

Emission Reduction Credit Program Public Advisory Workgroup

October 7, 2021

Overview



CREDITING EMISSION REDUCTIONS FROM PORTABLE EQUIPMENT

2021 OFFSET EQUIVALENCY DEMONSTRATION

Crediting Emission Reductions from Portable Equipment

Portable Equipment Registration Programs

- Consistent with State law, CARB and local air districts operate portable equipment registration programs
- In lieu of obtaining traditional stationary source permits, these are voluntary programs to register and regulate portable equipment
- State Portable Equipment Registration Program
 - PERP regulations are found in Title 13, Section 2450, et seq
- District Portable Equipment Registration Program
 - District Rule 2280 (Portable Equipment Registration)
- Emissions limitations for portable equipment are specified in the applicable portable equipment registration regulations as well as the State portable diesel engine air toxic control measure

Portable Equipment Requirements

- “Portable” is defined as:
 - Any emissions unit that, by itself or in or on a piece of equipment, is designed to be and capable of being carried or moved from one location to another
 - Indications of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, platform, or mounting
- Portable equipment registered in the District PERP may:
 - Operate throughout the San Joaquin Valley air basin Cannot reside at any single location for more than 6 consecutive months
- Portable equipment registered in the State PERP may:
 - Operate throughout the state without obtaining permits from any of California's 35 air quality management or air pollution control districts (air districts)
 - Cannot reside at any single location for more than 12 consecutive months

Crediting Emission Reductions from Portable Equipment

- Evaluating the banking of Emission Reduction Credits (ERCs) from portable equipment that are registered under the:
 - CARB Portable Equipment Registration Program (State PERP), or
 - San Joaquin Valley Air Pollution Control District Portable Equipment Registration Program (District PERP)
- Follow “traditional methodology” as generating ERCs for stationary sources
 - Portable equipment performs the same function and is operated in the same method/fashion as stationary source equipment, but not operated as part of a stationary source
 - Main operational difference being the authorization and ability to operate at various sites for a given duration of time

Calculating Emission Reductions from Portable Equipment

- Quantification of Emissions Reductions from Portable Equipment can be calculated using the same methodology as stationary source equipment
 - Actual Emission Reductions (AER) required to meet same integrity criteria for being Real, Quantifiable, Surplus, Permanent, and Enforceable as outlined in District Rule 2201, Section 3.2
 - Will use Baseline Period definition in District Rule 2201, Section 3.9
 - Records will be required/maintained

Further Development of Program Guidelines

- For units registered with a State PERP, establishing the baseline period within the District
 - Verification of eligible operational hours occurring within the San Joaquin Valley
- For portable equipment shutdowns, ensuring emission reductions are “real” and that source shifting is not occurring with other pieces of equipment
- Continue working with EPA/ARB staff to develop requirements for inclusion into the Program Guideline document

2021 Offset Equivalency Demonstration

Offset Equivalency Report

- District finalizing 2020-2021 Offset Equivalency Report
- End of the current tracking period was August 20, 2021
- Tracked federal projects for this tracking period
 - 16 Federal Major Modifications (4 NO_x only, 7 VOC only, and 5 both NO_x and VOC)
 - No Federal Major Modifications for SO_x, PM₁₀, or PM_{2.5}
 - 0 New Major Sources
- Federal offsets required during current tracking period
 - 97.7 tpy of NO_x and 23.9 tpy of VOC
- VOC no longer part of equivalency demonstration
 - ERCs required for full federal offset quantity and must be surplus at time of ATC issuance

Current Federal Offset Summary

Region	Project	Federal Offset Required (tpy)				
		NOx	VOC	SOx	PM10	PM2.5
C	1191691	0.0	2.8	0.0	0.0	0.0
C	1203750	13.4	0.0	0.0	0.0	0.0
N	1181193	0.0	4.9	0.0	0.0	0.0
N	1200345	18.4	0.0	0.0	0.0	0.0
N	1201116	0.0	0.0	0.0	0.0	0.0
N	1201405	18.4	0.0	0.0	0.0	0.0
N	1203800	18.4	0.0	0.0	0.0	0.0
N	1204622	0.0	0.4	0.0	0.0	0.0
S	1200016	0.0	0.0	0.0	0.0	0.0
S	1200501	0.0	1.2	0.0	0.0	0.0
S	1200729	3.4	1.7	0.0	0.0	0.0
S	1201688	2.6	0.4	0.0	0.0	0.0
S	1202811	0.0	2.8	0.0	0.0	0.0
S	1203245	7.6	3.7	0.0	0.0	0.0
S	1203797	5.1	1.0	0.0	0.0	0.0
S	1204327	10.4	5.0	0.0	0.0	0.0
Total		97.7	23.9	0.0	0.0	0.0

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DRAFT Annual Offset Equivalency Report

