

Improving and Streamlining the Permit Process

NACAA Fall Membership Meeting

Wednesday, October 31, 2007

San Diego, California

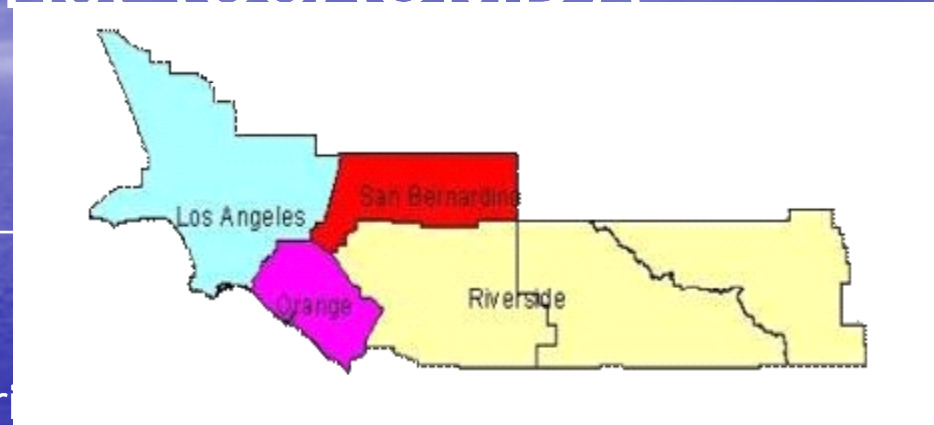
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South Coast Air Quality Management District



What is South Coast Air Quality Management District (SCAQMD)?



- Local Air Pollution Control District in Southern California (Counties of LA, Orange, Riverside & San Bernardino)
- Population of over 16 million (about half of State's population)
- Covers 10,743 sq. miles
- **Worst air quality in the nation (O₃ & PM 2.5)**
- **Regulates >28,000 Stationary Sources**
- **Over 80,000 permits**
- **Process and receives about 10,000 permits annually**
- **655 Title V sources**

SCAQMD's Permit Streamlining/ Flexibility

- SCAQMD has been involved in development and implementation of measures to both streamline and provide flexibility in permitting while enforcing one of the most stringent and complex air quality programs
- SCAQMD regulates 28,000+ facilities through the permit program and has significantly improved the air quality despite of a very large population and mobile source growth in past decades



SCAQMD's Permit Streamlining/ Flexibility Overview

- Early 1990's Permit Streamlining/ Flexibility
 - Air Pollution Permit Streamlining Act
 - Market Incentive Cap & Trade Program (RECLAIM)
 - Green Carpet Program
- Late 1990's through 2000's Permit Streamlining Initiative
 - Permit Streamlining Task Force & Recommendations
 - Permit Streamlining Ombudsman & Unit
 - Optional Expedited Permit Application Processing
 - Streamlined Standard Permits
 - Web-based Application Tracking & Information



SCAQMD's Permit Streamlining/ Flexibility - Early 1990's

Air Pollution Permit Streamlining Act

- Efforts undertaken by AQMD to implement several new and innovative measures
- Subsequently legislated into State law referred to as "Permit Streamlining Act"
 - Pre-Certification/ Registration Program for equipment
 - Certification/Training Program for individuals
 - Specific timelines for processing of permit applications
- Amnesty Program with reduced fee for equipment installed without a permit
- Registration/ Filing instead of Permitting Program for small emissions sources



Certification/Registration Permit Program

- Certified Permit issued to manufacturer of equipment for a specific model or series of models
- Manufacturer is provided a Certified Permit with a list of conditions for the equipment type.
- Permit is renewed annually by manufacturer
- End-user that purchases the SCAQMD certified equipment can:
 - Register the permit at reduced cost
 - Receive the permit expeditiously





Certified Permitting Professional Program

- SCAQMD provides certification for Permitting Professionals (CPP) for preparation of permit applications
- Applications submitted by a CPP are expected to be complete and expedites processing
- Registered CPP:
 - Has to pass the SCAQMD's CPP exam and renew registration annually (about 225 CPPs)
 - Has access to facility information through the Data Access System (DAS) located in the SCQMD Web page
 - Can request to be added to CPP list on SCAQMD Web page. Full list of CPP is available to public



SCAQMD's Permit Streamlining/ Flexibility - Early 1990's RECLAIM Program



- Market Incentive Cap & Trade Program for 375 largest facilities
- Facility Permit with a declining cap for NOx and SOx
- Increased flexibility in reducing emissions at the facility or buying credits
- **New and modified emission units still subject to NSR (BACT/ LAER, Modeling, Offset)**

SCAQMD's Permit Streamlining/ Flexibility - Early 1990's Green Carpet Program

- Developed by SCAQMD in cooperation with California Council for Environmental and Economic Balance (CCEEB)
- Three Star Project – Project designed to meet or exceed RECLAIM Year 2010 air emission standards.
- HELP Project – High Employment Low Pollution Projects
- Major Capital Project – High Capital Cost/ Long Construction Projects
- Air Quality Technology Advancement Project –Experiment or Research Projects to advance the state of knowledge or art for air quality
- SCAQMD Senior Management assignment to oversee project schedule and assist in permitting
- Waive Annual Renewal Fees for 2 years



