

# **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

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## **RULE 2202 - ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS IMPLEMENTATION GUIDELINES**

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**Deputy Executive Officer**  
Planning, Rule Development, and Area Sources  
Elaine Chang, DrPH

**Assistant Deputy Executive Officer**  
Planning, Rule Development, and Area Sources  
Laki Tisopulos, Ph.D., P.E.

**Planning and Rules Manager**  
Transportation Programs  
Carol A. Gomez

---

AUTHOR: SHASHI SINGEETHAM - AIR QUALITY SPECIALIST

REVISION: ERNEST LOPEZ - AIR QUALITY SPECIALIST

REVIEWED BY: KATHRYN HIGGINS - PROGRAM SUPERVISOR  
ANTONIO THOMAS - SENIOR TRANSPORTATION SPECIALIST  
JERI VOGEL - SENIOR DEPUTY DISTRICT COUNSEL

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# **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

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**EXECUTIVE OFFICER:** BARRY R. WALLERSTEIN, D.Env.

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## I. BACKGROUND

### A. Summary

Rule 2202 has been designed to reduce emissions from mobile sources. The Rule provides employers with a menu of options that they can choose from to implement and meet the emission reduction target (ERT) for their worksite.

The purpose of this document is to provide guidelines for compliance with the provisions of Rule 2202. The various emissions reduction strategies and trip reduction strategies currently contained in the Rule that employers can implement and receive credit towards their ERTs are listed in the Table below.

<b>Emission Reduction Strategies</b> (Subdivision (f))	<b>Trip Reduction Strategies</b> (Subdivision (g))
<ul style="list-style-type: none"> <li>• Clean On-Road Mobile Sources (Regulation XVI)</li> <li>• Clean Off-Road Mobile Sources (Regulation XVI)</li> <li>• Pilot Credit Generation Programs</li> <li>• Air Quality Investment Program</li> <li>• Short Term Emission Reduction Credits (STERCs) From Stationary Sources (Regulation XIII)</li> <li>• Area Source Credits (Regulation XXV)</li> </ul>	<ul style="list-style-type: none"> <li>• Peak Commute Trip Reductions</li> <li>• Other Work-Related Trip Reductions</li> <li>• Vehicle Miles Traveled (VMT) Programs</li> <li>• Off-Peak Commute Trip Reductions</li> </ul>

**Table I-1: Emission Reduction Options**

As an alternative to meeting the ERT at their worksite, the Rule allows the employers optional implementation of an Employee Commute Reduction Program (ECRP). Implementation details of this strictly optional program are included in the ECRP Guidelines. The Implementation Guidelines outlines the framework, calculation methodology, and criteria used in determining emission reductions credits and vehicle trip emission credits (VTECs) that can be applied towards meeting emission reduction targets (ERT).

An employer would comply with the provisions of the rule by submitting an Emission Reduction Strategy (ERS). The ERS submittal will describe the ERT calculation and how it will be implemented to meet the worksite's ERT.

**B. Emission Reduction Target (ERT)**  
(R2202, subdivision (e))

Employers subject to Rule 2202 are required to implement an emission reduction program and meet an annual ERT for Volatile Organic Compounds (VOC), Oxides of Nitrogen (NO<sub>x</sub>) and Carbon Monoxide (CO). Figure I-1 outlines the equation used to determine the ERT for each pollutant.

$$\left[ \begin{array}{c} \text{Emission} \\ \text{Reduction Target} \\ \text{(lbs/year)} \end{array} \right] = \left[ \text{Employees} \times \frac{\text{Employee Emission}}{\text{Reduction Factor}} \right] - [\text{VTEC}]$$

**Figure I-1. Emissions Reduction Target Determination**

The employer's emission reductions can be further reduced through generation of Vehicle Trip Emission Credits (VTECs) from the implementation of optional trip reduction strategies. These VTECs, obtained through peak and off-peak commute trip reductions, other work-related trip reductions, or vehicle miles traveled (VMT), can be applied towards meeting an employer's ERT. Credit for any program must go beyond the requirements of existing state and federal programs to avoid "double counting" the emission reductions. All emission credits are valid according to the conditions, guidelines, or regulations under which they were originally issued.

**C. Pollutants Considered**

Vehicle trips are responsible for the emissions of VOC, NO<sub>x</sub>, and CO. Most trip reduction programs reduce emissions by similar relative amounts. Emission reduction strategies, however, aimed primarily at reducing emissions rather than trips, may reduce emissions by different relative amounts. Rule 2202 is designed to reduce emissions of VOC, NO<sub>x</sub>, and CO, by an equal or greater amount to that achievable through trip reduction. Rule 2202 allows employers to select and implement a combination of emission reduction strategies and meet the site-specific ERTs for VOC, NO<sub>x</sub>, and CO.

