

Board Administration and Regulatory Coordination Unit

Division 3. Air Resources Board

Chapter 1. Air Resources Board

Subchapter 5.6. Interchangeable Air Pollution Emission Reduction Credits

Article 3. Criteria and Methodology for Generation and Use of Interchangeable Credits

§ 91507. Calculation Methodology.

(a) Interchangeable credits shall be calculated based on a District's adopted calculation protocol. The calculation protocol shall include the elements specified in subparagraph (b) and shall be consistent with the following criteria:

(1) Emission reductions used to generate interchangeable credits shall be real, permanent for the term of credit generation, enforceable, surplus, and quantifiable.

(2) Emission reductions shall be calculated using the most stringent of historic actual emissions, applicable requirements, the District's air quality plan, the federally approved SIP, or, where applicable, other more stringent levels as established in an implementing rule or regulation.

(b) Districts shall provide for enforceable credit calculation protocols and procedures that contain the following elements:

(1) Calculation methods to determine the amount of reductions being generated as credits, including formulae accounting for emissions rate, operating period, activity level, and technical uncertainty.

(2) Procedures for calculating, certifying, and registering credits in one year increments when credits are generated from multi-year emission reductions.

(3) Procedures for certifying that emission reductions are surplus and available for use as interchangeable credits.

(4) Procedures to incorporate emission inventory updates and changes in source category baselines, air quality plans, and applicable regulatory requirements into the credit calculation protocols.

(5) Methodologies used to determine the time period in which a banked credit is available for use, consistent with the air quality plan.

(6) Provisions for the use of ARB calculation methodologies, emission factors, certification standards, emission baseline data, and timeframes for credit use for mobile sources and for products under ARB regulatory authority.

(7) Provisions for monitoring, recordkeeping, and reporting requirements to verify and enforce credit generation at the specified value over the full generation period.

NOTE: Authority cited: Sections 39600, 39601 and 39607.5(a), Health and Safety Code. Reference: Sections 39607.5(b), 40709-40714.5 and 40920.6(c), Health and Safety Code.

REFERENCE