

RULE 204 EMISSION REDUCTION CREDITS**Adopted 12-15-92****(Amended 9-5-96)****INDEX****100 GENERAL**

- 101 PURPOSE
- 102 APPLICABILITY
- 103 SEVERABILITY
- 110 EXEMPTION: NOTIFICATION REQUIREMENTS
- 111 EXEMPTION: REASONABLY AVAILABLE CONTROL TECHNOLOGY ADJUSTMENT
- 112 EXEMPTION: SHUTDOWNS AND CURTAILMENTS

200 DEFINITIONS

- 201 ACTUAL EMISSION REDUCTIONS
- 202 BANKING
- 203 CERTIFIED
- 204 EMISSION REDUCTION CREDITS
- 205 EMISSIONS UNIT
- 206 ENFORCEABLE
- 207 EMISSION REDUCTION CREDITS CERTIFICATE
- 208 NON-PERMITTED EMISSIONS
- 209 OFFSET
- 210 PERMANENT
- 211 PORTABLE EQUIPMENT
- 212 PROPOSED EMISSIONS
- 213 QUANTIFIABLE
- 214 QUARTER/QUARTERLY
- 215 REAL
- 216 REASONABLY AVAILABLE CONTROL TECHNOLOGY
- 217 REGISTER
- 218 SHUTDOWN
- 219 TEMPORARY
- 220 TRANSFER

300 STANDARDS

- 301 CERTIFICATION
- 302 REEVALUATION
- 303 NON-PERMITTED SOURCES
- 304 SHUTDOWNS
- 305 USE OF EMISSION REDUCTION CREDITS: BANKING
- 306 USE OF EMISSION REDUCTION CREDITS: OFFSETS
- 307 RETURNS: USE OF EMISSION REDUCTION CREDITS FOR TEMPORARY STATIONARY SOURCES AND PORTABLE EQUIPMENT
- 308 RETURNS: MODIFICATION OF PERMIT TO OPERATE

400 ADMINISTRATIVE REQUIREMENTS

- 401 APPLICATION SUBMITTAL TIMELINES
- 402 COMPLETE APPLICATION
- 403 PRELIMINARY DECISION
- 404 PUBLICATION AND PUBLIC COMMENT
- 405 PUBLIC INSPECTION

400 ADMINISTRATIVE REQUIREMENTS, cont.

- 406 CERTIFICATION, FINAL ACTION
- 407 WITHDRAWAL OF APPLICATION
- 408 CALCULATION OF EMISSIONS
- 409 CONVERSION OF EMISSION REDUCTIONS TO EMISSION REDUCTION CREDITS
- 410 REGISTRATION
- 411 EMISSION REDUCTION CREDITS REGISTER
- 412 MORATORIUM

500 MONITORING AND RECORDS (NOT INCLUDED)

100 **GENERAL**

- 101 **PURPOSE:** To provide an administrative mechanism for quantifying, adjusting and certifying surplus emission reductions for:
- 101.1 later use as offsets pursuant to District, state or federal rules or regulations; or
 - 101.2 transfer to other sources as offsets pursuant to Rule 202, NEW SOURCE REVIEW.

- 102 **APPLICABILITY:** This rule shall apply to all emission reductions credits for use by the stationary source or for transfer to other sources.

- 103 **SEVERABILITY:** If a court of competent jurisdiction issues an order that any provision of this rule is invalid, it is the intent of the Board of Directors of the District that other provisions of this rule remain in full force and effect to the extent allowed by law.

- 110 **EXEMPTION: NOTIFICATION REQUIREMENTS:** The requirements of Sections 404 and 405 relating to notification, publication, and public inspection of Preliminary Decisions shall not apply if the application is for emission reductions calculated pursuant to Section 408 and the emissions are less than or equal to the following levels:

Pollutant	Emissions (lbs/quarter)
Reactive Organic Compounds	7,500
Nitrogen Oxides	7,500
Sulfur Oxides	13,650
PM10	7,500
Carbon Monoxide	22,812

- 111 **EXEMPTION: REASONABLY AVAILABLE CONTROL TECHNOLOGY ADJUSTMENT:** The provisions of Section 408.4 shall not apply to those emission reductions that occurred prior to February 26, 1991.

