



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

A G E N D A

HYBRID GOVERNING BOARD MEETING NOVEMBER 1, 2024

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, November 1, 2024 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD’s website for information regarding the format of the meeting, updates, and details on how to participate at: <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

<p>Electronic Participation Information (Instructions provided at the bottom of the agenda)</p>	<p>Join Zoom Meeting - from PC, Laptop or Phone https://scaqmd.zoom.us/j/93128605044 Meeting ID: 931 2860 5044 (applies to all) Teleconference Dial In +1 669 900 6833 or +1 253 215 8782 One tap mobile +16699006833,,93128605044# or +12532158782,,93128605044#</p> <p>Spanish Language Only Audience (telephone) Número Telefónico para la Audiencia que Habla Español Teleconference Dial In/Numero para llamar: +1 669 900 6833 Meeting ID/Identificación de la reunión: 932 0955 9643 One tap mobile: +16699006833,,93209559643</p>
<p>Public Comment Will Still Be Taken</p>	<p>Audience will be allowed to provide public comment in person and through Zoom connection or telephone. Comments are limited to three (3) minutes per person for all items on the Consent and Board Calendars and may be further limited by the Chair to ensure all can be heard.</p> <p>Phone controls for participants: The following commands can be used on your phone’s dial pad while in meeting: *6 (Toggle mute/unmute); *9 - Raise hand</p>
<p>Questions About an Agenda Item</p>	<ul style="list-style-type: none"> ▪ The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item. ▪ In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

Meeting Procedures

- The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at South Coast AQMD's Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765 or web page at www.aqmd.gov

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov. Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cob@aqmd.gov.

A webcast of the meeting is available for viewing at:
<http://www.aqmd.gov/home/news-events/webcast>

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Swearing in of Newly-Appointed Board Member Donald P. Wagner
- Opening Comments: Vanessa Delgado, Chair
Other Board Members
Wayne Nastri, Executive Officer

Staff/Phone (909) 396-

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3) The public may comment on any subject within the South Coast AQMD’s authority that does not appear on the agenda, during the Public Comment Period. Each speaker addressing non-agenda items may be limited to a total of (3) minutes.

CONSENT AND BOARD CALENDAR (Items 1 through 19)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. 20.

Item 1 through 3 – Action Items/No Fiscal Impact

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1. Approve Minutes of October 4, 2024 | Thomas/3268 |
| 2. Set Public Hearings December 6, 2024 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations: | Nastri/3131 |
| A. Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1111– Reduction of NOx Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters; and Amend Rule 1111 and Rule 1121

Proposed Amended Rule 1111 (PAR 1111) and Proposed Amended Rule 1121 (PAR 1121) propose to require zero-emission NOx limits for new installations of applicable residential and small commercial furnaces and water heaters based on future effective dates. The rules provide alternative compliance options for emergency replacement and certain construction activities. In addition, PAR 1111 and PAR 1121 clarify and update rule language. This action is to adopt the Resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1111– Reduction of NOx Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters; and 2) Amending Rule 1111 and Rule 1121. (Reviewed: Stationary Source Committee, October 18, 2024) | Krause/2706 |

- B. Determine that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is Exempt from CEQA and Adopt Rule 1159.1

Krause/2706

Proposed Rule 1159.1 will establish BARCT emission limits for NOx for nitric acid tanks at RECLAIM, former RECLAIM, and non-RECLAIM facilities. The proposed rule includes requirements for installation of controls, parametric monitoring, source testing, and recordkeeping. This action is to adopt the Resolution: 1) Determining that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is exempt from the requirements of the California Environmental Quality Act, and 2) Adopting Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks. (To Be Reviewed: Stationary Source Committee, November 15, 2024)

3. Establish Board Meeting Schedule for Calendar Year 2025

Nastri/3131

The proposed Board Meeting Schedule for Calendar Year 2025 is submitted for Board consideration. The meeting schedule for the Administrative Committee meeting, (second Friday of the month), as well as the other standing committees is included for information only. (Reviewed: Administrative Committee, October 11, 2024; Recommended for Approval)

Items 4 through 6 – Budget/Fiscal Impact

4. Execute Contracts to Develop Data-Based Planning Tool for Medium- and Heavy-Duty Truck Charging Networks, Fleets, and Power Grid Systems and to Investigate Benefits of Electric Vehicle-to-Home Technology on Air Quality

Katzenstein/2219

In April 2024, the University of California, Riverside’s Energy, Economics and Environment Research Center (UCR/E3) proposed to develop a planning tool to assist fleet owners, charging infrastructure developers, and other stakeholders to deploy medium- and heavy-duty (MD/HD) battery electric trucks and charging infrastructure. Also, in August 2024, the University of California, Irvine Advanced Power and Energy Program (UCI APEP) proposed to investigate electric vehicle-to-home (V2H) technology that enables electric vehicles to transfer energy to homes and estimated emission reductions. These actions are to: 1) execute a contract with UCR/E3 to develop a data-based planning tool for the deployment of MD/HD trucks and charging infrastructure in Southern California in an amount not to exceed \$300,000 from the Clean Fuels Program Fund (31); and 2) execute a contract with UCI APEP to investigate the emission reduction benefits of V2H technology in an amount not to exceed \$220,548 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, October 18, 2024; Recommended for Approval)

5. Expand Purpose of LADWP Settlement Projects Fund, Recognize Funds, Execute Contracts for Electrification Projects at Los Angeles Zoo, and Reimburse General Fund for Project Administrative Costs

Katzenstein/2219

On October 19, 2023, a Settlement Agreement was entered between the City of Los Angeles, the Los Angeles Department of Water and Power (LADWP), and South Coast AQMD. As a result of the settlement, LADWP paid \$450,000 plus a 6.25 percent administrative fee of \$28,125, for a total of \$478,125, to South Coast AQMD to be used for supplemental environmental project(s) that reduce emissions. These actions are to: 1) Expand the purpose of the LADWP Settlement Projects Fund (38); 2) Recognize \$478,125 into the LADWP Settlement Projects Fund (38); 3) Execute agreements not to exceed a combined total of \$450,000 from LADWP Settlement Projects Fund (38) with SSA Group, LLC (SSA) to purchase four electric passenger trams with a five-year maintenance contract, and with American Green Zone Alliance (AGZA) to purchase electric lawn and garden equipment and two electric utility maintenance vehicles; and 4) Reimburse the General Fund up to \$28,125 for project administrative costs. (Reviewed: Technology Committee, October 18, 2024; Recommended for Approval)

6. Adopt Resolution and Recognize Revenue for Continued AB 617 Implementation

Jain/2804

South Coast AQMD was approved to receive a \$22,213,333 grant from the CARB AB 617 Community Air Protection Program. In May 2024, the Board recognized \$20,336,700 for the most recent allocation of the AB 617 implementation program funding. This action is to adopt a resolution to accept the terms and conditions of the grant and recognize an additional \$1,876,633 from CARB into the General Fund for AB 617. (Reviewed: Administrative Committee, October 11, 2024; Recommended for Approval)

Items 7 through 13 – Information Only/Receive and File

7. Legislative, Public Affairs and Media Report

Alatorre/3122

This report highlights the September 2024 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

8. Hearing Board Report

Ali

This reports the actions taken by the Hearing Board during the period of September 1 through September 30, 2024. (No Committee Review)

9. Civil Filings and Civil Penalties Report **Gilchrist/3459**
This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from September 1, 2024 through September 30, 2024. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, October 18, 2024)
10. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects **Krause /2706**
This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between September 1, 2024 and September 30, 2024, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, October 18, 2024)
11. Rule and Control Measure Forecast **Rees/2856**
This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2024 and a tentative calendar for portions of 2025. (No Committee Review)
12. 2024 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans **Heard-Johnson/3428**
The 2024 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans summarizes the progress of Community Emission Reductions Plans objectives implemented from September 2019 to June 2024 in six South Coast AQMD Assembly Bill 617 designated communities. (No Committee Review)
13. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, October 11, 2024)

Items 14 through 19 -- Reports for Committees and CARB

The October 17, 2024 MSRC meeting was cancelled. The next regularly scheduled meeting of the MSRC will be held on November 21, 2024.

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|--------------------------------------------------|------------------|-------------------------|
| 14. Administrative Committee (Receive & File) | Chair: Delgado | Nastri/3131 |
| 15. Legislative Committee (Receive & File) | Chair: Cacciotti | Alatorre/3122 |
| 16. Mobile Source Committee (Receive & File) | Chair: Kracov | Rees/2856 |
| 17. Stationary Source Committee (Receive & File) | Chair: McCallon | Aspell/2491 |
| 18. Technology Committee (Receive & File) | Chair: Rodriguez | Katzenstein/2219 |

19. California Air Resources Board Monthly Report (Receive & File)

Board Rep.: Kracov

Thomas/3268

20. Items Deferred from Consent and Board Calendar

PUBLIC HEARINGS

21. Determine That Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Does Not Require New Environmental Document; and Amend Rule 1151

Krause/2706

In 2018 and 2020, the California Office of Environmental Health Hazard Assessment's analysis determined that two compounds used in coatings and solvents, para-Chlorobenzotrifluoride (pCBtF) and tert-Butyl Acetate (t-BAc), have carcinogenic health effects. pCBtF and t-BAc are used in coatings and solvents that are regulated under Rule 1151. Proposed Amended Rule 1151 (PAR 1151) will phase out pCBtF and t-BAc, temporarily allow higher VOC limits while coatings are being reformulated, include reporting requirements, and allow alternative VOC limits for certain coating and solvent categories to provide compliance flexibility. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations is a later activity within the scope of the Final Program Environmental Impact Report for the 2022 AQMP such that no new environmental document is required; and 2) Amending Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. (Reviewed: Stationary Source Committee, October 18, 2024)

22. Determine That Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, Is Exempt from CEQA; and Amend Rule 1173

Krause/2706

Rule 1173 applies to refineries, chemical plants, oil and gas production fields, and others. Proposed Amended Rule 1173 (PAR 1173) establishes enhanced leak detection using optical gas imaging and more stringent control requirements including lower leak standards. PAR 1173 will address Community Emission Reduction Plan objectives from the AB 617 community Wilmington, Carson, West Long Beach. PAR 1173 also refines repair schedules and includes contingency measures to fulfill federal requirements. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, is exempt from the requirements of the California Environmental Quality Act, and 2) Amending Rule 1173. (Reviewed: Stationary Source Committee, August 16, 2024)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION -- (No Written Material)

Gilchrist/3459

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the South Coast AQMD is a party. The actions are:

- In the Matter of South Coast Air Quality Management District v. Southern California Gas Company, Aliso Canyon Storage Facility, South Coast AQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel South Coast Air Quality Management District v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No.4861;
- South Coast Air Quality Management District, et al. v. NHTSA, EPA, et al., United States Court of Appeals, D.C. Circuit, Case No. 20-1173 (consolidated with Competitive Enterprise Institute, et al. v. NHTSA, No. 20-1145);
- Natural Resources Defense Council, et al. v. City of Los Angeles, et al., San Diego Superior Court, Case No. 37-2021-00023385-CU-TT-CTL (China Shipping Case) (transferred from Los Angeles Superior Court, Case No. 20STCP02985); Fourth District Court of Appeal, Division One, No. D080902;
- In the Matter of South Coast Air Quality Management District v. Baker Commodities, South Coast AQMD Hearing Board Case No. 6223-1 (Order for Abatement);
- South Coast Air Quality Management District v. EPA, U.S. District Court for the Central District of California, Case No. 2:23-cv-02646; and
- Western States Trucking Association, Inc. v. EPA, et al., Unites States Court of Appeals, D.C. Circuit, Case No. 23-1143 (amicus brief).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (two cases).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the South Coast AQMD (two cases).

CONFERENCE WITH LABOR NEGOTIATORS

It is also necessary to recess to closed session pursuant to Government Code section 54957.6 to confer with labor negotiators:

Agency Designated Representative: A. John Olvera, Deputy Executive Officer – Administrative & Human Resources;

- Employee Organization(s): Teamsters Local 911, and South Coast AQMD Professional Employees Association; and
- Unrepresented Employees: Executive Officer, General Counsel, Designated Deputies and Management and Confidential employees.

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so in person or remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the “Raise Hand” at the bottom of the screen, or if participating via Dial-in/Telephone Press *9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and website, <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD’s authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to cob@aqmd.gov, on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

ACRONYMS

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|----------------------------------------------------------------------------------|--------------------------------------------------------------------|
| AQ-SPEC = Air Quality Sensor Performance Evaluation Center | NAAQS = National Ambient Air Quality Standards |
| AQIP = Air Quality Investment Program | NATTS =National Air Toxics Trends Station |
| AQMP = Air Quality Management Plan | NESHAPS = National Emission Standards for Hazardous Air Pollutants |
| AVR = Average Vehicle Ridership | NGV = Natural Gas Vehicle |
| BACT = Best Available Control Technology | NOx = Oxides of Nitrogen |
| BARCT = Best Available Retrofit Control Technology | NSPS = New Source Performance Standards |
| Cal/EPA = California Environmental Protection Agency | NSR = New Source Review |
| CARB = California Air Resources Board | OEHHA = Office of Environmental Health Hazard Assessment |
| CEMS = Continuous Emissions Monitoring Systems | PAMS = Photochemical Assessment Monitoring Stations |
| CEC = California Energy Commission | PEV = Plug-In Electric Vehicle |
| CEQA = California Environmental Quality Act | PHEV = Plug-In Hybrid Electric Vehicle |
| CE-CERT =College of Engineering-Center for Environmental Research and Technology | PM10 = Particulate Matter ≤ 10 microns |
| CNG = Compressed Natural Gas | PM2.5 = Particulate Matter ≤ 2.5 microns |
| CO = Carbon Monoxide | RECLAIM=Regional Clean Air Incentives Market |
| DOE = Department of Energy | RFP = Request for Proposals |
| EV = Electric Vehicle | RFQ = Request for Quotations |
| EV/BEV = Electric Vehicle/Battery Electric Vehicle | RFQQ=Request for Qualifications and Quotations |
| FY = Fiscal Year | SCAG = Southern California Association of Governments |
| GHG = Greenhouse Gas | SIP = State Implementation Plan |
| HRA = Health Risk Assessment | SOx = Oxides of Sulfur |
| LEV = Low Emission Vehicle | SOON = Surplus Off-Road Opt-In for NOx |
| LNG = Liquefied Natural Gas | SULEV = Super Ultra Low Emission Vehicle |
| MATES = Multiple Air Toxics Exposure Study | TCM = Transportation Control Measure |
| MOU = Memorandum of Understanding | ULEV = Ultra Low Emission Vehicle |
| MSERCs = Mobile Source Emission Reduction Credits | U.S. EPA = United States Environmental Protection Agency |
| MSRC = Mobile Source (Air Pollution Reduction) Review Committee | VOC = Volatile Organic Compound |
| | ZEV = Zero Emission Vehicle |

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

For language interpretation:

Click the interpretation Globe icon at the bottom of the screen

Select the language you want to hear (either English or Spanish)

Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla

Seleccione el idioma que desea escuchar (inglés o español)

Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Directions to provide public comment on ZOOM from a DESKTOP/LAPTOP or SMARTPHONE:

Click on the "Raise Hand" feature at the bottom of the screen.

This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions to provide public comment via TELEPHONE:

Dial *9 on your keypad to signal that you would like to comment.

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same (+1 669 900 6833)
- The meeting ID number is 928-3000-3925
- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:

- El número de llamada es el mismo (+1 669900 6833 o +1 93209559643)
- El número de identificación de la reunión es 928-3000-3925
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the October 4, 2024 Board Meeting.

RECOMMENDED ACTION:

Approve the October 4, 2024 Board Meeting Minutes.

Faye Thomas
Clerk of the Boards

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FRIDAY, OCTOBER 4, 2024

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was conducted in a hybrid format (in person and remotely via videoconferencing and telephone). Members present:

Senator Vanessa Delgado (Ret.), Chair
Senate Rules Committee Appointee

Councilmember Michael A. Cacciotti, Vice Chair
Cities of Los Angeles County – Eastern Region

Mayor Patricia Lock Dawson
Cities of Riverside County

Supervisor Curt Hagman (Left the meeting at 11:33 a.m.)
County of San Bernardino

Gideon Kracov
Governor's Appointee

Mayor Pro Tem Larry McCallon
Cities of San Bernardino County

Supervisor Holly J. Mitchell
County of Los Angeles

Board Member Veronica Padilla-Campos
Speaker of the Assembly Appointee

Councilmember Nithya Raman
City of Los Angeles

Councilmember Carlos Rodriguez
Cities of Orange County

Mayor José Luis Solache
Cities of Los Angeles County – Western Region

Absent: Supervisor V. Manuel Perez
County of Riverside

Supervisor Donald P. Wagner
County of Orange

For additional details of the Governing Board Meeting, please refer to the recording of the [Webcast](#) at: [Live Webcast \(aqmd.gov\)](#)

CALL TO ORDER: Chair Delgado called the meeting to order at 9:04 a.m.

- Pledge of Allegiance: Led by Mayor Pro Tem McCallon
- Roll Call

Councilmember Raman arrived at 9:16 a.m.

- Opening Comments

Councilmember Cacciotti shared photos of battery-powered lawn mowing equipment used at the Arroyo Seco Golf Course in South Pasadena.

Supervisor Mitchell shared a photo and spoke about the Environmental Justice Student Policy Summit, which was hosted by the L.A. County Second District Racial Justice Learning Exchange, where students from El Camino College, Compton College, and West L.A. College discussed environmental justice issues in their communities. The students were also informed about the South Coast AQMD's summer internship program.

Executive Officer Wayne Nastri shared photos and spoke about a South Coast AQMD event that was held in September to celebrate National Hispanic Heritage Month; provided information regarding the 10th Annual Environmental Justice Conference scheduled on Thursday October 24; and shared a photo and spoke about the Memorandum of Cooperation signing ceremony in Shenzhen, China, with representatives of the Port of Long Beach, Shenzhen Port Group, Hutchison Ports Yantian, South Coast AQMD, and the North American Representative Office of Shenzhen.

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

The Public Comment Period on Non-Agenda Items was opened. The following individuals addressed the Board. For additional details, please refer to the [Webcast](#) beginning at 12:45.

Natasha Villa, Pacific Merchant Shipping Association (PMSA)
Christopher Allen, APM Terminals
Benjamin Lopez, Rebuild SoCal
Gary Herrera, International Longshoreman & Warehouse Union (ILWU) Local 13
Jorge Quintero, Western States Regional Council of Carpenters
David Turner, Yusen Terminal (YTI)
Matthew Dickinson, Fenix Marine Services
Teresa Trujillo, ILWU 13
Patricia Aguirre, ILWU 13
Marcos Holguin, ILWU 13, 63, and 94
Mark Jurisic, ILWU 13
Mike Trudeau, Foremen's Coast

Cris Sogliuzzo, ILWU Marine Division
Matt Sentel on behalf Ports America
Sal DiCostanzo, ILWU 13
Mickey Chavez, ILWU 94
Andrea Connolly, TraPac

Thomas Jelenic, PMSA
Matt Sentel, on behalf of Ports America
Sarah Wiltfong on behalf of Supply Chain Council
Josh LaFarga, LiUNA
Nicholas Santos, LiUNA 1309
Matthew Sullivan, SSA Marine
Elissa Diaz, Los Angeles Area Chamber of Commerce
Betsy Hunter-Binns, Milk Producers Council
Alysia Rivers, L.A. County Business Federation/Bizfed
Ron Neal, Everport Terminal Services
Nayiri Baghdassarian, San Gabriel Valley Economic Partnership
Marcus Hackler, A.P. Moller
Manuel Cunha, Nisei Farmers League and on behalf of the California African
American Farmers
Jack Hedge, The Pasha Group
Adam Borchard, California Fresh Fruit Association
Andrea Connolly, TraPac

Comments from the above speakers included the following:

- Expressed opposition to the Port ISR (PR 2304)
- Most recent emission inventories indicate significant emission reductions have already been achieved at the ports
- Support for a collaborative process to develop an infrastructure approach to help progress zero-emission technologies at the Ports of Los Angeles and Long Beach
- Expressed concerns that PR 2304 will impose cargo caps that will jeopardize well-paying jobs, port operations, and local communities; harm Southern California's competitiveness and drive port traffic to other less regulated ports
- Key to achieving zero-emissions goals is infrastructure and alternative solutions
- Proposed ISR will not address infrastructure
- Urged for a collaborative approach focused on infrastructure instead of an indirect source rule

Vanessa Rivas Villanueva, Earthjustice
Alison Hahm, Natural Resources Defense Council
Fernando Marquez Duarte, People's Collective for Environmental
Justice/University of California, Riverside Ph.D candidate
Chris Chavez, Coalition for Clean Air
Whitney Amaya, East Yard Communiies for Environmental Justice

Marven Norman, Center for Community Action and Environmental Justice/San Bernardino resident

Sylvia Betancourt, Long Beach Alliance for Children with Asthma

Comments from the above speakers included the following:

- Expressed support for a strong Port ISR
- Highlighted the adverse health impacts to communities
- Communities need an ISR to have enforcement and accountability to ensure emission reduction targets are being met
- Raised concerns regarding tactics to delay an ISR

Heather Tomley, Port of Long Beach, expressed appreciation to South Coast AQMD staff for their work to build partnerships with port representatives such as the signing of the Memorandum of Cooperation in Shenzhen, China. She commented on the recent Port's annual emissions inventory report that found significant reductions in air pollution and actions by the ports that has contributed to lowering emissions.

Harvey Eder, Public Solar Power Coalition, shared his personal perspective about commercial fishermen and the ports; and commented on automation between the ports and warehouses, equity in reducing emissions, and the number of deaths from air pollution exposure.

Al Sattler, a member of the public, commented on the dangers of hydrofluoric acid (HF) and urged the South Coast AQMD to revisit the issue of HF refineries. He also commented on the increase in CO2 emissions due to fossil fuels and urged for use of more renewable energy.

There being no further requests to speak, the public comment period was closed for Non-Agenda Items.

Written Comments Submitted Regarding Port ISR (PR 2304)

- PMSA – San Pedro Bay Ports 2023 Air Quality Progress Graph
- Letter dated September 17, 2024 addressed to Mayor Bass and Mayor Richardson submitted on behalf of 200 organizations in opposition to the Port ISR (See Attachment A for the list of organizations.)

