

**State of California
AIR RESOURCES BOARD**

**INITIAL STATEMENT OF REASONS
FOR RULEMAKING
A PROPOSED REGULATION TO ESTABLISH A
STATEWIDE PORTABLE EQUIPMENT REGISTRATION PROGRAM**

Principal Authors

**Lars Rydell
David Mallory
Kelly Hughes
Laura Zaremba**

Prepared by:

**Project Support Section
Stationary Source Division**

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Workgroup Committee Members

Ken Bigos	U. S. Environmental Protection Agency Region IX
Walter Brown	Engine Manufacturers Association
Robert Buettner	United States Air Force
Frank Caponi	Los Angeles County Sanitation District
Ginger Carlson	Hertz
Leslie Chayo	Construction Industry Air Quality Coalition
Peter Chiu	Southern California Rock Products Association
Curtis Coleman	Construction Industry Air Quality Coalition
Sean Connelly	Northern Sonoma County Air Pollution Control District
Patrick Cook	Halliburton Energy Service
Terry Ellis	Coalition of Petroleum Services
Mary Kay Faryan	United States Navy
Ken Fischer	International Association of Drilling Contractors
Jennifer Fox	U. S. Environmental Protection Agency Region IX
Tim French	Engine Manufacturers Association
Randal Friedman	Department of Defense
Paul Gladfelty	Engine Manufacturers Association
Robert Hassebrock	Weatherford Enterra Incorporated
David Hayward	Hertz
Glen Keller	Engine Manufacturers Association
Matt Kirkpatrick	Clementina
Vladimir Kogan	Orange County Sanitation District
David Latch	Pride Petroleum Services Incorporated

Workgroup Committee Members (continued)

Martha Larson	U. S. Environmental Protection Agency Region IX
Barbara Lee	Northern Sonoma County Air Pollution Control District
Michael Lewis	Construction Industry Air Quality Coalition
Clayton Miller	Construction Industry Air Quality Coalition
Larry Miller	Halliburton Energy Services
Robert Pease	South Coast Air Quality Management District
Cathy Reheis	Western States Petroleum Association
Les Reed	Department of Defense
Hugh Rose	Alliance of Motion Picture and Television Producers
Robert Shepherd	Construction Industry Air Quality Coalition
Alan Spackman	International Association of Drilling Contractors
Dan Speer	San Diego County Air Pollution Control District
Jerry Steele	Monterey Bay Unified Air Pollution Control District
Jeb Stuart	Construction Industry Air Quality Coalition
Peter Tartaglino	Construction Industry Air Quality Coalition
James Thomas	Pool California Energy Services Incorporated
Tracy Thomas	Motion Picture Industry
Kevin Tokunaga	Glenn County Air Pollution Control District
Doug Van Allen	BJ Services
Dave Warner	San Joaquin Valley Unified Air Pollution Control District
Stewart Wilson	California Air Pollution Control Officers Association
Gene Yeager	Cummins West Incorporated

Contributing Air Resources Board Staff

Vijay Bhargava	Reza Mahdavi
Michael Carter	Elizabeth Parkhurst
Cindy Castronovo	Cliff Popejoy
Artavia Edwards	Andrew Ranzieri
Charles Emmett	Anthony Servin
Dennis Goodenow	Dale Shimp
Vernon Hughes	Maritess Sitac
Martin Johnson	Robert Weller
Don Koeberlein	Neil Wheeler
Jackie Lourenco	Ed Yotter

Reviewed by

Michael Terris, Senior Legal Council Executive Office	
Michael J. Tollstrup, Manager	Project Support Section
Raymond E. Menebroker, Chief	Project Assessment Branch
Donald J. Ames, Assistant Chief	Stationary Source Division
Peter D. Venturini, Chief	Stationary Source Division

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VOLUME I: EXECUTIVE SUMMARY

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VOLUME I: EXECUTIVE SUMMARY

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I.

INTRODUCTION

This report presents the Air Resources Board's (ARB or Board) staff proposal to create a statewide portable engine and equipment registration program (Statewide Registration Program). The Statewide Registration Program would meet the requirements of Assembly Bill 531 (1995), Assembly Bill 2635 (1996), and Senate Bill 1880 (1996), which require the ARB to adopt a regulation to establish a uniform system to register and regulate portable engines and associated equipment.

