

BOARD MEETING DATE: August 2, 2024

AGENDA NO. 20

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, June 21, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Larry McCallon, Committee Chair
Stationary Source Committee

JA:cr

Committee Members

Present: Mayor Pro Tem Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Chair Vanessa Delgado
Vice Chair Michael A. Cacciotti
Board Member Veronica Padilla-Campos
Mayor José Luis Solache

Call to Order

Committee Chair McCallon called the meeting to order at 10:30 a.m.

For additional information of the Stationary Source Committee Meeting, please refer to the [Webcast](#).

Roll Call

ACTION ITEM:

1. Authorize Rebate Fund to Incentivize Zero-Emission Appliances Through Building Appliances Rebate Program and Issue RFP for Third-Party Implementation of Program

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, provided a summary of the proposed Go Zero rebate program, including recommended funding levels and the issuance of a request for proposal of third-party implementation of the program. For additional details please refer to the [Webcast](#) beginning at 3:00.

Committee Chair McCallon inquired whether application assistance funding would include outreach efforts, and whether overburdened communities in San Bernardino would be able to receive funding. Mr. Krause responded that seventy-five percent of funding would be allocated for overburdened communities, and that all four counties can utilize the rebate program. For additional details please refer to the [Webcast](#) beginning at 8:19

Committee Chair McCallon also inquired how staff arrived at the number of multifamily properties that could be funded, and whether there are funds available for future expansion of the program. Mr. Krause responded that the number of properties is based on the maximum amount of funding the rebate program will allow per property. Executive Officer Wayne Nastri responded that funding is available to expand the program five-fold. For additional details please refer to the [Webcast](#) beginning at 14:40.

Board Member Padilla-Campos inquired how the overburdened communities would be determined eligible, if multiple outreach groups could execute the RFP, and if private or non-profit entities can apply. Mr. Krause responded that overburdened communities would be based on CalEnviroScreen, eligibility would be based by property location, and multiple contractors as well as private or non-profit entities could bid on different sections of the RFP. For additional details please refer to the [Webcast](#) beginning at 15:23.

Vice Chair Cacciotti expressed support for considering location-specific experts who understand the various geographies and supported conducting outreach at larger events. For additional details please refer to the [Webcast](#) beginning at 17:25.

Chair Delgado motioned to double the application assistance funding from \$500,000 to \$1 million, to be able to assist the large jurisdiction. For additional details please refer to the [Webcast](#) beginning at 18:31.

Committee Vice Chair Mitchell supported the pilot program as an opportunity to learn and adjust, finance outreach, and help installer training in an effort to expand the workforce and suggested contractors could help with marketing efforts. For additional details please refer to the [Webcast](#) beginning at 20:22.

Fernando Gaytan, Earthjustice, noted the 2022 AQMP highlighted the need for incentives, expressed support for robust outreach to overburdened communities, recommended working with other agencies to form a one-stop shop for incentive information, suggested to provide solutions for tenant protection, and expressed support for expedient adoption of Proposed Amended Rules 1111 and 1121 later in the year. For additional details please refer to the [Webcast](#) beginning at 23:56.

Bethmarie Quiambao, Southern California Edison (SCE), expressed support for the RFP and noted that SCE had previously filed an application with the CPUC to fund heat pumps but was denied. Vice Chair Cacciotti inquired about the possibility to support SCE's next application to the CPUC, and Ms. Quiambao responded that support from South Coast AQMD would be welcome. For additional details please refer to the [Webcast](#) beginning at 26:31.

Harvey Eder, Public Solar Power Coalition, expressed support for solar heating equipment in lieu of heat pumps. For additional details please refer to the [Webcast](#) beginning at 28:49.

Jed Holtzman, RMI, supported the program to assist residences, provide substantial funding to overburdened communities, and conduct financing outreach. For additional details please refer to the [Webcast](#) beginning at 31:38.

Chris Chavez, Coalition for Clean Air, expressed support for the program and funding allocation to disadvantaged communities, recommended all constituents benefit from new zero-emission appliances, and highlighted the role of incentives to ensure quick implementation of Proposed Amended Rules 1111 and 1121. For additional details please refer to the [Webcast](#) beginning at 33:29.

Chair Delgado recommended the motion include the doubling up to a million dollars for outreach and marketing to cover the entire District.

Moved by Delgado; seconded by Solache; unanimously approved.

Ayes: Cacciotti, Delgado, Mitchell, Padilla-Campos, Solache, McCallon

Noes: None

Absent: None

INFORMATIONAL ITEM:

2. 2023 Annual Report on AB 2588 Program and Updates to AB 2588 and Rule 1402 Supplemental Guidelines

Scott Epstein, Planning and Rules Manager/Planning, Rule Development and Implementation, provided a summary of the AB 2588 Program and activities for the 2023 calendar year. Additional information was included about future AB 2588 and toxic rules activities. For additional details please refer to the [Webcast](#) beginning at 36:27.

Board Member Padilla-Campos inquired if stone cutting businesses are a part of AB 2588. Sarah Rees, Deputy Executive Officer/Planning, Rule Development and Implementation, answered that they would need to emit above thresholds to be subject to program requirements, and she was unaware of any currently in the program but would verify. Board Member Padilla-Campos further explained that heavy outreach is ongoing in her area due to the health impacts of silica. Jason

Aspell, Deputy Executive Officer/Engineering and Permitting, explained that these cutting activities are currently exempt from permitting and that the health impacts to workers from stone cutting would typically fall under OSHA's purview. For additional details please refer to the [Webcast](#) beginning at 46:50.

