State of California AIR RESOURCES BOARD

Resolution 88-61

December 8, 1988

Agenda Item No.: 88-16-4

WHEREAS, Health and Safety Code Sections 39600 and 39605 authorize the Air Resources Board ("Board") to act as necessary to execute the powers and duties granted to and imposed upon the Board and to assist the local air pollution control and air quality management districts ("districts");

WHEREAS, the Legislature enacted Assembly Bill 2162 (Margolin) in 1987 (Stats. 1987, Ch. 491; Health and Safety Code Section 40709.5) which directs the Board and districts to form a Technical Review Group to prepare and submit a report to the Board by January 1, 1989, of its findings and recommendations for improvements in, and alternatives to, emission credit systems and emission offset requirements;

WHEREAS, Heath and Safety Code Section 40709.5 further provides that the Board shall revise or adopt the Report of the Technical Review Group after a public hearing and then shall transmit the report to the Legislature and to the districts:

WHEREAS, the Technical Review Group has prepared a report entitled "Emission Credit Systems and New Source Review Programs" ("Report") which makes findings and recommendations concerning emission credit systems and emission offset requirements;

WHEREAS, in 1988, the Legislature enacted the California Clean Air Act (Stats. 1988, Ch. 1568;) which, among other requirements, provides that each district with moderate, serious or severe air pollution (as defined in Health and Safety Code Sections 40918-40920) shall have a New Source Review program designed to achieve specified goals;

WHEREAS, the original purpose of the Report was not to set goals for New Source Review programs; however, since the California Clean Air Act sets forth goals, it is now appropriate that the Report as approved by this Board be provided to the districts for use in amending New Source Review programs to achieve the California Clean Air Act goals; and

WHEREAS, the Board has held a duly noticed public hearing to consider approval of the Report and has heard and considered the comments presented by representatives of the Board, districts, and other interested persons and agencies.

NOW, THEREFORE, BE IT RESOLVED that the Board approves the Report proposed by the Technical Review Group and directs the Executive Officer to forward the Report to the Legislature and districts.

BE IT FURTHER RESOLVED that the Board recommends to the districts that the Report recommendations serve as a list of regulatory strategies and measures for nonattainment districts to choose from in revising their New Source Review programs to achieve the New Source Review program goals of the California Clean Air Act.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer, in the letter transmitting the Report and this Resolution to the Legislature, to indicate that, while the Report does not fully examine the benefits of economic incentives or recommend their use as an alternative to New Source Review programs, the Board believes that economic incentives are a potentially viable approach to encourage the further control of emissions if implemented properly and with the appropriate safeguards to ensure progress toward attainment and maintenance of the state and federal ambient air quality standards; the letter should also indicate that the Board will receive at its February 1989 meeting a comprehensive analysis from staff of economic incentives as a complement to traditional approaches to air pollution control.

I hereby certify that the above is a true and correct copy of Resolution 88-61, as adopted by the Air Resources Board.

Cary Allison, Board Secretary