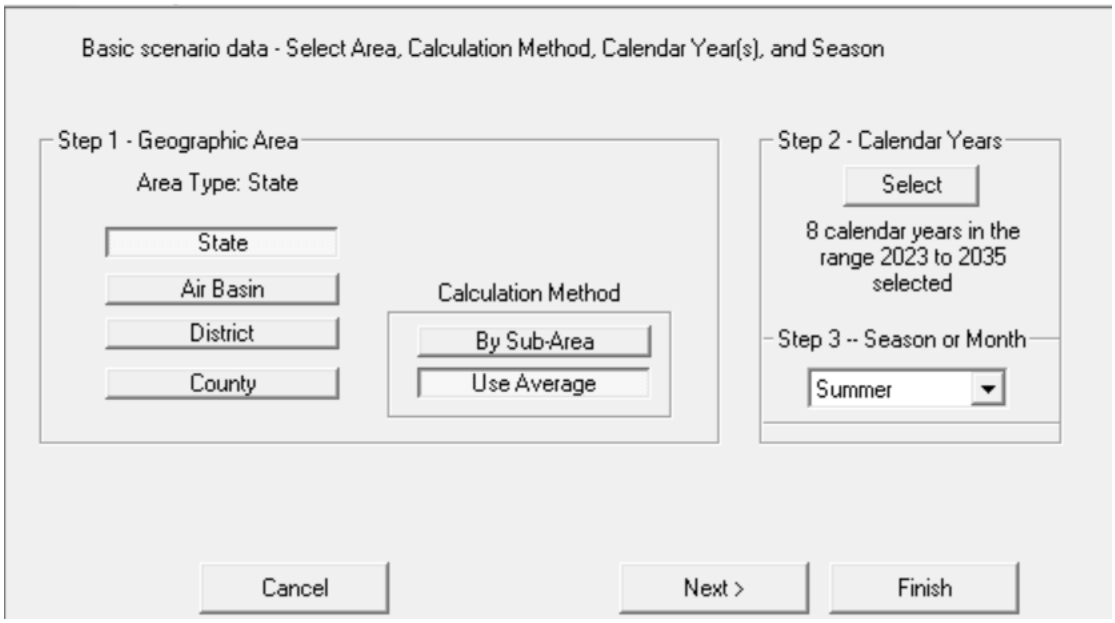
Instructions For Configuring and Running EMFAC2011

1. For the "I/M" scenario, in the main menu, click "Add New Scenario".

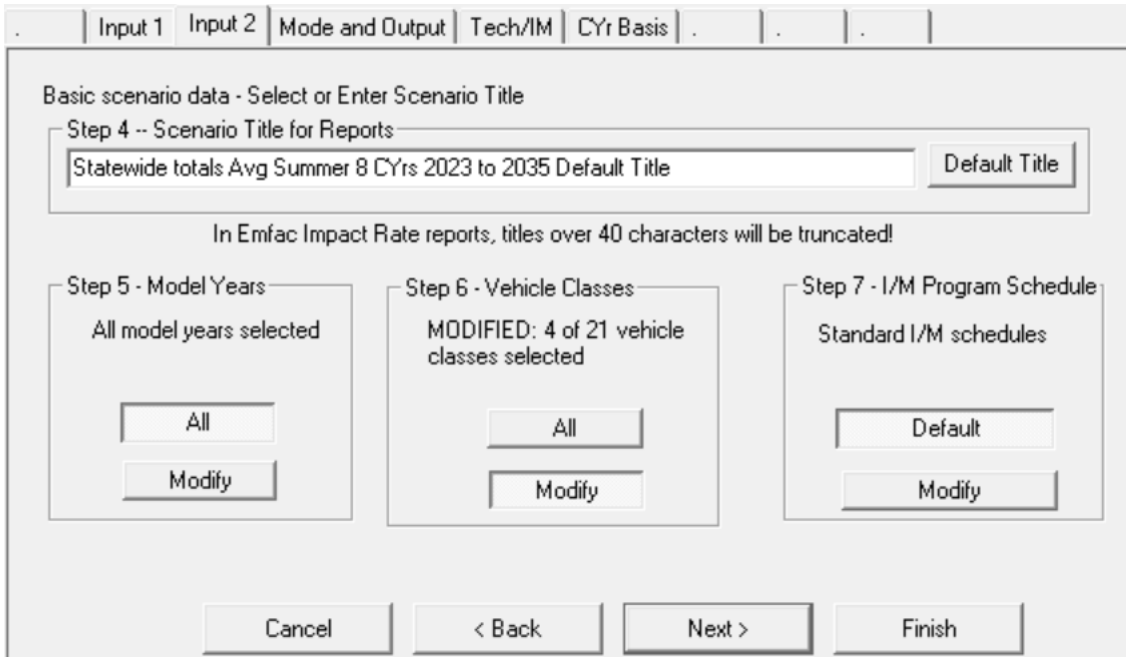


2. Select "State", "Use Average" in "Step 1 – Geographic Area", select modeled calendar year(s) in "Step 2 – Calendar Years", Select "Summer" for ozone NAAs or "Annual" for PM NAAs in "Step 3 - Season or Month", then click "Next".

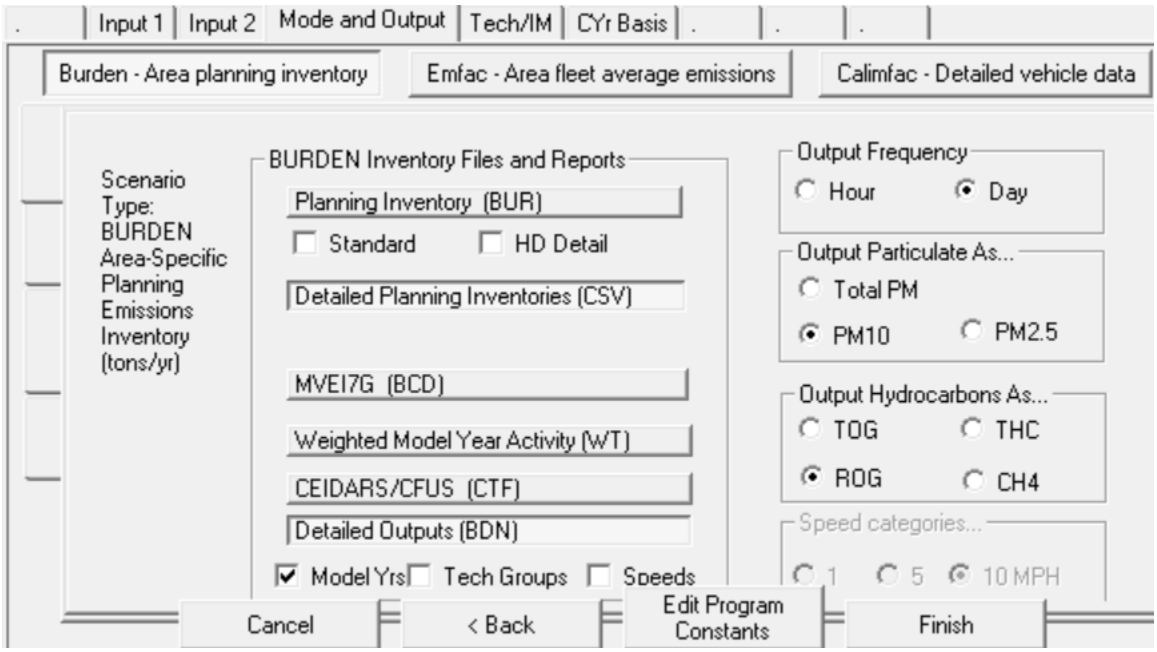
[26] Include all gasoline vehicle classes subject to California Smog Check Program
[27] Derived based on light-duty vehicle classes under 8,500 lbs. in EMFAC2011