## II. EMISSION REDUCTION STRATEGIES

The emission reduction strategies considered in this document may include, old-vehicle scrapping, clean on-road vehicles, clean off-road vehicles, pilot credit generation programs, other programs under Regulation XVI, STERC from stationary sources, area source credits, and the air quality investment program. In addition, companies can meet the emission reduction requirements, in whole or in part, by obtaining sufficient VTECs.

### A. Mobile Source Emission Reduction Programs

(R2202, paragraph (f)(1))

Any person may elect to use mobile source emission reduction credits (MSERC) generated in accordance with the provisions of Regulation XVI - Mobile Source Offset Programs. Regulation XVI sets forth the requirements that are based on voluntary programs that achieve emission reductions beyond those required by local, state and federal regulations or programs. Any person may generate MSERCs through the voluntary implementation of any Regulation XVI program and apply them toward meeting the ERT for their site or trade and/or sell them to other persons. Alternatively, employers that have a shortfall in meeting their ERTs can purchase surplus MSERCs from other employers or a credit vendor. Credits generated under Regulation XVI programs are subject to the quantification, issuance, and credit life restriction of the applicable rules and may be used for Rule 2202 as well as other AQMD rule compliance that authorizes such use.

### B. Short Term Emission Reduction Credits (STERC)

(R2202, paragraph (f)(2))

Employers may elect to use STERCs generated in accordance with Regulations XIII. In order for STERCs to be used to meet employers' emission reductions target or as part of an air quality investment program, the following apply for purposes of use in Rule 2202:

1. Only STERCs issued in accordance with Rule 1309 - Emission Reduction Credits shall be allowed for use in Rule 2202.
2. STERCs are subject to the application, eligibility, registration, use, and transfer requirements in Rule 1309.
3. STERCs may be transferred to Rule 2202 upon submittal of a transaction application and fees. A transaction/registration application and filing fee per transaction shall be required to process the STERC transaction upon amendment to the fee rule.
4. STERCs issued pursuant to Rule 1309 may be used only if the original ERC was generated on or after January 1, 1996. The credit generation date is defined as the original date the AQMD issued the official Certificate of Title, not the date when the emission reductions occurred or when the ERC or Certificate was split or transferred.

5. For the purposes of Rule 2202, STERCs will be converted into annual emissions (lbs/year). The average number of operating days used in the original ERC evaluations shall be the basis for converting the STERC to annual emissions. Such conversions shall be done at the time when the STERCs are transferred to the Rule 2202 program.
6. STERCs in the Rule 2202 program may be divided among several worksites.
7. ERCs transferred into the Rule 2202 program shall remain in the program as ERCs. Those that are currently held in a Rule 2202 broker account shall have 90 days from February 6, 2004 to transfer out of the program. After the 90 days no further complete or partial transfers out of the program will be allowed. At any time, ERCs held in an undesignated account may be transferred in whole or part into the Rule 2202 program for use in satisfying an employer's ERT.

**C. Area Source Credits (ASC) from Regulation XXV**  
(R2202, paragraph (f)(3))

Regulation XXV - Intercredit Trading provides an opportunity for employers to generate or obtain emission reductions from alternative sources and apply them towards meeting the ERT for their site or trade them to other employers or persons in accordance with paragraph (f)(3) of the Rule. Regulation XXV emission credits that are used in Rule 2202 are subject to the same limitations on quantification, credit issuance, credit life, and eligibility, as set forth in that regulation.

Area source credit generation is a voluntary program and provides a mechanism to convert emission reductions from non-permitted stationary sources into tangible emission credits. Area sources include a wide variety of sources, such as small combustion equipment including engines, heaters, and boilers.

**D. Air Quality Investment Program (AQIP)**  
(R2202, paragraph (f)(4))

The concept of an AQIP is based on relative cost-effectiveness. Employers may participate in the AQIP by submitting an air quality investment, to be placed in a restricted fund as set forth in Rule 311 - Air Quality Investment Program Fees.

The AQMD Executive Officer will recommend to the AQMD Governing Board the release of request for proposals (RFP) to solicit projects that will achieve the emission reduction targets for a given compliance period. At a minimum, the release will be on a semi-annual basis.

Proposals for using monies from the restricted fund will be accepted by the AQMD Executive Officer on an ongoing basis. The AQMD Executive Officer will determine the amount of emission reductions required to demonstrate equivalent emissions reductions and the amount that will be achieved by the proposal. The quantification protocols shall be consistent with conditions specified under section *E. Other Emission Reductions*

*Strategies.* The proposals received will be rated by source category, including a category for TDM projects. The Executive Officer will then recommend to the Governing Board proposals that achieve equivalent emissions reductions. The Executive Officer may use inter-pollutant crediting to achieve emissions equivalent to the level of the employers' participation. The AQIP emission reduction commitment will be based on the rule emission factors for the current year in question regardless of when the initial monies were placed into the program. In addition, the Executive Officer will recommend that the allocation of funding for proposals that reduce equivalent emissions within each county be proportional to the contribution level of employers within each county to the greatest extent feasible. As part of the RFP release, the Executive Officer will provide to the AQMD Governing Board a status report on program effectiveness and the balance of monies in the fund.