Written Comments Submitted Regarding Proposed Amended Rules 1111 & 1121

- Kory Griggs, Indoor Weather Heating, Air & Refrigeration, Inc.



Executive Officer Nastri commented on the challenge of regulating the ports and reminded the Board that the South Coast AQMD has a long history of working with industry and collaborating with stakeholders to clean the air, grow jobs, and improve public health. Executive Officer Nastri clarified that there is no rule language, despite comments from industry representatives and agreed that infrastructure is critical to deploy zero-emission technologies. Executive Officer Nastri encouraged stakeholders to work with staff and highlighted South Coast AQMD's incentive dollars that have and will be available to the ports, and the agency's commitment to continue to work towards seeking additional incentive funds.

Mayor Solache appreciated that representatives from labor came to the Board meeting to voice their thoughts and recognized the importance of their jobs for themselves and their families and that we all want to breathe clean air. Mayor Solache echoed Executive Officer Nastri's comments that there is no draft language at this point and as the agency moves forward it is important that we hear all voices and we develop solutions that matter.



This item was taken out of order.

PUBLIC HEARING

23. Determine That Coachella Valley Attainment Plan for 2008 8-Hour Ozone Standard Is Exempt from CEQA and Adopt Coachella Valley Attainment Plan for 2008 8-Hour Ozone Standard

Sang-Mi Lee, Planning & Rules Manager, gave the staff presentation on Agenda Item No. 23. For additional details, please refer to the Webcast beginning at 1:55:13.

The public comment period was opened for Agenda Item No 23. The following individual addressed the Board.

Harvey Eder, Public Solar Power Coalition, expressed concern that the Solar New Deal had not been evaluated. For additional details, please refer to the [Webcast](#) beginning at 2:04:11.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 23.



Board Action (Item 23)

MOVED BY CACCIOTTI AND SECONDED BY SOLACHE TO APPROVE AGENDA ITEM NO 23 AS RECOMMENDED AND ADOPT RESOLUTION NO. 24-25:

- 1) DETERMINING THAT COACHELLA VALLEY ATTAINMENT PLAN FOR THE 2008 8-HOUR OZONE STANDARD IS EXEMPT FROM THE REQUIREMENTS OF CEQA; AND
- 2) ADOPTING THE COACHELLA VALLEY ATTAINMENT PLAN FOR THE 2008 8-HOUR OZONE STANDARD AND DIRECTING STAFF TO FORWARD THE COACHELLA VALLEY OZONE PLAN TO CARB FOR APPROVAL AND SUBMISSION TO U.S. EPA FOR INCLUSION IN THE SIP. THAT NO NEW ENVIRONMENTAL DOCUMENT IS REQUIRED;

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Hagman, Kracov, McCallon, Mitchell, Padilla-Campos, Raman, Rodriguez, and Solache

NOES: None

ABSENT: Perez and Wagner



CONSENT AND BOARD CALENDAR

Items 1 and 2 – Action Items/No Fiscal Impact

1. Approve Minutes of September 6, 2024 Board Meeting
2. Set Public Hearings November 1, 2024 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations
 - A. Determine That Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Does Not Require New Environmental Document; and Amend Rule 1151
 - B. Determine That Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Does Not Require New Environmental Document; and Amend Rule 1151

Items 3 through 8 – Budget/Fiscal Impact

3. Recognize Revenue, Transfer and Appropriate Funds, Issue Purchase Orders, and Add Positions for Community Air Monitoring Near Refineries and Related Facilities
4. Recognize Revenue, Appropriate Funds, Issue Solicitation and Purchase Order for Air Monitoring Shelter
5. Issue Solicitations and Purchase Orders for Air Monitoring and Laboratory Equipment

6. Appropriate Funds and Amend Contract to Implement Air Quality Community Training and Provide Air Filtration Systems in Eastern Coachella Valley for U.S. EPA State Environmental Justice Cooperative Agreement Program
7. Authorize Purchase of ESRI Enterprise Agreement
8. Approve Contract Modification as Approved by MSRC

Items 9 through 15 – Information Only/Receive and File

9. Legislative, Public Affairs and Media Report
10. Hearing Board Report
11. Civil Filings and Civil Penalties Report
12. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects
13. Rule and Control Measure Forecast
14. Report of RFQs/RFPs Scheduled for Release in October
15. Status Report on Major Ongoing and Upcoming Projects for Information Management

Items 16 through 23 – Reports for Committees and CARB

The September 20, 2024 meetings of the Mobile Source, Stationary Source and Technology Committees were cancelled. The next regularly scheduled meetings for these committees will be held on October 18, 2024. 024.

16. Administrative Committee
17. Investment Oversight Committee
18. Legislative Committee
19. Mobile Source Air Pollution Reduction Review Committee
20. California Air Resources Board Monthly Report
21. Items Deferred from Consent and Board Calendar
There were no items deferred.

The public comment period was opened for Agenda Item Nos. 1-20. The following individual addressed the Board.

Agenda Item No. 2A

Rita Loof, RadTech, expressed opposition to the current proposal for PAR 1151 because of several concerns with a lack of clarity for definitions and test method, and additional burdensome administrative requirements. She urged for regulatory relief for UV/EB/LED processes, which will amount to incentives for companies investing in this clean air technology. For additional details, please refer to the [Webcast](#) beginning at 2:06:33.

There being no further requests to speak, the public comment period was closed for Agenda Item Nos. 1 through 20.

Board Action (Items 1-20)

MOVED BY MITCHELL AND SECONDED BY SOLACHE TO APPROVE AGENDA ITEM NOS. 1 THROUGH 20 AS RECOMMENDED AND:

RECEIVE AND FILE THE REPORTS FOR THE BOARD COMMITTEES, MSRC, AND CARB.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Hagman, Kracov, McCallon, Mitchell, Padilla-Campos, Raman, Rodriguez, and Solache

NOES: None

ABSENT: Perez and Wagner



(Supervisor Hagman left the meeting at 11:33 a.m.)

PUBLIC HEARING

22. Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1135 - Emissions of Oxides of Nitrogen From Electricity Generating Facilities; and Amend Rule 1135

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development, and Area Sources, gave the staff presentation on Agenda Item No. 22. For additional details, please refer to the [Webcast](#) beginning at 2:09:51.

In response to Councilmember Raman's request for clarification on the backup power and when it is used, Mr. Krause explained that to meet the emission limits it is expected that the operations will need to rely on near-zero emission technologies. For additional details, please refer to the [Webcast](#) beginning at 2:19:20.

The public comment period was opened for Agenda item No. 22. The following individuals addressed the Board.

Mark Tholke, Golden State Renewable Energy, advocated for solar energy as the most cost-effective zero-emission technology for power generation and getting meaningful solar projects done on Catalina Island. For additional details, please refer to the [Webcast](#) beginning at 2:20:56.

Harvey Eder expressed support for solar energy for power generation. For additional details, please refer to the [Webcast](#) beginning at 2:24:09.

Michael Alegria, City of Avalon Fire Chief, expressed support for PAR 1135 and acknowledged his interest in being part of the feasibility assessments to evaluate the safety and risk for future technologies, and expressed concerns about the increased propane deliveries to the island. For additional details, please refer to the [Webcast](#) beginning at 2:26:49.

Dawn Anaiscourt, Southern California Edison, expressed support for PAR 1135; however, noted there are challenges on Catalina Island that necessitate collaborating with South Coast AQMD, other agencies, and key stakeholders to identify feasible near- and zero-emission technologies, land availability, resource development, and regulatory approvals. For additional details, please refer to the Webcast beginning at 2:27:52.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 22.

Written Comments Submitted:

Mark Abramowitz, Community Environmental Services



Councilmember Rodriguez inquired about coordination with the Catalina Island City Council, extenuating circumstances to extend the compliance deadline, near-zero emission units, and cost for implementation of PAR 1135. Mr. Krause responded that staff did meet with Catalina authorities including the Conservancy, the California Coastal Commission, and Fire Chief, he also highlighted some of the challenges on Catalina Island such as space, fuel deliveries, safety, state approvals, and reliability. For additional details, please refer to the [Webcast](#) beginning at 2:31:08.

Councilmember Rodriguez expressed concern that there was no engagement or input from the City Council, since there may be a direct cost burden for their residents or it may impact the city's budget. For additional details, please refer to the [Webcast](#) beginning at 2:34:07.

Executive Officer Wayne Nastri added that the utilities are responsible for the cost and Mike Morris, Planning and Rules Manager, noted that the initial capital cost is large but cost savings are expected over the life of the project. For additional details, please refer to the [Webcast](#) beginning at 2:35:37.

Mayor Pro Tem McCallon, Mayor Solache, and Board Member Kracov complimented staff and stakeholders for working through the issues and coming up with a proposal that is challenging but achievable and will bring significant emission reductions. For additional details, please refer to the [Webcast](#) beginning at 2:36:45.



Board Action (Item 22)

MOVED BY KRACOV AND SECONDED BY SOLACHE TO APPROVE AGENDA ITEM NO 22 AS RECOMMENDED AND ADOPT RESOLUTION NO. 24-24:

- 1) CERTIFYING THE FINAL SUBSEQUENT ENVIRONMENTAL ASSESSMENT FOR PROPOSED AMENDED RULE 1135 – EMISSIONS OF OXIDES OF NITROGEN FROM ELECTRICITY GENERATING FACILITIES; AND
- 2) AMENDING RULE 1135 – EMISSIONS OF OXIDES OF NITROGEN FROM ELECTRICITY GENERATING FACILITIES.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Delgado, Kracov, McCallon, Mitchell, Padilla-Campos, Raman, Rodriguez, and Solache

NOES: None

ABSENT: Hagman, Perez and Wagner



CLOSED SESSION

The Board recessed to closed session at 11:39 a.m. pursuant to Government Code sections:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The action is:

April Trinn vs. South Coast Air Quality Management District; Adminsure, Case Nos. ADJ10421959; ADJ12628721; ADJ10421958.

CONFERENCE WITH LABOR NEGOTIATORS

- 54957.6 to confer with labor negotiators:
 - Agency Designated Representative: A. John Olvera, Deputy Executive Officer – Administrative & Human Resources;
 - Employee Organization(s): Teamsters Local 911, and South Coast AQMD Professional Employees Association; and
 - Unrepresented Employees: Executive Officer, General Counsel, Designated Deputies, and Management and Confidential employees.

Following closed session, Bayron Gilchrist, General Counsel, announced that a report of any reportable actions taken in closed session will be provided to the Clerk of the Boards.

ADJOURNMENT

There being no further business, the meeting was adjourned by Mr. Gilchrist at 12:06 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on October 4, 2024.

Respectfully Submitted,

Faye Thomas
Clerk of the Boards

Date Minutes Approved: _____

Vanessa Delgado, Chair

Attachment A – List of Signatories on Letter Dated September 17, 2024 to Mayor Bass and Mayor Richardson

ACRONYMS

AQMP = Air Quality Management Plan

CARB = California Air Resources Board

CEQA = California Environmental Quality Act

FY = Fiscal Year

ISR = Indirect Source Rule

MSRC = Mobile Source Air Pollution Reduction Review Committee

ATTACHMENT A TO THE MINUTES – OCTOBER 4, 2024 GOVERNING BOARD MEETING
SIGNATORIES OF LETTER DATED SEPTEMBER 17, 2024 TO
MAYOR BASS AND MAYOR RICHARDSON

Abundant Harvest Organics	Mayor Alvaro Preciado, City of Avenal
African American Farmers of California	Columbia River Customs Brokers & Forwarders
Agricultural Council of California	Association of Northern California
Agriculture Transportation Coalition	Construction Industry Air Quality Coalition
Alliance for Chemical Distribution	Crinklaw Farm Services Inc.
Almond Alliance	Customs Brokers & Forwarders Association of Northern California
American Frozen Food Institute	Customs Brokers & International Freight Forwarders Association of Washington State
American Hort	Dairy Institute of California
American Waterways Operators	Dalena /Benik & Associates
APM Terminals	Del Rey Packing Company
Association of Food Industries	Dependable Supply Chain Services
Auto Care Association	Detroit Customs Brokers & Forwarders Association
Baggie Farms	Devine Intermodal
Baltimore Customs Brokers & Forwarders Association	DP Enterprises
Bay Area Council	Dreisbach
Belmont Nursery	El Dorado
Best Drayage	Evergreen Shipping
BNSF Railway	Everport Terminal Services
Boos & Associates	Fab 5 Trucking, LLC
Brandt	Family Business Association of California
Brotherhood of Locomotive Engineers & Training	Fashion Accessories Shippers Association
Building Owners & Managers Association of California	Fashion Jewelry & Accessories Trade Association
Butte County Farm Bureau	Fenix Marine Services
California Aquaculture Association	Foreign Trade Association
California Automotive Wholesalers' Association	Fresno County Farm Bureau
California Avocados	FuturePorts
California Building Industry Association	Garden Grove Chamber of Commerce
California Business Properties Association	Gemini Shippers
California Business Roundtable	Gensteam
California Chamber of Commerce	Global Cold Chain Alliance
California Citrus Mutual	Golden State Logistics
California Cleaners Association	Greater Ontario Business Council
California Cotton Ginners & Growers Association	Greater San Fernando Valley Chamber of Commerce
California Farm Bureau	GSC Enterprises GUSS
California Farmworker Foundation	Hager Pacific Properties
California Food Producers	Harbor Association of Industry and Commerce
California Manufacturers & Technology Association	Harbor Trucking Association
California Retailers Association	Hardwood Federation
California Short Line Railroad Association	Hollywood Chamber of Commerce
California Trucking Association	IBU Marine Division
Californians for Affordable & Reliable Energy	Inland Empire Chamber Alliance
Central Valley Business Federation	

ILWU Local 13
ILWU Local 20 Chemical Processing & Packaging
ILWU Local 26 Warehouse, Processing & Distribution Workers
ILWU Local 30 Mining, Mineral Processing Workers
ILWU Local 56 Ship Scalers & Painters
ILWU Local 63
ILWU Local 65 Port Police
ILWU Local 68 Port Pilots
ILWU Local 94
IMC Logistics
Impact Transportation, LLC.
Ingamar Packing Company
Inland Empire Economic Partnership
International Association of Movers
International Dairy Foods Association
International Transportation Service
International Warehouse Logistics Association
International Wood Products Association
J.G. Boswell Company
Kirby Offshore Marine, LLC
Latino Consumer Federation
LiUna Local 1309
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Los Angeles Customs Brokers & Freight Forwarders Association
Madera County Farm Bureau
Maersk
Marine Firemen's Union
Maryland Retailers Alliance
Matson
Meat Import Council of America
Merced County Farm Bureau
Metro Ports
Milk Producers Council
Milt & Edie's Dry Cleaners
Minnesota Soybean Growers Association
Minturn Nut Company Inc.
Monterey Farm Bureau
Moonlight
NAIOP - Inland Empire
NAIOP - SoCal

NAIOP California
National Aquaculture Association
National Association of Egg Farmers
National Association of Waterfront Employees
National Association of Wholesaler-Distributors
National Cotton Council
National Customs Brokers & Forwarders Association of America, Inc.
National Federation of Independent Business
National Industrial Transportation League
National Retail Federation
National Union of Healthcare Workers
Nebraska Retail Federation
Nevada Trucking Association
New York New Jersey Foreign Freight Forwarders & Brokers Association, Inc.
Nisei Farmers League
North American Association of Food Equipment Manufacturers
Northern Border Customs Brokers Association Nursery Co.
Ocean Network Express
Orange County Business Council
Pacific Coast Council of Customs Brokers & Freight Forwarders Association
Pacific Maritime Association
Pacific Merchant Shipping Association
Pasadena Chamber of Commerce
Pet Food Institute
Peters Fruit Farms
Propeller Club of Los Angeles & Long Beach
Quik Pick Express
Ramirez Ag
Rebuild SoCal Partnership
Redondo Beach Chamber of Commerce
Retail Industry Leaders Association
River Oak Orchards
San Diego Customs Brokers Association
San Gabriel Valley Economic Partnership
San Joaquin Farm Bureau Federation
San Pedro Chamber of Commerce
Santa Barbara County Farm Bureau
Sheet Metal Workers Local 105
South Bay Chambers of Commerce
Southern California Contractors Association
Southern California Leadership Council
Southern California Logistics Council
Specialty Equipment Market Association
Sports & Industry Fitness Association
SSA Marine, Inc.

Stanislaus County Farm Bureau
Supply Chain Council
Talon Logistics
Teamsters Joint Council 42
TGS Logistics
The Pasha Group
The Toy Association
Tulare County Farm Bureau
U.S. Aquaculture Suppliers Association
U.S. Meat Export Federation
United Contractors
United States Chamber of Commerce
United States Trout Farmers Association
Valley Industry & Commerce Association
Valliwide Marketing
Valliwide Organic Farms
Vane Line Bunkering
Washington State Potato Commission
Washington Trucking Association
Watson Land Company
West Coast Marine Terminal Operators
Agreement
West Hollywood Chamber of Commerce
Western Agricultural Processors Association
Western Growers
Western Propane Gas Association
Western States Carpenters
Western States Petroleum Association
WIEBE Farms Inc.
Wilmington Chamber of Commerce
Yusen Terminals

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 2

PROPOSAL: Set Public Hearings December 6, 2024 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

A. Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1111– Reduction of NO_x Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NO_x Emissions from Small Natural Gas-Fired Water Heaters; and Amend Rule 1111 and Rule 1121

Proposed Amended Rule 1111 (PAR 1111) and Proposed Amended Rule 1121 (PAR 1121) propose to require zero-emission NO_x limits for new installations of applicable residential and small commercial furnaces and water heaters based on future effective dates. The rules provide alternative compliance options for emergency replacement and certain construction activities. In addition, PAR 1111 and PAR 1121 clarify and update rule language. This action is to adopt the Resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1111– Reduction of NO_x Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NO_x Emissions from Small Natural Gas-Fired Water Heaters; and 2) Amending Rule 1111 and Rule 1121. (Reviewed: Stationary Source Committee, October 18, 2024)

B. Determine That Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks, Is Exempt from CEQA and Adopt Rule 1159.1

Proposed Rule 1159.1 will establish BARCT emission limits for NO_x for nitric acid tanks at RECLAIM, former RECLAIM, and non-RECLAIM facilities. The proposed rule includes requirements for installation of controls, parametric monitoring, source testing, and recordkeeping. This action is to adopt the

Resolution: 1) Determining that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is exempt from the requirements of the California Environmental Quality Act, and 2) Adopting Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks. (To Be Reviewed: Stationary Source Committee, November 15, 2024)

The complete text of the proposed rule, proposed amended rule, and other supporting documents will be made available from the South Coast AQMD's Public Information Center at (909) 396-2001, or Mr. Derrick Alatorre – Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, dalatorre@aqmd.gov and on the Internet (www.aqmd.gov) as of November 5, 2024.

RECOMMENDED ACTIONS:

Set Public Hearings December 6, 2024 to: 1) Certify the Final Subsequent Environmental Assessment for Proposed Amended Rule 1111 and Proposed Amended Rule 1121, and Amend Rule 1111 and Rule 1121; and 2) Determine that Proposed Rule 1159.1 is Exempt from CEQA and Adopt Rule 1159.1

Wayne Natri
Executive Officer

FT

BOARD MEETING DATE: November 1, 2024

AGENDA NO: 3

REPORT: Establish Board Meeting Schedule for Calendar Year 2025

SYNOPSIS: The proposed Board Meeting Schedule for Calendar Year 2025 is submitted for Board consideration. The meeting schedule for the Administrative Committee meeting, (second Friday of the month), as well as the other standing committees is included for information only.

COMMITTEE: Administrative, October 11, 2024; Recommended for Approval

RECOMMENDED ACTION:

Adopt the attached Resolution establishing the 2025 Board Meeting Schedule.

Vanessa Delgado, Chair
Administrative Committee

cb

Calendar Year 2025 Board Meeting Schedule

<u>MONTH</u>	<u>DATE</u>	<u>START TIME</u>
January:	January 10*	9:00 a.m.
February:	February 7	9:00 a.m.
March:	March 7	9:00 a.m.
April:	April 4 **	9:00 a.m.
May:	May 2	9:00 a.m.
June:	June 6	9:00 a.m.
July:	No Meeting	
August:	August 1	9:00 a.m.
September:	September 5	9:00 a.m.
October:	October 3	9:00 a.m.
November:	November 7	9:00 a.m.
December:	December 5	9:00 a.m.

Attachments

1. Resolution
2. Proposed 2025 Meeting Schedule for Governing Board and Standing Committees

* The January Board meeting has been moved to accommodate the New Years Day holiday. Consequently, the Administrative Committee meeting for January has been moved to January 17, 2025.

** Meeting location may change.

RESOLUTION NO. 24-_____

A Resolution of the South Coast Air Quality Management District (South Coast AQMD) Governing Board setting the time and place of regular meetings.

WHEREAS, the regular meetings of the South Coast AQMD Governing Board have been established by Resolution in the past, and

WHEREAS, the Governing Board is establishing the regularly scheduled meetings for Calendar Year 2025.

NOW, THEREFORE, BE IT RESOLVED that, effective January 2025, the regular meetings of the Governing Board shall be held at 9:00 a.m. on the first Friday of each month, except for January where the regular meeting of the Governing Board will be January 10, 2025 to accommodate the New Years Day holiday and July when there is no meeting scheduled, in the Dr. William A. Burke Auditorium at South Coast AQMD Headquarters, 21865 Copley Dr., Diamond Bar, California.