SCAQMD's Permit Streamlining Initiative

Late 1990's

- Permit Streamlining Task Force (PSTF) formed in 1998:
 - To develop recommendations to expedite permitting and improve customer service for regulated businesses
- Members include Governing Board members, industry and local government representatives, consultants, and environmentalists
- Appointment of Permit Streamlining Ombudsman and formation of a Permit Streamlining Unit
- Conducted a Time Tracking study of Permitting
- Independent contractor studied AQMD's Permit Program



Permit Streamlining Task Force Recommendation's Report



- Conducted 20+ meetings, brainstorming sessions and case studies and developed a report with a set of recommendations
- Included 37 recommendations grouped into 4 categories:
 - A. Reduce Steps Required to Issue Permits
 - B. Improve Communications Internally and Externally
 - C. Optimize Permit Structure and Systems
 - D. Enhance Management and Organizational Effectiveness



Group A: Reduce Steps Required to Issue Permits

Amend Rules to Clarify and Streamline Permitting Requirements.

- Rule 219 and Rule 1401 were amended to clarify when a permit may be required for equipment that emits toxic air contaminants.
- Rule 3008 - Potential to Emit Rule - Exempted thousands of low-emitting facilities with actual emissions below a specific threshold level from Title V permits by limiting facility's PTE.
- Regulation XIII - NSR - Changed requirements of BACT vs. LAER for non-major sources and relocations.

Simplified Application Filing/ Tracking

- Credit cards/ $\geq 85\%$ Fees Acceptable
- Issuance of Acknowledgement letters & Application Tracking Nos.

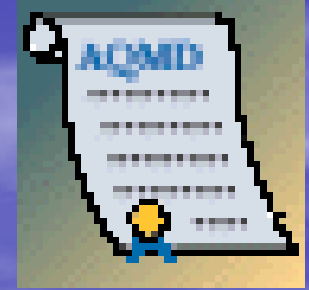


Group B: Improve Communications Internally & Externally



- Title V Technical Guidance Document
- Web Page Updates to provide:
 - Policies and Procedures
 - Sample permit evaluations
 - Emission factors
- Redesign of Permit Application Forms to:
 - Improve collection of needed information
 - Make them more user-friendly

Group C: Optimize Permit Structure and Systems



- Alternate Title V Format
 - New format for Non-RECLAIM facilities
 - Permits created in Microsoft Word instead of database format
 - Reduced lead time in issuing Title V permits
- Enhance Permit Processing Systems
 - Improvements to existing permit processing programs for Facility Permits and conventional Permits.
 - Improve functionalities, provide more features, and ease of use
- Aged Application Report/ Tracking for Management

Group D: Enhance Management Organizational Effectiveness



- Conduct Time-Tracking study to analyze permit processing times
 - Concurrent with SCAQMD's Fee Audit Study
 - Resulted in Fee Rule Amendments
- Reorganize to focus on permitting
 - Balance staffing/ workload based on comprehensive study
 - Established goals for production/backlog reduction
- Use of temporary staff & Contractors & Funding
 - 25 temporary engineers and clericals, as well as contractors were hired to reduce backlog
 - Funding of Engineer positions by companies

Other Permit Streamlining Measures

Streamlined Standard Permits

- Pre-determined permit conditions and applicability criteria
- Unlike Certification Program, does not require manufacturer's participation
- Used for frequently processed equipment that does not need offsets and has low toxics risk (i.e., Dry Cleaner Replacements, Printing Operations and Automotive Spray Booths)

Other Streamlining Measures

Expedited Processing of Permit Applications

- Used for review of permit applications, CEQA, Air Dispersion Modeling, HRA, Source Test Protocols, and Reports
- 50% additional fee over the base permit fee for overtime
- District Staff strictly work on expedited application during overtime
- Approval of request is contingent on availability of qualified staff
- The applicants are notified whether or not the request for expedited processing has been accepted



Other Streamlining Measures

Web-Based Application Tracking & Facility Information Detail (FIND)

- Application Tracking
 - Track application status through different stages of the SCAQMD permitting process
- Facility Information Detail (FIND)
 - One-stop location on SCAQMD's website to find information on facilities regulated by SCAQMD (e.g., Facility Detail, Permits & Equipment Listing, Emissions, Compliance Notices of Violation, Hearing Board Cases)