**E. Other Emission Reduction Strategies**  
(R2202, paragraph (f)(5))

Any person may submit an application, pursuant to paragraph (f)(5) of the Rule, to generate VOC, NO<sub>x</sub>, and CO emission reductions from alternative emission reduction projects for use in Rule 2202. Applications, with complete information, shall be submitted at least 30 days prior to implementing an emission reduction project. The Executive Officer shall approve or disapprove the application and any subsequent revisions in writing within 90 days of submittal.

1. The application shall be submitted on a form specified by the AQMD, and at a minimum include the following:
  - a. Project description;
  - b. Name and address of the applicant;
  - c. Name and address of the owner and/or operator of the equipment;
  - d. Identification of the geographical area(s) served by the project;
  - e. Equipment description (including manufacturer specifications, certification data, etc.);
  - f. Project start date;
  - g. Project life;
  - h. Activity level (such as, hours of operation, fuel usage, odometer mileage);
  - i. Estimated emission reductions;
  - j. Emission reduction calculations, description of methodology used and references; and
  - k. Monitoring, recordkeeping and reporting methods, including methods for tracking project emission reductions.

2. The alternative emission reduction project shall be subject to the following conditions:

- a. For meeting District regulatory requirements, the credits issued under (f)(5) shall only be used for R2202, and shall be subject to all provisions of Rule 2202.
- b. The AQMD shall approve all emission reductions prior to use.
- c. The emission reductions shall be valid for two years from the date of AQMD approval.
- d. The emission reduction quantification shall be based on applicable AQMD rules and regulations, approved methodologies, Governing Board policies and guidelines, and the guidelines and methodologies established by CARB and EPA. The emission reduction quantification protocol shall be selected with the concurrence of AQMD staff.
- e. If there is no applicable protocol, an emission reduction quantification protocol shall be developed with the concurrence of AQMD staff. The proposed emission reduction quantification protocol shall be presented to the Governing Board Mobile Source Committee for review.
- f. Emission reductions generated under this provision shall not be the result of funding from any other AQMD, state or federal program that prohibits the use of such reductions for other purposes (e.g., AB2766 subvention funding, Carl Moyer, etc.).
- g. Emission reductions achieved by the project shall be based on the actual operation of the equipment as provided in the emission reduction quantification protocol.
- h. Emission reductions may be issued quarterly or semi-annually, based on the actual activity level for the previous quarter or six-months.
- i. Emission reductions may be held in an undesignated account, for tracking purposes, until transferred to an employer for rule compliance purposes.
- j. The application shall be deemed a plan, and plan fees shall be assessed in accordance with Rule 308 – On-Road Motor Vehicle Mitigation Options Fees.
- k. Emission reductions generated from projects that are in excess of those designated for Rule 2202 compliance may be used for other purposes subject to the approval of the Executive Officer.

AQMD staff is available to work with project proponents to develop emission reduction protocols and intends to compile protocols, when available, to ensure public accessibility.

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**F. General Emission Credit Provisions**  
(R2202, subdivisions (f) and (g))

Any person may apply MSERCs, RTCs, or ASCs generated pursuant to any AQMD mobile source or area source pilot credit generation program in accordance with the provisions and penalties under which the credits were issued unless otherwise noted below.

1. RECLAIM Trading Credits (RTC) originating from MSERCs or ASCs with applications approved prior to February 6, 2004 may be used in Rule 2202 in accordance with the following conditions:
  - a. If held in an RTC certificate account, are distinguishable from other RTCs and must only be purchased or transferred directly from the original applicant or originator. In addition, the original applicant or originator, within 30 days from February 6, 2004, transfers the RTCs to an undesignated account. After the 30 days no further transfers out of the RECLAIM program will be allowed,
  - b. Have not yet expired as issued. The use of RTCs in the Rule 2202 program shall not extend the credit life, and
  - c. Emission reductions or credits generated pursuant to a pilot credit generation program may be reconciled as frequently as every quarter or six-months for use in the Rule 2202 program and the approved application can be revised annually during the reduction period, if applicable.
  
2. On or after February 6, 2004, pilot credit generation programs shall be subject to the following provisions:
  - a. Applicants under the pilot generation credit program rules must specify in their application the RTC cycle that may be utilized; the amount (pounds) of emission reductions to be issued as RTCs for each year; and, indicate if the emission reductions are to be held in an undesignated account as an MSERC until they are sold or transferred.
  - b. The applicant may convert these undesignated MSERCs to RTCs at any time during the one year life of the credit.
  - c. Once the MSERC has been converted to RTCs they are no longer available for use in Rule 2202. Alternatively, the MSERCs may be used for Rule 2202 emission reduction target (ERT) compliance, in which case they will no longer be available for the RECLAIM program.
  - d. RTCs shall remain in the RECLAIM certificate account not available for Rule 2022 use, except for those that qualify under 1.a. in the previous section.