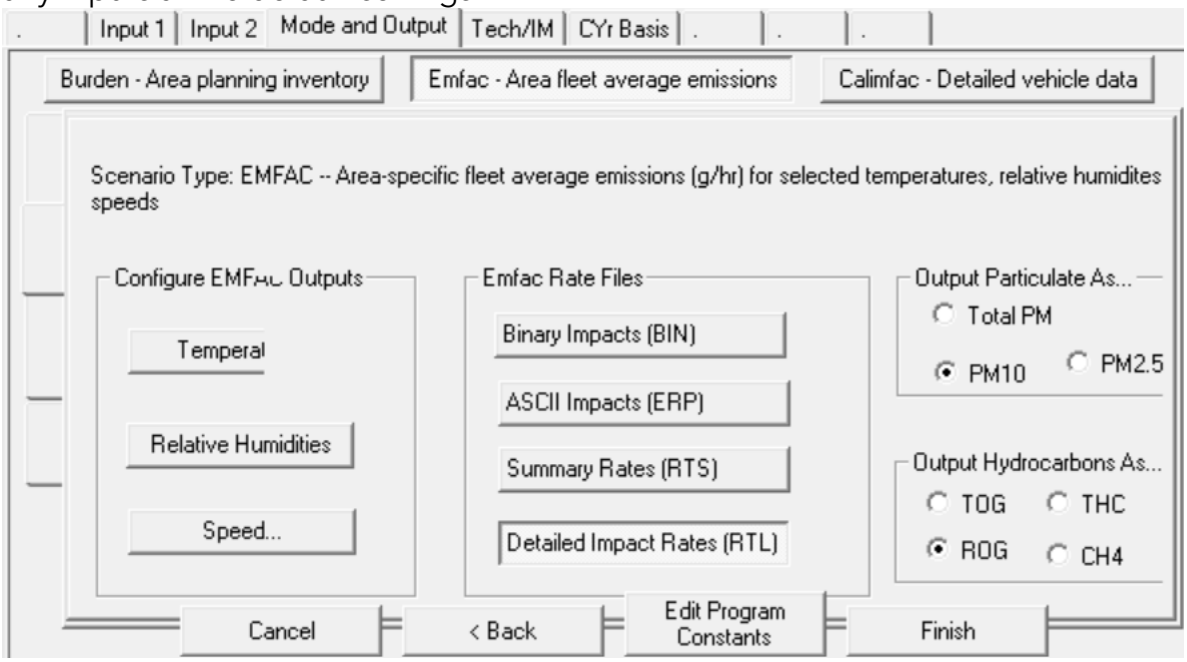
3. Click "Default Title" in "Step 4 – Scenario Title for Reports", select "All" in "Step 5 – Model Years", select "Modify" in "Step 6 – Vehicle Classes" and choose "PC/T1/T2/T3" from the pop-up window, select "Default" in "Step 7 – I/M Program schedule", then click "Next".



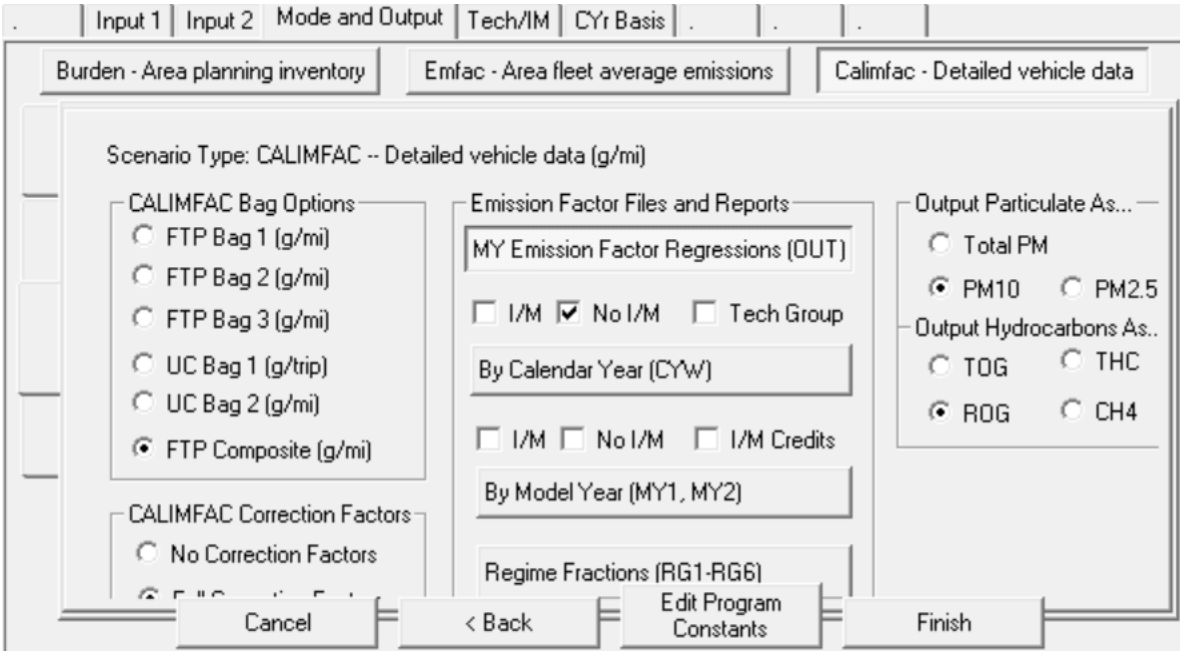
4. In the tab "Burden – Area planning inventory", choose "Detailed Planning Inventories (CSV)" and click "Model Yrs". Select "Output Frequency" as "Day".



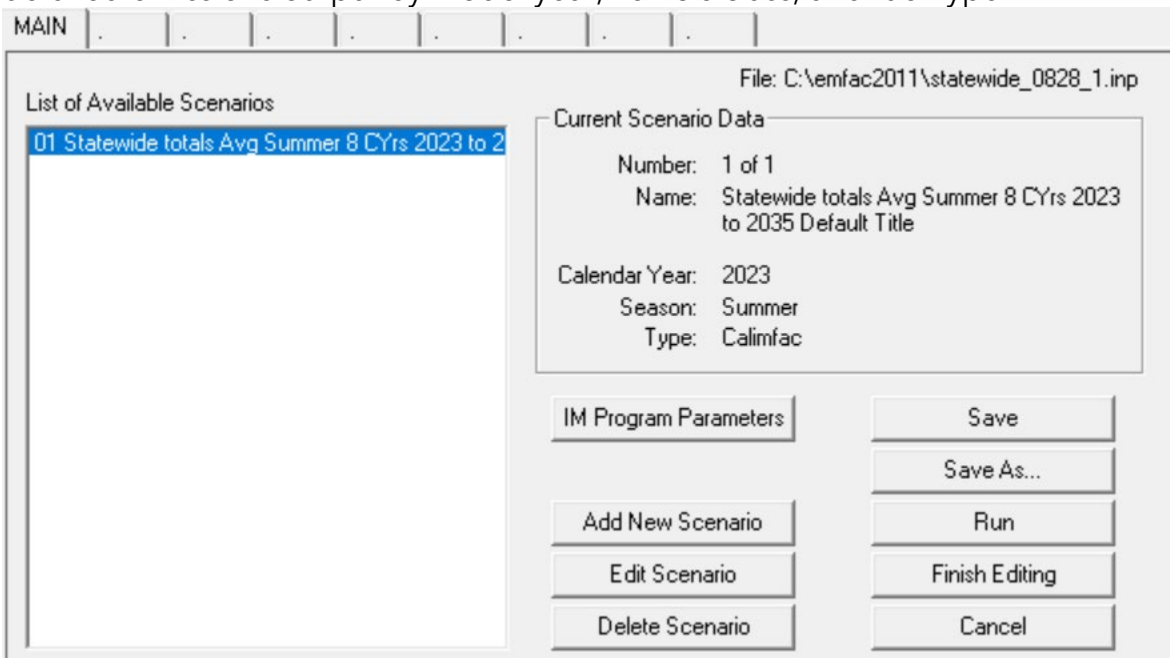
5. No need to change any inputs in tab "Emfac – Area fleet average emissions". Leave any inputs at the default settings.