Dated: _____

Faye Thomas, Clerk of the Boards

South Coast AQMD Governing Board & Standing Committees

Proposed 2025 Meeting Schedule

GOVERNING BOARD	STANDING COMMITTEES				
Time – 9:00 a.m.	Legislative Time – 9:00 a.m.	Administrative Time – 10:00 a.m.	Mobile Source Time – 9:00 a.m.	Stationary Source Time – 10:30 a.m.	Technology Time – 12:00 p.m.
January 10	January 17	January 17	January 24	January 24	January 24
February 7	February 14	February 14	February 21	February 21	February 21
March 7	March 14	March 14	March 21	March 21	March 21
April 4	April 11	April 11	April 18	April 18	April 18
May 2	May 9	May 9	May 16	May 16	May 16
June 6	June 13	June 13	June 20	June 20	June 20
No Board or Committee Meetings in July					
August 1	August 8	August 8	August 15	August 15	August 15
September 5	September 12	September 12	September 19	September 19	September 19
October 3	October 10	October 10	October 17	October 17	October 17
November 7	November 14	November 14	November 21	November 21	November 21
December 5	December 12	December 12	No Meeting	No Meeting	No Meeting

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 4

PROPOSAL: Execute Contracts to Develop Data-Based Planning Tool for Medium- and Heavy-Duty Truck Charging Networks, Fleets, and Power Grid Systems and to Investigate Benefits of Electric Vehicle-to-Home Technology on Air Quality

SYNOPSIS: In April 2024, the University of California, Riverside's Energy, Economics and Environment Research Center (UCR/E3) proposed to develop a planning tool to assist fleet owners, charging infrastructure developers, and other stakeholders to deploy medium- and heavy-duty (MD/HD) battery electric trucks and charging infrastructure. Also, in August 2024, the University of California, Irvine Advanced Power and Energy Program (UCI APEP) proposed to investigate electric vehicle-to-home (V2H) technology that enables electric vehicles to transfer energy to homes and estimated emission reductions. These actions are to: 1) execute a contract with UCR/E3 to develop a data-based planning tool for the deployment of MD/HD trucks and charging infrastructure in Southern California in an amount not to exceed \$300,000 from the Clean Fuels Program Fund (31); and 2) execute a contract with UCI APEP to investigate the emission reduction benefits of V2H technology in an amount not to exceed \$220,548 from the Clean Fuels Program Fund (31).

COMMITTEE: Technology, October 18, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to execute a contract with University of California, Riverside's Energy, Economics and Research Center (UCR/E3) to develop a data-based tool for the deployment of medium- and heavy-duty (MD/HD) trucks and charging infrastructure in Southern California in an amount not to exceed \$300,000 from the Clean Fuels Program Fund (31); and

2. Authorize the Executive Officer to execute a contract with University of California, Irvine Advanced Power and Energy Program (UCI APEP) to investigate the emission reduction benefits of electric vehicle-to-home (V2H) technology in an amount not to exceed \$220,548 from the Clean Fuels Program Fund (31).

Wayne Natri
Executive Officer

AK:MW:VP:FX:NS:BD

Background

In April 2024, the UCR/E3 proposed the development of a planning tool designed to assist fleet owners, charging infrastructure developers, utility companies, regulators, and other key stakeholders in deploying MD/HD battery electric trucks and charging infrastructure. UCR/E3 is a multidisciplinary research collaboration focused on addressing the challenges of growing energy demand in an economical and sustainable manner. This study will complement other related research projects funded by South Coast AQMD by providing specific planning guidance to charging infrastructure developers and fleet owners. It is anticipated this tool will help support the implementation of South Coast AQMD charging infrastructure incentive programs.

In addition, in August 2024, UCI APEP proposed to investigate the emission reduction benefits of the V2H technology that enables electric vehicles to transfer energy to homes. UCI APEP is a program that addresses the development and deployment of efficient, environmentally sensitive, sustainable power generation and energy conversion worldwide. The deployment of electric V2H technology has the potential to reduce NO_x and PM_{2.5} emissions by shaving peak usage period generation loads that occur during high electricity usage time periods when renewable power is supplemented by fossil based generating resources. In addition, the V2H capability will demonstrate a clean alternative to supportive residential power during outages instead of using diesel combustion backup generators. This study will investigate and quantify the impact of electric V2H in reducing NO_x and PM_{2.5} emissions in the South Coast Air Basin (Basin) and advancing regional air quality in 2030, 2035, and 2045.

Proposal

The proposed UCR project will utilize electricity grid data and truck operation metrics to create a spatio-temporal optimization model. This model will identify optimal locations for charging stations in Southern California and desert areas, assess the capacity of nearby electrical substations to support infrastructure development, and determine whether grid upgrades are needed. Furthermore, the model will calculate the ideal battery size for trucks and optimize charging schedules to align with time-of-use

electricity pricing, enhancing both cost-effectiveness and operational efficiency for truck fleets. The model is built on large-scale, real-world data, including Global Positioning System trajectories of trucks and the hosting capacity of electrical substations. The project team will first complete the development for the module on charging infrastructure in Spring of 2025. The module will allow the potential infrastructure incentive funding participants to evaluate the grid capacity when proposing or selecting the charging sites to minimize the needs for grid upgrade. The project team will complete the development for the other modules, including truck charging schedule, grid upgrade planning, and others as stated above within two years. The tool will bridge the gap between the different entities involved in electrifying MD/HD trucks, providing comprehensive data to support decision making, promoting coordinated development, and reducing misalignment.

The proposed UCI project will leverage a current United States DOE (U.S. DOE) project that is demonstrating the first United States mass market V2H deployment with the Kia EV9 at a new connected microgrid communities' development in the Basin and also quantify the benefits of electric V2H in reducing the emissions of NOx and PM2.5 from the project. The project will: a) analyze energy use reduction for different use cases of V2H and its ability to shave peak energy in 2030, 2035 and 2045; b) identify and assess the associated reductions in NOx and PM2.5 emissions; c) establish the associated air quality and health benefits; d) address V2H as a backup power resource during grid outages as an alternative to combustion backup generators, leveraging a recently completed South Coast AQMD project that evaluated the air quality impact of backup generators in the Basin; and e) address guidelines and recommendations for policy making.

Sole Source Justification

Section VIII.B.2. of the Procurement Policy and Procedure identifies provisions under which a sole source award may be justified. The request for sole source award is made under provision B.2.d.(8): Research and development efforts with educational institutions or nonprofit organizations. The University of California, Riverside (UCR) is an educational institution, and the E3 Research Center currently has 37 affiliated UCR faculty from departments or schools of Electrical and Computer Engineering, Computer Science and Engineering, Statistics, and Public Policy. Its research areas include critical infrastructure systems and smart cities, machine learning and optimization, water, energy, climate and food, with some of the research projects on grid analyses funded by U.S. DOE, National Science Foundation, CEC and others. The University of California, Irvine (UCI) is also an educational institution and the APEP currently has 22 affiliated UCI faculty and staff. APEP conducts research in the areas of Energy Systems Integration and Impacts, Renewable Fuels, Energy Storage, Fuel Cell Science and Technology, and Combustion Science and Technology with some of the research projects on the first United States mass market V2H deployment funded by the DOE.

Benefits to South Coast AQMD

Projects to support the development and demonstration of MD/HD ZEV technologies and supporting infrastructure are included in the Technology Advancement Office Clean Fuels Program 2024 Plan Update under the categories “Zero Emission Infrastructure” and “Electric / Hybrid Technologies.” The proposed tool will help improve the deployment process for the charging infrastructure by providing grid data-insight and also assist the fleet owners in more strategic infrastructure planning when electrifying the fleets and operating the battery electric trucks. The tool will address the common obstacles and challenges faced by infrastructure developers and fleet owners, helping accelerate the transition to battery electric technology in the MD/HD trucking sector. The implementation of this project is consistent with the 2022 AQMP, which relies on MD/HD ZEV technologies to achieve NAAQS for ozone and PM2.5 in the Basin.

Projects that support the development and demonstration of electric vehicle technologies like electric V2H are included in the Technology Advancement Office Clean Fuels 2024 Plan Update under the categories “Stationary Clean Fuel Technologies” and “Fuel and Emission Studies” and “Electric / Hybrid Technologies.” The proposed investigation will provide a better understanding of the emission benefits that electric V2H technology can have on regional air quality, how much of an impact it can have on peak power shaving at power plants, and how effective it will be in advancing regional air quality in 2030, 2035 and 2045.

Resource Impacts

South Coast AQMD’s support of the development of the data-based planning tool for MD/HD Charging Networks, Fleets, and Power Grid Systems shall not exceed \$300,000 from the Clean Fuels Program Fund (31). UCR and AmpTrans, Inc. will each contribute \$150,000 of in-kind support to this project.

South Coast AQMD’s support to investigate the impact of V2H technology on the regional air quality of the Basin shall not exceed \$220,548 from the Clean Fuels Program Fund (31). The DOE will contribute \$120,000 and the UCI APEP will contribute \$30,000 as in-kind support to this project.

Sufficient funds are available from the Clean Fuels Program Fund (31). The Clean Fuels Program Fund (31) is established as a special revenue fund resulting from the state mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

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BOARD MEETING DATE: November 1, 2024

AGENDA NO. 5

PROPOSAL: Expand the Purpose of LADWP Settlement Projects Fund, Recognize Funds, Execute Contracts for Electrification Projects at Los Angeles Zoo, and Reimburse General Fund for Project Administrative Costs

SYNOPSIS: On October 19, 2023, a Settlement Agreement was entered between the City of Los Angeles, the Los Angeles Department of Water and Power (LADWP), and South Coast AQMD. As a result of the settlement, LADWP paid \$450,000 plus a 6.25 percent administrative fee of \$28,125, for a total of \$478,125, to South Coast AQMD to be used for supplemental environmental project(s) that reduce emissions. These actions are to: 1) Expand the purpose of the LADWP Settlement Projects Fund (38); 2) Recognize \$478,125 into the LADWP Settlement Projects Fund (38); 3) Execute agreements not to exceed a combined total of \$450,000 from LADWP Settlement Projects Fund (38) with SSA Group, LLC to purchase four electric passenger trams with a five-year maintenance contract, and with American Green Zone Alliance to purchase electric lawn and garden equipment and two electric utility maintenance vehicles; and 4) Reimburse the General Fund up to \$28,125 for project administrative costs.

COMMITTEE: Technology, October 18, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Expand the purpose of LADWP Settlement Projects Fund (38) to include electrification projects; and
2. Recognize \$478,125 into the LADWP Settlement Projects Fund (38);
3. Authorize the Executive Officer to execute agreements not to exceed a combined total of \$450,000 from LADWP Settlement Projects Fund (38) with:
 - a. SSA Group, LLC (SSA) to purchase four electric passenger trams with a maintenance contract for a total of \$342,910, and
 - b. American Green Zone Alliance (AGZA) to administer and purchase two electric utility maintenance vehicles and electric lawn and garden equipment for a total of \$107,090; and

4. Reimburse the General Fund up to \$28,125 for project administrative costs.

Wayne Natri
Executive Officer

AK:MW:VP:FX:NS:MG

Background

On October 19, 2023, a Settlement Agreement was entered between Los Angeles Department of Water and Power (LADWP) and South Coast AQMD. As a result of the settlement, LADWP paid \$450,000 plus a 6.25 percent administrative fee of \$28,125, for a total of \$478,125, to be used for supplemental environmental projects(s) for alleged violations of failing to properly maintain compressors for natural gas fueled turbines, among other allegations. The funds will be recognized in LADWP Settlement Projects Fund (38). South Coast AQMD determined that the settlement funds would pay for electrification projects at Los Angeles Zoo, owned by the City of Los Angeles.

In June 2001, the Board approved the establishment of the LADWP Settlement Project Fund (38) to fund microturbine supplemental environmental projects. The purpose of the Fund will need to be expanded to include the proposed electrification projects so that greater emission reductions can be achieved through zero-emission battery electric technology.

Los Angeles Zoo currently has contracts with SSA for its operation of their diesel-powered passenger trams. Los Angeles Zoo and SSA will replace their diesel-powered passenger trams with new electric passenger trams and will purchase electric utility maintenance vehicles and electric lawn and garden equipment through AGZA. The replacement of diesel passenger trams with electric trams and the use of new electric utility maintenance vehicles and electric lawn and garden equipment will improve air quality and benefit the zoo staff, visitors, and inhabitants, and the surrounding recreational and residential communities.

Proposal

Staff proposes to expand the purpose of LADWP Settlement Projects Fund (38) to include electrification projects; and recognize \$478,125 into the LADWP Settlement Projects Fund (38). The funds will purchase up to four electric passenger trams with a maintenance contract, up to two electric utility maintenance vehicles, and electric lawn and garden equipment. Staff proposes a contract with SSA to purchase four electric passenger trams with a supporting five-year maintenance and repair plan. Staff also proposes a contract with AGZA to purchase two electric utility

maintenance vehicles and administer and purchase electric lawn and garden equipment to be used at the Los Angeles Zoo.

Projects	Costs
Four electric trams	\$282,910
Five-year maintenance and repair plan	\$60,000
Two battery electric utility vehicles and electric lawn and garden equipment	\$92,090
Administration for lawn and garden equipment	\$15,000
Total:	\$450,000

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole-source award may be justified. This request for a sole source award to SSA and AGZA is made under the following justifications: B.2.c. (1) the unique experience and capabilities of the proposed contractor or contractor team and B.2.d. (1) projects involving cost sharing by multiple sponsors.

SSA has unique experience as the existing company that is contracted with Los Angeles Zoo for its operation of their diesel-powered passenger trams. SSA will purchase new electric passenger trams that meet the needs of the zoo’s daily operations to replace their diesel-powered passenger trams. Los Angeles Zoo will continue to cover the cost of daily tram operation after the diesel-powered passenger trams are replaced.

Also, AGZA has unique experience and capabilities to educate, train, and certify operators in the deployment of zero-emission lawn and garden equipment as an existing contractor for South Coast AQMD through its Commercial Electric Lawn and Garden Equipment Incentive Program. AGZA will help identify the equipment that best fits Los Angeles Zoo’s operational needs, purchase the equipment Los Angeles Zoo selects, and train the staff to use the utility maintenance vehicles and the lawn and garden equipment. AGZA will also monitor the Los Angeles Zoo’s maintenance and use of the equipment for two years, providing periodic reporting to South Coast AQMD on the project’s progress.

Benefits to South Coast AQMD

The project supports the Technology Advancement Office Clean Fuel Program 2024 Plan Update under the category of “Electric/Hybrid Technologies.” The Los Angeles Zoo is a public zoo owned and operated by the City of Los Angeles with nearly 1.5 million visitors each year and hosts several special events, including events for youth and students. The Los Angeles Zoo is located near other public spaces including a museum and a large outdoor recreational area. The electrification project will benefit the millions of visitors by improving the air quality, reducing noise and reducing

exposure to exhaust emissions in and around the zoo. Additionally, the implementation of off-road zero-emission technologies in public areas will showcase these new zero-emission technologies. This project will implement zero-emission technology and reduce emissions from four diesel-powered passenger trams. The project will reduce NO_x, VOC, PM_{2.5}, and DPM emissions by approximately 0.16, 0.15, 0.005, and 0.005 tons per year, respectively and reduce exposure to toxic diesel exhaust.

Resource Impacts

The contracts with SSA for the purchase of electric passenger trams and with AGZA for the purchase of electric utility maintenance vehicles and electric lawn and garden equipment under the recommended actions will not exceed \$450,000. A total 6.25 percent administrative fee of \$28,125 will be used to reimburse the General Fund for project administrative costs. Sufficient funds will be available in the LADWP Settlement Projects Fund (38).

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BOARD MEETING DATE: November 1, 2024

AGENDA NO. 6

PROPOSAL: Adopt Resolution & Recognize Revenue for Continued AB 617 Implementation

SYNOPSIS: South Coast AQMD was approved to receive a \$22,213,333 grant from the CARB AB 617 Community Air Protection Program. In May 2024, the Board recognized \$20,336,700 for the most recent allocation of the AB 617 implementation program funding. This action is to adopt a resolution to accept the terms and conditions of the grant and recognize an additional \$1,876,633 from CARB into the General Fund for AB 617.

COMMITTEE: Administrative, October 11, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Adopt resolution to accept the terms and conditions for the AB 617 Implementation Community Air Protection Program grant award; and
2. Recognize revenue, upon receipt, of \$1,876,633 from CARB into the General Fund for continued AB 617 implementation.

Wayne Natri
Executive Officer

SJ:JK

Background

This Board letter recognizes the remaining balance of Year 7 funding for continued implementation of the AB 617 program. Major elements of AB 617 include: accelerated BARCT rule making, community engagement and outreach, community air monitoring, development and implementation of community emissions reduction plans, coordination with co-leads, administrative costs such as translation services, transportation, in-person meeting logistics and statewide emission reporting consistency. South Coast AQMD's portion of the statewide funding for the seventh year of the AB 617 implementation program is \$22,213,333. In May 2024, the total amount was not yet known, so the

Board authorized the recognition of \$20,336,700 as part of the FY 2024-25 Adopted Budget. These actions are necessary to recognize the remaining \$1,876,633 that South Coast AQMD is eligible to receive from CARB for Year 7.

Proposal

Staff is seeking Board approval to adopt a resolution to accept the terms and conditions for the AB 617 Implementation Community Air Protection Program grant award and recognize revenue, upon receipt, up to \$1,876,633 from CARB into the General Fund for continued AB 617 Year 7 implementation.

Benefits to South Coast AQMD

The additional Year 7 funding will continue to support South Coast AQMD efforts to fulfill the legislative directives of AB 617 for implementation of Community Emission Reduction Plans and Community Air Monitoring Plans for the six designated AB 617 communities, and benefits such as rulemaking will extend to all communities throughout the Basin.

Resource Impacts

South Coast AQMD receives funding annually from CARB's Air Protection Program under the AB 617 implementation grant. This funding will provide resources for the ongoing implementation of South Coast AQMD's AB 617 program.

Attachment

Resolution

RESOLUTION NO. 24-

A Resolution of the South Coast Air Quality Management District Governing Board Recognizing Grant Funds and Accepting the Terms and Conditions of the FY 2023-24 Community Air Protection Program Grant Award G23-CAPP-31

WHEREAS, under Health & Safety Code § 40400 et seq., the South Coast Air Quality Management District (South Coast AQMD) is the local agency with the primary responsibility for the development, implementation, monitoring and enforcement of air pollution control strategies, clean fuels programs and motor vehicle use reduction measures; and

WHEREAS, under Health & Safety Code § 40400 et seq. and Assembly Bill (AB) 617 (Chapter 136, Statutes of 2017), the South Coast AQMD is authorized to implement programs to support selecting locations for consideration by CARB under AB 617, to deploy community air monitoring systems, deploy fence-line monitoring and develop Community Emissions Reduction Plans with input from Community Steering Committees to develop and implement objectives to reduce emissions of toxic air contaminants and criteria pollutants and exposure to these pollutants, and to develop an expedited schedule for requiring best available retrofit control technology; and

WHEREAS, the Board has adopted several programs to support selecting locations for CARB consideration under AB 617, deploy community air monitoring systems, deploy fence-line monitoring, develop Community Emissions Reduction Programs, and develop an expedited schedule for requiring best available retrofit control technology;

THEREFORE, BE IT RESOLVED that the Governing Board, in regular session assembled on November 1, 2024, does hereby authorize the Executive Officer to accept the terms and conditions of the FY 2023-24 Community Air Protection Program G23-CAPP-31 grant award and recognize up to \$22,213,333 from CARB to support location selection for CARB consideration under AB 617, deploy community air monitoring systems, deploy fence-line monitoring, develop Community Emissions Reduction Programs, and develop an expedited schedule for requiring best available retrofit control technology.

BE IT FURTHER RESOLVED that the Executive Officer is authorized and directed to take all steps necessary to carry out this Resolution.

AYES:

NOES:

ABSENT:

DATE: _____

Faye Thomas, Clerk of the Boards

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BOARD MEETING DATE: November 1, 2024

AGENDA NO. 7

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the September 2024 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

LTO:PC:DS:lb:bel:sr:cb

Background

This report summarizes the activities of the Legislative, Public Affairs and Media Office for September. The report includes Major Events, Community Events/Public Meetings, Environmental Justice (EJ) Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups and Governments.

Major Events (Hosted and Sponsored)

Each year, staff engage in hosting and sponsoring several major events throughout South Coast AQMD's four-county jurisdiction to promote, educate, and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality while minimizing economic impacts.

Commercial and Residential Electric Lawn & Garden Equipment (eL&G) Demonstration

On September 21, South Coast AQMD partnered with the America Green Zone Alliance (AGZA) to demonstrate commercial eL&G equipment for landscapers and the public at South Gate Park. Approximately 60 attendees tested equipment and received detailed information on how to participate in the electric Commercial and Residential (eL&G) Program. Information was also provided on South Coast AQMD, air quality issues, how to file a complaint and other programs.

Community Events/Public Meetings

Staff engaged with residents and stakeholders of diverse communities to provide information about the agency, incentive programs, and ways individuals can help reduce air pollution through events and meetings sponsored by South Coast AQMD or in partnership with others. Attendees typically receive information regarding the following:

- Tips on reducing their exposure to smog and its negative health effects;
- How to file a complaint;
- Clean air technologies and their deployment;
- Invitations to or notices of conferences, seminars, workshops, and other public events;
- South Coast AQMD incentive programs;
- Funding/grant opportunities by South Coast AQMD and partner agencies;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

Staff attended and/or provided information and updates at the following September events and meetings:

South Bay Association of Chambers of Commerce

On September 3, staff attended the South Bay Association of Chambers of Commerce Government Affairs Committee meeting to provide information on the Small Business Assistance program.

Inland Empire Grand Slam Health Jam

On September 8, staff participated in the Inland Empire Grand Slam Health Jam event in Rancho Cucamonga and shared information on Replace Your Ride (RZR), smoke advisories, eL&G Program, and how to file an air quality complaint.

Riverside County Board of Supervisors

On September 10, staff attended the Riverside County Board of Supervisors meeting to provide information on RZR.

Fullerton College

On September 10, staff participated in Fullerton College's Fall 2024 Community Resource Fair to provide information on the Mobile App, including how to check for real time air alerts and wildfire safety tips.

Casa Blanca Community Action Group

On September 11, staff attended the Casa Blanca Community Action Group meeting to provide information on RYR and how to file an air quality complaint.

South Pasadena Chamber of Commerce

On September 11, staff participated in the South Pasadena Chamber of Commerce meeting to provide information on how to use the Mobile App, including how to check for real time air alerts and wildfire safety tips.

Upland Chamber of Commerce

On September 12, staff took part in the Upland Chamber of Commerce's Government Affairs Committee meeting to provide information regarding RYR and a recent smoke advisory.

Orange County Business Council

On September 13, staff attended the Orange County Business Council's Government Affairs Committee meeting to provide information on the latest smoke advisory and wildfire safety tips.

Greater Irvine Chamber

On September 18, staff participated in the Greater Irvine Chamber's Business Advocacy Speaker Series to provide information regarding the eL&G Program, the Mobile App, and copies of the latest Advisor.

Harbor Association of Industry and Commerce

On September 19, staff attended the Harbor Association of Industry and Commerce's Government Affairs Committee meeting to provide information about South Coast AQMD's sponsored bill, SB 1158 (Archuleta): Carl Moyer Memorial Air Quality Standards Attainment Program.

