



Edmund G. Brown Jr.
Governor

Matthew Rodriguez
Secretary for Environmental Protection

April 5, 2017

To: All Interested Parties

The purpose of this letter is to notify all interested parties of proposed changes to the Unified Program surcharges. The Oversight and Underground Storage Tank surcharges are proposed to increase and a new surcharge relating to Refinery Safety is being established. The California Accidental Release Prevention Program and Aboveground Petroleum Storage Act surcharges will remain unchanged.

Pursuant to Health and Safety Code, Chapter 6.11, Section 25404.5, the Secretary is required to annually determine the Unified Program surcharge to cover the necessary and reasonable costs of the state agencies in carrying out their responsibilities under the Unified Program.

After review and evaluation, the Secretary has determined that the Oversight surcharge is proposed to increase by \$14 per business, from \$35 to \$49, and the Underground Storage Tank surcharge is proposed to increase by \$5 per tank, from \$15 to \$20. A Title 27 rulemaking is currently proposed to incorporate a new Refinery Safety surcharge, which will be assessed upon the State's petroleum refineries to cover the necessary and reasonable costs associated with the implementation of the Interagency Refinery Task Force activities incurred by the California Environmental Protection Agency (CalEPA). The Refinery Safety surcharge is relative to the daily barrel production capacity at a refinery and is based on a tier structure as follows:

- Tier 1 - \$45,000 Equal to or greater than 200,000 daily barrel capacity;
- Tier 2 - \$27,500 100,000 to 199,999 daily barrel capacity;
- Tier 3 - \$13,750 50,000 to 99,999 daily barrel capacity; and
- Tier 4 - \$ 3,500 less than 50,000 daily barrel capacity.

These proposed Unified Program surcharge amounts were publicly noticed in the California Regulatory Notice Register on March 24, 2017, initiating a 30-day comment period (https://www.oal.ca.gov/files/2017/03/12z-2017_new.pdf). Following the 30-day comment period, CalEPA will review and consider all comments received, making changes as deemed necessary. After the consideration of comments, CalEPA will publish a final notice in the California Regulatory Notice Register, upon which the proposed Unified Program surcharge amounts will become effective immediately.

Certified Unified Program Agencies (CUPAs) will be responsible for assessing and collecting the final Oversight, Underground Storage Tank, and Refinery Safety surcharges in fiscal year 2017/2018.

The table below depicts the amount of each Unified Program surcharge.

2017/2018 UNIFIED PROGRAM SURCHARGE				
Surcharge	Applicable To	Current	Change	New
Oversight	each regulated business	\$35	Increase of \$14per each business	\$49
Underground Storage Tank	each tank	\$15	Increase of \$5per each tank	\$20
California Accidental Release Prevention Program	each stationary source	\$270	No Change	
Aboveground Petroleum Storage Act	each tank facility	\$26	No Change	
Refinery Safety	each refinery facility	N/A	Tier 1 - \$45,000, Tier 2 - \$27,500, Tier 3 - \$13,750, Tier 4 - \$ 3,500	

For questions regarding the proposed changes to the Unified Program surcharges, please contact John Paine, Unified Program Manager, at (916) 327-5092 or John.Paine@calepa.ca.gov.