



California Regulatory Notice Register

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The *California Regulatory Notice Register* is an official state publication of the Office of Administrative Law containing notices of proposed regulatory actions by state regulatory agencies to adopt, amend or repeal regulations contained in the California Code of Regulations. The effective period of a notice of proposed regulatory action by a state agency in the *California Regulatory Notice Register* shall not exceed one year [Government Code § 11346.4(b)]. It is suggested, therefore, that issues of the *California Regulatory Notice Register* be retained for a minimum of 18 months.

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**PROPOSED ACTION ON
REGULATIONS**

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**TITLE 2. CALIFORNIA
TRANSPORTATION COMMISSION**

**NOTICE OF INTENTION TO AMEND THE
CONFLICT-OF-INTEREST CODE OF THE
CALIFORNIA TRANSPORTATION
COMMISSION**

NOTICE IS HEREBY GIVEN that the California Transportation Commission, pursuant to the authority vested in it by Section 87306 of the Government Code, proposes amendments to its conflict-of-interest code. The purpose of these amendments is to implement the requirements of Sections 87300 through 87302, and Section 87306 of the Government Code.

The California Transportation Commission proposes to amend its conflict-of-interest code to include employee positions that involve the making, or participation in the making, of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of Section 87302 of the Government Code.

These amendments newly designate the positions of Principal Transportation Engineer, Supervising Transportation Engineer, Supervising Transportation Planner, and Members of the Technical Advisory Committee on Aeronautics, and create a new category of reportable interests. The amendments also add clarifying language and make other technical changes to reflect the current organizational structure of the Commission. Copies of the amended code are available and may be requested from the contact person set forth below.

Any interested person may submit written statements, arguments, or comments relating to the proposed amendments by submitting them in writing no later than February 16, 2015, or at the conclusion of the public hearing, if requested, whichever comes later, to the contact person set forth below.

A public hearing has been scheduled concerning the proposed amendments. The hearing will occur during the California Transportation Commission's March 2015 meeting. Notice of the date, time and location of the meeting will be made available on the Commis-

sion's website at www.catc.gov, or the information can be obtained by contacting the person set forth below.

The California Transportation Commission has prepared a written explanation of the reasons for the proposed amendments and has available the information on which the amendments are based. Copies of the proposed amendments, the written explanation of the reasons, and the information on which the amendments are based may be obtained by contacting the contact person set forth below.

The California Transportation Commission has determined that the proposed amendments:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

In making these proposed amendments, the California Transportation Commission has determined that there are no alternatives that would be more effective in carrying out the purpose for which the amendments are proposed, or would be as effective and less burdensome to affected private persons, than the proposed amendments.

All inquiries concerning this proposed amendment and any communication required by this notice should be directed to:

California Transportation Commission
Attention:
Rosemary Mejia
1120 N Street, MS-52
Sacramento, CA 95814
(916) 654-4245
Rosemary_Mejia@dot.ca.gov

**TITLE 2. FAIR POLITICAL
PRACTICES COMMISSION**

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (Commission), pursuant to the authority vested in it by Sections 82011, 87303, and 87304 of the Government Code to review proposed conflict-of-interest codes, will review the proposed/amended conflict-of-interest codes of the following:

CONFLICT-OF-INTEREST CODES

AMENDMENT

MULTI-COUNTY

AGENCY: Cabrillo College
Castaic Lake Water Agency
Inland Empire Resource
Conservation District

STATE AGENCY: Department of Pesticide
Regulation
Department of Rehabilitation
California Transportation
Commission

A written comment period has been established commencing on January 2, 2015, and closing on **February 16, 2015**. Written comments should be directed to the Fair Political Practices Commission, Attention Ivy Branaman, 428 J Street, Suite 620, Sacramento, California 95814.

At the end of the 45-day comment period, the proposed conflict-of-interest code(s) will be submitted to the Commission's Executive Director for her review, unless any interested person or his/her duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code(s) will be submitted to the Commission for review.

The Executive Director of the Commission will review the above-referenced conflict-of-interest code(s), proposed pursuant to Government Code Section 87300, which designate, pursuant to Government Code Section 87302, employees who must disclose certain investments, interests in real property and income.

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict-of-interest code(s). Any written comments must be received no later than **February 16, 2015**. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

COST TO LOCAL AGENCIES

There shall be no reimbursement for any new or increased costs to local government which may result from compliance with these codes because these are not

new programs mandated on local agencies by the codes since the requirements described herein were mandated by the Political Reform Act of 1974. Therefore, they are not "costs mandated by the state" as defined in Government Code Section 17514.

EFFECT ON HOUSING COSTS
AND BUSINESSES

Compliance with the codes has no potential effect on housing costs or on private persons, businesses or small businesses.

AUTHORITY

Government Code Sections 82011, 87303 and 87304 provide that the Fair Political Practices Commission as the code-reviewing body for the above conflict-of-interest codes shall approve codes as submitted, revise the proposed code and approve it as revised, or return the proposed code for revision and re-submission.

REFERENCE

Government Code Sections 87300 and 87306 provide that agencies shall adopt and promulgate conflict-of-interest codes pursuant to the Political Reform Act and amend their codes when change is necessitated by changed circumstances.

CONTACT

Any inquiries concerning the proposed conflict-of-interest code(s) should be made to Ivy Branaman, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

AVAILABILITY OF PROPOSED
CONFLICT-OF-INTEREST CODES

Copies of the proposed conflict-of-interest codes may be obtained from the Commission offices or the respective agency. Requests for copies from the Commission should be made to Ivy Branaman, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

TITLE 8. OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD

**Subchapter 4. Construction Safety Orders
Article 15. Cranes and Derricks in Construction
Section 1618.1(e), Operator Qualification and Certification.**

**Cranes and Derricks in Construction
Operator Certification Effective Dates and Phase-In
(Federal Time Extension)**

NOTICE IS HEREBY GIVEN that the Occupational Safety and Health Standards Board (Board) proposes to adopt, amend or repeal the foregoing provisions of Title 8 of the California Code of Regulations in the manner described in the Informative Digest, below.

PUBLIC HEARING

The Board will hold a public hearing starting at 10:00 a.m. on **February 19, 2015** in the **Auditorium of the Harris State Building, 1515 Clay Street, Oakland, California**. At this public hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest.

WRITTEN COMMENT PERIOD

Any interested person may present statements or arguments orally or in writing at the hearing on the proposed changes under consideration. The written comment period commences on **January 2, 2015** and closes at 5:00 p.m. on **February 19, 2015**. Comments received after that deadline will not be considered by the Board unless the Board announces an extension of time in which to submit written comments. Written comments are to be submitted as follows:

By mail to Sarah Money, Occupational Safety and Health Standards Board, 2520 Venture Oaks Way, Suite 350, Sacramento, CA 95833; or

By fax at (916) 274-5743; or

By e-mail sent to oshsb@dir.ca.gov.

AUTHORITY AND REFERENCE

Labor Code Section 142.3 establishes the Board as the only agency in the State authorized to adopt occupational safety and health standards. In addition, Labor Code Section 142.3 requires the adoption of occupational safety and health standards that are at least as ef-

fective as federal occupational safety and health standards within six months of the date of promulgation of the federal standard.

INFORMATIVE DIGEST OF PROPOSED ACTION/POLICY STATEMENT OVERVIEW

On August 9, 2010, OSHA promulgated the Federal Final Rule (FFR) for cranes and derricks in construction (29 CFR Subpart CC), referred to herein as the “cranes standard.” The original promulgation included a November 10, 2014, deadline for crane operators to be certified. For a number of reasons, OSHA has determined it necessary to extend this deadline for crane operators to be certified by three years, until November 10, 2017.

California’s counterpart to the federal standards affected by the FFR is Construction Safety Orders (CSO) 1618.1(e) which currently requires operator certification by type and capacity effective July 7, 2015.¹ Operators of mobile² and tower cranes are currently required by General Industry Safety Orders (GISO) 5006.1 to be certified by the type (but not capacity) of the crane they are operating.

The OSHA preamble states that they received information that two (of a total of four) accredited testing organizations have been issuing certifications only by type of crane, rather than offering certifications by type and capacity of crane, as the federal cranes standard requires. This was a key factor leading to the federal time extension. Likewise, Board staff understands that only a few certifying entities operating in California currently issue certificates by type and capacity. Therefore, unless the Board modifies the CSO deadline for certification by type and capacity consistent with the FFR, a significant number of crane operators in California will be out of compliance with the state CSO (but not federal standards) starting July 7, 2015.

This rulemaking is proposed to extend the state deadline for the certification of crane operators by type and capacity the same as the federal deadline. In the interim, mobile and tower crane operators in California will continue to be subject to the existing certification requirements of GISO 5006.1.

Because the proposed modifications are substantially the same as the FFR, Labor Code Section 142.3(a)(3) exempts the Board from the provisions of Article 5 (commencing with Section 11346) and Article 6 (commencing with Section 11349) of Chapter 3.5, Part 1, Division 3 of Title 2 of the Government Code. However, the Board is still providing a comment period and will

¹ The difference between the federal and state deadlines for certification is attributable to federal–state formatting differences and the time it took to prepare, notice and adopt the lengthy federal CDAC standard into CCR Title 8.

² Crane capacity \geq 15,000 pounds and boom length \geq 25 feet.

convene a public hearing. The primary purpose of the written comments and the oral comments at the public hearing is to:

- (1) Identify any issues unique to California related to this proposal which should be addressed in this rulemaking and/or a subsequent rulemaking.
- (2) Solicit comments on the proposed effective date.

The responses to comments will be available in the rulemaking file on this matter and will be limited to the above areas.

The effective date is proposed to be upon filing with the Secretary of State as provided by Labor Code Section 142.3. The standards may be adopted without further notice even though modifications may be made to the original proposal in response to public comments or at the Board's discretion.

The specific changes are as follows:

Extend the effective date for certification by type and capacity from July 7, 2015, to November 10, 2017. The effect of this extension will conform the state deadline for certification by type and capacity with the federal deadline.

This proposed rulemaking action is not inconsistent or incompatible with existing state regulations. This proposal is part of a system of occupational safety and health regulations. The consistency and compatibility of that system's component regulations is provided by such things as: (1) the requirement of the federal government and the Labor Code to the effect that the State regulations be at least as effective as their federal counterparts, and (2) the requirement that all state occupational safety and health rulemaking be channeled through a single entity (the Standards Board).

DOCUMENTS RELIED UPON

Federal Register, Vol. 79, No. 187, pp. 57785-57798, September 26, 2014.

This document is available online at the federal OSHA website: <http://www.gpo.gov/fdsys/pkg/FR-2014-09-26/pdf/2014-22816.pdf>.

This document is also available for review Monday through Friday from 8:00 a.m. to 4:30 p.m. at the Standards Board Office located at 2520 Venture Oaks Way, Suite 350, Sacramento, California.

DETERMINATION OF MANDATE

The Occupational Safety and Health Standards Board has determined that the proposed standard does not impose a local mandate. There are no costs to any local government or school district which must be reim-

bursed in accordance with Government Code Sections 17500 through 17630.

SMALL BUSINESS DETERMINATION

The Board has determined that the proposed modifications may affect small businesses. However, no economic impact is anticipated. OSHA has determined³ that delaying the operator certification requirement defers a regulatory requirement and should impose no new costs on employers.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The proposed regulation will not have any effect on the creation or elimination of California jobs or the creation or elimination of California businesses or affect the expansion of existing California businesses. The proposed amendments extend the deadline for crane operators to be certified by type and capacity by three years as provided by the Federal Final Rule. Existing state standards for certification of crane operators by type of crane will continue unchanged during that period.

BENEFITS OF THE REGULATION

The amendments to the regulation will provide continuity in state standards which are currently more protective than federal standards during the period of the federal time extension.

CONTACT PERSONS

Inquiries regarding this proposed regulatory action may be directed to Marley Hart (Executive Officer) or Michael Manieri (Principal Safety Engineer) at the Occupational Safety and Health Standards Board, 2520 Venture Oaks Way, Suite 350, Sacramento, CA 95833; (916) 274-5721.

AVAILABILITY OF TEXT OF THE PROPOSED REGULATIONS AND RULEMAKING FILE

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, and supporting documents. Copies may be obtained by contacting Ms. Hart or Mr. Manieri at the address or telephone number listed above.

³ FR, Vol. 79, No. 187, September 26, 2014, pg. 57791.

**AVAILABILITY OF CHANGED OR
MODIFIED TEXT**

After holding the hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulations without further notice even though modifications may be made to the original proposal in response to public comments or at the Board's discretion.

**AVAILABILITY OF THE MEMORANDUM TO
THE STANDARDS BOARD MEMBERS**

Upon its completion, copies of the Memorandum may be obtained by contacting Ms. Hart or Mr. Manieri at the address or telephone number listed above or via the internet.

**AVAILABILITY OF DOCUMENTS ON
THE INTERNET**

The Board will have rulemaking documents available for inspection throughout the rulemaking process on its web site. Copies of the text of the regulations in an underline/strikeout format and the Notice of Proposed action can be accessed through the Standards Board's website at <http://www.dir.ca.gov/oshsb>.

**TITLE 8. OCCUPATIONAL SAFETY
AND HEALTH STANDARDS BOARD**

**Section 3411 of the General Industry Safety
Orders (GISO)
Private Fire Brigades — Foot Protection**

NOTICE IS HEREBY GIVEN that the Occupational Safety and Health Standards Board (Board) proposes to adopt, amend or repeal the foregoing provisions of Title 8 of the California Code of Regulations in the manner described in the Informative Digest, below.

PUBLIC HEARING

The Board will hold a public hearing starting at 10:00 a.m. on **February 19, 2015**, in the **Auditorium** of the **Harris State Building, 1515 Clay Street, Oakland, California**. At this public hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest.

WRITTEN COMMENT PERIOD

Any interested person may present statements or arguments orally or in writing at the hearing on the proposed changes under consideration. The written comment period commences on **January 2, 2015**, and closes at 5:00 p.m. on **February 19, 2015**. Comments received after that deadline will not be considered by the Board unless the Board announces an extension of time in which to submit written comments. Written comments are to be submitted as follows:

- By mail to Sarah Money, Occupational Safety and Health Standards Board, 2520 Venture Oaks Way, Suite 350, Sacramento, CA 95833; or
- By fax at (916) 274-5743; or
- By e-mail sent to oshsb@dir.ca.gov.

AUTHORITY AND REFERENCE

Labor Code Section 142.3 establishes the Board as the only agency in the State authorized to adopt occupational safety and health standards. In addition, Labor Code Section 142.3 requires the adoption of occupational and health standards that are at least as effective as federal occupational safety and health standards.

**INFORMATIVE DIGEST OF PROPOSED
ACTION/POLICY STATEMENT OVERVIEW**

Labor Code Section 142.2 allows interested persons to propose standards for adoption by the Board. One such proposal, identified as Petition No. 535, pertained to firefighter footwear. The petitioner requested that California Code of Regulations, Title 8, Section 3408(c) be amended to reference a national consensus standard known as National Fire Protection Association (NFPA) 1977-2011 (which means the 2011 edition of NFPA 1977) rather than the standard currently referenced — a military specification that the petitioner was unable to find. On October 17, 2013, the Board granted the petition, noting that the standard to be amended need not be Section 3408(c) and that the amendment should not create a State mandate.

State mandate concerns existed because Section 3408(c) is a structural firefighting standard that applies to local governmental entities. This conclusion is derived from California Code of Regulations, Title 8, Sections 3401(a) (which provides in part that Section 3408 applies to structural firefighting as defined in Section 3402) and 3402 (where the definition of "Fire Fighting, Structural" says in part that such firefighting is an activity conducted by public fire departments). In order to avoid the State mandate issue in accordance with the Board's petition decision, the present proposal seeks to update the foot protection standards that apply,

instead, to private fire brigades — organized groups of private industry fire personnel (the definition of “Private Fire Brigade” is found in Section 3402).

NFPA 1977–2011 is not the appropriate standard, since it concerns wildland firefighting, not structural firefighting. The standard regarding structural firefighting is NFPA 1971–2013. Also, in addition to Section 3408(c), another related provision — Section 3408(d)(2) also concerns structural firefighters’ foot protection.

The private fire brigade standard is Section 3411. Section 3411(d) provides the nexus between Sections 3411 and 3408: Section 3411(d) says in essence that personal protective clothing and equipment shall be provided to private fire brigades in accordance with the provisions of Article 10.1 (the article that includes Sections 3408 and 3411) that pertain to the type of firefighting involved, and Section 3408 is the structural firefighting foot protection provision. In addition to the national consensus standard update, further additions are proposed to Section 3411(d) to ensure that the State standards are at least as effective as the equivalent federal standard.

This proposed rulemaking action is not inconsistent or incompatible with existing state regulations. This proposal is part of a system of occupational safety and health regulations. The consistency and compatibility of that system’s component regulations is provided by such things as: (1) the requirement of the federal government and the Labor Code to the effect that the state’s regulations be at least as effective as their federal counterparts, and (2) the requirement that all state occupational safety and health rulemaking be channeled through a single entity (the Standards Board).

ANTICIPATED BENEFITS

The anticipated benefit of the proposal is to promote worker safety by giving employers of private fire brigades the option of utilizing the potentially enhanced protections provided by the current national consensus standard that pertains to footwear worn when engaging in structural firefighting.

The specific changes are as follows:

California Code of Regulations, Title 8, Section 3411 contains standards regarding private fire brigades. Subsection (d) provides that personal protective clothing and equipment shall be commensurate with the provisions of Title 8, Division 1, Chapter 4, Subchapter 7, Article 10.1 that pertain to the type of firefighting involved. Two of those provisions pertaining to structural firefighters’ foot protection are Sections 3408(c) and (d)(2). Both reference a hard-to-find military specification. This proposal would give employers of private

fire brigades the option of complying with provisions of the current national consensus standard regarding structural firefighting, Chapter 7 NFPA 1971–2013, to the extent that those provisions concern turnout boots (the subject of Section 3408(c)) and sole penetration (the subject of Section 3408(d)(2)). By referencing the current, state-of-the-art national consensus standard, the proposal enhances employee safety by enabling employers to be more easily apprised of the level of safety that is to be maintained. This portion of the proposal is embodied in the new Sections 3411(d)(1) and (2).

The proposal clarifies that all protective footwear is to meet the foot protection requirements of Section 3385 of the GISO for Class 75 footwear and addresses water resistance and testing for sole penetration according to the test protocols and testing parameters specified by Chapter 7 of the NFPA 1971–2013 standard. The effect of these amendments will be to ensure that protective footwear worn by private brigade structural firefighters will be safe for its intended use. In addition, this part of the rulemaking makes it clear that the California standard is at least as effective as the federal standard, as is required by Labor Code Section 142.2(a)(2). This portion of the proposal is embodied in the new Sections 3411(d)(3) through (6).

The prefatory portion of Section 3411(d) has been augmented to introduce the new subsections.

DOCUMENTS INCORPORATED BY REFERENCE

Chapter 7 of the NFPA 1971–2013 (the 2013 edition of the national consensus standard known as NFPA 1971)

This document is too cumbersome or impractical to publish in Title 8. Therefore, it is proposed to incorporate the document by reference. Copies of this document are available for review Monday through Friday from 8:00 a.m. to 4:30 p.m. at the Standards Board Office located at 2520 Venture Oaks Way, Suite 350, Sacramento, California.

DISCLOSURES REGARDING THE PROPOSED ACTION

Mandate on Local Agencies and School Districts: None.

Cost or Savings to State Agencies: None.

Cost to any Local Government or School District which must be Reimbursed in Accordance with Government Code Sections 17500 through 17630: None.

Other Nondiscretionary Cost or Savings Imposed on Local Agencies: None.

Cost or Savings in Federal Funding to the State: None.

Cost Impacts on a Representative Private Person or Business: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Statewide Adverse Economic Impact Directly Affecting Businesses and Individuals Including the Ability of California Businesses to Compete: The Board has made an initial determination that this proposal will not result in a significant, statewide adverse economic impact directly affecting businesses/individuals, including the ability of California businesses to compete with businesses in other states. The proposal gives the regulated public the option of following the same standard that currently applies or an updated standard; since the option of maintaining the status quo exists, there is no adverse economic impact.

Significant Affect on Housing Costs: None.

DETERMINATION OF MANDATE

The Occupational Safety and Health Standards Board has determined that the proposed standard does not impose a local mandate. There are no costs to any local government or school district which must be reimbursed in accordance with Government Code Sections 17500 through 17630.

SMALL BUSINESS DETERMINATION

The Board has determined that the proposed amendment may affect small businesses. However, no economic impact is anticipated. The proposal gives the regulated public the option of following the same standard that currently applies or an updated standard; since the option of maintaining the status quo exists, no economic impact is anticipated.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The proposed regulation will not have any effect on the creation or elimination of California jobs or the creation or elimination of California businesses or affect the expansion of existing California businesses. The proposal gives the regulated public the option of following the same standard that currently applies or an updated standard; since the option of maintaining the status quo exists, no discernable economic impact is anticipated, and nothing in the proposal, therefore, is expected to create or eliminate jobs connected directly or indirectly with private fire brigades.

BENEFITS OF THE REGULATION

The proposal promotes worker safety by giving employers of private fire brigades the option of utilizing the potentially enhanced protections provided by the current national consensus standard that pertains to footwear worn when engaging in structural firefighting.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Board must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposal described in this Notice.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled public hearing or during the written comment period.

CONTACT PERSONS

Inquiries regarding this proposed regulatory action may be directed to Marley Hart (Executive Officer) and the back-up contact person is Michael Manieri (Principal Safety Engineer) at the Occupational Safety and Health Standards Board, 2520 Venture Oaks Way, Suite 350, Sacramento, CA 95833; (916) 274-5721.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF THE PROPOSED REGULATIONS AND RULEMAKING FILE

The Board will have the entire rulemaking file, and all information that provides the basis for the proposed regulation available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the initial statement of reasons and supporting documents. Copies may be obtained by contacting Ms. Hart or Mr. Manieri at the address or telephone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the Board may adopt

the proposed regulations substantially as described in this notice. If the Board makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public at least 15 days before the Board adopts the regulations as revised. Please request copies of any modified regulations by contacting Ms. Hart or Mr. Manieri at the address or telephone number listed above. The Board will accept written comments on the modified regulations for at least 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Ms. Hart or Mr. Manieri at the address or telephone number listed above or via the internet.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

The Board will have rulemaking documents available for inspection throughout the rulemaking process on its web site. Copies of the text of the regulations in an underline/strikeout format, the Notice of Proposed action and the Initial Statement of Reasons can be accessed through the Standards Board's website at <http://www.dir.ca.gov/oshsb>.

TITLE 13. AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF EVAPORATIVE EMISSIONS CONTROL REQUIREMENTS FOR SPARK-IGNITION MARINE WATERCRAFT

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider the adoption of evaporative emission control requirements for spark-ignition marine watercraft (SIMW or marine watercraft).

DATE: February 19, 2015
TIME: 9:00 a.m.
PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street,
Sacramento, CA 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., February 19, 2015, and may continue at 8:30 a.m., on February 20, 2015. This item may not be considered until February 20, 2015. Please consult the agenda for the hearing, which will be available at least 10 days before February 19, 2015, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW PURSUANT TO GOVERNMENT CODE SECTION 11346.5(a)(3)

Sections Affected: Proposed adoption of California Code of Regulations, title 13, new sections 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2860, 2861, 2862, 2863, 2864, 2865, 2866, 2867, 2868, 2869, and 2870, and proposed amendments to sections 2440 and 2442.

Proposed adoption of the following five test procedures (TP) which will be incorporated by reference (Cal. Code Regs., tit. 13, §§ 2851, 2853, and 2856):

- TP-1501, *Test Procedure for Determining Diurnal Evaporative Emissions from Spark-Ignition Marine Watercraft*
- TP-1502, *Test Procedure for Determining Hot Soak Evaporative Emissions from Spark-Ignition Marine Engines*
- TP-1503, *Test Procedure for Determining Diurnal Vented Emissions from Installed Marine Fuel Tanks*
- TP-1504, *Test Procedure for Determining Permeation Emissions from Installed Marine Fuel Tanks, Marine Fuel Hoses and Marine Fuel Caps*
- TP-1505, *Test Procedure for Determining Pressure Relief Valve Performance*

Documents Incorporated by Reference:

The following documents will also be incorporated in the regulation by reference in California Code of Regulations, title 13, as specified by section:

1. American Boat and Yacht Council (ABYC), *H-24: Gasoline Fuel Systems* (July 2012), section 2855;
2. ARB, *California 2015 and Subsequent Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2017 and Subsequent Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles* (December 6, 2012), California Environmental Protection Agency (Cal/EPA), El Monte, CA, section 2853;

3. ARB, *Small Off-Road Engine Evaporative Emission Control System Certification Procedure*, CP-902 (July 26, 2004), Cal/EPA, Sacramento, CA, section 2860;
4. ARB, *Test Procedure for Determining Diurnal Evaporative Emissions from Small Off-Road Engines and Equipment*, TP-902 (July 26, 2004), Cal/EPA, Sacramento, CA, section 2853;
5. ASTM, *Standard Test Method for Rubber Deterioration-Discoloration from Ultraviolet (UV) and Heat Exposure of Light-Colored Surfaces (2007)*, ASTM D 1148-07a, West Conshohocken, PA, section 2853;
6. ASTM, *Standard Test Method for Determination of Butane Working Capacity of Activated Carbon*, ASTM D 5228-92 (2010), West Conshohocken, PA, section 2855;
7. International Standards Organization (ISO), 13331:1995(E) (June 1, 1995), section 2855;
8. *Test Procedure to Determine the Hydrocarbon Losses from Fuel Tubes, Hoses, Fittings, and Fuel Line Assemblies by Recirculation*, Society of Automotive Engineers (SAE), Surface Vehicle Recommended Practice, J1737 (May 2013), section 2855;
9. Reddy, *Prediction of Fuel Vapor Generation from a Vehicle Fuel Tank as a Function of Fuel RVP and Temperature* (September 1989), SAE Technical Paper Series 892089, section 2855;
10. SAE, *Fuel and Oil Hoses* (December 2008), SAE Standard J30, section 2853;
11. U.S. Coast Guard, *Boats and Associated Equipment*, 33 CFR 183.590 (May 1987), section 2855;
12. U.S. Environmental Protection Agency (U.S. EPA), *Control of Evaporative Emissions from New and In-use Nonroad and Stationary Equipment*, 40 Code of Federal Regulations (CFR) 1060, 1060.101, 1060.240, 1060.515, 1060.520, 1060.525, 1045.801, and 1060.801, (October 2008), sections 2853, 2854, 2855, and 2866;
13. U.S. EPA, *Control of Evaporative Emissions from New and In-use Nonroad and Stationary Equipment*, 40 CFR 1068.225 (April 2010), section 2851.

The following documents will be incorporated by reference in the proposed *Test Procedure for Determining Diurnal Evaporative Emissions from Spark-Ignition Marine Watercraft*, (TP-1501):

1. ARB, *California Evaporative Emission Standards and Test Procedures for 2001 and Subsequent Model Motor Vehicles* (December 6, 2012), Cal/EPA, El Monte, CA;

2. U.S. EPA, *Control of Emissions from New and In-Use Highway Vehicles and Engines*, 40 CFR Part 86 Subparts 107-96, 108-00, and 508-78 (April 2014).

The following documents will be incorporated by reference in the proposed *Test Procedure for Determining Hot Soak Evaporative Emissions from Spark-Ignition Marine Engines*, (TP-1502):

1. ARB, *California Evaporative Emission Standards and Test Procedures for 2001 and Subsequent Model Motor Vehicles* (December 6, 2012), Cal/EPA, El Monte, CA;
2. U.S. EPA, *Control of Emissions from New and In-Use Highway Vehicles and Engines*, 40 CFR Part 86 Subparts 107-96, 108-00, and 508-78 (April 2014).

The following documents will be incorporated by reference in the proposed *Test Procedure for Determining Diurnal Vented Emissions from Installed Marine Fuel Tanks*, (TP-1503):

1. ABYC, H-24: *Gasoline Fuel Systems* (July 2012);
2. ASTM, *Standard Practice for Operating Salt Spray (Fog) Apparatus* (2011), ASTM B117-11, West Conshohocken, PA;
3. ARB, *California Evaporative Emission Standards and Test Procedures for 2001 and Subsequent Model Motor Vehicles* (December 6, 2012), Cal/EPA;
4. Reddy, *Prediction of Fuel Vapor Generation from a Vehicle Fuel Tank as a Function of Fuel RVP and Temperature* (September 1989), SAE Technical Paper 892089;
5. U.S. EPA, *Control of Emissions from New and In-Use Highway Vehicles and Engines*, 40 CFR Part 86 Subparts 107-96, 108-00, and 508-78 (April 2014).

The following documents will be incorporated by reference in the proposed *Test Procedure for Determining Permeation Emissions from Installed Marine Fuel Tanks, Marine Fuel Hoses and Marine Fuel Caps*, (TP-1504):

1. U.S. EPA, *Control of Evaporative Emissions from New and In-use Nonroad and Stationary Equipment*, 40 CFR 1060.501, 1060.505, 1060.515, 1060.520, 1060.521, and 1060.801 (October 2008).

Background and Effect of the Proposed Rulemaking:

In spite of a significant reduction in ozone precursors, California needs additional reductions of reactive organic gases (ROG) to attain the federal ambient air quality standard for ozone in many areas of the State. Mobile sources have historically been the largest source of ROG emissions in California. As on-road mobile

sources have become progressively cleaner, the relative contribution of off-road sources has become more significant.

In September 2007, the Board adopted amendments to the State Implementation Plan (SIP), which comprises State and local air quality planning documents showing how and when California will meet federally mandated national ambient air quality standards (NAAQS). One of the 2007 SIP measures requires further assessing the feasibility of achieving additional evaporative ROG reductions from SIMW.

Based on the 2007 SIP commitment, staff began investigating the feasibility of controlling evaporative emissions from SIMW. The investigation was formally initiated in 2007 because there were no federal and State rules or regulations in place to control evaporative emissions from SIMW. However, ARB was aware that the U.S. EPA was considering national evaporative standards. In October 2008, U.S. EPA finalized evaporative emissions standards for all SIMW. Implemented in 2009, the federal rule set new evaporative emissions design standards for fuel system components. However, ARB's investigation revealed that lower evaporative standards are technically feasible for SIMW and are needed to address California's unique air quality challenges. By setting more stringent standards than those adopted by U.S. EPA, ARB can obtain additional emissions reductions.