29th Annual Central Avenue Jazz Festival

On September 21, staff participated in the 29th Annual Central Avenue Jazz Festival in Los Angeles to provide information on how to file an air quality complaint, the Mobile App, Check Before You Burn, and wildfire safety tips.

Orange County Council of Governments

On September 26, staff attended the Orange County Council of Governments' Board of Directors meeting to provide information on RYR.

South Bay Cities Council of Governments

On September 26, staff attended the South Bay Cities Council of Governments' Board of Directors meeting to provide information on the eL&G Program and the 10th Annual EJ Conference.

National Drive Electric Week EV Expo

On September 28, staff participated in the National Drive Electric Week EV Expo in San Jacinto. Staff provided information regarding RYR, how to file an air quality complaint, and what to do before, during and after a wildfire event.

Long Beach Westside Festival and Fiesta in the Park

On September 28, staff participated in Long Beach's Westside Festival and Fiesta in the Park to provide residents with information on how to file a complaint, the eL&G Program, and the Mobile App.

Environmental Justice Update

The following are key EJ related activities in which staff participated during September. These events and meetings involve communities affected disproportionately from adverse air quality impacts.

Pacoima Community Initiative (PCI)

On September 6, staff attended PCI's monthly meeting to provide updates on the Clean Air Program for Elementary Students (CAPES), Why Healthy Air Matters Program, and the upcoming 10th Annual EJ Conference.

Kimbark Elementary School

On September 10, staff met with Kimbark Elementary School staff to provide information regarding CAPES.

Community Engagement, Environmental Justice & Health Center (CEEJH)

From September 11-13, staff attended the 10th annual EJ Symposium hosted by CEEJH at the University of Maryland, School of Public Health.

U.S. EPA Competition Process Webinar

On September 12, staff attended U.S. EPA's Competition Process webinar intended to help grant applicants learn how to find and successfully apply for grants. U.S. EPA provided an overview of the process from application through evaluation and selection.

U.S. EPA National Environmental Justice Community Engagement Call

On September 17, staff participated in U.S. EPA's National EJ Community Engagement Call. The meeting included presentations on the National Environmental Youth Advisory Council and National EJ Advisory Council Nominations.

Opportunities for Renewable Energy on Contaminated Sites Webinar

On September 25, staff participated in a webinar hosted by U.S. EPA on the Opportunities for Renewable Energy on Contaminated Sites. The webinar included updates on the federal Greenhouse Gas Reduction Fund’s three programs: the National Clean Investment Fund, the Clean Communities Investment Accelerator and Solar for All.

Speakers Bureau/Visitor Services

South Coast AQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals, and health-based organizations. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

Air & Waste Management Association (A&WMA) Webinar

On September 19, staff participated in A&WMA’s Webinar "Air Sensors – Opportunities and Challenges for Air Quality Monitoring” to present information on implementing community-based air quality monitoring programs and evaluating data.

Kangwon National University, South Korea

On September 25, staff welcomed a delegation from Kangwon National University in South Korea to learn more about air quality planning, emissions inventories, and modeling.

Los Angeles Nomadic Division

On September 27, the Los Angeles Nomadic Division, along with one of their featured artists, took a lab tour to learn more about how air quality data is collected and analyzed.

Communication Center Statistics

The Communication Center handles calls on South Coast AQMD’s main line, 1-800-CUT-SMOG®, the Spanish line, and after-hours calls to those lines. Total calls received in the month of September are summarized below:

Calls to South Coast AQMD’s Main Line and 1-800-CUT-SMOG®	2,508
Calls to South Coast AQMD’s Spanish Line	18
Clean Air Connections	3
Total Calls	2,529

Public Information Center Statistics

The Public Information Center (PIC) handles phone calls and assists individuals who walk in for general information. Email advisories provide information on upcoming meetings and events, program announcements and alerts on time-sensitive issues. Information for the month of September is summarized below:

Calls Received by PIC	49
Calls to Automated System	150
Total Calls	199
Visitor Transactions	137
Email Advisories Sent	19,494

Small Business Assistance

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. South Coast AQMD works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provided personalized assistance to small businesses over the telephone, at South Coast AQMD headquarters and via virtual on-site consultation, as summarized below for September.

- Provided permit application assistance to 199 companies, and
- Processed 85 Air Quality Permit Checklists.

Types of businesses assisted:

Architecture Firms	Gas Stations	Schools
Auto Body Shops	Manufacturing Facilities	Warehouses
Construction Firms	Offices	
Dry Cleaners	Restaurants	
Engineering Firms	Retail Facilities	

Media Relations

The Media Office handles all South Coast AQMD outreach and communications with television, radio, newspapers and all other publications, and media operations. The September report is listed below:

Major Media Interactions	448
Press Releases	52
News Carousel	6

Major Media Topics

- **Hyperion:** Staff participated in an interview with the Los Angeles Times about Hyperion violations and status updates. The reporter had follow-up questions. Response was provided.
- **Heat Wave:** Staff participated in an interview with ABC7 regarding air quality due to the heat wave. Newsweek had questions about issued advisory. Responses were provided.
- **Wildfires and Air Quality:** Staff gave interviews to KCAL, KESQ, ABC7, USA Today, NBC Palm Springs news stations, and University of La Verne students to discuss the wildfires, poor air quality, and safety precautions. Crescenta Valley Weekly requested information on air quality conditions, and information on future forecasts for the Crescenta Valley area. KVCR requested information on air quality in the Inland Empire. Newsweek inquired about forecasts and “unhealthy” conditions throughout the week. SoCal News Group inquired about air quality levels, their correlation with current fires, and the extreme heat wave. Voice of OC requested air monitor data for Orange. All inquiries were addressed.
- **Assembly Bill 98 (AB 98):** Los Angeles Times requested information on AB 98 and distance recommendations for warehouses and truck loading bays from sensitive receptors. Response was provided.
- **Ecobat:** Public Health Watch requested photographs of the air monitors at the facility’s fence line. Response was provided.
- **School Closure in Yucca Valley:** KESQ requested an interview on poor air quality causing school closures. Reporter was referred to the Mojave Desert Air Quality Management District.
- **Diesel Emissions:** Freelance journalist requested data pertaining to deaths related to diesel emissions from mobile sources. Response was provided.
- **Air Purifiers:** Boyle Heights Beat inquired about the number of free air purifier applications received since they published an article on the program. Response was provided.
- **Warehouse ISR:** Inside EPA inquired about enforceability in reference to U.S. EPA’s approval of the warehouse ISR. Response was provided. SoCal News Group requested compliance and settlement information related to warehouses. Information was sent to reporter.
- **Office of Inspector General (U.S. EPA Internal Watchdog) report:** California Environmental Insider requested a comment regarding Inspector General report published in July. Response was provided.
- **Coachella Valley Air Quality:** The Desert Sun requested a copy of the presentation given to the Coachella Valley Association of Governments. Response was provided.
- **Air Monitor:** Los Angeles Times inquired about data gaps for the Big Bear City monitor. Response was provided.

- **Dry Cleaners:** LA Public Press inquired about perchloroethylene and dry cleaners. Response was provided.
- **Ports ISR:** Agri-Pulse West inquired about Port ISR information on South Coast AQMD's website. Response was provided.
- **Long Beach Odor:** ABC7 requested odor complaint information for a porta-potty facility in Long Beach. Response was provided.
- **Electric Lawn & Garden Rebate Program Press Release:** Pitched to media outlets resulting in coverage.
- **Green Framework Press Release:** Pitched to media outlets resulting in coverage.
- **Ozone Advisory (9/3 & 9/6):** Pitched to media outlets resulting in coverage.
- **Smoke Advisory (9/1, 9/6-9/19, 9/28-9/30):** Pitched to media outlets resulting in coverage.
- **Windblown Dust Advisory (9/10, 9/15 & 9/19):** Pitched to media outlets resulting in coverage.

News Releases

- **South Coast AQMD Issues Wildfire Smoke Advisory Due to Record Fire Burning in Riverside County – September 1, 2024 (English and Spanish)** - Informed the public of a smoke advisory issued due to a wildfire.
- **South Coast AQMD Issues and Extends Ozone Advisory Due to Heat Wave – September 3 & 6, 2024 (English and Spanish)** - Informed the public of a multi-day ozone (smog) event and its extension due to the heat wave affecting the region.
- **South Coast AQMD Issues and Extends Smoke Advisories Due to Multiple Wildfires – September 6-19, 28-30, 2024 (English and Spanish)** - Informed the public of smoke advisories issued and extended due to wildfires.
- **South Coast AQMD Issues Windblown Dust Advisory for the Coachella Valley and Banning Pass – September 10, 15, & 19, 2024 (English and Spanish)** - Informed the public of a PM10 Dust Advisory issued due to high winds.
- **South Coast AQMD Expands Lawn & Garden Incentive Program (English and Spanish) – September 20, 2024** - Informed the public of the expansion of the Residential Electric Lawn & Garden Equipment Rebate Program.
- **Shenzhen, Long Beach Ports, South Coast AQMD Sign Green Framework (English and Spanish) – September 23, 2024** - Informed the public of the signing of a memorandum of cooperation to reduce emissions in the maritime industry.

Social Media Posts

- [Ozone Advisory \(9/3\)](#): 19,700 Twitter Impressions
- --RT by @KTLA, @NWSSanDiego, @NWSLosAngeles, @LongBeachCity, @DiamondBarCity, @KFIAM640, @LAFDtalk, @BelenNBCLA, @longdrivesouth (30.5K followers)
- [Line + Roblar Fire Smoke Advisory \(9/8\)](#): 30,650 Twitter Impressions
- --RT by @Go511, @AirResources, @AIRNow, @SoCal_RedCross, @NWSLosAngeles, @Angeles_NF, @RivCoReady, @SBCountyPH, @SanBernardinoNF, @NWSSanDiego, @SBCounty, @KFIAM640
- [Bridge + Line + Airport Fire Smoke Advisory \(9/12\)](#): 17,281 Twitter Impressions
- --RT by @AIRnow, @NWSLosAngeles, @ochealth, @SenOchoaBogh, @LACoPublicWorks, @countyofLA, @PasadenaGov
- [Windblown Dust Advisory \(9/19\)](#): 5,391 Twitter Impressions
- --RT by @NWSSanDiego, @AirResources, @CodeRed001Blue

News Carousel

- **EPA Approves South Coast AQMD's Groundbreaking Rule to Reduce Southern California Air Pollution Associated with Warehouses (9/10)**: Linked to U.S. EPA's web page containing the press release.
- **South Coast AQMD Awards Greenlane \$15M Grant to Accelerate Commercial EV Charging Infrastructure (9/9)**: Linked to article announcing award.
- **The latest Annual Report on the AB 2588 - Air Toxics "Hot Spot" Program is now available (9/12)**: Linked to AB2588 Annual Report pdf.
- **Register Now for the 10th Annual EJ Conference - to be held 10/24, at USC's Town and Gown (9/19)**: Linked to the registration webpage.
- **Volvo Trucks NA has successfully delivered 70 Volvo VNR Electric trucks as part of a \$21.5M funding initiative by the U.S. EPA and South Coast AQMD (9/25)**: Linked to press release.
- **Celebrate National Drive Electric week! Attend the "Electrify South Coast AQMD" event in Diamond Bar on Sept. 28th (9/26)**: Linked to event registration webpage.

Outreach to Community Groups and Federal, State and Local Governments

Communication was conducted in September with elected officials and/or staff from the following state and federal offices:

- U.S. Senator Laphonza Butler
- U.S. Senator Alex Padilla
- U.S. Representative Pete Aguilar
- U.S. Representative Nanette Barragán
- U.S. Representative Ken Calvert
- U.S. Representative Tony Cárdenas
- U.S. Representative Judy Chu
- U.S. Representative Lou Correa
- U.S. Representative Mike Garcia
- U.S. Representative Jimmy Gomez
- U.S. Representative Sydney Kamlager-Dove
- U.S. Representative Young Kim
- U.S. Representative Mike Levin
- U.S. Representative Ted Lieu
- U.S. Representative Grace Napolitano
- U.S. Representative Jay Obernolte
- U.S. Representative Katie Porter
- U.S. Representative Raul Ruiz
- U.S. Representative Linda Sanchez
- U.S. Representative Adam Schiff
- U.S. Representative Brad Sherman
- U.S. Representative Michelle Steel
- U.S. Representative Norma Torres
- U.S. Representative Maxine Waters
- Senator Ben Allen
- Senator Rosilicie Ochoa Bogh
- Senator Susan Rubio
- Assemblymember Laurie Davies
- Assemblymember Mike Gipson
- Assemblymember Chris Holden
- Assemblymember Tom Lackey
- Assemblymember James Ramos
- Assemblymember Eloise Gomez Reyes
- Assemblymember Freddie Rodriguez
- Assemblymember Tri Ta

Outreach was conducted personally and virtually in September to communicate with elected officials or staff from the following cities:

Agoura Hills	Bradbury	Corona
Alhambra	Brea	Costa Mesa
Aliso Viejo	Buena Park	Covina
Anaheim	Calabasas	Cudahy
Arcadia	Calimesa	Culver City
Artesia	Canyon Lake	Cypress
Azusa	Carson	Dana Point
Baldwin Park	Cerritos	Diamond Bar
Banning	Chino	Downey
Beaumont	Chino Hills	Duarte
Bell	City of Industry	Eastvale
Bell Gardens	Claremont	El Monte
Bellflower	Colton	El Segundo
Beverly Hills	Commerce	Fontana
Big Bear Lake	Compton	Fountain Valley

Fullerton
Garden Grove
Gardena
Glendale
Glendora
Hawaiian Gardens
Hawthorne
Hemet
Hermosa Beach
Hidden Hills
Highland
Huntington Beach
Huntington Park
Inglewood
Irvine
Irwindale
Jurupa Valley
La Canada Flintridge
La Habra
La Habra Heights
La Mirada
La Palma
La Puente
La Verne
Laguna Beach
Laguna Hills
Laguna Niguel
Laguna Woods
Lake Elsinore
Lake Forest
Lakewood
Lawndale
Loma Linda
Lomita
Long Beach

Los Alamitos
Los Angeles
Lynwood
Malibu
Manhattan Beach
Maywood
Menifee
Mission Viejo
Monrovia
Montebello
Monterey Park
Moreno Valley
Murrieta
Newport Beach
Norco
Norwalk
Ontario
Orange
Palos Verdes Estates
Paramount
Pasadena
Perris
Pico Rivera
Placentia
Pomona
Rancho Cucamonga
Rancho Palos Verdes
Rancho Santa
Margarita
Redondo Beach
Rialto
Riverside
Rolling Hills
Rolling Hills Estates
Rosemead

San Clemente
San Dimas
San Gabriel
San Jacinto
San Juan Capistrano
San Marino
Santa Ana
Santa Fe Springs
Santa Monica
Seal Beach
Sierra Madre
Signal Hill
South El Monte
South Gate
South Pasadena
Stanton
Temecula
Temple City
Torrance
Tustin
Upland
Vernon
Villa Park
Walnut
West Covina
West Hollywood
Westlake Village
Westminster
Whittier
Wildomar
Yorba Linda
Yucaipa

Staff represented South Coast AQMD in September and/or provided updates or a presentation to the following governmental agencies and business organizations:

Arroyo Verdugo Communities Joint Powers Authority
Bear Valley Community Healthcare District
Bear Valley Electric Service, Inc.
Big Bear Chamber of Commerce
Carson Chamber of Commerce
Clean Power Alliance
Gardena Valley Chamber of Commerce
Gateway Cities Council of Governments
Greater Irvine Chamber
Greater Ontario Business Council
Harbor Association of Industry and Commerce
Hermosa Beach Chamber of Commerce and Visitors Bureau
Hollywood Chamber of Commerce
Inglewood Airport Area Chamber of Commerce
Inland Empire Regional Chamber of Commerce
Inland Valley Development Agency
Lake Arrowhead Communities Chamber of Commerce
Lomita Chamber of Commerce
Los Angeles County Metropolitan Transportation Authority
Los Angeles World Airports
Manhattan Beach Chamber of Commerce
Metrolink
Monday Morning Group
Mountain Rim Fire Safe Council
Mountain Transit
Newport Beach Chamber of Commerce
Omnitrans
Orange County Business Council
Orange County Transportation Authority
Palos Verdes Peninsula Chamber of Commerce
Redondo Beach Chamber of Commerce
Riverside Transit Agency
San Bernardino Area Chamber of Commerce
San Bernardino County Transportation Authority
San Fernando Valley Council of Governments
San Gabriel Valley Council of Governments
San Pedro Chamber of Commerce
Santa Ana Chamber of Commerce
South Bay Cities Council of Governments
South Pasadena Chamber of Commerce

SunLine Transit Agency
Torrance Area Chamber of Commerce
U.S. Green Building Council
Upland Chamber of Commerce
Valley Industry and Commerce Association
Western Riverside Council of Governments

In September, staff represented South Coast AQMD and/or provided updates or a presentation to the following community and educational groups and organizations:

Breathe Southern California
California State University, San Bernardino
Casa Blanca Community Action Group
Chapman University
Coalition for Clean Air
Cool OC
Friends of the Coliseum
Loma Linda University
Los Angeles Boys & Girls Club
Los Angeles Unified School District
People's Collective for Environmental Justice
Plaza de la Raza
Reach Out Jurupa Valley
Rim of the World Unified School District
Rio Hondo College
San Bernardino City Unified School District
San Bernardino Valley College
University of California, Los Angeles
University of California, Riverside
University of Redlands
Vecinos de South Pasadena

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 9

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This report summarizes monthly penalties and legal actions filed by the General Counsel’s Office from September 1 through September 30, 2024. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, October 18, 2024, Reviewed

RECOMMENDED ACTION:
Receive and file.

Bayron T. Gilchrist
General Counsel

BTG:cr

	CIVIL FILINGS	VIOLATIONS
1.	Jackie’s Service Station County of Los Angeles Superior Court – Small Claims Case No.: 24PDSC02354; Filed 9.20.24 (CL) NOV No.: P74841 461 – Gasoline Transfer and Dispensing California Health and Safety Code § 42402	1
2.	Arco AM/PM, Karnail Chand County of Los Angeles Superior Court – Small Claims Case No.: 24WCSC01449; Filed 9.25.24 (VB) NOV No.: P78673 461 – Gasoline Transfer and Dispensing California Health and Safety Code § 42402	1
3.	Wilmington Park, Inc. County of Los Angeles Superior Court – Small Claims Case No.: 24BFSC01457; Filed 9.25.24 (VB) NOV No.: P78667 461 – Gasoline Transfer and Dispensing California Health and Safety Code § 42402	1

CIVIL FILINGS**VIOLATIONS**

4.	Kaio Construction Group, Inc.	1
	County of Los Angeles Superior Court – Small Claims Case No.: 24VESC02161; Filed 9.25.24 (CL) NOV No.: P76220 1403 – Asbestos Emissions from Demolition/Renovation Activities California Health and Safety Code § 42402	
		4 Violations

Attachments

September 2024 Penalty Report

Index of South Coast AQMD Rules and Regulations

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
Settlement Penalty Report (09/01/2024 - 09/30/2024)

Total Penalties

Civil Settlement: \$453,060.79

MSPAP Settlement: \$158,675.00

Total Cash Settlements: \$611,735.79

Total SEP Value: \$0.00

Fiscal Year through 09/30/2024 Cash Total: \$2,380,571.69

Fiscal Year through 09/30/2024 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
168314	5825 W SUNSET LLC	203, 1470	09/03/2024	EC	P75957, P76503	\$1,200.00
143132	ABSOLUTE ABATEMENT & DEMOLITION	1403	09/18/2024	KCM	P74574, P76215	\$5,400.00
199378	ALL PETROLEUM PROS	461, 1166	09/20/2024	RL	P73121, P73123	\$4,500.00
177939	APRO LLC (DBA "UNITED OIL #141")	203	09/03/2024	SP	P74834	\$10,000.00
202649	ARDEX LP	1168	09/20/2024	RM	P74924	\$10,750.00
181510	AVCORP COMPOSITE FABRICATION INC	2004, 3002	09/05/2024	DH	P66854, P76001	\$7,800.00
117290	B BRAUN MEDICAL INC	2004	09/03/2024	CL	P76073, P79253	\$3,747.00
199454	BERGEN LOGISTICS	2305	09/18/2024	ND	O15047	\$19,800.00
194344	CHATSWORTH CLEANERS	203, 1421	09/17/2024	SP	P68650, P73038, P73041	\$6,500.00
143741	DCOR LLC	1173, 2004	09/04/2024	KCM	P75684	\$7,500.00
800037	DEMENNO KERDOON (DBA "WORLD OIL RECYCLING")	402, 2004, 3002, H&S 41700	09/12/2024	DH	P74533, P74534, P79002	\$15,900.00
168686	EXCEL CONSTRUCTION SERVICES INC	1403, 40 CFR 61.145	09/11/2024	JJ	P70119, P70120, P70121	\$5,445.00
195341	FR ROOFING SERVICES	1403	09/17/2024	EC	P63497, P63498	\$1,000.00
141000	GURUAAN LA II LP	203	09/03/2024	SP	P70234, P80608	\$12,000.00
199972	HHKC DEVELOPMENT INC	1403	09/25/2024	ND	P79161	\$12,000.00
196130	HONOR RANCHO WAYSIDE CANYON HOLDINGS LLC	203, 463, 1173	09/25/2024	JL	P73277, P80654	\$25,200.00
196430	IDC LOGISTICS BUENA PARK	2305	09/12/2024	RM	O15026, O15027, O15048	\$64,400.00
124808	INEOS POLYPROPYLENE LLC	2012	09/25/2024	KER	P70021	\$3,627.00
204890	iRHYTHM TECHNOLOGIES INC	2305	09/20/2024	RM	O15112	\$1,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
195778	J AND J OPERATORS LLC	203, 463	09/04/2024	EC	P80719	\$3,000.00
236	K & L ANODIZING CORP	1469	09/06/2024	SH	P75267	\$500.00
179842	KARMA AUTOMOTIVE LLC	2305	09/12/2024	RM	O15101	\$9,000.00
800080	LUNDAY THAGARD CO ("DBA WORLD OIL REFINING")	463, 1173, 1178, 2004, 3002	09/25/2024	MR	P78209, P78215, P78712	\$14,508.00
182970	MATRIX OIL CORP	1173, 2004	09/10/2024	EC	P75679	\$10,500.00
149532	O'DONNELL OIL LLC	1148.1, 1173	09/24/2024	EC	P79654	\$9,600.00
195925	OLYMPUS TERMINALS LLC	402, 462, H&S 41700	09/25/2024	DH	P74364, P76275	\$15,000.00
198098	ONTARIO INDUSTRIAL PORTFOLIO	2305	09/18/2024	JJ	O15039	\$19,800.00
35302	OWENS CORNING ROOFING AND ASPHALT LLC	2004, 3002	09/11/2024	DH	P68675	\$960.00
202220	PIONEER TECHNOLOGY INC	2305	09/11/2024	JJ	O15102	\$28,600.00
14437	SAN ANTONIO REGIONAL HOSPITAL	218, 1110.2, 1146, 1415, 3002	09/12/2024	SH	P67586, P73161, P73168, P73171	\$16,000.00
14996	SLOANS DRY CLEANERS	203, 1421	09/24/2024	CL	P28664, P28699	\$7,495.79
5973	SOCAL GAS CO	17 CCR 95669	09/11/2024	JL	P73281, P73297, P73298	\$23,600.00
169990	SPS TECHNOLOGIES, LLC	3002, 3003, 3004	09/20/2024	RM	P79102	\$3,500.00
52107	SYLMAR CLEANERS	201, 203	09/03/2024	SP	P67740	\$3,000.00
200344	TOYO TIRES	2305	09/03/2024	ND	O15056	\$5,000.00
800026	ULTRAMAR INC	1118, 3002, 40 CFR 63.670	09/04/2024	DH	P75063, P75065, P75066, P75067	\$48,144.00
113674	USA WASTE OF CAL (EL SOBRANTE LANDFILL)	402, H&S 41700	09/25/2024	RM	P79503, P79504	\$12,500.00
163158	WHITTIER VALERO	461, H&S 41960.2	09/10/2024	VB	P78657	\$4,084.00