Vice Chair Cacciotti inquired about OEHHA's updates on trimethylbenzene, particularly if the health values were new or updated, and what was trimethylbenzene. Dr Epstein clarified that additional risk values were adopted for trimethylbenzene. Dr. Rees and Mr. Aspell also clarified that trimethylbenzene was not typically a product of combustion and is more commonly found in coatings or paints. For additional details please refer to the [Webcast](#) beginning at 48:05.

Committee Vice Chair Mitchell requested additional information regarding the six facilities that were required to submit additional reports and the two that required public notification. Dr. Epstein provided the information regarding the public notifications and explained that staff would follow up with a full list. For additional details please refer to the [Webcast](#) beginning at 50:40.

Mr. Eder provided comments on the number of deaths from PM2.5 and premature deaths. For additional details please refer to the [Webcast](#) beginning at 52:31.

WRITTEN REPORTS:

3. Monthly Permitting Enhancement Program (PEP) Update

The report was acknowledged by the committee.

4. Quarterly Permitting Update for Rule 1109.1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations

The report was acknowledged by the committee.

5. Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program

The report was acknowledged by the committee.

6. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

7. Other Business

There was no other business to report.

8. Public Comment Period

There were no public comments to report.

9. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, August 16, 2024, at 10:30 a.m.

Adjournment

The meeting was adjourned at 11:24 a.m.

Attachments

1. Attendance Record
2. Monthly Permitting Enhancement Program (PEP) Update
3. Quarterly Permitting Update for Rule 1109.1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations
4. Monthly Update of Staff’s Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program
5. Notice of Violation Penalty Summary

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance –June 21, 2024

Councilmember Michael A. Cacciotti	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret)	South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon	South Coast AQMD Board Member
Supervisor Holly J. Mitchell	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos	South Coast AQMD Board Member
Mayor José Luis Solache	South Coast AQMD Board Member
Robyn Davis	Board Consultant (Mitchell)
William Kelly	Board Consultant (Cacciotti)
Debra Mendelsohn	Board Consultant (McCallon)
Fred Minassian	Board Consultant (Padilla-Campos)
Uduak-Joe Ntuk	Board Consultant (Solache)
Mark Taylor	Board Consultant (Rodriguez)
Jacqueline Vazquez	Board Consultant (Solache)
Chris Chavez	Coalition for Clean Air
Harvey Eder	Public Solar Power Coalition
Fernando Gaytan	Earthjustice
Jed Holtzman	RMI
Warisa Nuzawa	Los Angeles County Sanitation District
Bethmarie Quiambao	Southern California Edison
Jason Aspell	South Coast AQMD staff
Cindy Bustillos	South Coast AQMD staff
Scott Epstein	South Coast AQMD staff
Scott Gallegos	South Coast AQMD staff
Bayron Gilchrist	South Coast AQMD staff
De Groeneveld	South Coast AQMD staff
Sheri Hanizavareh	South Coast AQMD staff
Aaron Katzenstein	South Coast AQMD staff
Michael Krause	South Coast AQMD staff
Howard Lee	South Coast AQMD staff
Jason Low	South Coast AQMD staff
Ian MacMillian	South Coast AQMD staff
Terrence Mann	South Coast AQMD staff
Ron Moskowitz	South Coast AQMD staff
Susan Nakamura	South Coast AQMD staff
Wayne Nastri	South Coast AQMD staff
Sarah Rees	South Coast AQMD staff
Catherine Rodriguez	South Coast AQMD staff
Lisa Tanaka O’Malley	South Coast AQMD staff
Brian Tomasovic	South Coast AQMD staff
Mei Wang	South Coast AQMD staff
Victor Yip	South Coast AQMD staff

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – June 21, 2024

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide monthly updates to the Stationary Source Committee to report progress made under the Permitting Enhancement Program (PEP). The Chair's PEP initiative was developed to enhance the permitting program and improve permitting inventory and timelines. This report provides a summary of the pending permit application inventory, monthly production, and other PEP related activities.

Summary

Pending Permit Application Inventory

The permitting process consists of a constant stream of incoming applications and outgoing application issuances, rejections, and denials. The remainder of the applications are considered the pending application inventory. The inventory consists of applications that are being prescreened prior to being accepted, workable applications, and non-workable applications. Non-workable means that staff are unable to proceed with processing an application because it is awaiting actions to address various regulatory requirements or deficiencies. As an example, after staff issues a Permit to Construct to a facility, staff must wait for the facility to construct and test the equipment prior to issuing a final Permit to Operate. Once a final Permit to Operate is issued, the permit application is removed from the pending application inventory. Other examples include facilities that may be in violation of rules and cannot be permitted until a facility achieves compliance, staff awaiting additional information from facilities, or facilities that have not completed the CEQA process for their project. During the life of an application, it may switch several times between being workable and non-workable as actions are taken by facilities and staff. Attachment 1 contains more detailed descriptions of the categories of non-workable permit applications. Figure 1 below provides a monthly snapshot of the pending application inventory.

