

Emission Reduction Credit Program



What is an ERC?

An emission reduction credit (ERC) is generated when a company reduces air emissions beyond what is required by permits and rules. It is an asset that can be used by its owner or sold to companies that need emission offsets.

Benefits of Generating ERCs:



Cleaner air



Expanded regional economic development



Incentivize reducing emissions

How Does it Work?

Companies can generate ERCs when they reduce emissions of volatile organic compounds (VOCs), nitrogen oxides (NO_x), particulate matter (PM), carbon monoxide (CO) or sulfur oxides (SO_x) beyond what is required by the Maricopa County Air Quality (MCAQD) permits and rules.

This can be done by:

- » Changing fuels
- » Adding emission controls
- » Closing a facility
- » Replacing equipment

Companies that operate captive vehicle fleets can generate mobile emission reduction credits, or MERCs, by replacing diesel-burning vehicles with vehicles powered by electricity or cleaner-burning fuels.

Emission Offsets

An emission offset occurs when a company compensates for an increase in emissions in one area by decreasing emissions in another area. For example, if a company is expanding, and the expansion will involve a major increase in emissions, this company can use ERCs to offset the emissions increase.

ERCs may be used to offset an emissions increase if they meet the five certification criteria: actual, quantifiable, enforceable, permanent and surplus.

There is no maximum limit on the amount of reductions that may be eligible. A credit can be generated by reducing as little as one ton of emissions.

Steps to Generate ERCs

1. Consider how you want to reduce emissions at your business.
2. Call us at 602-506-6010 to discuss your plans with a permit engineer.
3. Submit an application for a new or revised permit along with an ERC application and pay required fees.
4. MCAQD will review and verify whether the emissions reductions meet the five certification criteria.
5. If reductions meet all criteria, receive a certification letter after you have implemented any changes required by your new or revised permit.
6. Place the ERCs in the Arizona Emissions Bank (optional).

Utilizing Certified ERCs

ERCs are certified and traded in units of tons per year. If you reduce creditable NO_x by 20 tons per year, you receive an ERC certificate for that amount.

There is an offset ratio. New major sources or major modifications of existing major sources must offset more than they emit resulting in a net air quality benefit. Currently, each new ton of emission must be offset by 1.15 tons of ERCs.

Contact Us

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