



POLICY: OFF-SITE MITIGATION/IN-LIEU FEE

EFFECTIVE: April 10, 2014
Revised November 17, 2022

POLICY NUMBER: 5

REFERENCE: Imperial County Air Pollution Control District (ICAPCD) California Environmental Quality Act (CEQA) Air Quality Handbook Thresholds of Significance (Policy 36)

The ICAPCD has an approved CEQA Air Quality Handbook (Handbook) that is a guidance document for project developers. The Handbook establishes the thresholds of significance for non-attainment pollutants and their precursors.

As such, if a project exceeds the established thresholds, the proponent is required to reduce those emissions below the level of significance by implementing mitigation measures. When a project has exhausted all feasible conventional mitigation measures, a project proponent may propose and implement additional mitigation measures, as approved by the ICAPCD, to reduce emissions below the level of significance. Project proponents have two options:

- 1) Propose an off-site mitigation project providing supporting documentation that the reductions are met, or
- 2) Pay an in-lieu mitigation fee

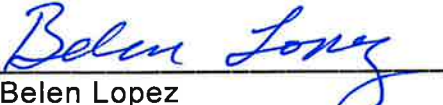
IN-LIEU MITIGATION FEE DETERMINATION AND ADMINISTRATION

The in-lieu mitigation fee is determined by the ICAPCD as follows:

- A. The fee is derived by utilizing the last (3) three years of the Carl Moyer grant program average cost effectiveness for Imperial County multiplied by the amount of tons needed to be offset (ex. 2013 Carl Moyer average = \$23,626. If 40 tons of NOx needs to be offset, the calculations would be: $\$23,626 \times 40 = \$945,040$).
 - A.1 Operational emissions – total in-lieu fee calculation is 100% of the program average cost-effectiveness for Imperial County.
 - A.2 Construction emissions – total in-lieu fee calculation is a calculated percent of the program average cost-effectiveness for Imperial County. Because construction emissions are short term and because the expected life time reduction for each ton of emission is 10 years, the calculated percent utilizes the total construction days to the nearest month rounding to the nearest year to determine the construction period.

- A.2.a Example 1 – if the construction period is 13 months then that is equivalent to approximately 1 year which is 10% of the 10 year life expectancy of a mitigation project thus the fee is reduced by 90%.
- A.2.b Example 2 – If the construction period is 19 months then that is equivalent to approximately 1 ½ years which is 15% of the 10 year life expectancy of the mitigation project thus the fee is reduced by 85%.
- B. In-lieu fees collected shall be placed into an ICAPCD specified account(s), for appropriate tracking.
- C. The ICAPCD may utilize no more than 10% of received funds to offset cost of administrating the off-site mitigation/in-lieu fee program.
- D. All excess funds shall be allocated by the Imperial County Air Pollution Control Board of Directors. Proposed mitigation projects will be evaluated based on the cost-effectiveness analysis and the calculated emission reductions that must meet the following criteria:
 - D.1 The emission reductions resulting from the in-lieu fee mitigation project(s) must not be required by any federal, state, or local regulation, memorandum of agreement/understanding with a regulatory agency, settlement agreement, mitigation requirement, or other legal mandate.
 - D.2 Mitigation projects must adhere to a minimum cost-effectiveness of current monetary figure established by the Carl Moyer Program to offset one weighted ton of NOx or PM10.
 - D.3 No emission reductions obtained by the in-lieu fee mitigation project(s) shall be utilized as marketable emission reduction credits, or to offset any emission reduction obligation of any individual or entry.
 - D.4 The mitigation project(s) is/are obligated to have a minimum project life of ten years. Proposed projects possessing shorter life spans may be approved on a case-by-case basis by the Air Pollution Control Officer (APCO). In addition, projects with shorter lives may be subject to additional funding restrictions, such as a lower cost-effectiveness limit and/or a project cost cap.
 - D.5 Potential mitigation projects that do not meet designated criteria may be considered on a case-by-case basis if evidence supplied to the APCO demonstrates potential surplus, real, quantifiable and enforceable emission reduction benefits.

Approved


Belen Lopez
Air Pollution Control Officer