This two-volume report comprises the Initial Statement of Reasons for a Proposed Regulation to Establish a Statewide Portable Equipment Registration Program (proposed Regulation) as required by the Administrative Procedure Act (Government Code 11340 et seq.). Volume I provides an overview of the proposed Regulation, a summary of the staff recommendations, and a brief discussion of the environmental and economic impacts resulting from the proposal. Volume II is a more detailed presentation of the technical aspects of the proposed Regulation.

A. Background

California law establishes the authority to regulate motor vehicles with the ARB. Air pollution control and air quality management districts (districts) have been given primary authority to regulate stationary sources of air pollution.

Although portable equipment shares attributes of both mobile and stationary sources, portable equipment has historically been permitted as a stationary source under district rules and regulations. The 34 districts treat portable equipment differently, having a variety of independent permit requirements and fee structures. As a result, owners of portable equipment must pay fees, obtain permits, and adhere to different sets of regulations as they move portable equipment between districts.

1. History of Permitting Portable Equipment

At the August 13, 1992 meeting of the ARB, the Board recognized the difficulty associated with permitting portable equipment and directed staff to work closely with the United States Environmental Protection Agency (U.S. EPA) and local districts to develop uniform requirements statewide for portable equipment. The ARB staff worked with the California Air Pollution Control Officers Association (CAPCOA) to form a portable equipment subcommittee to develop a statewide program.

The subcommittee found that owners of portable equipment were typically required to seek permits in each district and often times for each relocation within a district. Districts had

inconsistent permit operating conditions and requirements. Complying with these inconsistent permitting requirements was costly in money and time. As a result, the subcommittee developed a model district rule for establishing a statewide, uniform registration program. Industry representatives participated in the development of the CAPCOA rule. The goal of this effort was that, upon adoption by each district, this program would provide a single, statewide set of requirements for portable equipment. If the owner complied with the requirements of the program, registration in any district would be valid since each district would hopefully have adopted the model district rule.

The CAPCOA Board of Directors approved a final version of the portable equipment registration model rule on April 28, 1994, and forwarded the rule to each district for consideration. Some districts adopted the model rule, while other districts modified the rule to address individual needs and concerns. Other districts did not adopt the rule at all. Districts that adopted the model rule began registering equipment, but the registration was only valid in the district issuing the registration and the few other districts that also adopted the model rule. Because CAPCOA's model rule was not adopted uniformly, the problem with inconsistent and repetitive permitting requirements remains.

2. State Legislation for a Statewide Registration Program

In response to the need for a uniform and consistent statewide permitting program for portable engines, the California Legislature approved Assembly Bill 531 (AB 531), which the Governor signed in October 1995. Assembly Bill 531 requires the ARB to adopt a regulation that establishes a uniform statewide system to register and regulate portable engines.

Subsequent 1996 legislation, Assembly Bill 2635 (AB 2635) and Senate Bill 1880 (SB 1880), expands the scope of the portable engine regulation to include other equipment associated with portable engines. Assembly Bill 2635 also prohibits source-testing of engines for compliance purposes more frequently than once every three years unless emission problems are identified. It also clarifies AB 531's intent to ensure that equipment registered in the state program does not compromise the State Implementation Plan to attain the ambient air quality standards. In addition, recordkeeping and reporting requirements are to be the minimum necessary to provide emission data, track equipment use, and allow enforcement of the program. In addition to expanding the scope of the portable engine regulation to include associated equipment, SB 1880 modifies the definition of portable internal combustion engine to be consistent with federal law. AB 531, AB 2635, and SB 1880 are codified in sections 41750-41755 of the California Health and Safety Code.

State law also prohibits the districts from permitting, registering, or regulating portable engines and portable equipment units registered with the ARB. The districts, however, are responsible for enforcing the registration program adopted and implemented by the ARB. Portable engines and portable equipment units not registered with the ARB would continue to be subject to district permitting requirements.

In developing its regulation, state law requires that ARB do the following:

- evaluate the emissions from the operation of portable engines and associated equipment;
- identify emission reduction technologies that may be applied to portable engines and associated equipment;
- after holding at least one public hearing:
 - establish, by regulation, emission limits and emission control requirements for portable engines and associated equipment,
 - establish an optional registration program for portable engines, and associated equipment that may be used in more than a single district, and
 - adopt its registration program by July 1, 1997.

B. Public Process

1. Workgroup

In developing the Statewide Registration Program, ARB staff was faced with balancing the requirements of State law with industry, local district, and federal concerns. The overall goal was to develop a program that would ensure that portable engines and associated equipment registered with the ARB would not jeopardize commitments contained in the State Implementation Plan (SIP). In addition, the Statewide Registration Program would need to provide for a simplified transition from district permitting programs to the Statewide Registration Program by establishing uniform requirements statewide.