- 112 **EXEMPTION: SHUTDOWNS AND CURTAILMENTS :** The provisions of Section 201.4a shall not apply to emission reductions from shutdowns or curtailments provided:
- 112.1 The shutdowns or curtailment occur after December 31, 1987 and the District is notified before February 13, 1993 of shutdowns and curtailments which occurred before December 15, 1992; or
 - 112.2 The shutdowns or curtailments are documented in District permitting actions pursuant to Rule 202, NEW SOURCE REVIEW; and
 - 112.3 The emissions from the emissions unit to be shutdown or curtailed are included in the District's 1987 and 1990 emission inventories.

- 113 **EXEMPTION: MOBILE AND TRANSPORTATION SOURCE EMISSION REDUCTION CREDITS:** The provisions of Section 408, shall not apply to emission reduction credits obtained pursuant to Rule 206, MOBILE AND TRANSPORTATION SOURCE EMISSION REDUCTION CREDITS.

- 200 **DEFINITIONS:** Unless otherwise defined below, the terms used in this rule are defined in Rule 201, GENERAL PERMIT REQUIREMENTS and Rule 202, NEW SOURCE REVIEW.

- 201 **ACTUAL EMISSIONS REDUCTIONS:** Reductions of emissions from an emissions unit. Actual emission reductions shall be calculated pursuant to Section 408 and meet all of the following criteria:

- 201.1 The emissions reductions shall be real, enforceable, QUANTIFIABLE, and permanent.
- 201.2 The emissions reductions shall be surplus emissions reductions in excess of any emissions reduction which is:
- Required or encumbered by any laws, rules, regulations, agreements, or orders, and unless such law by its terms states that the emission reductions shall be considered surplus; or
 - Attributed to a control measure noticed for workshop in the District, or proposed or contained in a State Implementation Plan, or Federal Implementation Plan.
- 201.3 Emissions reductions attributed to a proposed control measure may be re-eligible as surplus actual emissions reductions for:
- Control measures identified in the District Air Quality Attainment Plan or State Implementation Plan where no rule has been adopted within two years from the scheduled adoption date, provided, however, the Air Pollution Control Officer has not extended the scheduled adoption date;
 - Control measures not identified in the District Air Quality Attainment Plan or State Implementation Plan where no rule has been adopted and two years have elapsed beyond the date of the latest public workshop notice; or
 - Control measures proposed in the District Air Quality Attainment Plan which are not included into the Plan adopted by the District Board shall become re-eligible upon adoption of the Plan.
- 201.4 Source shutdowns and curtailments may not be given emission reduction credit in the case of non-attainment pollutants if they occurred prior to the date of application unless:
- The shutdown or curtailment was claimed by the affected facility as a credit within 60 days of the surrender of the permit(s), or in the case of non-permitted sources within 60 days of the curtailment or last date of operation. In the case of emission reductions associated with the elimination of agricultural burning, the shutdown or curtailment credit shall be claimed within 12 months of the last day of operation. A letter of intent to apply may be provided by the affected facility. Shutdown or curtailment credits not claimed within 60 days shall pass to the Priority Reserve Bank as provided in Rule 205, COMMUNITY BANK AND PRIORITY RESERVE BANK; and
 - The crediting and disbursement of emission reductions from source shutdowns and curtailments are in accordance with the most current United States Environmental Protection Agency emissions trading policy and applicable federal regulations.
- 202 **BANKING:** The system of quantifying, adjusting, certifying, recording, and banking emission reduction credits for future use and transfer. This system shall be called the emission reduction credits Register .
- 203 **CERTIFIED:** Emission reduction credits which have been evaluated under the requirements of this rule and other applicable District, state and federal rules and regulations and which have been authorized by the Air Pollution Control Officer.
- 204 **EMISSION REDUCTION CREDITS:** Reductions of actual emissions from an emission unit that are registered with the District in accordance with the requirements of this rule.
- 205 **EMISSIONS UNIT:** An identifiable operation or piece of process equipment such as an article, machine, or other contrivance which controls, emits, may emit, or results in the emissions of any affected pollutant directly or as fugitive emissions. For the purpose of calculating emission reduction credits pursuant to this rule, emissions unit shall include agricultural burning.