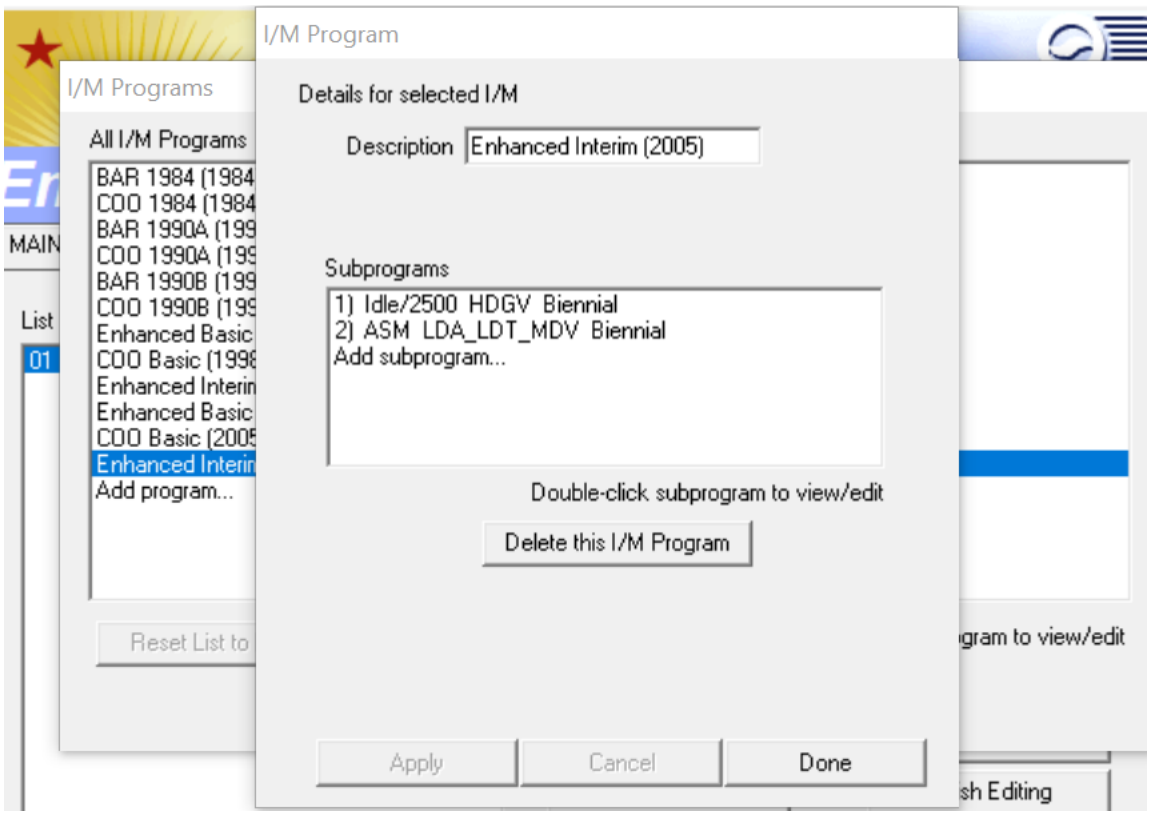
6. No need to change any inputs in tab "Calimfac – Detailed vehicle data". Leave any inputs at the default settings. Click "Finish" to go back to the main menu.



7. In the "MAIN" menu, save the current input by clicking "Save", then click "Run" to start the model run. Only the .bdn output file is needed for data analysis, which shows the detailed emissions output by model year, vehicle class, and fuel type.



8. For "No-I/M" scenario, repeat Steps 1 to 6, except that in the main menu, click "IM Program Parameters", double click each program and delete, and click "Done" to go back to the main menu. Then proceed to Step 7 to start the model run.


I/M Program
I/M Programs
Details for selected I/M
All I/M Programs
Description
Enhanced Interim (2005)
BAR 1984 (1984
COO 1984 (1984
BAR 1990A (199
COO 1990A (199
BAR 1990B (199
COO 1990B (199
Enhanced Basic
COO Basic (1998
Enhanced Interim
Enhanced Basic
COO Basic (2005
Enhanced Interim
Add program...
Subprograms
1) Idle/2500 HDGV Biennial
2) ASM LDA_LDT_MDV Biennial
Add subprogram...
Double-click subprogram to view/edit
Delete this I/M Program
Reset List to
Apply
Cancel
Done
MAIN
List
01

Appendix C:
Carl Moyer Program Emissions Impacts Analysis Methodology

Moyer Program Emissions Reductions Estimates Methodology

CARB staff conducted analysis to determine the potential disbenefit of the Measure resulting from a potential loss in funding for the Moyer Program. If the Measure is triggered, the Moyer Program would receive less funding from fewer smog abatement fees being collected, as discussed in section 4C of this document. The calculation of the potential emissions disbenefit from losing Moyer Program funding consisted of two main components:

1. Vehicle Population
2. Moyer Program Statewide NOx Cost Effectiveness

The vehicle populations were estimated using EMFAC2021 and calculated as described in Appendix B. The statewide cost effectiveness was estimated as described in Appendix H of the Fiscal Year 2022-23 Funding Plan for Clean Transportation Incentives.[28]

The methodology for calculating the potential emissions reductions loss is as follows:

First, CARB staff calculated the potential loss in funding by multiplying the smog abatement fee directed towards the Moyer Program of $21 by the estimated vehicle population affected in each area for their respective attainment year. This results in the statewide total potential loss in funding if triggered in the respective area. An example calculation from a theoretical area missing attainment in 2023 is shown below.

$$Total\ potential\ loss\ in\ funding\ resulting\ from\ an\ area\ missing\ attainment\ in\ 2023 = Portion\ of\ smog\ abatement\ fee\ to\ Moyer * 8MYO\ vehicle\ population\ in\ nonattainment\ area\ in\ 2023$$

Next, to find the area-specific foregone funding and related emission reductions, CARB staff used three years of historical Moyer Program funding allocations to local air districts to calculate the average proportion of funding typically awarded to each district. This district allocation calculation is done for each nonattainment area's corresponding local air district. An example calculation for a single local air district (District X) is shown below.

$$District\ Allocation\ (\%) = \frac{Historical\ Average\ allocation\ to\ District\ X\ (\$)}{Total\ Carl\ Moyer\ Program\ Funding\ (\$)}$$

The local air district allocation percentage for each area is then applied to the calculated loss in funding. This results in the potential loss in funding for each specific local air district.

[28] https://ww2.arb.ca.gov/sites/default/files/2022-10/proposed_fy2022_23_funding_plan_final.pdf

$$Loss\ in\ funding\ for\ District\ X\ (\$) = District\ Allocation\ (\%) * Total\ potential\ loss\ in\ funding$$

Divide the total loss in funding calculated for each area by the statewide NOx cost effectiveness and convert to tons per day. Each project is assumed to have a 10-year project life.

$$Loss\ in\ reductions\ (tpd) = \frac{Loss\ in\ funding\ for\ District\ X\ (\$)}{statewide\ NOx\ cost\ effectiveness/10/365\ \left(\frac{\$}{ton}\right)}$$

The result is the total loss in potential emissions reductions for each district from foregone funding for Moyer Program projects.

Appendix D:
California Health and Safety Code § 44011(a)(4)(A) and (B)

STATE OF CALIFORNIA
LEGISLATIVE COUNSEL BUREAU
AUTHENTICATED
ELECTRONIC LEGAL MATERIAL

State of California

HEALTH AND SAFETY CODE

Section 44011

44011. (a) All motor vehicles powered by internal combustion engines that are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for the following:

[redacted]

(4) (A) Except as provided in subparagraph (B), all motor vehicles four or less model-years old.

(B) (i) Beginning January 1, 2005, all motor vehicles six or less model-years old, unless the state board finds that providing an exception for these vehicles will prohibit the state from meeting the requirements of Section 176(c) of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or the state's commitments with respect to the state implementation plan required by the federal Clean Air Act.

(ii) Notwithstanding clause (i), beginning January 1, 2019, all motor vehicles eight or less model-years old, unless the state board finds that providing an exception for these vehicles will prohibit the state from meeting the requirements of Section 176(c) of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or the state's commitments with respect to the state implementation plan required by the federal Clean Air Act.

(iii) Clause (ii) does not apply to a motor vehicle that is seven model-years old in year 2018 for which a certificate of compliance has been obtained.

[redacted]

[redacted]

(Amended by Stats. 2017, Ch. 633, Sec. 1. (AB 1274) Effective October 10, 2017.)

Appendix B:
CARB's Area Source Infeasibility Justification

Appendix B:

CARB's Area Source Infeasibility Justification

CARB Reactive Organic Gases Area Source Measure Analysis

CARB adopted the California Smog Check Contingency Measure to address contingency measure requirements throughout the State. U.S. EPA proposed to approve the California Smog Check Contingency Measure as a contingency measure on December 20, 2023. The Smog Check Contingency Measure, if triggered in a nonattainment area, would reduce the exemption for vehicles that are 8 model years old and newer to seven model years old and newer, thereby increasing the number of vehicles subject to Smog Check. This measure, if triggered, would achieve additional NOx and ROG reductions beyond what is currently achieved by the Smog Check Program by identifying additional emissions control equipment failures from vehicles previously exempt.