ARB staff, in November 1995, formed the Portable Equipment Registration Workgroup (Workgroup) to assist in developing the proposed Regulation. The Workgroup consisted of local, State, and federal air quality representatives, and a broad range of representatives from the portable equipment industry such as oil services, well drilling, construction, sanitation, movie, rental, and manufacturing industries. The proposed Regulation was drafted considering extensive input from the Workgroup members.

As the Workgroup members identified issues of concern, subgroups were formed to address the most important issues. The *definitions* subgroup helped with the definitions of critical terms used in the proposed Regulation. The *incentives* subgroup discussed incentives for engine owners to reduce emissions or purchase cleaner engines. The *BACT* subgroup evaluated the Best Available Control Technology applications for portable engines. The *emission limits* subgroup provided information to assist in evaluating how daily and annual emission limits might influence attainment of the State ambient air quality standards. The *legal* subgroup analyzed issues that were subject to legal interpretation including: BACT, stationary versus nonroad engines, delegation of the Statewide Registration Program to the districts, district administrative duties, variances, and the impacts of the "location" definition. Finally, the *recordkeeping and reporting*

subgroup developed proposals for the least burdensome recordkeeping and reporting requirements that would still allow the districts and the ARB to enforce the proposed Regulation and maintain an adequate emission inventory.

The workgroup and its subgroups met periodically during the period from November 1995 to October 1996. During this time period many issues were identified and addressed by the Workgroup. As a result, the proposed Regulation was modified on numerous occasions to incorporate Workgroup member recommendations. In addition, ARB staff met individually with industry representatives to discuss and resolve issues specific to that industry. During the development of the proposed Regulation, many comment letters were received for each draft version prepared by ARB staff. Comments were also received orally and in writing during the public workshop process. ARB staff made every effort to consider all comments and recommendations received in developing the proposed Regulation.

Further, the Workgroup was expanded over the course of its meetings to include new members expressing an interest in participating. In this way all affected parties were given an opportunity to participate and ensure that the Statewide Registration Program would not unfairly affect their interests.

2. Workshops

Two public workshops were held on the proposed Regulation. The first was held July 9, 1996, at the South Coast Air Quality Management District (Southern California). The second was held July 11, 1996, at the ARB's headquarters in Sacramento (Northern California). A draft of the proposed Regulation was presented at the workshops, and made available for discussion and comment. Following the workshops, ARB staff and the Workgroup amended the draft proposed Regulation in consideration of the comments received. Because the Workgroup represented the vast majority of parties interested in the proposed Regulation, the Workgroup decided it was not necessary to have any additional workshops.

C. Related Federal Requirements

In developing the proposed Regulation, ARB staff took care to ensure that the requirements and provisions of the proposed Regulation did not conflict with federal law. The federal Clean Air Act (CAA) expressly preempts ARB and the districts from adopting and enforcing emission standards and other requirements (other than in-use operational controls) related to the control of emissions from new nonroad engines (which include portable engines) under 175 horsepower used in farm and construction equipment and vehicles. Congress, however, provided California (ARB) with flexibility to adopt and enforce regulations for all other nonroad engines upon receiving authorization from the U.S. EPA. Under the plain language of the CAA, districts would appear to be preempted by the U.S. EPA from adopting and enforcing emission standards and other requirements (other than in-use operational controls) for any new nonroad engine. ARB staff is seeking clarification from the U.S. EPA as to the extent of the

federal preemption on the local districts. For the purpose of the proposed Regulation, ARB staff has presumed that the preemptions apply to nonroad engines manufactured after November 15, 1990, the enactment date of the CAA.

Upon final adoption and approval of the proposed Regulation, ARB would seek authorization from the U.S. EPA for those requirements establishing emission standards and other requirements related to the control of emissions that are applicable to nonroad engines (portable engines manufactured after November 15, 1990). While ARB would not seek to enforce those requirements for which it must seek federal authorization, those other parts of the proposed Regulation that do not require authorization, such as in-use operational controls, would be immediately effective upon the proposed Regulation becoming operative under California law. Examples of in-use operational control requirements include daily and annual emission limits and fuel specification standards.

In the event that a district's programs is preempted under federal law, the SIP could be adversely affected in that some districts have committed emission reductions in the SIP attributable to proposed emission standards and other requirements related to the control of emissions from nonroad engines. Thus, in order to ensure that emission reduction commitments contained in the SIP are protected, staff is proposing that registration under the proposed Regulation be mandatory upon determination by the Executive Officer that a district is preempted by the federal Clean Air Act.