When the Board adopted the 2007 amendments to the SIP, it was expected that the evaporative emissions regulation would be considered for adoption in 2013. However, the rulemaking has been delayed in order to develop an updated emissions inventory, based on improved emission factors and new usage surveys. Additional time was also needed to address a number of issues with stakeholders, notably the certification process.

Objectives and Benefits of the Proposed Regulatory Action:

The primary purpose of this proposed regulation is to set more stringent evaporative emission standards than those adopted by U.S. EPA. The proposed regulation also includes provisions for certification, labeling, enforcement, and recall. The proposed regulation establishes new test procedures for determining evaporative emissions from SIMW and evaporative emissions components. ARB conducted extensive evaporative emissions testing using the latest control technology to confirm the technical feasibility of the proposed regulation.

The proposed regulation is designed to reduce ROG emissions from SIMW in order to help meet the ozone NAAQS. If adopted, the proposed regulation will provide ROG emissions reductions beginning in model

year (MY) 2018. Additionally, the proposed amendments would result in reduced exposure to benzene, a toxic air contaminant. Due to reduced fuel consumption as well as ROG emissions reductions, climate co-benefits are also anticipated.

DETERMINATION OF INCONSISTENCY AND INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing the proposed regulatory action, ARB has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

MANDATED BY FEDERAL LAW OR REGULATION

The proposed regulation helps California meet its SIP commitments for ozone reduction and harmonizes California's evaporative emissions requirements for SIMW with engines less than or equal to 30 kW with the federal evaporative emissions requirements specified in 40 CFR Part 1060.

COMPARABLE FEDERAL REGULATIONS

Currently, SIMW in California are required to meet the federal evaporative emissions requirements, which are specified in 40 CFR Part 1060. The federal requirements specify design standards for SIMW fuel system evaporative emissions components.

The proposed ARB regulation differs from the current federal requirements by setting more stringent standards for low permeation fuel tanks, low permeation fuel hoses, and fuel tank venting loss control beginning with MY 2018. Unlike the federal regulations, the proposed regulation also requires fuel systems be fuel-injected or have equivalent evaporative emissions performance and fuel fill deck plates that are compatible with vapor recovery systems at gasoline stations.

STATE IMPLEMENTATION PLAN REVISION

If adopted by the Board, ARB plans to submit the proposed regulatory action to the U.S. EPA for approval as a revision to the California SIP required by the federal Clean Air Act (CAA). The adopted regulatory action would be submitted as a SIP revision because it adopts regulations intended to reduce emissions of air pollutants in order to attain and maintain the National Ambient Air Quality Standards promulgated by U.S. EPA pursuant to the CAA.

AVAILABILITY OF DOCUMENTS AND
AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: *Adoption of Evaporative Emissions Control Requirements for Spark-Ignition Marine Watercraft*.

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on ARB's Web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, CA 95814, (916) 322-2990 on December 30, 2014.

Final Statement of Reasons Availability

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's Web site listed below.

Agency Contact Persons

Inquiries concerning the substance of the proposed regulation may be directed to the designated agency contact persons, Jim Watson, Manager, Engineering and Regulation Development Section, (916) 327-1282, or Scott Monday, Air Resources Engineer, (916) 445-9319.

Further, the agency representative to whom nonsubstantive inquiries concerning the proposed administrative action may be directed is Amy Whiting, Regulations Coordinator, (916) 322-6533. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

Internet Access

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's Web site for this rulemaking at <http://www.arb.ca.gov/regact/2015/simw2015/simw2015.htm>.

DISCLOSURES REGARDING THE
PROPOSED REGULATION

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Fiscal Impact/Local Mandate

Pursuant to Government Code sections 11346.5(a)(5), and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would create costs to ARB for enforcement and certification by the state. The Executive Officer has determined that the proposed regulatory action would not create costs or savings in federal funding to the state, costs or mandate to any local agency or school district whether or not reimbursable by the state, or other non-discretionary cost or savings to local agencies.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Cost Impacts on Representative Private Persons or Businesses

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. Businesses that manufacture SIMW and/or dealers that assemble their own evaporative emissions systems for SIMW may incur annual ongoing costs for SIMW certification. Annual ongoing certification reporting costs are estimated to range as high as \$2,568 per year for businesses opting to build and certify evaporative systems. The average estimated retail price increase for manufacturers to produce a compliant SIMW is estimated at \$39 per marine watercraft.

Results of the Economic Impact Analysis/Assessment Prepared Pursuant to Government Code Section 11346.3(b)

Effect on Jobs/Businesses:

The Executive Officer has determined that the proposed regulatory action would not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

Benefits of the Proposed Regulation:

The objective of the proposed regulation is to maximize ROG evaporative emissions reductions from SIMW while minimizing the costs to businesses and consumers. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Economic Impact Analysis section in the ISOR.

A summary of these benefits is provided, please refer to “Objectives and Benefits”, under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion above.

Effect on Small Business

The Executive Officer has determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would affect small businesses. The proposed regulation will have some impact on small businesses that manufacture SIMW and/or dealers that assemble their own evaporative emissions systems for SIMW. Annual ongoing costs are estimated to range as high as \$2,568 per year for certification reporting costs should a small business opt to build and certify evaporative systems and not pass on those costs to purchasers of SIMW.

Housing Costs

The Executive Officer has made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

Business Report

In accordance with Government Code section 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California. Reporting requirements are necessary to ensure manufacturer compliance with the proposed standard.

Alternatives

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the board or that has otherwise been identified and brought to the attention of the board would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Environmental Analysis

ARB, as the lead agency under the California Environmental Quality Act (CEQA), has reviewed the proposed regulation and concluded that it is exempt pursuant to CEQA Guidelines section 15308 — Actions Taken by Regulatory Agencies for Protection of the Environment. A brief explanation of the basis for reaching this conclusion is included in Section V of the ISOR.

**WRITTEN COMMENT PERIOD AND
SUBMITTAL OF COMMENTS**

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. The public comment period for this regulatory action will begin on **January 2, 2015**. To be considered by the Board, written comments not physically submitted at the meeting, must be submitted on or after **January 2, 2015** and received **no later than 5:00 p.m. on February 17, 2015**, and must be addressed to the following:

- Postal mail: Clerk of the Board,
Air Resources Board
1001 I Street,
Sacramento, California 95814
- Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

ARB requests that written and email statements on this item be filed at least 10 days prior to the hearing so that ARB staff and Board members have additional time to consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in Health and Safety Code, sections 39600, 39601, 41510, 43008.6, 43013, 43018, 43101, 43102, 43104, and 43212. This action is proposed to implement, interpret, and make specific Health and Safety Code, sections 41510, 41511, 43013, 43017, 43018, 43101, 43102, 43104, 43105, 43150, 43151, 43152, 43153, 43154, 43205.5, 43210, 43210.5, 43211, and 43212.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act (Gov. Code, § 11340 et seq.).

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action. In the event that such modifications are made, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comments, at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audien-

cia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLE 13. AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER THE PROPOSED REGULATION ON THE COMMERCIALIZATION OF ALTERNATIVE DIESEL FUELS

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider a proposed regulation governing the commercialization of motor vehicle Alternative Diesel Fuels (ADF). The ADF regulation is intended to provide a pathway for emerging diesel fuel substitutes to enter the commercial market in California, to manage and minimize environmental and public health impacts, and to preserve the emissions benefits derived from the ARB motor vehicle diesel regulations.

DATE: February 19, 2015
 TIME: 9:00 a.m.
 PLACE: California Environmental Protection Agency
 Air Resources Board
 Byron Sher Auditorium
 1001 I Street
 Sacramento, CA 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., February 19, 2015, and may continue at 8:30 a.m., on February 20, 2015. This item may not be considered until February 20, 2015. Please consult the agenda for the meeting, which will be available at least 10 days before February 19, 2015, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW PURSUANT TO GOVERNMENT CODE 11346.5(a)(3)

Sections Affected: Proposed amendment of California Code of Regulations (CCR), title 13, sections 2290, 2291, and 2293; proposed renumbering of CCR, title 13, existing sections 2293 and 2293.5, and proposed adoption of CCR, title 13, sections 2293, 2293.1, 2293.2, 2293.3, 2293.4, 2293.5, 2293.6, 2293.7, 2293.8, 2293.9, and Appendix A.

Existing sections 2290, 2291, 2292.1, 2292.2, 2292.3, 2292.4, 2292.5, 2292.6, and 2292.7 would be grouped under new subarticle 1 (Specifications for Cur-

rent Alternative Motor Vehicle Fuels). Existing sections 2293 and 2293.5 would be renumbered to 2294 and 2295, and would be grouped under a new subarticle 3 (Ancillary Provisions).

Documents Incorporated by Reference: The following documents, test methods, and model would be incorporated in the regulation by reference as specified in the proposed sections indicated:

1. Chapters 5, 6, and 7 of “Guidance Document and Recommendations on the Types of Scientific Information Submitted by Applicants for California Fuels Environmental Multimedia Evaluations (Revised June 2008),” University of California, Davis, University of California, Berkeley, and Lawrence Livermore National Laboratory, available at http://www.arb.ca.gov/fuels/multimedia/080608_guidance.pdf, section 2293.2(a)(18);
2. ASTM D613–14, “Standard Test Method for Cetane Number of Diesel Fuel Oil (2010),” section 2293.6(a)(3), 2293.7(a)(1), Appendix 1(a)(2)(C), (D), and (E);
3. ASTM D5186–03, “Standard Test Method for Determination of the Aromatic Content and Polynuclear Aromatic Content of Diesel Fuels and Aviation Turbine Fuels By Supercritical Fluid Chromatography (2009),” Appendix 1(a)(2)(E);
4. ASTM D287–12b, “Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method) (2012),” Appendix 1(a)(2)(C), (D), and (E);
5. ASTM D4629–12, “Standard Test Method for Trace Nitrogen in Liquid Petroleum Hydrocarbons by Syringe/Inlet Oxidative Combustion and Chemiluminescence Detection (2012),” Appendix 1(a)(2)(C), (D), and (E);
6. ASTM D5453–93, “Standard Test Method for Determination of Total Sulfur in Light Hydrocarbons, Spark Ignition Engine Fuel, Diesel Engine Fuel, and Engine Oil by Ultraviolet Fluorescence (1993),” section 2293.7(a)(1), Appendix 1(a)(2)(C), (D), and (E);
7. ASTM D6890–13be1, “Standard Test Method for Determination of Ignition Delay and Derived Cetane Number (DCN) of Diesel Fuel Oils by Combustion in a Constant Volume Chamber (2013),” section 2293.6(a)(3), 2293.7(a)(1), Appendix 1(a)(2)(C), (D), and (E);
8. ASTM D445–14e2, “Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity) (2012),” Appendix 1(a)(2)(C), (D), and (E);

9. ASTM D93–13e1, “Standard Test Methods for Flash Point by Pensky–Martens Closed Cup Tester (2013),” Appendix 1(a)(2)(C), (D), and (E);
10. ASTM D86–12, “Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure (2012),” Appendix 1(a)(2)(C), (D), and (E);
11. EN 14103:2011, “Fat and oil derivatives. Fatty acid methyl esters (FAME). Determination of ester and linolenic acid methyl ester contents (2011),” Appendix 1(a)(2)(C) and (D);
12. Snedecor and Cochran, “Statistical Methods,” (7th ed., 1980), p.91, Iowa State University Press, Appendix 1(a)(2)(G);

Background and Effect of the Proposed Rulemaking:

The Low Carbon Fuel Standard (LCFS) (Cal. Code Regs., tit. 17, §95480 et seq.) and the federal Renewable Fuels Standard (RFS) (Clean Air Act §211(o), 42 U.S.C. §7545(o)) both incentivize the expansion of the California transportation fuel pool to include more renewable and low carbon replacements for conventional motor vehicle gasoline and diesel. Existing California and federal laws authorize ARB to regulate fuels, including for the purpose of controlling motor vehicle emissions. (Health & Saf. Code §43013, Clean Air Act §211(c)(o) and (t) [42 U.S.C. §7545(c)(o) and (t)].) Furthermore, title 13, California Code of Regulations sections 2281 through 2285, impose fuel quality standards on conventional motor vehicle diesel fuel to limit both sulfur and aromatic hydrocarbon content.

Existing law allows use of alternative diesel fuels in California, such as biodiesel and renewable diesel, and the LCFS, RFS, and other policies and programs will encourage further innovations in fuels. Some of these innovative fuels are already sold commercially and controlled through industry consensus standards that are implemented by the California Department of Food and Agriculture. Such fuels–related industry consensus standards seek mainly to address vehicle performance and fuel production quality issues. By contrast, air quality impacts from alternative diesel fuels are generally addressed by ARB or the U.S. Environmental Protection Agency (EPA).

The current California diesel fuel regulations focus almost entirely on petroleum hydrocarbon–based fuels for compression ignition engines. Because of the focus on petroleum fuels, the existing diesel regulations are ill–suited to providing a market pathway for innovative non–hydrocarbon–based alternative diesel fuels (e.g., biodiesel, dimethyl ether) and for ensuring that the anticipated air quality benefits from ARB’s existing speci-

fications for California diesel (“CARB diesel”) are preserved.

Therefore, staff is proposing to consolidate existing administrative and legal procedures and requirements for alternative diesel fuels in this new regulation. The proposed regulation will establish clear legal requirements for the introduction and commercial use of ADFs that are developed and introduced into the market in the future. The proposed regulation also includes in-use requirements and fuel specifications for biodiesel as the first commercial alternative diesel fuel under the proposed regulation. The proposed biodiesel provisions are designed to ensure fuel quality, safeguard against potential increases in oxides of nitrogen (NOx) emissions, and maintain enforceability of these requirements.

Objectives and Benefits of the Proposed Regulation:

The primary objective of the proposed ADF regulation is to create a streamlined framework that protects California’s residents and environment while encouraging innovative ADFs to enter the commercial market as efficiently as possible. The proposal is intended to ensure that the introduction and use of innovative ADFs in California will have no significant adverse impacts on public health or the environment relative to conventional, petroleum-based “CARB diesel.”

The proposed ADF regulation establishes a comprehensive, multi-stage process governing the commercialization of new ADFs in California. This process would start with a screening analysis that would allow limited sales of a regulated diesel substitute while it undergoes an initial evaluation; an intermediate stage with expanded sales governed by enhanced monitoring, testing, and a multimedia evaluation; and a final stage with full-scale commercial sales and provisions designed to maintain environmental and public health protections as needed. The main benefit to the State is to provide and maintain safeguards that protect public health and the environment while such new fuels are being tested and used. The proposed regulation also benefits the State by providing a framework and clear rules that, in turn, will encourage the more rapid introduction of innovative fuels with demonstrated public health advantages. Many of the innovative fuels under development have lower emissions of greenhouse gases (GHG) and criteria and toxic air pollutants, and a number of such fuels can also be produced from renewable or waste sources.

The proposal represents the culmination of a major ARB effort to develop a clear pathway for the commercialization of new diesel fuel substitutes. Over the past several years, ARB staff has conducted research and analyses to understand the air quality impacts of biodie-

sel, renewable diesel, and other diesel fuel substitutes and additives, and this research effort will continue. ARB also sponsored a comprehensive multimedia assessment under Health and Safety Code section 43830.8 for biodiesel and renewable diesel to determine whether these fuels have any significant adverse impacts relative to conventional CARB diesel. Renewable diesel, while an innovative diesel fuel replacement, is not considered an ADF under the regulation because it consists solely of hydrocarbons and is chemically indistinguishable from conventional diesel.

The effort started with the need to characterize and quantify the emissions potential of biodiesel and renewable diesel, the ultimate goal being the establishment of air quality-based fuel specifications for these two diesel substitutes to govern any continued use in California. However, since that effort began, the LCFS, RFS, and other fuels policies and programs came into effect. Those programs encourage fuel producers to innovate, not only with biodiesel and renewable diesel, but also with other lower carbon fuels such as dimethyl ether. Consequently, ARB staff determined that a uniform and comprehensive review and approval program is needed to set clear ground rules for introducing and commercializing diesel fuel substitutes, both current and future ones, while preserving or enhancing the emissions reductions and health benefits that have been achieved through standards developed for CARB diesel.

ARB staff has worked with major stakeholders such as alternative fuel producers; petroleum refiners and marketers; engine manufacturers; and environmental and public health advocates and local air districts to solicit input via meetings and public workshops on this proposal. Staff developed the proposal based on ARB testing and research, and feedback from stakeholders.

DETERMINATION OF INCONSISTENCY AND INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing the proposed regulatory action, ARB staff reviewed other programs related to ADFs and concluded that the proposal is consistent and compatible with existing state regulations. In particular, staff reviewed two existing California programs: the ARB’s Low Carbon Fuel Standard and the California Department of Food and Agriculture’s (CDFA) fuels program.

The Low Carbon Fuel Standard regulation (17 CCR 95480 et seq.) reduces the average carbon intensity (CI) of California transportation fuels. However, the LCFS does not set fuel specifications or any other requirements on the properties of the regulated fuels, nor does it establish provisions that govern the use and commercialization of transportation fuels. Thus, the proposal

would be consistent and compatible with the existing LCFS regulation as well as a proposed new LCFS regulation that is also scheduled for the Board's consideration.

Staff's proposal is also consistent and compatible with the CDFA's fuels program because the fuel specifications in the proposal are air quality-based, which is ARB's responsibility under State law. CDFA currently regulates biodiesel and renewable diesel as part of their authority to adopt consensus standards under the Business and Professions Code. Further, the proposal similarly is consistent and compatible with CDFA's developmental fuels variance program, which is intended to generate engine performance and warranty data to inform development of a consensus standard designed to focus on engine performance, while the proposal's screening analysis and multimedia evaluation provisions are intended to characterize environmental and public health impacts to avoid adverse impacts.

COMPARABLE FEDERAL REGULATIONS

There are no federal regulations that are comparable to the proposed regulation or would accomplish the same objectives and benefits. The U.S. EPA implements a registration program for fuels and fuel additives under title 40, Code of Federal Regulations (CFR), part 79. Under that program, proponents of new fuels and fuel additives need to provide to U.S. EPA requested information so that the agency can determine the fuel or additive's "product emissions that may pose an unreasonable risk to public health." In addition, the U.S. EPA implements the Renewable Fuels Standard program (RFS2), 40 CFR part 80.1400 et seq., which mandates fixed volumes of specified biofuels to be blended with the national gasoline and diesel fuel pools. Under this program, mandated annual volumes of biomass-based diesel are specified, including biodiesel and renewable diesel.

There are a number of significant differences between the federal programs and the staff's proposal. First, the federal registration program applies only to gasoline and diesel and their additives. By contrast, the staff's proposal applies to any new alternative diesel fuel, including fuels that bear little or no resemblance to conventional diesel but nevertheless are designed to be used in compression ignition engines. Another significant difference is that the federal program applies only to on-road fuels and additives, while the staff's proposal applies to alternative diesel fuels used in on-road and off-road motor vehicles. For these reasons the federal program under 40 CFR 79 is not comparable to the proposal. Similarly, the proposal presents no conflict or inconsistency with the RFS2 program since the proposal

does not restrict the volume sales of biodiesel, other biomass-based ADFs, or any other biofuels subject to RFS2. Instead, the proposal would impose specified pollutant mitigation measures (which does not include sales volume limits) if and when certain specified criteria are met, and staff's analysis projects it is highly unlikely those criteria will be met in the foreseeable future. Further, the proposal is based on California's general police power authority and is consistent with the provisions governing the State's regulation of fuels and fuel additives under section 211 of the Clean Air Act.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The ISOR is entitled, "Staff Report: Initial Statement of Reasons for the Proposed Regulation on the Commercialization of New Alternative Diesel Fuels."

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on ARB's Web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990, on December 30, 2014.

Final Statement of Reasons Availability

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's Web site listed below.

Agency Contact Persons

Inquiries concerning the substance of the proposed action may be directed to the designated agency contact persons, Jim Aguila, Manager of the Substance Evaluation Section, at (916) 322-8283, or Alexander "Lex" Mitchell, Manager of the Emerging Technology Section, at (916) 327-1513.

Further, the agency representative to whom nonsubstantive inquiries concerning the proposed administrative action may be directed is Amy Whiting, Regulations Coordinator, (916) 322-6533. The Board staff has compiled a record for this rulemaking action, which includes all the information that staff relied upon in developing the proposal. This material is available for inspection upon request to the contact persons.

Internet Access

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at <http://www.arb.ca.gov/regact/2015/adf2015/adf2015.htm>.

DISCLOSURES REGARDING THE
PROPOSED REGULATION

The determinations of the Board’s Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Fiscal Impact/Local Mandate

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would not create any significant costs or savings to any State agency or in federal funding to the State, costs or mandate to any local agency or school district, whether or not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), or other nondiscretionary cost or savings to State or local agencies. Of the many State and local agencies contacted, only two reported the use of biodiesel blends that would be subject to in-use requirements under the proposed regulation. These agencies could incur some minor costs as a result of these requirements, though these can likely be absorbed in existing budgets.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

Cost Impacts on Representative Private Persons or Businesses

In developing this regulatory proposal, the Executive Officer evaluated the potential economic impacts on representative private persons or businesses. The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

STATEMENT OF THE RESULTS OF THE
STANDARDIZED REGULATORY
IMPACT ANALYSIS

In October 2014, ARB submitted a Standardized Regulatory Impact Assessment (SRIA) to DOF for their review. To determine the economic impacts of the regulation, ARB modeled the impact of the combined LCFS/ADF regulations using a hypothetical credit price of \$100. The economic impacts have very small but negative impacts on macroeconomic indicators.

The proposed regulation has been changed since the SRIA was prepared. ARB chose to update the economic analysis in the SRIA and presented the updated analysis in Appendix F of the ISOR. The results of the updated macroeconomic modeling are not significantly different from the original SRIA as submitted to DOF. ARB interprets these results as insignificant given the size of California’s \$2 trillion economy and the uncertainty of the credit prices and fuels that are brought to California for compliance. Private investment growth slows by –0.01 percent in 2016 and –0.13 percent in 2020 (–\$20 million and –\$520 million respectively). Personal income growth slows by –0.01 percent in 2016 and –0.06 percent in 2020 (–\$120 million and –\$1,470 million respectively). Gross State Product growth slows by 0.00 percent in 2016 and –0.07 percent in 2020 (–\$30 million and –\$1,730 million respectively). Employment growth slows by –0.01 percent in 2016 and –0.08 percent in 2020 (–2400 and –17,300 respectively).

While both the proposed LCFS and ADF regulations were modeled together, the ADF regulation is driving only a small portion of the results. For example, in 2018 the ADF regulation makes up less than 1 percent of the direct costs attributable to the regulations. Therefore, a relatively small fraction of the impacts identified in the combined economic analysis for the two proposals is attributable to the ADF proposal.

Effect on Jobs/Businesses:

The proposed LCFS and ADF regulations would slow the growth in employment. To the extent that the two proposals may affect transportation fuel prices, any California business that uses transportation fuels may be affected. There are opportunities under the proposed regulations for producers of lower-CI fuels (e.g., biodiesel, renewable diesel, low-CI ethanol) to construct facilities in California, thereby creating new businesses. On the other hand, if the regulations reduce petroleum dependence, some petroleum-related businesses may be affected. Precisely quantifying business gains and losses is not possible. On a macroeconomic scale, the estimated impacts on California’s economy are negligible. There are opportunities for producers of lower-CI fuels to construct or expand facilities in California, thereby creating new jobs and businesses. On the other hand, if the proposed regulations reduce petroleum dependence, some jobs related to producing petroleum-based, high-carbon fuels may be eliminated. Jobs in the fuel distribution system are not expected to change, even if there is a change in the products being distributed.

Competitive Advantages/Disadvantages for Current Businesses:

Pursuant to Government Code section 11346.5(a)(8), the Executive Officer has made an initial determination

that the proposed regulatory actions covering the affected regulation would not have a significant State-wide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. In accordance with Government Code sections 11346.5(a)(10) and 11346.3(b), the Executive Officer has further determined that the proposed regulatory actions may lead to the elimination of jobs within — as well as outside of — the State of California, and the elimination of existing businesses within — as well as outside — the State of California. However, these impacts are small on a state-wide basis.

An assessment of the economic impacts of the proposed regulatory action and its effect on California businesses can be found in the ISOR.

Investment Effects.

Private investment growth slows by -0.01 percent in 2016 and -0.13 percent in 2020 (-\$20 million and -\$520 million respectively). ARB interprets these results as insignificant given the size of California’s \$2 trillion economy and the uncertainty of the credit prices and fuels that are brought to California for compliance.

Innovation Effects

The regulation will spur innovation, create a more diverse fuel market. For additional analysis, please see “SRIA Comments and Responses”, under item 2, titled, “Incentives for Innovation”.

Benefits

The regulations will spur innovation, create a more diverse fuel market, and set the stage for significant greenhouse gas reductions in future years. Fuel diversity will benefit consumers and GHG reductions will benefit public health and the environment.

The proposed regulations are expected to improve California’s air quality. In fact, the proposals may reduce criteria pollutant emissions from the 2020 projected vehicle fleet, due to reduced use of petroleum-based diesel. The proposals are anticipated to deliver environmental benefits that include a cumulative estimated reduction in the PM_{2.5} emissions of more than 1200 tons from transportation fuels in California from 2016 through 2020. Premature deaths caused by ultra-fine particles are expected to decrease by 90 in 2020 due to biodiesel and renewable diesel replacing petroleum diesel. These emissions reductions include the reduced tailpipe emissions of PM_{2.5} associated with the replacement of conventional diesel with substitute fuels, net of any increased emissions of PM_{2.5} associated with feedstock and fuel truck trips from additional California biofuel production facilities and transport from out-of-state biorefineries. Any additional NOx emissions that may result from the increased use of biodiesel blends are mitigated by the proposed ADF regulation.

Implementation of the proposals will also diversify the transportation fuel portfolio, thereby reducing the economic impact of volatile global oil price changes on gasoline and diesel prices in California.

A summary of these benefits is provided under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion above.

SRIA Comments and Responses

ARB summarized the comments received on November 18, 2014 from DOF. The original SRIA can be found in Appendix E.

- 1. DOF Comment: Because the proposed LCFS regulations were not attached, DOF was unable to determine whether all the estimated impacts in the SRIA that may occur as a result of the regulation were addressed.**

Regulatory language can now be found in Appendix A of both the LCFS and ADF ISOR documents. Additional information and analysis of the proposed regulations can be found in the included Initial Statement of Reasons (ISOR) for the Low Carbon Fuel Standard and the Alternative Diesel Fuel Rulemakings.

- 2. DOF Comment: The purchasers and sellers of the LCFS credits should be clearly stated.**

All regulated parties have the ability to participate in the LCFS credit market by buying and selling credits. Fuel suppliers that produce and sell transportation fuels with carbon intensity values (CI) above that year’s standard generate deficits and must retire sufficient credits to offset the deficits generated in order to demonstrate compliance; fuel suppliers that produce and sell transportation fuels with carbon intensity values (as adjusted for relative power train efficiencies) below that year’s standard generate credits, which they can retire to meet their compliance obligation, bank, and/or sell in the LCFS credit market.

In general, the LCFS places compliance obligations initially on regulated parties that are upstream entities (i.e. producers and importers that are legally responsible for the quality of transportation fuels in California), rather than downstream distributors and fueling stations. However, under specified conditions, the regulated party may be another entity further downstream that can be held responsible for the CI of the fuels or blendstocks that they dispense in California. The proposed regulation specifies the criteria under which an entity would be deemed a regulated party for each particular fuel and how the responsibility for complying with the LCFS can be transferred. Table 1 summarizes the regulated parties for each transportation fuel.

The proposed regulation includes an opt-in provision, which explicitly recognizes that certain alternative fuels have full fuel-cycle CIs (as adjusted for rela-

tive power train efficiencies) that inherently meet the proposed compliance standards through 2020. As a result, these fuels may choose an opt-in provision. These fuels are:

- Electricity;
- Hydrogen and hydrogen blends;
- Fossil CNG derived from North American sources;
- Biogas CNG; and
- Biogas LNG.

Parties that opt into the LCFS program will be those parties that expect to generate LCFS credits under the regulation. By opting into the program, an entity becomes a regulated party under the LCFS regulation and is required to meet the LCFS reporting obligations and requirements.

The illustrative compliance scenario used for the ISOR economic analysis indicates the projected generation of credits and deficits by fuel types as seen in Appendix F in the ISOR.

Table 1: Transportation Fuel Regulated Parties Engaged in Selling and Buying LCFS Credits

Fuel	Description of Regulated Party
Gasoline, diesel, and liquid blendstocks (including oxygenates, biodiesel and renewable diesel)	The regulated party is the producer or importer of the fuel or blendstocks.
Fossil fuel-derived compressed natural gas (fossil CNG)	The regulated party is generally the utility company, energy service provider, or other entity that owns the fuel dispensing equipment.
Fossil fuel-derived liquefied natural gas (fossil LNG)	The regulated party is the entity that owns the fuel when it is transferred to the fuel dispensing equipment in California.
Other gaseous fuels (biogas/biomethane, hydrogen)	The regulated party will generally be the entity that produces the fuel and supplies it for vehicular use.
Electricity	The regulated party will be either the load service entity supplying the electricity to the vehicle or another party that has a mechanism to provide electricity to vehicles and has assumed the LCFS compliance obligation.

3. DOF Comment: From a modeling standpoint, because there will be offsetting price and quantity impacts, consumer spending variables in REMI would be a more appropriate means of addressing impacts than consumer price variables alone, as was done in the SRIA.

The offsetting price and quantity impacts are projections of the industry response to the regulation and are used as inputs to the macroeconomic model. DOF suggests that ARB use a different variable to represent the potential change in consumer spending that would result from the combined LCFS/ADF regulations. Using the consumer expenditures category, as suggested by DOF, would be interpreted in the model as a shift in the demand by consumers and thus yield a higher quantity demanded. This would be counter to the expected impact of the LCFS, which should not increase demand for conventional fuels in California. The LCFS acts to reduce the amount of conventional fuels and replace them

with lower carbon alternatives. Using the expenditure changes would misrepresent demand impacts and overly complicate the analysis.