Total Civil Settlements: \$453,060.79

MSPAP						
192448	7 ELEVEN (#37338)	203	09/06/2024	CR	P80954, P80956	\$3,627.00
193434	900 CP OWNER LLC	1415	09/06/2024	VB	P78408	\$3,513.00
173369	ADAMS SERVICE CNT INC	203, 461	09/06/2024	CR	P80568	\$3,910.00
172080	ALICIA AUTO SPA & DETAIL CENTER	461	09/13/2024	VB	P69879	\$1,059.00
174631	ARCO (#42055) TESORO REFINING & MKTG. CO.	461, H&S 41960.2	09/13/2024	CM	P79370	\$1,286.00
198336	ARTSVIK MALKONYAN CONSTRUCTION INC	1403	09/13/2024	CL	P76247	\$1,438.00
47003	BRINDLE & THOMAS	203	09/06/2024	CM	P74397, P80714	\$3,527.00
184049	C.B. NICHOLS EGG RANCH INC	201, 203	09/13/2024	CM	P74902	\$2,297.00
110	CALTRANS	203, 461	09/13/2024	CL	P76522	\$1,243.00
160944	CATHEDRAL CANYON GOLF & TENNIS CLUB	461	09/06/2024	VB	P79331	\$1,588.00
27197	CHEVRON USA PRODUCTS CO (#91965)	461	09/20/2024	CM	P75453	\$2,118.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
130936	CHINATOWN GAS AMERICA	461, H&S 41960.2	09/06/2024	CM	P80912	\$1,286.00
13844	CHROMPLATE COMPANY	1469	09/13/2024	VB	P77751	\$1,059.00
169560	CIRCLE K STORES INC (#2709439)	461, H&S 41960.2	09/13/2024	VB	P70491	\$1,513.00
169738	CIRCLE K STORES INC (#2709462)	203	09/13/2024	VB	P74807	\$1,009.00
169571	CIRCLE K STORES INC (#2709465)	461	09/06/2024	CR	P79088	\$1,009.00
169475	CIRCLE K STORES INC (#2211253)	461	09/06/2024	CR	P79087	\$1,009.00
23194	CITY OF HOPE MEDICAL CENTER	461, 1146, 3002	09/20/2024	VB	P73177	\$16,944.00
146016	COFFMAN SPECIALTIES INC	203, 403.1	09/13/2024	CL	P64797, P64798	\$2,418.00
195645	COMMERCE CENTER CONSTRUCTION	403	09/13/2024	VB	P74198	\$5,045.00
196253	CRESTWOOD COMMUNITIES	403	09/13/2024	CL	P64799	\$3,116.00
151837	DUKE SERVICE CORNER	461, H&S 41960.2	09/20/2024	VB	P78692	\$8,782.00
104280	ENVENT CORPORATION	203	09/06/2024	CM	P73325	\$1,009.00
174168	HB GAS WORKS	461	09/13/2024	CM	P69883	\$1,059.00
192038	KORMEX MANAGEMENT & MARKETING INC	203, 461, H&S 41960.2	09/20/2024	VB	P70480	\$3,230.00
125612	LEBO AUTOMOTIVE MANHATTAN BEACH TOYOTA	461	09/13/2024	CM	P75601	\$1,361.00
148494	MAC BRIDE AUTOMOTIVE SERVICES	201, 203	09/13/2024	CM	P74803	\$1,906.00
9719	MANHATTAN BEACH CITY	461	09/13/2024	VB	P75602	\$529.00
136215	N & K INC	203, 461	09/13/2024	VB	P77707	\$1,343.00
179687	NATIONAL CONSTRUCTION AND REMEDIATION	1403	09/13/2024	CL	P70420, P79174	\$6,751.00
188314	NEWLIGHT TECHNOLOGIES INC	203, 430	09/13/2024	CL	P78588	\$5,213.00
176635	OLI FUEL INC	461	09/06/2024	CR	P80924	\$2,069.00
195694	OLTMANS	403	09/06/2024	CM	P74200	\$2,018.00
150641	PALMIERI CLEANERS	203	09/06/2024	VB	P74040	\$1,972.00
145117	PARAMOUNT STATION, INC.	461	09/13/2024	VB	P70483	\$1,336.00
167889	PAYCHEX INC.	203	09/13/2024	CL	P77830	\$2,018.00
199083	PLANET HOME LIVING	403	09/20/2024	VB	P75234	\$2,500.00
7010	PRUDENTIAL OVERALL SUPPLY	1146	09/20/2024	CM	P68597	\$2,870.00
95363	SAM'S CLUB (#6378)	461, H&S 41960.2	09/13/2024	CM	P80569	\$14,378.00
171533	SEAL BEACH MOBIL	461	09/20/2024	VB	P74812	\$1,336.00
45086	SIGNAL HILL PETROLEUM INC	203, 463, 1176	09/13/2024	CL	P69271, P74366, P75510	\$16,250.00
147358	SOUTH CITY GAS INC (DBA "SOUTH CITY AMPM")	461, H&S 41960.2	09/06/2024	CR	P79374	\$1,588.00
157175	SOUTH CITY GAS (DBA "CARSON ARCO")	203	09/20/2024	CM	P80618	\$1,009.00
184510	STANDARD DEMOLITION INC	1403	09/06/2024	CR	P78115	\$1,109.00
39496	THE LANSDALE COMPANY	203	09/06/2024	CM	P80723	\$1,109.00
38908	TOYOTA LOGISTICS SERVICES INC	203, 461	09/13/2024	CR	P69924	\$7,666.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
164411	VERIZON WIRELESS CALIMESA RELO	203	09/06/2024	VB	P79305	\$937.00
118015	VILLAGE AUTO SPA	461	09/13/2024	CM	P80617	\$2,719.00
194525	WEST COAST DEVELOPMENT INC	403	09/13/2024	CM	P74129, P74142	\$4,594.00
Total MSPAP Settlements: \$158,675.00						

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR SEPTEMBER 2024 PENALTY REPORT

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance
- Rule 403 Fugitive Dust
- Rule 403.1 Wind Entrainment of Fugitive Dust
- Rule 430 Breakdown Provisions
- Rule 461 Gasoline Transfer and Dispensing
- Rule 462 Organic Liquid Loading
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- Rule 1118 Emissions from Refinery Flares
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil
- Rule 1168 Adhesive and Sealant Applications
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds
- Rule 1176 Sumps and Wastewater Separators
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems
- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR SEPTEMBER 2024 PENALTY REPORT**

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

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 3003 Applications
- Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standards for Demolition and Renovation
- 40 CFR 63.670 Requirements for Flare Control Devices

CALIFORNIA HEALTH AND SAFETY CODE

- 41700 Prohibited Discharges
- 41960.2 Gasoline Vapor Recovery
- 42402 Violation of Emission Limitations – Civil Penalty

CALIFORNIA CODE OF REGULATIONS

- 17 CCR 95669 Leak Detection and Repair

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 10

REPORT: Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects

SYNOPSIS: This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between September 1, 2024 and September 30, 2024, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, October 18, 2024, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

SR:MK:BR:SW:ET

Background

The California Environmental Quality Act (CEQA) Statute and Guidelines require public agencies, when acting in their lead agency role, to provide an opportunity for other public agencies and members of the public to review and comment on the analysis in environmental documents prepared for proposed projects. A lead agency is when a public agency has the greatest responsibility for supervising or approving a proposed project and is responsible for the preparation of the appropriate CEQA document.

Each month, South Coast AQMD receives environmental documents, which include CEQA documents, for proposed projects that could adversely affect air quality. South Coast AQMD fulfills its intergovernmental review responsibilities, in a manner that is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4, by reviewing and commenting on the adequacy of the air quality analysis in the environmental documents prepared by other lead agencies.

The status of these intergovernmental review activities is provided in this report in two sections: 1) Attachment A lists all of the environmental documents prepared by other public agencies seeking review by South Coast AQMD that were received during the reporting period; and 2) Attachment B lists the active projects for which South Coast AQMD has reviewed or is continuing to conduct a review of the environmental documents prepared by other public agencies. Further, as required by the Board's October 2002 Environmental Justice Program Enhancements for fiscal year (FY) 2002-03, each attachment includes notes for proposed projects which indicate when South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. The attachments also identify for each proposed project, as applicable: 1) the dates of the public comment period and the public hearing date; 2) whether staff provided written comments to a lead agency and the location where the comment letter may be accessed on South Coast AQMD's website; and 3) whether staff testified at a hearing.

In addition, South Coast AQMD will act as lead agency for a proposed project and prepare a CEQA document when: 1) air permits are needed; 2) potentially significant adverse impacts have been identified; and 3) the South Coast AQMD has primary discretionary authority over the approvals. Attachment C lists the proposed air permit projects for which South Coast AQMD is lead agency under CEQA.

Attachment A – Log of Environmental Documents Prepared by Other Public Agencies and Status of Review, and Attachment B – Log of Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies

Attachment A contains a list of all environmental documents prepared by other public agencies seeking review by South Coast AQMD that were received pursuant to CEQA or other regulatory requirements. Attachment B provides a list of active projects, which were identified in previous months' reports, and which South Coast AQMD staff is continuing to evaluate or prepare comments relative to the environmental documents prepared by other public agencies. The following table provides statistics on the status of review¹ of environmental documents for the current reporting period for Attachments A and B combined²:

¹ The status of review reflects the date when this Board Letter was prepared. Therefore, Attachments A and B may not reflect the most recent updates.

² Copies of all comment letters sent to the lead agencies are available on South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

Statistics for Reporting Period from September 1, 2024 to September 30, 2024	
Attachment A: Environmental Documents Prepared by Other Public Agencies and Status of Review	72
Attachment B: Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies (which were previously identified in the July and August 2024 report)	16
Total Environmental Documents Listed in Attachments A & B	88
<i>Comment letters sent</i>	<i>15</i>
<i>Environmental documents reviewed, but no comments were made</i>	<i>63</i>
<i>Environmental documents currently undergoing review</i>	<i>10</i>

Staff focuses on reviewing and preparing comments on environmental documents prepared by other public agencies for proposed projects: 1) where South Coast AQMD is a responsible agency under CEQA (e.g., when air permits are required but another public agency is lead agency); 2) that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement); 3) that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); 4) where environmental justice concerns have been raised; and 5) which a lead or responsible agency has specifically requested South Coast AQMD review.

If staff provided written comments to a lead agency, then a hyperlink to the “South Coast AQMD Letter” is included in the “Project Description” column which corresponds to a notation in the “Comment Status” column. In addition, if staff testified at a hearing for a proposed project, then a notation is included in the “Comment Status” column. Copies of all comment letters sent to lead agencies are available on South Coast AQMD’s website at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>. Interested parties seeking information regarding the comment periods and scheduled public hearings for projects listed in Attachments A and B should contact the lead agencies for further details as these dates are occasionally modified.

In January 2006, the Board approved the Clean Port Initiative Workplan (Workplan). One action item of the Workplan was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In accordance with this action item, Attachments A and B organize the environmental documents received according to the following categories: 1) goods movement projects; 2) schools; 3) landfills and wastewater projects; 4) airports; and 5) general land use projects. In response to the action item relative to mitigation, staff maintains a compilation of mitigation measures presented as a series of tables relative to off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases which are available on South Coast AQMD’s website at:

<http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources such as ground support equipment.

Attachment C – Proposed Air Permit Projects for Which South Coast AQMD is CEQA Lead Agency

The CEQA lead agency is responsible for determining the type of environmental document to be prepared if a proposal requiring discretionary action is considered to be a “project” as defined by CEQA. South Coast AQMD periodically acts as lead agency for its air permit projects and the type of environmental document prepared may vary depending on the potential impacts. For example, an Environmental Impact Report (EIR) is prepared when there is substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if a proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are types of CEQA documents which analyze the potential environmental impacts and describe the reasons why a significant adverse effect on the environment will not occur such that the preparation of an EIR is not required.

Attachment C of this report summarizes the proposed air permit projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation pursuant to CEQA. As noted in Attachment C, South Coast AQMD is lead agency for four air permit projects during September 2024.

Attachments

- A. Environmental Documents Prepared by Other Public Agencies and Status of Review
- B. Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies
- C. Proposed Air Permit Projects for Which South Coast AQMD is CEQA Lead Agency

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
September 1, 2024 to September 30, 2024

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse & Distribution Centers</i> RVC240911-10 Ethanac Logistics Center	The project consists of constructing a 412,348 square foot industrial warehouse on 19.9 acres and improving offsite storm drain facilities and roadways. The project is located at the northwest corner of Shennan Road and Ethanac Road (APNs: 329-240-016 through -020 and -023 through -027). Reference RVC240911-08, RVC240221-09 and RVC230927-10 Comment Period: N/A Public Hearing: 9/18/2024	Responses to Comments	City of Perris	Document reviewed - No comments sent
<i>Warehouse & Distribution Centers</i> SBC240911-01 Sierra Distribution Facility Project	The project consists of constructing a 398,514 square foot warehouse on 18.3 acres. The project would provide 125 parking stalls, 71 trailer stalls, 10 trailer tandem stalls, and 37 tractor trailer stalls. The project is located on the northeast corner of the intersection of Sierra Avenue and Clubhouse Drive and is bounded to the north and south by existing warehouse/industrial buildings, to the east by Mango Avenue and a landfill, and to the west by Sierra Avenue and residential development. The project encompasses six parcels which are identified as Assessor's Parcel Numbers: 1119-241-10, 1119-241-13, 1119-241-18, 1119-241-25, 1119-241-26, and 1119-241-27. Reference SBC230405-03 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/SBC230405-03.pdf . Comment Period: 9/11/2024- 10/25/2024 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Fontana	Under review, may submit comments
<i>Warehouse & Distribution Centers</i> SBC240918-05 5th & Sterling	The project consists of constructing a 557,000 square foot warehouse with 80 dock doors on 25.12 acres. The project is located north of 5th Street, east of Sterling Avenue, south of 6th Street, and approximately 650 feet west of Lankershim Avenue on Assessor's Parcel Number 1192-211-01. Reference SBC240502-01 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/may-2024/sbc240502-01-nop-5th-amp-sterling-development-permit-type-d-dp-d-23-13.pdf . Comment Period: 9/17/2024- 11/1/2024 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of San Bernardino	Under review, may submit comments

Key:

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Project Notes:

1. Disposition may change prior to Governing Board Meeting
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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
September 1, 2024 to September 30, 2024

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> LAC240905-01 ENV-2023-5533: 956 Seward Project	The project consists of demolishing an existing approximately 40,000 square feet film storage building and its associated parking lot and truck rental business and constructing a 168,478 square feet seven-story storage building. The project is located at 936-962 North Seward Street and 949-959 North Hudson Avenue in the City of Los Angeles. Reference LAC240801-13 Staff previously provided comments on the Notice of Intent to Adopt a Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/august-2024/lac240801-13-mnd-956-seward-project.pdf . Comment Period: 9/5/2024- 9/25/2024 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Industrial and Commercial</i> LAC240910-02 3505 Pasadena Ave Warehouse Project	The project consists of constructing a 60,000 square foot light industrial warehouse on a 2.6-acres site. The site is a brownfield and former dry-cleaning facility. The project is bounded by Arroyo Seco River to the north, commercial and residential properties to the northeast and south, the Hillside Elementary School to the east, and the Metro Rail Pasadena Blue Line to the west. The project is located at 3505 Pasadena Avenue on Assessor's Parcel Number 5205-004-010. Comment Period: N/A Public Hearing: N/A	Other	City of Los Angeles	Under review, may submit comments
<i>Industrial and Commercial</i> LAC240911-06 ENV-2023-4031: Sunset Las Palmas Studios Enhancement Plan	The project consists of constructing 129,783 square feet of entertainment studio uses within five buildings on approximately 3 acres. The project is comprised of four sound stages totaling 59,900 square feet and a production support building with 69,883 square feet of floor area, and two subterranean parking levels. All existing buildings and structures, including 25,367 square feet of production support and office uses and a parking structure, would be removed. The project is located at 6650 West Romaine Street and 6619 West Barton Avenue, Los Angeles, CA 90038. Comment Period: 9/5/2024- 10/7/2024 Public Hearing: 9/19/2024	Notice of Preparation of Environmental Impact Report / Other	City of Los Angeles	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> LAC240911-13 World Oil Tank Installation Project#	The project consists of constructing two 25,000-barrel crude oil storage tanks on six acres. The project is located at 1405 Pier C Street near the northwest corner of Pico Avenue and Pier C Street within Port of Long Beach in the designated AB 617 Wilmington, Carson, West Long Beach community. Reference LAC231025-10, LAC230131-01, LAC211014-02 and LAC201007-01 Comment Period: N/A Public Hearing: 9/23/2024	Notice of Availability of a Final Environmental Impact Report and Application Summary Report / Other	Port of Long Beach	Document reviewed - No comments sent
<i>Industrial and Commercial</i> RVC240910-06 Orbis Beaumont Heights - PP2024-0022, PM2024-0001 (TPM38954), PLAN2024-0026, PLAN2024-2027, and PLAN2024-2028	The project consists of requesting approval for a General Plan Amendment (PLAN2024-0026) from Urban Village, High Density Residential, Rural Residential 40 and Open Space to Industrial; Pre- Zone (PLAN2024-2027) the subject properties to Manufacturing; a Tentative Parcel Map 38954 (PM2024-0001) to subdivide 382.29 acres into eight numbered parcels and seven lettered lots; a Plot Plan (PP2024-0022) to construct four industrial buildings totaling 5,275,306 square feet; and an annexation of 383.74 acres into to the City of Beaumont. The project is located east of Beaumont Avenue (Highway 79) and approximately 2,800 feet south of First Street. Reference RVC240507-01 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/june-2024/rvc240507-01-nop-beaumont-heights-business-centre-project.pdf . Comment Period: N/A Public Hearing: 9/12/2024	Other	City of Beaumont	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC240903-03 Headworks Site Development Project	The project consists of developing three facilities: a Water Quality Laboratory (WQL), a Direct Potable Reuse (DPR) Demonstration Facility, and a public park (Headworks Restoration Park). The project is located at 6001 West Forest Lawn Drive, within the existing Headworks Spreading Grounds (HWSG) property. Reference LAC240501-01 Staff previously provided comments on the Notice of Intent to Adopt a Mitigated Negative Declaration for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/may-2024/lac240501-01-mnd-headworks-site-development-project.pdf . Comment Period: N/A Public Hearing: N/A	Response to Comments	Los Angeles Department of Water and Power	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC240904-10 College Ready Middle Academy #4 (Former Carmelo Auto Sales Inc.)#	The project consists of environmental investigations and cleanup activities for College Ready Middle Academy #4 school due to findings of Volatile Organic Compounds (VOCs), primarily total petroleum hydrocarbons (TPHs), tetrachloroethylene (PCE), and lead on the 0.14-acre site. The project is located at 9701 South Main Street, Los Angeles, CA 90003 and is within the designated AB 617 South Los Angeles community. Comment Period: N/A Public Hearing: N/A	Community Survey	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC240910-08 Draft Hazardous Waste Operation and Post-Closure Permits for Ecobat Resources California, Inc. (formerly Quemetco, Inc.)	The project consists of two draft permits for the battery-recycling facility Ecobat Resources California, Inc. (Ecobat), that would impose stricter standards and increase financial assurance funding to protect public health and the environment in Los Angeles County. The first draft permit, the proposed renewal of the facility's "Operating Permit," has a five-year term and includes several mandatory conditions to protect the surrounding area and the environment. The second draft permit, the "Post-Closure Permit" is required to ensure that Ecobat will continue monitoring groundwater around two closed areas onsite for at least 13 more years. The project is located at 720 South Seventh Avenue near the northeast corner of South Seventh Avenue and Salt Lake Avenue in the City of Industry. Reference LAC240724-05, LAC231101-18, LAC231011-07, LAC230606-03, LAC230418-08, LAC220621-11, LAC220301-09, LAC211001-05, LAC210907-04, LAC210907-03, LAC210427-09, LAC210223-04, LAC210114-07, LAC191115-02, and LAC180726-06 Comment Period: 7/16/2024 - 11/18/2024 Public Hearing: 10/23/2024	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> ORC240918-06 Ascon Landfill Site	The project consists of consolidating approximately 150,000 cubic yards of contaminated soil, adding odor control technologies and work procedures to control odors during work, and installing an engineered cover (cap) made up of geomembrane at the Ascon Landfill Site. The project is located at 21641 Magnolia Street near the southeast corner of Magnolia Street and Hamilton Avenue in Huntington Beach. Reference ORC230823-12 and ORC230516-03 Comment Period: N/A Public Hearing: 10/10/2024	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
<i>Waste and Water-related</i> RVC240910-04 Salton Sea Management Program Update - September 2024#	The project consists of providing a September 2024 update on the Salton Sea Management Program: 1) Listed potential future opportunities with added funding and capacity, to address community needs while implementing restoration projects, 2) Commissioned the Salton Sea Community Needs and Recommended Actions Report to Better World Group Advisors, 3) SSMP Team and Better World Group reviewed and analyzed all public comments, and the Reports were updated to reflect the feedback and recommendations received and 4) SSMP Community Meetings are set for September 26 and October 10. The project is bounded by Mecca to the north, State Route 111 to the east, State Route 78 to the south, and State Route 86 to the west, within the designated AB 617 Eastern Coachella Valley community. Reference RVC240423-01, RVC240326-06, RVC240321-02, and RVC230103-09 Comment Period: N/A Public Hearing: 9/26/2024	Other	California Natural Resources Agency	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Retail SBC240906-01 1100 Foothill Boulevard Self Storage Project	The project consists of constructing an approximately 75,377 square foot self-storage facility on 5.14 acres. Specific project features include Building A (2-story, 45,910 square feet), Building B (1-story, 10,129 square feet), Building C (1-story, 8,482 square feet), Building D (1-story, 4,601 square feet), Building E (1-story, 6,255 square feet) and two shared driveways connected to Foothill Boulevard and Larch Avenue. The project is located approximately 340 feet north of Foothill Boulevard and west of Larch Avenue (APN: 0128-571-26). Comment Period: 9/9/2024- 10/8/2024 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Rialto	Document reviewed - No comments sent
Retail SBC240918-12 PROJ-2023-00095	The project consists of requesting a Minor Use Permit to construct a new 2,000 square foot office building and a 1,200 square foot metal canopy for the use of truck dispatching/hauling. The project is located at 13494 Arrow Boulevard, Fontana, CA 92335 (APN: 0229-082-28). Comment Period: N/A Public Hearing: N/A	Site Plan	County of San Bernardino	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC240904-02 Norwalk Entertainment District-Civic Center Specific Plan	The project consists of constructing 56 residential units on 13.2 acres. The project is located on the southeast corner of Imperial Highway and Norwalk Boulevard. Reference LAC220701-01 and LAC220208-07 Comment Period: N/A Public Hearing: N/A	Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds	City of Norwalk	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC240904-08 Barrera Hacienda Heights	The project consists of subdividing a 12.35-acre site to create ten single-family residential lots that range from 43,889 square feet to 92,959 square feet. The project is located at 2027 Vallecito Drive and 2342 Via Cielo in Hacienda Heights (APNs: 8221-015-004, 8221-015-052, and 8221-015-053). Comment Period: 9/6/2024- 10/8/2024 Public Hearing: 10/9/2024	Notice of Intent to Adopt a Mitigated Negative Declaration	County of Los Angeles	Document reviewed - No comments sent

