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**SB-318 Air pollution: stationary sources: best available control technology.** (2025-2026)

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Date Published: 04/24/2025 09:00 PM

AMENDED IN SENATE APRIL 24, 2025

AMENDED IN SENATE APRIL 10, 2025

AMENDED IN SENATE MARCH 26, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**SENATE BILL**

**NO. 318**

**Introduced by Senator Becker**

**February 11, 2025**

An act to amend Sections ~~39602.5~~, 39620, 39666, 40405, 40406, 40440.11, 40920.8, 42301, and 42322 of, *and* to add Sections 39013.5, 39016.1, 39016.2, ~~39034.5~~, 39514.5, ~~39607.2~~, 42301.19, and 42301.20 to, ~~and to add Article 7 (commencing with Section 39676) to Chapter 3.5 of Part 2 of Division 26 of~~, the Health and Safety Code, relating to air pollution.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 318, as amended, Becker. Air pollution: stationary sources: best available control ~~technology; indirect sources:~~ *technology*.

(1) Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. ~~Existing law authorizes air districts to adopt and implement regulations to reduce or mitigate emissions from indirect sources of air pollution.~~

~~This bill would authorize the state board to adopt and enforce rules and regulations applicable to indirect sources of emissions, as specified. If the state board elects to exercise that authority, the bill would require the state board to establish a schedule of fees on facilities and mobile sources to cover the reasonable costs of implementing and enforcing the regulations and would require the fees to be deposited in the Air Pollution Control Fund and made available to the state board upon appropriation by the Legislature. The bill would require the state board to establish a statewide reporting program to quantify emissions and annually collect related information from indirect sources of emissions.~~

~~(2) Existing law requires the state board to identify toxic air contaminants that are emitted into the ambient air of the state and to adopt airborne toxic control measures to reduce emissions of toxic air contaminants. Existing law also requires the state board to designate any substance that is listed as a hazardous air pollutant under federal law as a toxic air contaminant and to establish~~

~~airborne toxic control measures applicable to the substance in accordance with specified procedures.~~

~~This bill would authorize the state board to assess and collect reasonable fees on emitters of toxic air contaminants. The bill would require the fees to be deposited in the Air Pollution Control Fund and made available for the regulation of toxic air contaminants upon appropriation by the Legislature.~~

~~(3)~~ Existing law authorizes air districts to establish a permit system to require, with specified exceptions, that a person obtain a permit before constructing or operating any article, machine, equipment, or contrivance that may cause the issuance of air contaminants. Existing law prohibits an air district from issuing a permit to a Title V source, as defined, if the Administrator of the United States Environmental Protection Agency objects to its issuance, as specified.

Existing law requires each district with moderate, serious, or severe air pollution to include certain measures in its plan to attain state ambient air quality standards, including the use of best available control technology for any new or modified stationary source, and the use of best available retrofit control technology for all existing stationary sources, under certain circumstances, as prescribed. Under the federal Clean Air Act, a new or modified major stationary source is required to meet various requirements in order to obtain a permit to operate, including a requirement that the source employs best available control technology on its emission-emitting equipment.

This bill would establish definitions for the terms “best available control technology” and “best available retrofit control technology” for purposes of the laws governing air pollution and would set forth various requirements for the determination of best available control technology.

The bill would require an air district to submit a proposed permit for a Title V source to the executive officer of the state board. The bill would require the executive officer to review the permit and, if the executive officer determines that the permit does not ~~to~~ comply with the federal Clean Air Act or state law governing air pollution, to object to the issuance of that permit. If the executive officer objects to the issuance of a permit, the bill would prohibit the air district from finalizing that permit without revising it to address the objection to the satisfaction of the executive officer. The bill would also authorize any person to petition the executive officer to object to a proposed Title V permit within 30 days of the executive officer’s receipt of the proposed permit, as specified.

The bill would require an applicant for a renewal of a Title V permit to submit a technical feasibility analysis to the air district as part of its application for the renewal of that permit if the facility’s current effective operating permit includes equipment or control apparatus that meets certain criteria. The bill would require an air district to require best available retrofit control technology to be applied at each piece of equipment or source category identified in the technical feasibility analysis and would authorize an air district to impose measures more stringent than those proposed by the applicant, as specified.

~~(4)~~

~~(2)~~ Existing law requires the state board to implement a program to assist air districts to improve efficiencies in the issuance of permits and requires that program to include a process to precertify simple, commonly used equipment and processes as being in compliance with air quality rules and regulations, to expedite permitting of air pollution sources. Existing law requires the California Environmental Protection Agency to evaluate the feasibility of expanding the precertification program to involve other state and local regulatory agencies with jurisdiction over other environmental media.