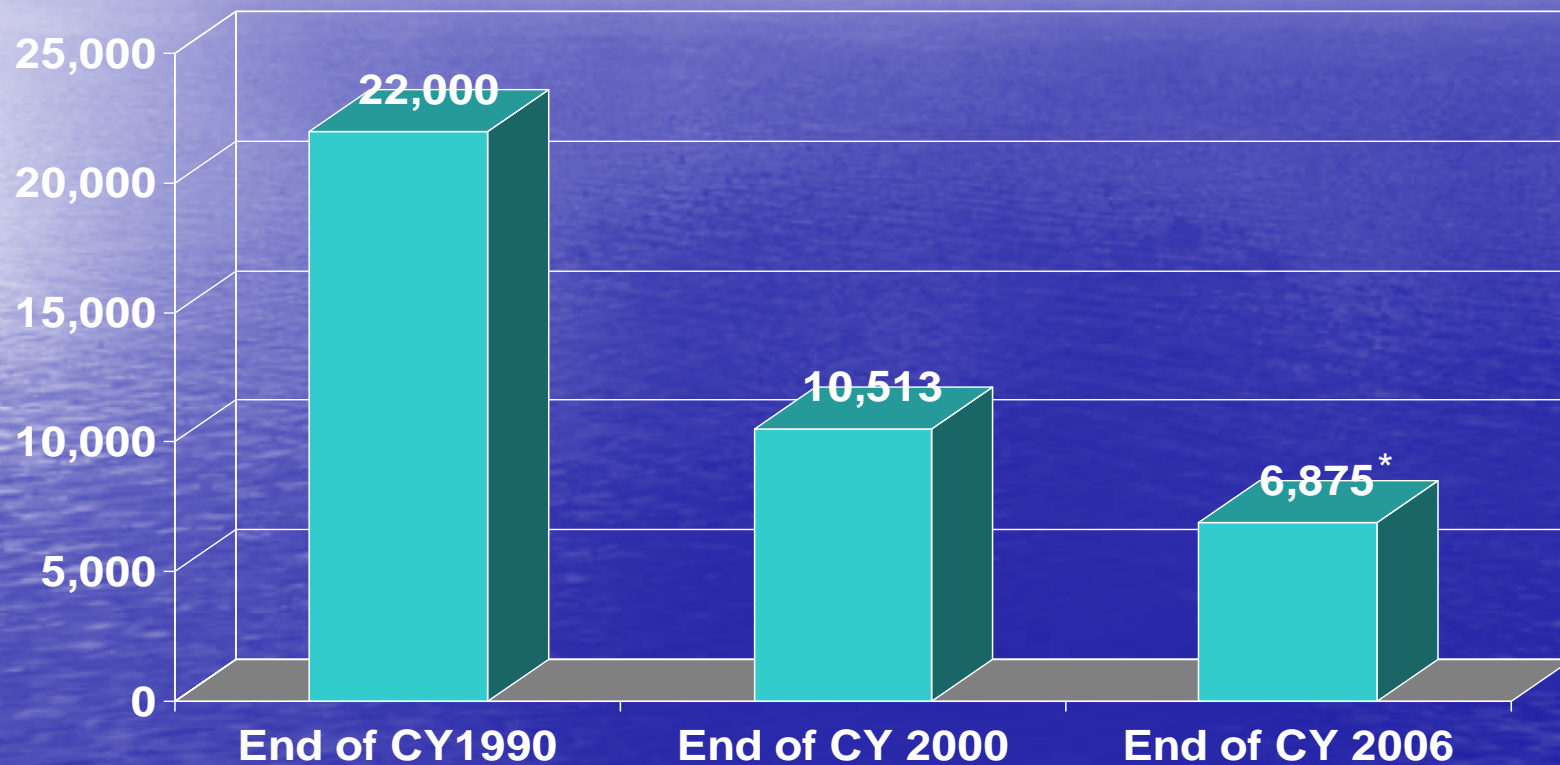
Improvements in Permit Processing Efficiencies Engineering Resources vs. Applications Processed

	1989-1990	2005-06	% Change
Engineering Staff	183	109	-40%
Total Applications Processed per Year	11,300	9,870	-13%
Yearly Applications Processed per Engineer	62	91	47%*

* Productivity increased despite new Programs: (i.e., RECLAIM, Title V, Toxics), and with increased workload on BACT/LAER & Public Notices.

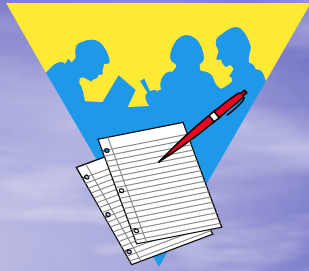


Applications Pending Permits 1990 to Present



* About 70% reduction in total pending applications since 1990, despite 40% drop in permit engineering staff





Present Status of Permit Streamlining Efforts

- Permit Streamlining Task Force and the Subcommittee continue to meet and evaluate permitting.
- Set of new recommendations have been developed for implementation to further enhance permitting effectiveness
- Permit Streamlining status update and further recommendations presented periodically to:
 - Governing Board
 - Board Committees
- SCAQMD staff along with PSTF will continue to work on further streamlining of permitting process
- **SCAQMD has achieved significant enhancements and increased permitting efficiencies without compromising environmental requirements.**