Employers using emission reductions obtained from other emission credit programs may result in different relative emission reductions of VOC, NO<sub>x</sub> and CO from what's required. Employers that implement an emission reduction program and end up with

surplus emission reductions with respect to some of the pollutants can use them towards their future ERT or trade or sell them to other employers in accordance with subdivision (h) of Rule 2202. Alternatively, employers that have a shortfall in meeting their ERTs may obtain surplus emission reduction credits from other employers or other credit providers.

MSERCs, STERCs, or ASCs generated pursuant to paragraph (f)(1), (f)(2), or (f)(3) may be held in an undesignated account. This account is strictly for tracking emission reductions until such time they are transferred into the Rule 2202 program. Once emission reduction credits have been designated for a specific program or for use in the Rule 2202 program, the credits can not be transferred out of the designated program.

**G. Inter-Pollutant Crediting**  
(R2202, paragraph (h)(6))

Any employer or the AQIP may apply VOC or NO<sub>x</sub> emission reduction credits in lieu of all or part of a worksite's CO emission reduction target. VOC or NO<sub>x</sub> emission reduction credits that could be used may come from various sources such as ASCs, STERCs, MSERCs, or credits generated pursuant to paragraphs (f)(4), (f)(5), or (f)(6) of the rule. Inter-pollutant crediting is to be used only by employers to facilitate meeting the worksite's CO emission reduction target. Inter-pollutant crediting shall only be used for compliance with an approved employer's Rule 2202 registration. Inter-pollutant crediting shall not be used to increase or build a CO emission bank. The inter-pollutant crediting ratios are:

- 1 pound VOC = 10 pounds CO
- 1 pound NO<sub>x</sub> = 6 pounds CO

For example: An employer calculated their worksite CO emission reduction target to be 100 pounds. Instead of generating or purchasing CO emission credits, the employer may implement inter-pollutant crediting by dividing the CO target by VOC ratio value of 10. Thus, 10 pounds of VOC could be used in lieu of the worksite's 100 pound CO emission reduction target. Alternatively, an employer may chose to apply NO<sub>x</sub> credits. Dividing 100 lbs of CO by 6 will result in 17 pounds of NO<sub>x</sub> that may be used in lieu of the worksite's CO emission target. Note that calculation results are to be rounded to the nearest whole pound. Employers are not limited to using only VOC or NO<sub>x</sub> and may use any combination of the two pollutants to meet the calculated emission reduction target.

**H. Emission Reduction Requirements**

Any proposed emission reduction strategy should contain an emissions or trip quantification methodology which follows applicable AQMD, CARB, or EPA policies and methodologies. Any proposed program may be submitted in combination with other programs, including, but not limited to, old vehicle scrapping or work-related trip reduction programs. AQMD will evaluate programs to assure that they produce emissions or trip reductions that are real, surplus, quantifiable, and enforceable.



### **1. Real Reductions**

"Real" reductions are those that result in actual emission reductions and do not occur as a result of accounting practices, or "paper reductions." The key test in determining whether a strategy will result in real reductions is in establishing a proper emissions or trip baseline level. If, for example, facility XYZ has reduced emissions in excess of those required by the ERT, no "real" reductions will result from the establishment of ERT as a performance standard. Therefore, all quantification methodologies will be required to establish a standardized baseline condition, or use a default condition established by the Executive Officer, from which to calculate real emissions or trip reductions.

### **2. Surplus Reductions**

"Surplus" reductions occur when an action is taken beyond existing regional, state, and federal requirements. Obtaining surplus emission reductions means the benefit of a control strategy is not "double counted." In many cases, the proposed strategy requirements overlap completely with another rule, regulation, statute, or legislation. However, by revising the strategy to become more stringent, the action would become partially creditable, or surplus. To meet this surplus criterion, all quantification methodologies will be required to include a mechanism for subtracting any regulatory overlaps with the standardized baselines established to meet the "real" criterion described earlier.

### **3. Quantifiable Reductions**

Although transportation control measures (TCM) involve some degree of variance and uncertainty, creditable actions can be quantified through use of assumptions that are based either on case studies or on transportation supply and demand theories. Each assumption that is used to assign effectiveness or efficiency should be matched with either a case study, or on some measurable parameter. Basic "intuition," especially for indirect actions such as general education, "goodwill," or other "good faith efforts," is not sufficient. Quantifiability is the main criterion used to determine the extent of any credit discounting. Those actions which are more easily quantified, with strong assumptions, would have limited discounting applied, while the more "intuitive" actions would need to be discounted to a much greater extent.

### **4. Enforceable**

In addition, each proposed program should include a recordkeeping mechanism for compliance verification, as outlined in Chapter IV. The enforceability component requires that all records, sufficient to demonstrate compliance, be maintained by participating companies and be made available to the AQMD upon request.