In order to determine in what districts the Statewide Registration Program would become mandatory, ARB staff would send a letter, upon approval of the proposed Regulation by the Board, requesting that each district identify its intentions as to the permitting of nonroad engines. Based on information obtained from the district, and U.S. EPA regarding the scope of section 209 (e)(2) preemption as it pertains to the districts, the Executive Officer would determine in which districts the Statewide Registration Program would become mandatory. Any determination made by the Executive Officer would be set forth in an Executive Order. Affected owners and/or operators would be notified by the ARB and/or districts of the issuance of the Executive Order within 30 days of issuance. Owners and/or operators of portable engines would have 180 days from the issuance of the Executive Order to submit applications for registration under the Statewide Registration Program.

II.

SUMMARY OF PROPOSED REGULATION

In this chapter, we provide a plain English discussion of the proposed Regulation's major provisions. The discussion in this chapter is intended to satisfy the requirements of Government Code 11346.2(a)(1), which requires that a noncontrolling "plain English" summary of the regulation be made available to the public.

Specific provisions covered in the discussion include eligibility requirements, technology and emission limit requirements, incentives to use lower emitting technologies, registration process, notification requirements, recordkeeping and reporting requirements, enforcement, appeals process, and fees for registration. A more detailed discussion of the proposed Regulation may be found in the Technical Support Document.

State law requires the ARB to develop a registration program for portable engines and associated equipment. In order to comply with federal law and minimize confusion as to the applicability of specific requirements, the proposed Regulation separates requirements for portable engines and associated equipment. In the proposed Regulation and the following discussion, associated equipment is identified as a "**portable equipment unit.**" Section C(1) summarizes the requirements for **portable engines** and section C(2) summarizes the requirements for "**portable equipment units.**"

A. What is the Statewide Portable Equipment Registration Program?

The Statewide Registration Program would establish by regulation, uniform requirements for the registration and control of **portable engines** and **portable equipment units**, and once registered would provide for the operation of such engines and equipment throughout the State of California. **Portable engine** and **portable equipment unit** owners who comply with the requirements of the Statewide Registration Program would be issued a registration certificate that would be valid in all districts statewide. Districts would be preempted from permitting, registering, or otherwise regulating **portable engines** and **portable equipment units** registered with the ARB.

Most **portable engine** and **portable equipment unit** owners would have the option to either participate in the Statewide Registration Program or remain with the districts' programs. Where the Executive Officer has determined that a district program has been effectively preempted for certain engines, the Statewide Registration Program would be mandatory for the affected engines.

B. What is eligible to register in the Statewide Portable Equipment Registration Program?

Portable engines and **portable equipment units** that meet the definitions and requirements of the proposed Regulation are eligible to register in the Statewide Registration Program. A **portable engine** is an internal combustion engine which is designed and capable of being carried or moved from one location to another. A **portable equipment unit** is a portable piece of equipment that is associated with, and driven solely by, a **portable engine** and emits pollutants over and above the emissions of the portable engine. In addition, a fuel tank necessary for the operation of a **portable engine** qualifies as a **portable equipment unit**.

Portable engines that qualify for the Statewide Registration Program include, but are not limited to, internal combustion engines used in the following:

- cranes
- pumps
- welding
- well drilling
- woodchippers
- dredges on boats or barges
- power generation (excluding cogeneration)
- military tactical support equipment
- diesel pile-driving hammers
- service or work-over rigs
- compressors

Portable equipment units that qualify for the Statewide Registration Program include, but are not limited to, the following portable engine-associated units:

- rock crushing
- portable welders
- Portland concrete batch plants
- unheated pavement recycling and crushing
- confined and unconfined abrasive blasting
- sand and gravel screening

In addition, **portable engines** and **portable equipment units** operated during an emergency shall be deemed registered under the Statewide Registration Program for the duration of the emergency.

State law prohibits districts from requiring permits for the following types of **portable engines** and **portable equipment units**. Therefore, the Statewide Registration Program does not apply to:

- engines used to propel mobile equipment,
- engines used to propel motor vehicles of any kind, and
- engines and equipment units used exclusively in agricultural operations.

The following are also proposed for exclusion from registration in the Statewide Registration Program. This is to ensure that the program does not conflict with existing ARB and federal requirements for:

- equipment units that are part of a stationary source permitted by a district, and
- engines and equipment units that are subject to federal New Source Performance Standards, Maximum Achievable Control Technology standards, or National Emissions Standards for Hazardous Air Pollutants.

