

# Mobile Source Certification and Compliance Fee Workshop

Aftermarket Parts, Retrofits,  
At-Berth Technologies

November 19, 2020

1 PM

# Agenda

- Recap
- Proposed Fees and Definitions
- Fee Payment Process
- Next Steps
  - SRIA publication in December
  - Board Hearing March 25, 2021

# Recap

# HSC 43019.1

## New Off-Road, Aftermarket Parts, Components Fees

- Authority provided by SB 854 in 2018
- CARB may adopt a schedule of fees to cover all or a portion of the state board's reasonable costs associated with the certification, audit, and compliance as authorized pursuant to HSC 38560\*, 43013 and 43018, and subdivision (h) of Section 27156 of the Vehicle Code.

\*Fee authority applies to both criteria and GHG Executive Orders.

# Mobile Source (MS) Program Executive Order (EO) Categories

EO Number Series	Topic	EO Number Series	Topic
	<b>On-Road Vehicles and Engines</b>		<b>Off-Road Vehicles and Engines (Cont'd)</b>
A	New Cars, Light/Medium/Heavy-Duty Vehicles/Engine	U-U	New Small Off-Road Spark - Ignition Engines/Equipment
M	New Street-Use Motorcycles	U-W	New Spark - Ignition Marine Engines/Watercraft
N	New On-Road Heavy-Duty Exempt Engines		<b>Evaporative Components</b>
P	New Federal AB965 Cars & Light-Duty Trucks	G	Portable Fuel Containers (PFCs) Certified For Use In California
	<b>GHG Phase 2</b>	RM	Evaporative components for Spark-ignited Marine Water Craft
A	P2 GHG Vehicle /ZEP	Q	Small Off-Road Engines - Evaporative Components
AT	GHG Trailer		<b>Aftermarket Parts</b>
AD	GHG Aerodynamic Components	B	Alternative Fuel Retrofit Certification
	<b>Off-Road Vehicles and Engines</b>	C	Experimental Permits
U-G	Electric Golf Carts	D	Aftermarket Part Exemptions
U-L	New Off-Road Large Spark-Ignition (LSI) Engines/Equipment	K	Aftermarket Critical Emission Control Parts for Highway Motorcycles.
U-M	New Emission Compliant ("Green Sticker") Off-Road Motorcycles, All-Terrain/Utility/Sport Vehicles, Sandcars		<b>Retrofits</b>
U-N	New Emission Non—Compliant ("Red Sticker") Off-Road Motorcycles & All-Terrain Vehicles	DE	Verification of Diesel Emission Control Strategies (On/Off Road, SS, Harbor Craft, TRU, RTG) for In-Use Diesel Engine Regulations
U-R	New Off-Road Compression - Ignition Engines	AB	Alternative Control Technologies (e.g. Bonnets) verification/approval for At-Berth regulation

# Outreach to Industry Fee Cost Impacts

- July Workshop Request
- Posted questions on CARB Website
- Several follow-up e-mails
- Meetings



# Fee Cost Impacts on Manufacturers

- Using CARB costs per application, what impact will the fee costs have on:
  - the number of applications
  - California production
  - vehicle/equipment pricing
  - impact your business model
  - type of financial hardship (if any) for your business
  - any factors that are not currently being considered, but you believe should be considered when establishing new certification fees

# Proposed Fees and Definitions



# Aftermarket Parts Program (B, C, D, and K E.O. Series)

# Proposed Fees

## Aftermarket Parts EO Series

EO Series Category	Application Fee Type			
	New	Small Biz	Zero Emission	Category 1 or Carry Over
Alternative Fuel/Tech (B)*	\$5161	\$3,870	\$1,290	-
Experimental Permit (C)	\$195	-	-	-
Performance/General, Fuel Tanks (D) and Motorcycle (K)	\$1000	\$500	-	\$500
Catalytic, DPF, MC (D <sub>cat</sub> /D <sub>dpf</sub> )	\$10,000	\$5,000	-	\$2,500

\*B EO carried over from A EO is zero fee

# Alternative Fuel Retrofit Systems

## No fee for B Series EO carried over from A Series EO

- Applications submitted for new alternative fueled LD, MD and HD are subject to A series fee
- A manufacturer may request to carry over its data from its A series EO to generate a B series EO per 13 CCR section 2030 (c).
- Staff reviews application once and generates A and B series EOs.
- No additional fee for B series EO. Only A series fee will apply if carryover application submitted within 30 days of A series EO issuance.