The California Smog Check Contingency Measure includes, in Appendix A, analysis on the feasibility of contingency measures related to CARB's mobile source control programs that target both ROG and NOx. CARB staff are now evaluating potential options for a contingency measure achieving ROG reductions from area sources that the State has authority to regulate, including both CARB and Department of Pesticide Regulation (DPR) 's regulations (Table 2), to determine feasibility given the contingency measure requirements under the Clean Air Act, recent court decisions and U.S. EPA draft guidance. The State currently has programs in place for these area sources and has evaluated a variety of regulatory mechanisms within existing and new programs for potential contingency triggers. Each measure was evaluated on whether it could be implemented within 60 days of being triggered and achieve the necessary reductions within 1-2 years of being triggered. Additionally, the technological feasibility of each option was considered to assess whether the measure would be technologically feasible to implement. More stringent requirements may be unavailable or economically infeasible to implement, especially in the time frame required for contingency measure implementation. Some measures aim to reduce VOC emissions as opposed to ROG emissions. However, VOC and ROG emissions are virtually equivalent. Thus, both terms are used interchangeably throughout this document.

Challenges for CARB Measures

Based on CARB's feasibility analysis, which is similar to our mobile source analysis, there are a few common components of CARB area source regulations that limit the options for contingency measures. CARB regulations that require development of new emissions control technologies or new product formulations require a long lead time for implementation. Manufacturers would need lead time to research, plan, certify, manufacture, and deploy lower-emitting alternatives to meet a new or accelerated standard

Additionally, consumer-based regulations necessitate that manufacturing is mature so that there is enough supply available to meet the additional demand. On the consumer side, additional time would be required for procurement implementation based on the new requirements. Thus, measures that require product turnover, new standards or reformulation are not appropriate to be used as a triggered contingency measure given the compressed timeline required for contingency.

CARB regulations are also technology-forcing, which makes it difficult to amend regulations or pull compliance timelines forward with only 1-2 years notice as industry needs time to research, plan, develop, and implement these new technologies and product formulations. It would be infeasible to require industry to purchase and install large numbers of new control technologies within one year if the technology is not readily available at a reasonable cost. CARB regulations are also the most stringent air quality control requirements in the country, so there are few opportunities to require additional stringency. CARB is driving sources under our authority to near-zero and zero-emissions everywhere feasible to provide for attainment of air quality standards across the State, and to support near-source toxics reductions and climate targets. However, these targets which are already being addressed in many CARB regulations also eliminate opportunities for a contingency measure.

Lastly, many of CARB's options for a contingency measure would require a full rulemaking process and would not be adopted by CARB and approved by U.S. EPA within the timeframe needed, making many of the options infeasible. Given U.S. EPA failure to submit and disapproval actions for the 75 ppb 8-hour ozone standard, sanction clocks have started and sanctions could be triggered in San Joaquin Valley, Coachella Valley, Mojave Desert and the Sacramento region in 2024. As such, CARB and these local air districts need to identify measure(s) that could realistically be adopted and submitted to U.S. EPA prior to that time. However, most CARB measures must go through a regulatory process that can take approximately five years from beginning development of a regulation to it being adopted by the CARB Board.

Based on CARB staff analysis, no additional measures were identified at this time to serve as a contingency measure to reduce ROG emissions beyond the California Smog Check Contingency Measure. More detail on the CARB staff analysis, including potential emission reduction options for each area source category are described in the following sections.

Consumer Products

Consumer products refer to chemically formulated products used by household and institutional consumers, such as detergents, personal care and cosmetics products, home and garden products, and disinfectants. CARB regulations for consumer products aim to reduce the amount of VOCs, toxic air contaminants, and greenhouse gases that are emitted from using these consumer products.

CARB is actively seeking further emission reductions to support ozone attainment in the Western Mojave Desert and elsewhere in California. Towards this end, CARB's 2022 State SIP Strategy includes a consumer products statewide emissions reduction commitment of 20 tons per day (tpd) of VOCs.

To achieve the 20 tpd VOCs emission reduction, CARB staff anticipates casting a wide net in its review of product categories. CARB staff plans to launch a survey in early 2024 to collect sales and formulation data for products sold recently in California. Survey data will identify opportunities to further reduce ozone formation from consumer products. Staff expects to bring regulatory proposals to the Board by 2027.

The Consumer Products Rulemaking Process

In granting CARB authority to regulate consumer products, which were previously regulated by local air pollution control districts and air quality management districts, it was the Legislature's intent to have a single set of regulatory requirements applicable statewide, rather than a patchwork of regulations. CARB's Consumer Products Regulation applies statewide.

For any consumer products rulemaking, proposed amendments are the culmination of a multi-year public process by CARB to identify the most promising, technically-sound strategies to effectively help California meet its air quality challenges. The recent 2021 rulemaking took close to seven years and included the following three phases of regulatory development: 1) development and implementation of the three-year survey; evaluation and publication of 2013 through 2015 Consumer and Commercial Products Survey data; 2) evaluation of potential regulatory strategies based upon the survey data; and 3) development and refinement of Proposed Amendments.

Manufacturers need lead time to reformulate existing products to meet new VOC standards. Based on previous rulemakings, five significant milestones exist and are associated with reformulating products to meet new consumer product regulatory requirements: 1) research and development; 2) efficacy testing; 3) stability testing; 4) safety testing; and 5) consumer acceptance testing. In addition, manufacturers must make modifications to product labels. While there is some opportunity for manufacturers to run these processes concurrently, often a problem in any one of these milestones require the manufacturer to start the process again. When setting technology forcing standards, CARB may provide for a Technical Assessment

prior to effective dates. This enables CARB to assess progress made by manufacturers in developing complying products. In cases where product development challenges result in infeasibility of timely implementation, the assessment could result in amendments to the standards or to extensions in compliance deadlines.

Additionally, technology forcing standards often require modifications to facilities, equipment, and manufacturing processes. This would be the case if a product is reformulated to use compressed gas propellant instead of liquefied gas propellant. Use of compressed gas propellant requires the purchase and installation of new equipment and modifications to facility assembly lines, necessitating sufficient lead time for implementation as well as certainty about implementation dates for the technology forcing standards. CARB staff will be evaluating increased use of compressed gas propellant for the upcoming consumer product rulemaking.

Trigger Feasibility

To provide reductions qualifying for contingency purposes, CARB would need to adopt regulatory amendments which yield emission reductions that could be implemented within a short period of time from a triggering event.

For a given product category for which CARB proposes more stringent VOC standards, CARB cannot call for earlier implementation of those standards for contingency purposes. This is because CARB already requires implementation under short timelines to maximize air quality benefits in support of expeditious attainment of ambient air quality standards.

Neither can CARB set lower limits for products that would be produced and warehoused, but not sold unless a triggering event occurred. Warehousing of "contingency" products would be cost prohibitive for manufacturers and would not provide the Consumer Products Program with the maximum feasible air quality benefits, as required by the Legislature. Some consumer products also have limited shelf life and given the uncertainty of when a triggering event may occur, such an approach is not feasible.

Technological Feasibility

The Legislature, in Health and Safety Code (H&SC) Section 41712(b)(2) and 41712(d), stipulates that CARB's consumer product regulations must set standards which are commercially and technologically feasible. Therefore, during every consumer products rulemaking, CARB sets VOC limits that are the most technologically and commercially feasible at the time.

CARB's Consumer Products Regulation does not require lower VOC content products in some parts of California, which could then be required in other parts of California in need of contingency reductions.

When proposing more stringent VOC standards, CARB cannot establish two increasingly restrictive sets of VOC limits: one limit in support of attainment, which would go into place by a defined date; and a second, more stringent limit which would only be implemented if contingency needs were triggered. This is because: (1) State law, stated in H&SC section 41712(b)(1), requires CARB to adopt the most stringent feasible standards for attainment purposes; and (2) further reductions from consumer products are needed for attainment of ozone ambient air quality standards.

Neither could CARB set a single, more restrictive VOC standard, implement those requirements, and then hold back a portion of the anticipated emission reductions for contingency purposes while still dedicating the majority of accruing reductions towards attainment targets. In such a case, additional actual emission reductions would not occur if contingency requirements were triggered. This approach would therefore not satisfy requirements for contingency reduction.

Even if no further VOC reductions were needed for attainment, setting more stringent standards for contingency purposes would still not be a viable undertaking. This is because the testing and development of lower VOC products meeting more stringent standards could take years and much investment by manufacturers. Timelines would not mesh with the quick turnaround time needed for contingency reductions. In short, CARB cannot require development of new consumer products just in case additional emission reductions are needed. This means CARB cannot produce contingency reductions by setting more stringent standards for consumer product categories other than those which CARB would regulate further to secure the 20 tpd VOC emission reduction target for attainment purposes.

Further, CARB cannot, when seeking reductions in the very near-term (and consistent with contingency reduction timelines), rely on other jurisdictions whose regulations are resulting in lower-emitting consumer products which they could then offer for sale in California. California's Consumer Products Program is world-leading, cutting-edge and technology forcing. Manufacturers have not already developed products, and marketed them elsewhere, which they could direct to California in case a need for contingency reductions is triggered.