- 206 **ENFORCEABLE:** Verifiable and legally binding and containing limitations and conditions which are enforceable as specified in 40 CFR Part 51.165(a)(1)(xiv) or 40 CFR Part 52.21(b)(17).
- 207 **EMISSION REDUCTION CREDITS CERTIFICATE:** A document certifying title to a defined quantity and type of emission reduction credits issued by the District to the owner(s) identified on the Certificate.
- 208 **NON-PERMITTED EMISSIONS:** Those emissions of an affected pollutant which are not required to obtain a permit pursuant to Rule 201, GENERAL PERMIT REQUIREMENTS. Non-permitted emissions may include emissions from mobile sources, indirect sources, and exempt equipment.
- 209 **OFFSET:** The use of an emission reduction credits to compensate for an emission increase of an affected pollutant from a new or modified source subject to the requirements of Rule 202, NEW SOURCE REVIEW.
- 210 **PERMANENT:** Continuing without fundamental change for the life of the emission reduction credits. The sum of all emission reduction credits endures for the life of the project utilizing that sum of emission reduction credits.
- 211 **PORTABLE EQUIPMENT:** Equipment which is periodically relocated and is not operated more than a total of 180 days at any one stationary source in the District within a continuous 12 month period.
- 212 **PROPOSED EMISSIONS:** Emissions for a calendar quarter based on the same operating characteristics (e.g. fuel consumption, production level, throughput) as historic actual emissions for the calendar quarter. Proposed emissions shall be adjusted for applicant proposed emission reduction strategies (such as throughput reductions, shutdowns, and reductions in operating hours) which reduce emissions to a level below historic actual emissions, including emission controls, which are contained as conditions of the Authority to Construct and Permit to Operate. Such adjustments shall only be made to the extent that the emission reduction credits generated are allowed by all applicable rules and regulations and shall be reflected in the Authority to Construct and Permit to Operate permit conditions. In cases where the modification includes an increase in the allowed throughput or capacity, proposed emissions shall be the potential to emit pursuant to Rule 202, NEW SOURCE REVIEW, instead of historic actual emissions.
- 213 **QUANTIFIABLE:** Ability to estimate emission reductions in terms of their amount and characteristics. The same method of estimating emissions should generally be used to quantify the emission levels before and after the reduction.
- 214 **QUARTER/QUARTERLY:** Calendar quarter beginning January 1, April 1, July 1, and October 1.
- 215 **REAL:** Actually occurring, implemented, and not artificially devised.
- 216 **REASONABLY AVAILABLE CONTROL TECHNOLOGY:** The lowest emission limitation that a particular source is capable of meeting by the application of emission control technology that is reasonably available considering technical and economic feasibility. The criteria for Reasonably Available Control Technology are specified in "California Clean Air Act Guidance for the Determination of Reasonably Available Control Technology and Best Available Retrofit Control Technology", California Air Resources Board, April 1990 or in the General Preamble to Title I, April 16, 1992 (57 FR 13498), and subsequent federal notices by the United States Environmental Protection Agency, whichever is more stringent.

- 217 **REGISTER:** The document that records all emission reduction credits deposits, withdrawals, transfers, and transactions.
- 218 **SHUTDOWN:** The permanent cessation of an emissions generating activity.
- 219 **TEMPORARY:** For the purpose of this rule, the term temporary shall mean a stationary source or emissions unit which operates no longer than one consecutive twelve month period.
- 220 **TRANSFER:** The change in ownership of an emission reduction credits from one person to another.