# Alternative Fuel Technology - B Series Zero-Emission

- A mobile source technology that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas, excluding emissions from air conditioning systems, under any possible operational modes or conditions.
- Application fee is 25% of category base fee

# Small Business

- Means a business that is all of the following:
  - Independently owned and operated.
  - Not dominant in its field of operation.
  - Has fewer than 100 employees.
  - Definition in Government Code section 11346.3, subdivision (b)(4)(B)
- Application fee is 75% of category base fee

# Aftermarket Parts - D Series Category 1\*

- Modification of a previously issued exemption EO for one of the following actions:
  - adding part number(s),
  - changing device name(s),
  - adding model-years for carryover vehicle(s) or engine(s), modifying or adding private label(s),
  - extending coverage to subsidiaries,
- Consolidating previously issued exemption EOs
- Application fee is \$500

\*As defined by Procedures for Exemption of Add-on and Modified Part(s) for On-Road Vehicles and Engines III.A(1)



# Aftermarket Parts Catalytic Converter - $D_{CAT}$ Carry Over

- Means an application for a catalyst series that includes the identical model year range and emission category covered by an existing EO except for the:
  - Only newer model year vehicles/engines, no new models from previous years
  - Test group numbers (typically the first character)
- Remarketing agreements
- Application fee is 25% of category base fee

# Aftermarket Part Motorcycle – K Series Carry Over

- Means an application that includes the identical model year range and motorcycle models covered by an existing EO except for the:
  - Only newer model years, no new models from previous years
  - Test Group/Engine/Vehicle/Evaporative family name (typically the first character),
  - Manufacturer contact information, and Projected sales data.
  
- Application fee is \$500



# Retrofit Program (Locomotive, DE and AB E.O. Series)

# Proposed Fees

## Retrofits: DE Series and Locomotive

	Application Type					
	New DE Application or Extension that Includes a New ECG or Other Major Modification			Minor Extension Other than Major Modification	In-Use Field Testing	In-Use Emissions Testing
	Preliminary	Final	EO Fee, Implementation and Warranty			
DE	\$48,075	\$24,038	\$24,038	\$24,038	\$12,019	\$24,037
Small Business	\$36,056	\$18,028	\$18,028	\$18,028	\$9,014	\$18,028
Locomotive	\$18,434	-	\$73,738*	-	-	
Small Business	\$13,826	-	\$55,304*	-	-	

\*For Locomotive, fee before issuance of verification letter

# Fee Phase-in for Retrofit DE Series and Locomotive Applications

Fee	2021	1/1/2022	1/1/2023	1/1/2024	202?
Retrofit DE and Locomotive series	No Current Fee Reqs	50% of Proposed fee	75% of Proposed fee	100% of Proposed fee	100% of Cost Recovery

- Proposed application fees start January 1, 2022 (with OAL approval) for all applications.

# Retrofit - DE Series

## New or Major Modification

- Fee paid at the submittal of preliminary application to CARB. “Preliminary Application,” as described in title 13, CCR, section 2702.
- Fee category applies to:
  - Verification of a new Diesel Emission Control Strategy Family as defined in title 13, CCR, section 2701(a)(15)
  - Modification/extension of an existing verification/conditional verification with ECG change and/or requiring additional testing



# Retrofit - DE Series Extension for Minor Modification

- Fee paid at the submittal of preliminary application to CARB. “Preliminary Application,” as described in title 13, CCR, section 2702.
- Fee category applies to applications for modification/extension of an existing verification/conditional verification that do not meet the criteria for major modifications  
(Slide 20)

# Retrofit - DE Series

## Final Application Fee (New or Major Modification)

- “Final Application” as described in 13 CCR 2702.
- Fee paid at first submittal of data to be included in Final Application report to CARB.

# Retrofit - DE Series Final Executive Order, Implementation and Warranty

- Fee paid prior to issuance of final Executive Order, which signifies a complete CARB verification.

# Retrofit - DE Series In-Use Field Testing Fee

- “In-Use Field Testing Fee” as described by 13 CCR 2709 paid at initiation of 100-unit trigger as described by 13 CCR 2709(a)

# Retrofit - DE Series In-Use Emissions Testing Fee

- “In-Use Field Testing Fee” as described by 13 CCR 2709 paid at initiation of 300-unit trigger as described by 13 CCR 2709(a)

# Retrofit DE Series and Locomotive Small Business

- Means a business that meets all of the following:
  - Independently owned and operated.
  - Not dominant in its field of operation.
  - Has fewer than 100 employees.
  - Definition in Government Code section 11346.3, subdivision (b)(4)(B)
- Application fee is 75% of category base fee



# Retrofit - Locomotive Initial Application

- Fee paid at the acceptance of preliminary verification application pursuant to 13 CCR 2702, which starts the verification procedure.

# Retrofit - Locomotive Final Verification Letter

- Fee paid prior to issuance of final approval letter, which signifies a complete CARB verification.