DRAFT - Offset Quantity Equivalency

Summary for 08/20/2020 through 08/19/2021

Pollutant	Number of New Major Sources	Number of Federal Major Mods	Offsets	Offsets	Current Year Excess or Shortfall	Previous	Year-to-	Year-End
			Required under Federal NSR (a)	Required under District NSR (b)		Year-End Total Carryover Excess or Shortfall (d)	Year Adjustment to Carryover Balance (e)	Year-End Total Carryover Excess or Shortfall (f)=(d)+(e)+(c)
NOx	0	9	97.7	23.8	-73.9	353.1	-7.9	271.3
PM10	0	0	0.0	10.6	10.6	326.1	0.0	336.7
PM2.5	0	0	0.0	0.0	0.0	192.3	0.0	192.3
CO	0	0	0.0	0.0	0.0	198.1	0.0	198.1
SOx	0	0	0.0	6.4	6.4	1,223.5	-0.3	1,229.6
VOC ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- All values are in tons per year

¹ Effective November 20, 2020, VOC was no longer Offset Quantity equivalent and Rule 2201 remedy was enacted to require federal offset quantity ERCs for projects requiring VOC offsets under Rule 2201. Therefore, VOC are not included in Offset Quantity equivalency demonstration.

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DRAFT Annual Offset Equivalency Report

DRAFT - Surplus Value Equivalency

Summary for 08/20/2020 through 08/19/2021

Pollutant	Number of New Major Sources	Number of Federal Major Mods	Offsets Required under Federal NSR	Surplus Reductions Used for Equivalency This Year	Current Year Excess or Shortfall	Previous Year-End Total Carry-over Creditable Reductions	Year-to-Year Adjustment to Carryover Balance	Current Year New Creditable Reductions	Year-End Total Carry-over Creditable Reductions
PM10	0	0	0.0	0.0	0.0	330.0	0.0	10.8	340.8
PM2.5	0	0	0.0	0.0	0.0	197.0	0.0	6.1	203.1
CO	0	0	0.0	0.0	0.0	763.0	0.0	0.0	763.0
SOx	0	0	0.0	0.0	0.0	338.2	-0.3	5.2	343.1
NOx ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
VOC ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

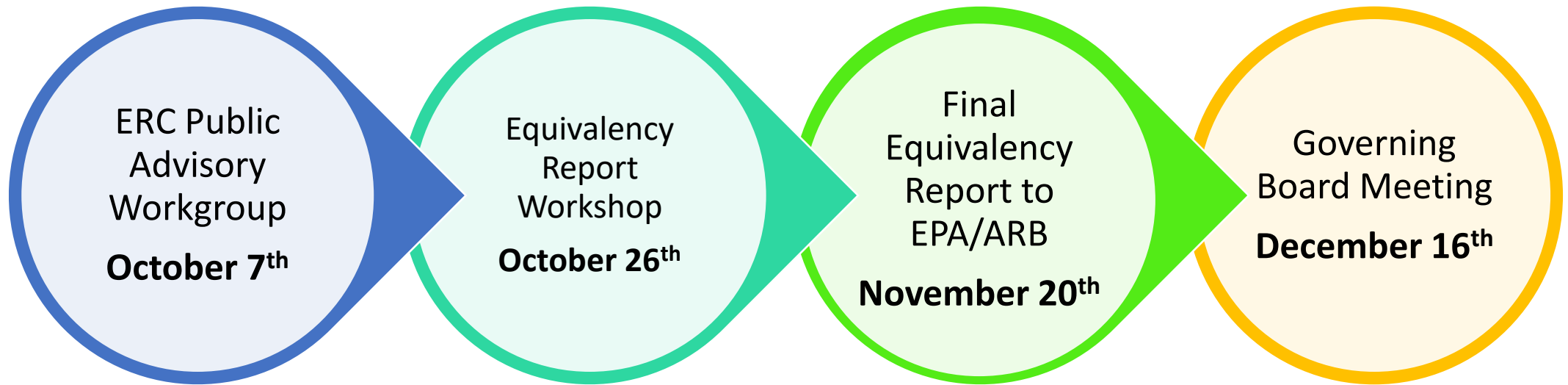
- All values are in tons per year

¹ Effective September 17, 2020, NOx and VOC were no longer Surplus Value equivalent and Rule 2201 remedy was enacted to require surplus at time-of-use ERCs for projects requiring NOx and VOC offsets under Rule 2201. Therefore, these pollutants are not included in Surplus Value demonstration.

Projected 2021 Offset Equivalency Outcome

Equivalent?	NOx	VOC	PM10	PM2.5	CO	SOx
Test 1: Offset Quantity	Yes	No	Yes	Yes	Yes	Yes
Test 2: Surplus Value	No	No	Yes	Yes	Yes	Yes

2021 Offset Equivalency Report Timeline



Next Steps

- Workshop 2021 Equivalency Demonstration (October 26, 2021)
- Continue to identify and evaluate new methods to create surplus creditable emission reductions
- Continue to collaboratively work with EPA/CARB

Comments/Questions