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<i>General Land Use (residential, etc.)</i> LAC240910-05 Honolulu Terrace Project	The project consists of considering adoption/approval of: a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program; Tentative Parcel Map TPM21-0001 (TTM No. 83421) to subdivide a 0.73-acre former oil production well site into four parcels for the development of single-family residential purposes; Development Review No. DRP22-0021 and Accessory Dwelling Unit No. ADU22-0090 to construct a 2,809 square foot two-story single-family residence with an attached 617 square foot accessory dwelling unit on Parcel 4. The project is located at the northwest corner of Beverly Drive and Honolulu Terrace at 12526 Honolulu Terrace on Assessor's Parcel Number 8126-033-025. Comment Period: 9/6/2024- 10/7/2024 Public Hearing: 10/7/2024	Notice of Availability and Intent to Adopt a Mitigated Negative Declaration / Other	City of Whittier	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC240926-02 ENV-2021-10589: Sunset Vine—SV2 Project	The project consists of demolishing two commercial buildings fronting Sunset Boulevard, a vacant commercial building fronting on Vine Street, a vacant commercial building fronting on Leland Way, and a vacant duplex on Leland Way to construct a 201,134 square-foot, eight story mixed-use building: consisting of 170 residential units and 16,680 square feet of ground-floor commercial space on 1.74 acres. The project is located at 6260–6290 West Sunset Boulevard, 1460–1480 North Vine Street, and 6251–6165 Leland Way, Los Angeles, CA, 90028. Comment Period: 9/26/2024- 10/27/2024 Public Hearing: N/A	Notice of Availability to Adopt a Sustainable Communities Environmental Assessment	City of Los Angeles	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC240926-07 Tentative Parcel Map (TPM) No. 84425	The project consists of subdividing one residential parcel of lands totaling 9,750 square feet into two residential dwelling units. The subdivision consists of two-story residential units with attached garages and other site improvements. The project is located at 19740 Camino de Rosa (APN: 8722-018-014). Comment Period: N/A Public Hearing: N/A	Site Plan	City of Walnut	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>General Land Use (residential, etc.)</i> ORC240918-08 Dale Townhomes Project	The project consists of requesting: 1) a General Plan Amendment (GP-23-1) to amend the existing General Plan Land Use designation from Commercial to High Density Residential; 2) a Zone Change (Z-23-1) to amend the existing zoning district from CS (Commercial Shopping) Mixed Use Overlay-45 to RM-20 (Medium-Density Multifamily Residential) Mixed Use Overlay-45; 3) a Tentative Tract Map (TT-24-1) to subdivide an existing parcel of approximately 3.82 acres into a single lot for condominium purposes; and 4) a Conditional Use Permit (CU-24-1) to review and permit the proposed 93 unit townhomes residential development and associated on-site improvements. The project is located at 8030 Dale Avenue (APN: 070-501-01). Reference ORC240724-07 Comment Period: N/A Public Hearing: 9/24/2024	Other	City of Buena Park	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> ORC240918-10 Housing Element Rezone Project	The project consists of rezoning five sites identified in the City's General Plan Housing Element. The five sites include: Housing Element Sites 1A, 1B, and 2 -Tustin Legacy Specific Plan Amendment (SPA-2024-0002); State Clearinghouse Number: 1994071005, Housing Element Site 17 - Enderle Center Rezone Project (GPA-2024-0001, CA-2024-0003 and ZC-2024-0001); State Clearinghouse Number: 2024020747, and Housing Element Site 1B - The Market Place Rezone Project (GPA-2024-0001 and SPA-2024-0001); State Clearinghouse Number: 2024020969. Sites 1A and 1B are the undeveloped areas of Neighborhoods D and Site 2 is the undeveloped areas of Neighborhood G. Neighborhood D is bounded by Valencia Avenue to the north, Tustin Ranch Road to the east, Barranca Parkway to the south, and Armstrong Avenue to the west. Neighborhood G is bounded by Edinger Avenue to the north, Jamboree Road to the east, Warner Avenue to the south, and Tustin Ranch Road to the west. Site 17 is bounded by 17th Street to the north, Enderle Center Drive and the eastern property line of properties fronting Enderle Center Drive to the east, Vandenberg Lane to the south, and State Route 55 including properties west of Yorba Street to the west. Site 18 is bounded by Myford Road to the northwest, Bryan Avenue to the northeast, Jamboree Road to the southeast, and Interstate 5 to the southwest. Comment Period: N/A Public Hearing: 9/24/2024	Other	City of Tustin	Document reviewed - No comments sent

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ATTACHMENT B
ACTIVE PROJECTS WITH CONTINUED REVIEW OF ENVIRONMENTAL DOCUMENTS
PREPARED BY OTHER PUBLIC AGENCIES

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial ORC240813-01 5665 Plaza Drive Project	The project consists of demolishing a 150,626 square foot office building and constructing a 191,394 square foot industrial building with 181,061 square foot of warehouse space and 10,333 square foot of office space on 8.53 acres. The project is located north of the intersection of Plaza Drive and Douglas Drive at 5665 Plaza Drive. Reference ORC240503-02, ORC240402-11 and ORC240221-03 https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/september-2024/orc240813-01-draft-eir-5665-plaza-drive-project.pdf Comment Period: 8/12/2024 - 9/27/2024 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Cypress	Comment letter sent on 9/27/2024
Waste and Water-related LAC240724-11 North County Solid Waste Collection Services Project	The project consists of implementing contracts with solid wastes haulers to establish either residential and commercial franchises or garbage disposal districts in Acton/Agua Dulce, Antelope Valley Central, Antelope Valley East, and Antelope Valley West. The project encompasses approximately 1,419 square miles and comprises unincorporated areas in northern Los Angeles County, located north of the Angeles National Forest. The project is bounded by Kern County to the north, San Bernardino County to the east, Angeles National Forest to the south, and Ventura County to the west. Reference LAC230207-11 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/march-2023/LAC230207-11.pdf https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/september-2024/lac240724-11-draft-eir-north-county-solid-waste-collection-services-project.pdf Comment Period: 7/18/2024 - 9/5/2024 Public Hearing: 8/17/2024	Notice of Availability of a Draft Environmental Impact Report / Other	County of Los Angeles Department of Public Works	Comment letter sent on 9/5/2024
Waste and Water-related RVC240809-02 Carancho Pump Station Expansion and Improvement (Project No. D2048)	The project consists of: 1) demolishing existing Carancho Tank Nos. 1 and 2; 2) removing a 12-inch diameter intake pipe; 3) installing approximately 600 linear feet of 24-inch diameter potable water pipeline; 4) relocating the existing radio antenna; 5) abandoning and removing an existing Southern California Edison (SCE) transformer; 6) permanently stabilizing surfaces; 7) replacing two existing pumps (350 Hp each) and installing two new pumps (350 Hp each) capable of handling the desired capacity of 4,400 gallons per minute ; 8) installing two surge tanks, electrical conduit, a 50-foot antenna, a new transformer; and a new 1,250 kW emergency power generator with enclosure (300 feet by 92.5 feet) and automatic transfer switch meeting Tier 2 emission standards. The project is located approximately three miles southeast of the Tenaja Pump Station, approximately 7.7 miles south of the Baldary Pump Station, and approximately 2.3 miles west of the Cross Creek Golf Course on 6.56 acres (APN: 933-050-036). https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/september-2024/rvc240809-02-mnd-carancho-pump-station-expansion-and-improvement-project-no-d2048-project.pdf Comment Period: 8/8/2024 - 9/9/2024 Public Hearing: N/A	Notice of Intent to Adopt a Negative Declaration / Mitigated Negative Declaration	Rancho California Water District	Comment letter sent on 9/6/2024

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**ATTACHMENT C PROPOSED AIR PERMIT PROJECTS FOR
WHICH SOUTH COAST AQMD IS CEQA LEAD AGENCY
THROUGH SEPTEMBER 30, 2024**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Quemetco is proposing to modify its existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.</p>	<p>Quemetco</p>	<p>Environmental Impact Report (EIR)</p>	<p>The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received.</p> <p>South Coast AQMD held two community meetings on November 10, 2021, and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Response to written comments submitted relative to the Draft EIR and oral comments made at the community meetings are currently being prepared by the consultant.</p> <p>After the Draft EIR public comment and review period closed, Quemetco submitted additional applications for other permit modifications. South Coast AQMD staff is evaluating the effect of these new applications on the EIR process.</p>	<p>Trinity Consultants</p>
<p>Sunshine Canyon Landfill is proposing to modify its South Coast AQMD permits for its active landfill gas collection and control system to accommodate the increased collection of landfill gas. The proposed project will: 1) install two new low-emission flares with two additional 300-horsepower electric blowers; and 2) increase the landfill gas flow limit of the existing landfill gas collection system.</p>	<p>Sunshine Canyon Landfill</p>	<p>Subsequent Environmental Impact Report (SEIR)</p>	<p>The consultant is working on a Draft SEIR which South Coast AQMD staff is reviewing.</p>	<p>Castle Environmental Consulting</p>
<p>Tesoro is proposing to modify its Title V permit to: 1) add gas oil as a commodity that can be stored in three of the six new crude oil storage tanks at the Carson Crude Terminal (previously assessed in the May 2017 Final EIR); and 2) drain, clean and decommission Reservoir 502, a 1.5-million-barrel concrete-lined, wooden-roof topped reservoir used to store gas oil.</p>	<p>Tesoro Refining & Marketing Company, LLC (Tesoro)</p>	<p>Addendum to the Final Environmental Impact Report (EIR) for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)</p>	<p>South Coast AQMD staff review of the revised Draft Addendum is complete. South Coast AQMD staff is preparing the Draft Title V Permit Revision for review by the United States Environmental Protection Agency.</p>	<p>Environmental Audit, Inc.</p>

**ATTACHMENT C PROPOSED AIR PERMIT PROJECTS FOR
WHICH SOUTH COAST AQMD IS CEQA LEAD AGENCY
THROUGH SEPTEMBER 30, 2024**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>SoCalGas is proposing to modify their Title V permit for the Honor Rancho Natural Gas Storage Field to: 1) replace five compressor engines with four new natural gas-fueled compressor engines (each rated at 5,000 horsepower (hp)), new selective catalytic reduction systems and a new aqueous urea storage tank; 2) install two new electric compressors (each rated at 5,500 hp) with associated ancillary equipment; 3) construct a new building to house the new compressors; 4) install an advanced renewable energy system, which will include hydrogen electrolyzers, hydrogen storage, and fuel blending equipment to mix hydrogen with natural gas which will fuel the compressor engines; 5) install a hydrogen vehicle fueling station; 6) install an electric microgrid with an energy storage system and a natural gas fuel cell system; and 7) install one new electricity transmission line which will connect to Southern California Edison.</p>	<p>Southern California Gas Company (SoCalGas)</p>	<p>Addendum to the Final Subsequent Environmental Assessment for Rule 1110.2 and Rule 1100, and the Final Program EIR for the 2016 Air Quality Management Plan</p>	<p>The consultant has prepared a preliminary Draft Addendum which South Coast AQMD staff is reviewing.</p>	<p>Dudek</p>

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 11

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2024 and a tentative calendar for portions of 2025.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

SLR:MK:IM:JA:ZS

2024 MASTER CALENDAR

The 2024 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for an AQMP, either the 2016 AQMP or 2022 AQMP, when adopted, Toxics, AB 617 (for BARCT) or measures identified in an AB 617 Community Emission Reduction Plan (CERP), SIP to address comments or actions from U.S. EPA for a rule that is in an approved SIP, or Other. Rulemaking efforts that are noted for implementation of the 2016 AQMP or 2022 AQMP when adopted, Toxics, and AB 617 are either statutorily required and/or are needed to address a public health concern. Projected emission reductions will be determined during rulemaking.

The following symbols next to the rule number indicate if the rulemaking will be a potentially significant hearing, will reduce criteria pollutants, or is part of the RECLAIM transition. Symbols have been added to indicate the following:

- * *This rulemaking may have a substantial number of public comments.*
- + *This rulemaking will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*
- # *This rulemaking is part of the transition of RECLAIM to a command-and-control regulatory structure.*

The following table provides a list of changes since the previous Rule Forecast Report.

1445	Control of Toxic Emissions from Laser and Plasma Arc Metal Cutting
Proposed Rule 1445 is being moved from December to First Quarter 2025 to allow additional time for staff to work with stakeholders.	

2024 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
December		
1111	<p>Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces</p> <p>Proposed Amended Rule 1111 will implement the 2022 AQMP control measure R-CMB-02 establishing a zero emission NO_x standard for residential space heating, where feasible.</p> <p style="text-align: center;"><i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1121*	<p>Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters</p> <p>Proposed Amended Rule 1121 will implement the 2022 AQMP control measure R-CMB-01 establishing a zero emission NO_x standard for residential water heaters, where feasible.</p> <p style="text-align: center;"><i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1159.1 [#]	<p>Control of NO_x Emissions from Nitric Acid Tanks</p> <p>Proposed Rule 1159.1 will establish requirements to reduce NO_x emissions from nitric acid units that will apply to RECLAIM, former RECLAIM, and non-RECLAIM facilities.</p> <p style="text-align: center;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 BARCT

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

[#] Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined

2024	Title and Description	Type of Rulemaking
102	<p>Definition of Terms Proposed amendments may be needed to update and add definitions, and potentially modify exemptions. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
103	<p>Definition of Geographical Areas Proposed amendments are needed to update geographic areas to be consistent with state and federal references to those geographic areas. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
209	<p>Transfer and Voiding of Permits Proposed amendments may be needed to clarify requirements for change of ownership and permits and the assessment of associated fees. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
223	<p>Emission Reduction Permits for Large Confined Animal Facilities Proposed Amended Rule 223 will seek additional ammonia emission reductions from large, confined animal facilities by lowering the applicability threshold. Proposed amendments will implement BCM-04 in the 2016 AQMP. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
403	<p>Fugitive Dust Proposed Amended Rule 403 will seek to remove outdated provisions and clarify existing provisions to enhance compliance. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
403.1	<p>Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources Proposed Amended Rule 403.1 will clarify existing requirements for dust control and remove outdated provisions contained in supporting documents for Rule 403.1. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
407 [#]	<p>Liquid and Gaseous Air Contaminants Proposed Amended Rule 407 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
410	<p>Odors from Transfer Stations and Material Recovery Facilities Proposed Amended Rule 410 will clarify existing provisions. Additional provisions may be needed to address activities associated with diversion of food waste to transfer stations or material recovery facilities. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
425	<p>Odors from Cannabis Processing Proposed Rule 425 will establish requirements for control of odors from cannabis processing. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
430	<p>Breakdown Provisions Amendments to Rule 430 will be needed to remove exemptions for facilities that exit the RECLAIM program and update references to CEMS rules. Other amendments may be needed to address current policies from U.S. EPA regarding startup, shutdown, and malfunction requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	RECLAIM / Other
431.1 [#]	<p>Sulfur Content of Gaseous Fuels Proposed Amended Rule 431.1 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
431.2 [#]	<p>Sulfur Content of Liquid Fuels Proposed Amended Rule 431.2 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
431.3 [#]	<p>Sulfur Content of Fossil Fuels Proposed Amended Rule 431.3 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
444	<p>Open Burning Amendments may be needed to clarify existing provisions. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
445 [*]	<p>Wood Burning Devices Proposed Amended Rule 445 will address additional U.S. EPA requirements for Best Available Control Measures, including lowering the curtailment threshold. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
461	<p>Gasoline Transfer and Dispensing Amendments to Rule 461 may be needed to address potential regulatory gaps. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
462	<p>Organic Liquid Loading Proposed Amended Rule 462 will incorporate the use of advanced techniques to detect fugitive emissions and Facility Vapor Leak. Other amendments may be needed to streamline implementation and add clarity. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
468 [#]	<p>Sulfur Recovery Units Proposed Amended Rule 468 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT
469 [#]	<p>Sulfuric Acid Units Proposed Amended Rule 469 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT
1101 [#]	<p>Secondary Lead Smelters/Sulfur Oxides Proposed Amended Rule 1101 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT
1102	<p>Dry Cleaners Using Solvent Other Than Perchloroethylene Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 CERP
1105 [#]	<p>Fluid Catalytic Cracking Units SO_x Proposed Amended Rule 1105 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
1107	<p>Coating of Metal Parts and Products Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1108	<p>Cutback Asphalt Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1108.1	<p>Emulsified Asphalt Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics/ Other
1110.2*+ #	<p>Emissions from Gaseous- and Liquid-Fueled Engines Proposed amendments will address use of emergency standby engines, incorporate possible comments by U.S. EPA for approval into the SIP, and address monitoring provisions for new engines. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 BARCT
1110.4	<p>Emissions from Emergency Generators Proposed Rule 1110.4 will establish and revise rule provisions to reduce NOx, CO, and PM emissions from emergency generators. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other / AQMP
1113	<p>Architectural Coatings Proposed amendments may be needed to address delisted compounds and other amendments to improve clarity and to remove obsolete provisions. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1114	<p>Petroleum Refinery Coking Operations Proposed Amended Rule 1114 will seek to add notification requirements when coke particles, liquid and/or gas is ejected from the coke drum during cutting. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1119#	<p>Petroleum Coke Calcining Operations – Oxides of Sulfur Proposed Amended Rule 1119 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
1122	<p>Solvent Degreasers Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1124	<p>Aerospace Assembly and Component Manufacturing Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1125	<p>Metal Container, Closure, and Coil Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1126	<p>Magnet Wire Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1128	<p>Paper, Fabric, and Film Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1130	<p>Graphic Arts Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1130.1	<p>Screen Printing Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
1133.3	<p>Emission Reductions from Greenwaste Composting Operations Proposed Amended Rule 1133.3 will seek additional VOCs and ammonia emission reductions from greenwaste and foodwaste composting. Proposed amendments will implement BCM-10 in the 2016 AQMP. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1136	<p>Wood Products Coatings Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1138 ⁺	<p>Control of Emissions from Restaurant Operations Proposed Amended Rule 1138 will further reduce emissions from underfired charboilers. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1142	<p>Marine Tank Vessel Operations Proposed Amended Rule 1142 will address VOC and hydrogen sulfide emissions from marine tank vessel operations, applicability, noticing requirements, and provide clarifications. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1143	<p>Consumer Paint Thinners and Multi-Purpose Solvents Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1144	<p>Metalworking Fluids and Direct-Contact Lubricants Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1145	<p>Plastic, Rubber, Leather, and Glass Coatings Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
1146	<p>Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</p> <p>Proposed amendments to Rule 1146 may be needed to incorporate comments from U.S. EPA.</p> <p align="center"><i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1146.1 [#]	<p>Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</p> <p>Proposed amendments to Rule 1146.1 may be needed to clarify provisions for industry-specific categories and to incorporate comments from U.S. EPA.</p> <p align="center"><i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1162	<p>Polyester Resin Operations</p> <p>Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity.</p> <p align="center"><i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1166	<p>Volatile Organic Compound Emissions from Decontamination of Soil</p> <p>Proposed Amended Rule 1166 will update requirements, specifically concerning notifications and usage of mitigation plans (site specific versus various locations).</p> <p align="center"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1171	<p>Solvent Cleaning Operations</p> <p>Proposed Amendments to Rule 1171 may be needed to address certain exempt chemicals and compliance issues.</p> <p align="center"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1174	<p>Control of Volatile Organic Compound Emissions from the Ignition of Barbecue Charcoal</p> <p>Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity.</p> <p align="center"><i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Other
1176	<p>VOC Emissions from Wastewater Systems</p> <p>Proposed Amended Rule 1176 will clarify the applicability of the rule to include bulk terminals under definition of “Industrial Facilities,” and streamline and clarify provisions.</p> <p align="center"><i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other / AB 617 CERP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
1186.1, 1191, 1192, 1193, 1194, 1195, 1196* ⁺	<p>Fleet Rules Proposed amendments to Rules 1186.1, 1191, 1192, 1193, 1194, 1195, 1196 will seek to align South Coast AQMD fleet rules with CARB’s final Advanced Clean Fleets regulation should it be adopted.</p> <p align="center"><i>Vicki White 909.396.3436; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Other
1403*	<p>Asbestos Emissions from Demolition/Renovation Activities Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, update provisions, notifications, exemptions, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary.</p> <p align="center"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1404	<p>Hexavalent Chromium Emissions from Cooling Towers Amendments may be needed to provide additional clarifications regarding use of process water that is associated with sources that have the potential to contain chromium in cooling towers and address VOC emissions.</p> <p align="center"><i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AQMP
1411	<p>Recovery or Recycling of Refrigerants from Motor Vehicle Air Conditioners Proposed Amended Rule 1411 seeks amendments to coincide with Section 609 of the Clean Air Act.</p> <p align="center"><i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1415 1415.1	<p>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems Proposed Amended Rules 1415 and 1415.1 will align requirements with the proposed CARB Refrigerant Management Program and U.S. EPA’s Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons.</p> <p align="center"><i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other