### III. TRIP REDUCTION STRATEGIES

(R2202, subdivision (g))

Rule 2202 offers employers the opportunity to obtain VTECs from the implementation of the following optional trip reduction strategies. These VTECs, obtained through peak-commute trip reductions, other work-related trip reduction, VMT offsets or off-peak commute trip reductions, can be applied towards meeting an employer's ERT.

#### A. Peak Commute Trip Reductions

Rule 2202 provides the option to obtain credit for reducing employee commute trips. Specifically, employers can reduce trips to work that occur for the purpose of reporting to work during the morning peak congestion period (or "Peak Window") by creating incentives for ridesharing and other alternative transportation modes. VTECs shall be calculated using the formula in Figure III-1.

$$\text{VTEC} = \left[ \begin{array}{c} \text{Creditable Commute Vehicle} \\ \text{Reductions (CCVR)} \end{array} \right] \times \left[ \begin{array}{c} \text{Emission Factor (EF)} \\ \text{lbs/year} \end{array} \right]$$

Where

CCVR = The daily average of total commute vehicle reductions that are real, enforceable, surplus, and quantifiable.

EF = Emission Factor (Table V-4)

#### Figure III-1. Vehicle Trip Emission Credit Generation for Work-Related Trip Reduction Programs

In calculating VTEC, employers may utilize data obtained by an alternative methodology approved in writing by the Executive Officer or designee.

#### B. Other Work-Related Trip Reductions

Employers may receive additional VTECs from employee commute reductions from peak and non-peak commutes or from non-commute vehicle usage. VTECs from Other Work-Related Trip Reductions can be calculated using the formula in Figure III-2. The conversion factor is used to convert vehicle trip reductions to commute vehicles reductions and accounts for the return trip home, and includes an additional adjustment to account for other vehicle usage reduction during and outside the peak window.

Other sources of VTEC may also be calculated, on a voluntary basis, from non-regulated worksites, non-employee such as independent contractors, or employees of other entities at the worksite that participate in the employer's trip reduction program. Additional VTEC may also be determined from reduced staffing that would reduce commute trips not as a result of any rideshare program. Reduced staffing may occur from events such as school recesses/breaks, inventory, or temporary facility closures.

The use of VTEC is subject to approval by the Executive Officer.

$$\text{VTEC} = \left[ \frac{\text{Creditable Trip Reductions (CTR)}}{\text{CF}} \right] \times \left[ \frac{\text{Emission Factor (EF)}}{\text{lbs/year}} \right]$$

Where

CTR = The daily average of total one-way trip reductions that are real, enforceable, surplus, and quantifiable. A round trip is considered to be two one-way trips.

CF = 2.0 for A.M. Peak Window  
2.3 for Other Trips

EF = Emission Factor (Table V-4)

**Figure III-2. Vehicle Trip Emissions Credit Generation for Peak-Commute and Other Work Related Trip Reduction Programs**

### **C. Vehicle Miles Traveled (VMT) Programs**

Employers may elect to implement VMT reduction programs and receive VTECs toward their ERT. Reduction of annual employee commute VMT that may result from employment center relocation, video-conference centers, telecommuting centers or other alternative programs approved by the Executive Officer or designee. The Executive Officer shall not approve any VTEC program for VMT reduction unless it includes baseline VMT estimates and demonstrates that VMT reductions result in real, enforceable, quantifiable, and surplus emission reductions.

### **D. Parking Cash-Out Program**

Employers may elect to implement a Parking Cash-Out Program to reduce employee commutes and receive VTEC toward meeting their ERT. Parking Cash-Out is a program where an employer offers to provide a cash allowance to an employee equivalent to the parking subsidy that the employer would otherwise pay to provide the employee with a parking space. VTEC calculation formula for this program is the same as the one used for Other Work-Related Trip Reductions.

### **E. Employee Commute Reduction Programs**

Details of this exemption are provided elsewhere in a companion guidance document titled "Employee Commute Reduction Program Guidelines."

## **IV. PROGRAM ADMINISTRATION**

### **A. Registration**

Employers participating in the Rule 2202 On-Road Motor Vehicle Mitigation Options emissions reduction program are required to notify the AQMD which option or options are selected through registration. Employer registration serves the purpose of both notifying the AQMD of the intent to implement options provided in the program, and also serves to identify the goals of the chosen options, including any demonstrations required. Registration shall be renewed annually.

Employers with 250 or more employees upon becoming subject to Rule 2202 shall notify the AQMD in writing within 30 days. Once the employer has notified the AQMD, within 90 days, the employer must submit a Rule 2202 registration with appropriate filing fees.

An employer's registration and the conditions under which it was approved shall remain in effect until the next approval date. Employers will not be held liable for any emission reduction shortfalls incurred due to changes in emission factors or the guidelines during those years in which the factors are updated after the registration is approved or pre-approved. Employers shall have up to 180 days from the date of receipt of their registration pre-approval letter to surrender the required emission reduction credits to meet the worksite emission reduction target. However, the use of this provision does not change the compliance period.