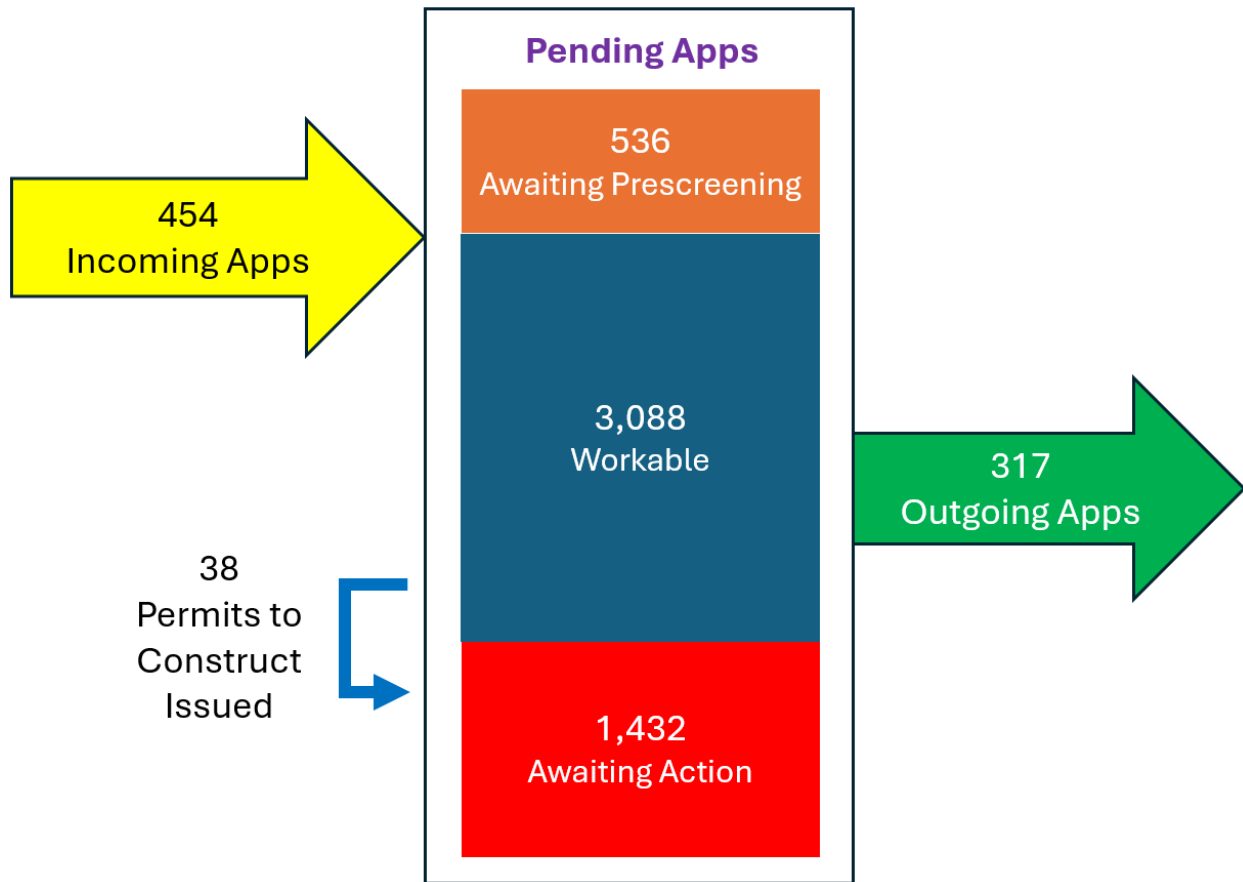


Figure 1: Application Processing Workflow – May 2024

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last month. Please note that Table 1 provides a snapshot of data and applications may change statuses several times before final action. Multiple categories may apply to a single application. (38 applications have dual statuses this month).

Table 1: Awaiting Action (Non-Workable) Applications Summary

Awaiting Action (Non-Workable) Categories	March 2024	April 2024	May 2024
Additional Information from Facility	235	223	249
CEQA Completion	25	27	34
Completion of Construction	770	794	866
Facility Compliance Resolution	17	19	22
Facility Draft Permit Review	92	91	86
Fee Payment Resolution	2	3	9
Other Agency Review	35	52	45
Other Facility Action	69	7	7
Other South Coast AQMD Review	100	0	0
Public Notice Completion	23	34	32
Source Test Completion	117	127	120

Please see Attachment 1 for more information on these categories.

In May, 454 incoming applications were submitted which was an increase of 97 incoming applications from the previous month. There were 317 outgoing applications which was a decrease of 92 applications from April (further information is provided in the “Production” section of this report). There was a noticeable increase of incoming applications last month as is expected due to the upcoming Rule 301 fee increases on July 1. Several applications changed status to Completion of Construction after Permits to Construct were issued. Staff will need to wait for construction of the equipment to be completed prior to moving forward on these applications. Since incoming applications (yellow arrow) exceeded outgoing applications (green arrow) this month, the pending application inventory increased.

The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending application inventory until a manageable working inventory is established. As stated above, looking ahead to the next reporting period in June, there historically has been a spike in incoming applications before fee increases take effect on July 1 for application fees. This typically results in a swell in the inventory as time is needed to address the surge of permit applications.