In summary, a consumer product contingency measure seeking additional emission reductions either by setting more restrictive standards, or by accelerating effective dates of standards, is infeasible.

Oil and Gas

For decades, air districts with significant oil production have adopted and implemented rules designed to reduce criteria pollutant precursor emissions from the oil and gas sector to meet national ambient air quality standards (NAAQS) and Clean Air Act requirements. The air district rules control emissions of reactive organic gases (ROG) from tanks, separators, and compressors, and specify requirements for leak detection and repair (LDAR). The air district rules do not cover methane specific sources.

In 2017, CARB adopted the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (also known as the Oil and Gas Methane Regulation) to address methane emissions from equipment and processes not already controlled for ROG purposes by existing air district rules. Although the Oil and Gas Methane Regulation is intended to reduce methane emissions, many of the covered sources also emit ROG as co-pollutants, and therefore, the regulation also reduces ROG emissions. Only four air districts in California with nonattainment areas have oil and gas equipment subject to the regulation: Sacramento Metropolitan Air Quality Management District, San Joaquin Valley Air Pollution Control District, South Coast Air Quality Management District, and Ventura County Air Pollution Control District. The air district rules and the Oil and Gas Methane Regulation complement one another and together reduce ROG emissions from California's oil and natural gas sector.

Starting in 2012, U.S. EPA established regulations to reduce air pollution from the oil and natural gas industry consisting of new source performance standards. U.S. EPA also promulgated a Control Techniques Guideline in 2016 for the Oil and Natural Gas Industry which requires all states with applicable nonattainment areas to meet the prescribed levels of control in order to satisfy reasonably available control technology requirements. The CTG requirements are met in California via air district rules and CARB's submittal of the Oil and Gas Methane Regulation. In December 2023, U.S. EPA finalized updated regulations for the oil and natural gas industry including more stringent new source performance standards and, for the first time, Emissions Guidelines. U.S. EPA's recent Emissions Guidelines will require that CARB amend the Oil and Gas Methane Regulation to meet the more stringent requirements.

Methane and ROG emissions can originate from oil and gas infrastructure when natural gas is either intentionally released ("vented" emissions) or unintentionally leaked ("fugitive" emissions). Intentional releases can occur due to process designs (e.g., as a fluid to operate pneumatic devices), for safety or maintenance reasons, or for when no other control or disposal options exist (where allowed). Unintentional leaks can occur due to factors such as defects or wear in connections, valves, seals, and similar mechanisms, or due to process.

upsets, system malfunctions, or human error. Vented emissions can be controlled primarily by replacing equipment with lower-emitting models or adding vapor collection systems to equipment, and the further controls that will be required under the recent U.S. EPA Emissions Guidelines represent all controls that are technologically feasible. Fugitive emissions are addressed through leak detection and repair (LDAR) to find and fix unintentional leaks. In each of these areas, there are no additional available feasible control measures that could meet the requirements of a contingency measure.

First, there are not currently any additional measures in the Oil and Gas Methane Regulation that could be triggered without undertaking amendments to the regulation. The process for amending a regulation takes years to complete and requires the development of new measures, stakeholder engagement, and the formal regulatory process itself.

Second, even if the length of the regulatory process were not a barrier, no available surplus emission reductions could reasonably be implemented within the short timeframe required upon a triggering event. Implementation of additional controls requires at least two to three years for oil and gas facilities to comply with. New controls are not easily installed on equipment and would take additional time to upgrade, which likely does not fit in the contingency timeline required. Each of the potential emission reduction mechanisms in the Oil and Gas Methane Regulation are analyzed below:

- Reduce venting through equipment replacement or vapor control (control venting emissions):
    - o The Oil and Gas Methane Regulation already includes strict venting standards for most categories of equipment designed to vent natural gas as part of normal operation. The areas where further control of vented emissions may be feasible are all being addressed by U.S. EPA's Emissions Guidelines (finalized December 2023), which are standards that CARB must meet for existing sources to demonstrate compliance with the Clean Air Act; these are measures that must be implemented and cannot be held in reserve for use as triggered contingency measures. These include banning all associated gas venting, requiring all pneumatic controllers to be zero-emission, and requiring minimization of emissions from liquids unloading to the greatest extent possible.
- Expand/increase LDAR (control fugitive emissions):
    - o Under the Oil and Gas Methane Regulation, LDAR is already mandated on a quarterly basis using a very sensitive methodology (U.S. EPA’s Method 21). The only exemption that results in a significant number of sources not being subject to LDAR is for equipment handling exclusively heavy oil[1], which is not economically feasible to control based on analysis using currently available data.

[1] Oil with an API gravity of less than 20.

In summary, there are no new technologically feasible control measures that CARB can implement in the Oil and Gas Methane Regulation that could meet the triggering timelines and other requirements, and are available to use as contingency measures.

Petroleum Marketing – Vehicle Refueling

Vapor recovery systems are installed at gasoline dispensing facilities (GDFs) to collect, contain, and return gasoline vapors that would otherwise escape into the atmosphere. Gasoline vapor emissions contain smog forming volatile organic compounds (VOCs) that are controlled in two phases at GDFs. Phase I vapor recovery collects vapors displaced from a storage tank when a cargo tank truck delivers gasoline. Phase II vapor recovery collects and stores vapors displaced during the transfer of gasoline from the GDF storage tanks into the vehicle tanks. Stored gasoline vapors in the GDF tanks are then transferred into gasoline cargo tank trucks during Phase I activities and returned to gasoline terminals for processing. CARB regulations establish statewide performance standards for vapor recovery systems that must be achieved during the transfer and storage of gasoline. In addition, all vapor recovery systems must undergo CARB certification tests to demonstrate compliance with applicable performance standards before those systems can be sold, offered for sale, or installed in California.

Vapor recovery system performance standards for GDFs have become more stringent over the years. Since 2001, CARB has adopted over a dozen significant advancements as part of the Enhanced Vapor Recovery (EVR) program. Phase I EVR requires more durable and leak tight components, along with an increased collection efficiency of 98%. Phase II EVR includes three major advancements: (1) dispensing nozzles with less spillage and required compatibility with ORVR (onboard refueling vapor recovery) vehicles, (2) a processor to manage the headspace pressure within the GDF storage tank, and (3) an in-station diagnostic (ISD) system that provides warning alarms to alert a GDF operator of potential vapor recovery system malfunctions. Phase I EVR was fully implemented in 2005 and Phase II EVR was fully implemented by 2011.

Additionally, CARB's air toxic control measure for benzene requires retail GDFs to install Phase I and Phase II systems to reduce public exposure. Exceptions to the measure include gasoline (1) dispensed from or transferred to a storage tank with a capacity less than 260 gallons, (2) dispensed to implements of animal husbandry; or (3) dispensed to vehicles with fuel tanks less than 5 gallons capacity.

Since the implementation of Phase I and Phase II EVR in 2011, CARB staff has made additional improvements to the vapor recovery program. For GDF equipped with underground storage tanks, a total of four regulatory amendments were completed between 2011 and 2023 to strengthen performance standards, adjust implementation dates to reflect evolving technology, clarify dimension requirements for nozzles and vehicle fill pipes, and improve cost effectiveness for system upgrade requirements. Two of the most recently implemented control measures, hose permeation and more stringent nozzle spillage standard, are described below.

- Hose Permeation Standard: CARB adopted performance standards for gasoline dispensing hose permeation on July 26, 2012. The intent of this standard is limiting the amount of gasoline that permeates through the dispensing hose. Hose permeation performance standards only apply to hoses in which liquid gasoline contacts the outer hose wall, specifically: Phase II vacuum assist and conventional hoses (latter are installed in facilities that are exempt from Phase II because they fueled predominately vehicles equipped with ORVR). Existing facilities subject to the performance standard were allowed four years from the effective date to attain compliance. The effective date is defined as the date when the first dispensing hose meeting the performance standard is certified by CARB.

  The first conventional and vacuum assist hoses that met the new permeation standard were certified by CARB on June 10, 2014, and September 24, 2014, respectively. These certification dates establish the effective dates and associated four-year periods (commonly referred to as “the four-year clock”) for existing subject GDFs to comply. Existing GDFs that used conventional hoses and vacuum assist hoses had until June 10, 2018, and September 24, 2018, respectively to comply with the low permeation hose standard. New GDFs constructed after the effective dates that use vacuum assist or conventional hoses are required to install low permeation hoses at the time of construction.