This bill would revise the precertification program including by requiring the state board to update criteria and guidelines for precertification at least once every 8 years. The bill would authorize the precertification program to include the identification of equipment, controls, fuels, and processes, as specified. As part of the precertification program, the bill would authorize the state board to prescribe rules to establish a voluntary program for the temporary assignment or loan of employees within an agency, or between agencies or jurisdictions, including air districts, on a limited-term basis, to enable the state to obtain expertise needed to meet a compelling program need.

The bill would authorize the California Environmental Protection Agency to expand the precertification program to involve other state and local regulatory agencies with jurisdiction over other environmental media.

~~(5)~~

~~(3)~~ Existing law requires every air district, except as provided, to establish a program to provide for the expedited review of permits. Existing law requires that expedited permit system to include, among other things, a precertification program for equipment that is mass-produced and operated by numerous sources under the same or similar conditions and a training and certification program for private sector personnel, as specified.

This bill would eliminate the requirement that the expedited permit system include a precertification program established by the applicable air district. The bill would instead require the expedited permit system to include an expedited permit review pathway for permit applications that propose to use equipment and processes identified through the state board’s precertification program

described above, as specified. The bill would also eliminate the requirement that the expedited permit system include a training and certification program and would instead require the publication of online training resources for private sector personnel that explain expedited permitting pathways.

~~(6)~~

(4) Existing law requires the state board to establish and maintain a statewide clearinghouse that identifies the best available control technology and best available retrofit control technology for criteria air pollutants, and related technologies for the control of toxic air contaminants. When updating best available control technology determinations, existing law requires a district to use the information in the statewide clearinghouse.

This bill would require the state board to periodically issue determinations to suggest best available control technology, and best available retrofit control technology, for any class or category of sources and to establish best available control technology for the control of toxic air contaminants for any class or category of sources. The bill would authorize members of the public to petition the state board to issue a determination.

~~(7)~~

(5) Existing law authorizes the state board to appoint employees and prescribe their duties.

This bill would authorize the state board and any district to temporarily loan and assign staff members to each other, via a memorandum of agreement, for any lawful purpose.

~~(8)~~

(6) Existing law generally makes any violation of a rule or regulation of the state board or an air district relating to nonvehicular air pollution control a misdemeanor.

To the extent that the bill would expand the definition of a crime, this bill would impose a state-mandated local program.

~~(9)~~

(7) By expanding the duties of air districts, the bill would impose a state-mandated local program.

~~(10)~~

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** This act shall be known, and may be cited, as the California Clean Air Permitting Modernization Act.

**SEC. 2.** Section 39013.5 is added to the Health and Safety Code, to read:

**39013.5.** "Alternative technology" means a process that does not produce air pollutant emissions, or that produces emissions below permitting thresholds, including, but not limited to, zero-emissions technology, at a source being permitted. Upstream emissions associated with the use of electricity from the grid shall not be construed as excluding any technology from this definition.

**SEC. 3.** Section 39016.1 is added to the Health and Safety Code, to read:

**39016.1.** "Best available control technology" has the same meaning as defined in Section 40405.

**SEC. 4.** Section 39016.2 is added to the Health and Safety Code, to read:

**39016.2.** "Best available retrofit control technology" has the same meaning as defined in Section 40406.

~~SEC. 5. Section 39034.5 is added to the Health and Safety Code, to read:~~

~~39034.5. "Indirect source" has the same meaning as set forth in Section 7410(a)(5)(C) of Title 42 of the United States Code.~~

~~SEC. 6.~~ **SEC. 5.** Section 39514.5 is added to the Health and Safety Code, to read:

**39514.5.** The state board and any district may temporarily loan or assign staff members to each other, via a memorandum of agreement, for any lawful purpose, including to support the development of pollution control plans, the issuance and review of air pollution permits, and the development or implementation of determinations pursuant to Section 40920.8.