* Potentially significant hearing

⁺ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

[#] Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (*Continued*)

2024	Title and Description	Type of Rulemaking
1420	<p>Emissions Standard for Lead Proposed Amended Rule 1420 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Other provisions may be needed to address storage and handling requirements, and revise closure requirements.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1420.1	<p>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities Proposed Amendments are needed to update applicable test methods and provide clarifications regarding submittal of a source-test protocol. Additional amendments may be needed to address monitoring and post closure requirements.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1420.2	<p>Emission Standards for Lead from Metal Melting Facilities Proposed Amended Rule 1420.2 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Additional amendments may be needed to address monitoring and post closure requirements.</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1420.3	<p>Emissions Standards for Lead from Firing Ranges Proposed Rule 1420.3 will establish requirements to address lead emissions from firing ranges.</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1426.1	<p>Hexavalent Chromium Emissions from Metal Finishing Operations Proposed Rule 1426.1 will reduce hexavalent chromium emissions from heated chromium tanks used at facilities with metal finishing operations that are not subject to Rule 1469.</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics

* *Potentially significant hearing*

+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*

Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (*Continued*)

2024	Title and Description	Type of Rulemaking
1435*	<p>Control of Toxic Air Contaminant Emissions from Metal Heating Operations Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements.</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 CERP
1450*	<p>Control of Methylene Chloride Emissions Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1455	<p>Control of Hexavalent Chromium Emissions from Torch Cutting and Welding Proposed Rule 1455 will establish requirements to reduce hexavalent chromium emissions from torch cutting and welding of chromium alloys.</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AB 617 CERP
1466	<p>Control of Particulate Emissions from Soils with Toxic Air Contaminants Amendments may be needed for residential cleanup projects.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1466.1	<p>Control of Particulate Emissions from Demolition of Buildings Proposed Rule 1466.1 will establish requirements to minimize PM emissions during the demolition of buildings that housed equipment and processes with metal toxic air contaminants and pollution control equipment.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics

* *Potentially significant hearing*

+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*

Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
1469	<p>Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations Amendments to Rule 1469 may be needed to address potential changes with the CARB’s Hexavalent Chromium Airborne Toxic Control Measure for Chrome Plating and Chromic Acid Anodizing Operations. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1470	<p>Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines Proposed Amended Rule 1470 seeks to reduce NOx emissions from stationary internal combustion engines (ICEs) by replacing older ICEs with alternative cleaner technology. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Toxics
1470.1	<p>Emissions from Emergency Standby Diesel-Fueled Engines Proposed Rule 1470.1 seeks to reduce NOx emissions from emergency standby internal combustion engines (ICEs) by replacing older ICEs and requiring the use of commercially available lower emission fuels, such as renewable diesel. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Toxics
1472	<p>Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines Proposed Amended Rule 1472 will remove provisions that are no longer applicable, update and streamline provisions to reflect the latest OEHHA Health Risk Assessment Guidelines and assess the need for Compliance Plans. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1480.1	<p>Ambient Monitoring and Sampling of Gaseous Toxic Air Contaminants Proposed Rule 1480.1 will establish requirements to conduct monitoring and sampling for those facilities identified as significant high-risk level. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1901	<p>General Conformity Proposed Amended Rule 1901 will establish a new General Conformity determination process for applicable projects receiving federal funding or approval. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2024 To-Be-Determined (Continued)

2024	Title and Description	Type of Rulemaking
Regulation XX	<p>RECLAIM - Requirements for Oxides of Sulfur (SOx) Emissions Amendments to Regulation XX rules to address SOx requirements at RECLAIM facilities if there is consideration to transition SOx RECLAIM to command-and-control regulatory structure. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	RECLAIM / Other
Regulation XXIII* ⁺	<p>Facility-Based Mobile Sources Proposed rules within Regulation XXIII would reduce emissions from indirect sources and the mobile sources attracted to these facilities. <i>Elaine Shen 909.396.2715; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 CERP
Regulation II, III, IV, V, VIII, XI, XIV, XIX, XXIII, XXIV, XXX and XXXV	<p>Various rule amendments may be needed to meet the requirements of state and federal laws; implement OEHHA’s latest risk assessment guidance; incorporate changes from OEHHA to new or revised toxic air contaminants or their risk values; address variance issues, emission limits, technology-forcing emission limits, and conflicts with other agency requirements; abate substantial endangerment to public health; apply additional reductions to meet SIP short-term measure commitments; address issues raised by U.S. EPA or CARB for the SIP or for a rule that was submitted into the SIP; and address compliance issues raised by the Hearing Board. In addition, administrative changes could be necessary for Hearing Board procedures, filings, petitions, noticing, etc. Amendments to existing rules may be needed to address use of materials that contain chemicals of concern. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing, or new rules to implement measures in the 2012, 2016 or 2022 AQMP. This includes measures in the 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption or amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, U.S. EPA’s National Emission Standards for Hazardous Air Pollutants, or to address the lead National Ambient Air Quality Standard. Rule adoption or amendments may be needed to implement AB 617 including but not limited to BARCT rules, Community Emission Reduction Plans prepared pursuant to AB 617, or new or amended rules to abate a public health issue identified through emissions testing or ambient monitoring.</p>	Other / AQMP/ Toxics / AB 617 BARCT / AB 617 CERP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

TENTATIVE 2025 CALENDAR

Month	Title and Description	Type of Rulemaking
1st Quarter		
1445*	<p>Control of Toxic Emissions from Laser and Plasma Arc Metal Cutting</p> <p>Proposed Rule 1445 will establish requirements to reduce hexavalent chromium and other metal toxic air contaminant particulate emissions from laser arc cutting.</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AB 617 CERP
2304*+ 316.1	<p>Commercial Marine Ports – Container Terminals Fees for Rule 2304</p> <p>Proposed Rule 2304 will establish requirements to reduce emissions from container terminals located at commercial marine ports and the mobile sources attracted to these facilities. Proposed Rule 316.1 will establish fees to recover the South Coast AQMD’s anticipated cost of implementing Proposed Rule 2304.</p> <p style="text-align: right;"><i>Elaine Shen 909.396.2715; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 CERP
2nd Quarter		
1401	<p>New Source Review of Toxic Air Contaminants</p> <p>Proposed Amended Rule 1401 will amend Table 1 to include new toxic air contaminants identified by California Office of Environmental Health Hazard Assessment (OEHHA).</p> <p style="text-align: right;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
3rd Quarter		
Regulation XIII**	<p>New Source Review</p> <p>Proposed Amended Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to a command-and-control regulatory structure and to address comments from U.S. EPA. Additional rules under Regulation XIII may be needed to address offsets and other provisions under Regulation XIII.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
Regulation XX**	<p>RECLAIM</p> <p>Proposed Amended Regulation XX will address the transition of NOx RECLAIM facilities to a command-and-control regulatory structure.</p> <p style="text-align: right;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 12

PROPOSAL: 2024 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans

SYNOPSIS: The 2024 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans summarizes the progress of Community Emission Reductions Plans objectives implemented from September 2019 to June 2024 in six South Coast AQMD Assembly Bill 617 designated communities.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:
Receive and File.

Wayne Nastri
Executive Officer

AHJ:WS:UV:PP:DT:RD

Background

Assembly Bill 617 (AB 617) was signed into law in July 2017 and provides a community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants while aiming to address the disproportionate impacts of air pollution on environmental justice (EJ) communities. AB 617 recognizes the environmental justice challenges faced by these communities and supports efforts to resolve these issues through community-led initiatives focused on implementing the Community Emission Reductions Plans (CERPs) and Community Air Monitoring Plans (CAMPs). AB 617 designated communities were selected by CARB based on recommendations from individual air districts. Since 2018, CARB has selected six South Coast AQMD communities:

2018-Designated Communities

- East Los Angeles, Boyle Heights, West Commerce (ELABHWC)
- San Bernardino, Muscoy (SBM)
- Wilmington, Carson, West Long Beach (WCWLB)

2019-Designated Communities

- Eastern Coachella Valley (ECV)
- Southeast Los Angeles (SELA)

2020-Designated Community

- South Los Angeles (SLA)

Under AB 617, each community establishes a Community Steering Committee (CSC) to develop a CERP and CAMP to address the community’s top air quality priorities. CSCs are diverse groups of people who live, work, own businesses, or attend school within the communities. Additionally, local land-use agencies, public health agencies, regulatory agencies, and elected officials have representation in CSCs. Each CERP includes a series of objectives to achieve emission and exposure reductions and each CAMP provides air monitoring objectives to support the implementation of its respective CERP. The CERPs for the six communities were approved by the Board and subsequently forwarded to CARB for approval.

CARB Blueprint 2.0

AB 617 and CARB’s Community Air Protection Blueprint¹ requires air districts to prepare annual progress reports summarizing the results of CERP implementation². The *South Coast AQMD 2024 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans* (2024 Annual Progress Report) is based on CARB’s Community Air Protection Program Blueprint 2.0³ (Blueprint 2.0) guidelines. The Blueprint 2.0 replaces the first Community Air Protection Program Blueprint with a renewed emphasis on equity to ensure that the Program is implemented in a fair and impactful manner. The Blueprint 2.0 features two components: Part One outlines the goals, objectives, and priority actions for CARB and air districts to effectively implement Program activities, while Part Two provides updated implementation guidance to support all Program partners in reducing harmful emissions and limiting exposure to toxic air contaminants and criteria pollutants in the communities most impacted by poor air quality.

¹ CARB, “Community Air Protection Blueprint”, 2018, https://ww2.arb.ca.gov/sites/default/files/2020-03/final_community_air_protection_blueprint_october_2018_acc.pdf

² California Health and Safety Code, Section 44391.2(c)(7)

³ CARB Blueprint 2.0, 2023, https://ww2.arb.ca.gov/sites/default/files/2023-09/BP2.0_Final_Draft_9.24.2023_FD.pdf

Summary of CERP Implementation Progress

South Coast AQMD fulfilled the Blueprint 2.0 annual reporting and statutory requirements by developing the AB 617 CERP Implementation Dashboard (Dashboard), available on South Coast AQMD's AB 617 webpage. The Dashboard⁴ provides a visual display of the progress and status of each CERP objective across the six South Coast AQMD AB 617-designated communities. This interactive tool summarizes the implementation progress for all six communities from their respective CERP adoption dates to June 30, 2024, capturing approximately 300 CERP objectives. As of September 6, 2019, to June 30, 2024, approximately 42 percent of all CERP objectives have been completed, 52 percent are in progress, and 6 percent have not started, with implementation to begin in future reporting periods. Many of the pending objectives are from the SLA community, which CARB designated for the AB 617 program in 2021. The Dashboard also highlights air monitoring activities initiated since June 2019. Additionally, Attachment 2 includes information on incentive funds approved by the Board to be distributed in the six communities from July 1, 2017 to June 30, 2024. The emission reductions presented in Attachment 2 reflect reductions from the approximately \$246 million that have been approved by the Board to be distributed towards mobile source incentive projects and CARB regulations. To date, five communities, ECV, ELABHWC, SBM, SELA, and WCWLB, have projected emission reductions from CERP objectives that exceed their respective CERP emission reductions targets for their NOx five-year milestone; and all six communities have projected emission reductions from CERP objectives that exceed their CERP emission reductions targets for their diesel particulate matter (DPM) five-year milestone. Table 1 below summarizes the projected emission reductions in tons per year (tpy):

⁴ South Coast AQMD AB 617 CERP Implementation Dashboard, <https://experience.arcgis.com/experience/b89ca66d41d442ae9baf9609f47aacff/>

Table 1: Projected Emission Reductions since CERP Adoption

Community	NOx (tpy)		DPM (tpy)	
	5 th Year	10 th Year	5 th Year	10 th Year
ELABHWC	197	530	2.03	3.3
SBM	119	200	1.5	2.0
WCWLB	970	2271	21.9	38.5
ECV	263	337	12.0	12.2
SELA	196	446	1.1	3.4
SLA	156	342	2.5	6.3

*Estimated emission reductions from regulations are subject to future assessments and regulatory analyses.

Annual Highlights

Community specific achievements for the reporting period from July 1, 2023 to June 30, 2024 include:

ELABHWC

- Approved 280 applications for the Residential Air Filtration Program, resulting in 356 units being provided to 260 households
- \$61.7 million in Community Air Protection Incentives approved by South Coast AQMD for zero-emission infrastructure and locomotives

SBM

- Provided grant letters of support for Master Gardeners which may potentially help plant trees

WCWLB

- Participation in Caltrans’ Technical Advisory Committee to reduce heavy-duty truck emissions for the Vincent Thomas Bridge deck replacement project
- Collaborated with Los Angeles County Department of Public Health on infographic to reduce exposure to risks from oil drilling and production sites

ECV

- Issued Paving Project Program Announcement and concluded application review
- Approved 294 applications for the Residential Air Filtration Program, resulting in 378 units being provided to 292 households

SELA

- Board approval of the Green Space Program
- Installation of 37 “No Idling” truck signs in 34 locations identified by the CSC

SLA

- PAR 1151⁵ and PAR 1171⁶ are undergoing rule development to address CERP objectives and BARCT
- (SLA) Initiated the Participatory Budgeting process to determine community-identified projects to be funded by \$11.2 million in Community Air Protection (CAP) Incentives funds

Multi-Community Highlights

Notable achievements benefiting multiple communities include:

- \$1.1 million in Supplemental Environmental Project (SEP) funds for air filtration systems for 184 eligible private schools and daycares (All communities)
- Inspections of over 220 heavy-duty trucks (All communities)
- Board approval and launch of the Clean Technology Truck Loaner Program (ELABHWC, SBM, SELA, WCWLB)
- Targeted outreach to truck owners and operators following the Automated License Plate Reader (ALPR) Pilot Studies (ELABHWC, SBM)

As CERP implementation continues, updates on these objectives will be provided during CSC meetings and on each community’s Dashboard. Attachment 1 provides cumulative CERP implementation highlights, as well as highlights focused on FY 2023-24, for each community. One of the strategies used in the CERPs to achieve emission reductions is incentive funding. Incentive funding reduces emissions by providing funds to mobile source and community-identified projects. Additional information on CAP Incentives is provided in Attachment 2.

Public Process

South Coast AQMD requested feedback on the 2024 Annual Progress Report (Dashboard) at the All-CSCs hybrid meeting on August 24, 2024, where breakout groups and an open discussion forum were held to receive input from the CSC. Online participation was also facilitated during the meeting, but no additional feedback was received.

⁵ Proposed Amended Rule (PAR) 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

⁶ PAR 1171 – Solvent Cleaning Operations

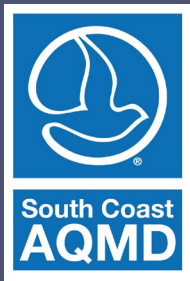
Key Comments

Comments were received during the All-CSCs 2024 Annual Progress Report Meeting held on August 24, 2024. Key comments included conducting additional outreach, such as more in-person engagement, continuing focused enforcement activities in the communities, ensuring language justice in future outreach efforts, and increasing opportunities for collaborations. Stakeholders suggested increasing opportunities for collaborations such as establishing an interagency task force and hosting inter-CSC workshops so community members can share lessons learned and best practices across communities.

Attachments

1. Community Highlights Infographics
2. Emissions Reductions, Rules and Regulations, and Incentives
3. Board Presentation

**Attachment 1 – Assembly Bill 617 (AB 617) Community Highlights
Infographics**



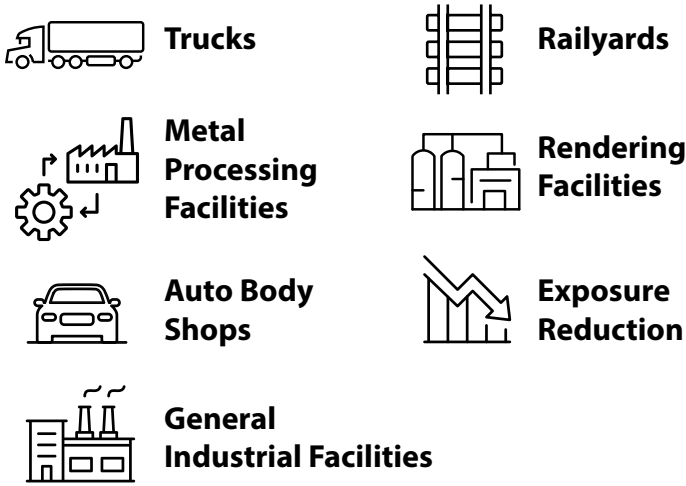
ASSEMBLY BILL 617 (AB 617)

EAST LOS ANGELES, BOYLE HEIGHTS, WEST COMMERCE (ELABHWC) HIGHLIGHTS

JULY 2023 - JUNE 2024

Community Emission Reductions Plan (CERP) Progress

Seven Air Quality Priorities



CERP Implementation Highlights

Exposure Reduction¹

- **280** households received **356** units* through the Residential Air Filtration Program**

Neighborhood and Freeway Traffic, Railyards²

- **\$61.7 million** in Community Air Protection Incentives for zero-emission infrastructure and locomotives***

* ~1,000 additional applications were received from the ELABHWC and ECV communities in response to outreach efforts, which are under review and not reflected here

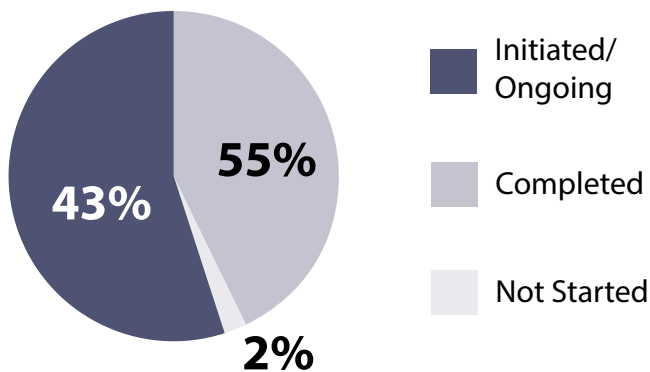
** Data updated as of August 8, 2024

*** Pending CARB approval

42 Total CERP Objectives

Status of CERP Implementation

September 6, 2019 to June 30, 2024



Projected Emission Reductions

Year	NOx (tpy)	DPM (tpy)
2024	197	2.03
2029	530	3.3

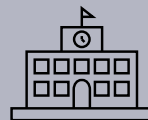
NOx: Nitrogen Oxides DPM: Diesel Particulate Matter tpy: tons per year

Next Steps



Permit Cross-Check System³

- Review land-use agency data and identify facilities that need South Coast AQMD permits



Public School Air Filtration Systems⁴

- Program will open in Fall 2024
- Outreach to school districts and work with them to apply



Truck Routes⁵

- Obtain CSC input on neighborhood streets and corridors of concern
- Encourage agencies to implement truck restrictions per CSC recommendations

¹Chapter 5g, Objective 3 (ELAB-5g-03)

²Chapter 5b, Objective 2 (ELAB-5b-02), Chapter 5c, Objective 1 (ELAB-5c-01)

³Chapter 5h, Objective 3 (ELAB-5h-03)

⁴Chapter 5g, Objective 2 (ELAB-5g-02)

⁵Chapter 5b Objective 3 (ELAB-5b-03)



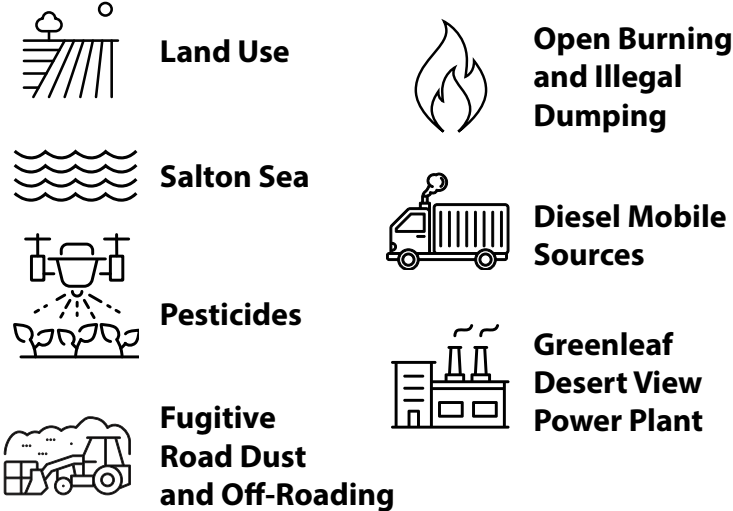
ASSEMBLY BILL 617 (AB 617)

EASTERN COACHELLA VALLEY (ECV) HIGHLIGHTS

JULY 2023 - JUNE 2024

Community Emission Reductions Plan (CERP) Progress

Seven Air Quality Priorities



CERP Implementation Highlights

Fugitive Road Dust and Off-Roading

- Applications for the Paving Project closed on March 15, 2024
- One application received

Exposure Reduction¹

- **294** households received **378** units* through the Residential Air Filtration Program**