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ Engineers was vital since these positions are the review and approval stages of the permitting process. Seven Senior and Supervising AQ Engineer positions are in the process of being filled.

Production

Prior to staff retirements, permit production levels in 2020 were typically above 500 completions per month. Prior to PEP implementation, high vacancy rates resulted in decreased permit completions. Lower production rates nearing 400 completions per month occurred as the vacancy rate peaked. As the vacancy rate has been reduced and staff have been trained, production has increased. Figure 2 below shows a rolling 12-month average of application completions and the monthly production for the last three months. Recently, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below. The rolling 12-month average includes the monthly totals from the last year to visualize the trend over time, as production in individual months often fluctuates (in addition to fluctuations in incoming application submittals). The current rolling 12-month average production rate is 438 completions per month. In the coming months, staff anticipates production rates will return to 2020 levels. A higher rolling 12-month average will indicate sustained higher production levels. These higher production levels will begin to reduce the pending application inventory and improve permit processing times.

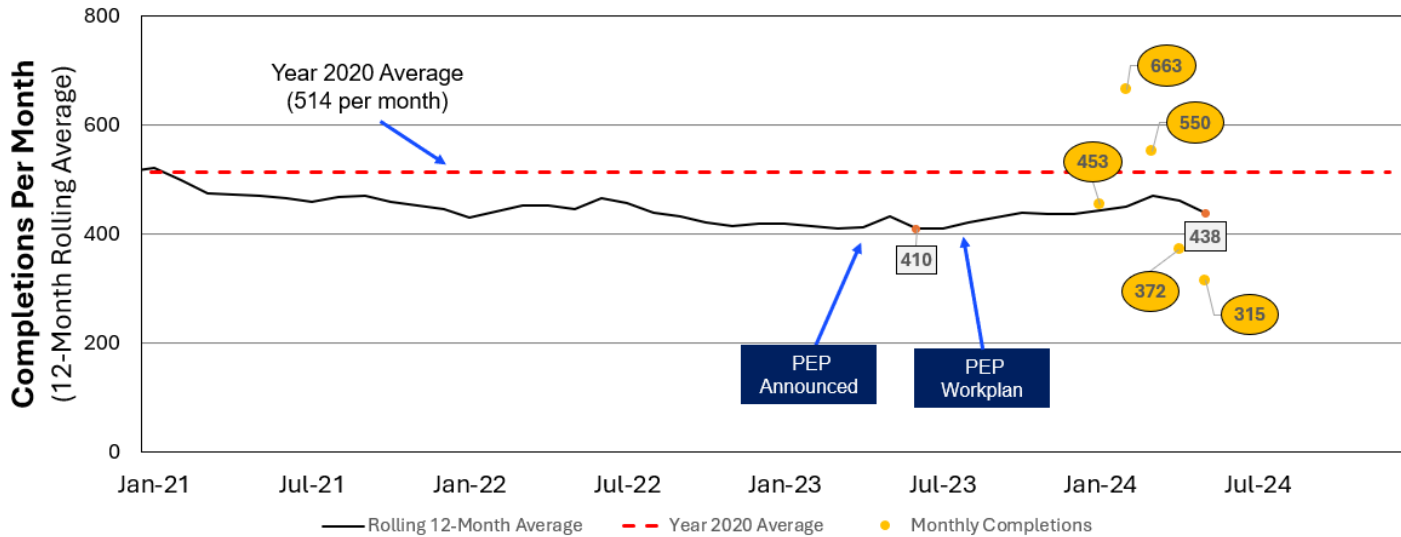


Figure 2: Application Completions - Rolling 12-Month Average and Recent Three Months

Production began to increase in the second half of 2023 as substantial promotional and hiring occurred. New engineering staff are currently being trained and production is expected to increase over the coming months and years as they become more experienced in their duties.

Staff experienced decreased completions in April and May compared to the prior three months. However, in the first two weeks of June, production appears to be rebounding as staff have already acted on 300 completions. Regardless, staff are continuing to investigate this decrease and strategize plans to improve production. For April and May, the following extenuating circumstances were identified:

- Two days of offset sanctions which paused issuance of new permits
 - US EPA acted on Oil and Gas regulations resolving temporary sanctions
- Physical move of E&P staff workspaces which disrupted production
 - Decreased vacancy rates required movement of staff. Relocation was completed efficiently within one week
- Transfer of Supervisory staff member
 - One Supervising AQ Engineer transferred between teams in E&P on May 7. A replacement is expected to be selected in June.
- Focus on complex, aged applications
 - Staff acted on several of these applications which take more time and resources to resolve issues. Several more aged projects are targeted to be completed in June.
- PEP development
 - Electronic permit applications have been developed and are being tested by permit processing engineers. This effort involves resources that would typically be focused on permit evaluations but will result in operational efficiencies upon completion.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate is 9.7%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%.

Staff continued their ongoing efforts to maintain the vacancy rate. In May, one administrative position was filled to replace a departure from the previous month to reduce the vacancy rate below 10% again. An AQ Engineer 2 recruitment will conclude in June which is expected to further reduce the vacancy rate. Staff is in the process of conducting promotional recruitments which will result in another external AQ engineer recruitment around Q1 2025.