300 **STANDARDS**

- 301 **CERTIFICATION:** Only actual emission reductions shall be certified as emission reduction credits. Such actual emission reductions shall meet the following requirements to be certified as emission reduction credits.
- 301.1 Apply for emission reduction credits pursuant to Section 402;
- 301.2 Receive written approval of the Air Pollution Control Officer; and
- 301.3 If the emission reduction is created from an emission unit where the demand for the services or product could shift to other similar sources in the District, submittal of data to document that such reductions will result in District-wide emission reductions may be required by the Air Pollution Control Officer. Such documentation must be approved by the Air Pollution Control Officer.
- 302 **REEVALUATION:** Actual emission reductions calculated prior to December 15, 1992 shall be reevaluated under the requirements and procedures specified in this rule.
- 303 **NON-PERMITTED SOURCES:**
- 303.1 Except as provided in Section 303.2, non-permitted emissions units or stationary sources requesting emission reduction credits from such emissions units shall void any exemption from Rule 201, GENERAL PERMIT REQUIREMENTS. Such sources shall not operate such emissions unit or stationary source without first obtaining a permit pursuant to Rule 201, GENERAL PERMIT REQUIREMENTS.
- 303.2 If state or federal law prohibits the District from requiring an Authority to Construct or a Permit to Operate pursuant to Rule 201, GENERAL PERMIT REQUIREMENTS, the applicant for emission reduction credits shall execute a legally binding contract with one or more owner(s) or operator(s) of the non-permittable emissions unit that ensures the sum of all emission reductions will be provided in accordance with the requirements of this rule, and will continue for the life of the stationary source using the credits or life of the credits as provided in the application. Such contract shall be filed with the District and, by its terms, be enforceable by the Air Pollution Control Officer.
- 304 **SHUTDOWNS:**
- 304.1 Applicants for emission reduction credits due to the shutdown of permitted or non-permitted emissions units or curtailments shall demonstrate to the satisfaction of the Air Pollution Control Officer that such equipment will no longer be operated within the District or that if the emissions unit is operated within the District, the emissions will be fully offset in accordance with Rule 202, NEW SOURCE REVIEW. If the emissions unit does not trigger emission offsets in accordance with Section 302 of Rule 202-NEW SOURCE REVIEW, the applicant shall provide sufficient emission reduction credits to offset the lesser of the amount of the emission reduction credits obtained pursuant to this rule or the proposed emissions from the emissions unit.
- 304.2 Emission reduction credits from the shutdown of retail dry cleaners and retail gasoline stations shall be prohibited.

- 305 **USE OF EMISSION REDUCTION CREDITS: BANKING:** Emission reduction credits shall be banked for current or later use as offsets. The name of the user shall be entered into the Register for the applicable emission reduction credits. Except as provided in Section 307, 308, and 309, such emission reduction credits may not be returned to the bank following the start of operation of the stationary source or emissions unit using the emission reduction credits as offsets.
- 306 **USE OF EMISSION REDUCTION CREDITS: OFFSETS:** Emission reduction credits may be used immediately as offsets or may be donated to air quality benefit. The emission reduction credits shall be entered into the Register along with the name of the user. Except as provided in Sections 307 and 308, such emission reduction credits may not be returned to the Bank following the start of operation of the stationary source or emissions unit using the emission reduction credits as offsets.
- 307 **RETURNS: USE OF EMISSION REDUCTION CREDITS FOR TEMPORARY STATIONARY SOURCES AND PORTABLE EQUIPMENT:** Emission reduction credits used as offsets for temporary stationary sources or emissions units or used as offsets for portable equipment shall be returned in full to the owner upon verification of shutdown of the temporary stationary source, emissions unit, or portable equipment by the Air Pollution Control Officer. Emission reduction credits must then be re-deposited in the Bank and re-entered into the Register by the owner, within 60 days.
- 308 **RETURNS: MODIFICATION OF PERMIT TO OPERATE:** If the applicant for a Permit to Operate requests a lowering of the quarterly emission limitation as a result of emissions testing conducted pursuant to an Authority to Construct demonstrated achievable by such emissions testing, the difference in emission reduction credits necessary to offset the emissions unit pursuant to Rule 202, NEW SOURCE REVIEW, shall be re-deposited in the Bank and re-entered into the Register. The applicant shall submit an Authority to Construct application for modification of the Permit to Operate to reflect the lower emissions limitations. The District shall ensure that all emissions reductions are surplus prior to re-depositing into the Community Bank.
- 309 **RETURNS: USE OF ERC'S FOR ELECTRICAL POWER PLANTS:** Emission reduction credits may be used at electrical power plants to offset emission increases resulting from increased power plant operation needed to compensate for reduced operation at other electrical power plant(s) within the District, due to emergency breakdown, pursuant to Rule 602, EMERGENCY BREAKDOWNS, or regularly scheduled maintenance. Emission reduction credits shall be returned in full to the owner upon verification of return to normal operation of the using electrical power plant. Emission reduction credits shall be re-deposited in the Bank and re-entered into the Register. This Section shall apply only during the period from November 1 through February 28 or 29, and shall be approved in writing by the Air Pollution Control Officer prior to use.