Ideally, the analysis would be performed by switching spending from the conventional fuels category to the alternative fuels category, and then using consumer expenditures in the modeling; however, the aggregation of the fuels into the Petroleum and Coal Manufacturing NAICS code makes macroeconomic modeling of the LCFS regulation difficult. Instead, ARB modeled the change using the consumer price variables because they best estimate the flow of investment among consumers and suppliers of various fuels. The “price premium” is offset by the credit purchases by the petroleum industry and credit sales by low-CI fuels and are modeled as production cost changes. This same methodology was used for the SRIA and the updated analysis, the results of which can be found in Appendix F.

4. **DOF Comment: The LCFS program relies on the supply of alternative fuels (and therefore the generation of credits). The analysis could be enhanced by discussing the volatility of credit prices, the interaction of credit prices and the incentives for innovation, and the cost impact on businesses and individuals; this discussion should include the cost-containment measure and its effects. The incentives for innovation will also depend on whether demand for less carbon-intensive fuels will be met through new production in California, or whether such fuels would be imported.**

Fuel Availability and Credit Price

Just as the number of deficits generated is determined by the quantity and carbon intensity of conventional

fuels sold in the California market, the supply of credits is determined by the quantity and carbon intensity of low-CI fuels sold in the California market.

The financial incentives provided by the LCFS credit value is anticipated to stimulate investments in, and production of, very low-CI fuels. The LCFS credit value represents a source of additional revenues for low-CI fuel producers and distributors, who can sell credits generated by their fuel. The LCFS credit value can offset the higher initial costs of producing low-CI fuels, and is anticipated to be used to reduce the higher initial price of those fuels to enable them to compete with conventional fuels. The value added from the sale of LCFS credits depends on the fuel’s carbon intensity, the stringency of the annual standards, the LCFS credit price, and the volume of conventional fuel displaced.

Table 6: Value Added from the Sale of LCFS Credits

Fuel Type	Assumed CI in 2020	Value Added in 2020
Corn Ethanol	67.24	\$ 0.18 / gallon
Cellulosic Ethanol	20.00	\$ 0.56 / gallon
Waste Grease Biodiesel	14.97	\$ 1.09 / gallon
Renewable Diesel	35.00	\$ 0.78 / gallon
Renewable CNG	25.00	\$ 0.91 / gallon

Because the supply of credits depends on the availability of low-CI fuels, market participants may face uncertainty regarding whether low-CI fuels will be available in sufficient volumes to achieve compliance, particularly in later years when the stringency of the regulation increases. Staff has analyzed the projected availability of low-CI fuel technologies, which is summarized in Chapter II. This analysis indicates that sufficient volumes of low-CI fuels will be available for compliance in all years analyzed. Historical data indi-

cates a strong market response to the regulation stimulating demand for low-CI fuels. A Low Carbon Fuel Standard has been continuously implemented in California since 2010, and regulated parties have generated more credits than needed every year. The accumulation of banked credits has been augmented by a standard that will have been frozen at 1% through 2015. The scenario projects approximately 3.6 million banked credits available at the start of 2016.

Table 7: Deficits and Credits by Year (MMTs of Credits or Deficits)

Fuels	2016	2017	2018	2019	2020
Gasoline	-5.1	-7.3	-9.4	-12.9	-16.2
Ethanol	4.0	4.1	4.4	4.4	4.4
Electricity (LDV and HDV)	0.7	0.8	1.0	1.2	1.4
Renewable Gasoline	0.0	0.0	0.0	0.1	0.2
Hydrogen	0.0	0.0	0.1	0.1	0.1
Diesel	-0.9	-1.6	-2.2	-3.3	-4.4
Biodiesel	1.5	1.8	2.1	1.9	1.9
Renewable Diesel	2.1	2.5	2.6	2.8	3.0
Natural Gas	1.2	1.3	1.7	2.0	2.4

These values are based on a theoretical \$100 LCFS credit price. The above values are rounded to the nearest tenth.

Since 2010, the production of low-CI fuels has increased in response to the financial incentives provided by the existing LCFS regulation. Many innovative, low-CI fuel technologies have moved past the demonstration stage, and have overcome techno-economic challenges that have in recent years limited the supplies of innovative, very-low CI fuels such as cellulosic etha-

nol, renewable diesel, and renewable natural gas. Staff analysis indicates that the supplies of low-CI fuels in future years (2016–2020) will continue to exhibit the existing trend of increasing production. As the scenario shows, existing low-CI fuel technologies are anticipated to continue to play a large role in achieving LCFS compliance. The stringency of the standard in later

years demands increasing quantities of very-low CI fuels, and is anticipated to stimulate the increased production of innovative emerging and nascent technologies like renewable diesel, cellulosic ethanol, biometane, and electric vehicles.

Incentives for Innovation

Staff has identified innovative low-CI fuel technologies that are poised to increase production at the commercial scale. The proposed regulation will increase the incentive to invest in and increase the production of innovative, very low-CI fuels, particularly as the stringency of the program increases in later years. A more stringent standard will likely result in higher credit prices, all else equal. Higher credit prices, particularly if they are sustained, will increase the incentive to innovate and invest because revenues generated by LCFS credits can be used to increase profit margins or to offset up-front capital costs; these additional revenues will attract investments in low-CI fuels.

The LCFS proposal provides opportunities for businesses within and outside of California to generate credits for low-CI transportation fuels. The proposed LCFS stimulates demand for low-CI fuels, which creates incentives to invest in and produce innovative low-CI fuels. Credits have a monetary value when sold in the LCFS credit market and can be generated by producers of low-CI biofuels, biomethane and natural gas providers selling CNG and LNG, fleet operators utilizing opt-in fuels such as electricity, utilities providing electricity for the residential fueling of electric vehicles, and service providers installing and maintaining public electric vehicle charging equipment. Because the LCFS is a fuel-neutral, performance-based standard, it provides equal incentives to businesses, regardless of location, to increase the production of low-CI fuels. It is unclear to what degree the demand for less carbon-intensive fuels will be met through new production in California or elsewhere. The proposed regulation provides the incentive structure to foster the low-CI fuels market; individual business decisions and the economics of producing the low-CI fuels will determine where the resultant increases in supplies comes from.

The proposed LCFS introduces competition into the fuels market. Firms that are early investors in innovative, low-CI fuel technologies may be at a competitive advantage if LCFS-like carbon-intensity standards are adopted by other jurisdictions.

The incentives for innovation will depend on the demand for less-carbon intensive fuels, which increases with the increasing stringency of the compliance curve. If the demand for low-CI fuel is met by new production in California, then the investment in California will likely be higher. However, the SRIA analysis did not

rely on explicit assumptions of production location given that imbedded in the model are assumptions of regional purchasing and production which is dependent upon the NAICS code. Given that the REMI model does not accurately distinguish the conventional and alternative fuels, ARB relies on the imbedded assumptions for aggregation, production location, demand for fuels, prices, and many other factors that are fundamental to the model.

Cost Containment

If low-CI fuel technologies are slower to achieve commercialization than anticipated, or if there is insufficient investment in low-CI technologies, tight supply may cause upward pressure on credit prices from tight credit supply. Because the credit price is highly dependent on the availability and cost of production of low-CI fuels, and because the action of regulated parties will determine the supply of credits, there is uncertainty regarding future supplies of credits. To reduce the risk of a potentially destabilizing price spike, and to reduce price volatility in the LCFS credit market, the proposed regulation includes a cost-containment provision that is summarized in Chapter II. The proposed cost-containment provision will cap credit prices and provide an upper boundary on the potential cost of complying with the regulation. The proposed price cap will also limit the potential for volatility in the LCFS credit market. Based on a review of the literature and input from stakeholders, including during workshops, staff finds that a cost-containment provision can reduce the risk of higher than anticipated costs while maintaining the environmental integrity of the program:

- The risk of higher than anticipated prices resulting from tight supply can be reduced by implementing a price cap and by ensuring regulated parties can achieve annual compliance even under conditions of tight supply.
- The environmental integrity of the program can be maintained by ensuring that the use of a cost-containment provision does not relax the carbon intensity reductions that will be achieved by the program.

The price cap is proposed to be set at \$200/credit in 2016 and increase at the rate of inflation in subsequent years. Although a price cap that is set too low may limit the profitability of credit generators (i.e. low-CI fuel producers and distributors), staff analysis of the price cap indicates that \$200/ton is high enough to provide a sufficient value added to stimulate the investments in and production of low-CI fuels, and sufficiently high to attract these fuels to California if they are produced elsewhere. The proposed price cap at \$200 is anticipated to result in multiple, ancillary market benefits, including reduced price uncertainty, and reduced regula-

tory uncertainty. Reducing both these sources of uncertainty is anticipated to increase the incentives for investment. Potential investors may be hesitant to invest in low-CI fuel production facilities given conditions of undue uncertainty, particularly because production facilities for low-CI fuels are typically capital-intensive projects with relatively long payback periods.

5. It would greatly enhance transparency of the discussion to report these in terms of units that are more easily comparable, such as price increase per gallon or price decrease by kilowatt-hour. The economic impacts should also be reported in standard units such as constant dollars or numbers of jobs in addition to the percentages cited.

In the Economic Impacts chapter of the LCFS ISOR, results (outputs) of the macroeconomic modeling are expressed in constant dollars and percentages, and can be seen in Appendix F. Dollar-per-gallon price impacts are also included and displayed for the theoretical \$100 credit price used for the macroeconomic results, and in addition shown for a \$25 and \$57 credit prices to show a range of potential impacts on consumers. See Appendix F of the ISOR for the outputs for the illustrative compliance scenario at the theoretical \$100 credit price.

6. DOF Comment: The analysis could be supplemented by a discussion of the interaction between the LCFS program and the Cap and Trade program. Additionally, discussing the additional incentives for innovation due to the LCFS above and beyond the Cap and Trade program's contribution.

In the transportation sector, ARB has outlined a complementary, multi-pronged approach to meet the goals of AB 32. Fuel suppliers have a compliance obligation under the Cap-and-Trade program for the GHG emissions that result from the production and use of fuels. This provides an incentive to reduce emissions and sell cleaner fuels in the market. But it does not require cleaner fuels, as fuel suppliers can purchase allowances to cover their emissions if they so choose.

The LCFS requires that fuel providers supply cleaner fuels in California. As the LCFS reduces the carbon intensity of fuels, it changes the composition of the state's transportation fuel mix and dependence on traditional petroleum-based fuels. The LCFS and Cap-and-Trade programs are designed to complement one another. Investments made to comply with one of the programs will result in reduced compliance requirements for the other program. Reductions in the carbon intensity of fuel due to the LCFS reduce compliance obligations under the Cap-and-Trade Program. Similarly, selling cleaner fuels to comply with Cap-and-Trade helps meet the requirements of the LCFS.

7. DOF Comment: The SRIA could do a better job of laying out how the low carbon fuel standards fit into the larger picture, and how the regulatory impacts may interact with other parts of the overall strategy for addressing carbon emissions.

See response to question 6. The Economic Impacts Chapter also discusses the effects of other programs such as Advanced Clean Cars and ARB's Pavley Vehicle Standards.

8. DOF Comment: The discussion of alternatives should be enhanced by including numbers so that readers can directly compare the impacts. Stating that there are lower costs under an alternative is not as useful as reporting on the magnitude of the difference.

These tables can be found in Appendix F in the ISOR.

9. DOF Comment: In the first alternative, we also suggest it should be designed so that there is the same carbon intensity standard for all transportation fuels, rather than just exempting diesel. That is, there should have been an offsetting decrease in carbon intensity for gasoline if diesel is exempted. This would raise costs for gasoline, which then could be compared to the avoided costs for diesel.

DOF suggested that ARB model a scenario, which was proposed to ARB by the California Trucking Association as an alternative regulation, wherein the 10% reduction in the carbon intensity of the transportation fuels sold in California by 2020 (from a 2010 baseline) is achieved exclusively through a gasoline standard where diesel and diesel substitutes are excluded from any carbon intensity requirements. Staff analyzed this alternative and determined that it cannot achieve the same level of CI reduction as the proposed regulation due to constraints in the available supply of low-CI gasoline alternatives and physical constraints such as the ethanol blendwall as well as limited penetration of electric and hydrogen vehicles and vehicles that can re-fuel with higher ethanol blends. With highly optimistic assumptions regarding the availability of very-low CI ethanol and highly optimistic assumptions regarding the reduction in carbon intensity values, staff analysis indicates that the gas only alternative could deliver a 7.7% reduction in the carbon intensity of the transportation fuels sold in California by 2020, from a 2010 baseline. Therefore it is not technically feasible for the gasoline only alternative to result in a 10 percent reduction in the carbon intensity of transportation fuels.

As it is anticipated to achieve only 7.7% of the goal of the proposed regulation, the gas only alternative not only falls short of providing a feasible pathway to achieve the proposed regulation's carbon intensity re-

ductions, it is likely to deliver reduced benefits at an higher cost, compared with the proposed LCFS regulation.

This alternative has a lower than 10% reduction in the transportation sector CI level, and is cheaper than the LCFS regulation. However, this alternative will likely drive the price of credits higher, yielding a higher cost per MMT of reductions.

10. DOF Comment: Additional clarification of how the ADF costs are calculated and the reaction of businesses due to the NOx controls required by the regulation.

The \$14.5 million value was based on preliminary NOx control costs originally estimated early in the analysis. The NOx control costs have been updated and can be found in Chapter 10 of the ADF ISOR, summarized in Table 10.1. The updated economic impacts as identified in the LCFS and ADF ISOR economics chapters were re-evaluated using the REMI model; the inputs to and outputs from the REMI model can be found in Appendix F in the ISOR.

11. DOF Comment: Additional clarification of the fiscal costs to the state for implementation of the regulations is needed. In addition, expansion of the discussion on price changes faced by the consumers, and state and local entities.

The fiscal costs were expanded and explained in both the LCFS and ADF 399 Fiscal Impact Assessments. Impact of the changing fuel volumes and prices on the budget can be found in Chapter 7 of the LCFS ISOR.

12. DOF Comment: Additional ARB personnel needed for the regulation should be identified.

The personnel need assessment was identified in the Fiscal Impact Assessment of Form 399.

Effect on Small Business

The Executive Officer has also determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would not have any significant impacts on small businesses because any costs of compliance are minimal and will not affect the retail price of ADFs offered to the public.

Housing Costs

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

Business Reports

In accordance with Government Code sections 11346.3(d) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Alternatives

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law. The analysis of such alternatives can be found in Chapter 7 of the ISOR.

Environmental Analysis

ARB, as the lead agency for the proposed regulatory action, has prepared a Draft Environmental Analysis (EA) under its certified regulatory program (California Code of Regulations, title 17, §§ 60000 through 60008) to comply with the California Environmental Quality Act (Pub. Resources Code § 21080.5). The Draft EA covers both the proposed ADF and proposed Low Carbon Fuel Standard (LCFS) regulations. Although the policy aspects and requirements of the proposed ADF and LCFS regulations do not directly change the physical environment, there are potential indirect physical changes to the environment that could result from reasonable foreseeable actions undertaken by entities in response to the proposed regulations and the market. These indirect impacts are the focus of the programmatic level impacts analysis in this Draft EA.

The Draft EA stated that implementation of the proposed regulations could result in beneficial impacts to GHGs through substantial reductions in emissions from transportation fuels in California from 2016 through 2020 and beyond, long-term beneficial impacts to air quality through reductions in criteria pollutants, and beneficial impacts to energy demand. The Draft EA also stated the proposed regulations could result in less than significant or no impacts to mineral resources, population and housing, public services, and recreation; and potentially significant and unavoidable adverse impacts to aesthetics, air quality, agriculture resources, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, transportation and traffic, and utilities, primarily related to the reasonably foreseeable construction projects and minor expansions to existing operations. The Draft EA, included as Appendix D to the Initial Statement of Reasons, is entitled *Draft Environmental Analysis prepared for the Low Carbon Fuel Standard and Alternative Diesel Fuel Regulations*. Written comments on the Draft EA, submitted as described below, will be accepted during a public review period starting

on **January 2, 2015**, and ending at **5:00 p.m.** on **February 17, 2015**.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. The public comment period for this regulatory action will begin on January 2, 2015. To be considered by the Board, written comments not physically submitted at the meeting must be submitted on or after January 2, 2015 and received **no later than 5:00 p.m. on February 17, 2015**, and must be addressed to the following:

Postal mail: Clerk of the Board,
Air Resources Board
1001 I Street,
Sacramento, California 95814

Electronic
submittal: [http://www.arb.ca.gov/lispub/
comm/bclist.php](http://www.arb.ca.gov/lispub/comm/bclist.php)

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. All written comments, data, factual information, studies, and reports submitted to ARB during the public comment period or at the Board hearing will be included in the rulemaking file for the proposed regulation. Any person who provided ARB with written feedback or other materials prior to the opening of the public comment period must submit the feedback or materials during the public comment period or at the hearing to have them included in the rulemaking file.

ARB requests that written and email statements on this item be filed at least 10 days prior to the hearing when possible so that ARB staff and Board members have additional time to consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in Health and Safety Code, sections 39600, 39601, 39667, 43013, 43018, and 43101, and Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District, 14 Cal. 3d 411, 121 Cal. Rptr. 249 (1975). This action is proposed to implement, interpret, and make specific sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 40000, 43000, 43016, 43018, 43026, 43101, 43830.8, and 43865, and Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District, 14 Cal. 3d 411, 121 Cal. Rptr. 249 (1975).

HEARING PROCEDURES

The first of two public hearings will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the first public hearing, the Board may consider the regulatory language as proposed and provide direction to staff regarding revisions to the proposed regulation. Any modifications to the proposed regulatory language that are sufficiently related to the originally proposed text will be made available to the public for written comment at least 15 days before it is adopted. **Written comments on the Draft Environmental Assessment must be submitted on or before February 17, 2015 to be considered timely filed.** Any decision to adopt the proposed regulation, with or without modifications, will be made at a second hearing later in 2015.

The public may request a copy of any modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLE 14. FISH AND GAME COMMISSION

NOTICE IS HEREBY GIVEN that the Fish and Game Commission (Commission), pursuant to the authority vested by sections 200, 202, 203, 215, 219, 220, 331, 332, 460, 713, 1050, 1055, 1055.1, 1572, 3452, 3453, 4302, 4304, 4331, 4334, 4336, 4340, 4657, 4753, 4902 and 10502; reference sections 200, 202, 203, 203.1, 207, 210, 215, 219, 220, 331, 332, 458, 459, 460, 713, 1050, 1055, 1055.1, 1570, 1571, 1572, 1573, 1575,

2005, 3452, 3453, 3950, 3951, 4302, 4304, 4330, 4331, 4332, 4333, 4334, 4336, 4340, 4341, 4652, 4653, 4654, 4655, 4657, 4750, 4751, 4752, 4753, 4754, 4755, 4902, 10500 and 10502, Fish and Game Code; proposes to amend sections 360, 361, 362, 363, 364, 702, 708.5, 708.11 and 713; and add Section 364.1, Title 14, California Code of Regulations (CCR), relating to Mammal Hunting Regulations for the 2015-2016 season.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Subsection 360(a) Deer A, B, C and D Zone Hunts

Existing regulations provide for the number of license tags available for the A, B, C, and D Zones. This regulatory proposal changes the number of tags for all existing zones to a series of ranges presented in the table below. These ranges are necessary because the final number of tags cannot be determined until spring herd data are collected in March/April. Because severe winter conditions can have an adverse effect on herd recruitment and over-winter adult survival, final tag quotas may fall below the proposed range into the "Low Kill" alternative identified in the most recent Environmental Document Regarding Deer Hunting.

Deer: § 360(a) A, B, C and D Zone Hunts Tag Allocations			
§	Zone	Current 2014	Proposed 2015 [Range]
(1)	A	65,000	30,000-65,000
(2)	B	35,000	35,000-65,000
(3)	C	8,150	5,000-15,000
(4)	D3-5	33,000	30,000-40,000
(5)	D-6	6,000	6,000-16,000
(6)	D-7	9,000	4,000-10,000
(7)	D-8	8,000	5,000-10,000
(8)	D-9	2,000	1,000-2,500
(9)	D-10	700	400-800
(10)	D-11	5,500	2,500-6,000
(11)	D-12	950	100-1,500
(12)	D-13	4,000	2,000-5,000
(13)	D-14	3,000	2,000-3,500
(14)	D-15	1,500	500-2,000
(15)	D-16	3,000	1,000-3,500
(16)	D-17	500	100-800
(17)	D-19	1,500	500-2,000

**Subsection 360(b)
Deer X-Zone Hunts**

Existing regulations provide for the number of deer hunting tags for the X zones. The proposal changes the number of tags for all existing zones to a series of ranges presented in the table below. These ranges are necessary at this time because the final number of tags cannot be

determined until spring herd data are collected in March/April. Because severe winter conditions can have an adverse effect on herd recruitment and over-winter adult survival, final tag quotas may fall below the proposed range into the “Low Kill” alternative identified in the most recent Environmental Document Regarding Deer Hunting.

Deer: § 360(b) X-Zone Hunts Tag Allocations			
§	Zone	Current 2014	Proposed 2015 [Range]
(1)	X-1	770	1,000-6,000
(2)	X-2	150	50-500
(3)	X-3a	275	100-1,200
(4)	X-3b	795	200-3,000
(5)	X-4	385	100-1,200
(6)	X-5a	65	25-200
(7)	X-5b	50	50-500
(8)	X-6a	320	100-1,200
(9)	X-6b	305	100-1,200
(10)	X-7a	225	50-500
(11)	X-7b	135	25-200
(12)	X-8	210	100-750
(13)	X-9a	650	100-1,200
(14)	X-9b	325	100-600
(15)	X-9c	325	100-600
(16)	X-10	400	100-600
(17)	X-12	680	100-1,200

**Subsection 360(c)
Additional Deer Hunts**

Existing regulations provide for the number of deer hunting tags in the Additional Hunts. The proposal provides a range of tag numbers for each hunt from which a final number will be determined, based on the post-winter status of each deer herd. These ranges are necessary at this time because the final number of tags cannot be determined until spring herd data are collected in March/April. If severe winter conditions adversely affect herd recruitment and over-winter adult survival, the final recommended quotas may fall below the current proposed range into the “Low Kill” alternative identified in the most recent Environmental Document Regarding Deer Hunting.

Existing regulations for Additional Hunts G-8 (Fort Hunter Liggett Antlerless Deer Hunt) and J-10 (Fort Hunter Liggett Apprentice Either-Sex Deer Hunt) pro-

vide for hunting to begin on October 4 and continue for two (2) consecutive days and reopen on October 11 and continue for three (3) consecutive days in order to accommodate for Base operations and other hunt opportunities. The proposal would modify the season to account for the annual calendar shift by changing the season opening dates to October 3 and October 10 for 2 and 3 consecutive days respectively, in order to accommodate for Base operations. In addition, Fort Hunter Liggett has requested the mandatory hunter orientation meeting required for Hunt J-10 be deleted from the Special Conditions due to insufficient staffing levels.

Minor editorial changes are necessary to provide consistency in subsection numbering, spelling, grammar, and clarification.

The proposal changes the number of tags for all existing hunts to a series of ranges as indicated in the table below.

Deer: § 360(c) Additional Hunts Tag Allocations			
§	Hunt Number (and Title)	Current 2014	Proposed 2015 [Range]
(1)	G-1 (Late Season Buck Hunt for Zone C-4)	2,710	500-5,000
(2)	G-3 (Goodale Buck Hunt)	35	5-50
(3)	G-6 (Kern River Deer Herd Buck Hunt)	50	25-100
(4)	G-7 (Beale Either-Sex Deer Hunt)	20 Military*	20 Military*
(5)	G-8 (Fort Hunter Liggett Antlerless Deer Hunt)	20 Tags Total* (10 Military & 10 Public)	20 Tags Total* (10 Military and 10 Public)
(6)	G-9 (Camp Roberts Antlerless Deer Hunt)	0	30 Tags Total* (Military and Public splits TBD)
(7)	G-10 (Camp Pendleton Either-Sex Deer Hunt)	400 Military*	400 Military*
(8)	G-11 (Vandenberg Either-Sex Deer Hunt)	250 Military*, DOD and as Authorized by the Installation Commander**	250 Military*, DOD and as Authorized by the Installation Commander**
(9)	G-12 (Gray Lodge Shotgun Either-Sex Deer Hunt)	30	10-50
(10)	G-13 (San Diego Antlerless Deer Hunt)	300	50-300
(11)	G-19 (Sutter-Yuba Wildlife Areas Either-Sex Deer Hunt)	25	10-50
(12)	G-21 (Ventana Wilderness Buck Hunt)	25	25-100
(13)	G-37 (Anderson Flat Buck Hunt)	25	25-50
(14)	G-38 (X-10 Late Season Buck Hunt)	300	50-300
(15)	G-39 (Round Valley Late Season Buck Hunt)	5	5-150
(16)	M-3 (Doyle Muzzleloading Rifle Buck Hunt)	20	10-75
(17)	M-4 (Horse Lake Muzzleloading Rifle Buck Hunt)	10	5-50
(18)	M-5 (East Lassen Muzzleloading Rifle Buck Hunt)	5	5-50
(19)	M-6 (San Diego Muzzleloading Rifle Either-Sex Deer Hunt)	80	25-100
(20)	M-7 (Ventura Muzzleloading Rifle Either-Sex Deer Hunt)	150	50-150
(21)	M-8 (Bass Hill Muzzleloading Rifle Buck Hunt)	20	5-50
(22)	M-9 (Devil's Garden Muzzleloading Rifle Buck Hunt)	15	5-100

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Deer: § 360(c) Additional Hunts Tag Allocations			
§	Hunt Number (and Title)	Current 2014	Proposed 2015 [Range]
(23)	M-11 (Northwestern California Muzzleloading Rifle Buck Hunt)	20	20-200
(24)	MA-1 (San Luis Obispo Muzzleloading Rifle/Archery Either-Sex Deer Hunt)	150	20-150
(25)	MA-3 (Santa Barbara Muzzleloading Rifle/Archery Buck Hunt)	150	20-150
(26)	J-1 Lake Sonoma Apprentice Either-Sex Deer Hunt)	25	10-25
(27)	J-3 (Tehama Wildlife Area Apprentice Buck Hunt)	15	15-30
(28)	J-4 Shasta-Trinity Apprentice Buck Hunt)	15	15-50
(29)	J-7 (Carson River Apprentice Either-Sex Deer Hunt)	15	10-50
(30)	J-8 (Daugherty Hill Wildlife Area Apprentice Either-Sex Deer Hunt)	15	10-20
(31)	J-9 (Little Dry Creek Apprentice Shotgun Either-Sex Deer Hunt)	5	5-10
(32)	J-10 (Fort Hunter Liggett Apprentice Either-Sex Deer Hunt)	85 Tags Total* (20 Military & 65 Public)	75 Tags Total* (15 Military & 60 Public)
(33)	J-11 (San Bernardino Apprentice Either-Sex Deer Hunt)	40	10-50
(34)	J-12 (Round Valley Apprentice Buck Hunt)	10	10-20
(35)	J-13 (Los Angeles Apprentice Either-Sex Deer Hunt)	40	25-100
(36)	J-14 (Riverside Apprentice Either-Sex Deer Hunt)	30	15-75
(37)	J-15 (Anderson Flat Apprentice Buck Hunt)	10	5-30
(38)	J-16 (Bucks Mountain-Nevada City Apprentice Either-Sex Deer Hunt)	75	10-75
(39)	J-17 (Blue Canyon Apprentice Either-Sex Deer Hunt)	25	5-25
(40)	J-18 (Pacific-Grizzly Flat Apprentice Either-Sex Deer Hunt)	75	10-75
(41)	J-19 (Zone X-7a Apprentice Either-Sex Deer Hunt)	25	10-40
(42)	J-20 (Zone X-7b Apprentice Either-Sex Deer Hunt)	20	5-20
(43)	J-21 (East Tehama Apprentice Either-Sex Deer Hunt)	50	20-80

**Specific numbers of tags are provided for military hunts through a system which restricts hunter access to desired levels and ensures biologically conservative hunting programs.*

***DOD = Department of Defense and eligible personnel as authorized by the Installation Commander.*

**Section 361
Archery Deer**

Existing regulations provide for the number of deer hunting tags for existing area-specific archery hunts. The proposal changes the number of tags for existing hunts to a series of ranges presented in the table below. These ranges are necessary at this time because the final

number of tags cannot be determined until spring herd data are collected in March/April. Because severe winter conditions can have an adverse effect on herd recruitment and over-winter adult survival, final tag quotas may fall below the proposed range into the “Low Kill” alternative identified in the most recent Environmental Document Regarding Deer Hunting.

Archery Deer Hunting: § 361(b) Tag Allocations			
§	Hunt Number (and Title)	Current 2014	Proposed 2015 [Range]
(1)	A-1 (C Zones Archery Only Hunt)	1,945	150-3,000
(2)	A-3 (Zone X-1 Archery Hunt)	130	50-1,000
(3)	A-4 (Zone X-2 Archery Hunt)	10	5-100
(4)	A-5 (Zone X-3a Archery Hunt)	30	10-300
(5)	A-6 (Zone X-3b Archery Hunt)	70	25-400
(6)	A-7 (Zone X-4 Archery Hunt)	110	25-400
(7)	A-8 (Zone X-5a Archery Hunt)	10	15-100
(8)	A-9 (Zone X-5b Archery Hunt)	5	5-100
(9)	A-11 (Zone X-6a Archery Hunt)	50	10-200
(10)	A-12 (Zone X-6b Archery Hunt)	90	10-200
(11)	A-13 (Zone X-7a Archery Hunt)	45	10-200
(12)	A-14 (Zone X-7b Archery Hunt)	25	5-100
(13)	A-15 (Zone X-8 Archery Hunt)	40	5-100
(14)	A-16 (Zone X-9a Archery Hunt)	140	50-500
(15)	A-17 (Zone X-9b Archery Hunt)	300	50-500
(16)	A-18 (Zone X-9c Archery Hunt)	350	50-500
(17)	A-19 (Zone X-10 Archery Hunt)	100	25-200
(18)	A-20 (Zone X-12 Archery Hunt)	100	50-500
(19)	A-21 (Anderson Flat Archery Buck Hunt)	25	25-100
(20)	A-22 (San Diego Archery Either-Sex Deer Hunt)	1,000	200-1,500
(21)	A-24 (Monterey Archery Either-Sex Deer Hunt)	100	25-200
(22)	A-25 (Lake Sonoma Archery Either-Sex Deer Hunt)	35	20-75
(23)	A-26 (Bass Hill Archery Buck Hunt)	30	10-100
(24)	A-27 (Devil's Garden Archery Buck Hunt)	5	5-75
(25)	A-30 (Covelo Archery Buck Hunt)	40	20-100
(26)	A-31 (Los Angeles Archery Either-Sex Deer Hunt)	1,000	200-1,500
(27)	A-32 (Ventura/Los Angeles Archery Late Season Either-Sex Deer Hunt)	250	50-300
(28)	A-33 (Fort Hunter Liggett Late Season Archery Either-Sex Deer Hunt)	50 Tags Total* (25 Military & 25 Public)	50 Tags Total* (25 Military & 25 Public)

* Specific numbers of tags are provided for military hunts through a system which restricts hunter access to desired levels and ensures biologically conservative hunting programs.