### **B. Registration Form**

Employers must identify which options will be used to attain their ERT. The registration form must include information which identifies the company and the worksites affected by the emissions reduction program, including the number of employees reporting to the worksite during the morning peak congestion period and the total employee count at the worksite.

### **C. VTEC Calculations**

Employers claiming VTECs from the implementation of the optional Vehicle Trip Reduction strategy shall include as a part of their registration all VTEC calculations. All supporting documents shall be maintained on site for three years. Emission factors (i.e., pounds of pollutant per vehicle-year) to be used in the calculations are provided in this document.

### **D. Air Quality Investment Program**

AQMD's Executive Officer will determine the amount of emission reductions for air quality investment programs when proposals are submitted for approval. Individual employers seeking this safe harbor alternative are not responsible for demonstrating

emissions reduction equivalency; they are only responsible for keeping records of employment, and of "in-lieu fee" submittal.

### **E. Recordkeeping**

The enforceability component of the On-Road Motor Vehicle Mitigation Options program requires that all records, sufficient to demonstrate compliance, be maintained by participating companies for a period of no less than three years and made available to the AQMD upon request in order to determine compliance. Specifically, participating companies should maintain, at a minimum, a copy of the following records at all worksites:

- Registration form,
- VTEC data and calculations, and
- List of program strategies or elements used for implementation.

### **F. Compliance**

Compliance with an alternative emission reduction program will be determined through an employer review process conducted by the AQMD. Compliance requirements for the "Employee Commute Reduction Program" exemption are included in the ECRP Guidelines.

Examples of violations of Rule 2202 would include: failure to maintain records; fabrication of records; or failure to obtain the amount of VTECs or emissions reductions identified as part of the company's registration submittal. In addition, failure to submit air quality investment "in-lieu" fees would be constituted as a violation of Rule 2202 for employers selecting this option.

### **G. Special Procedures**

#### ***1. Extensions***

Any employer may request an extension to the registration due date under the following circumstances:

- If an employer needs more time to submit a registration to meet the requirements of Rule 2202, additional time may be requested from the AQMD. The request must be in writing, state the reason for the extension request, the length of time needed, and include the appropriate filing fee.
- All extension requests and fees must be received by the AQMD, no later than 15 calendar days prior to the program due date;
- Requests are considered on a case-by-case basis and are granted for reasons that are beyond the control of the employer;
- An employer may request an extension to the registration due date after the registration has been disapproved for the first time. The request must be received

within 15 days of the receipt of the registration disapproval. The AQMD will inform the employer in writing within 15 calendar days of receipt of request, whether the extension has been granted;

- An employer may, upon receipt of a written objection to the terms of the proposed registration by an employee, employee representative or employee organization, request a single extension of 30 days. A copy of the written objection should be attached to the request. One such request shall be granted by the AQMD; no subsequent extension may be granted for this purpose; and
- Any change in the permanent due date that results in additional time to submit a registration will be considered an extension of time and shall be subject to an extension filing fee.

## ***2. Change of Ownership***

In the case of ownership mergers, or change of ownership, the new owner must notify AQMD of this change within 30 days of the new ownership. The new owner must comply with all provisions of Rule 2202 and Guidelines within 90 days of the change of ownership. The new owner(s) may choose to submit a letter, instead of a new registration, which states they will continue to implement the registration or program last approved by the AQMD.

## ***3. Relocation***

Any employer relocating to a new worksite must notify the AQMD within 30 days of the relocation. Relocations fall into two categories and are explained below:

- Employers relocating within two miles of the previous worksite address may elect to continue to implement the most recently approved registration. Or, the company may elect to submit a new registration or program. The employer must inform AQMD of the preference in the notification of relocation letter.
- Employers relocating more than two miles from the previous worksite are required to submit a new registration. The employer must submit the new registration or program within 90 days of the relocation.

## ***4. Registration Disapproval Appeals***

The AQMD has 90 days to review the resubmitted registration. If the employer believes that the program meets the requirements of Rule 2202 and the Guidelines, and that the registration was improperly disapproved, the employer may appeal the disapproval to the AQMD Hearing Board. A petition for appeal of disapproval must be made within 30 calendar days after the employer receives the notice of disapproval.

## ***5. Delay Registration Review Requests***

If an employer, employee, employee representative or employee organization requests a delay in action of registration review, the request must be in writing to the AQMD within

10 days of registration submittal and cannot delay the period of time to exceed the 90th day after submittal.

### **6. *Police, Sheriff, and Federal Field Agents***

Police, Sheriff, and Federal Field Agents shall be included in the employee count for rule applicability but are not required to be included in the number of employees in the peak window and may be excluded from ridership surveys. Surveying only part of this group is not acceptable.