~~SEC. 7. Section 39602.5 of the Health and Safety Code is amended to read:~~

~~39602.5. (a) The state board shall adopt rules and regulations pursuant to Section 43013 that, in conjunction with other measures adopted by the state board, the districts, and the United States Environmental Protection Agency, will achieve ambient air quality standards required by the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) in all areas of the state by the applicable attainment date, and to maintain these standards thereafter. The state board shall adopt these measures if they are necessary, technologically feasible, and cost effective, consistent with Section 43013.~~

~~(b) If necessary to carry out its duties under this section, the state board shall adopt and enforce rules and regulations that anticipate the development of new technologies or the improvement of existing technologies. The rules and regulations shall require standards that the state board finds and determines can likely be achieved by the compliance date set forth in the rule.~~

~~(c) If necessary to carry out its duties under this section, the state board may adopt and enforce rules and regulations applicable to indirect sources of emissions to facilitate mobile source emission reduction. This subdivision does not affect the authority of a district to establish rules for, require permits of, or establish fees on indirect sources of emissions. In adopting these rules and regulations, the state board shall do all of the following~~

~~(1) Consult with affected districts to ensure that any state regulation supports district emission reduction needs.~~

~~(2) Establish a schedule of fees on facilities and mobile sources limited in amount to cover only the reasonable costs of implementing and enforcing the regulations on those facilities and mobile sources. Fees collected pursuant to this paragraph shall be deposited in the Air Pollution Control Fund and made available to the state board for those purposes upon appropriation by the Legislature.~~

~~(3) Eliminate or minimize impacts to disadvantaged, low-income, and high-poverty communities.~~

~~SEC. 8. Section 39607.2 is added to the Health and Safety Code, to read:~~

~~39607.2. The state board shall establish a statewide reporting program to quantify emissions and annually collect related information from indirect sources of emissions, including data from on-road and off-road mobile sources that visit those sources, but are not owned or operated by those sources.~~

~~SEC. 9.~~ **SEC. 6.** Section 39620 of the Health and Safety Code is amended to read:

**39620.** (a) The state board shall implement a program to assist districts to improve efficiencies in the issuance of permits pursuant to this division. The program shall be consistent with the requirements of Title V.

(b) (1) The program shall include a process, developed in coordination with the districts, for the state board to precertify equipment and processes as being in compliance with applicable air quality rules and regulations, under conditions specified by the state board. The state board shall develop, and update at least once every eight years, criteria and guidelines for precertification in coordination with the districts. The precertification program may include the identification of equipment, controls, fuels, and processes that can achieve all of the following:

(A) Emissions limits lower than best available control technology limits.

(B) Emissions limits lower than best available control technology limits for toxic air contaminants.

(C) Reductions in greenhouse gas emissions, or removals of greenhouse gases from the atmosphere, in alignment with climate goals and targets established pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500)).

(2) (A) The state board shall charge a reasonable fee for precertification, not to exceed the state board's estimated costs. Payment of the fee shall be a condition of precertification.

(B) As part of the precertification program, the state board may prescribe rules to establish a voluntary program for the temporary assignment or loan of employees within an agency, or between agencies or jurisdictions, including districts, on a limited-term basis, to enable the state to obtain expertise needed to meet a compelling program need. The rules shall outline terms and conditions of this program, including procedures governing the award of precertification fees, subject to appropriation by the Legislature, to agencies or jurisdictions participating in this program, to help offset the cost of the program.

(3) Precertification shall not affect any existing authority of a district regarding permitting and compliance requirements. Precertification shall constitute a preliminary evaluation of the equipment or process, and a recommendation by the state board for permit conditions to be adopted by a district having jurisdiction over particular equipment or a particular process, that would allow district permitting staff to more quickly process permit applications for air pollution sources.

(4) The state board shall periodically release public notices or requests for information to facilitate efforts to collect information on areas of interest relating to the precertification program.

(5) The California Environmental Protection Agency, within existing resources, and in consultation with appropriate state and local regulatory agencies, may expand the precertification program to involve other state and local regulatory agencies with jurisdiction over other environmental media, including land and water.

**SEC. 10. SEC. 7.** Section 39666 of the Health and Safety Code is amended to read:

**39666.** (a) Following a noticed public hearing, the state board shall adopt airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources.

(b) For toxic air contaminants for which the state board has determined, pursuant to Section 39662, that there is a threshold exposure level below which no significant adverse health effects are anticipated, the airborne toxic control measure shall be designed, in consideration of the factors specified in subdivision (b) of Section 39665, to reduce emissions sufficiently through the application of best available control technology so that the source will not result in, or contribute to, ambient levels at or in excess of the level that may cause or contribute to adverse health effects as that level is estimated pursuant to subdivision (c) of Section 39660.

(c) For toxic air contaminants for which the state board has not specified a threshold exposure level pursuant to Section 39662, the airborne toxic control measure shall be designed, in consideration of the factors specified in subdivision (b) of Section 39665, to reduce emissions to the lowest level achievable through application of best available control technology or a more effective control method, unless the state board or a district board determines, based on an assessment of risk, that an alternative level of emission reduction is adequate or necessary to prevent an endangerment of public health.