C. What requirements must be met to register portable engines and portable equipment units?

The proposed Regulation contains requirements for various control technologies, pollutant concentration limits, daily and annual emission limits, fuel use specifications, and visible emission restrictions.

1. What are the requirements for Portable Engines?

a. Technology Requirements

The requirements for **portable engines** are separated by category depending on whether the **portable engine** is determined to be resident, nonresident, exempt, or meeting State or federal offroad or nonroad standards.

In order to comply with State law requirements, the proposed Regulation establishes technology requirements, which have been determined by ARB staff to be technologically and economically feasible, for existing **portable engines**, referred to as "resident" **portable engines** in the proposed Regulation.

Portable engines are considered "resident" if any of the following apply:

- the **portable engine** has a current district permit or registration issued on or before the date the ARB adopts its regulation;
- the **portable engine** does not have a permit or registration from a district, but an application for one has been accepted and deemed complete by the district prior to adoption of the proposed Regulation and an application for registration is submitted to the ARB no later than one year from the date the proposed Regulation is adopted;
- the **portable engine** resided in California at any time during 1995, and an application for registration is submitted to the ARB no later than one year from the date the ARB adopts the proposed Regulation; or
- registration of the **portable engine** is mandatory.

Examples of technology requirements established in the proposed Regulation for resident **portable engines** include 4-degree injection timing retard, turbochargers, aftercooler/intercoolers,

and catalysts.

Portable engines not qualifying as resident are subject to Best Available Control Technology (BACT) requirements as established in the proposed Regulation. Consistent with State law, the BACT requirements contained in the proposed Regulation are a compilation of the most stringent district BACT requirements in effect on January 1, 1995. Any **portable engine** which meets an applicable emission standard established in State or federal off road or nonroad regulations is not subject to any additional technology requirements under the proposed Regulation. In addition, pursuant to State and federal statutes, military tactical support equipment (TSE) and new nonroad engines rated at less than 175 horsepower used in farm and construction operations are exempt from all technology requirements established in the proposed Regulation. State law prohibits the State from requiring emission controls or establishing emission limits for military TSE. Federal law preempts the State of California from establishing technology requirements for new nonroad engines rated at less than 175 brake horsepower used in farm and construction operations. Further, State law preempts districts and the State from permitting or otherwise regulating engines used in farm operations. Therefore, engines used in farm operations would not qualify for registration under the Statewide Registration Program.

b. Emission Limit Requirements

In addition to the technology requirements, the proposed Regulation establishes daily and annual emission limits for **portable engines**. Table 1 summarizes the daily and annual emission limit requirements.

Table 1 - Portable Engine Requirements

Emission Limits		Portable Engine Category				
		Resident	Non-Resident	TSE	Construction < 175 bhp	Any Engine Meeting State or federal Standard
CO:	550 lbs/day	Yes	Yes	No	Yes	No
PM ₁₀ :	150 lbs/day	Yes	Yes	No	Yes	No
NOx:	100 lbs/project SCAQMD	Yes	Yes	No	Yes	No
	100 lbs/engine in all districts except SCAQMD	No	Yes	No	No	No
All Pollutants: 10 tons per year per district per engine		Yes	Yes	No	Yes	No

The emission limit values contained in Table 1 were taken from the California Air

Pollution Control Officers Association (CAPCOA) Model Registration Program Regulation. The only exceptions are the CO limit value and the NO_x limit of 100 pounds per project in the SCAQMD. The CO limit of 550 pounds per day was taken from a typical district New Source Review rule. The NO_x limit comes from SCAQMD Regulation 2100 which establishes a portable equipment registration program in the SCAQMD. All limits contained in Table 1 are included in the proposed Regulation to minimize the emission impacts from registered **portable engines** and are intended to be protective of ambient standards. In addition, the 100 pounds NO_x per project limit in SCAQMD is intended to provide protection of the NO₂ ambient standard for which the SCAQMD is the only nonattainment area in the State.

ARB staff believes the emission limits established in the proposed Regulation qualify as in-use operational controls and are therefore applicable to nonroad **portable engines**, including **portable engines** rated at less than 175 horsepower used in construction operations. To encourage the use of newer cleaner technologies, any **portable engine**, regardless of category, that meets an applicable State or federal standard for offroad or nonroad engines is not subject to the emission limits established in the proposed Regulation.

c. **Other Requirements**

In addition to emission control and emission limit requirements, the proposed Regulation establishes requirements for visible emissions, fuel restrictions, and particulate matter concentration limits. Resident and nonresident **portable engines** are required to use California reformulated fuels, meet a Ringlemann 1 opacity restriction, and meet a PM₁₀ concentration of 0.1 grains PM₁₀ per standard cubic foot. Military tactical support equipment need only meet a Ringlemann 2 opacity restriction. Construction engines under 175 horsepower and **portable engines** meeting a State or federal standard are only required to use California reformulated fuels.