Key Activities This Month

- Staff presented their Permit Enhancement Program efforts at the Industry Environmental Association annual conference in San Diego. Other air agencies reached out to staff for more details to enhance their own permitting programs.
- Staff issued several aged permit applications in May. As part of PEP, staff have been focusing on aged applications and resolving complex compliance and permitting issues.
- Staff initiated an effort to distribute permitting public notices in lieu of facilities handling the distribution. This is a PEP initiative and is expected to reduce permitting timelines. Staff are starting this effort on a small scale to develop the process and collect data prior to the full roll out of the program. Facilities have been receptive to the new program.

Upcoming Meetings:

- Permitting Working Group (PWG) - June 18 – Focus on Waste Management Industry
- Permit Streamlining Task Force (PSTF) - July 17
- Staff are targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. A schedule of future PSTF and PWG meetings is under development.
- Staff will conduct PWG meetings that will be a collaborative public effort to discuss permitting requirements with various industry sectors and receive public input.
- A PEP update to the Board will occur in the third quarter of 2024.

Attachment 1

Explanation of Non-Workable Application Statuses

Workable applications are those applications where staff have the required information to process the permit application.

Non-workable applications are those applications where the application process has been paused while staff are awaiting the resolution of one or more related tasks or where the permit cannot be issued.

Description of Non-Workable/Awaiting Action Terms

Additional Information from Facility

During permit processing staff may need additional information from a facility that was not included in the original permit application package or a change of scope of the proposed project. Additional information may include items regarding materials used in the equipment (such as toxics), equipment information, or other items to perform emission calculations or determine compliance for the proposal in the application.

CEQA Completion

Prior to issuing permits, CEQA requirements are required to be evaluated and completed. South Coast AQMD can either be the Lead Agency that certifies or approves the CEQA document or the Responsible Agency that consults with the Lead Agency (typically a land use agency) on the CEQA document.

Completion of Construction

After a Permit to Construct is issued, the permit application file remains in the pending application inventory. Staff must wait for the facility to complete construction prior to completing other compliance determination steps before the permitting process can continue. Typically, a Permit to Construct is valid for one year, but it may be extended for various reasons if the facility demonstrates they are making increments of progress. For some large projects, construction may take years while the permit application remains in the pending application inventory.

Facility Compliance Resolution

Prior to issuing permits the affected facility must demonstrate compliance with all rules and regulations [Rule 1303(b)(4)]. Prior to the issuance of a Permit to Construct, all major stationary sources that are owned or operated by, controlled by, or under common control in the State of California are subject to emission limitations must demonstrate that they are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act. [Rule 1303(b)(2)(5)].

Facility Draft Permit Review

If a facility requests to review their draft permit, staff provides the facility a review period prior to proceeding with issuance. During the review period, staff do not perform any additional evaluation until feedback from the facility is received. Some projects include several permits or large facility permit documents which may take a substantial time to review.

Fee Payment Resolution

Prior to issuing permits, all fees must be remitted, including any outstanding fees from associated facility activities including, but not limited to, annual operating and emission fees, modeling or source testing fees, and permit reinstatement fees.

Other Agency Review

The Title V permitting program requires a 45-day review of proposed permitting actions by U.S. EPA prior to many permitting actions. During the review period, staff are unable to proceed with permit issuance. If U.S. EPA has comments or requests additional information, the review stage may add weeks or months to the process before staff can proceed with the project.

For Electricity Generating Facilities (Power Plants), CEC may provide a review of proposed permits prior to issuance.

Other Facility Action

Prior to issuing a permit, a facility may need to take action to address deficiencies or take steps to meet regulatory requirements. This may include acquiring Emission Reduction Credits after staff notifies a facility the project requires emissions to be offset, performing an analysis for Best Available Control Technology requirements, or conducting air dispersion modeling.

Other South Coast AQMD Review

Prior to proceeding with a permit evaluation, permit engineering staff may require assistance and support from other South Coast AQMD departments. For example, IM support for electronic processing due to unique or long-term project considerations or to complete concurrent review of separate phases or integrated processes for multi-phase projects is routinely needed.

Public Notice Completion

There are several South Coast AQMD requirements that may require public noticing and a public participation process prior to permit issuance. Rule 212 and Regulation XXX both detail public noticing thresholds and requirements which include equipment located near schools, high-emitting equipment, equipment above certain health risk thresholds, or significant projects or permit renewals in the Title V program. The public notice period is typically 30 days, and staff are required to respond to all public comments in writing prior to proceeding with the permitting process. Other delays in the public notice process may include delays in distribution of the notice by the facility, incomplete distribution which may require restarting the 30-day period, or requests for extension from the public.

Source Test Completion

Many rules require source testing prior to permit issuance. Source testing is the measurement of actual emissions from a source that may be used to determine compliance with emission limits, or measurements of toxic emissions may be used to perform a health risk assessment. Lab analysis of an air sample is often required as part of the process. The testing is performed by third party contractors who prepare a source test protocol to detail the testing program, and a source test report with the results of the testing and equipment operation. Both the protocol and report need to be reviewed and approved by South Coast AQMD staff.