# Proposed Fees - Ships At Berth

## CARB Approved Emission Control Strategies (CAECS)

<b>AB Series – CAECS (Bonnetts)</b>	<b>Base Fee</b>	<b>Small Business Fee</b>
Test Plan review	\$10,156	\$7,617
Application Fee	\$25,390	\$19,043
CEMS Review (per vessel visit)	\$254	\$191
Design Change Fee	\$10,156	\$7,617
Minor Amendment	\$2,031	\$1,523

# Fee Phase-in for New and Related Small Business At-Berth (Bonnetts) Applications

Fee	2021	1/1/2022	1/1/2023	1/1/2024	202?
At Berth AB series	No Current Fee Reqs	50% of Proposed fee	75% of Proposed fee	100% of Proposed fee	100% of Cost Recovery

- Proposed application fees start January 1, 2022 (with OAL approval) for all applications.
- No phase in for AB CEMS, Design Change, and Minor Amendment applications

# At-Berth - AB Series Test Plan Review Fee

- Fee paid at submittal of the initial test plan to CARB in the application process pursuant to 17 CCR 93130.5 (e)(1).

# At-Berth - AB Series Application Fee

- Fee paid when submitting an application to CARB pursuant to 17 CCR 93130.5 (e)(2).
- Applications can only be submitted after the applicant receives an approved test plan and conducts all testing.
- Once the application has been reviewed by CARB, if the CAECS is approved, an executive order is issued upon receipt of application fee.



# At-Berth - AB Series CEM Review Fee

- Review fee to be paid per vessel serviced pursuant to requirements in the CAECS executive order and 17 CCR 93130.5 (j)

# At-Berth - AB Series Design Change Fee

- Fee paid when modifications made to the CAECS require a review of additional emissions testing pursuant to 17 CCR 93130.5 (i)(2)

# At-Berth - AB Series Minor Amendment Fee

- Fee paid for minor amendments that do not require additional emissions testing, such as administratively transferring EO to new party, or extending a CAECS pursuant to 17 CCR 93130.5 (i)(1) or 93130.5 (i)(2).

# At-Berth- AB Series Small Business

- Means a business that meets all of the following:
  - Independently owned and operated.
  - Not dominant in its field of operation.
  - Has fewer than 100 employees.
  - Definition in Government Code section 11346.3, subdivision (b)(4)(B)
  
- Application fee is 75% of category base fee

# Implementation

# Current Payment Process

The screenshot shows a web browser window with the URL <https://ww2.arb.ca.gov/digital-services>. The browser's address bar and tabs are visible at the top. The website header includes the California Air Resources Board logo, navigation links (ABOUT, OUR WORK, RESOURCES, DIGITAL SERVICES, RULEMAKING, NEWS), and a search bar. The 'DIGITAL SERVICES' link is circled in black. Below the header, the page title is 'Digital Services', followed by a sub-section 'Make a Payment' with the text 'Pay by credit card, wire transfer, check, money order, or EFT.' and a blue button labeled 'PAYMENT OPTIONS'.



# Credit Card Payment

## Credit Card Payments

Pay for registrations, permits, citations, certifications, invoices, fees and more with a Discover, MasterCard, or Visa credit card. First Data, the processing vendor, charges a *convenience fee of 2.65% of the transaction amount*. CARB does not receive revenue from this service fee.

## Online Payments

Make online payments with the First Data payment portal. First Data is not affiliated with CARB and CARB is not responsible for the contents of their website. Please read and evaluate First Data's security and confidentiality statements.

PAY NOW

- Third Party convenience fee assessed

# Cash/Check/Phone Payment

## Check, Money Order or Cashier Check

When paying by check, money order, or cashier check, write the CARB reference or invoice number on your payment. Make the payment payable to the California Air Resources Board and mail your payment and supporting documents to:

California Air Resources Board  
Attn: Accounting, RM 20-25  
P.O. Box 1436  
Sacramento, CA 95812-1436

For FedEx and UPS deliveries:

California Air Resources Board  
Attn: Accounting  
1001 I Street, RM 20-25  
Sacramento, CA 95814

## Pay by Phone

When making credit card payments by phone or fax, contact CARB in advance at [Accounts Receivable](#) or (916) 322-6149 and specify the reason for the payment (i.e. permit, registration, etc.). Include related payment documents to apply the payment correctly.

# Future Payment Process

- Concepts
  - Webpage
  - Types of payments
  - Fee selection process
  - Credits

# Next Steps

# Information Requests

Please provide your feedback by December 4th

- Fee schedule
- Definitions
- Proposed Implementation
- For any changes, please include business information which may be marked as confidential. Subject to limitation under the California Public Records Act.

# Timeline

- First Workshop (April 30, 2019)
- Second Workshop (November 21, 2019)
- Third Workshop (February 21, 2020)
- Fourth Workshop (July 31, 2020)
- Fifth Workshop (November 19, 2020)
  - Additional work groups or meetings, as needed
- Board Hearing date (March 25, 2021)
- Post Hearing Implementation Workshop



# Stay Informed

## GovDelivery (List serve)

Sign on, search for name of topic “Mobile Source Certification and Compliance Fee Regulation,” check box, and hit the submit button (at bottom of page)

<https://public.govdelivery.com/accounts/CARB/subscriber/new>

## Workshop notices and information

<https://ww2.arb.ca.gov/mobile-source-certification-and-compliance-fee-regulation-meetings-workshops>



***Questions?***