(d) Not later than 120 days after the adoption or implementation by the state board of an airborne toxic control measure pursuant to this section or Section 39658, the districts shall implement and enforce the airborne toxic control measure or shall propose regulations enacting airborne toxic control measures on nonvehicular sources within their jurisdiction that meet the requirements of subdivisions (b), (c), and (e), except that a district may, at its option, and after considering the factors specified in subdivision (b) of Section 39665, adopt and enforce equally effective or more stringent airborne toxic control measures than the airborne toxic control measures adopted by the state board. A district shall adopt rules and regulations implementing airborne toxic control measures on nonvehicular sources within its jurisdiction in conformance with subdivisions (b), (c), and (e), not later than six months following the adoption of airborne toxic control measures by the state board.

(e) District new source review rules and regulations shall require new or modified sources to control emissions of toxic air contaminants consistent with subdivisions (b), (c), and (d) and Article 2.5 (commencing with Section 39656).

(f) Where an airborne toxic control measure requires the use of a specified method or methods to reduce, avoid, or eliminate the emissions of a toxic air contaminant, a source may submit to the district an alternative method or methods that will achieve an equal or greater amount of reduction in emissions of, and risk associated with, that toxic air contaminant. The district shall approve the proposed alternative method or methods if the operator of the source demonstrates that the method is, or the methods are, enforceable, that equal or greater amounts of reduction in emissions and risk will be achieved, and that the reductions will be achieved within the time period required by the applicable airborne toxic control measure. The district shall revoke approval of the alternative method or methods if the source fails to adequately implement the approved alternative method or methods or if subsequent monitoring demonstrates that the alternative method or methods do not reduce emissions and risk as required. The district shall notify the state board of any action it proposes to take pursuant to this subdivision. This subdivision is operative only to the extent it is consistent with the federal act.

~~(g) For a given toxic air contaminant or airborne toxic control measure, the state board may adopt and enforce rules and regulations applicable to indirect sources of emissions to facilitate stationary and mobile source emission reductions. This subdivision does not affect the authority of a district to establish rules for, require permits of, or establish fees on indirect sources of emissions. In adopting these rules and regulations, the state board shall do all of the following:~~

~~(1) Consult with affected districts to ensure that any state regulation supports district emission reduction needs;~~

~~(2) Establish a schedule of fees on facilities and mobile sources limited in amount to cover only the reasonable costs of implementing and enforcing the regulations on those facilities and mobile sources. Fees collected pursuant to this paragraph~~

shall be deposited in the Air Pollution Control Fund and made available to the state board for those purposes upon appropriation by the Legislature.

~~(3) Eliminate or minimize impacts to disadvantaged, low-income, and high-poverty communities.~~

~~SEC. 11. Article 7 (commencing with Section 39676) is added to Chapter 3.5 of Part 2 of Division 26 of the Health and Safety Code, to read:~~

~~7. Fees~~

~~39676. (a) The state board may assess and collect reasonable fees not to exceed the costs of implementing this chapter on emitters of toxic air contaminants.~~

~~(b) (1) Funds collected pursuant to this section shall be expended to carry out responsibilities authorized by this chapter, including, but not limited to, any of the following:~~

~~(A) Developing new, and amending existing, airborne toxic control measures.~~

~~(B) Implementing and enforcing airborne toxic control measures.~~

~~(C) Identifying, quantifying, inventorying, monitoring, evaluating, and reducing emissions of toxic pollutants in communities across the state, as determined to be necessary by the state board.~~

~~(2) In expending funds pursuant to paragraph (1), the state board shall prioritize emission reductions of toxic air contaminants in disadvantaged communities identified pursuant to Section 39711.~~

~~(c) Any fees imposed pursuant to this section shall be in an amount sufficient to cover the state board's reasonable costs in developing and implementing the programs authorized by this chapter, including any administrative costs, and may be adjusted by the annual change in the California Consumer Price Index, as determined pursuant to Section 2212 of the Revenue and Taxation Code, for the preceding year.~~

~~(d) Fees collected by the state board pursuant to this section shall be deposited in the Air Pollution Control Fund and shall be available upon appropriation by the Legislature for purposes of carrying out this chapter.~~

**SEC. 12.** ~~SEC. 8.~~ Section 40405 of the Health and Safety Code is amended to read:

**40405.** (a) As used in this chapter, "best available control technology" means an emission limitation that will achieve the lowest achievable emission rate for the source to which it is applied. "Best available control technology" includes the consideration of measures applied to sources in similar categories, the use of alternative technologies, modification of the process or process equipment, fuel selection, and other pollution prevention measures. An emissions limitation may include a requirement to use electric power to power a process or source, and an emission limitation shall not be declined to be set on the ground that the limitation would require a source to use electric power.