400 ADMINISTRATIVE REQUIREMENTS

- 401 **APPLICATION SUBMITTAL TIMELINES:**
- 401.1 An application for emission reduction credits from the shutdown of emissions units or stationary sources or modification or curtailment of operation shall be submitted within 60 days after the surrender of the Permit to Operate or for non-permitted sources the last date of operation of such emissions unit or stationary source, unless the applicant has requested and received an extension of time, in writing prior to the end of the 60 day period, from the Air Pollution Control Officer. The Air Pollution Control Officer may grant an extension of time not to exceed 90 days. In the case of emission reductions associated with the elimination of agricultural burning, the shutdown or curtailment credit shall be claimed within 12 months of the last day of operation. Failure to timely request credits shall result in those credits passing to the Priority Reserve Bank pursuant to Rule 205, COMMUNITY BANK AND PRIORITY RESERVE BANK.

- 402 **COMPLETE APPLICATION:**
- 402.1 The Air Pollution Control Officer shall determine whether the application for emission reduction credits is complete not later than 30 days after receipt of the application for emission reduction credits, or after such longer time as both the applicant and the Air Pollution Control Officer have agreed in writing. If the Air Pollution Control Officer determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. If specified information is not submitted by the applicant within 60 days from the notification from the District that the application is incomplete, the application shall be automatically canceled unless the applicant has requested and received an extension of time, in writing and prior to the end of the 60 day period, from the Air Pollution Control Officer. The Air Pollution Control Officer may grant an extension of time not to exceed 90 days. If the application is for a shutdown or curtailment emission reduction credit, failure to timely provide the additional information or failure to request an extension of time shall result in those credits passing to the Priority Reserve Bank pursuant to Rule 205, COMMUNITY BANK AND PRIORITY RESERVE BANK.
- 402.2 Upon receipt of any re-submittal of the application, a new 30-day period to determine completeness shall begin.
- 402.3 Completeness of an application or re-submitted application shall be evaluated on the basis of the information requirements set forth in District regulations (adopted pursuant to Article 3, 65940 through 65944 of Chapter 4.5 of Division I of Title 7 of the California Government Code) as they exist on the date on which the application or re-submitted application was received. The Air Pollution Control Officer may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.
- 402.4 A fee shall be required pursuant to Rule 301, PERMIT FEES - STATIONARY SOURCE.
- 402.5 For offsets provided in accordance with Health and Safety Code Sections 41605.5, 42314.5, and 41865 concerning emission reductions from open field burning, an emission reduction credits application covering the total emission reductions necessary to offset stationary source emissions may be submitted at the time of application for an Authority to Construct. Applications for emission reduction credits from agricultural burning shall not be required if such emissions are covered by an emission reduction credits obtained by the stationary source utilizing such emission reductions.
- 403 **PRELIMINARY DECISION:** Except as provided in Section 110, following acceptance of an application as complete, the Air Pollution Control Officer shall perform the evaluations required to determine compliance with all applicable District rules and regulations and make a preliminary written decision as to whether the emission reductions should be certified as an emission reduction credits. The decision shall be supported by a succinct written analysis.
- 404 **PUBLICATION AND PUBLIC COMMENT:** Except as provided in Section 110, within ten calendar days following a preliminary decision, the Air Pollution Control Officer shall publish, in at least one newspaper of general circulation in the District, a notice stating the preliminary decision of the Air Pollution Control Officer, noting how the pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication.
- 405 **PUBLIC INSPECTION:** Except as provided in Section 110, the Air Pollution Control Officer shall make available for public inspection at the Air Quality Management District's office the information submitted by the applicant and the Air Pollution Control Officer's analysis no later than the date the notice of the preliminary decision is published, pursuant to Section 404. Information submitted which contains trade secrets shall be handled in accordance with Section 6254.7 of the California Government Code and relevant sections