- More Stringent Nozzle Spillage Standard: In April 2015, CARB adopted new performance standards and specifications for Enhanced Conventional (ECO) nozzles that are installed at non-retail GDFs, which are exempt from Phase II requirements by district rules. These GDFs fueled predominantly vehicles that are equipped with ORVR, which collects displaced vapor during vehicle refueling.

  CARB staff have compiled and evaluated mass emission factors for nozzle spillage based on CARB certification test data for three EVR nozzles and two ECO nozzles. In April 2020, staff found that the mass emission factors based on certification data for all five nozzles are substantially lower than applicable performance standards. This finding demonstrated nozzles are performing much better than predicted for EVR implementation at the time CARB adopted the EVR regulations.

Consequently, in December 2020, the Board approved a more stringent performance standard of 0.05 lbs/kgal for nozzle spillage for both EVR and ECO nozzles to preserve emission reductions that are already occurring and prevent emissions from increasing.

Recent analysis indicates that CARB certified vapor recovery systems designed for use at GDFs are well over 90% effective[2] in reducing VOC emissions that would otherwise be emitted to the atmosphere. Given the maturity and robustness of the program and the stringency of existing control measures that have been implemented statewide, there are no available additional control measures that would be feasible to implement within the timeframes required for contingency measures. Even if more stringent control measures could be adopted, they would not be able to be implemented in the contingency timeframe required as manufacturers and retailers would need more than two years of lead-time, as has been provided in the past, to comply with new standards.

CARB staff believes future amendments will improve existing test procedures and ease the burden of compliance for GDF operators without causing any increase in emissions or costs. Further, absent any changes to vapor recovery controls, CARB staff expects that gasoline vapor emissions will track proportionally to fuel dispensed. As California transitions to more fuel-efficient vehicles, zero emission vehicles, and alternative fuel sources, gasoline consumption and associated vapor emissions are expected to decrease. However, as long as gasoline remains a major fuel source, CARB will need to maintain an active and effective vapor recovery program.

In summary, California has the most comprehensive vapor recovery program applicable to GDFs in the country, and there are no new technologically feasible control measures that could meet the triggering timelines and other requirements, and are available to use as contingency measures. California's program includes:

1. rigorous performance standards for Phase I transfer, Phase II transfer, In-Station Diagnostic systems, hose permeation, storage tank pressure management, and nozzle spillage,
2. strong enforcement of performance standards by local air districts, and
3. going well beyond US EPA's Stage I (Phase I in California), which is the sole focus of US-EPA's vapor recovery requirements.

Going forward, the vapor recovery program will remain an important part of California's efforts to control regional ozone levels and reduce public exposure to benzene.

[2] https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2023/vapor_recovery_2023/isor.pdf

Petroleum Marketing – Cargo Tanks

In California, gasoline vapor emissions are controlled to reduce emissions of air pollutants, specifically, VOCs and various toxic air contaminants (TACs) such as benzene. Emissions are controlled during the transfer of gasoline from storage tanks at refineries or terminals/bulk plants to tanker trucks also called cargo tanks (CTs). Cargo tanks transport gasoline to service stations also called GDFs. The Cargo Tank Vapor Recovery Program (CTVRP) regulations require annual testing of CTs to ensure that they do not exceed the allowable leak rate. Such tests are performed by CT owner/operators or independent testing contractors. Test results are submitted to CARB CTVRP staff for review and provide the basis for issuing a certification document with a decal, which must be renewed annually. To ensure the integrity of the program, CTVRP staff monitors the testing conducted by CT owners, operators, and contractors. Additionally, CTVRP staff perform random inspections and testing of CTs. Also, loading facilities are prohibited from transferring gasoline to CTs with invalid or expired certifications. Because of the severe and unique air pollution problems facing California, CARB's gasoline vapor control standards for CTs are more stringent than comparable federal standards.

CARB first adopted the cargo tank vapor recovery certification regulations on April 18, 1977. These regulations established a five-minute static pressure test with an allowable leak rate to prevent excessive gasoline vapor emissions and a one-minute test for CARB inspectors to monitor CTs loaded with gasoline. There have been six amendments to this regulation (1984, 1995, 1998, 2013, 2017, 2023). These amendments were mostly administrative in nature. However, the 1995 amendment reduced the allowable leak rate by 50%, making the CTVRP the strictest emission standards in the nation.

Altering of a CT design to control emissions would require input and approval from federal agencies such as Department of Transportation (DoT) and U.S. EPA, along with State agencies such as State Fire Marshal and California Highway Patrol. Getting such approval to implement new controls may take years due to the cumbersome approval process. The CTVRP already requires more stringent emission standards than the U.S. EPA. The current CARB and U.S. EPA standard is measured in Inches of Water Column (WC"). As an example, a cargo tank in California is not allowed to leak more than 0.5 WC" (0.018psi) in a five minute test. CTs are as vapor tight as the current industry standards and design allows for.

There is currently no design or technology that can reduce this number. Additionally, as mentioned, design alterations would require numerous and lengthy federal, State(s), and local municipalities approvals. Implementation of any new standards would also require long lead times to deploy new technologies and would likely take more than two years. As the population of zero emission vehicles increases on California roads, emissions from CTs will be reduced due to a decline in demand for gasoline.

In summary, due to the timelines involved in development of technology, altering CT

designs, and anticipated drop in gasoline demand, there are no new technologically feasible control measures in the CTVRP that could meet the triggering timelines and other requirements, and are available to use as contingency measures.

Portable Fuel Containers (Gas Cans)

Portable Fuel Containers (PFCs), or gas cans, are used to fill a variety of equipment, including lawnmowers, vehicles, and personal watercraft. However, spillage and evaporative emissions can occur, which can result in ozone-forming smog and health related problems. In California, gas cans use low permeation materials and automatic sealing nozzles to minimize or eliminate spillage and evaporative emissions. All gas cans sold in California must be certified by CARB as meeting the low-emission requirements.

CARB staff analyzed PFCs to identify potential contingency measure options. It would not be possible to begin implementation of any contingency measures for PFCs within 60 days. CARB does not regulate consumer use of PFCs and must achieve emission reductions through performance requirements, including emission standards, for new PFCs. Manufacturers would need more than 1-2 years to design, certify, and manufacture PFCs that meet more stringent emission standards. Additionally, CARB regulations typically need to allow additional time for sell-through provisions to allow for consumers and retailers to transition to the new products, which further extends the implementation timeline. Adopting more stringent emission standards is not feasible to implement as a contingency measure because the regulatory process would take approximately 5 years from start to finish. The standards currently in place are also the most stringent standards across the nation.

In summary, there are no new technologically feasible control measures in the PFC regulations that could meet the triggering timelines and other requirements and are available to use as contingency measures.

Pesticides

Pesticides are used for urban and agricultural pest management across the State and are an area-wide source of ROG and other types of emissions. Pesticides are regulated under both federal and state law. Under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the U.S. EPA has authority to control pesticide distribution, sale, and use. The Department of Pesticide Regulation (DPR) has primary and broad authority to regulate the sale and use of pesticides in California. The pesticide element of the ozone SIP requires DPR to develop and implement regulations to reduce ROG emissions by specified amounts from agricultural and structural pesticide applications in nonattainment areas. CARB is supporting DPR to use its broad authorities to reduce ROG emissions as well as limit harmful exposures to pesticides impacting communities across the State.

DPR can generally reduce exposures to pesticides through the development and

implementation of necessary restrictions on pesticide sales and use and by encouraging integrated pest management. Mitigation measures may be implemented by several methods, including regulations, local permit conditions, pesticide label changes, or product cancellation. Current regulations set limits on applications of certain pesticides and specify methods for application to protect public health. DPR regulations have been found by U.S. EPA to meet RACT, RACM, and BACM requirements as a part of past SIP submittals. Most recently, as a part of the 2022 State SIP Strategy developed to support of attainment of the 70 ppb ozone standard across California, DPR committed to update their 1,3-Dichloropropene (1,3-D) regulations for health risk mitigation and volatile organic compound emissions reductions. The regulatory updates address both cancer and acute risk to non-occupational bystanders through requirements including those on applicators to use totally impermeable film tarpaulins or other mitigation measures that provide a comparable degree of protection from exposure. DPR submitted the rulemaking documents to the Office of Administrative Law on November 7, 2023, for final review and if approved will go into effect on January 1, 2024.