(b) "Achieved in practice," as used in this section, means emissions limits achieved by any combination of technologies, fuels, and processes that have operated at one or more facilities for a minimum of six months and that have been demonstrated as effective and reliable on a full-scale unit for a specific class and category of source. This combination includes technologies employed outside of the United States.

(c) (1) Subject to paragraph (2), "lowest achievable emission rate," as used in this section, means the more stringent of the following:

(A) The most stringent emission limitation that is contained in any state implementation plan for the particular class or category of source, or in any permit for a source in the same class or category of sources, unless the owner or operator of the source demonstrates that the limitation is not achievable.

(B) The most stringent emission limitation that is achieved in practice by that class or category or source or at any similar source through technology transfer.

(2) "Lowest achievable emission rate" shall not be construed to authorize the permitting of a proposed new source or a modified source that will emit any pollutant in excess of the amount allowable under the applicable new source standards of performance.

(d) "Technology transfer," as used in this section, means the consideration of technologies, fuels, and processes that are achieved in practice for a similar class or category of source. This consideration may include, but is not limited to, sources that have similar exhaust stream characteristics or that are designed to produce similar products or outputs.

~~SEC. 13.~~**SEC. 9.** Section 40406 of the Health and Safety Code is amended to read:

**40406.** As used in this chapter, "best available retrofit control technology" means an emission limitation that is based on the maximum degree of reduction achievable, which includes the consideration of fuels, process changes, or alternative technologies, taking into account environmental, energy, and economic impacts by each class or category of source.

~~SEC. 14.~~**SEC. 10.** Section 40440.11 of the Health and Safety Code is amended to read:

**40440.11.** (a) In establishing the best available control technology for a source category or determining the best available control technology for a particular new or modified source, when a particular control alternative for one pollutant will increase emissions of one or more other pollutants, the south coast district's cost-effectiveness calculation for that particular control alternative shall include the cost of eliminating or reducing the increases in emissions of the other pollutants as required by the south coast district.

(b) Prior to revising the best available control technology guideline for a source category to establish an emission limit that is more stringent than the existing best available control technology guideline for that source category, the south coast district shall do all of the following:

(1) Identify one or more potential control alternatives that may constitute the best available control technology, as defined in Section 40405.

(2) Determine that the proposed emission limitation has been met by production equipment, control equipment, or a process that is commercially available for sale, and has achieved the best available control technology in practice on a comparable commercial operation for at least one year, or a period longer than one year if a longer period is reasonably necessary to demonstrate the operating and maintenance reliability, and costs, for an operating cycle of the production or control equipment or process.

(3) Review the information developed to assess the cost-effectiveness of each potential control alternative. For purposes of this paragraph, "cost-effectiveness" means the annual cost, in dollars, of the control alternative, divided by the annual emission reduction potential, in tons, of the control alternative.

(4) Calculate the incremental cost-effectiveness for each potential control option. To determine the incremental cost-effectiveness under this paragraph, the district shall calculate the difference in the annual dollar costs, divided by the difference in the annual emission reduction between each progressively more stringent control alternative, as compared either to the next less expensive control alternative, or to the current best available control technology, whichever is applicable.

(5) Place the best available control technology revision for a source category proposed under this subdivision on the calendar of a regular meeting agenda of the south coast district board, for its acceptance or further action, as the board determines.

(c) If the proposed control option is more stringent than the lowest achievable emission rate for a source category pursuant to federal law, the south coast district shall not establish an emission limit for best available control technology that is conditioned on the use of a particular control option unless the incremental cost-effectiveness value of that option is less than the district's established incremental cost-effectiveness value for each pollutant. Notwithstanding any other law, the south coast district shall have the discretion to revise incremental cost-effectiveness value for each pollutant, provided it holds a public hearing pursuant to Section 40440.10 before revising the value.

(d) After the south coast district determines what is the best available control technology for a source, it shall not change that determination for that application for a period of at least one year from the date that an application for authority to construct was determined to be complete by the district. For major capital projects in excess of ten million dollars (\$10,000,000), after the applicant has met and conferred with the south coast district in a preapplication meeting, the south coast district executive officer may approve existing best available control technology for the project, for a longer time period as long as the final design is consistent with the initial, preliminary project design presented in the preapplication meeting.