2. **What are the requirements for portable equipment units?**

Under federal law, **portable equipment units** are considered stationary sources and are subject to all applicable federal stationary source requirements. As a result, all **portable equipment units** registered under the Statewide Registration Program would be required to comply with the BACT requirements as established in the proposed Regulation. In addition, a daily emission limit of 82 pounds per day of PM₁₀ and an annual limit of 10 tons per year for any criteria pollutant would be conditions of registration. The 82 pounds per day PM₁₀ limit equates to 15 tons per year and comes from federal New Source Review requirements. The 10 ton per year limitation reflects the triggering threshold for Title V Program requirements in the SCAQMD.

D. **Does the proposed Regulation provide incentives to promote the use of lower**

emitting technologies?

Yes, a number of incentives have been incorporated into the proposed Regulation to encourage early replacement of older **portable engines**. Any **portable engine** meeting the applicable emissions standards set forth in State or federal offroad or nonroad regulations would not be subject to the daily and annual emission limits, and recordkeeping and reporting requirements established in the proposed Regulation. In addition, if the owner or operator of a registered **portable engine** agrees to replace or modify the engine to meet State or federal new engine standards, relief from annual and hourly limits for the existing registered **portable engine** would be granted for up to 18 months.

E. Does the Regulation provide for replacement over time of existing engines with new lower-emitting engines?

Yes, the Statewide Registration Program requires the replacement of older, higher polluting engines with cleaner technologies. These requirements would be phased-in over time to allow long-term planning on the part of the affected businesses. The specific requirements are as follows:

- any non-resident **portable engine**, regardless of engine manufacture date, seeking registration in the Statewide Registration Program after July 1, 1998, must meet the most stringent of the emissions standards for the applicable horsepower range specified for State or federal new engine emission standards. In the event that a standard is not in effect, the applicable technology requirements contained in the proposed Regulation shall apply; and
- any **portable engine** or replacement engine registered after January 1, 2001, must meet the applicable State or federal new engine emission standards; and
- no later than January 1, 2010, all **portable engines** registered with the ARB must meet the applicable State or federal new engine emission standards.

F. What is the process for obtaining registration?

Registration is available only through the ARB. It is our goal to make the registration process simple for **portable engine** and **portable equipment unit** owners and operators. Applications for registration may be obtained in the following ways:

- via Internet from the ARB's home page at *<http://www.arb.ca.gov>*
- by writing the ARB at *Air Resources Board*

*Stationary Source Division
Attn: Statewide Registration Program
P.O. Box 2815
Sacramento, CA 95812*

- in person from the ARB's Public Information Office located on the first floor of the ARB's headquarters building at 2020 L Street, Sacramento, California.

G. Are there requirements for notifying the ARB or districts when moving registered portable engines and portable equipment units from one district to another?

Yes, because of the transient nature of **portable engine** and **portable equipment unit** operations, notification requirements have been established in the Statewide Registration Program to ensure that districts are aware of **portable engine** and **portable equipment unit** operations within their jurisdiction.

A district must be notified if a **portable engine** or **portable equipment unit** is to be operated for longer than five days within its jurisdiction. The owner of a **portable engine** or **portable equipment unit** may wish to designate a home district in which the **portable engine** or **portable equipment unit** resides (or primarily operates) when registering in the Statewide Registration Program. Notification is not required when operating the **portable engine** or **portable equipment unit** within the designated home district.

There are no notification requirements for registered military TSE and rental **portable engines** rated at less than 200 horsepower. For rental **portable engines** rated at greater than 200 horsepower, all notification requirements apply.

H. What are the requirements for recordkeeping and reporting?

It is our goal to minimize recordkeeping and reporting requirements while preserving emission reductions. Also, State law limits the extent to which the ARB can establish recordkeeping and reporting requirements for the purpose of tracking **portable engine** and **portable equipment unit** utilization and movement. Our proposed recordkeeping and reporting requirements are the minimum necessary to provide sufficient emission inventory data and allow adequate enforcement of the program. In addition, the recordkeeping and reporting requirements contained in the proposed Regulation represent a consensus of the Portable Equipment Registration Workgroup.

