

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT
POLICIES AND PROCEDURES

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Topic:	<u>Increment Fee-Method of Determination</u>		
Distribution:	<u>APCD Staff</u>		

District Rule 803.I(*Requirements - Ambient Air Quality Standards and Air Quality Increments*) provides for two methods of determining increment fees. The first method (the "monitoring" method) involves modeling for the first year's fee, followed by monitoring to determine the fee for the remaining years of project life. The second method (the "modeling" method) involves use of modeling for all fee determinations; the fee being reduced by 10% per year from the first year's modeled value. Due to the 10-year depreciation schedule, the modeling approach is anticipated to result in substantially lower total increment fees. Lower monitor costs can also be anticipated from the modeling approach. This modeling method requires concurrence from both the applicant and the District.

It is the District's policy that concurrence for the use of the second option, the modeling method, shall only be given by the District during processing of the ATC permit. District acceptance of the modeling method shall not be given after the monitoring method has been implemented. This policy will ensure that the appropriate analysis are incorporated into the ATC permit for the method selected by the applicant. If the monitoring method is selected by an applicant, the ATC permit shall specify any additional monitoring requirements to ensure identification of peak increments for all regulated pollutants. Additionally, the ATC permit shall specify the manner of computing the increment resulting from the project, as differentiated from the baseline air quality level.

Where the modeling option is selected by the applicant, the ATC shall state the first year's modeled value. The remaining years fees shall be depreciated 10% per year, as per District rules. Once the modeled value is established in the permit for the increment fee, no subsequent modifications to this value shall occur due to changes in modeling methodology.

Policies and Procedures Memoranda are intended to provide agency staff, applicants and the public guidance relative to standardized District procedures. These policies and procedures shall not be interpreted in conflict with District Rules and Regulations or administrative policies, and may be modified or updated periodically without advance notice.