~~SEC. 15.~~**SEC. 11.** Section 40920.8 of the Health and Safety Code is amended to read:

**40920.8.** (a) (1) The state board shall establish and maintain a statewide clearinghouse that identifies the best available control technology and best available retrofit control technology for criteria air pollutants, and related technologies for the control of toxic air contaminants.

(2) To assist in controlling air pollution from stationary sources, the state board shall, using the information collected and evaluated pursuant to Section 39620, periodically issue determinations to do any of the following:



(A) Suggest best available control technology for any class or category of sources.

(B) Suggest best available retrofit control technology for any class or category of sources.

(C) Establish best available control technology for the control of toxic air contaminants pursuant to Chapter 3.5 (commencing with Section 39650) of Part 2 for any class or category of sources.

(3) To ensure the statewide clearinghouse contains comprehensive information on technology options, the state board shall, using the information collected and evaluated pursuant to Section 39620, publish information on next generation technologies that are capable of achieving criteria air pollutant or toxic air contaminant emission reductions lower than existing standards for a given source type.

(b) In issuing determinations pursuant to paragraph (2) of subdivision (a), the state board shall prioritize classes or categories of sources that it deems to contribute to local air pollution exposure, including sources within or impacting disadvantaged communities identified pursuant to Section 39711. This includes the prioritization of sources of concern identified through air monitoring efforts. The state board may also prioritize the issuance of determinations to address sources that emit nonattainment pollutants, as defined in Section 39607.1, to strengthen state implementation plans pursuant to Section 39602.5.

(c) The state board shall provide the public an opportunity to comment before a determination issued pursuant to paragraph (2) of subdivision (a) is finalized. A determination issued pursuant to this section is not a regulation for purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) (1) Members of the public may petition the state board to issue a determination pursuant to paragraph (2) of subdivision (a).

(2) The state board shall respond to a petition received pursuant to paragraph (1) within 60 calendar days.

(e) The state board shall provide annual updates at a public hearing to summarize the publications made in the statewide clearinghouse, the number of petitions received, and the response to any petitions.

(f) When issuing air pollution control permits for all categories and classes of sources to which best available control technology determinations apply, a district shall use the information in the statewide clearinghouse established and maintained by the state board.

~~SEC. 16.~~ **SEC. 12.** Section 42301 of the Health and Safety Code is amended to read:

**42301.** A permit system established pursuant to Section 42300 shall do all of the following:

(a) Ensure that the article, machine, equipment, or contrivance for which the permit was issued does not prevent or interfere with the attainment or maintenance of any applicable air quality standard.

(b) Prohibit the issuance of a permit unless the air pollution control officer is satisfied, on the basis of criteria adopted by the district board, that the article, machine, equipment, or contrivance will comply with all of the following:

(1) All applicable orders, rules, and regulations of the district and of the state board.

(2) All applicable provisions of this division.

(c) Prohibit the issuance of a permit to a Title V source if the Administrator of the United States Environmental Protection Agency objects to its issuance in a timely manner as provided in Title V or the executive officer objects to its issuance in a timely manner pursuant to Section 42301.19. This subdivision is not intended to provide any authority to the United States Environmental Protection Agency to object to the issuance of a permit other than that authority expressly granted by Title V.

(d) Provide that the air pollution control officer may issue to a Title V source a permit to operate or use if the owner or operator of the Title V source presents a variance exempting the owner or operator from Section 41701, any rule or regulation of the district, or any permit condition imposed pursuant to this section, or presents an abatement order that has the effect of a variance and that meets all of the requirements of this part pertaining to variances, and the requirements for the issuance of permits to operate are otherwise satisfied. The issuance of any variance or abatement order is a matter of state law and procedure only and does not amend a Title V permit in any way. Those terms and conditions of any variance or abatement order that prescribe a compliance schedule may be incorporated into the permit consistent with Title V and this division.

(e) Require, upon annual renewal, that each permit be reviewed to determine that the permit conditions are adequate to ensure compliance with, and the enforceability of, district rules and regulations applicable to the article, machine, equipment, or contrivance for which the permit was issued that were in effect at the time the permit was issued or modified, or that have subsequently been adopted and made retroactively applicable to an existing article, machine, equipment, or contrivance, by the



district board and, if the permit conditions are not consistent, require that the permit be revised to specify the permit conditions in accordance with all applicable rules and regulations.

