



FAQ: Rule 804 – Offsets
DATE: October 10, 2016
REV: 2.0

[Relationship between Emission Offset Requirements and Emission Reduction Credits
Third Party Beneficiary](#)

Relationship between Emission Offset Requirements and Emission Reduction Credits

Q: *Do all emission reductions used to comply with offset requirements have to be certified as emission reduction credits pursuant to Rule 806.*

A: Yes.

Third Party Beneficiary

Q: *Clarify the meaning of Section D.6.b which allows the use of a contract with the District as a third party beneficiary for sources which are otherwise exempt from permit.*

A: This section meets the requirement that emission reductions used as ERC's are enforceable by the District. In the case where a source is exempt by statute, such as a fishing boat engine, a source would be required to enter into a contract with the new source operator or owner which designates the District as a third party beneficiary and allows the District to enforce the emission reductions. If a source is exempt from permit requirements pursuant to Rule 202 and the source wishes to obtain emission reduction credits by controlling emissions at the source, the source would be required to get a permit for the units to be controlled. For example, if a source proposed to install catalysts on several 20 brake horse-power IC engines to get emission reduction credits, the source would be required to obtain permits for the engines being controlled. The third party beneficiary provision would allow the District to enforce conditions ensuring that the emission reductions are permanent.