**Subsection 362
Nelson Bighorn Sheep**

The existing regulation in subsection 362(d), Title 14, CCR, provides for limited hunting of 14 Nelson bighorn rams in specified areas of the State. The proposed change is intended to adjust the number of tags based on Department's annual population estimates in the management units. The number of tags allocated for each of the nine hunt zones is based on the results of the Depart-

ment's estimate of the bighorn sheep population in each zone. Tag allocations are proposed to ensure the take of no more than 15 percent of the mature rams estimated in each zone. Final tag quota determinations will be completed by April of 2015 pending completion of population surveys and associated analyses.

The following proposed number of tags was determined using the procedure described in Fish and Game Code Section 4902:

§ 362(d) HUNT ZONE	Current 2014 Tag Allocation	Proposed 2015 Tag Allocation [Range]
Zone 1 - Marble/Clipper Mountains	4	0-4
Zone 2 - Kelso Peak/Old Dad Mountains	0	0-4
Zone 3 - Clark/Kingston Mountain Ranges	1	0-2
Zone 4 - Orocochia Mountains	2	0-2
Zone 5 - San Gorgonio Wilderness	2	0-3
Zone 6 - Sheep Hole Mountains	0	0-2
Zone 7 - White Mountains	1	0-5
Zone 8 - South Bristol Mountains	1	0-3
Zone 9 - Cady Mountains	2	0-4
Open Zone Fund-raising Tag	1	0-1
Marble/Clipper/South Bristol Mountains Fund-raising Tag	0	0-1
Kelso Peak/Old Dad Mountains Fund-raising Tag	0	0-1
TOTAL	14	0-32

**Subsection 363
Pronghorn Antelope**

Existing regulations provide for the number of pronghorn antelope, hunting tags for each hunt zone. This proposed regulatory action would provide for tag allocation ranges for most hunt zones pending final tag quota determinations based on winter survey results

that should be completed by March of 2015. The final tag quotas will provide for adequate hunting opportunities while allowing for a biologically appropriate harvest of bucks and does in specific populations.

The proposed 2015 tag allocation ranges for the hunt zones are as set forth below.

<i>2015 Pronghorn Antelope Tag Allocations [Ranges]</i>						
<i>Hunt Area</i>	<i>Archery-Only Season</i>		<i>General Season</i>			
	<i>Buck</i>	<i>Doe</i>	<i>Period 1</i>		<i>Period 2</i>	
			<i>Buck</i>	<i>Doe</i>	<i>Buck</i>	<i>Doe</i>
Zone 1 - Mount Dome	0-10	0-3	0-60	0-20	0	0
Zone 2 - Clear Lake	0-10	0-3	0-80	0-25	0	0
Zone 3 - Likely Tables	0-20	0-7	0-150	0-50	0-130	0-50
Zone 4 - Lassen	0-20	0-7	0-150	0-50	0-150	0-50
Zone 5 - Big Valley	0-15	0-5	0-150	0-50	0	0
Zone 6 - Surprise Valley	0-10	0	0-25	0-7	0	0
Big Valley Apprentice Hunt	N/A		0-15 Either-Sex		0	
Lassen Apprentice Hunt	N/A		0-15 Either-Sex		0	
Surprise Valley Apprentice Hunt	N/A		0-4 Either-Sex		0	
Likely Tables Apprentice Hunt	N/A		0-5 Either-Sex		0	
Fund-Raising Hunt	N/A		0-10 Buck			

**Section 364
Elk**

Existing regulations specify elk license tag quotas for each hunt. In order to achieve elk herd management goals and objectives and to maintain hunting quality, it is periodically necessary to adjust quotas in response to dynamic environmental and biological conditions. The proposed amendments to Section 364 will establish final tag quotas within each hunt adjusting for annual fluctuations in population number; adjust season dates/

tag distribution for hunts on Fort Hunter Liggett and in the Northwestern Roosevelt Hunt area; as well as make minor editorial changes.

Preliminary tag quota ranges [shown in brackets] are indicated pending final 2015 tag allocations in accordance with elk management goals and objectives based on the results of survey data collected in January–March 2015. The proposed elk tag quota ranges for 2015 are as follows:

2015 Proposed Elk Tag Allocation [shown in ranges]					
§	Section 364 Elk	Bull	Antlerless	Either-Sex	Spike
a	General Roosevelt Elk Hunts				
1	Siskiyou	0-30	0-30		
2	Big Lagoon	0-10	0-10		
3	Northwestern California	0-10	0-35	0-45	
4	Klamath	0-20	0-20		
5	Del Norte	0-15	0-20		
6	Marble Mountains	0-70	0-30		
b	General Rocky Mountain Elk Hunts				
1	Northeastern California	0-30	0-10		
c	General Roosevelt/Tule Elk Hunts				
1	Mendocino	0-4	0-4		
d	General Tule Elk Hunts				
1	Cache Creek	0-4	0-4		
2	La Panza Period 1	0-12	0-10		
	La Panza Period 2	0-12	0-12		
3	Bishop Period 3	0-10	0-30		
	Bishop Period 4	0-10	0-30		
	Bishop Period 5	0-10	0-30		
4	Independence Period 2	0-10	0-30		
	Independence Period 3	0-10	0-30		
	Independence Period 4	0-10	0-30		
	Independence Period 5	0-10	0-30		
5	Lone Pine Period 2	0-10	0-30		
	Lone Pine Period 3	0-10	0-30		
	Lone Pine Period 4	0-10	0-30		

2015 Proposed Elk Tag Allocation [shown in ranges]					
§	Section 364 Elk	Bull	Antlerless	Either-Sex	Spike
	Lone Pine Period 5	0-10	0-30		
6	Tinemaha Period 2	0-10	0-30		
	Tinemaha Period 3	0-10	0-30		
	Tinemaha Period 4	0-10	0-30		
	Tinemaha Period 5	0-10	0-30		
7	West Tinemaha Period 1	0-10	0-30		
	West Tinemaha Period 2	0-10	0-30		
	West Tinemaha Period 3	0-10	0-30		
	West Tinemaha Period 4	0-10	0-30		
	West Tinemaha Period 5	0-10	0-30		
8	Tinemaha Mountain Period 1	0-8			
	Tinemaha Mountain Period 2	0-8			
	Tinemaha Mountain Period 3	0-8			
	Tinemaha Mountain Period 4	0-8			
	Tinemaha Mountain Period 5	0-8			
9	Whitney Period 2	0-4	0-10		
	Whitney Period 3	0-4	0-10		
	Whitney Period 4	0-4	0-10		
	Whitney Period 5	0-4	0-10		
10	Grizzly Island Period 1	0-3	0-12		0-6
	Grizzly Island Period 2	0-3	0-12		0-6
	Grizzly Island Period 3	0-3	0-12		0-6
	Grizzly Island Period 4	0-2	0-12		0-6
	Grizzly Island Period 5	0-2	0-12		0-6
11	Fort Hunter Liggett Period 1		0-16		
	Fort Hunter Liggett Period 2		0-14		
	Fort Hunter Liggett Period 3	0-14			
12	East Park Reservoir	0-4	0-8		
13	San Luis Reservoir	0-10	0-10	0-10	
14	Bear Valley	0-4	0-2		
15	Lake Pillsbury	0-4	0-4		
16	Santa Clara	0-4			
17	Alameda	0-4			
e	Apprentice Hunts				
1	Marble Mountains			0-4	
2	Northeastern CA			0-4	
3	Cache Creek	0-2			
4	La Panza Period 1	0-2	0-2		
5	Bishop Period 2	0-10	0-30		
6	Grizzly Island Period 1		0-4		0-4
	Grizzly Island Period 2				0-4
7	Fort Hunter Liggett	0-2	0-8		
f	Archery Only Hunts				
1	Northeastern California Archery Only			0-20	
2	Owens Valley Multiple Zone Archery Only	0-10	0-10		
3	Lone Pine Archery Only Period 1	0-10	0-30		
4	Tinemaha Archery Only Period 1	0-10	0-30		
5	Whitney Archery Only Period 1	0-10	0-30		
6	Fort Hunter Liggett Archery Only		0-10	0-6	
g	Muzzleloader Only Hunts				

2015 Proposed Elk Tag Allocation [shown in ranges]					
§	Section 364 Elk	Bull	Antlerless	Either-Sex	Spike
1	Bishop Muzzleloader Only Period 1	0-10	0-30		
2	Independence Muzzleloader Only Period 1	0-10	0-10		
3	Fort Hunter Liggett Muzzleloader Only	0-6			
h	Muzzleloader/Archery Only Hunts				
1	Marble Mountains Muzzleloader/Archery Only			0-10	
i	Fund Raising Tags				
1	Multi-zone	1			
2	Grizzly Island	1			
3	Owens Valley	1			
j	Military Only Elk Tags				
1	Fort Hunter Liggett Military Early Season	0-2	0-2		
	Fort Hunter Liggett Military Period 1		0-16		
	Fort Hunter Liggett Military Period 2		0-14		
	Fort Hunter Liggett Military Period 3	0-14			
2	Fort Hunter Liggett Military Apprentice	0-2	0-8		
3	Fort Hunter Liggett Military Archery Only		0-10	0-6	
4	Fort Hunter Liggett Military Muzzleloader Only	0-6			

**Add Section 364.1
SHARE Elk Hunts**

The Shared Habitat Alliance for Recreational Enhancement (SHARE) program was established in the Fish and Game Code (§§1570–1574) to encourage private landowners to voluntarily make their land available to the public for wildlife-dependent recreational activities. Due to the prevalence of private land in many of the elk zones, managing population numbers with regulated hunting is becoming more challenging. Un-

der the SHARE program, participating landowners receive compensation and liability protection in exchange for allowing access to or through their land for public recreational use and enjoyment of wildlife. SHARE is funded with application fees for access permits. These regulations will establish SHARE elk hunts with separate seasons and tag quotas under the provisions of the 2010 Final Environmental Document Regarding Elk Hunting. Tag issuance will be through the SHARE program utilizing the program’s existing tag distribution procedures.

364.1(c)	2015 SHARE Elk Tag Allocation [Proposed Ranges]				
	Hunt Name and Type	Bull	Antlerless	Either-sex	Spike
(1)	Siskiyou	[0-30]	[0-30]		
(2)	Big Lagoon	[0-10]	[0-10]		
(3)	Northwestern California	[0-10]	[0-35]	[0-45]	
(4)	Klamath	[0-20]	[0-20]		
(5)	Del Norte	[0-15]	[0-20]		
(6)	Marble Mountains	[0-70]	[0-30]		
(7)	Northeastern California	[0-30]	[0-10]		
(8)	Mendocino	[0-4]	[0-4]		
(9)	Cache Creek	[0-4]	[0-4]		
(10)	La Panza	[0-24]	[0-24]		
(11)	Bishop	[0-50]	[0-150]		
(12)	Independence	[0-50]	[0-150]		
(13)	Lone Pine	[0-50]	[0-150]		
(14)	Tinemaha	[0-50]	[0-150]		
(15)	West Tinemaha	[0-50]	[0-150]		
(16)	Tinemaha Mountain	[0-40]	-		
(17)	Whitney	[0-26]	[0-50]		
(18)	Grizzly Island	[0-13]	[0-66]		[0-38]
(19)	Fort Hunter Liggett	[0-22]	[0-48]	[0-6]	
(20)	East Park Reservoir	[0-4]	[0-8]		
(21)	San Luis Reservoir	[0-10]	[0-10]	[0-10]	
(22)	Bear Valley	[0-4]	[0-2]		
(23)	Lake Pillsbury	[0-4]	[0-4]		
(24)	Santa Clara	[0-4]	-		
(25)	Alameda	[0-4]	-		

**Section 702
Fees**

The proposed amendment establishes in subsection 702(c)(1)(W) a new \$20.00 Deer Harvest Non-reporting Fee, to be collected at the time the subsequent year's

deer tag or deer tag drawing application is purchased, for all deer hunters who fail to report their hunting results by the established deadline as required in amended Section 708.5.

Cost Estimate for Non-Reporting of Deer Harvest per Year											
Estimated Average 168 hour per month			Benefit Rate = 46.79%		28,000	Average # tags sold					
Task	Hourly Rate	# of Hours	Salaries Cost	Benefits 46.79%	Total Salaries + Benefits	STD OE&E	Unit Cost	Units*	Postage	Total	
Meat Locker Booklets							\$5.00	250	\$0	\$1,250	
Meat Locker Data Entry (1 Scientific Aid for 2 months)	\$13	336	\$4,368	\$2,044	\$6,412	\$4,667			\$0	\$11,078	
Meat Locker Data Validation (1 Environmental Scientist for 1 month)	\$26	168	\$4,368	\$2,044	\$6,412	\$2,333			\$0	\$8,745	
Report Preparation (1 Environmental Scientist for 1 month)	\$26	168	\$4,368	\$2,044	\$6,412	\$2,333			\$0	\$8,745	
Data Entry for mailed in report cards (3 Sci. Aides, 2 months each)	\$13	1008	\$13,104	\$6,131	\$19,235	\$14,000			\$0	\$33,235	
LRB costs to implement and manage non-return fee (1 AGPA for 2 months; postage for non-report mailing notifications)	\$30	336	\$10,080	\$4,716	\$14,796	\$4,667	\$0.42	183,997	\$81,945	\$96,742	
		2016								\$159,796	
									5% Est of Non-reporting Tag Holders:	9200	\$17.37
									Based on the Proposed Rate of \$20.00 for the non-reporting fee, it covers the projected costs and a small buffer for misc. and unanticipated costs.		\$20.00
											\$184,000

**Section 708.5
Deer Tagging and Reporting Requirements**

According to the current regulations in Section 708.5, deer tag holders are required to fill out harvest report cards and return them to the Department within 30 days of harvesting a deer. Hunters unsuccessful in taking a deer are not required to report.

Report cards are an important tool to collect deer harvest information and provide an enforcement mechanism for limiting deer harvest to within acceptable levels established by population surveys and analyses. However, harvest report cards for deer currently have very poor return rates, historically less than 25% overall (although they are variable depending upon zone). Such low return rates may potentially lead to proposed management actions without adequate data to justify them. In addition, existing regulations do not incorporate new procedures for electronic reporting via the Department’s website and utilizing the Department’s Automated License Data System (ALDS) in the collection of this important harvest data.

The low rate of return for report cards results in increased effort by the Department for managing the hunting programs through additional data collection and analysis to fill data gaps, outreach to remind hunters to return report cards, and other enforcement activities. The cost of this additional effort will be offset by the proposed Deer Harvest Non-reporting Fee.

Proposed Regulations

The proposed amendments will require deer tag holders to report the harvest result, whether successful or unsuccessful, either through ALDS or by mail, or be subject to a fee applied at the time of later purchases of licenses or tags. The objectives of the proposed regulations are to:

- ensure continued hunting opportunities for hunters in California by providing the Department with more accurate and comprehensive data on deer hunter success and harvest levels by zone;

- establish a process and specify a date by which all harvest reports, including those where no deer was taken, must be made; and
- recover the increased cost of management of deer due to the non-reporting of harvest data regardless of success.

These objectives are proposed to be achieved through the following amendments:

- Amend Section 708.5 to require all deer tag holders to report within 30 days of harvest or by January 31, whichever date is first, either through ALDS or by mail to the address specified on the harvest report card.
- Amend Section 708.5 to require all deer tag holders that are unsuccessful, whether they hunted or not, to report their ‘no harvest’ results by January 31, either through ALDS or by mail to the address specified on the harvest report card.
- Amend Section 708.5 to establish a Deer Harvest Non-reporting Fee (set at \$20.00 in Section 702(c)(1)(W)) to be collected at the time the subsequent year’s deer tag or deer tag drawing application is purchased, for all deer hunters who failed to report their hunting results by the established deadline.

**Section 708.11
Elk License Tags, Applications, Distribution and Reporting Procedures**

Existing regulations specify license tags shall be attached to the antler of an antlered elk, or to the ear of an antlerless elk immediately after killing. However, it can be difficult to transport the elk carcass from the harvest location when the head, with ear, is required to be attached along with the useable parts of the kill. Many hunters bone out the meat or quarter the animal to reduce the amount of weight that must be transported from the harvest location. Allowing a new option for the tag to be attached to the leg, or remain with the largest portion of meat provides flexibility during transport while still implementing tagging requirements.

The current regulations do not specify evidence of sex for antlerless elk, only that the tag be attached to the ear (and therefore the head). Modifying the regulation to allow a new option to maintain evidence of sex attached to the kill will result in a reliable means to identify sex of the animal.

Additionally, the regulations for elk do not currently specify the length of time an elk tag must be retained. Antelope, Bear, and Deer all specify the tag must be retained for 15 days after the close of the season. In order to clarify regulations and maintain consistency among species, the proposed regulation implements a tag

retention requirement of 15 days after the close of the season.

Hunting is no longer permitted on Santa Rosa Island. The property is now a National Monument administered by the National Park Service.

Proposed Regulations

- Amend subsection 708.11(c) to optionally allow elk tags to be attached to the leg, or largest portion of meat; and, provide evidence of the sex of the animal when the head of an antlerless elk is not retained.
- Amend subsection 708.11(c) to require that elk tags be kept for 15 days after the close of the season.
- Delete subsection 708.11(d) removing the reference to Santa Rosa Island.

**Section 713
Tag Replacement for Carcass Condemnation**

Existing regulations identify a process by which a hunter can have a diseased, injured, or chemically immobilized big-game carcass condemned. Following the condemnation by a department employee, the hunter currently has the following options under subsection 713(c):

- (1) Purchase and use a duplicate tag subject to the fees established in Section 702 for the remainder of the current season under which the animal was taken;
- (2) Upon payment of duplicate tag fee, receive the same tag for the next approved hunting season;
- (3) Participate in the next big-game drawing for that species with one additional point added to the number of preference points the hunter had when they obtained the original tag, or;
- (4) Receive a refund for the tag and have their preference point total for that species restored to the amount they had when the tag was awarded.

Under the department’s Automated License Data System (ALDS), big-game tags are issued annually using “quota splits”, with a portion of the available tags issued based on the applicant’s point total and the remainder issued on a random basis. Unfortunately, the ALDS system is unable to reserve a tag for the next year as provided in option (2); and option (4) does not create an advantage in the drawing system that would assure receiving a tag in the following hunting season. Eliminating options #2 and #4 will streamline the programming process for ALDS and the remaining options (1) and (3) will assure a simple process to provide a hunter who has had a big-game carcass condemned in one year a tag in the same zone/hunt in the following year.

Proposed Regulations

Delete from subsection 713(c) subparagraphs (2) and (4).

Benefits of the regulations

The big game herd management plans specify objective levels for the proportion of Deer (sections 360 and 361), Nelson Big Horn Sheep (Section 362), Pronghorn Antelope (Section 363), and Elk (Section 364). These ratios are maintained and managed in part by annually modifying the number of tags. The final values for the license tag numbers will be based upon findings from the annual harvest and herd composition counts. The addition of private lands in the SHARE program, to be implemented in new Section 364.1 within the Elk hunt areas, benefits both the landowner and the state through better herd management and cooperation.

Non-monetary benefits to the public

The Commission does not anticipate non-monetary benefits to the protection of public health and safety, worker safety, the prevention of discrimination, the promotion of fairness or social equity and the increase in openness and transparency in business and government.

Consistency with State or Federal Regulations

The Fish and Game Commission, pursuant to Fish and Game Code Sections 200, 202 and 203, has the sole authority to regulate deer hunting in California. Commission staff has searched the California Code of Regulations and has found the proposed changes pertaining to deer tag allocations are consistent with Sections 361, 701, 702, 708.5 and 708.6 of Title 14. Therefore the Commission has determined that the proposed amendments are neither inconsistent nor incompatible with existing State regulations.

NOTICE IS GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the Resources Building Auditorium, 1416 Ninth Street, Sacramento, California, on Thursday, February 12, 2015, at 8:00 a.m., or as soon thereafter as the matter may be heard.

NOTICE IS ALSO GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held at the Flamingo Conference Resort & Spa, 2777 Fourth Street, Santa Rosa, California, on Thursday, April 9, 2015, at 8:00 a.m., or as soon thereafter as the matter may be heard. It is requested, but not required, that written comments be submitted on or before April 2, 2015 at the address given below, or by fax at (916) 653-5040, or by e-mail to FGC@fgc.ca.gov. Written comments mailed, faxed or e-mailed to the Commission office, must be received before 5:00 p.m. on April 2, 2015. All comments must

be received no later than April 9, 2015 at the hearing in Santa Rosa. If you would like copies of any modifications to this proposal, please include your name and mailing address.

The regulations as proposed in ~~strikeout~~underline format, as well as an initial statement of reasons, including environmental considerations and all information upon which the proposal is based (rulemaking file), are on file and available for public review from the agency representative, Sonke Mastrup, Executive Director, Fish and Game Commission, 1416 Ninth Street, Box 944209, Sacramento, California 94244-2090, phone (916) 653-4899. Please direct requests for the above-mentioned documents and inquiries concerning the regulatory process to Sonke Mastrup or Jon Snellstrom at the preceding address or phone number. **Craig Stowers, Wildlife Branch, phone (916) 445-3553, has been designated to respond to questions on the substance of the proposed regulations.** Copies of the Initial Statement of Reasons, including the regulatory language, may be obtained from the address above. Notice of the proposed action shall be posted on the Fish and Game Commission website at <http://www.fgc.ca.gov>.

Availability of Modified Text

If the regulations adopted by the Commission differ from but are sufficiently related to the action proposed, they will be available to the public for at least 15 days prior to the date of adoption. Circumstances beyond the control of the Commission (e.g., timing of Federal regulation adoption, timing of resource data collection, timelines do not allow, etc.) or changes made to be responsive to public recommendation and comments during the regulatory process may preclude full compliance with the 15-day comment period, and the Commission will exercise its powers under Section 202 of the Fish and Game Code. Regulations adopted pursuant to this section are not subject to the time periods for adoption, amendment or repeal of regulations prescribed in Sections 11343.4, 11346.4 and 11346.8 of the Government Code. Any person interested may obtain a copy of said regulations prior to the date of adoption by contacting the agency representative named herein.

If the regulatory proposal is adopted, the final statement of reasons may be obtained from the address above when it has been received from the agency program staff.

Impact of Regulatory Action/Results of the Economic Impact Analysis

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and following initial determinations relative to the required statutory categories have been made.

- (a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

The proposed action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposed action adjusts tag quotas for existing deer hunts. Given the number of tags available and the area over which they are distributed, these proposals are economically neutral to business.

- (b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California; Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment:

The Commission anticipates benefits to the health and welfare of California residents and to the state's environment. Hunting provides opportunities for multi-generational family activities and promotes respect for California's environment by the future stewards of the State's resources. These proposals also contribute to the sustainable management of natural resources and benefits to the State's environment because the proposed regulations will assist the Department in the sustainable management of California's big game populations.

Sections 360, 361, 362, 363 and 364: The proposed action will not have significant impacts on jobs or business within California. The proposed action adjusts tag quotas for existing hunts based on herd performance criteria and merely establish mandatory reporting requirements for all deer hunters and an administrative fee for non-reporting. Given the number of tags historically available, the minimal adjustments in tag numbers that are anticipated for the 2015-2016 hunting season, and the area over which they are distributed, the Commission anticipates that there will be no impact on business within California.

- (c) Cost Impacts on Representative Private Persons/Business:

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

- (d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:
None.

- (e) Other Nondisc etionary Costs/Savings to Local Agencies:
None.

- (f) Programs Mandated on Local Agencies or School Districts:
None.

- (g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed under Part 7 (commencing with Section 17500) of Division 4:
None.

- (h) Effect on Housing Costs:
None.

Effect on Small Business

It has been determined that the adoption of these regulations may affect small business. The Commission has drafted the regulations in Plain English pursuant to Government Code sections 11342.580 and 11346.2(a)(1).

Consideration of Alternatives

The Commission must determine that no reasonable alternative considered by the Commission, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

TITLE 14. FISH AND GAME COMMISSION

NOTICE IS HEREBY GIVEN that the Fish and Game Commission (Commission), pursuant to the authority vested by sections 200, 202, 205, 215, 220, 240, 315 and 316.5; reference sections 200, 202, 205, 206, 215 and 316.5, Fish and Game Code; proposes to amend subsections (b)(5), (b)(68), and (b)(156.5) of Section 7.50, Title 14, California Code of Regulations (CCR), relating to Central Valley Salmon Sport Fishing.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The current sport fishing regulations allow for salmon fishing in the American, Feather and Sacramento rivers. The Department of Fish and Wildlife (Depart-

ment) is proposing new Chinook salmon bag and possession limits in the American, Feather, and Sacramento rivers.

The Pacific Fishery Management Council (PFMC) is responsible for adopting recommendations for the management of recreational and commercial ocean salmon fisheries in the Exclusive Economic Zone (three to 200 miles offshore) off the coasts of Washington, Oregon, and California. When approved by the Secretary of Commerce, these recommendations are implemented as ocean salmon fishing regulations by the National Marine Fisheries Service (NMFS).

The PFMC will develop the annual Pacific coast ocean salmon fisheries regulatory options for public review at their March 2015 meeting and develop the final PFMC regulatory recommendations for adoption by the NMFS at their April 2015 meeting. Based on the action taken by the NMFS, the Department will propose specific bag and possession limits for the American, Feather, and Sacramento rivers which will:

- (1) align the inland salmon sport fishing possession limit with the ocean salmon sport fishing possession limit;
- (2) allow for additional harvest of salmon if low instream flow conditions persist due to the existing drought to reduce impacts to spawning habitat; and
- (3) increase or decrease the current salmon bag and possession limits based on the PFMC salmon abundance estimates and recommendations for ocean harvest for the coming season.

Proposed Regulations

At this time, a range [shown in brackets] of bag and possession limits are proposed to continue salmon fishing in the American, Feather and Sacramento rivers. The proposed range of bag and possession limits for Central Valley fall-run Chinook salmon stocks are as follows:

In the American River subsections 7.50(b)(5):

- (A) and (D) a season of July 16 through December 31 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.
- (B) a season of July 16 through August 15 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.
- (C) a season of July 16 through October 31 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.
- (E) a season of July 16 through December 16 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.

Feather River, subsections 7.50(b)(68)

- (D) a season of July 16 through October 15 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.
- (E) a season of July 16 through December 16 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.

Sacramento River below Keswick Dam, subsection 7.50(b)(156.5)

- (C) a season of August 6 through December 16 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.
- (E) a season of July 16 through December 16 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.
- (F) a season of July 16 through December 16 with a bag limit of [0–4] Chinook salmon and a possession limit of [0–8] Chinook salmon.

BENEFITS OF THE REGULATIONS

As set forth in Fish and Game Code section 1700 it is “the policy of the state to encourage the conservation, maintenance, and utilization of the living resources of the ocean and other waters under the jurisdiction and influence of the state for the benefit of all the citizens of the state and to promote the development of local fisheries and distant-water fisheries based in California in harmony with international law respecting fishing and the conservation of the living resources of the oceans and other waters under the jurisdiction and influence of the state. This policy shall include [as applicable to inland fisheries] all of the following objectives:

- (a) The maintenance of sufficient populations of all species of aquatic organisms to ensure their continued existence.
- (b) The maintenance of a sufficient resource to support a reasonable sport use, where a species is the object of sport fishing, taking into consideration the necessity of regulating individual sport fishery bag limits to the quantity that is sufficient to provide a satisfying sport.
- (c) The management, on a basis of adequate scientific information promptly promulgated for public scrutiny, of the fisheries under the state’s jurisdiction, and the participation in the management of other fisheries in which California fishermen are engaged, with the objective of maximizing the sustained harvest.”

Adoption of scientifically based Central Valley salmon seasons, size limits, and bag and possession limits provides for the maintenance of sufficient populations of salmon to ensure their continued existence. The

benefits of the proposed regulations are concurrence with Federal law, sustainable management of the Central Valley salmon resources, and promotion of businesses that rely on Central Valley salmon sport fishing.

NON-MONETARY BENEFITS TO THE PUBLIC

The Commission does not anticipate non-monetary benefits to the protection of public health and safety, worker safety, the prevention of discrimination, the promotion of fairness or social equity and the increase in openness and transparency in business and government.

CONSISTENCY WITH STATE OR FEDERAL REGULATIONS

Section 20, Article IV, of the State Constitution specifies that the Legislature may delegate to the Fish and Game Commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. The Legislature has delegated to the Commission the power to regulate recreational fishing in waters of the state (Fish & Game Code, §§ 200, 202, 205). The Commission has reviewed its own regulations and finds that the proposed regulations are neither inconsistent nor incompatible with existing state regulations. The Commission has searched the California Code of Regulations and finds no other state agency regulations pertaining to recreational fishing seasons, bag and possession limits. Further, the Commission has determined that the proposed regulations are neither incompatible nor inconsistent with existing federal regulations.

NOTICE IS GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the Resources Building Auditorium, 1416 Ninth Street, Sacramento, California, on Thursday, February 12, 2015, at 8:00 a.m., or as soon thereafter as the matter may be heard.

NOTICE IS ALSO GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be at the Flamingo Conference Resort & Spa, 2777 Fourth Street, Santa Rosa, California, on Wednesday, April 8, 2015, at 8:00 a.m., or as soon thereafter as the matter may be heard. It is requested, but not required, that written comments be submitted on or before April 2, 2014 at the address given below, or by fax at (916) 653-5040, or by e-mail to FGC@fgc.ca.gov. Written comments mailed, faxed or e-mailed to the Commission office, must be received before 5:00 p.m. on April 2, 2015. All comments must be received no later than April 9, 2015 at the hearing in Santa Rosa. If you would like copies of any modifica-

tions to this proposal, please include your name and mailing address.