(f) Provide for the reissuance or transfer of a permit to a new owner or operator of an article, machine, equipment, or contrivance. An application for transfer of ownership only, or change in operator only, of any article, machine, equipment, or contrivance that had a valid permit to operate within the two-year period immediately preceding the application is a temporary permit to operate. Issuance of the final permit to operate shall be conditional upon a determination by the district that the criteria specified in subdivisions (b) and (e) are met, if the permit was not surrendered as a condition to receiving emission reduction credits pursuant to banking or permitting rules of the district. However, under no circumstances shall the criteria specify that a change of ownership or operator alone is a basis for requiring more stringent emission controls or operating conditions than would otherwise apply to the article, machine, equipment, or contrivance.

~~SEC. 17.~~**SEC. 13.** Section 42301.19 is added to the Health and Safety Code, to read:

**42301.19.** (a) A district shall electronically transmit each proposed and final Title V permit to the executive officer of the state board at the same time that the district transmits those permits to the United States Environmental Protection Agency pursuant to Section 70.8 of Title 40 of the Code of Federal Regulations with all the same information that is transmitted to the United States Environmental Protection Agency. The district shall post each proposed permit publicly on its internet website at the time of transmission.

(b) (1) Within 45 days of receipt of a proposed Title V permit, the executive officer of the state board shall review the permit and, if the executive officer determines that the permit does not comply with any relevant provision of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or this division, shall object to that permit. If the executive officer objects to the issuance of the permit, the executive officer shall prepare a full statement of their reasons for objecting to that permit.

(2) If the executive officer objects to the issuance of a Title V permit pursuant to paragraph (1), the district shall not finalize that permit without revising it to address the objection to the satisfaction of the executive officer. In cases where the objection cannot be reasonably addressed, the district shall deny the permit application subject to Sections 42302 and 42309.

(c) (1) Any person may petition the executive officer of the state board to object to a proposed Title V permit within 30 days of the executive officer's receipt of the proposed permit. A petition submitted pursuant to this subdivision shall explain its basis in facts and law for the requested objection and demonstrate that its bases were raised before the district, or provide good cause for a failure to raise those bases.

(2) The executive officer shall consider a petition submitted pursuant to paragraph (1) if it meets all of the following criteria:

(A) The issuance of the permit will result in a net increase of local air pollutants, including directly emitted airborne fine particles smaller than 2.5 microns in diameter or toxic air ~~contaminants~~, **contaminants**.

(B) Net emissions increases will occur within a disadvantaged community identified pursuant to Section 39711.

(C) The emissions increases will not be offset onsite or within the community.

(3) For permit modifications, the executive officer shall consider a petition submitted pursuant to paragraph (1) if the petition demonstrates that regression has occurred pursuant to Sections 42500 to 42507, inclusive, including proposals to increase existing permit limits due to changes in fuel, processes, or equipment.

(4) The state board shall provide annual updates at a public hearing to summarize the number of petitions received pursuant to this section and the status of each petition.

~~SEC. 18.~~**SEC. 14.** Section 42301.20 is added to the Health and Safety Code, to read:

**42301.20.** (a) (1) Except as provided in paragraph (2), an applicant for a renewal of a Title V permit issued pursuant to this chapter for a facility shall submit a technical feasibility analysis as part of its application for the renewal of that permit in accordance with subdivisions (b) and (c) if the facility's current effective operating permit includes any equipment or control apparatus that meets both of the following:

(A) Any equipment or control apparatus required by the permit subject to renewal was installed at least 20 years before the expiration date of its current effective operating permit.

(B) Any equipment or control apparatus required by the permit subject to renewal was not reviewed under this section in the 15 years before the expiration date of the permit or, for a facility located within an overburdened community, in the 10 years before the expiration date of the permit.

(2) In cases where any equipment or control apparatus that was electively installed and permitted at emissions limits lower than best available control technology or best available control technology for toxic air contaminants limits that applied at the time the final permit to operate was issued, the equipment or control apparatus may be granted, in writing, an additional five years of operation before triggering the requirements of this section.

(b) The applicant shall list each piece of equipment and source operation that meets the criteria of subdivision (a), according to the potential of each piece of equipment and source operation, in descending order, to emit each applicable pollutant. For each listed piece of equipment and source operation, the applicant shall identify whether it is subject to any determinations made by the state board pursuant to Section 40920.8.

(c) For each piece of equipment and source operation listed under subdivision (b), the applicant shall provide a technical feasibility analysis addressing whether further reductions of air pollution from that equipment or source are feasible. The technical feasibility analysis shall include the following, and use the top-down approach, as provided below:

(1) A list of air pollution control technologies or pollution prevention options that may be applied to each equipment or control apparatus to reduce air pollution emissions, which shall:

(A) Include control applied to similar types of sources, alternative technologies, modification of the process or process equipment, other pollution prevention measures, and combination of these measures, including any measures identified in determinations made by the state board, or next generation technologies identified in the statewide clearinghouse, pursuant to Section 40920.8.