DPR has divided pesticide products into two groups for SIP purposes: fumigants and nonfumigants. The lead time needed to develop regulations for both groups of pesticide products may not fit in the contingency timeline required. For fumigant pesticide products, the primary measure to reduce ROG emissions is to change fumigation methods, such as deeper injection into the soil and covering fumigated areas with tarps that have low permeability. Developing new fumigation methods normally requires several years of research followed by rulemaking that usually requires two years or more to complete. For non-fumigant pesticide products, the primary measure to reduce ROG emissions is to change product formulations to reduce the ROG content. This also takes several years of research and rulemaking to complete. Additionally, changing product formulation normally requires review and registration of a new product by U.S. EPA and this takes a year or more to complete. For both fumigant and non-fumigant products, little work on contingency measures can be done beforehand due to changing pesticide use patterns. Pesticide products that contribute the most emissions currently may not be the ones that contribute the most in the future due to changing cropping patterns, introduction of new pesticide products, and other factors.

Further, DPR regulations are the most stringent pesticide controls in the country and represent all measures that are technologically feasible at this time. For example, U.S. EPA's Office of Pesticide Programs also works to reduce emissions to reduce toxic exposure and their measures are implemented through nationwide product label changes. U.S. EPA has nearly completed its most recent review of 1,3-D with minimal label changes, while DPR's 1,3-D regulations include fumigation method requirements that will further reduce emissions. CARB and DPR are not aware of any other states with regulatory requirements to reduce ROG emissions from pesticide products.

At this time, no additional measures for regulating pesticides have been identified for use as a contingency measure. However, DPR has developed a process to identify possible

additional control measures through its roadmap for sustainable pest management (SPM). SPM is a process of continual improvement that integrates an array of practices and products aimed at creating healthy, resilient ecosystems, farms, communities, cities, landscapes, homes, and gardens. SPM examines the interconnectedness of pest pressures, ecosystem health, and human wellbeing. Going forward, CARB will continue to partner with DPR and explore the best methods to limit pesticide exposures, while also reducing emissions of volatile organic compounds.

Summary

At this time, CARB is including a zero-emission component in most of our regulations, both those already adopted and those that are in development, and the vast majority of these regulations are statewide in scope. Beyond the wide array of sources CARB has been regulating over the last few decades, and especially considering those we are driving to zero-emission, there are few area sources of emissions left for CARB to implement additional controls upon under its authorities for contingency purposes in the WMDONA.

Beyond the Smog Check Contingency Measure, no additional contingency measures were identified for mobile and non-mobile sources through CARB's analysis as shown in the Table below. Considering the air quality challenges California faces, if a measure achieving such reductions were feasible, CARB would implement the measure to support expeditious attainment of the NAAQS as the Clean Air Act requires rather than withhold it for contingency measure purposes. Further, should there be a measure achieving the required emission reductions, the measure would likely take more than 1-2 years to implement during which time the expected emission benefits could be reduced due to natural turnover of products and equipment.

Table 1: Assessment of Potential CARB Contingency Measures

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Pesticides	Fumigant products ROG reduction	Effective 4/1/16; Revise existing field fumigation methods.; Effective 1/1/24; Restrict use of 1,3-D for only agricultural commodities, set limits on application rate and methods to limit exposure/ emissions.	Require more stringent limitations and stricter application methods.	No; Trigger for use limit for 4 NAAs included in existing regulations; Standards requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days. Infeasible to achieve reductions within two years.	No; Research needed to achieve additional reductions.
	Non-fumigant products ROG reduction	Effective 11/1/13; Sale and use restrictions for products that have any of 4 primary active ingredients and applied to any of 7 crops in San Joaquin Valley.	Require use of "low-VOC" products.	No; Trigger requiring "low-VOC" products that have any of 4 primary active ingredients and applied to any of 7 crops in San Joaquin Valley included in existing regulations; Standards requirements need years of lead time to be implemented; infeasible to pull forward standards within 60 days. Infeasible to achieve reductions within two years.	No; Research needed to achieve additional reductions.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Oil and Gas	Oil and Gas Methane Regulation	Adopted 3/23/17. Requires quarterly monitoring of methane emissions and some equipment will require vapor collection systems.	Reduce venting through equipment replacement or vapor control (control venting emissions). Expand/increase LDAR (control fugitive emissions).	No; Standards and requirements need years of lead time to be implemented; infeasible to pull forward standard within 60 days. Purchasing would not happen immediately or within one year of trigger; infeasible to achieve reductions within one 1-2 years.	No; only feasible controls are required to be implemented under U.S. EPA's Emissions Guidelines (finalized December 2023). No; current LDAR requirements are the most stringent in the country.
Consumer Products	Consumer Products	Amended 3/25/21. Lowered VOC standards for hair-care products, personal fragrance, manual aerosol air fresheners, and aerosol crawling bug insecticide.	Adopt and implement more stringent emission standards; pull forward compliance deadlines	No; Standards and requirements need years of lead time to be implemented; infeasible to pull forward standard within 60 days. Purchasing and manufacturing would not happen immediately or within one year of trigger; infeasible to achieve reductions within one 1-2 years.	No; cannot require manufacturers to develop new formulations and products only for contingency and to warehouse just for contingency purposes. Also, since California has the most stringent requirements, cannot bring in lower-emitting products already manufactured for other markets.
Consumer Products	Portable Fuel Container (PFC) Regulation	Amended 4/1/2017. Updated certification test fuel, established 4 year certification term, and streamlined test procedures with U.S. EPA.	Adopt and implement more stringent emission standards	No; Standards requirements need years of lead time to be implemented; infeasible to enforce more stringent standards within 60 days. Purchasing would not happen immediately or within one year of trigger; infeasible to achieve reductions within 1-2 years.	No; standards currently in place are the most stringent.

Emission Source	Regulatory Programs	Latest Amendment Requirements	Contingency Options	Trigger Feasibility	Technological Feasibility
Cargo Tanks (hauling gasoline)	Cargo Tank Vapor Recovery Program	Amended 10/01/23, Administrative in nature; corrected grammatical errors, removed imprecise language regarding alternative test procedures.	Setting more stringent standards	No; technology in this field has no new innovations and standards are more stringent than federal guidelines.	No; current standards and requirements are the most stringent in the nation and current technologies are most advanced.
Petroleum Marketing – Vehicle Refueling	Enhanced Vapor Recovery	Adopted July 26, 2012; performance standards for gasoline dispensing hose permeation April 2015; New performance standards and specifications for ECO Nozzles, including a more stringent nozzle spillage standard over EVR nozzles. December 2020; more stringent performance standard of 0.05 lbs/kgal for nozzle spillage for both EVR and ECO nozzles	Adopt and implement more stringent emission and performance standards	Standards requirements need years of lead time to be implemented; infeasible to enforce more stringent standards within 30 or 60 days. Purchasing would not happen immediately or within one year of trigger; infeasible to achieve reductions within one year.	California has the most comprehensive vapor recovery program applicable to GDFs in the country; no additional opportunities for increased stringency

Appendix C:
West Mojave Desert Infeasibility Justification – Transportation Control Measures (TCMs)

West Mojave Desert Infeasibility Justification – Transportation Control Measures (TCMs)

Transportation Control Measures (TCMs) are strategies that reduce motor vehicle emissions by decreasing vehicle trips, vehicle usage, vehicle miles traveled (VMT), vehicle idling, and traffic congestion. TCMs are either one of the 16 types of measures listed in federal Clean Air Act (CAA) Section 108(f)(1)(A) (refer to Table 1 below) or any other measures aimed at reducing emissions or concentrations of air pollutants from transportation sources by decreasing vehicle usage or altering traffic flow and congestion conditions. According to the U.S. EPA's Transportation Conformity Regulations, measures based on vehicle technology, fuel, or maintenance that control emissions from vehicles under fixed traffic conditions are not considered TCMs. Roadway capacity enhancement is also not typically considered TCM category.

Table 1. List of TCMs under CAA Section 108(f)(1)(A)

(i) Programs for improved public transit;
(ii) Restriction of certain roads or lanes to, or construction of such roads or lanes for use by, passenger buses or high occupancy vehicles;
(iii) Employer-based transportation management plans, including incentives;
(iv) Trip-reduction ordinances;
(v) Traffic flow improvement projects that achieve emission reductions;
(vi) Fringe and transportation corridor parking facilities serving multiple occupancy vehicle programs or transit service;
(vii) Programs to limit or restrict vehicle use in downtown areas or other areas of emission concentration particularly during period of peak use;
(viii) Programs for the provision of all forms of high-occupancy, shared-ride services;
(ix) Programs to limit portions of road surfaces or certain sections of the metropolitan area to the use of non-motorized vehicles or pedestrian use, both as to time and place;
(x) Programs for secure bicycle storage facilities and other facilities, including bicycle lanes, for the convenience and protection of bicyclists, in both public and private areas;
(xi) Programs to control extended idling of vehicles;
(xii) Programs to reduce motor vehicle emissions, consistent with title II of the CAA, which are caused by extreme cold start conditions;
(xiii) Employer-sponsored programs to permit flexible work schedules;
(xiv) Programs and ordinances to facilities non-automotive travel, provision and utilization of mass transit, and to generally reduce the need for single-occupant vehicle travel, as part of the transportation planning and development efforts of a locality, including programs and ordinances applicable to new shopping centers, special events, and other centers of vehicle activity;
(xv) Programs for new construction and major reconstructions of paths, tracks or areas solely for the use by pedestrian or other non-motorized means of transportation when economically feasible and in the public interest; and
(xvi) Program to encourage the voluntary removal from use and the marketplace of pre-1980 mode year light duty vehicles and pre-1980 model light duty trucks.