Federal Field Agents are employees who are employed by any federal agency whose main responsibility is national security and performs field enforcement and/or investigative functions. Examples of Federal Field Agents include, but are not limited to, field employees of Federal Bureau of Investigation (FBI), Customs and Border Protection or US Coast Guard.

### **H. Emission Factors Updates**

The emission factors found in Tables V-1, V-2, V-3, and V-4 will be revised upon EPA's final approval for use of the California Air Resources Board (CARB) approved on-road mobile source emission factor (EMFAC) model in accordance with subdivision (n) of the Rule.

### **I. Emission Credit Transfers**

RTCs that have been transferred into the RECLAIM program or emission credits designated for use in the Rule 2202 program shall not be transferred out of the designated program. Transfer of emission credits shall be subject to the applicable Regulation III transfer fee. This fee is not required if the buyer/transferee is a Rule 2202 regulated worksite and the emission credits are intended to be used for Rule 2202 compliance within the credit submittal cycle. The credit submittal cycle is within the 180 days from the date of receipt of a registration pre-approval letter for which employers must surrender the required emission credits.

Transfers outside of the credit submittal cycle of the buyer/transferee, between employers, non-Rule 2202 accounts, or undesignated Rule 2202 accounts shall be subject to a transfer fee. One transaction request shall count as one transfer for fee purposes. The transfer fee is intended to cover administrative costs in processing the request and to ensure the account balance is properly tracked. No additional cost is assessed when credits are transferred during the credit submittal cycle, because the annual registration fee has already accounted for such activities.

## V. EMISSION FACTORS

(R2202, subdivisions (e), (g) and (n))

Emission Reduction Target (ERT) is the annual VOC, NO<sub>x</sub>, and CO emissions required to be reduced by each worksite based on the number of employees reporting to work during the peak window and the appropriate Performance Zone in accordance with Rule 2202. The ERT for each pollutant, for each worksite may be calculated by using the following appropriate emission factors based on CARB approved EMFAC 2007 emission inventory model, version 2.3 - 01 November 2006.

### A. Employee Emission Reduction Factors

**Table IV-1: Performance Zone-1\***  
(pounds per year per employee)

<b>Emission Year</b>	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>
2008	2.35	2.85	28.67
2009	2.12	2.57	26.06
2010	1.90	2.33	23.67
2011	1.74	2.12	21.80
2012	1.59	1.93	19.99
2013	1.46	1.75	18.34
2014	1.36	1.60	16.93

**Table IV-2: Performance Zone-2\***  
(pounds per year per employee)

<b>Emission Year</b>	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>
2008	1.83	2.22	22.30
2009	1.65	2.00	20.27
2010	1.48	1.81	18.41
2011	1.35	1.65	16.95
2012	1.24	1.50	15.55
2013	1.14	1.36	14.27
2014	1.05	1.25	13.17



**Table IV-3: Performance Zone-3\***  
(pounds per year per employee)

<b>Emission Year</b>	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>
2008	1.26	1.54	15.44
2009	1.14	1.39	14.03
2010	1.02	1.25	12.75
2011	0.94	1.14	11.74
2012	0.86	1.04	10.76
2013	0.79	0.94	9.88
2014	0.73	0.86	9.12

The emission factor shown in Tables V-1, V-2 and V-3 may be modified to site specific emission factors reflecting vehicle age and trip length characteristics of the employee vehicle fleet.

**B. Annual Emission Factors**

**Table IV-4: Annual Emission Factors\***  
(lbs per year per daily commute vehicle)

<b>Emission Year</b>	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>
2008	5.48	6.65	66.89
2009	4.94	6.01	60.82
2010	4.44	5.43	55.23
2011	4.06	4.94	50.86
2012	3.72	4.50	46.65
2013	3.42	4.09	42.80
2014	3.16	3.74	39.51

In calculating VTECs for Commute Trip Reductions, employers may also utilize data obtained by one of the following methods:

- Default data based on the weighted average of the average vehicle ridership survey data of the previous three years;
- Data obtained by conducting an average vehicle ridership survey in accordance with Rule 2202 - Employee Commute Reduction Program Guidelines;
- Data based on the default average vehicle ridership of 1.10; or
- Data obtained by an alternative methodology, which may include documentation of the CCVR claimed, approved by the Executive Officer or designee.

\*Rule 2202 (n) Emission Factors requires the revision of emission factors upon EPA's final approval for use of the ARB's EMFAC model. This revision is effective July 1, 2008.