of the California Administrative Code. Further, all such information shall be transmitted no later than the date of publication to the California Air Resources Board and the United States Environmental Protection Agency regional office, and to any party which requests such information.

406 **CERTIFICATION, FINAL ACTION:**

406.1 Within 180 days after acceptance of an application as complete, the Air Pollution Control Officer shall take final action on the application after considering all written comments.

406.2 Except as provided in Section 110, the Air Pollution Control Officer shall provide written notice of the final action to the applicant, the United States Environmental Protection Agency, and the California Air Resources Board, and shall publish such notice in a newspaper of general circulation and shall make the notice and all supporting documents available for public inspection at the Air Quality Management District's office.

407 **WITHDRAWAL OF APPLICATION:** Withdrawal of an application for certification of an emission reduction credits by the applicant shall result in cancellation.

408 **CALCULATION OF EMISSIONS:** Calculations performed pursuant to procedures specified in this Section shall not conflict with the requirements of state and federal laws.

408.1 Actual emission reductions from modifications to, or shutdowns of, existing emissions units shall be calculated for each calendar quarter by subtracting the proposed emissions from historical actual emissions. Any positive value shall qualify for conversion to an emission reduction credit.

408.2 Credits for particulate matter emission reductions shall be expressed in terms of PM10.

408.3 Credits for nitrogen oxides, reactive organic compounds, carbon monoxide, sulfur oxides and PM10 shall be quantified in terms of pounds of pollutants per quarter for each calendar quarter.

408.4 Actual emission reductions shall be adjusted to at least reflect emission rates achievable with reasonably available control technology or best available retrofit control technology whichever is more stringent. The emission reductions from federally designated attainment pollutants resulting from this adjustment will be transferred as emission reduction credits to the Priority Reserve Bank pursuant to Rule 205, COMMUNITY BANK AND PRIORITY RESERVE BANK. This Section shall not apply to offsets provided in accordance with Health & Safety Code Sections 41605.5, 42314.5, and 41865 concerning emission reductions from open field burning.

409 **CONVERSION OF EMISSION REDUCTIONS TO EMISSION REDUCTION CREDITS:** Before the Air Pollution Control Officer may issue a certificate of ownership for any emission reduction credits, including mobile and transportation sources, the emission reductions calculated in Section 408 or pursuant to Rule 206, MOBILE AND TRANSPORTATION EMISSION REDUCTION CREDITS, shall be adjusted 1.1 emission reductions to 1.0 emission reduction credits. Emission reductions resulting from the emission reductions credits adjustment shall pass as emission reduction credits to the Priority Reserve Bank pursuant to Rule 205, COMMUNITY BANK AND PRIORITY RESERVE BANK.

410 **REGISTRATION:**

410.1 Following certification of emission reduction credits and verification that the proposed emission reductions have been implemented, the Air Pollution Control Officer shall issue an original emission reduction credits Certificate to the owner(s) by certified mail or in person.

The issuance of an emission reduction credits Certificate shall not constitute evidence of compliance with the rules and regulations of the District, or a

representation or assurance to the recipient upon which reliance is authorized or intended that the emission reduction credits represented by the emission reduction credits Certificate are available from the emission credits Register.