In terms of transportation planning and programming, West Mojave Desert falls under the jurisdiction of the Southern California Association of Governments (SCAG), the Los Angeles County Metropolitan Transportation Authority (LA Metro) (Antelope Valley portion), and the San Bernardino County Transportation Authority (SBCTA) (San Bernardino portion). Consequently, TCM projects are proposed, implemented, and updated as part of the ongoing regional and county transportation planning and programming processes. SCAG serves as the Metropolitan Planning Organization (MPO) for the six-county

SCAG region, which includes Los Angeles and San Bernardino counties for which LA Metro and SBCTA act as the respective County Transportation Commission (CTC) where West Mojave Desert area is situated.

SCAG, LA Metro, and SBCTA have established a comprehensive and formal process for identifying, evaluating, and selecting TCMs. LA Metro and SBCTA, through an extensive project development and selection process, serves as the lead agencies responsible for recommending transportation projects, including TCM projects within the respective Los Angeles County and San Bernardino County for funding under SCAG's long-range Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

The RTP/SCS is updated every four years to incorporate changes in trends, assess progress made on projects, and adjust growth forecasts for population and employment changes. This long-range RTP/SCS integrates land use and transportation strategies aimed at achieving California Air Resources Board (CARB) greenhouse gas emissions reduction targets, providing a vision for transportation investments throughout the region. By utilizing growth forecasts and economic trends projecting over a period of more than 20 years, the RTP/SCS considers the role of transportation within the broader context of land use, the economy, the environment, and future quality-of-life goals. It identifies regional transportation strategies and a Sustainable Communities Strategy to address our mobility needs, air quality, and the challenges of climate change.

The RTP/SCS is developed through a collaborative process guided by SCAG's governing board, the Regional Council, its Policy Committees, Sub-committees, the Transportation Working Group, numerous technical advisory committees, working groups, and task forces, CTCs, subregions, local governments, state and federal agencies, environmental and business communities, tribal governments, non-profit groups, as well as the general public. Connect SoCal 2020 is the currently adopted RTP/SCS, while Connect SoCal 2024 is under development and scheduled for adoption by SCAG's Regional Council in April 2024.

In addition, the TCM projects in the West Mojave Desert are programmed and updated as part of SCAG's short-term Federal Transportation Improvement Program (FTIP) development process. The FTIP implements the RTP/SCS and is updated every two years.

SCAG develops the FTIP in partnership with the CTCs of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura, as well as the California Department of Transportation (Caltrans) Districts 7, 8, 11, and 12. The FTIP is a multimodal list of capital improvement projects to be implemented over a six-year period. It identifies specific funding sources and funding amounts for each project. The FTIP is prioritized to implement the region's overall strategy for providing mobility, improving the efficiency and safety of the transportation system, and supporting efforts to attain federal and state air quality standards by reducing transportation-related air pollution in the region. It must include all federally funded transportation projects in the region, as well as all regionally significant transportation projects requiring approval from federal funding agencies, regardless of funding source. The FTIP is developed incrementally to implement the programs and projects outlined in the adopted RTP/SCS. The currently adopted FTIP is the 2023 FTIP, while the 2025 FTIP is under development and scheduled for adoption by SCAG's Regional Council in September 2024.

The regular RTP and FTIP public update processes ensure that the identification and implementation of TCMs are routine considerations that assist SCAG in its efforts to support attainment of applicable National Ambient Air Quality Standards (NAAQSs) in the West Mojave Desert ozone nonattainment area.

In the West Mojave Desert, the following three categories of TCM projects and programs are identified and

developed by the RCTC and included in SCAG's RTP/SCS and FTIP:

1. Transit and non-motorized modes;
2. High Occupancy Vehicle (HOV) Lanes their pricing alternatives; and
3. Information-based Transportation Strategies.

As documented in the Western Mojave Desert Nonattainment Area's 70 PPB Ozone Attainment Plan, which was separately adopted by the Mojave Desert Air Quality Management District (MDAQMD) Governing Board and the Antelope Valley Air Quality Management District (AVAQMD) Governing Board in January 2023, the emission reduction benefits from TCMs are minimal due to "overwhelming influence of pollutant transport from the SCAB and SJVAB," and no new TCMs would advance the area's attainment date by one year.

TCMs are not suitable as candidate contingency measures. TCMs must be developed through the area's regional and county long-range transportation planning processes, which typically operate on a four-year cycle. Furthermore, TCMs are funded by various federal, state, and increasingly, local sources, each with their respective programming requirements. Therefore, considering the significant time required to advance these projects through the planning and funding processes, TCMs are not viable options as contingency measures that would contribute to advancing the area's attainment date by one year.

Amendment of AVAQMD 2008 Federal 75 ppb Ozone Attainment Plan (Western Mojave Desert Ozone Nonattainment Area) – Contingency Measures

Proposed for Adoption on April 16, 2024

Background

- The USEPA designated the Western Mojave Desert Nonattainment Area (WMDONA) as nonattainment for the 2008 75 ppb 8-hour ozone NAAQS
- The Clean Air Act requires attainment plans include contingency measures that would provide additional emissions reductions (42. U.S.C. §§7502(c)(9) and 7511a(c)(9) (Federal Clean Air Act §§172(c)(9) and 182(c)(9))
- These are specific measures to be undertaken if the area fails to make reasonable further progress or reach the air quality standard by the attainment date

Sanctions Clock

- USEPA finalized a finding of failure to submit contingency measure elements for the 2008 ozone NAAQS effective October 31, 2022
- The finding established an 18-month deadline, May 1,2024, for AVAQMD to submit contingency measures or face stationary source permitting sanctions and a 24-month deadline for highway sanctions (as defined in CAA Section 179(b)(2)and Section 179(b)(1)
- Submission of the Contingency Measure plan, followed by a completeness determination by USEPA will stay the sanctions

Proposed Contingency Measures

- MDAQMD Enhanced Vehicle Inspection and Maintenance Program
- ARB California Smog Check Contingency Measure
- Contingency Measure Infeasibility Analysis

MDAQMD Enhanced Vehicle Inspection and Maintenance Program

- AVAQMD has already implemented this program - Biennial Smog check and Change of Owner
- Applies the California Enhanced Vehicle Inspection and Maintenance Program to Basic I&M Areas (Enhanced I&M Program))
- If triggered, within 30 days the Executive Officer/APCO will send a letter to the California Bureau of Automotive Repair (BAR) requesting the Enhanced Smog Check provisions be implemented within the areas of the District not currently subject to them
- CARB staff estimates the implementation of the enhanced I&M program in the additional areas within the MDAQMD District portion of the nonattainment area would provide 0.03 tons per day (tpd) in VOC and 0.04 tpd in NOx emission reductions

ARB California Smog Check Measure

- Adopted by CARB in October 2023
- Currently, new vehicles are exempt from the smog check program for the first 8 years. If triggered, the contingency measure will narrow the newer model year vehicle smog check exemption from 8 to 7 years and 7 to 6 years upon the first and second triggering, respectively
- These additional vehicles would then be subject to Smog Check inspections based on the area in which the vehicle is registered
- Emission reductions of 0.021 tpd Nox and 0.009 tpd VOC would be achieved by identifying additional emissions control equipment failures from vehicles previously exempt. On December 20, 2023, USEPA proposed approval of the CARB smog check contingency measure

Infeasibility Analysis

- The MDAQMD Enhanced Vehicle Inspection and Maintenance Program and CARB California Smog Check Contingency Measures are expected to achieve less than the required amount of reductions (1.5 tpd NOx and 0.38 tpd VOC)
- Therefore, an infeasibility justification demonstrating the scarcity of further opportunities for stationary and mobile source contingency measures is also proposed as a part of this SIP Revision