The regulations as proposed in ~~strikeout~~-underline format, as well as an initial statement of reasons, including environmental considerations and all information upon which the proposal is based (rulemaking file), are on file and available for public review from the agency representative, Sonke Mastrup, Executive Director, Fish and Game Commission, 1416 Ninth Street, Box 944209, Sacramento, California 94244-2090, phone (916) 653-4899. Please direct requests for the above-mentioned documents and inquiries concerning the regulatory process to Sonke Mastrup or Jon Snellstrom at the preceding address or, phone number. **Karen Mitchell, Fisheries Branch, phone 916-445-0826, has been designated to respond to questions on the substance of the proposed regulations.** Copies of the Initial Statement of Reasons, including the regulatory language, may be obtained from the address above. Notice of the proposed action shall be posted on the Fish and Game Commission website at <http://www.fgc.ca.gov>.

AVAILABILITY OF MODIFIED TEXT

If the regulations adopted by the Commission differ from but are sufficiently related to the action proposed, they will be available to the public for at least 15 days prior to the date of adoption. Circumstances beyond the control of the Commission (e.g., timing of Federal regulation adoption, timing of resource data collection, timelines do not allow, etc.) or changes made to be responsive to public recommendation and comments during the regulatory process may preclude full compliance with the 15-day comment period, and the Commission will exercise its powers under Section 202 of the Fish and Game Code. Regulations adopted pursuant to this section are not subject to the time periods for adoption, amendment or repeal of regulations prescribed in Sections 11343.4, 11346.4 and 11346.8 of the Government Code. Any person interested may obtain a copy of said regulations prior to the date of adoption by contacting the agency representative named herein.

If the regulatory proposal is adopted, the final statement of reasons may be obtained from the address above when it has been received from the agency program staff.

IMPACT OF REGULATORY ACTION

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following initial determinations relative to the required statutory categories have been made:

- (a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

The proposed action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposed changes are necessary for the continued preservation of the resource and therefore the prevention of adverse economic impacts.

- (b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California; Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment:

The Commission does not anticipate any impacts on the creation or elimination of jobs, the creation of new business, the elimination of existing businesses or the expansion of businesses in California. The minor variations in the bag and possession limits as may be established in the regulations are, by themselves, unlikely to impact business.

The Commission anticipates benefits to the health and welfare of California residents. Providing opportunities for a salmon sport fishery encourages consumption of a nutritious food. The Commission anticipates benefits to the environment by the sustainable management of California's salmon resources.

The Commission does not anticipate any non-monetary benefits to worker safety.

- (c) Cost Impacts on a Representative Private Person or Business:

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

- (d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

None.

- (e) Nondiscretionary Costs/Savings to Local Agencies:

None.

- (f) Programs Mandated on Local Agencies or School Districts:

None.

- (g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code:

None.

- (h) Effect on Housing Costs:

None.

EFFECT ON SMALL BUSINESS

It has been determined that the adoption of these regulations may affect small business. The Commission has drafted the regulations in Plain English pursuant to Government Code sections 11342.580 and 11346.2(a)(1).

CONSIDERATION OF ALTERNATIVES

The Commission must determine that no reasonable alternative considered by the Commission, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

TITLE 15. BOARD OF STATE AND COMMUNITY CORRECTIONS

NOTICE OF PROPOSED AMENDMENT TO TITLE 15, MINIMUM STANDARDS FOR TRAINING OF LOCAL CORRECTIONS AND PROBATION OFFICERS, CALIFORNIA CODE OF REGULATIONS, BY THE BOARD OF STATE AND COMMUNITY CORRECTIONS

Pursuant to the authority granted by Penal Code Section 6035 and 6036, the Board of State and Community Corrections (BSCC) proposes to amend Title 15, California Code of Regulations, Division 1, Chapter 1 Subchapter 1, concerning Standards and Training of Local Corrections and Probation Officers after considering all comments, objections, and recommendations regarding these regulations.

PUBLIC HEARING

A public hearing is NOT scheduled at the time of the filing of this Notice. A public hearing will be held if one is requested 15 days prior to the close of the written

comment period. A public hearing may be requested by contacting either Barbara Fenton or Sukie Dhillon at the contact designated below.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the BSCC. The written comment period closes at **5:00 p.m. on February 16, 2015**. The BSCC will consider only comments received at BSCC offices by that time. Submit comments to:

Barbara Fenton, Field Representative
 600 Bercut Drive
 Sacramento CA 95811
 (916) 445-5073
barbara.fenton@bscc.ca.gov

Sukie Dhillon, Field Representative
 600 Bercut Drive
 Sacramento CA 95811
 (916) 445-5073
sukie.dhillon@bscc.ca.gov

AUTHORITY AND REFERENCE

Penal Code Section 6035 and 6036 authorize the BSCC to adopt and amend the proposed regulations, which would implement, interpret, or make specific Sections 6035 and 6036 of the Penal Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Summary of Existing Laws

Penal Code Sections 6035 and 6036 authorize the BSCC to establish minimum standards for local corrections and probation officers.

Summary of Existing Regulations

Existing standards which prescribe requirements for the selection and training of local corrections and probation officers are contained in Title 15 — Crime Prevention and Corrections, Division 1, Chapter 1, Subchapter 1 of the California Code of Regulations (CCR).

Summary of Effects

The proposed action would change the length of validation for a certified course from one year to two years in Section 233, Regular Certification and Revocation, of Title 15, Division 1, Chapter 1, Subchapter 1 CCR.

Comparable Federal Statutes or Regulations

There are no comparable federal regulations or statutes.

Policy Statement Overview

The broad objective of the proposed action is to maintain selection and training regulations for local corrections and probation officers in conformance with sound correctional practices.

The proposed revision reflects current best practices in selection and training and is intended to enhance the professionalism of local corrections and probation officers throughout the state. Specific benefits include clear and detailed regulations that will provide local administrators with guidance to raise the level of competence of local corrections and probation officers. The proposed revisions will continue to provide improvements to local corrections systems, ultimately ensuring the public’s health and safety.

During the process of developing these regulations and amendments, BSCC has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

The BSCC has made the following initial determinations:

- Mandate on local agencies and school districts: None.
- Cost or savings to any state agency: None.
- Cost to any local agency or school district which must be reimbursed in accordance with Government Code Sections 17500 through 17630: None.
- Other nondiscretionary costs or savings imposed on local agencies: None.
- Costs or savings in federal funding to the state: None.
- Significant effect on housing costs: None.
- Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: None.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT

The BSCC concludes that it is unlikely that adoption of this regulation revision will (1) create or eliminate jobs within California, (2) create new businesses, (3) eliminate existing businesses within California, or (4) affect the expansion of businesses currently doing business within California.

Benefits of the Proposed Action: These regulations will benefit the local corrections and probation officers,

by providing clear guidance related to the staff competencies and appropriate selection and training standards. The proposed revisions reflect current best practices intended to improve operations. Ensuring adherence to standardized course development and delivery along with selection standards will continue to benefit the health, safety and welfare of California's residents.

Cost impacts on a representative private person or business: The BSCC is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Business report: These regulations do not require a report to be made; they do not apply to businesses.

Small Business Determination: The BSCC has determined that the proposed regulations will have no effect on small businesses. These proposed regulations affect the selection and training of local corrections and probation officers.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the BSCC has determined that no reasonable alternative considered by the agency or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The BSCC invites interested parties to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearings or during the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Barbara Fenton, Field Representative
600 Bercut Drive
Sacramento, CA 95814
(916) 445-5073
barbara.fenton@bscc.ca.gov
*New Location effective February 1, 2015
2590 Venture Oaks Way
Sacramento, CA 95833

The back-up contact person is:

Sukie Dhillon, Field Representative
600 Bercut Drive
Sacramento, CA 95811
(916) 445-5073
sukie.dhillon@bscc.ca.gov
*New Location effective February 1, 2015
2590 Venture Oaks Way
Sacramento, CA 95833

Questions on the substance of the proposed regulation may be directed to Mrs. Fenton.

Please direct requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, or other information upon which this rulemaking is based to Barbara Fenton at the above address.

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Rulemaking File, which includes express terms, initial statement of reasons, and all the information on which this proposal is based, is available for viewing at the BSCC's office at the above address.

AVAILABILITY OF MODIFIED TEXT

If the BSCC makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the BSCC adopts the regulations as revised.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be accessed through the BSCC website at: <http://www.bscc.ca.gov>. Those persons who do not have access to the Internet may submit a written request to Barbara Fenton at the above address.

AVAILABILITY OF DOCUMENTS; INTERNET ACCESS

The Rulemaking File, which includes express terms, initial statement of reasons, and all the information of which this proposal is based, is available for viewing at the BSCC's office at the above address. Copies can also be accessed through our website at: <http://www.bscc.ca.gov>. Those persons who do not have access to the Internet may submit a written request to Barbara Fenton at the above address.

TITLE 17. AIR RESOURCES BOARD

**NOTICE OF PUBLIC HEARING TO CONSIDER A
LOW CARBON FUEL STANDARD**

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider re-adoption of an updated Low Carbon Fuel Standard (LCFS). The LCFS is intended to reduce, on a full-fuel, life cycle basis, the carbon intensity of transportation fuels used in California.

DATE: February 19, 2015
 TIME: 9:00 a.m.
 PLACE: California Environmental
 Protection Agency
 Air Resources Board
 Byron Sher Auditorium
 1001 I Street,
 Sacramento, CA 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., February 19, 2015, and may continue at 8:30 a.m., on February 20, 2015. This item may not be considered until February 20, 2015. Please consult the agenda for the meeting, which will be available at least 10 days before February 19, 2015, to determine the day on which this item will be considered.

**INFORMATIVE DIGEST OF PROPOSED ACTION
AND POLICY STATEMENT OVERVIEW
PURSUANT TO GOVERNMENT
CODE 11346.5(a)(3)**

Sections Affected: Proposed repeal of California Code of Regulations (CCR), title 17, existing sections 95480, 95480.1, 95481, 95482, 95483, 95484, 95485, 95486, 95487, 95488, 95489, and 95490, and proposed adoption of CCR, title 17, sections 95480, 95481, 95482, 95483, 95483.1, 95483.2, 95484, 95485, 95486, 95487, 95488, 95489, 95490, 95491, 95492, 95493, 95494, 95495, 95496, and 95497.

Documents Incorporated by Reference:

The following models would be incorporated in the regulation by reference as specified by section:

1. “Agro–Ecological Zone Emissions Factor (AEZ–EF)” model (February 21, 2014), section 95481(a)(2);
2. ASTM D6751–14 (2014), *Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels*, sections 95481(a)(6), 95481(a)(8)(C);

3. ASTM D7467–13 (2013), *Specification for Diesel Fuel Oil, Biodiesel Blend (B6 to B20)*, section 95481(a)(9);
4. ASTM D975–14a, (2014), *Standard Specification for Diesel Fuel Oils*, sections 95481(a)(15) and 95481(a)(28);
5. ASTM D4806–14 (2014), *Standard Specification for Denatured Fuel Ethanol for Blending with Gasolines for Use as Automotive Spark–Ignition Engine Fuel*, section 95481 (a)(28);
6. “Global Trade Analysis Project (GTAP) Model” (December 2014), section 95481 (a)(42);
7. Oil Production Greenhouse Gas Emissions Estimator (OPGEE) model, Version 1.1 Draft D (October 1, 2014), section 95481(a)(63);
8. California–modified Greenhouse Gases, Regulated Emissions, and Energy use in Transportation model, Version 2.0–T1 (CA–GREET 2.0–T1) (December 15, 2014), section 95488(c)(4)(F)1;
9. California–modified Greenhouse Gases, Regulated Emissions, and Energy use in Transportation model, Version 2.0–T2 (CA–GREET2.0–T2) (December 15, 2014), section 95488(c)(4)(F)1;
10. “Industrial Strategies Division, Air Resources Board (December 15, 2014), Low Carbon Fuel Standard (LCFS) Pathway for the Production of Biomethane from the Mesophilic Anaerobic Digestion of Wastewater Sludge at a Publicly–Owned Treatment Works (POTW), version 2.0,” section 95488(c)(4)(F);
11. “Industrial Strategies Division, Air Resources Board (December 15, 2014), Low Carbon Fuel Standard (LCFS) Pathway for the Production of Biomethane from High Solids Anaerobic Digestion (HSAD) of Organic (Food and Green) Wastes, version 2.0,” section 95488(c)(4)(F);
12. “Industrial Strategies Division, Air Resources Board (December 15, 2014), Detailed California–Modified GREET Pathway for Ultra Low Sulfur Diesel (ULSD) from Average Crude Refined in California, version 3,” section 95488(c)(4)(F);
13. “Industrial Strategies Division, Air Resources Board (December 15, 2014), Detailed CA–GREET Pathway for California Reformulated Gasoline Blendstock for Oxygenate Blending (CARBOB) from Average Crude Refined in California, version 3,” section 95488(c)(4)(F);

14. “Industrial Strategies Division, Air Resources Board (December 15, 2014), Detailed California–Modified GREET Pathway for California Average and Marginal Electricity, version 3,” section 95488(c)(4)(F);
15. “Industrial Strategies Division, Air Resources Board (December 15, 2014), Detailed California Modified GREET Pathway for Compressed Gaseous Hydrogen from North American Natural Gas, version 3,” section 95488(c)(4)(F); and
16. Chapters V, VI, and VII of “Guidance Document and Recommendations on the Types of Scientific Information Submitted by Applicants for California Fuels Environmental Multimedia Evaluations (Revised June 2008),” University of California, Davis, University of California, Berkeley, and Lawrence Livermore National Laboratory, available at <http://www.arb.ca.gov/fuels/multimedia/080608guidance.pdf>, section 95490(b)(2).

Background and Effect of the Proposed Rulemaking:

In 2006, the Legislature passed and Governor Schwarzenegger signed the California Global Warming Solutions Act of 2006 (AB 32; Stats. 2006, chapter 488). In Assembly Bill (AB) 32, the Legislature declared that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California. The Legislature further declared that global warming will have detrimental effects on some of California’s largest industries, including agriculture and tourism, and will increase the strain on electricity supplies. The Legislature recognized that action taken by California to reduce emissions of greenhouse gases (GHG) will have far-reaching effects by encouraging other states, the federal government, and other countries to act. AB 32 creates a comprehensive, multi-year program to reduce GHG emissions in California, with the overall goal of restoring emissions to 1990 levels by the year 2020. AB 32 required ARB to take actions that included:

- Establishing a statewide GHG emissions cap for 2020, based on 1990 emissions;
- Adopting a scoping plan by January 1, 2009, indicating how emission reductions will be achieved from significant GHG sources via regulations, market mechanisms, and other actions;
- Adopting a list of discrete, early action GHG emission reduction measures by June 30, 2007, which can be implemented and enforced no later than January 1, 2010; and

- Adopting regulations by January 1, 2010, to implement the measures identified on the list of discrete early action measures.

In 2007, Governor Schwarzenegger signed Executive Order S–01–07. This executive order directed the ARB to determine whether an LCFS for transportation fuels used in California could be adopted as a discrete early action measure pursuant to AB 32, and if so to draft the LCFS so that it reduces the carbon intensity of transportation fuels used in California by at least 10 percent by the year 2020. In addition to substantially reducing GHG emissions from transportation fuels, the LCFS is expected to help diversify the transportation fuels market in California, thereby cutting petroleum dependency and creating a sustainable and growing market for cleaner fuels.¹

In 2007, the Board approved a list of nine discrete early action measures, including a measure entitled, “Low Carbon Fuel Standard.” The proposed regulation is designed to implement this measure pursuant to the requirements of AB 32 and Executive Order S–01–07.

The Board approved an LCFS regulation in 2009. The goal of the LCFS regulation was and is to reduce the carbon intensity of transportation fuels used in California by at least 10 percent by 2020 from a 2010 baseline. ARB approved revisions to the LCFS effective November 26, 2012.²

On July 15, 2013, the State of California Court of Appeal (Court) issued its opinion in *POET, LLC v. California Air Resources Board* (2013) 218 Cal.App.4th 681, ruling that the LCFS adopted in 2009 and implemented in 2010 (referred to as 2010 LCFS) would remain in effect and that ARB could continue to implement and enforce the 2013 regulatory standards while taking steps to address California Environmental Quality Act (CEQA) and Administrative Procedure Act (APA) issues identified in the ruling. To address those issues, ARB must set aside the existing LCFS regulation and re-adopt an LCFS regulation.

To comply with the court ruling and to update and revise the LCFS, ARB will bring a new LCFS regulation and the Alternative Diesel Fuel (ADF) regulation to the Board for consideration in 2015. The proposed LCFS regulation will differ from the 2010 LCFS, containing new provisions that among other things are designed to foster investments in the production of the low-CI fuels, offer additional flexibility to regulated parties, update critical technical information, simplify and

¹ Governor’s White Paper, *The Role of a Low Carbon Fuel Standard in Reducing Greenhouse Gas Emissions and Protecting Our Economy*, <<http://gov.ca.gov/index.php?/fact-sheet/5155/>>.

² The current and complete regulatory text is available at http://www.arb.ca.gov/fuels/lcfs/CleanFinalRegOrder_112612.pdf.

streamline program operations, and enhance enforcement.

Objectives and Benefits of the Proposed Regulatory Action:

Overview

The proposed regulatory action would reduce the average carbon intensity of transportation fuels used in California by 10 percent by the year 2020, compared to 2010. Carbon intensity is a measure of the direct and indirect GHG emissions associated with each of the steps in the full fuel cycle of a transportation fuel (also referred to as “well-to-wheels” for fossil fuels, or “seed or field-to-wheels” for biofuels), divided by the fuel’s energy content. Depending on the circumstances, GHG emissions from each step can include carbon dioxide (CO₂), methane, nitrous oxide (N₂O), and other GHGs. Carbon intensity is typically expressed in terms of grams of CO₂ equivalent per megajoule (grams CO₂e/MJ).

The proposed LCFS regulation will achieve a 10 percent reduction in average carbon intensity by requiring specified providers of transportation fuels used in California (referred to as “regulated parties”) to meet an incrementally lower carbon intensity standard in each subsequent year. A regulated party’s overall carbon intensity for its pool of transportation fuels would then need to meet each year’s specified carbon intensity level. Regulated parties can do that with any combination of fuels they produce or supply and LCFS credits banked in previous years or acquired from other regulated parties.

Applicability, Regulated Parties, and Fuels

The proposed regulation places compliance obligations initially on regulated parties that are upstream entities (i.e., producers and importers that are legally responsible for the quality of transportation fuels in California), rather than downstream distributors and fueling stations. But under specified conditions, the regulated party may be another entity further downstream that can be held responsible for the carbon intensity of the fuels or blendstocks that they dispense in California.

For gasoline, diesel, and other liquid blendstocks (including oxygenates and biodiesel), the regulated party will generally be the producer or importer of the fuel or blendstock. With regard to compressed and liquefied natural gas derived from petroleum sources (fossil CNG and fossil LNG, respectively), the regulated party for fossil CNG will generally be the entity that owns the fuel dispensing equipment; for fossil LNG, it is the entity that owns the fuel when it is transferred to the fuel dispensing equipment in California. For other gaseous fuels (biogas/biomethane, hydrogen), the regulated party will generally be the person who produces the fuel

and supplies it for vehicular use. For electricity, the regulated party will be either the utility supplying the electricity to the vehicle or another party that provides electricity to vehicles and has assumed the LCFS compliance obligation. The proposal specifies the criteria under which a person would be deemed a regulated party for each particular fuel and how the responsibility of complying with the LCFS can be transferred.

The LCFS applies, either on a compulsory or opt-in basis, to most types of fuels used for transportation in California, including:

- California reformulated gasoline,
- California diesel fuel,
- Fossil compressed natural gas (CNG), fossil liquefied natural gas (LNG), or liquefied compressed natural gas (L-CNG),
- Biogas-derived CNG (bio-CNG), biogas-derived LNG (bio-LNG), or biogas-derived L-CNG (bio-L-CNG),
- Electricity,
- Compressed or liquefied hydrogen,
- Any fuel blend containing hydrogen,
- Any fuel blend containing greater than 10 percent ethanol by volume,
- Any fuel blend containing biomass-based diesel,
- Denatured fuel ethanol,
- Neat biomass-based diesel, and
- Any other liquid or non-liquid fuel not otherwise exempted from the regulation.

Voluntary Opt-In Provision

The proposed regulation includes an opt-in provision for certain alternative fuels that have full fuel-cycle, carbon intensities that inherently meet the proposed compliance requirements through 2020. These fuels are electricity, hydrogen and hydrogen blends, fossil CNG derived from North American sources, bio-CNG, bio-LNG, and bio-L-CNG. Regulated parties for these fuels are required to meet the LCFS requirements (e.g., reporting, credit balancing) only if they elect to generate credits based on these fuels as provided under the proposal. Generally, parties that opt into the LCFS program will be those parties that expect to generate LCFS credits under the regulation. By opting into the program, a person becomes a regulated party under the LCFS regulation and is required to meet the LCFS reporting obligations and requirements. The provisions for opting into the LCFS are set forth in the proposal.

Exemptions

The proposal exempts any alternative fuel that is not biomass-based or renewable biomass-based and for which the aggregated volume by all parties for that fuel is less than 420 million megajoules per year (3.6 million gasoline gallon equivalent per year). This is intended to

exempt research fuels entering the market or very low-volume niche fuels. Also, the proposal does not apply to regulated parties providing liquefied petroleum gas (LPG or propane).

There is also an exemption for specific applications of transportation fuels, including fuels used in military tactical vehicles, interstate locomotives, aviation, and ocean-going vessels. However, it is important to note that this exemption does not apply to *intrastate* locomotives and commercial harbor craft, for which the diesel fuel is already subject to the requirements in 17 CCR § 93117 (i.e., required to use on-road California diesel). Because of this, the diesel fuel sold or offered for sale for use in intrastate locomotives and commercial harbor craft subject to 17 CCR § 93117 would be treated the same as any other transportation fuel subject to the LCFS.

Transfer of Compliance Obligations

As noted, certain persons are initially designated as regulated parties who are responsible for the LCFS compliance obligations. Except as provided in the proposal, this status as a regulated party generally remains with the initially-designated party even if fuel ownership is transferred. There are two major exceptions to this general rule. For CARBOB and diesel fuel, the compliance obligations would generally transfer to another producer or importer, with provisions for the initial regulated party to retain the compliance obligation if so agreed by the affected parties.

Notwithstanding the presumption noted above, the proposal generally allows the regulated party for a fuel to transfer its compliance obligations by written instrument to another party under specified conditions; the buyer or recipient of the transferred fuel, in turn, becomes the regulated party for that fuel. For a variety of reasons, the transfer of such compliance obligations, along with the potential for generating and selling credits, may be desirable for a company.

Fuel Pool Carbon Intensity Requirements

As noted, the LCFS achieves the goals of Executive Order S-01-07 by incrementally reducing the allowable carbon intensity of transportation fuel used in California. The LCFS does not limit the carbon intensity of individual batches or types of fuels, but it does require regulated parties to comply with annual, average carbon intensity levels for the total amount of fuel they provide in California. The allowable carbon intensity of transportation fuels decreases each year, starting in 2016, until the carbon intensities of gasoline and diesel transportation fuels in 2020 are each reduced by 10 percent relative to 2010. Gasoline and diesel follow similar carbon intensity reduction curves through 2020 and beyond. Under the proposal, the carbon intensity for alter-

native fuels (e.g., biofuels, natural gas, hydrogen, electricity) would be judged against either the gasoline or diesel carbon intensity requirements, depending on whether the alternative fuel is used for light- and medium-duty vehicles or for heavy-duty vehicles, as specified in the regulation. In each year, the carbon intensity of each fuel is compared to the LCFS requirement for that year. Supplying fuels that have carbon intensity levels below the requirement generates credits. Supplying fuels with carbon intensity levels above the requirement generates deficits. To comply with the LCFS for a given year, a regulated party must show that the total amount of credits equal or exceed the deficits incurred. Excess credits can be retained or sold to other regulated parties.

Progress Reporting and Account Balance Reporting

The proposal provides for regulated parties to submit quarterly progress reports by specified dates. The quarterly reports are required to contain a specified set of information and data, such as carbon intensities, fuel volumes sold or dispensed, fuel transfer information, and other information.

The annual account-balance reporting includes the information required for the quarterly reporting, along with additional information relating to the total credits and deficits generated during the year or carried over from the previous year; total credits acquired from another party; total credits transferred to other parties; credits generated and banked in the current year; and any deficits to be carried into the next year. All quarterly and annual reporting will be done via the LCFS Reporting Tool and Credit Bank & Transfer System (LRT-CBTS).

Recordkeeping

Regulated parties will be required to maintain specified records in English for a minimum of five years. Upon request by the Executive Officer, regulated parties would need to provide such records within 20 days.

Evidence of Fuel Transport Mode

To ensure that low carbon fuels and blendstocks reported to ARB are actually the source of finished fuels used in the State, regulated parties will be required under the proposal to demonstrate the physical mode by which the fuels are actually delivered. For each transportation fuel that a regulated party reports, the demonstration could involve a four-part showing:

- An initial demonstration of the delivery methods comprising the physical transport mode by which the transportation fuel is expected to arrive in California. This includes applicable combination of truck/rail lines or routes, pipelines, and other delivery segments that, together, comprise the physical transport mode;

- Written evidence that a specific volume of a particular transportation fuel with known carbon intensity was introduced into the physical transport mode as directed by the regulated party;
- Written evidence that the same volume of that transportation fuel was removed from the physical transport mode in California by the regulated party for use as a transportation fuel in California; and
- An update to the initial demonstration whenever there are modifications.

Provisions Governing Credits and Deficits and Reconciliation of Shortfalls

Detailed equations and calculations are specified in the proposal for a regulated party to use in calculating its total credits and deficits within each compliance period. A regulated party will meet its annual compliance requirements if its credit balance, at the end of the compliance year, is greater than or equal to zero. Conversely, a regulated party is in deficit and presumptively in violation if its credit balance is less than zero at the end of a compliance year.

If a regulated party has not generated, acquired, or carried over sufficient LCFS credits to retire and offset the entire compliance obligation for the given compliance period, it may still be able to attain compliance via a year-end credit clearance market. The regulated party with an unmet compliance obligation will be considered in compliance for that year if (1) a clearance market is held, (2) the party participates by purchasing its pro rata share of credits pledged for sale in the clearance market, and (3) the party retires the unmet compliance obligation, with interest, within five years. If no market is held, the party will be deemed in compliance for the year if it retires any accumulated, unmet compliance obligation, with interest, within five years.

A regulated party may generate credits on a quarterly basis and unused credits may be banked without expiration. A non-regulated third party is prohibited from buying, selling, or trading LCFS credits except as an agent of a regulated party. There is no prohibition against retiring or exporting LCFS credits to other GHG-reduction programs, but importing credits from such external programs into the LCFS program would not be allowed.

Determination of Carbon Intensity Values

The carbon intensity values represent the currency upon which the LCFS is based. The carbon intensity is determined in two parts. First, all of the direct emissions associated with producing, transporting, and using the fuel are determined. Second, indirect effects caused by changes in land use are considered. For some crop-based biofuels, staff has identified land use changes as a significant source of additional GHG emissions. Therefore, staff is proposing that emissions associated with

land use changes be included in the carbon intensity values assigned to those fuels in the proposed regulation. No other significant effects that result in large GHG emissions have been identified that would substantially affect the LCFS framework for reducing the carbon intensity of transportation fuels.

To assess the direct emissions, staff proposes using a modified version of the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET1 2013) model, developed by Argonne National Laboratories. ARB developed a modified model, referred to as CA-GREET 2.0. CA-GREET 2.0 is essentially a large spreadsheet that incorporates many specific numeric values that allow for the calculation of the life-cycle GHG emissions associated with producing, transporting, and using various fuels.

To assess the emissions from land use changes, staff proposes using a global economic model to estimate the GHG emissions impact. The Global Trade Analysis Project (GTAP) model is discussed in the Staff Report and related Appendices. In general, the model evaluates the worldwide land use conversion associated with the production of crops for fuel production. Different types of land use have different rates of storing carbon. In general, multiplying the changes in land use by an emission factor for the land conversion type results in an estimate of the GHG emissions related to land conversions.

The proposed regulation establishes fuel pathways for two categories: Tier 1 includes conventionally produced, first generation fuels, and Tier 2 includes fuels produced using emerging technologies and/or innovative production methods, such as low-CI sources of process energy. In general, Tier 1 fuels have been in use under the LCFS for three years, whereas Tier 2 fuels have been in full commercial production for a relatively short period of time, and are relatively new to the LCFS. Under Tier 1, applicants calculate their pathway CIs using the custom CI calculator found in the “T1 Calculator” tab of CA-GREET 2.0. This calculator computes pathway CIs using only the base set of input parameters that determine a Tier 1 pathway CI. Tier 2 applicants may obtain a new fuel pathway using the Tier 2 Lookup Tables for a number of specified fuel pathways. Regulated parties may choose to use these pathways to calculate credits and deficits.

Also under Tier 2, regulated parties may also seek Executive Officer approval to either modify the CA-GREET 2.0 model inputs to reflect their specific processes (Method 2A) or to generate an additional pathway using CA-GREET 2.0 (Method 2B). For both Method 2A and 2B, there is a scientific defensibility requirement for the regulated party to meet before the Executive Officer can approve new values. For Method 2A, there is an additional provision that requires a sub-

stantial change in the carbon intensity relative to the analogous Lookup Table pathway.

The proposed uses of Method 2A and 2B are subject to public review under the proposal. In other words, the Executive Officer may not approve a carbon intensity value proposed pursuant to Method 2A or 2B until after the proposed method and associated information submitted in support of that method have been made available for public review. Trade secrets would be protected under established ARB regulations and procedures.

Executive Officer Review and Multimedia Evaluations

The proposal would require the Executive Officer to conduct a review of the LCFS implementation, including specified topics, solicit public input, and report to the Board by January 1, 2019.

Pursuant to Health and Safety Code (H&S) section 43830.8(a), the Board may not adopt a regulation that establishes a specification for a motor vehicle fuel unless a multimedia evaluation for the regulation undergoes the review process specified in the statute. However, this multimedia requirement does not apply if the regulation does not establish a motor vehicle fuel specification. Based on its assessment as discussed in the Staff Report, staff has determined that the proposed LCFS regulation, by itself, does not establish a motor vehicle fuel specification and therefore does not trigger a multimedia evaluation requirement under H&S section 43830.8(i).