## V. GLOSSARY

1. ANNUAL REGISTRATION means an annual form submitted by an employer to the AQMD per paragraph (j)(1) of the Rule.
2. AREA SOURCE CREDITS (ASCs) are emission reduction credits, issued pursuant to Regulation XXV - Intercredit Trading.
3. AVR DATA COLLECTION METHOD is a method for gathering employee commute mode data needed to calculate an employer's average vehicle ridership.
4. COMPRESSED WORK WEEK (CWW) applies to employees who as an alternative to completing basic work requirement in five eight-hour workdays in one week, or 10 eight-hour workdays in two weeks, are scheduled in a manner which reduces vehicle trips to the worksite. The recognized compressed work week schedules for this Rule are, but not limited to, 36 hours in three days (3/36), 40 hours in four days (4/40), or 80 hours in nine days (9/80).
5. DISABLED EMPLOYEE means an individual with a physical impairment which prevents the employee from traveling to the worksite by means other than a single-occupant vehicle.
6. EMISSION REDUCTION CREDITS (ERCs) are emission reduction credits, issued pursuant to Regulation XIII - New Source Review.
7. EMPLOYEE COMMUTE REDUCTION PROGRAM means an annual program under the Employee Commute Reduction Program option, submitted to the AQMD, in accordance with the companion guidelines.
8. EMPLOYEE is any person employed by a person(s), firm, business, educational institution, non-profit agency, or corporation, government or other entity. The term excludes seasonal employees; temporary employees; volunteers; field personnel; field construction workers; and independent contractors.
9. FEDERAL FIELD AGENT means any employee who is employed by any federal entity whose main responsibility is National Security and performs field enforcement and/or investigative functions. This does not include employees in non-field or non-investigative functions.
10. FIELD CONSTRUCTION WORKER means an employee who reports directly to work at a construction site.
11. FIELD PERSONNEL means employees who spend 20% or less of their work time, per week, at the worksite and who do not report to the worksite during the peak period for pick-up and dispatch of an employer-provided vehicle.
12. HOLIDAYS are those days designated as National and State Holidays that shall not be included in the survey period.
13. INDEPENDENT CONTRACTOR means an individual who enters into a direct written contract or agreement with an employer to perform certain services and is not on the employer's payroll.

14. **INTER-POLLUTANT CREDITING** means the use of emission reduction credits of one type of pollutant that may be used in lieu of another type of pollutant.
15. **LOW-INCOME EMPLOYEE** means an individual whose salary is equal to, or less than, the current individual income level set in the California Code of Regulations, Title 25, Section 6932, as lower income for the county in which the employer is based. Higher income employees may be considered to be "low-income" if the employees demonstrate that the program strategy would create a substantial economic burden.
16. **MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)** are emission reduction credits issued pursuant to Regulation XVI - Mobile Source Offset Programs.
17. **PART-TIME EMPLOYEE** means any employee who reports to a worksite on a part-time basis fewer than 32 hours per week, but more than four hours per week. These employees shall be included in the employee count for purposes of Rule applicability; and for emission reduction calculations of the employer provided the employees report to the worksite during the Peak Commute Window.
18. **PEAK COMMUTE WINDOW** is the period of time, Monday through Friday between the hours of 6:00 a.m. and 10:00 a.m.
19. **PERFORMANCE ZONE** for each worksite is determined by its geographic location within the geographic boundaries as described in Attachment I of Rule 2202.
20. **POLICE/SHERIFF** means any employee who is certified as a law enforcement officer and is employed by any state, county or city entity. Such employees are only police officers and sheriffs who perform field enforcement and/or any investigative functions. This would not include employees in non-field or non-investigative functions.
21. **SEASONAL EMPLOYEE** means a person who is employed for less than a continuous 90-day period or an agricultural employee who is employed for up to a continuous 16-week period.
22. **SHORT TERM EMISSION REDUCTION CREDITS (STERCs)** are short term emission reduction credits, issued pursuant to Regulation XIII - New Source Review.
23. **STUDENT WORKERS** are students who are enrolled and gainfully employed (on the payroll) by an educational institution. Student workers who work more than four hours per week are counted for Rule applicability and if they report to work during the 6:00 a.m. - 10:00 a.m. window are counted for emission reduction calculations.
24. **TELECOMMUTING** means working at home, off-site, or at a telecommuting center, for a full workday that eliminates the trip to work or reduces travel distance by more than 50%.

25. **TEMPORARY EMPLOYEE** means any person employed by an employment service or agency that reports to a worksite other than the employment agency's worksite, under a contractual arrangement with a temporary employer. Temporary employees are only counted as employees of the temporary agency for purposes of Rule applicability.
26. **TRANSPORTATION MANAGEMENT ASSOCIATION OR TRANSPORTATION MANAGEMENT ORGANIZATION (TMA/TMO)** means a private/non-profit association that has a financial dues structure joined together in a legal agreement for the purpose of achieving mobility and air quality goals and objectives within a designated area.
27. **VOLUNTEER** means any person(s) at a worksite who, of their own free will, provides goods or services, without any financial gain.
28. **WORKSITE EMPLOYEE THRESHOLD** means 250 employees employed at a single worksite for the prior consecutive six-month period calculated as a monthly average and 33 or more employees scheduled to report to work during the Peak Commute Window any one day during the prior consecutive 90 days.