

Table 3 – Summary of District Review of Workgroup Options

WORKGROUP OPTIONS

Option 1 – Policies and Procedures

Option 2 – Registration Program

Option 3 – Mitigation Fee Rule

ID	Proposal	District Summary Review
1.1a	Revise policy to allow for the “maximum” emissions in the 5 year period prior to application completeness by using highest 3 year rolling average in last 5 years.	Not feasible. Runs counter to existing rule which requires actual average data, not maximum. District could not support changes from actual emission reduction definition as this is a basic tenet of air quality regulations. Does not address the larger issue of availability and cost of ERCs.
1.1.b	Revise policy to allow for the use of the highest daily averages or peak daily data out of a 5- year period.	Not feasible. Runs counter to existing rule which requires actual average data, not maximum. District could not support changes from actual emission reduction definition as this is a basic tenet of air quality regulations. Does not address the larger issue of availability and cost of ERCs.
1.2	Revise policy to allow for the transfer of ERCs that have been applied to existing equipment that is taken out of service.	Not feasible as it runs counter to existing rule “time of use criteria”. Current policy allows for creation of ERCs form the “newer” equipment that is being shut down. Does not address the larger issue of availability and cost of ERCs.
1.3	Revise policy to require the District to automatically initiate the 5 year ERC renewal process so that ERCs are not automatically lost. Or extend the life of the ERCs indefinitely and use the NSR process to determine whether the ERCs are still valid based on existing rules.	Would require a rule change and would have minimal impact. Does not address the larger issue of availability and cost of ERCs.
1.4	Revise P&P 6100.073 to allow for replacement of existing equipment with lower emitting equipment within the timeframe of the useful life of the original equipment. This would eliminate the need to permit this new equipment and thus require offsets.	Not feasible. Runs counter to specific EPA guidance. However, it may be feasible to create a new policy addressing this issue without changing the policy in question.
2.1	Create a Registration Program for all emergency standby diesel generators and small boilers. This would de-permit these emission units and not subject them to NSR and offset requirements.	This option primarily impacts two existing large sources, would be very time consuming to implement and would create a significant disruption in the current permitting program. Does not address the larger issue of availability and cost of ERCs.

ID	Proposal	District Summary Review
2.2	Create a new Santa Barbara County Community ERC Bank. Transfer any existing ERCs used to offset diesel generators and small boilers into this bank to pre-fund it. Allow the District to create and sell ERCs from this Community Bank.	The creation of a Community Bank for Essential Public Service would be challenging, but is something that deserves further analyses. The main challenge would be in finding ways to pre-fund it.
3	Adopt new rule in which the applicant submits a mitigation fee to the District to purchase the emission reduction credits (ERC) instead of purchasing the ERCs on the open market or implementing an emission reduction program to create the required ERCs. This would be an alternative to the existing ERC process outlined in Rule 804 and 806. The fee revenue would be used for District-sponsored emission reduction projects.	This proposal provides an alternative means of meeting the offsets obligations under Rule 802/803. This would essentially establish a “Carl Moyer-like” program at the District where fees mitigation fees paid to the District would be used to reduce emissions in the County where there currently is no means to do so. It does meet the primary objective of the Workgroup in that it applies across the board to all regulated sources, both new and existing. This is the only Option that achieves this primary goal.