June 2024 - Quarterly Permitting Update for Rule 1109.1 - Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations

Background

At the November 17, 2023, Stationary Source Committee meeting, the Committee directed staff to provide quarterly updates (in lieu of a presentation) of permitting activities associated with implementation of Rule 1109.1. Staff had presented five (5) quarterly updates on Rule 1109.1 permitting activities to the Stationary Source Committee since October 21, 2022. Starting with the previous report (Q1-2024), staff will provide written quarterly reports to the Committee during the first 3 quarters of each year followed by a presentation in the 4th quarter. This is the 2nd written report for Q2-2024 provided by staff.

Summary

This report covers key permitting activities associate with Rule 1109.1 since the last update in March 2024, as summarized below:

- 4 applications received for revision to previously approved I-Plans and B-Plan
- 7 applications approved and permits issued
- 63 applications in progress
- 2 applications submitted to EPA and pending their review
- 16 additional applications expected to be submitted in 2024

As shown in Tables 1 and 2 below, staff is making significant progress in issuing the permits for the applications received under Rule 1109.1. As of this quarter, 54 percent of the applications received under this rule have been issued, and 73 percent of the open applications are in the review stage. Staff is expected to make steady progress in issuing permits under this rule throughout the rest of this year.

Figure 1 provides the application count by year for the period covering Rule 1109.1 implementation and includes the anticipated applications and actual applications submitted.

Figure 1: Rule 1109.1 Application Count by Year

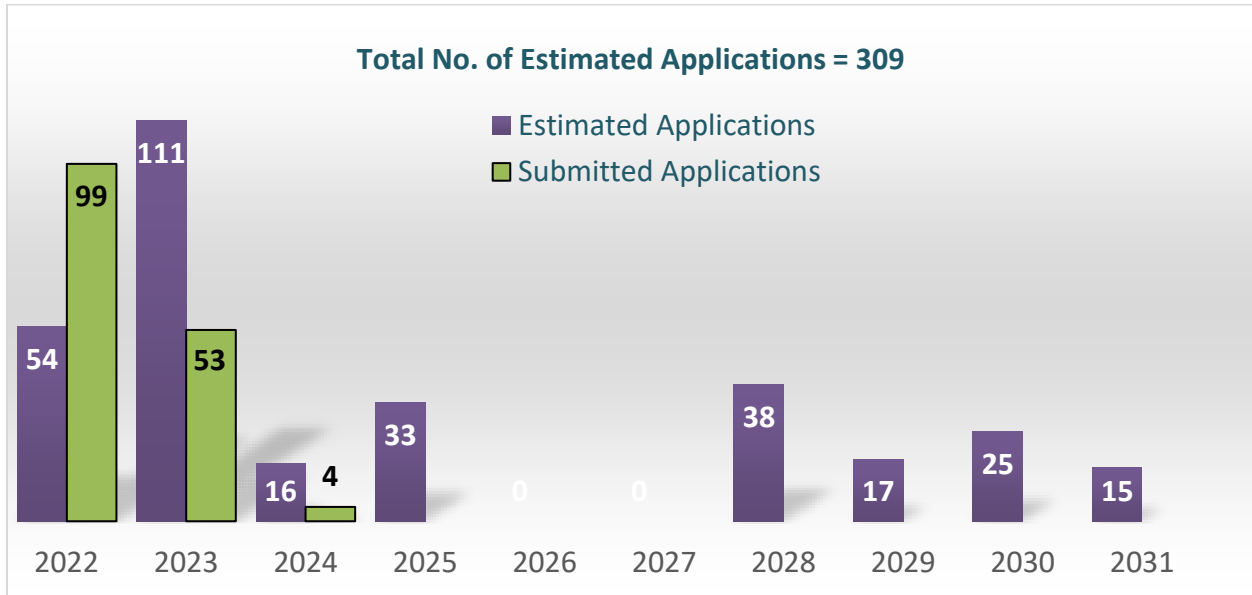


Table 1 provides a breakdown on the type of applications submitted under Rule 1109.1, and Table 2 provides the status of processing the applications:

Table 1: Rolling Total of Rule 1109.1 Permit Application Submittals

	Q3 2023	Q4 2023	Q1 2024	Q2 2024
BARCT Limits	17	21	21	21
Conditional Limits	29	29	29	29
Boilers/Heaters < 40 MMBtu/hr	46	46	46	46
Exemption Applications	7	7	7	7
Alternate BARCT Limits	9	9	9	9
Add Source Test Condition	23	23	23	23
Plan Applications	17	17	17	21
<i>B-Plan</i>	3	3	3	4
<i>B-Cap</i>	4	4	4	4
<i>I-Plan</i>	10	10	10	13
Total	148	152	152	156

Note: The rolling total application count for the 4 quarters has not changed much because there are no application submittal deadlines in the rule between July 1, 2023 to July 1, 2024.

Table 2: Summary of Rule 1109.1 Application Processing Status

	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Awaiting Additional Facility Info	5	0	0	6
In Process	63	48	17	13
Under Review	26	37	46	42
Final Review	8	8	8	8
Under U.S. EPA Review	2	2	3	2
Issued	44	57	78	85
Total	148	152	152	156

June 2024 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018, Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. The table below summarizes key activities with U.S. EPA and California Air Resources Board (CARB) since the last report.