- 410.2 The emission reduction credits Certificate shall contain:
- a. Certificate number;
 - b. Date of issuance;
 - c. Street address of site creating the surplus emissions reductions for which the emission reduction credits Certificate is issued;
 - d. Signature of the responsible District official;
 - e. The name of the owner shall be typed on the Certificate and the owner shall sign the Certificate. If the owner is a public or private business entity, a person authorized to sign on behalf of the owner shall sign the Certificate; and
 - f. Conditions of operation or use, including the life of the credit for emission reduction credits issued pursuant to Rule 206, MOBILE AND TRANSPORTATION SOURCE EMISSION REDUCTION CREDITS.
- 410.3 A copy of each emission reduction credits Certificate issued shall be maintained in the emission reductions credits Register.
- 410.4 Multiple owners of emission reduction credits shall be separated according to agreements, filed with the District, between the owners with one emission reduction credits Certificate issued to each owner for their respective portion.
- 410.5 Upon transfer of emission reduction credits between parties, the transferor's emission reduction credits Certificate, and a copy of a writing, signed by the transferor, authorizing and memorializing the transfer of the emission reduction credits to the transferee must be surrendered to the Air Pollution Control Officer by the transferee, within 30 days of the date of the writing authorizing the transfer of the emission reduction credits.

Upon receipt and review of said documents the Air Pollution Control Officer shall issue a new emission reduction credits Certificate in the name of the transferee. If fewer than all the transferor's emission reduction credits are transferred, a new Certificate shall be issued to the transferor showing the remaining emission reduction credits. The District may refuse to recognize any transfer of emission reduction credits that does not comply with the requirements of this section.

- 410.6 The current emission reduction credits Certificate surrendered by the current registered owner shall be filed in the register and marked with the date of issuance of the new emission reduction credits Certificate(s), the number of credits transferred, and the new emission reduction credits Certificate number(s). If fewer than all emission reduction credits are transferred, the new balance in the name of the appropriate owner(s) shall be entered in the register.
- 410.7 Prior to the issuance of a permit allowing the use of the emission reduction credits, the current registered owner shall surrender the emission reduction credits Certificate to the Air Pollution Control Officer. The Certificate surrendered by the owner shall be filed in the register and marked with the permit number and street address, and the name of the new owner using the emission reduction credits. If a balance of emission reduction credits remain, a new emission reduction credits Certificate shall be issued to the appropriate owner(s) and the surrendered emission reduction credits Certificate shall be filed in accordance with the provisions of this rule.

411 EMISSION REDUCTION CREDITS REGISTER:

- 411.1 The register shall contain the following information for each emission reduction credits Certificate issued by the Air Pollution Control Officer:
- a. Certificate number;
 - b. Date of issuance;
 - c. Name and address of the registered owner;
 - d. Street address site creating the surplus emissions reductions for which the emission reduction credits Certificate is issued;

- e. Number of emission reduction credits registered; and
 - f. Status of the emissions reduction credits as donated to air quality benefit
- 411.2 Upon notice of a transfer of an emission reduction credits Certificate the Air Pollution Control Officer shall enter the following information in the register:
- a. Original emission reduction credits Certificate number;
 - b. New emission reduction credits Certificate number, or street address and permit numbers at which the emission reduction credits are being used;
 - c. Name and address of new owner(s), if any; and
 - d. Number of emission reduction credits being transferred.
- 411.3 Upon use of the emission reduction credits for offsets, the following information shall be entered in the register:
- a. All information required in Section 411.2;
 - b. Date emission reduction credits Certificate was surrendered to the Air Pollution Control Officer;
 - c. Permit numbers to which emission reduction credits are being applied;
 - d. Name and address of Emission reduction credits user;
 - e. Name, if any, and address of site where emission reduction credits are being used as offsets; and
 - f. Number of emission reduction credits being used for offsets.
- 412 **MORATORIUM:** Except as provided in Section 201.2, after the issuance of an emission reduction credits Certificate, subsequent changes in regulations, except Regulation 2, shall not reduce or eliminate the deposit. If the District Board of Directors determines, after review of periodic reports prepared by the Air Pollution Control Officer, that additional emission reductions are necessary, a moratorium on withdrawals may be imposed. Prior to imposing a moratorium, the Air Pollution Control Officer shall provide a notice of the date of the meeting of the District Board of Directors to consider issuance of a moratorium to owners of emission reduction credits and other interested parties. The moratorium shall be lifted upon determination that additional emission reductions are not necessary by the District Board of Directors.

This Page Intentionally Left Blank