The proposed Regulation requires owners of registered **portable engines** and **portable equipment units** to maintain daily operational records. A yearly report consisting of quarterly summaries of the previous year's operation for each registered **portable engine** or **portable equipment unit** must be submitted to the ARB by March 1 of each year. The daily records must include the following information:

- the month, day, and year,
- the **portable engine** or **portable equipment unit** registration number,
- total fuel used and estimated hours of operation, or actual hours of operation, or process weight or throughput and hours of operation, and
- the location where the **portable engine** or **portable equipment unit** was used (district, county, or specific location).

Rental businesses have separate recordkeeping and reporting requirements. The owner of rental **portable engines** and **portable equipment units** must submit to the ARB quarterly summaries that provide the following information:

- the **portable engine** or **portable equipment unit's** registration number,
- the hours of operation for each rental period,
- an estimate of the hours per day the **portable engine** or **portable equipment unit** was operated,
- the date the **portable engine** or **portable equipment unit** left the rental yard, and the date it was returned, and
- the location where the **portable engine** or **portable equipment unit** was used (district, county, or specific location).

Rental businesses must also do the following:

- collect information and maintain records for each rental transaction,
- educate the renter on the proper operation of the **portable engine** or **portable equipment unit**, and
- provide the renter a written copy of the requirements of the regulation pertaining to rental **portable engines** and **portable equipment units**.

Because military TSE are not subject to any emission limits or controls, recordkeeping and reporting is limited to the number, type, and horsepower rating of registered TSE residing at a military installation. All TSE added to a military installation during a calendar year must be reported by March 1 if the total number of TSE at the installation increased. Applications and applicable fees for the new TSE must be submitted with the March 1 report.

Any **portable engine** which meets an applicable State or federal new engine emission standard would not be subject to the recordkeeping and reporting requirements contained in the proposed Regulation. Since these **portable engines** are not required to comply with daily and annual emission limits, recordkeeping and reporting, used primarily for enforcement of these limits, would not be necessary.

I. How is the Statewide Portable Equipment Registration Program enforced?

An initial inspection may be required prior to issuance of registration. In addition, the ARB or the districts may conduct inspections at any time to verify and ensure compliance with the Regulation.

State law requires the districts to enforce the regulation governing State-registered **portable engines** and **portable equipment units**. In addition, source testing for compliance purposes, in general, shall not be required more frequently than once every three years. However, source testing may be required more frequently if enforcement personnel have cause to believe the **portable engine** or **portable equipment unit** is in noncompliance (such as evidence of tampering, lack of proper **portable engine** or **portable equipment unit** maintenance, or other problems or operating conditions that could affect **portable engine** or **portable equipment unit** emissions). In no event shall testing be required if there is no emission requirements or controls applicable to the **portable engine** or **portable equipment unit**.

The proposed Regulation provides that a district may charge \$75 to inspect a **portable engine** or **portable equipment unit**. The inspection fee is consistent with the fee approved by the CAPCOA Board of Directors for inclusion in the CAPCOA Model Portable Equipment Registration Regulation. Each district may perform multiple inspections of registered **portable engines** or **portable equipment units**, but may only charge the inspection fee once per year unless the re-inspection was initiated by a complaint. Where multiple **portable engines** or **portable equipment units** are located at a given site, inspection fees shall be \$75 per **portable engine** or **portable equipment unit**, or the actual costs associated with the inspection, whichever is less. If the **portable engine** or **portable equipment unit** is not inspected during a year, an inspection fee would not be assessed.

J. Is there a process for appeals under the Statewide Portable Equipment Registration Program?

Yes, the denial, suspension, or revocation of a registration can be appealed to the ARB Executive Officer by filing a written request.

Any challenges to the district's inspection results must be made to the district, following procedures established in the district's rules and regulations.

K. What are the fees associated with registration?

The ARB would collect fees for registration, renewal, and associated administrative tasks. The fees are based on the estimated cost to the State to administer the Statewide Registration Program. The Statewide Registration Program fees are expected to significantly lower the overall average cost to most businesses operating **portable engines** and **portable equipment units**. The cost to register under the Statewide Registration Program is \$90 per **portable engine** or **portable equipment unit** registered. Registration under the Statewide Registration Program is valid for three years. The initial registration fee of \$90 covers operation for the first three years.