(B) List each measure in descending order of air pollution control effectiveness.

(2) A proposal to reduce emissions of each pollutant by applying the first listed or "top" measure in its list prepared pursuant to paragraph (1) for each equipment and control apparatus, unless the applicant demonstrates any of the following:

(A) The top measure is technically infeasible, based on physical, chemical, or engineering principles, or technical difficulties that would prevent the successful application of the measure, or both.

(B) The top measure would be unreasonable when comparing its air contaminant emission reduction benefits with its adverse environmental effects, such as effects on water or land, or toxic air contaminant emissions.

(C) The total and incremental costs of the top measure are greater than the total and incremental costs of the other proposed measures, which costs shall be calculated using the techniques in the latest edition of the United States Environmental Protection Agency's Air Pollution Control Cost Manual and that the extra costs, compared with the air contaminant emission reduction benefits resulting from the top measure, would make use of the top measure unreasonable.

(D) The top measure uses fuels that are not reliably available, or that the energy consumed by the top measure is greater than any proposed measure, and the extra energy used, when compared with the air contaminant emission reduction benefits resulting from the top measure, would make use of the top measure unreasonable.

(3) If the top measure is eliminated from consideration, the applicant shall evaluate each successive measure on the list, using the procedure described in paragraph (2), until the applicant reaches its proposed measure.

(d) The district shall require best available retrofit control technology to be applied at each piece of equipment or source category identified in the technical feasibility analysis and shall apply its expert judgment to each measure proposed by the applicant. The district may impose measures more stringent than proposed by the applicant if justified on the record.

(e) Measures imposed under this section are to be identified as nonfederally enforceable measures pursuant to Section 42301.12.

(f) For purposes of this section, the following definitions apply:

(1) "CalEnviroScreen" means the California Communities Environmental Health Screening that is used to identify disadvantaged communities pursuant to Section 39711.

(2) "Overburdened community" means a census tract in the top ten percentile for pollution burden as identified by the most recent version of CalEnviroScreen.

**SEC. 19. SEC. 15.** Section 42322 of the Health and Safety Code is amended to read:

**42322.** (a) Every district shall establish, and update at least once every eight years, by regulation, a program to provide for the expedited review of permits issued pursuant to Article 1 (commencing with Section 42300) in order to reduce unnecessary delay

in the issuance of those permits and to protect the public health and the environment. The expedited permit system shall include all of the following:

(1) An expedited permit review pathway for permit applications that propose to use equipment and processes identified through the state board's precertification program adopted pursuant to Section 39620 in order to allow permit applicants who propose to use identified equipment or processes to receive permits in an expedited fashion.

(2) A consolidated permitting process for any source that requires more than one permit, which provides that the source will be permitted on a facility or project basis, provides a single point of contact for the permit applicant, and allows a source to be reviewed and permitted on a single, consolidated schedule.

(3) An expedited permit review schedule, based upon the types and amount of pollution emitted from sources. In order to comply with this subdivision, a district shall classify sources within its jurisdiction as minor, moderate, and major sources of air pollution, and shall establish a permit action schedule that sets forth specific deadlines, based on each classification, for an air pollution control officer to notify a permit applicant in writing of the approval or disapproval of a permit application.

(4) The publication of online training resources for private sector personnel that explain expedited permitting pathways, including where to find information on commercially available technology options that do not trigger the requirement to obtain a permit pursuant to Article 1 (commencing with Section 42300).

(5) The development of standardized permit application forms that are written in clear and understandable language and provide applicants with adequate information to complete and return the forms.

(6) To the extent that a district determines that it will not adversely affect the public health and safety or the environment, the consolidation of the authority to construct and permit to operate into a single permit process in order to reduce processing times and paperwork for stationary sources.

(7) An appeals process whereby, if the air pollution control officer fails to notify a permit applicant of the approval or disapproval of a permit application within the schedule established pursuant to paragraph (3), the permit applicant may, after notifying the district, request the district board, at its next regularly scheduled meeting, to set a date certain on which the permit will be acted upon. This paragraph does not prohibit a permit applicant from seeking relief under Section 42302.

(b) For those districts that have a population of less than 1,000,000 persons, the state board shall provide assistance in developing regulations implementing this section.

(c) This section does not apply to county air pollution control districts in counties that have a population of less than 250,000 persons.

**~~SEC. 20.~~ SEC. 16.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.