As new, lower-carbon intensity fuels are developed over time, ARB may need to establish fuel specifications to allow the sale of such fuels in California. In those cases, we anticipate the need to conduct multimedia evaluations for the specific fuels. Indeed, ARB has conducted a multimedia evaluation for biodiesel and renewable diesel, for which new fuel specifications will be presented to the Board in 2015. Similar multimedia evaluations may be needed if ARB amends the specifications for 85 percent ethanol gasoline (E85) and adopts a new biobutanol fuel specification. Therefore, the proposal contains provisions relating to multimedia evaluations which, when applicable, would be conducted pursuant to H&S section 43830.8.

Economic Impacts:

The economic impacts are dependent upon what options the regulated parties choose to use to meet the performance-based LCFS. To demonstrate the feasibility of the standard itself, staff prepared an illustrative compliance scenario demonstrating that achieving the LCFS is feasible, as discussed within the Staff Report. This scenario identifies the need for additional low-carbon alternative fuels, including biofuels, electricity, hydrogen, and natural gas, both fossil and renewable. The illustrative scenario points to the need for substantial new volumes of low-carbon biofuels. This, in turn,

generally points to the need for additional biofuel production facilities to produce the fuel. There is no specific requirement that these facilities be built in California. In addition, to the extent that these fuels could be used to comply with either the LCFS or the federal Renewable Fuels Standard, the impacts would not solely be attributable to the LCFS.

The economic impacts analysis considers the impacts of meeting the LCFS and considers the scenario as a basis for the analysis. The following discussion summarizes the staff's economic analysis.

The LCFS and the ADF regulations will be proposed to the Air Resources Board for consideration in 2015. The goals of the LCFS proposal are to achieve a 10 percent reduction in the carbon intensity of California transportation fuels by 2020, to diversify California's transportation fuel portfolio, and to create a durable regulatory framework that can be adopted by other jurisdictions. The primary goals of the ADF proposal are two-fold: 1) establish a comprehensive, multi-stage process governing the commercialization of ADF formulations in California, and 2) to establish special provisions for biodiesel to permit its use within the commercial fuels market in volumes and blends that will result in no significant adverse impacts on public health or the environment relative to conventional petroleum CARB diesel. Both these regulations affect the types and volumes of transportation fuels demanded in California. Due to the strongly complementary nature of these policies, the economic effects of the two programs are modeled together for the purposes of the economic analysis (referred to as the combined LCFS/ADF proposal).

The economic impacts of the proposed LCFS and ADF on the California economy are negligible, considering the size and diversity of California's economy. ARB estimates the LCFS and ADF proposals would at most have a combined impact of reducing the growth in California's Gross State Product by less than 0.06 percent annually from 2016 through 2020.

The estimated direct cost to regulated parties is highly sensitive to the price of LCFS credits, which turns on the supply and demand for credits in the market and cannot be forecast with certainty, as well as turning on the mitigation pathway chosen by biodiesel producers. From 2012 through 2013, when the LCFS standards for gasoline and diesel were declining, the average credit price reported in the LRT was \$57. Based on historic credit prices and the fuel volumes that will be required to meet the increasing stringency of the LCFS proposal, ARB analyzed a hypothetical credit price of \$100 for the period 2016 through 2020. This method likely overestimates costs because many lower-CI fuels with embedded credits can be generated and secured at costs lower than the market price for stand-alone credits.

Additional information on economic impacts is addressed in the economic impacts chapter of the Staff Report.

Peer Review:

Concurrent with this notice, staff will forward the Staff Report to the University of California for peer review pursuant to H&S section 57004.

DETERMINATION OF INCONSISTENCY AND INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing the proposed regulatory action, ARB has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

COMPARABLE FEDERAL REGULATIONS

There are no current federal regulations comparable to the proposed regulation. The U.S. Environmental Protection Agency (U.S. EPA) has adopted its Renewable Fuel Standard (RFS2) regulations, 40 CFR §80.1400 et seq., that mandate the blending of specific volumes of renewable fuels into gasoline and diesel sold in the U.S. to achieve a specified ratio for each year (i.e., the renewable fuel standard). As defined, “renewable fuels” under the RFS superficially resembles the list of transportation fuels subject to the LCFS.³ However, there are a number of reasons why the RFS is not comparable to the LCFS.

Congress adopted a renewable fuels standard in 2005 and strengthened it in December 2007 as part of the Energy Independence and Security Act. The RFS2 requires that 36 billion gallons of biofuels be sold annually by 2022, of which 21 billion gallons must be “advanced” biofuels and the other 15 billion gallons can be corn ethanol. The advanced biofuels are those that achieve at least 50 percent reduction from baseline lifecycle GHG emissions, with a subcategory required to

meet a 60 percent reduction target. These reduction targets are based on lifecycle emissions, including emissions from land use changes.

The RFS2 volumetric mandate alone will not achieve the objectives of the LCFS. The RFS2 targets only biofuels and not other alternatives; therefore, the potential value of electricity, hydrogen, and natural gas are not considered in an overall program to reduce the carbon intensity of transportation fuels. In addition, the targets of 50 percent and 60 percent GHG reductions only establish minimum requirements for biofuels, without incentivizing continuous improvements. It assigns biofuels into four categories, without incentivizing innovations within any category. Finally, it does not apply to certain corn ethanol production plants, thus providing no incentive for reducing the carbon intensity from their fuels.

By contrast, the LCFS regulates all transportation fuels, including biofuels and non-biofuels, with a few narrow and specific exceptions. Thus, non-biofuels such as compressed natural gas, electricity, and hydrogen may play important roles in the LCFS program. In addition, the LCFS encourages much greater innovation than the federal program by providing important incentives to continuously improve the carbon intensity of biofuels and to deploy other fuels with very low carbon intensities.

If California were to rely solely on the RFS2 (i.e., the “No LCFS” alternative), the State would neither achieve the fuel carbon intensity goals called for in Executive Order S-01-07, nor stimulate the innovation needed to support future dramatic GHG reductions from the transportation sector. As noted in the Staff Report, RFS2 by itself achieves only approximately 30 percent to 40 percent of the GHG reductions projected under the LCFS program.

Because of these differences, the federal RFS regulation is complementary but not comparable to the staff’s proposal.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Staff Report: Initial Statement of Reasons for Proposed Rulemaking to Readopt a Low Carbon Fuel Standard.

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on ARB’s web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First

³ 40 CFR §80.1101(d)(1) and (2) provides: (1) Renewable fuel is any motor vehicle fuel that is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to fuel a motor vehicle, and is produced from any of the following: (i) Grain; (ii) Starch; (iii) Oilseeds; (iv) Vegetable, animal, or fish materials including fats, greases, and oils; (v) Sugarcane; (vi) Sugar beets; (vii) Sugar components; (viii) Tobacco; (ix) Potatoes; (x) Other biomass; (xi) Natural gas produced from a biogas source, including a landfill, sewage waste treatment plant, feedlot, or other place where there is decaying organic material.

(2) The term “Renewable fuel” includes cellulosic biomass ethanol, waste derived ethanol, biodiesel (mono-alkyl ester), non-ester renewable diesel, and blending components derived from renewable fuel.

Floor, Sacramento, California, 95814, (916) 322-2990, beginning on December 30, 2014.

Final Statement of Reasons Availability

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's web site listed below.

Agency Contact Persons

Inquiries concerning the substance of the proposed regulatory action may be directed to the designated agency contact persons, Jack Kitowski, Assistant Division Chief, Industrial Strategies Division, at (916) 445-6102, or Katrina Sideco, Air Resources Engineer, at (916) 323-1082.

Non-substantive inquiries concerning the proposed administrative action may be directed to Amy Whiting, Regulations Coordinator, (916) 322-6533. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to Amy Whiting.

Internet Access

This notice, the ISOR and all subsequent regulatory documents, including the FSOR when completed, are available on ARB's website for this rulemaking at www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm.

DISCLOSURES REGARDING THE PROPOSED REGULATION

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below.

Fiscal Impact/Local Mandate

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would not create significant costs or savings to any State agency or affect federal funding to the State, costs or mandate to any local agency or school district, whether or not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), or other nondiscretionary costs or savings to State or local agencies.

The proposed LCFS regulation poses no mandate on State agencies, local agencies, or school districts. The potential impact of the LCFS may be on fuel prices, which may create a minor ongoing cost to local and state agencies. The standards for 2014 and 2015 under the existing LCFS regulation are frozen at 1.0 percent

by a Court order, and because LCFS credit prices are about \$25, the impact of the LCFS on fuel prices is currently indiscernible at the pump. At a hypothetical price of \$100 per LCFS credit, and a CI-reduction target of two percent in 2016, the estimated maximum cost impact on fuel prices would be 2 cents per gallon. Similarly, for 2017's target of 3.5 percent reduction, the estimated maximum impact would be 3.5 cents per gallon.

These maximum impacts are well within the normal volatility of fuel prices and would essentially be unseen at the pump. Nevertheless, as an illustrative example, if LCFS prices were \$100/credit, for a State or local government agency whose combined fleet of vehicles consumes 100,000 gallons of fuel annually, the fiscal impact would be:

FY 14/15: None

FY 15/16: \$1,750 (1.75 cpg: 6 months negligible and 6 months @ 3.5 cpg)

FY 16/17: \$4,250 (4.25 cpg: 6 months @ 3.5 cpg and 6 months @ 5 cpg)

On the other hand, because of the increase in price of petroleum diesel, gasoline, and their alternatives due to the conservatively assumed full-pass through of the theoretical credit price (in this example, \$100), there would be increases in the local revenue collected from sales tax. While the magnitude of the increase depends on the credit price and varies depending upon the tax rate in the locality, ARB estimates a total change of \$4 million in 2016 to \$15 million in 2020. These results vary greatly depending on the local tax rate, the consumption patterns of consumers in these areas, the realized credit price, and the amount of the credit price that is passed on to consumers.

Similarly, there would be increases in the State revenue collected from sales tax. ARB estimates a total increase in state revenues of \$11 million in 2016 and up to about \$42 million in 2020. These results vary greatly depending on the realized credit price and the amount of the credit price that is passed on to consumers. Additionally, excise taxes are reduced due to reductions in diesel consumed amounting to a reduction in excise taxes of \$7 million in 2016 and \$2 million in 2020. Overall, the impact to the State budget, based on the theoretical compliance scenario is an increase of \$4 million in 2016 and \$40 million in 2020.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of Califor-

nia businesses to compete with businesses in other states, or on representative private persons.

RESULTS OF THE STANDARDIZED
REGULATORY IMPACT
ANALYSIS/ASSESSMENT PREPARED
PURSUANT TO GOV. CODE § 11346.3(c)

In October 2014, ARB submitted a Standardized Regulatory Impact Assessment to DOF for their review. To determine the economic impacts of the regulation, ARB modeled the impact of the combined LCFS/ADF proposals using a hypothetical credit price of \$100. The economic impacts have very small but negative impacts on macroeconomic indicators.

Since the submittal, there have been minor changes to the regulation. ARB chose to update the analysis and present them in Appendix F of the ISOR. The results of the updated macroeconomic modeling are not significantly different from the original SRIA as submitted to DOF. ARB interprets these results as insignificant given the size of California's \$2 trillion economy and the uncertainty of the credit prices and fuels that are brought to California for compliance. Private investment growth slows by -0.01 % in 2016 and -0.13% in 2020 (-\$20 million and -\$520 million respectively). Personal income growth slows by -0.01% in 2016 and -0.06% in 2020 (-\$120 million and -\$1,470 million respectively). Gross State Product growth slows by 0.00% in 2016 and -0.07% in 2020 (-\$30 million and -\$1,730 million respectively). Employment growth slows by -0.01% in 2016 and -0.08% in 2020 (-2400 and -17,300 respectively).

Effect on Jobs/Businesses:

The proposed LCFS/ADF regulation would slow the growth in employment. To the extent that the Low Carbon Fuels Standard may affect transportation fuel prices, and California business that uses transportation fuels may be affected by the LCFS. The LCFS is a fuel-neutral, performance-based regulation that allows regulated parties to find the most cost-effective approaches to compliance. There are opportunities for producers of lower-CI fuels (e.g., biodiesel, renewable diesel, low-CI ethanol) to construct facilities in California, thereby creating new businesses. On the other hand, if the LCFS reduces petroleum dependence, some petroleum-related businesses may be affected. Due to the flexible, performance-standard nature of the LCFS, precisely quantifying business gains and losses is not possible. On a macroeconomic scale, the estimated impacts on California's economy are negligible. There are opportunities for producers of lower-CI fuels to construct or expand facilities in California, thereby creating new jobs and businesses. On the other hand, if

the LCFS reduces petroleum dependence, some jobs related to producing petroleum-based, high-carbon fuels may be eliminated. Jobs in the fuel distribution system are not expected to change, even if there is a change in the products being distributed.

Competitive Advantages/Disadvantages for Current Businesses:

Pursuant to Government Code section 11346.5(a)(8), the Executive Officer has made an initial determination that the proposed regulatory actions covering the affected regulation would not have a significant State-wide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. In accordance with Government Code sections 11346.5(a)(10) and 11346.3(b), the Executive Officer has further determined that the proposed regulatory actions may lead to the elimination of jobs within — as well as outside of — the State of California, and the elimination of existing businesses within — as well as outside — the State of California. However, these impacts are small on a state-wide basis.

An assessment of the economic impacts of the proposed regulatory action and its effect on California businesses can be found in the ISOR.

Investment Effects.

Private investment growth slows by -0.01% in 2016 and -0.13% in 2020 (-\$20 million and -\$520 million respectively). ARB interprets these results as insignificant given the size of California's \$2 trillion economy and the uncertainty of the credit prices and fuels that are brought to California for compliance.

Innovation Effects

By requiring the gradual, incremental replacement of high-carbon transportation fuels with low-carbon alternatives, the regulation will spur innovation, create a more diverse fuel market. Existing fuel producers are incentivized to find innovative ways to reduce the CI of their fuels because this will reduce the cost of complying with the regulation. In addition, the LCFS incentivizes low-CI fuel producers to enter the market and expand their businesses by developing innovative new fuels that will yield credit revenues.

Benefits

The regulation will spur innovation, create a more diverse fuel market, and set the stage for significant greenhouse gas reductions in future years. Fuel diversity will benefit consumers and GHG reductions will benefit public health and the environment.

The LCFS proposal is expected to improve California's air quality. In fact, the LCFS proposal may reduce criteria pollutant emissions from the 2020 projected vehicle fleet, due to reduced use of petroleum-based diesel. The LCFS proposal is anticipated to deliver envi-

ronmental benefits that include a cumulative estimated reduction in the PM_{2.5} emissions of more than 1200 tons from transportation fuels in California from 2016 through 2020. Premature deaths caused by ultra-fine particles are expected to decrease by 90 in 2020 due to biodiesel and renewable diesel replacing petroleum diesel. These emissions reductions include the reduced tailpipe emissions of PM_{2.5} associated with the replacement of conventional diesel with substitute fuels, net of any increased emissions of PM_{2.5} associated with feedstock and fuel truck trips from additional California biofuel production facilities and transport from out-of-state biorefineries. Any additional NO_x emissions that may result from the increased use of biodiesel blends are mitigated by the Alternative Diesel Fuel regulation.

Implementation of the LCFS proposal will also diversify the transportation fuel portfolio, thereby reducing the economic impact of volatile global oil price changes on gasoline and diesel prices in California.

A summary of these benefits is provided under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion above.

DOF Comments and Responses

ARB summarized the comments received from DOF on November 18, 2014. The original SRIA is located after the comment responses at the end of this Appendix.

1. DOF Comment: Because the proposed LCFS regulations were not attached, DOF was unable to determine whether all the estimated impacts in the SRIA occur as a result of the regulation were addressed.

Regulatory language can now be found in Appendix A of the ISOR. Additional information and analysis of the proposed regulations can be found in the included Initial Statement of Reasons (ISOR) for the Low Carbon Fuel Standard regulation at www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm and the Alternative Diesel Fuel regulation at www.arb.ca.gov/regact/2015/adf2015/adf2015.htm.

2. DOF Comment: The purchasers and sellers of the LCFS credits should be clearly stated.

All regulated parties have the ability to participate in the LCFS credit market by buying and selling credits. Fuel suppliers that produce and sell transportation fuels with carbon intensity values (CI) above that year's standard generate deficits and must retire sufficient credits

to offset the deficits generated in order to demonstrate compliance; fuel suppliers that produce and sell transportation fuels with carbon intensity values (as adjusted for relative power train efficiencies) below that year's standard generate credits, which they can retire to meet their compliance obligation, bank, and/or sell in the LCFS credit market.

In general, the LCFS places compliance obligations initially on regulated parties that are upstream entities (i.e. producers and importers that are legally responsible for the quality of transportation fuels in California), rather than downstream distributors and fueling stations. However, under specified conditions, the regulated party may be another entity further downstream that can be held responsible for the CI of the fuels or blendstocks that they dispense in California. The proposed regulation specifies the criteria under which an entity would be deemed a regulated party for each particular fuel and how the responsibility for complying with the LCFS can be transferred. Table 1 summarizes the regulated parties for each transportation fuel.

The proposed regulation includes an opt-in provision, which explicitly recognizes that certain alternative fuels have full fuel-cycle CIs (as adjusted for relative power train efficiencies) that inherently meet the proposed compliance standards through 2020. As a result, these fuels may choose an opt-in provision. These fuels are:

- Electricity;
- Hydrogen and hydrogen blends;
- Fossil CNG derived from North American sources;
- Biogas CNG; and
- Biogas LNG.

Parties that opt into the LCFS program will be those parties that expect to generate LCFS credits under the regulation. By opting into the program, an entity becomes a regulated party under the LCFS regulation and is required to meet the LCFS reporting obligations and requirements.

The illustrative compliance scenario used for the ISOR economic analysis indicates the projected generation of credits and deficits by fuel types as seen in Appendix F in the ISOR.

Table 1 Transportation Fuel Regulated Parties Engaged in Selling and Buying LCFS Credits

Fuel	Description of Regulated Party
Gasoline, diesel, and liquid blendstocks (including oxygenates, biodiesel and renewable diesel)	The regulated party is the producer or importer of the fuel or blendstocks.
Fossil fuel-derived compressed natural gas (fossil CNG)	The regulated party is generally the utility company, energy service provider, or other entity that owns the fuel dispensing equipment.
Fossil fuel-derived liquefied natural gas (fossil LNG)	The regulated party is the entity that owns the fuel when it is transferred to the fuel dispensing equipment in California.
Other gaseous fuels (biogas/biomethane, hydrogen)	The regulated party will generally be the entity that produces the fuel and supplies it for vehicular use.
Electricity	The regulated party will be either the load service entity supplying the electricity to the vehicle or another party that has a mechanism to provide electricity to vehicles and has assumed the LCFS compliance obligation.

3. DOF Comment: From a modeling standpoint, because there will be offsetting price and quantity impacts, consumer spending variables in REMI would be a more appropriate means of addressing impacts than consumer price variables alone, as was done in the SRIA.

The offsetting price and quantity impacts are projections of the industry response to the regulation and are used as inputs to the macroeconomic model. DOF suggests that ARB use a different variable to represent the potential change in consumer spending that would result from the combined LCFS/ADF regulations. Using the consumer expenditures category, as suggested by DOF, would be interpreted in the model as a shift in the demand by consumers and thus yield a higher quantity demanded. This would be counter to the expected impact of the LCFS, which should not increase demand for conventional fuels in California. The LCFS acts to reduce the amount of conventional fuels and replace them

with lower carbon alternatives. Using the expenditure changes would misrepresent demand impacts and overly complicate the analysis.

Ideally, the analysis would be performed by switching spending from the conventional fuels category to the alternative fuels category, and then using consumer expenditures in the modeling; however, the aggregation of the fuels into the Petroleum and Coal Manufacturing NAICS code makes macroeconomic modeling of the LCFS regulation difficult. Instead, ARB modeled the change using the consumer price variables because they best estimate the flow of investment among consumers and suppliers of various fuels. The “price premium” is offset by the credit purchases by the petroleum industry and credit sales by low-CI fuels and are modeled as production cost changes. This same methodology was used for the SRIA and the updated analysis, the results of which can be found in Appendix F.

4. **DOF Comment: The LCFS program relies on the supply of alternative fuels (and therefore the generation of credits). The analysis could be enhanced by discussing the volatility of credit prices, the interaction of credit prices and the incentives for innovation, and the cost impact on businesses and individuals; this discussion should include the cost-containment measure and its effects. The incentives for innovation will also depend on whether demand for less carbon-intensive fuels will be met through new production in California, or whether such fuels would be imported.**

Fuel Availability and Credit Price

Just as the number of deficits generated is determined by the quantity and carbon intensity of conventional

fuels sold in the California market, the supply of credits is determined by the quantity and carbon intensity of low-CI fuels sold in the California market.

The financial incentives provided by the LCFS credit value is anticipated to stimulate investments in, and production of, very low-CI fuels. The LCFS credit value represents a source of additional revenues for low-CI fuel producers and distributors, who can sell credits generated by their fuel. The LCFS credit value can offset the higher initial costs of producing low-CI fuels, and is anticipated to be used to reduce the higher initial price of those fuels to enable them to compete with conventional fuels. The value added from the sale of LCFS credits depends on the fuel’s carbon intensity, the stringency of the annual standards, the LCFS credit price, and the volume of conventional fuel displaced.

Table 6: Value Added from the Sale of LCFS Credits

Fuel Type	Assumed CI in 2020	Value Added in 2020
Corn Ethanol	67.24	\$ 0.18 / gallon
Cellulosic Ethanol	20.00	\$ 0.56 / gallon
Waste Grease Biodiesel	14.97	\$ 1.09 / gallon
Renewable Diesel	35.00	\$ 0.78 / gallon
Renewable CNG	25.00	\$ 0.91 / gallon

Because the supply of credits depends on the availability of low-CI fuels, market participants may face uncertainty regarding whether low-CI fuels will be available in sufficient volumes to achieve compliance, particularly in later years when the stringency of the regulation increases. Staff has analyzed the projected availability of low-CI fuel technologies, which is summarized in Chapter II. This analysis indicates that sufficient volumes of low-CI fuels will be available for compliance in all years analyzed. Historical data indi-

cates a strong market response to the regulation stimulating demand for low-CI fuels. A Low Carbon Fuel Standard has been continuously implemented in California since 2010, and regulated parties have generated more credits than needed every year. The accumulation of banked credits has been augmented by a standard that will have been frozen at 1% through 2015. The scenario projects approximately 3.6 million banked credits available at the start of 2016.

Table 7: Deficits and Credits by Year (MMTs of Credits or Deficits)

Fuels	2016	2017	2018	2019	2020
Gasoline	-5.1	-7.3	-9.4	-12.9	-16.2
Ethanol	4.0	4.1	4.4	4.4	4.4
Electricity (LDV and HDV)	0.7	0.8	1.0	1.2	1.4
Renewable Gasoline	0.0	0.0	0.0	0.1	0.2
Hydrogen	0.0	0.0	0.1	0.1	0.1
Diesel	-0.9	-1.6	-2.2	-3.3	-4.4
Biodiesel	1.5	1.8	2.1	1.9	1.9
Renewable Diesel	2.1	2.5	2.6	2.8	3.0
Natural Gas	1.2	1.3	1.7	2.0	2.4

These values are based on a theoretical \$100 LCFS credit price. The above values are rounded to the nearest tenth.

Since 2010, the production of low-CI fuels has increased in response to the financial incentives provided by the existing LCFS regulation. Many innovative, low-CI fuel technologies have moved past the demonstration stage, and have overcome techno-economic challenges that have in recent years limited the supplies of innovative, very-low CI fuels such as cellulosic etha-

nol, renewable diesel, and renewable natural gas. Staff analysis indicates that the supplies of low-CI fuels in future years (2016–2020) will continue to exhibit the existing trend of increasing production. As the scenario shows, existing low-CI fuel technologies are anticipated to continue to play a large role in achieving LCFS compliance. The stringency of the standard in later

years demands increasing quantities of very-low CI fuels, and is anticipated to stimulate the increased production of innovative emerging and nascent technologies like renewable diesel, cellulosic ethanol, biometane, and electric vehicles.

Incentives for Innovation

Staff has identified innovative low-CI fuel technologies that are poised to increase production at the commercial scale. The proposed regulation will increase the incentive to invest in and increase the production of innovative, very low-CI fuels, particularly as the stringency of the program increases in later years. A more stringent standard will likely result in higher credit prices, all else equal. Higher credit prices, particularly if they are sustained, will increase the incentive to innovate and invest because revenues generated by LCFS credits can be used to increase profit margins or to offset up-front capital costs; these additional revenues will attract investments in low-CI fuels.

The LCFS proposal provides opportunities for businesses within and outside of California to generate credits for low-CI transportation fuels. The proposed LCFS stimulates demand for low-CI fuels, which creates incentives to invest in and produce innovative low-CI fuels. Credits have a monetary value when sold in the LCFS credit market and can be generated by producers of low-CI biofuels, biomethane and natural gas providers selling CNG and LNG, fleet operators utilizing opt-in fuels such as electricity, utilities providing electricity for the residential fueling of electric vehicles, and service providers installing and maintaining public electric vehicle charging equipment. Because the LCFS is a fuel-neutral, performance-based standard, it provides equal incentives to businesses, regardless of location, to increase the production of low-CI fuels. It is unclear to what degree the demand for less carbon-intensive fuels will be met through new production in California or elsewhere. The proposed regulation provides the incentive structure to foster the low-CI fuels market; individual business decisions and the economics of producing the low-CI fuels will determine where the resultant increases in supplies comes from.

The proposed LCFS introduces competition into the fuels market. Firms that are early investors in innovative, low-CI fuel technologies may be at a competitive advantage if LCFS-like carbon-intensity standards are adopted by other jurisdictions.

The incentives for innovation will depend on the demand for less-carbon intensive fuels, which increases with the increasing stringency of the compliance curve. If the demand for low-CI fuel is met by new production in California, then the investment in California will likely be higher. However, the SRIA analysis did not

rely on explicit assumptions of production location given that imbedded in the model are assumptions of regional purchasing and production which is dependent upon the NAICs code. Given that the REMI model does not accurately distinguish the conventional and alternative fuels, ARB relies on the imbedded assumptions for aggregation, production location, demand for fuels, prices, and many other factors that are fundamental to the model.

Cost-Containment

If low-CI fuel technologies are slower to achieve commercialization than anticipated, or if there is insufficient investment in low-CI technologies, tight supply may cause upward pressure on credit prices from tight credit supply. Because the credit price is highly dependent on the availability and cost of production of low-CI fuels, and because the action of regulated parties will determine the supply of credits, there is uncertainty regarding future supplies of credits. To reduce the risk of a potentially destabilizing price spike, and to reduce price volatility in the LCFS credit market, the proposed regulation includes a cost containment provision that is summarized in Chapter II. The proposed cost-containment provision will cap credit prices and provide an upper boundary on the potential cost of complying with the regulation. The proposed price cap will also limit the potential for volatility in the LCFS credit market. Based on a review of the literature and input from stakeholders, including during workshops, staff finds that a cost-containment provision can reduce the risk of higher than anticipated costs while maintaining the environmental integrity of the program:

- The risk of higher than anticipated prices resulting from tight supply can be reduced by implementing a price cap and by ensuring regulated parties can achieve annual compliance even under conditions of tight supply.
- The environmental integrity of the program can be maintained by ensuring that the use of a cost-containment provision does not relax the carbon intensity reductions that will be achieved by the program.

The price cap is proposed to be set at \$200/credit in 2016 and increase at the rate of inflation in subsequent years. Although a price cap that is set too low may limit the profitability of credit generators (i.e. low-CI fuel producers and distributors), staff analysis of the price cap indicates that \$200/ton is high enough to provide a sufficient value added to stimulate the investments in and production of low-CI fuels, and sufficiently high to attract these fuels to California if they are produced elsewhere. The proposed price cap at \$200 is anticipated to result in multiple, ancillary market benefits, including reduced price uncertainty, and reduced regula-

tory uncertainty. Reducing both these sources of uncertainty is anticipated to increase the incentives for investment. Potential investors may be hesitant to invest in low-CI fuel production facilities given conditions of undue uncertainty, particularly because production facilities for low-CI fuels are typically capital-intensive projects with relatively long payback periods.

- 5. It would greatly enhance transparency of the discussion to report these in terms of units that are more easily comparable, such as price increase per gallon or price decrease by kilowatt-hour. The economic impacts should also be reported in standard units such as constant dollars or numbers of jobs in addition to the percentages cited.**

In the Economic Impacts chapter of the LCFS ISOR, results (outputs) of the macroeconomic modeling are expressed in constant dollars and percentages, and can be seen in Appendix F. Dollar-per-gallon price impacts are also included and displayed for the theoretical \$100 credit price used for the macroeconomic results, and in addition shown for a \$25 and \$57 credit prices to show a range of potential impacts on consumers. See Appendix F of the ISOR for the outputs for the illustrative compliance scenario at the theoretical \$100 credit price.

- 6. DOF Comment: The analysis could be supplemented by a discussion of the interaction between the LCFS program and the Cap and Trade program. Additionally, discussing the additional incentives for innovation due to the LCFS above and beyond the Cap and Trade program's contribution.**

In the transportation sector, ARB has outlined a complementary, multi-pronged approach to meet the goals of AB 32. Fuel suppliers have a compliance obligation under the Cap-and-Trade program for the GHG emissions that result from the production and use of fuels. This provides an incentive to reduce emissions and sell cleaner fuels in the market. But it does not require cleaner fuels, as fuel suppliers can purchase allowances to cover their emissions if they so choose.

The LCFS requires that fuel providers supply cleaner fuels in California. As the LCFS reduces the carbon intensity of fuels, it changes the composition of the state's transportation fuel mix and dependence on traditional petroleum-based fuels. The LCFS and Cap-and-Trade programs are designed to complement one another. Investments made to comply with one of the programs will result in reduced compliance requirements for the other program. Reductions in the carbon intensity of fuel due to the LCFS reduce compliance obligations under the Cap-and-Trade Program. Similarly, selling cleaner fuels to comply with Cap-and-Trade helps meet the requirements of the LCFS.

- 7. DOF Comment: The SRIA could do a better job of laying out how the low carbon fuel standards fit into the larger picture, and how the regulatory impacts may interact with other parts of the overall strategy for addressing carbon emissions.**

See response to question 6. The Economic Impacts Chapter also discusses the effects of other programs such as Advanced Clean Cars and ARB's Pavley Vehicle Standards.