Item	Discussion
Meeting with U.S. EPA (Region IX) – May 22, 2024	<ul style="list-style-type: none"><li data-bbox="678 583 1365 648">• Discussed options to address offset availability for RECLAIM facilities

- A follow up meeting with U.S. EPA (Region IX) is planned for late June 2024 to continue discussions from May 22nd meeting
- RECLAIM/NSR Working Group meeting will not be held in June
- The next Working Group Meeting is planned for third quarter 2024 to provide an update on discussions with U.S. EPA regarding the New Source Review issues for the RECLAIM transition

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
Settlement Penalty Report (05/01/2024 - 05/31/2024)**

Total Penalties

Civil Settlement: \$712,525.75
Hearing Board Settlement: \$206,415.25
MSPAP Settlement: \$131,590.50

Total Cash Settlements: \$1,050,531.50

Total SEP Value: \$0.00

Fiscal Year through 05/31/2024 Cash Total: \$5,997,737.00

Fiscal Year through 05/31/2024 SEP Value Only Total: \$668,125.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
180945	ALLTECH, INC.	203, 1155	05/21/2024	SP	P73912	\$40,000.00
195097	ASHISH PATEL (AMERICAS BEST VALUE INN)	1403, 40 CFR 61.145	05/02/2024	RM	P70143	\$850.00
800016	BAKER COMMODITIES, INC.	415, 2004, 3002	05/08/2024	DH/ND	P63824, P65291, P65293, P67318, P67319, P67321, P72855, P72866, P72871, P72872	\$400,000.00
174544	BREITBURN OPERATING, LP	2004, 3002	05/22/2024	JL	P67379, P69280, P74356	\$12,700.00
195737	CARMART INC.	203	05/07/2024	EC	P78699	\$1,000.00
42086	CITY OF UPLAND-UPLAND LANDFILL	1403, 40 CFR 61.145	05/17/2024	SH	P76122	\$2,500.00
187429	DECKERS BRANDS	2305	05/24/2024	JL	O15005	\$9,000.00
194292	E&B NATURAL RESOURCES MANAGEMENT CORP.	1166	05/22/2024	RM	P73208	\$6,900.00
156741	HARBOR COGENERATION CO, LLC	2004, 2012, 2012 Appendix A, 3002	05/22/2024	DH	P66124, P66138, P66139, P76052, P76076	\$34,650.00
9115	JCI JONES CHEMICALS, INC.	203	05/02/2024	RL	P78321	\$1,032.00
193011	KERR FLOORS, INC.	1403, 40 CFR 61.145	05/01/2024	ND	P65545	\$2,200.00
193248	P&M OIL CO.	203, 463, 1148.1, 1173	05/01/2024	KCM	P73331, P74353, P74376, P75657	\$8,100.00
193847	RA JOHNSON COMPANY	1403, 40 CFR 61.145	05/08/2024	JL	P73632	\$2,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
800325	TIDELANDS OIL PRODUCTION, CO.	2004, 3002, 3004	05/08/2024	DH	P63837, P66840	\$10,493.75
149881	TIDELANDS OIL PRODUCTION CO/PIER A WEST	1173	05/08/2024	DH	P74372	\$4,800.00
800026	ULTRAMAR, INC.	1118, 3002, 40 CFR 63.670	05/21/2024	DH	P75061	\$175,800.00
Total Civil Settlements: \$712,525.75						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY, LLC	203, 431.1, 3002	05/21/2024	KER	6143-4	\$1,600.00
119219	CHIQUITA CANYON, LLC	402	05/16/2024	KER/MR	6177-4	\$204,815.25
Total Hearing Board Settlements: \$206,415.25						
MSPAP						
198952	220W 17TH ST, INC.	461, H&S 41960.2	05/24/2024	VB	P78773	\$3,276.00
38429	A & A READY MIXED CONCRETE, INC.	403	05/03/2024	CL	P75314	\$1,774.00
151507	A & P CORPORATION/ PORTOLA CHEVRON	461	05/03/2024	CL	P79067	\$1,084.00
200428	ALADDIN MOBILE HOME PARK	1403	05/24/2024	CR	P78508	\$1,513.00
188324	AMAZON.COM SERVICES, LLC	203	05/03/2024	VB	P79307	\$1,942.00
176666	AMAZON.COM SERVICES, LLC	203	05/03/2024	CL	P79308	\$971.00
121448	AMERICAN SERVICES GROUP OF CA, INC.	1403	05/03/2024	VB	P80307	\$3,327.00
183387	ANTHONY TORRES DEMOLITION CORP	1403, 40 CFR 61.145	05/03/2024	VB	P79152	\$7,476.00
177982	APRO LLC (DBA "UNITED OIL #176")	461, H&S 41960.2	05/17/2024	SW	P79076	\$1,513.00
29349	ARCHIE'S TIRE & TOWING	461	05/24/2024	VB	P70495	\$2,990.00
174643	ARCO (#42110)	461, H&S 41960.2	05/10/2024	VB	P77732	\$929.00
183282	ARNACO INDUSTRIAL COATING, INC.	203, 1147	05/24/2024	CL	P80403	\$3,573.00
13618	BARRY AVE PLATING CO., INC.	1426, 1469	05/03/2024	CL	P75263, P75272	\$3,388.00
181055	CANYON CARWASH PETROLEUMM, INC.	461	05/24/2024	CR	P79084	\$847.00
148782	CANYON FOOD & MINI MART	461, H&S 41960.2	05/24/2024	VB	P80555	\$1,111.00
200968	CFT NV DEVELOPMENTS, LLC	222	05/10/2024	CL	P78034	\$2,342.00
107071	CHARLIE'S AUTO CENTER, INC.	201	05/17/2024	CR	P79361	\$1,009.00
181204	CITY OF SAN GABRIEL - PUBLIC WORKS FACILITY	203, 461	05/17/2024	CL	P79851	\$5,339.00
200277	DSJ CONCRETE PUMPING	203	05/03/2024	CL	P78357	\$632.00
186718	EATON ALTADENA GOLF, LLC	203, 461	05/03/2024	VB	P75953	\$1,171.00
199446	ENVIRONMENTAL REMEDIES, INC.	1403	05/10/2024	CR	P72947	\$959.00
105510	ETIWANDA SCHOOL DISTRICT - MAINTENANCE YARD	461	05/03/2024	CL	P78453, P71024	\$2,018.00
189790	FLEISCHMANN'S VINEGAR COMPANY, INC.	3002	05/24/2024	CL	P80405	\$3,022.50