Subsequent fees would be \$90 for each additional three year renewal period. Because the proposed Regulation does not contain technology or emission requirements for military tactical support equipment and therefore the review process would be greatly simplified, the registration and renewal fees would be \$1500 and \$750 for the first 25 units and \$1500 and \$750 for every additional 50 units registered.

Under district programs, the costs for initial registration ranges from \$150 to \$200 per engine, and permitting costs range from \$110 to over \$3000 per engine. Renewal fees range from \$90 per year per engine for registration to almost \$2000 per year per engine for permits at the district level.

III.

ENVIRONMENTAL IMPACTS AND CONSISTENCY WITH THE STATE IMPLEMENTATION PLAN

State law requires that the Statewide Registration Program does not interfere with the attainment or maintenance of state or federal ambient air quality standards or cause an exceedance of any ambient air quality standard. In addition, the ARB is required, in consultation with affected districts, to amend the State Implementation Plan (SIP) as necessary to include the Statewide Registration Program and conform the SIP to its requirements.

A. Environmental Impacts

ARB staff has conducted an analysis of the potential environmental impacts of the proposed Regulation. In spite of the small short-term potential increase in emissions in the SCAQMD as discussed below, implementation of the proposed Regulation is not expected to have any adverse environmental impacts. Rather, overall, the proposed Regulation would have a positive environmental impact and would not interfere with the attainment or maintenance of state or federal ambient air quality standards. This is because the proposed Regulation establishes emission controls and emission limitations to minimize emissions from portable engines and portable equipment units. Further, because the state retains the authority to regulate most nonroad engines and the proposed Regulation promotes early replacement and over time total replacement with cleaner technologies, emission reductions are expected beyond existing district programs.

B. Consistency with the State Implementation Plan

ARB staff has conducted an analysis to determine the potential impacts of the Statewide Registration Program on commitments contained in the SIP. Staff's analysis shows that in each air basin the Statewide Registration Program would result in greater emission reductions than committed to in the SIP.

The SCAQMD Rule 1110.2, Emissions from Gaseous and Liquid Fueled Internal Combustion Engines, adopted on August 3, 1990 and last amended on December 9, 1994, applies to portable engines and requires electrification or compliance with stringent emission limitations by December 31, 1999. Because of the timing in the application of control or emission limitation requirements, the Statewide Registration Program may result in an increase of as much as four tons of NO_x per day between 2000 and 2005. After the year 2005, the Statewide Registration Program catches up to the SCAQMD program and by the year 2010 exceeds the emission reduction commitments proposed by SCAQMD. However, the adverse impact may be overestimated because staff analysis does not take into consideration the impact of the federal nonroad engine preemption on the SCAQMD program. Because the preemption would likely prevent the SCAQMD from applying Rule 1110.2 to any nonroad engine manufactured after

November 15, 1990, the emission reductions projected by the SCAQMD would be reduced. Staff has been unable to quantify the impact of the preemption because information does not exist to determine the universe of nonroad engines operating in the SCAQMD. In all likelihood, the Statewide Registration Program would result in emission increases of NO_x much less than the four tons per day estimated by staff.

Consistent with State law, staff would continue to work with the SCAQMD to determine the impact of the Statewide Registration Program and amend the SIP as necessary.

IV.

ECONOMIC IMPACTS

The Statewide Registration Program is expected to have a beneficial impact on California business. Participants in the Statewide Registration Program would no longer need to seek (and pay for) permits in each district in which they wish to operate, or comply with different emission limits and control requirements each time the engine or equipment is operated in a different district.

Most portable equipment owners would have the option to participate in the Statewide Registration Program or remain with the districts' programs, based on which program gives them the most favorable economic advantage. Where participation in the Statewide Registration Program is mandatory, the owner would typically experience a reduction in operational cost and would be subject to a single set of requirements to operate statewide. The registration fees for the Statewide Registration Program would be equal to or less than the fees assessed by the districts for permit processing or registration.

Under the Statewide Registration Program, the ARB would assume control of a large number of portable equipment units previously regulated by the districts. Districts may lose revenues because the ARB would be collecting fees from engine owners that had previously been received by the districts. The districts, however, would have a corresponding reduction in workload because they would no longer be permitting these units. The districts are responsible for enforcing the program and would be able to recover inspection costs as specified by the proposed Regulation.

V.

RECOMMENDATION

The ARB staff recommends that the Board adopt the proposed Regulation to Establish a Statewide Portable Equipment Registration Program in California.

Further, staff recommends that the Board direct staff to seek U.S. EPA approval of the control requirements applicable to nonroad engines prior to making these requirements enforceable for nonroad engines.