- 8. DOF Comment: The discussion of alternatives should be enhanced by including numbers so that readers can directly compare the impacts. Stating that there are lower costs under an alternative is not as useful as reporting on the magnitude of the difference.**

These tables can be found in Appendix F in the ISOR.

- 9. DOF Comment: In the first alternative, we also suggest it should be designed so that there is the same carbon intensity standard for all transportation fuels, rather than just exempting diesel. That is, there should have been an offsetting decrease in carbon intensity for gasoline if diesel is exempted. This would raise costs for gasoline, which then could be compared to the avoided costs for diesel.**

DOF suggested that ARB model a scenario, which was proposed to ARB by the California Trucking Association as an alternative regulation, wherein the 10% reduction in the carbon intensity of the transportation fuels sold in California by 2020 (from a 2010 baseline) is achieved exclusively through a gasoline standard where diesel and diesel substitutes are excluded from any carbon intensity requirements. Staff analyzed this alternative and determined that it cannot achieve the same level of CI reduction as the proposed regulation due to constraints in the available supply of low-CI gasoline alternatives and physical constraints such as the ethanol blendwall as well as limited penetration of electric and hydrogen vehicles and vehicles that can re-fuel with higher ethanol blends. With highly optimistic assumptions regarding the availability of very-low CI ethanol and highly optimistic assumptions regarding the reduction in carbon intensity values, staff analysis indicates that the gas-only alternative could deliver a 7.7% reduction in the carbon intensity of the transportation fuels sold in California by 2020, from a 2010 baseline. Therefore it is not technically feasible for the gasoline only alternative to result in a 10 percent reduction in the carbon intensity of transportation fuels.

As it is anticipated to achieve only 7.7% of the goal of the proposed regulation, the gas only alternative not only falls short of providing a feasible pathway to achieve the proposed regulation's carbon intensity re-

ductions, it is likely to deliver reduced benefits at a higher cost, compared with the proposed LCFS regulation.

This alternative has a lower than 10% reduction in the transportation sector CI level, and is cheaper than the LCFS regulation. However, this alternative will likely drive the price of credits higher, yielding a higher cost per MMT of reductions.

10. DOF Comment: Additional clarification of how the ADF costs are calculated and the reaction of businesses due to the NOx controls required by the regulation.

The \$14.5 million value was based on preliminary NOx control costs originally estimated early in the analysis. The NOx control costs have been updated and can be found in Chapter 10 of the ADF ISOR, summarized in Table 10.1. The updated economic impacts as identified in the LCFS and ADF ISOR economics chapters were re-evaluated using the REMI model; the inputs to and outputs from the REMI model can be found in Appendix F in the ISOR.

11. DOF Comment: Additional clarification of the fiscal costs to the state for implementation of the regulations is needed. In addition, expansion of the discussion on price changes faced by the consumers, and state and local entities.

The fiscal costs were expanded and explained in both the LCFS and ADF 399 Fiscal Impact Assessments. Impact of the changing fuel volumes and prices on the budget can be found in Chapter 7 of the LCFS ISOR.

12. DOF Comment: Additional ARB personnel needed for the regulation should be identified.

The personnel need assessment was identified in the Fiscal Impact Assessment of Form 399.

Cost Impacts on Representative Private Persons or Businesses

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses.

The potential impact of the LCFS may be on fuel prices, which would be an ongoing cost. Therefore, the potential impact of the LCFS on private persons and businesses depends on how much transportation fuel those persons and businesses use. Businesses such as delivery services and taxis would be more affected than businesses that use much less fuel, although the cost of delivered inventory may be affected. Therefore, the cost impacts to a “typical” business are unquantifiable. Nevertheless, some illustrative examples may be useful.

In 2020, when the maximum cost impact on fuel may be about 13 cents/gallon based on a hypothetical LCFS credit price of \$100, the cost impact for a “typical” busi-

ness that has a vehicle fleet traveling a million miles per year collectively, their costs would be about \$5,000 in 2020. Similarly, for an individual traveling 12,000 miles per year at the same fuel economy, the estimated cost would be \$65 in 2020. At lower credit prices those costs would be lower in direct proportion.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

Benefits of the Proposed Regulation:

The objective of the proposed regulation is to reduce the carbon-intensity of California’s transportation fuels by at least 10 percent by 2020 from a 2010 baseline. In meeting this objective, the LCFS is expected to deliver environmental benefits that include a long-term reduction in GHG emissions from the use of transportation fuels in California. ARB also expects a near-term reduction in the greenhouse gas (GHG) emissions from transportation fuels used in California from 2016 through 2020. Implementation of the LCFS proposal will also diversify the transportation fuel portfolio, thereby reducing the economic impact of volatile global oil price changes on gasoline and diesel prices in California.

The LCFS proposal is expected to improve California’s air quality. In fact, the LCFS proposal may reduce criteria pollutant emissions from the 2020 projected vehicle fleet, due to reduced use of petroleum-based diesel. The LCFS proposal is anticipated to deliver environmental benefits that include a cumulative estimated reduction in the PM_{2.5} emissions of more than 1200 tons from transportation fuels in California from 2016 through 2020. These emissions reductions include the reduced tailpipe emissions of PM_{2.5} associated with the replacement of conventional diesel with substitute fuels, net of any increased emissions of PM_{2.5} associated with feedstock and fuel truck trips from additional California biofuel production facilities and transport from out-of-state biorefineries. Any additional NOx emissions that may result from the increased use of biodiesel blends are mitigated by the Alternative Diesel Fuel regulation.

A summary of these benefits is provided under the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussion above.

Effect on Small Business

Pursuant to Government Code section 11346.5(a)(7)(C), the Executive Officer has made an

initial determination that the proposed regulatory action would have a small negative effect on small businesses comparable to other businesses. The proposed LCFS regulation would slow the growth in employment to the extent that the Low Carbon Fuels Standard may affect transportation fuel prices and California businesses that use transportation fuels may be affected by the LCFS.

The potential impact of the LCFS on small businesses depends on how much transportation fuel those businesses use. Businesses such as delivery services and taxis would be more affected than businesses that use much less fuel, although the cost of delivered inventory may be affected. Therefore, the cost impacts to a “typical” small business are unquantifiable. Nevertheless, an illustrative example may be useful. If a small business has a vehicle fleet that travels 100,000 miles annually and achieves an average fuel mileage of 25 miles per gallon, that business would consume 4,000 gallons of fuel in a year. In 2020, when the maximum cost impact on fuel may be about 13 cents/gallon, using a hypothetical LCFS credit price of \$100, the cost impact would be around \$500 for that year. At current average credit prices of \$25, the cost impact would be around 3 to 4 cents/gallon for a total of \$125 for the same small business.

Most California biodiesel producers are small businesses. The LCFS proposal may expand the market for some or all alternative diesel fuels, many of which are produced by small businesses in and outside of California; however, in the early years much of the benefit may be offset by the reduction in biodiesel volumes under the combined LCFS/ADF proposal. In addition, small businesses that produce low-CI fuels can opt into the regulation and generate credits for LCFS. The ADF proposal results in an overall expansion in the market for renewable diesel and other ADFs in California, and California businesses may benefit from a greater choice for their transportation fuels as a result of both proposals.

Housing Costs

The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

Business Reports

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Alternatives

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable al-

ternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

The Executive Officer analyzed two alternatives to the proposed regulation: one less stringent than the LCFS proposal (Alternative 1: Gasoline Only); and one more stringent than the LCFS proposal (Alternative 2: Retain Full Benefits of the Original CI Reduction Curve).

The cost of complying with Alternative 1 is lower than the cost of complying with the LCFS proposal. The costs are lower for the alternative because it exempts diesel and diesel substitute fuels — approximately 20 percent of the transportation fuel market — from any carbon intensity reduction requirements. Excluding diesel and diesel substitutes, however, precludes the alternative from meeting the carbon intensity reduction goals of the proposed regulation. This alternative also results in increased emissions of greenhouse gas emissions from the transportation sector, and increased emissions of oxides of nitrogen and PM_{2.5} when compared with the proposed regulation in all years analyzed.

Although Alternative 2 satisfies the ten percent CI reduction by 2020 goal of the LCFS proposal, staff rejects Alternative 2 because it is likely to achieve the CI reduction goal at a higher cost than the proposed regulation, increases the likelihood of non-compliance, and reduces regulatory flexibility. Because this alternative is anticipated to increase regulated parties’ cumulative compliance obligation, it will increase the demand for LCFS credits. An increased demand for credits will create upward pressure on the price of LCFS credits, compared with the proposed regulation. An increased credit price associated with the original CI curve alternative would increase the cost of compliance for regulated parties, and increase any adverse impacts on small business and California individuals.

Environmental Analysis

ARB, as the lead agency for the proposed regulatory action, has prepared a Draft Environmental Analysis (EA) under its certified regulatory program (California Code of Regulations, title 17, §§ 60000 through 60008) to comply with the California Environmental Quality Act (Pub. Resources Code § 21080.5). The Draft EA covers both the proposed LCFS and Alternative Diesel Fuel (ADF) regulations. Although the policy aspects and requirements of the proposed LCFS and ADF regu-

lations do not directly change the physical environment, there are potential indirect physical changes to the environment that could result from reasonable foreseeable actions undertaken by entities in response to the proposed regulations and the market. These indirect impacts are the focus of the programmatic-level impacts analysis in the Draft EA.

The Draft EA states that implementation of the proposed regulations could result in beneficial impacts to GHGs through substantial reductions in emissions from transportation fuels in California from 2016 through 2020 and beyond, long-term beneficial impacts to air quality through reductions in criteria pollutants, and beneficial impacts to energy demand. The Draft EA also states that the proposed regulations could result in less than significant or no impacts to mineral resources, population and housing, public services, and recreation; and potentially significant and unavoidable adverse impacts to aesthetics, agriculture resources, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, transportation and traffic, and utilities, and short-term construction-related air quality impacts primarily related to reasonably foreseeable construction projects and minor expansions to existing operations. The Draft EA, included as Appendix D to the Initial Statement of Reasons, is entitled *Draft Environmental Analysis prepared for the Low Carbon Fuel Standard and Alternative Diesel Fuel Regulations*. Written comments on the Draft EA, submitted as described below, will be accepted during a public review period starting on **January 2, 2015**, and ending at **5:00 p.m. on February 17, 2015**.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by postal mail or by electronic submittal before the hearing. The public comment period for this regulatory action will begin on January 2, 2015. To be considered by the Board, written comments not physically submitted at the hearing, must be submitted on or after January 2, 2015, and received **no later than 5:00 p.m. on February 17, 2015**, and must be addressed to the following:

- Postal mail: Clerk of the Board,
Air Resources Board
1001 I Street,
Sacramento, California 95814
- Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. All written comments, data, factual information, studies, and reports submitted to ARB during the public comment period or at the Board hearing will be included in the rulemaking file for the proposed regulation. Any person who provided ARB with written feedback or other materials prior to the opening of the public comment period must submit the feedback or materials during the public comment period or at the hearing to have them included in the rulemaking file.

ARB requests that written and email statements on this item be filed at least 10 days prior to the hearing when possible so that ARB staff and Board members have additional time to consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under the authority granted in Health and Safety Code, Sections 38510, 38530, 38560, 38560.5, 38571, 38580, 39600, 39601, 41510, 41511, 43000.5, 43013 and 43018; 42 U.S.C. section 7545; and *Western Oil and Gas Ass'n v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). This action is proposed to implement, interpret, and make specific: Sections 38501, 38510, 39515, 39516, 38571, 38580, 39000, 39001, 39002, 39003, 39515, 39516, 41510, 41511 and 43000, Health and Safety Code; Section 25000.5, Public Resources Code; and *Western Oil and Gas Ass'n v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal. Rptr. 249 (1975).

HEARING PROCEDURES

The public hearings will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the first public hearing, the Board may consider the regulatory language as proposed or provide direction to staff regarding revisions to the proposed regulation. Any modifications to the proposed regulatory language that are sufficiently related to the

originally proposed text will be made available to the public for written comment at least 15 days before it is adopted. **Written comments on the Draft Environmental Assessment must be submitted on or before February 17, 2015 to be considered timely filed.** Any decision to adopt the proposed regulation, with or without modifications, will be made at a second hearing later in 2015.

The public may request a copy of any modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLE 27. OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (Proposition 65)

NOTICE OF PROPOSED RULEMAKING TITLE 27, CALIFORNIA CODE OF REGULATIONS

AMENDMENT TO SECTION 25705 SPECIFIC REGULATORY LEVELS POSING NO SIGNIFICANT RISK; DIISONONYL PHTHALATE

NOTICE IS HEREBY GIVEN that the Office of Environmental Health Hazard Assessment (OEHHA) proposes to adopt a Proposition 65¹ No Significant Risk Level (NSRL) of 146 micrograms per day for diisononyl phthalate (DINP), by amending Title 27, California Code of Regulations, section 25705(b)².

PUBLIC PROCEEDINGS

Any written comments concerning this proposed action must be received by OEHHA by 5:00 p.m. on **February 17, 2015**, the designated close of the written comment period. All comments received will be posted on the OEHHA website at the close of the public comment period.

The public is encouraged to submit written information via e-mail, rather than in paper form. Send e-mail comments to P65Public.Comments@oehha.ca.gov. Please include "DINP NSRL" in the subject line. Hard-copy comments may be mailed, faxed, or delivered in person to the appropriate address below.

¹ The Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code section 25249.5 et seq., referred to herein as "Proposition 65" or "The Act."

² All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated.

Mailing Address: Ms. Monet Vela
Office of Environmental
Health Hazard Assessment
P.O. Box 4010, MS-25B
Sacramento, California
95812-4010
Fax: (916) 323-2610
Street Address: 1001 I Street
Sacramento, California 95814

Please be aware that OEHHA is subject to the California Public Records Act and other laws that require the release of certain information upon request. Comments on all regulatory and other actions are routinely posted on our website. By sending us your comments you are waiving any right to privacy you may have in the information you provide. Individual commenters should advise OEHHA when submitting documents to request redaction of home address or personal telephone numbers. Names of commenters will not be redacted.

A public hearing on this proposed regulatory amendment will be scheduled on request. To request a hearing send an e-mail to Monet Vela at monet.vela@oehha.ca.gov or to the address listed above by no later than **February 2, 2015**, which is 15 days before the close of the comment period. OEHHA will mail a notice of the hearing to the requester and interested parties on the Proposition 65 mailing list for regulatory public hearings. The notice will also be posted on the OEHHA web site at least ten days before the public hearing date. The notice will provide the date, time, and location of the hearing.

If a hearing is scheduled and you have special accommodation needs, please contact Monet Vela at (916) 323-2517 or monet.vela@oehha.ca.gov at least one week in advance of the hearing. TTY/TDD/Speech-to-Speech users may dial 7-1-1 for the California Relay Service.

CONTACT

Please direct inquiries concerning the proposed regulatory action described in this notice to Monet Vela, in writing at the address given above, or by telephone at (916) 323-2517. Fran Kammerer is a back-up contact person for inquiries concerning processing of this action and is available at fran.kammerer@oehha.ca.gov or (916) 445-4693.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Proposition 65 prohibits a person in the course of doing business from knowingly and intentionally expos-

ing any individual to a chemical that has been listed as known to the State to cause cancer or reproductive toxicity, without first giving clear and reasonable warning to such individual³. The Act also prohibits a business from knowingly discharging a listed chemical into water or onto or into land where such chemical passes or probably will pass into any source of drinking water⁴.

For carcinogens, an exemption from the warning requirement is provided by the Act when the exposure for which the person is responsible can be demonstrated to produce no significant risk or that a discharge which otherwise complies with all applicable requirements would not cause any significant amount of the discharged or released chemical to enter any source of drinking water⁵. A determination that a level of exposure poses no significant risk may be made utilizing regulations that have previously been adopted by OEHHA (Sections 25701-25721). Section 25701 describes alternative methods for making such a determination. Section 25705 sets forth the process for determining "no significant risk" levels for purposes of Proposition 65 and establishes those levels for certain listed chemicals.

Details on the basis for the proposed NSRL for DINP are provided in the Initial Statement of Reasons for this regulatory amendment, which is available on request from Monet Vela and is posted on the OEHHA web site at www.oehha.ca.gov.

This proposed amendment to section 25705 would add an NSRL for DINP by amending Section 25705(b) as follows (addition in underline):

<u>Chemical</u>	<u>NSRL, in micrograms per day</u>
Diisononyl phthalate	<u>146</u>

The proposed NSRL for DINP is based upon a risk assessment document prepared by OEHHA, which provides details on the potency calculation and mechanism of carcinogenesis that is relevant to evaluating the most appropriate method for deriving the NSRL in the context of Section 25703. This is discussed in more detail in the initial statement of reasons for this proposed regulatory amendment.

Anticipated Benefits of the Proposed Regulation

Some businesses may not be able to afford the expense of establishing an NSRL and therefore may be exposed to litigation for a failure to warn or for a prohibited discharge of the listed chemical. By providing an NSRL, this regulatory proposal spares businesses the expense of calculating their own NSRL and may also enable them to reduce or avoid litigation costs. In addition, the NSRL does not require, but may encourage, businesses to lower the amount of the listed chemical in

³ Health and Safety Code section 25249.6.

⁴ Health and Safety Code section 25249.5.

⁵ Health and Safety Code sections 25249.9 and 25249.10.

their product to a level that does not cause a significant exposure, thereby providing a public health benefit to Californians. This in turn may reduce exposure to DINP and reduce resident, worker and environmental exposures to chemicals that cause cancer.

No Inconsistency or Incompatibility with Existing Regulations

OEHHA has conducted an evaluation of whether there are any other regulations on this matter and has found that these are the only regulations dealing with DINP. Therefore, OEHHA has determined that the proposed regulation is neither inconsistent nor incompatible with existing state regulations because it provides compliance assistance to businesses subject to the Act, but does not impose any mandatory requirements on those businesses, state or local agencies and does not address compliance with any other law or regulation.

RESULTS OF ECONOMIC IMPACT ANALYSIS
(Gov. Code section 11346.3(b))

Impact on the Creation, Elimination, or Expansion of Jobs/Businesses in California

This regulatory proposal will not affect the creation or elimination of jobs within the State of California. Proposition 65 requires businesses with ten or more employees to provide warnings when they expose people to chemicals that are known to cause cancer. The law also prohibits the discharge of listed chemicals into sources of drinking water. DINP is listed under Proposition 65, therefore businesses that expose the public or employees to DINP through their products or operations must provide a warning.

Because the proposed NSRL provides compliance assistance to businesses subject to the Act, but does not impose any mandatory requirements on those businesses, OEHHA has determined that the proposed regulatory action will not have any impact on the creation or elimination of jobs, the creation of new businesses or the elimination of existing businesses, or the expansion of businesses currently doing business within the State of California.

Benefits of this regulation include sparing businesses the expense of calculating their own NSRL and possibly enabling them to reduce or avoid litigation costs. By providing an NSRL, it may encourage businesses to lower the amount of the listed chemical in their product to a level that does not cause a significant exposure, thereby providing a public health benefit to Californians. This in turn may reduce exposure to DINP and reduce resident, worker and environmental exposures to chemicals that cause cancer.

PEER REVIEW

This notice and the Initial Statement of Reasons are being provided to the OEHHA Science Advisory Board's Carcinogen Identification Committee for review and comment.

AUTHORITY

Health and Safety Code Section 25249.12.

REFERENCE

Health and Safety Code Sections 25249.5, 25249.6, 25249.9, 25249.10 and 25249.11.

IMPACT ON LOCAL AGENCIES OR SCHOOL DISTRICTS

Because Proposition 65 expressly⁶ does not apply to local agencies or school districts, OEHHA has determined the proposed regulatory action would not impose a mandate on local agencies or school districts nor does it require reimbursement by the State pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. OEHHA has also determined that no nondiscretionary costs or savings to local agencies or school districts will result from the proposed regulatory action.

COSTS OR SAVINGS TO STATE AGENCIES

Because Proposition 65 expressly⁷ does not apply to any State agency, OEHHA has determined that no savings or increased costs to any State agency will result from the proposed regulatory action.

EFFECT ON FEDERAL FUNDING TO THE STATE

Because Proposition 65 expressly⁸ does not apply to any federal agency, OEHHA has determined that no costs or savings in federal funding to the State will result from the proposed regulatory action.

EFFECT ON HOUSING COSTS

OEHHA has determined that the proposed regulatory action will have no effect on housing costs because it provides compliance assistance to businesses subject to the Act, but does not impose any mandatory requirements on those businesses.

⁶ See Health and Safety Code section 25249.11(b).

⁷ See Health and Safety Code section 25249.11(b).

⁸ See Health and Safety Code section 25249.11(b).

SIGNIFICANT STATEWIDE ADVERSE
ECONOMIC IMPACT DIRECTLY AFFECTING
BUSINESS, INCLUDING ABILITY TO COMPETE

Because the proposed regulatory level provides compliance assistance to businesses subject to the Act, but do not impose any mandatory requirements on those businesses, OEHHA has made an initial determination that the adoption of the regulation will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

COST IMPACTS ON REPRESENTATIVE
PRIVATE PERSONS OR BUSINESSES

The proposed NSRL was developed to provide compliance assistance for these businesses in determining whether a warning is required or a discharge is prohibited. The NSRL provides a level of exposure at or below which a warning is not required and a discharge is not prohibited. Use of the NSRL is not mandatory. The implementing regulations allow a business to calculate its own level and provide guidance in order to assist businesses in doing so.⁹ However, conducting such a process can be expensive and time consuming, and the resulting levels may not be defensible in an enforcement action. OEHHA is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

EFFECT ON SMALL BUSINESSES

OEHHA has determined that the proposed regulation will not impose any mandatory requirements on small business. Rather, the proposed NSRL will provide compliance assistance for small businesses subject to the Act because it will help them determine whether or not an exposure for which they are responsible is subject to the warning requirement or discharge prohibition of the Act.

⁹ Title 27, Cal. Code of Regs., section 25801 et seq.

CONSIDERATION OF ALTERNATIVES

Government Code section 11346(a)(13) requires that OEHHA must determine that no reasonable alternative considered by the OEHHA or that has otherwise been identified and brought to the attention of the OEHHA would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposal described in this Notice.

AVAILABILITY OF STATEMENT OF REASONS
AND TEXT OF PROPOSED REGULATIONS

OEHHA has prepared and has available for public review an Initial Statement of Reasons for the regulation, all the information upon which the regulation is based and the text of the regulation. A copy of the Initial Statement of Reasons, the text of the regulation and the risk assessment which was used by OEHHA to develop the proposed regulation are available upon request from OEHHA at the address and telephone number indicated above. These documents are also posted on OEHHA's Web site at www.oehha.ca.gov.

AVAILABILITY OF CHANGED OR
MODIFIED TEXT

The full text of any regulation which is changed or modified from the express terms of this proposed action will be made available at least 15 days prior to the date on which OEHHA adopts the resulting regulation. Notice of the comment period on changed regulations and the full text will be mailed to individuals who testified or submitted written comments at the public hearing, if held, or whose comments were received by OEHHA during the public comment period, and anyone who requests notification from OEHHA of the availability of such changes. Copies of the notice and the changed regulation will also be available on the OEHHA Web site at www.oehha.ca.gov.

FINAL STATEMENT OF REASONS

A copy of the Final Statement of Reasons for this regulatory action may be obtained, when it becomes avail-

able, from OEHHA at the address and telephone number indicated above, and on the OEHHA website at www.oehha.ca.gov.

PROPOSITION 65

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (Proposition 65)

NOTICE OF A PUBLIC HEARING FOR COMMENT ON A REQUEST FOR A SAFE USE DETERMINATION FOR DIISONONYL PHTHALATE (DINP) IN VINYL FLOORING PRODUCTS

The California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA) is the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as Proposition 65, codified at Health and Safety Code section 25249.5 et seq.). OEHHA has received a request from the Resilient Floor Covering Institute (RFCI) that OEHHA grant a Safe Use Determination (SUD) for the use of diisononyl phthalate (DINP) in vinyl flooring products. RFCI is an industry trade association representing resilient flooring manufacturers, and suppliers of raw materials, additives and sundry flooring products, for the North American market. The request is made by RFCI pursuant to Title 27 of the California Code of Regulations, section 25204(b)(3).

RFCI requests OEHHA to determine that exposures to DINP in vinyl flooring products do not present significant cancer risks under Proposition 65, and do not require a warning. The basis for the request is that RFCI estimates the potential lifetime average daily exposures from inhalation, ingestion, and dermal absorption to installers and consumers would be below the level posing no significant risk, as defined in section 25703. This SUD request is limited to exposures to DINP only. Exposure to other listed substances, if any, that may be present in the vinyl flooring products will not be reviewed by OEHHA in the context of this request.

In accordance with the process set forth in section 25204(f)¹, a public hearing has been scheduled for

¹ All referenced sections are from Title 27 of the Cal. Code of Regulations.

Wednesday, February 25, 2015, in the Sierra Hearing Room on the 2nd Floor of the California Environmental Protection Agency Headquarters, 1001 I Street, Sacramento, CA 95814, as an opportunity for public comment on this request for a safe use determination. The hearing will be held between 10:00 a.m. and 1:00 p.m.

The public may also submit written comments on this request. In order to be considered, **OEHHA must receive comments by 5:00 p.m. on Wednesday, February 25, 2015.** We encourage you to submit comments in electronic form, rather than in paper form. Comments transmitted by e-mail should be addressed to P65Public.Comments@oehha.ca.gov. Please include "SUD — Vinyl Floor Products" in the subject line. Comments submitted in paper form may be mailed, faxed, or delivered in person to the address below.

Mailing Address: Ms. Monet Vela
Office of Environmental
Health Hazard Assessment
P.O. Box 4010, MS-23A
Sacramento, California
95812-4010
Fax: (916) 323-2610
Street Address: 1001 I Street
Sacramento, California 95814

Comments received during the public comment period will be posted on the OEHHA website after the close of the comment period. If you have any questions, please contact Ms. Monet Vela at (916) 323-2517 or Monet.Vela@oehha.ca.gov.

DISAPPROVAL DECISION

Printed below is the summary of an Office of Administrative Law disapproval decision. The full text of the disapproval decision is available at www.oal.ca.gov under the "Publications" tab. You may also request a copy of a decision by contacting the Office of Administrative Law, 300 Capitol Mall, Suite 1250, Sacramento, CA 95814-4339, (916) 323-6225 — FAX (916) 323-6826. Please request by OAL file number.

VETERINARY MEDICAL BOARD

State of California
Office of Administrative Law

In re:
Veterinary Medical Board

Regulatory Action:
Title 16 California Code of Regulations

ADOPT sections: 2090, 2090.1, 2091, 2091.1, 2092, 2092.1, 2093, 2093.1, 2094, 2095, 2095.1, 2095.2, 2095.3

DECISION OF DISAPPROVAL OF REGULATORY ACTION

Government Code Section 11349.3

OAL File No. 2014-1028-01S

SUMMARY OF REGULATORY ACTION

This rulemaking action by the Veterinary Medical Board (Board) proposes to adopt thirteen new sections in title 16 of the California Code of Regulations (CCR) related to the California Pet Lovers License Plate Program (Program). These regulations provide a framework for the California Spay and Neuter License Plate Fund, Inc. (Fund) to approve and issue grants for no and low cost animal sterilization services.

On October 28, 2014, the Board submitted the above-referenced regulatory action to the Office of Administrative Law (OAL) for review. On December 12, 2014, OAL notified the Board that OAL disapproved the proposed regulations. This Decision of Disapproval of Regulatory Action explains the reasons for OAL's action.

DECISION

OAL disapproved the above-referenced rulemaking action for the following reasons:

1. The proposed regulations failed to comply with the authority standard of Government Code section 11349.1, subdivision (a)(2);
2. The proposed regulations failed to comply with the necessity standard of Government Code section 11349.1, subdivision (a)(1);
3. The proposed regulations failed to comply with the clarity standard of Government Code section 11349.1, subdivision (a)(3); and
4. The Board failed to follow the required Administrative Procedure Act (APA) procedures by omitting to:
 - a. provide a sufficient Economic Impact Assessment pursuant to Government Code section 11346.3, subdivision (b)(1); and
 - b. provide a sufficient explanation for nonsubstantive revisions to the regulation text pursuant to Government Code section 11346.8, subdivision (c).

All APA issues must be resolved prior to OAL's approval of any resubmission.

CONCLUSION

For the foregoing reasons, OAL disapproved the above-referenced rulemaking action. Pursuant to Government Code section 11349.4, subdivision (a), the Board may resubmit revised regulations within 120 days of its receipt of this Decision of Disapproval. After approval by the Board, the Board shall make all substantial regulatory text changes, which are sufficiently related to the original text, and the addendum to the ISOR providing rationale for the modifications, available for at least 15 days for public comment pursuant to Government Code sections 11346.8 and 11347.1. Any comments made in relation to these proposed modifications must be presented to the Board for consideration and be summarized and responded to in the FSOR and the Board must approve the final version of the regulation text. Additionally, the Board must make all proposed modifications to the regulation text available to the director of the Department of Consumer Affairs prior to resubmitting this regulatory action to OAL for review. If you have any questions, please contact me at (916) 323-6820.

Date: December 19, 2014

_____/s/_____

Lindsey McNeill
Attorney
FOR: DEBRA M. CORNEZ
Director

Original: Annemarie Del Mugnaio
Copy: Ethan Mathes

SUMMARY OF REGULATORY ACTIONS

REGULATIONS FILED WITH SECRETARY OF STATE

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

File# 2014-1106-01
AIR RESOURCES BOARD
Resubmittal of Off-Highway Recreational Vehicles Evaporative Emissions Standards

This rulemaking action adopts new regulations in Title 13 of the California Code of Regulations concerning reduction of evaporative emissions from Off-High-

way Recreational Vehicles (OHRVs). The new regulations establish a maximum organic gas emission standard and a new test procedure for OHRVs beginning with the 2018 model year. The regulations also include anti-tampering provisions, provisions for the certification, labeling and warranty of OHRV emission control system parts, and provisions for the recall of OHRVs that do not meet required evaporative emissions standards.

Title 13
California Code of Regulations
ADOPT: 2416, 2417, 2418, 2419, 2419.1, 2419.2, 2419.3, 2419.4
Filed 12/17/2014
Effective 04/01/2015
Agency Contact: Amy Whiting (916) 322-6533

File# 2014-1114-01
CALIFORNIA ARCHITECTS BOARD
NCARB Record

This regulatory action by the California Architects Board amends section 116 to require that a candidate possess an active National Council of Architectural Registration Boards (NCARB) Record to become eligible to take the Architect Registration Examination (ARE).