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
159986	FREEMAN MEDICAL BUILDING, LLC	203	05/03/2024	CL	P78406	\$7,144.00
197130	G&M OIL, CO. (#128)	461	05/17/2024	CL	P69887, P78756	\$3,177.00
199489	G&M OIL, CO. (#213)	201	05/24/2024	CR	P80604	\$2,218.00
168073	GAT AIRLINE GROUND SUPPORT	203	05/17/2024	CL	P62790	\$1,021.00
194097	GRACE TO YOU	203	05/03/2024	CL	P67749	\$971.00
163901	GVD-GUFFEY RIMFOREST, CLP	461	05/03/2024	CR	P76198	\$1,579.00
96767	LA CITY - RECREATION & PARKS DEPT.	461	05/24/2024	VB	P76548	\$2,302.00
173904	LAPEYRE INDUSTRIAL SANDS, INC.	2004, 2012	05/10/2024	CL	P68665, P68673, P68679	\$6,045.00
200978	LARGO CONSTRUCTION INC.	1403, 40 CFR 61.145	05/24/2024	CL	P78612	\$1,438.00
167525	LOMA LINDA UNI MEDICAL CENTER	1146	05/10/2024	CL	P78401	\$7,282.00
169613	LOS FELIZ OIL, INC. (DBA "ARCO LOS FELIZ OIL")	461	05/17/2024	CL	P73131, P80559	\$3,082.00
104004	MICROMETALS, INC.	3002	05/17/2024	CL	P75613	\$6,045.00
27704	MILE SQUARE GOLF COURSE	203, 461	05/24/2024	VB	P78591	\$5,824.00
58495	MOBIL DLR	203, 461	05/24/2024	VB	P77713	\$1,492.00
120181	NARMS BABA CORP - ALPINE SHELL & SUBWAY	201	05/17/2024	CL	P70489	\$825.00
118089	ORANGE CARWASH, INC.	461, H&S 41960.2	05/17/2024	CL	P79062	\$4,134.00
114598	ORANGE TREE FRESH FRUIT & NUTS INC.	203	05/10/2024	VB	P76185, P76200	\$3,627.00
167819	PALM TERRACE CARE CENTER	203	05/10/2024	CL	P74189	\$3,177.00
202109	PRO MANAGEMENT COMPANY, INC.	1403	05/17/2024	CL	P75878	\$2,913.00
42499	RABI, INC, (DBA "LOW P")	461	05/17/2024	CL	P79093	\$1,976.00
190684	RADC ENTERPRISES, INC.	203	05/10/2024	VB	P76195	\$906.00
9961	RIVERSIDE CITY, WATER QUALITY CONTROL	203	05/24/2024	VB	P76132	\$959.00
800113	ROHR, INC.	2004	05/03/2024	CL	P75323	\$922.00
89710	ROYAL CABINETS	3002	05/24/2024	CL	P73159	\$1,588.00
116895	THE HOME DEPOT U.S.A. INC	203	05/24/2024	VB	P78011	\$2,018.00
126198	TMP CORPORATION	461, H&S 41960	05/24/2024	VB	P75743	\$2,789.00
190376	VAN NUYS CHEVRON	203, 461	05/03/2024	CL	P74826	\$2,342.00
109963	WORLD OIL MARKETING CO. (SS #60)	461, H&S 41960.2	05/17/2024	CL	P77743	\$1,588.00
Total MSPAP Settlements: \$131,590.50						

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REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance
- Rule 403 Fugitive Dust
- Rule 415 Odors from Rendering Facilities
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1118 Emissions from Refinery Flares
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators,
- Rule 1147 NOx Reductions from Miscellaneous Sources
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1155 Particulate Matter Control Devices
- Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1426 Emissions from Metal Finishing Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions
- Rule 2012
- Appendix A Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

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REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

Rule 2305 Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waive) Program

REGULATION XXX- TITLE V PERMITS

Rule 3002 Requirements

Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for Demolition and Renovation

40 CFR 63.670 Requirements for flare control devices

CALIFORNIA HEALTH AND SAFETY CODE

41960 Certification of Gasoline Vapor Recovery System

41960.2 Gasoline Vapor Recovery