Title 16
California Code of Regulations
AMEND: 116
Filed 12/23/2014
Effective 04/01/2015
Agency Contact: Timothy Rodda (916) 575-7217

File# 2014-1103-01
CALIFORNIA ARCHITECTS BOARD
Intern Development Program (IDP) Guidelines

The California Architects Board (CAB) amended section 109 of title 16 of the California Code of Regulations. The amendment will update the incorporation by reference of the National Council of Architectural Registration Board's (NCARB) Intern Development Program Guidelines from a November 2012 version to the current December 2013 version.

Title 16
California Code of Regulations
AMEND: 109
Filed 12/17/2014
Effective 04/01/2015
Agency Contact: Timothy Rodda (916) 575-7217

File# 2014-1112-02
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
Alcoholic Beverage Lists

This regulatory action by the Department of Alcoholic Beverage Control increases the maximum amount allowed for all the costs of the material and all components of a wine and/or spirits list from \$25 to \$50 per unit original cost to the supplier.

Title 4
California Code of Regulations
AMEND: 106(d)
Filed 12/24/2014
Effective 04/01/2015
Agency Contact:
Heather Cline Hoganson (916) 322-2536

File# 2014-1107-04
DEPARTMENT OF CORRECTIONS AND REHABILITATION
Urinalysis Testing Program for Parolees

This action by the California Department of Corrections and Rehabilitation is a certification of emergency rulemaking number 2014-0702-01EON, which amended Title 15 of the California Code of Regulations to provide a new statewide Urinalysis (UA) Testing Program based on the successful Urinalysis Testing Pilot Program (DAPO). The pilot program was repealed in the emergency action but is not part of this certification, as the program would have expired by operation of law on October 25, 2014. The UA Testing Program provides parolees with opportunities for long-term recovery from addiction, assists their reintegration back into the community, and increases public safety by reducing drug use and holding individuals accountable for their actions.

Title 15
California Code of Regulations
ADOPT: 3620, 3621, 3622, 3623, 3624, 3625, 3626
AMEND: 3000, 3521.1, 3521.2, 3545, 3800.2
REPEAL: 3620, 3625
Filed 12/22/2014
Effective 12/22/2014
Agency Contact: Sarah Pollock (916) 445-2308

File# 2014-1106-03
DEPARTMENT OF FOOD AND AGRICULTURE
Standard Containers

This rulemaking action by the Department of Food and Agriculture (DFA) amends sections 1380.19 and 1442.7 of title 3 of the California Code of Regulations regarding standard containers. This action amends section 1380.19 to include an additional method of packing

oranges in container 58 for export to foreign countries. This action also amends section 1442.7 to add standard container “44S” to the list of standard containers in which to pack melons.

Title 3
 California Code of Regulations
 AMEND: 1380.19, 1442.7
 Filed 12/23/2014
 Effective 12/23/2014
 Agency Contact: Laurel Rudolph (916) 900-5322

File# 2014-1208-02
 DEPARTMENT OF HEALTH CARE SERVICES
 Drug Medi-Cal Program Integrity

In this emergency re-adopt, the Department is re-adopting section 51341.1 of Title 22 of the California Code of Regulations, which addresses abusive and fraudulent practices identified during targeted field reviews and postservice postpayment reviews conducted by the Department. The regulation contains definitions, prescribes in more detail how counseling sessions are to be conducted, imposes physical examination requirements, distinguishes an initial treatment plan from an updated treatment plan, and requires treatments to be recorded in more detail.

Title 22
 California Code of Regulations
 AMEND: 51341.1
 Filed 12/17/2014
 Effective 12/22/2014
 Agency Contact: Jasmin Delacruz (916) 440-7688

File# 2014-1205-01
 DEPARTMENT OF MANAGED HEALTH CARE
 Cancellation Rescission, Non-Renewal of Coverage

This rulemaking action adopts and amends sections of Title 28 of the California Code of Regulations which replace the Department of Managed Health Care’s now-expired guidance Letter 10-K concerning cancellations and non-renewals of health care services plans. The action also adds and amends provisions governing notice requirements for cancellations and non-renewals of coverage and for retroactive rescissions of coverage for fraud, as well as provisions concerning consumers’ rights to initiate Requests for Review of coverage terminations and regarding grace periods and reinstatements, among other provisions.

Title 28
 California Code of Regulations
 ADOPT: 1300.65.2, 1300.89.21
 AMEND: 1300.65, 1300.65.1
 Filed 12/22/2014
 Effective 01/01/2015
 Agency Contact: Jennifer Willis (916) 324-9014

File# 2014-1105-01
 MEDICAL BOARD OF CALIFORNIA
 Supervision Requirements: PAs as first or second assistants in surgery

This action amends the supervision requirements applicable to physician assistants in surgery to allow physician assistants to assist surgery without the personal presence of a supervising physician if the supervising physician is immediately available to the physician assistant. The action defines immediately available as physically accessible and able to return to the patient, without any delay, upon the request of the physician assistant to address any situation requiring the supervising physician’s services.

Title 16
 California Code of Regulations
 AMEND: 1399.541
 Filed 12/17/2014
 Effective 04/01/2015
 Agency Contact: Glenn L. Mitchell (916) 561-8783

File# 2014-1103-02
 STATE ALLOCATION BOARD
 Leroy F. Greene School Facilities Act of 1998; CSFP Rehabilitation Grant Supplemental Grants

In this regulatory action, the Board adopts and amends various sections in Title 2 of the California Code of Regulations to align the regulations with the supplemental grants for the Charter School Facilities Program (CSFP) rehabilitation projects. The purpose of these regulations is to align the supplemental grants for CSFP rehabilitation projects with Education Code requirements in order to ensure that the calculations for state and local contributions are correctly distributed for the projects.

Title 2
 California Code of Regulations
 ADOPT: 1859.167.1, 1859.167.2, 1859.167.3
 AMEND: 1859.2, 1859.77.4, 1859.106.1, 1859.160, 1859.161, 1859.162, 1859.163, 1859.163.1, 1859.163.4, 1859.163.5, 1859.164, 1859.164.1, 1859.164.2, 1859.165, 1859.166, 1859.166.1, 1859.167, 1859.167.2 (renumbered as

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1859.167.4), 1859.167.3 (renumbered as 1859.167.5), 1859.168, 1859.171, 1859.172
Filed 12/18/2014
Effective 01/01/2015
Agency Contact: Lisa Jones (916) 376-1753

File# 2014-1112-01
STRUCTURAL PEST CONTROL BOARD
Fees

This regulatory action increases the fee amount for operator's examinations, field representative's examinations, examinations for licensure as an applicator, continuing education examinations for operators and continuing education examinations for field representatives. The prior legislative fee cap was increased by AB 1685 (Stats. 2014, c. 304), effective 1/1/2015. This regulation goes into effect 1/1/2015 pursuant to Government Code section 11343.4(b)(3).

Title 16
California Code of Regulations
AMEND: 1948
Filed 12/22/2014
Effective 01/01/2015
Agency Contact: David Skelton (916) 561-8722

**CCR CHANGES FILED
WITH THE SECRETARY OF STATE
WITHIN July 23, 2014 TO
December 24, 2014**

All regulatory actions filed by OAL during this period are listed below by California Code of Regulations titles, then by date filed with the Secretary of State, with the Manual of Policies and Procedures changes adopted by the Department of Social Services listed last. For further information on a particular file, contact the person listed in the Summary of Regulatory Actions section of the Notice Register published on the first Friday more than nine days after the date filed.

Title 1

11/10/14 AMEND: 1, 14, 20
10/29/14 AMEND: 86

Title 2

12/18/14 ADOPT: 1859.167.1, 1859.167.2, 1859.167.3 AMEND: 1859.2, 1859.77.4, 1859.106.1, 1859.160, 1859.161, 1859.162, 1859.163, 1859.163.1, 1859.163.4, 1859.163.5, 1859.164, 1859.164.1, 1859.164.2, 1859.165, 1859.166, 1859.166.1, 1859.167, 1859.167.2 (renumbered as 1859.167.4), 1859.167.3 (renumbered as 1859.167.5), 1859.168, 1859.171, 1859.172

12/16/14 ADOPT: 557
12/15/14 AMEND: 18545, 18703.4, 18730, 18940.2
12/15/14 AMEND: 18704.1, 18705.1
12/15/14 AMEND: 18704
12/10/14 ADOPT: 20700, 20701, 20702, 20703, 20704, 20705, 20706, 20707
12/03/14 AMEND: 51.7
11/24/14 AMEND: 18942
11/24/14 AMEND: 18705.2
11/20/14 AMEND: 1859.73.2, 1859.76, 1859.78.7, 1859.82
11/03/14 ADOPT: 559.518
10/29/14 AMEND: 18705.3
10/27/14 AMEND: 10001, 10002, 10005, 10006, 10007, 10008, 10009, 10011, 10012, 10013, 10015, 10021, 10022, 10024, 10025, 10029, 10030, 10031, 10033, 10035, 10037, 10038, 10039, 10041, 10042, 10046, 10047, 10050, 10053, 10054, 10056, 10057, 10061, 10062, 10063, 10065
10/20/14 AMEND: 18705.2
10/17/14 AMEND: 3435
10/17/14 AMEND: 3435(b)
10/13/14 AMEND: 599.615, 599.615.1, 599.616, 599.616.1, 599.619, 599.621, 599.622, 599.623, 599.624, 599.624.1, 599.625, 599.625.1, 599.626, 599.626.1, 599.627, 599.627.1, 599.628, 599.628.1, 599.629, 599.629.1, 599.630, 599.631, 599.633, 599.633.1, 599.634, 599.635, 599.635.1, 599.636, 599.636.1, 599.637, 599.638, 599.638.1, 599.640, 599.641, 599.642, 599.643, 599.644, 599.645, 599.646, 599.647, 599.648, 599.649, 599.650, 599.651, 599.652, 599.655, 599.656, 599.657, 599.658, 599.659, 599.660, 599.661, 599.662, 599.663, 599.664, 599.665, 599.666, 599.666.1, 599.667, 599.668, 599.669, 599.670, 599.671, 599.672, 599.672.1, 599.673, 599.674, 599.675, 599.676, 599.676.1, 599.677, 599.678, 599.679, 599.680, 599.681, 599.682, 599.683, 599.684, 599.685, 599.686, 599.687, 599.688, 599.689, 599.690, 599.691, 599.700, 599.701, 599.702, 599.703, 599.703.1, 599.704, 599.705, 599.705.1, 599.706, 599.707, 599.708, 599.709, 599.710, 599.711, 599.714, 599.714.1, 599.715, 599.715.1, 599.716, 599.716.1, 599.717, 599.717.1, 599.718, 599.718.1, 599.719, 599.719.1, 599.720, 599.720.1, 599.721, 599.722, 599.723, 599.723.1, 599.723.2, 599.724,

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08/25/14 AMEND: 3435(b)
08/25/14 AMEND: 6800
08/18/14 ADOPT: 3162
08/06/14 AMEND: 6000, 6196, 6400, 6624
REPEAL: 6446, 6446.1
08/05/14 REPEAL: 3277

Title 4

12/24/14 AMEND: 106(d)
12/15/14 AMEND: 10080, 10081, 10082, 10083,
10084, 10085, 10086
12/05/14 ADOPT: 10080, 10081, 10082, 10083,
10084, 10085, 10086, 10087
11/19/14 ADOPT: 12006, 12012, 12035, 12052,
12054, 12056, 12058, 12060, 12062,
12064, 12066, 12068 AMEND: 12002,
12015, (Renumbered 12047), 12017,
(Renumbered 12048), 12050 REPEAL:
12218.5, 12234
11/10/14 ADOPT: 8130, 8131, 8132, 8133, 8134,
8135, 8136, 8137, 8138
11/10/14 AMEND: 10030, 10031, 10032, 10033,
10033, 10035, 10036
10/27/14 ADOPT: 10170.16, 10170.17, 10170.18,
10170.19, 10170.20, 10170.21,
10170.22, 10170.23, 10170.24
10/23/14 ADOPT: 4190, 4191
10/06/14 ADOPT: 7113, 7114, 7115, 7116, 7117,
7118, 7119, 7120, 7121, 7122, 7123,
7124, 7125, 7126, 7127, 7128, 7129
09/17/14 AMEND: 1658, 1656
09/15/14 AMEND: 1844
09/08/14 ADOPT: 10080, 10081, 10082, 10083,
10084, 10085, 10086, 10087
09/08/14 AMEND: 1536
08/13/14 AMEND: 7051, 7052, 7057, 7058, 7059,
7065, 7066, 7068
08/13/14 AMEND: 7030, 7031, 7036, 7037, 7038,
7044, 7045, 7047
08/06/14 ADOPT: 10170.1, 10170.2, 10170.3,
10170.4, 10170.5, 10170.6, 10170.7,
10170.8, 10170.9, 10170.10, 10170.11,
10170.12, 10170.13, 10170.14, 10170.15
08/06/14 ADOPT: 10170.16, 10170.17, 10170.18,
10170.19, 10170.20, 10170.21,
10170.22, 10170.23, 10170.24
08/05/14 ADOPT: 7113, 7114, 7115, 7116, 7117,
7118, 7119, 7120, 7121, 7122, 7123,
7124, 7125, 7126, 7127, 7128, 7129

Title 5

12/04/14 AMEND: 76120
12/04/14 AMEND: 30040, 30042.5
12/01/14 AMEND: 1514, 3380

11/18/14 ADOPT: 27200, 27201, 27300, 27301,
27400, 27401, 27500, 27501, 27502,
27600, 27601, 27602

11/10/14 AMEND: 80225
11/05/14 ADOPT: 19810 REPEAL: 19810, 19812,
19813, 19814, 19815, 19816, 19816.1,
19817, 19817.1, 19817.2, 19817.5,
19818, 19819, 19820, 19821, 19821.5,
19822, 19823, 19824, 19824.1, 19825,
19825.1, 19827, 19828, 19828.1,
19828.2, 19828.3, 19828.4, 19829,
19829.5, 19830, 19830.1, 19831, 19832,
19833, 19833.5, 19833.6, 19834, 19835,
19836, 19837, 19837.1, 19837.2,
19837.3, 19838, 19840, 19841, 19843,
19844, 19845, 19845.1, 19845.2, 19846,
19846.1, 19847, 19848, 19849, 19850,
19851, 19851.1, 19852, 19853, 19854,
19854.1, 19855

10/30/14 AMEND: 26000
10/27/14 ADOPT: 15494, 15495, 15496, 15497
10/07/14 REPEAL: 19839
09/10/14 AMEND: 80037
09/08/14 AMEND: 55518
08/27/14 REPEAL: 11968.5
08/27/14 ADOPT: 853.7 AMEND: 850, 851, 852,
853, 853.5, 855, 857, 858, 859, 861, 862,
862.5, 863, 864 REPEAL: 854, 864.5,
865, 866, 867, 867.5, 868

08/25/14 ADOPT: 15498, 15498.1, 15498.2,
15498.3

08/25/14 ADOPT: 12030, 12031, 12032, 12033,
12034, 12035, 12036, 12037, 12038,
12039, 12040, 12041, 12042, 12043,
12044

07/28/14 ADOPT: 15494, 15495, 15496, 15497

07/23/14 AMEND: 850, 851, 852, 853, 853.5, 855,
857, 858, 859, 861, 862, 862.5, 863, 864
REPEAL: 854, 864.5, 865, 866, 867,
867.5, 868

Title 8

12/04/14 AMEND: 9789.39
12/02/14 AMEND: 5620, 6165, 6180, 6181, 6182,
6183, 6184
12/01/14 AMEND: 1514, 3380
11/26/14 AMEND: 5155
10/15/14 ADOPT: 10390, 10391, 10392, 10393,
10414, 10416, 10417, 10470, 10548,
10549, 10552, 10555, 10563, 10563.1,
10592, 10760, 10995, 10996 10770
AMEND: 10397, 10561, 10593, 10740,
10750, 10751, 10753, 10754, 10755,

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10770.1, 10845, 10957.1 REPEAL:	(renumbered to 2548.23), 2548.23
10213, 10241, 10246, 10253, 10256,	(renumbered to 2548.24), 2548.24
10294, 10227, 10230, 10233, 10236,	(renumbered to 2548.25), 2548.25
10240, 10243, 10244, 10250, 10251,	(renumbered to 2548.26), 2548.26
10252, 10254, 10260, 10272, 10275,	(renumbered to 2548.27), 2548.27
10280, 10281, 10295, 10296, 10561.5,	(renumbered to 2548.28), 2548.28
10958	(renumbered to 2548.29), 2548.29
10/02/14 AMEND: 1903	(renumbered to 2548.30), 2548.30
09/30/14 AMEND: 9792.5.1	(renumbered to 2548.31), and 2548.31
09/23/14 AMEND: 9789.32	(renumbered to 2548.32) REPEAL:
09/17/14 AMEND: 10205.13	2548.8
09/15/14 AMEND: 10205.14	11/17/14 ADOPT: 6460
08/27/14 ADOPT: 9767.5.1, 9767.16.5, 9767.17,	11/17/14 ADOPT: 8000, 8010, 8020, 8030, 8040
9767.17.5, 9767.18, 9767.19 AMEND:	11/10/14 AMEND: 2498.6
9767.1, 9767.2, 9767.3, 9767.4, 9767.5,	11/03/14 AMEND: 2318.6, 2353.1, 2354
9767.6, 9767.7, 9767.8, 9767.9, 9767.10,	10/22/14 ADOPT: 2187.31, 2188.10 AMEND:
9767.11, 9767.12, 9767.13, 9767.14,	2186, 2186.1, 2187, 2187.1, 2187.2,
9767.15, 9767.16	2187.3, 2187.4, 2187.5, 2187.6, 2187.7,
08/25/14 AMEND: 3314	2188, 2188.1, 2188.2, 2188.25, 2188.3,
07/31/14 AMEND: 4542	2188.4, 2188.5, 2188.5.5, 2188.50,
07/31/14 ADOPT: 5120	2188.6, 2188.65, 2188.7, 2188.8, 2188.9
Title 9	10/02/14 ADOPT: 6520, 6522, 6524, 6526, 6528,
09/29/14 AMEND: 4210	6530, 6532, 6534, 6536, 6538
08/12/14 AMEND: 531, 532, 532.1, 532.2, 532.3,	10/02/14 ADOPT: 6700, 6702, 6704, 6706, 6708,
532.4, 532.5, 532.6, 533, 534, 535	6710, 6712, 6714, 6716, 6718
07/29/14 AMEND: 1840.205, 1850.325	10/02/14 ADOPT: 6462
Title 10	09/30/14 ADOPT: 6408, 6410, 6450, 6452, 6454,
12/12/14 ADOPT: 6408, 6410, 6450, 6452, 6454,	6470, 6472, 6474, 6476, 6478, 6480,
6470, 6472, 6474, 6476, 6478, 6480,	6482, 6484, 6486, 6490, 6492, 6494,
6482, 6484, 6486, 6490, 6492, 6494,	6496, 6498, 6500, 6502, 6504, 6506,
6496, 6498, 6500, 6502, 6504, 6506,	6508, 6510, 6600, 6602, 6604, 6606,
6508, 6510, 6600, 6602, 6604, 6606,	6608, 6610, 6612, 6614, 6616, 6618,
6608, 6610, 6612, 6614, 6616, 6618,	6620
6620	09/17/14 ADOPT: 6464
12/12/14 ADOPT: 6657, 6658, 6660, 6664, 6670	09/03/14 ADOPT: 6420, 6422
12/10/14 AMEND: 2498.4.9	09/02/14 ADOPT: 6540, 6542, 6544, 6546, 6548,
12/08/14 AMEND: 2498.6	6550, 6552
12/04/14 AMEND: 2717	09/02/14 REPEAL: 5.6000; 5.6000.5; 5.6001;
11/25/14 ADOPT: 2548.7, 2548.8 AMEND:	5.6002; 5.6003; 5.6004; 5.6005; 5.6006;
2548.2, 2548.4, 2548.5, 2548.7	5.6007; 5.6100; 5.6101; 5.6102; 5.6110;
(renumbered to 2548.9), 2548.9	5.6111; 5.6112; 5.6113; 5.6114; 5.6115;
(renumbered to 2548.10), 2548.10	5.6117; 5.6130; 5.6131; 5.6140; 5.6141;
(renumbered to 2548.11), 2548.11	5.6150; 5.6151; 5.6152; 5.6153; 5.6160;
(renumbered to 2548.12), 2548.12	5.6161; 5.6162; 5.6163; 5.6164; 5.6170;
(renumbered to 2548.13), 2548.13	5.6171; 5.6180; 5.6181; 5.6182; 5.6183;
(renumbered to 2548.14), 2548.14	5.6190; 5.6191; 5.6192; 70.1; 70.2; 70.3;
(renumbered to 2548.15), 2548.15	70.4; 70.5; 70.6; 70.7; 70.8; 70.9; 70.100;
(renumbered to 2548.16), 2548.16	70.125; 70.126; 70.128; 70.150; 70.151;
(renumbered to 2548.17), 2548.17	70.152; 70.153; 70.154; 70.155; 70.156;
(renumbered to 2548.18), 2548.18	70.157; 70.158; 70.159; 70.160; 70.161;
(renumbered to 2548.19), 2548.19	70.161.5; 70.162; 70.163; 70.164;
(renumbered to 2548.20), 2548.20	70.165; 70.166; 70.167; 70.168; 70.169;
(renumbered to 2548.21), 2548.21	70.170; 70.171; 70.172; 70.173; 70.174;
(renumbered to 2548.22), 2548.22	70.175; 70.176; 70.177; 70.178; 70.179;

70.180; 70.181; 70.182; 70.183; 70.184;
 70.185; 70.186; 70.188; 70.189; 70.190;
 70.4000; 70.4100; 70.4101; 70.4102;
 70.4103; 70.4104; 70.4105; 70.4106;
 70.4107; 70.4108; 70.4109; 70.4110;
 70.4111; 70.4112; 70.4113; 70.4114;
 70.4115; 70.4117; 70.4118; 70.4119;
 70.4120; 70.4121; 70.4123; 70.4124;
 70.4125; 70.4126; 70.4127; 70.4200;
 70.4201; 70.4202; 70.4300; 70.4301;
 70.4302; 70.4306; 70.4307; 70.4308;
 70.4309; 70.4310; 70.4311; 70.4312;
 70.6000; 70.6100; 70.6101; 70.6200;
 70.6201; 70.6300; 70.6301; 70.6302;
 70.6303; 70.6304; 70.7000; 70.7001;
 70.7002; 70.8000; 70.8001; 70.8002;
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 70.8054; 70.8055; 70.8056; 70.8057;
 70.8058; 70.8059; 70.8060; 70.8061;
 70.8062; 70.8100; 70.8101; 70.8102;
 70.8103; 70.8104; 70.8105; 70.8106;
 70.8107; 70.8108; 70.8200; 70.8201;
 70.8203; 70.8205; 70.8206; 70.9000;
 70.9001; 70.9002
 09/02/14 ADOPT: 6800, 6802, 6804, 6806
 09/02/14 ADOPT: 6424, 6440
 08/28/14 AMEND: 2498.6
 08/21/14 AMEND: 2498.5
 08/18/14 ADOPT: 8000, 8010, 8020, 8030, 8070
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 08/14/14 AMEND: 2548.3, 2548.19, 2548.21,
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 08/13/14 AMEND: 250.9, 250.10, 250.11, 250.15,
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 260.102.8, 260.102.14, 260.102.16,
 260.102.19, 260.103.6, 260.105.33,
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 260.141.50, 260.146, 260.151, 260.165,
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 2031.9, 2031.10
 07/31/14 ADOPT: 6456
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09/17/14 ADOPT: 51.29
 08/28/14 AMEND: 1001, 1057, 1058
 08/11/14 AMEND: 999.121, 999.129, 999.133,
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12/17/14 ADOPT: 2416, 2417, 2418, 2419,
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 12/17/14 ADOPT: 2416, 2417, 2418, 2419,
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 10/29/14 AMEND: 1239
 10/23/14 AMEND: 423.00
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 10/22/14 AMEND: 425.01
 10/08/14 ADOPT: 2428
 09/24/14 AMEND: 156.00, 156.01
 09/15/14 AMEND: 1233
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12/05/14 AMEND: Title 13: 1900, 1956.8, 2036,
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 17: 95300, 95301, 95302, 95303, 95305

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12/16/14 AMEND: 790, 791.6, 791.7, 795
 12/10/14 AMEND: 895.1, 1038, 1039.1, 1041,
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 11/26/14 AMEND: 923.2 [943.2, 963.2], 923.4
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 11/25/14 AMEND: 1038, 1038.2
 11/24/14 AMEND: 917.2, 937.2, 957.2
 11/17/14 AMEND: 1051(a)
 11/14/14 AMEND: 790, 817.02, 819.02, 819.03,
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 11/13/14 AMEND: 895.1, 929.1, 949.1, 969.1,
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 11/05/14 ADOPT: 5200, 5200.5, 5201, 5202,
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 10/24/14 ADOPT: 786.9

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10/23/14	ADOPT: 180.6		
10/13/14	AMEND: 200.12, 200.29, 200.31	11/06/14	ADOPT: 1712.2, 1714.2, 1730.2, 1740.2
10/13/14	AMEND: 163, 164		AMEND: 1700, 1706, 1712, 1712.1, 1714, 1714.1, 1730, 1730.1, 1731, 1747, 1747.1, 1747.5, 1748, 1748.5, 1749, 1749.1, 1750, 1750.1, 1751, 1752, 1753, 1754, 1756, 1760, 1766, 1767, 1768, 1770, 1772, 1776, 1778, 1788, 1790, 1792
10/08/14	AMEND: 18720		
09/29/14	ADOPT: 17225.821, 17225.822, 17225.850, 17357, 17358, 17359, 18420.1, 18431.1, 18431.2, 18431.3, 18450(a)(25) AMEND: 17346, 17350, 17351, 17352, 17353, 17354, 17355, 17356, 18420, 18423, 18424, 18425, 18426, 18427, 18428, 18429, 18431, 18432, 18433, 18450(a)(1), 18450(a)(6), 18450(a)(8), 18450(a)(10), 18450(a)(11), 18450(a)(15), 18450(a)(16), 18450(a)(17), 18450(a)(18), 18450(a)(19), 18450(a)(21), 18450(a)(24), 18450(a)(25), 18450(a)(26), 18450(a)(27), 18450(a)(28), 18450(a)(29), 18450(a)(30), 18450(a)(31), 18450(a)(32), 18450(a)(33), 18450(a)(34), 18450(a)(35), 18450(a)(36), 18450(a)(37), 18450(a)(38), 18450(a)(39), 18450(a)(40), 18456.4, 18459, 18460.1.1, 18460.2, 18461, 18462	11/05/14	ADOPT: 1
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09/22/14	AMEND: 18660.40	10/08/14	ADOPT: 3410.2 AMEND: 3000, 3173.2, 3287, 3410.1
09/03/14	AMEND: 502		
08/29/14	AMEND: 300	10/02/14	ADOPT: 3410.1 AMEND: 3173.2
08/25/14	AMEND: 7.50	09/18/14	AMEND: 3290, 3315
08/21/14	AMEND: 7.00, 7.50, 8.00	09/17/14	AMEND: 3043
08/12/14	AMEND: 632	08/27/14	ADOPT: 3750, 3751, 3752, 3753, 3754, 3756, 3760, 3761, 3761.1, 3762, 3763, 3764, 3765, 3766 AMEND: 3000, 3075.2, 3768.2, 3768.3
08/11/14	ADOPT: 550, 550.5, 551, 630 AMEND: 552, 703 REPEAL: 550, 551, 553, 630		
08/07/14	AMEND: 13055		
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12/04/14	AMEND: Renumber 8125 to 8199		
12/03/14	AMEND: Renumber Section 8002 to 8901		
12/01/14	AMEND: 4604, 4605		
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		12/23/14	AMEND: 116
		12/22/14	AMEND: 1948
		12/17/14	AMEND: 109
		12/17/14	AMEND: 1399.541
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		11/13/14	AMEND: 3003

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10/20/14 AMEND: 4110, 4112, 4120, 4121, 4123, 4127
09/16/14 ADOPT: 1887, 1887.2, 1887.3, 1887.4.0, 1887.4.1, 1887.4.2, 1887.4.3, 1887.11.0, 1887.15 AMEND: 1887, 1887.1, 1887.2, 1887.3, 1887.4, 1887.6, 1887.7, 1887.8, 1887.9, 1887.10, 1887.11, 1887.12, 1887.13, 1887.14
09/10/14 AMEND: 2285
09/02/14 ADOPT: 2064, 2066, 2066.1 AMEND: 2065, 2065.5, 2065.6, 2065.7, 2065.8, 2065.8.1, 2065.8.2, 2065.8.3, 2065.9
08/28/14 AMEND: 1399.99.2
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12/10/14 AMEND: 94014, 94016
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10/13/14 AMEND: 2606.4
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09/02/14 AMEND: 1682(c)
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12/17/14 AMEND: 51341.1
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11/18/14 AMEND: 97240, 97241, 97246
10/14/14 ADOPT: 65530, 65534, 65540, 65546 AMEND: 65501, 65503, 65511, 65521, 65523, 65525, 65527, 65529, 65531, 65533, 65535, 65537, 65539, 65541, 65545, 65547, 65551 REPEAL: 65505, 65507, 65509, 65543, 65549

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08/05/14	AMEND: 97234, 97267	12/12/14	ADOPT: 40-039 AMEND: 22-071, 22-072, 22-305, 40-103, 40-105, 40-107, 40-119, 40-125, 40-128, 40-173, 40-181, 40-188, 40-190, 41-405, 42-209, 42-213, 42-221, 42-406, 42-407, 42-716, 42-721, 42-751, 42-769, 44-101, 44-102, 44-111, 44-113, 44-115, 44-133, 44-205, 44-207, 44-211, 44-304, 44-305, 44-313, 44-315, 44-316, 44-318, 44-325, 44-327, 44-340, 44-350, 44-352, 48-001, 80-301, 80-310, 82-612, 82-812, 82-820, 82-824, 82-832, 89-110, 89-201
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10/30/14	AMEND: 1062, 1064, 1066, 3833.1		
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