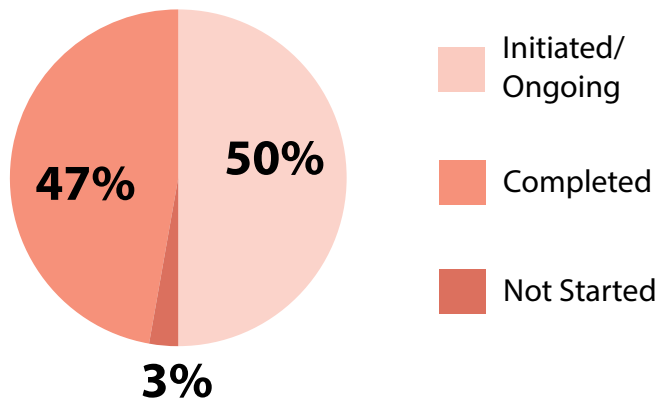
*~1,000 additional applications were received from the ELABHWC and ECV communities in response to outreach efforts, which are under review and not reflected here

** Data updated as of August 8, 2024

74 Total CERP Objectives

Status of CERP Implementation

December 4, 2020 to June 30, 2024



Projected Emission Reductions

Year	NOx (tpy)	DPM (tpy)
2025	263	12.0
2030	337	12.2

NOx: Nitrogen Oxides DPM: Diesel Particulate Matter tpy: tons per year

Next Steps



Paving Project²

- Develop contract
- Initiate paving projects



Residential Air Filtration Program¹

- Continuing outreach and implementation of Residential Air Filtration Program



Tree Planting³

- Continued collaboration with green space partners to provide funding for trees
- Identify additional opportunities for green spaces, such as residential tree planting

¹Chapter 5d, Objective 2A (ECV-5d-02A), Chapter 5c Objective 2C (ECV-5c-02C), Chapter 5d, Objective 3B (ECV-5d-03B), Chapter 5e, Objective 3C (ECV-5e-03C), Chapter 5f, Objective 1A (ECV-5f-01A),

Chapter 5g, Objective 1A (ECV-5g-01A)
²Chapter 5b, Objective 3A (ECV-5b-03A)




³Chapter 5a, Objective 3D (ECV-5a-03D), Chapter 5b, Objective 3F (ECV-5b-03F), Chapter 5g, Objective 1A (ECV-5g-01A)



ASSEMBLY BILL 617 (AB 617) SAN BERNARDINO, MUSCOY (SBM) HIGHLIGHTS JULY 2023 - JUNE 2024

Community Emission Reductions Plan (CERP) Progress

Six Air Quality Priorities

 Neighborhood Truck Traffic	 Railyards
 Warehouses On-Site Emissions	 Omnitrans Bus Yard
 Concrete Batch, Asphalt Batch, and Aggregate Plants	 Exposure Reduction

CERP Implementation Highlights

Green Spaces¹

- Provided two grant letters of support for Master Gardeners
- If awarded, both projects will potentially help plant trees

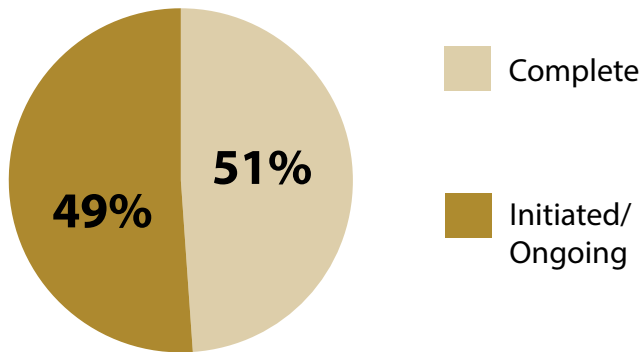
Trucks²

- Targeted outreach to truck owners and operators on available incentive programs for heavy-duty trucks
- Incentive flyers distributed to **263** truck owners within SBM boundary

37 Total CERP Objectives

Status of CERP Implementation

September 6, 2019 to June 30, 2024



Next Steps

Truck Routes³



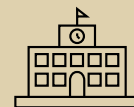
- City of San Bernardino completed a Truck Study and plans to use it to establish potential truck routes through the City's General Plan
- Encourage agencies to implement truck restrictions per CSC recommendations

Green Spaces¹



- Continued collaboration with green space partners to provide funding for trees
- Identify additional opportunities for green spaces, such as residential tree planting

Public School Air Filtration Systems⁴



- Program will open in Fall 2024
- Outreach to school districts and work with them to apply

Projected Emission Reductions

Year	NOx (tpy)	DPM (tpy)
2024	119	1.5
2029	200	2.0

NOx: Nitrogen Oxides **DPM:** Diesel Particulate Matter **tpy:** tons per year

¹Chapter 5g, Objective 3 (SBM-5g-03)

²Chapter 5b, Objective 3 (SBM-5b-03)

³Chapter 5b, Objective 3 (SBM-5b-03)

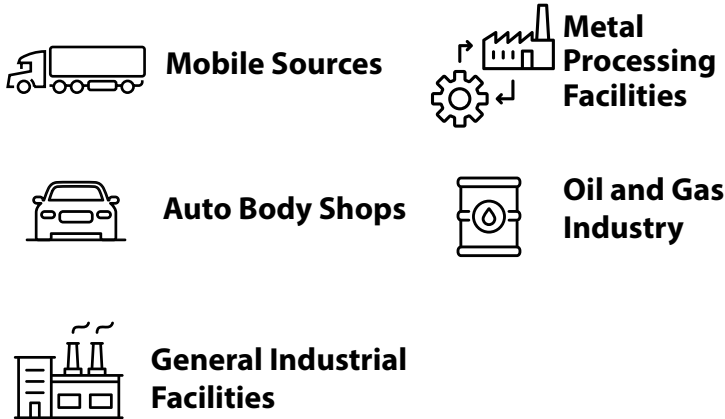
⁴Chapter 5g, Objective 2 (SBM-5g-02)



ASSEMBLY BILL 617 (AB 617) SOUTH LOS ANGELES (SLA) HIGHLIGHTS JULY 2023 - JUNE 2024

Community Emission Reductions Plan (CERP) Progress

Five Air Quality Priorities



CERP Implementation Highlights

Auto Body Shops¹

- Rule development underway to address CERP objectives including Best Available Retrofit Control Technology (BARCT)

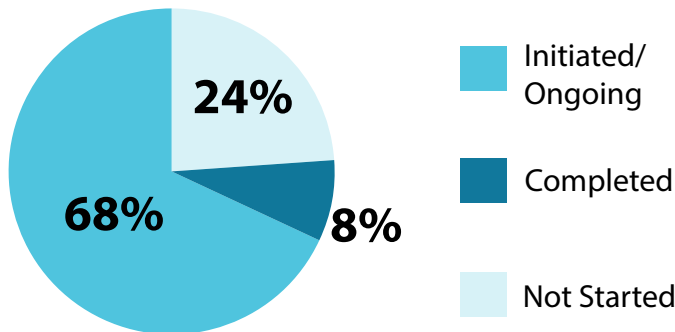
Participatory Budgeting (Multiple Air Quality Priorities and Objectives)²

- Initiated the process to determine community-identified projects to be funded by **\$11.2 million** in Community Air Protection Incentives funds

53 Total CERP Objectives

Status of CERP Implementation

June 3, 2022 to June 30, 2024



Next Steps



Participatory Budgeting³

- Finalize prioritized list of community-identified projects and funding allocations
- Begin implementation of projects



Working Teams⁴

- Determine opportunities for Working Teams to assist in implementation of CERP objectives
- Consider opportunities for other agencies to share information on their programs related to the four Working Teams

Projected Emission Reductions

Year	NOx (tpy)	DPM (tpy)
2026	156	2.5
2031	342	6.3

NOx: Nitrogen Oxides **DPM:** Diesel Particulate Matter **tpy:** tons per year

¹Chapter 5c, Objective 1G (SLA-5c-01G)

²The following incentives-related objectives may benefit from the Participatory Budgeting process : Chapter 5b, Objective 1b, (SLA-5b-01B), Chapter 5b, Objective 1D (SLA-5b-01D), Chapter 5c, Objective 1H (SLA-5c-01H), Chapter 5d, Objective 1B (SLA-5d-01B), Chapter 5d, Objective 1C (SLA 5d-01C), Chapter 5e, Objective 1C (SLA-5e-01C), Chapter 5f, Objective 1F (SLA-5f-01F), Chapter 5f, Objective 1I (SLA-5f-01I)

³Chapter 5b, Objective 1B (SLA-5b-01B), Chapter 5b, Objective 1D (SLA-5b-01D), Chapter 5c, Objective 1H (SLA-5c-01H) Chapter 5d, Objective 1B (SLA-5d-01B), Chapter 5d, Objective 1C (SLA 5d-01C), Chapter 5e, Objective 1C (SLA-5e-01C) Chapter 5f, Objective 1F (SLA-5f-01F), Chapter 5f, Objective 1I (SLA-5f-01I)

⁴Chapter 5b, Objective 1F (SLA-5b-01F), Chapter 5c, Objective 1A (SLA-5c-01A), Chapter 5c, Objective 1D (SLA-5c-01D) Chapter 5c, Objective 1G (SLA-5c-01G), Chapter 5d, Objective 1A (SLA-5d-01A), Chapter 5e, Objective 1A (SLA-5e-01A) Chapter 5e, Objective 1F (SLA-5e-01F), Chapter 5e, Objective 1G (SLA-5e-01G), Chapter 5f, Objective 1D (SLA-5f-01D)



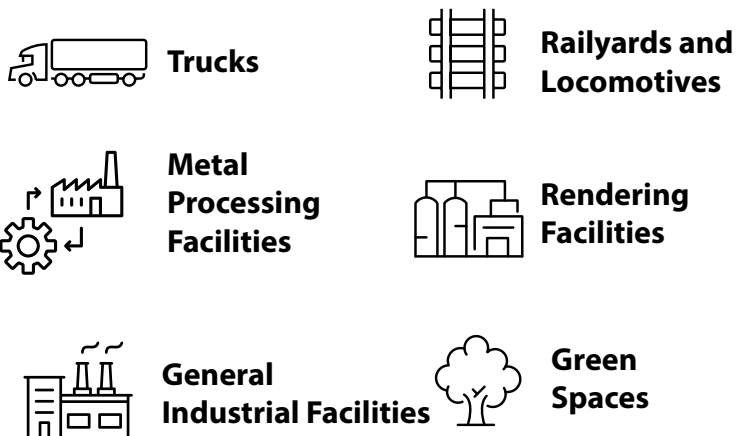
ASSEMBLY BILL 617 (AB 617)

SOUTHEAST LOS ANGELES (SELA) HIGHLIGHTS

JULY 2023 - JUNE 2024

Community Emission Reductions Plan (CERP) Progress

Six Air Quality Priorities



CERP Implementation Highlights

Green Spaces¹

- Released the Green Space Program Request for Proposals

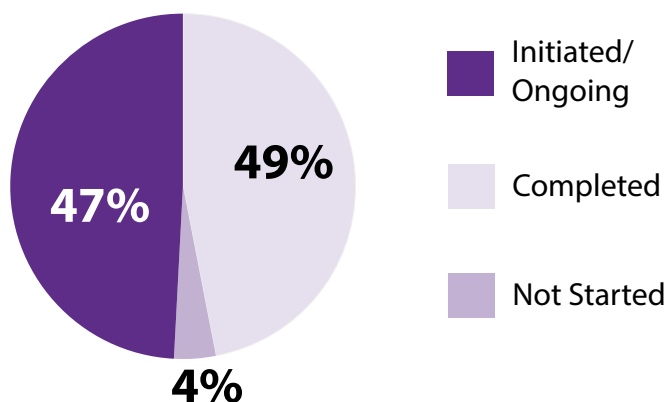
Trucks²

- Installation of **37** "No Idling" truck signs in **34** locations identified by the CSC

43 Total CERP Objectives

Status of CERP Implementation

December 4, 2020 to June 30, 2024



Projected Emission Reductions

Year	NOx (tpy)	DPM (tpy)
2025	196	1.1
2030	446	3.4

NOx: Nitrogen Oxides **DPM:** Diesel Particulate Matter **tpy:** tons per year

Next Steps

Installing Green Spaces³



- Exploring additional projects through CSC feedback and engagement with other organizations and local municipalities.
- Continued collaboration with CSC and green space partners to provide funding for trees
- Identify additional opportunities for green spaces, such as residential tree planting

Emission Sources from Truck Traffic and Freeways⁴



- Continue ongoing mobile and fixed air monitoring to measure diesel exhaust emission markers in communities impacted by heavy-duty truck traffic

¹Chapter 5d, Objective 1A (SELA-5d-01A)
Chapter 5d, Objective 1B (SELA-5d-01B)
Chapter 5d, Objective 1C (SELA-5d-01C)
²Chapter 5b, Objective 1D (SELA-5b-01D)

³Chapter 5d, Objective 1A (SELA-5d-01A),
Chapter 5d, Objective 1B (SELA-5d-01B),
Chapter 5d, Objective 1C (SELA-5d-01C),
Chapter 5d, Objective 1D (SELA-5d-01D)
⁴Chapter 5b, Objective 1I (SELA-5b-01I)



ASSEMBLY BILL 617 (AB 617)

WILMINGTON, CARSON, WEST LONG BEACH (WCWL B)

HIGHLIGHTS

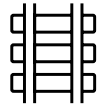
JULY 2023 - JUNE 2024

Community Emission Reductions Plan (CERP) Progress

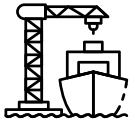
Six Air Quality Priorities



Refineries



Railyards



Ports



Oil Drilling and Production



Neighborhood Truck Traffic

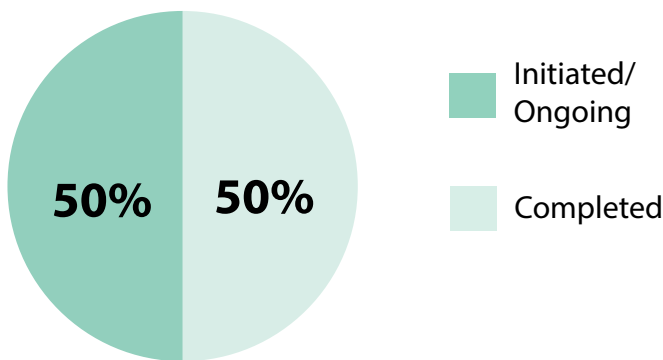


Exposure Reduction

48 Total CERP Objectives

Status of CERP Implementation

September 6, 2019 to June 30, 2024



Projected Emission Reductions

Year	NOx (tpy)	DPM (tpy)
2024	970	21.9
2030	2271	38.5

NOx: Nitrogen Oxides DPM: Diesel Particulate Matter tpy: tons per year

CERP Implementation Highlights

Neighborhood Truck Traffic¹

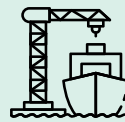
- Participating in Caltrans Technical Advisory Committee to assist in reducing emissions from heavy-duty trucks for the Vincent Thomas Bridge deck replacement project

Oil Drilling and Production²

- Worked with L.A. County Department of Public Health on educational materials on reducing risks from oil drilling and production sites

Next Steps

Ports³



- South Coast AQMD traveled to China to launch a Memorandum of Cooperation on the Pacific Rim Initiative for Maritime Emission Reductions
- Proposed Rule 2304⁴ (PR 2304) anticipated to go to the South Coast Governing Board in December 2024

Green Spaces⁵



- Continued collaboration with CSC and green space partners to provide funding for trees
- Identify additional opportunities for green spaces, such as residential tree planting

Oil Drilling and Production⁶



- Proposed Amended Rule 1173⁷ (PAR 1173) anticipated to go to the South Coast Governing Board in First Quarter 2025

¹Chapter 5d, Objective 2 (WCWL B-5d-02)

²Chapter 5e, Objective 2 (WCWL B-5e-02)

³Chapter 5c, Objective 2 (WCWL B-5c-02)

⁴PR 2304 – Commercial Marine Ports – Container Terminals

<https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-2304>

⁵Chapter 5g, Objective 4 (WCWL B-5g-04)

⁶Chapter 5e, Objective 3 (WCWL B-5e-03)

⁷PAR 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

<https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1173>

Attachment 2 – Assembly Bill 617 (AB 617) Emission Reductions, Rules and Regulations, and Incentives

Emission Reductions

Each of South Coast AQMD’s AB 617 community’s Community Emission Reductions Plans (CERPs) includes a set of emission reduction targets which are laid out in five- and ten-year milestones after the initiation of CERP implementation. These projected emission reductions were based upon anticipated approval of rules and available incentive funds at the time of CERP development which may result in such reductions.

Although the objectives and strategies in the CERPs aim to reduce emissions and/or exposure, emission reductions for certain CERP objectives and strategies are more easily quantified. Emission reductions from incentives funding, such as the replacement of older vehicles with cleaner technology, are easier to quantify than emission reductions from zero emission infrastructure projects due to the availability of vehicle emissions data, allowing for direct comparison of emissions before and after replacement. Emission reductions from certain rules and regulations can be quantified before or after rule implementation depending on the specifications and requirements of the rules. Enforcement and public information strategies can also lead to emission reductions but quantifying them is challenging due to the variable nature of compliance issues and pollutant types. Despite difficulties in quantifying some emission and exposure reductions, CERP objectives and strategies can improve air quality as South Coast AQMD works to identify and abate air quality issues and concerns.

Emission Reduction Targets

As described above, each CERP includes emission reduction targets for a variety of air pollutants based upon the anticipated development of specific rules and regulations and the availability of incentives funds. The annual emissions reductions targets for each of South Coast AQMD’s AB 617 CERPs are listed in Table 1 below.

Table 1 - South Coast AQMD’s AB 617 CERPs’ 5-Year Milestone Emission Reduction Targets in Tons per Year (tpy)

Community	NOx	VOC	DPM
ELABHWC	143	-	1.2
SBM	75.1	-	0.86
WCWLB	606	21	9
ECV	54	-	1
SELA	155	-	1
SLA	193	-	2.32

Table 2 - South Coast AQMD’s AB 617 CERPs' 10-Year Milestone Emission Reduction Targets in tpy

Community	NOx	SOx	VOC	DPM	PM10
ELABHWC	377	-	-	1.4	-
SBM	127.9	-	-	0.91	-
WCWLB*	3207	11	64	20	-
ECV	115	-	-	2	2.4
SELA	297	-	-	3.5	-
SLA	300	-	-	3.82	-

*The 2018-Designated Community of WCWLB uses 2030 for the 10-year milestone to account for complexities in completing refinery related CERP objectives.

Emission Reductions Achieved

It is possible to project future emission reductions and quantify the reductions achieved from a combination of CARB’s regulations and Community Air Protection (CAP) Incentive funds. However, these calculations likely underestimate the actual emission reductions resulting from CERP implementation for a number of reasons. First, these figures do not account for the reductions associated with all recently adopted South Coast AQMD rules included in many of the CERPs, such as Rule 2305 – Warehouse Indirect Source Rule or 1109.1 - Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations, as their impacts are still being assessed. Second, it also does not account for other recently adopted South Coast AQMD rules for which quantifying the associated emission reductions are infeasible, such as Rule 1460 – Control of Particulate Emissions from Metal Recycling and Shredding Operations which addresses fugitive emissions. Other CERP strategies such as focused enforcement and outreach can also lead to emission reductions; however, it is not feasible to quantify these reductions either. Nevertheless, these emission reductions will be updated and provided in future reports as new incentive projects are identified and progress is made in the implementation of existing regulations. Tables 3 and 4 below summarize the total projected emission reductions achieved, and the percentage of emission reductions achieved relative to the respective 5- and 10-year emission reduction targets in each community.

Table 3 – Projected Emission Reductions achieved in the 5th and 10th year of CERP Implementation in tpy

Community	NOx		DPM	
	5-Year	10-Year	5-Year	10-Year
ELABHWC	197	530	2.0	3.3
SBM	119	200	1.5	2.0
WCWLB	970	2271	21.9	38.5
ECV	263	337	12.0	12.2
SELA	196	446	1.1	3.4
SLA	156	342	2.5	6.3

Table 4 – Projected Percentage of Emission Reduction Targets Achieved in the 5th and 10th year of CERP Implementation in tpy

Community	NOx		DPM	
	5-Year	10-Year	5-Year	10-Year
ELABHWC	138%	141%	169%	236%
SBM	159%	156%	178%	216%
WCWLB	160%	71%	243%	193%
ECV	487%	293%	1204%	611%
SELA	126%	150%	106%	98%
SLA	81%	114%	109%	164%

Rules and Regulations

The development of rules and regulations is one of the six CERP strategies used to reduce emissions and exposure to air pollution in South Coast AQMD's AB 617 communities. The approval of many rules and regulations developed by South Coast AQMD or CARB are included as CERP objectives and are used to derive part of the emission reduction targets for many of the CERPs. It should be noted that although many rules and regulations are included as CERP objectives, many were not used to derive the emission reduction targets. Further, as mentioned above, it is either not feasible to quantify the emissions reductions for many rules and regulations or their impacts are still being assessed. The emissions reductions achieved will thus be higher than the emission reduction targets included in the CERPs for many of the communities.

South Coast AQMD

South Coast AQMD has adopted and amended many rules included in the CERPs since 2019, all of which will result in emission reductions. It should be noted that the emissions reductions achieved thus far as a result of these rules in South Coast AQMD's AB 617 communities are still being assessed and are yet to be quantified. Further, it is not feasible to quantify emission reductions for some rules listed (e.g., Rules 1469.1 and 1460) as they address fugitive emissions whose emissions reductions are difficult to quantify. Those rules are listed below in Table 5.

Table 5 - South Coast AQMD Rules Adopted or Amended since September 2019 due to CERPs

South Coast AQMD Rules Developed or Amended	Year Adopted/Amended
Rule 2305 – Warehouse Indirect Source Rule	May 2021
Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations	April 2021
Rule 1469.1 – Spraying Operations Using Coating Containing Chromium	June 2021
Rule 1109.1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations	November 2021
Rule 1460 – Control of Particulate Emissions from Metal Recycling and Shredding Operations	November 2022

Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers	February 2023
Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities	September 2023
Rule 1180 – Fenceline and Community Air Monitoring for Petroleum Refineries and Related Facilities	January 2024
Rule 1180.1 – Fenceline and Community Air Monitoring for Other Refineries	January 2024
Rule 1118 – Control of Emissions from Refinery Flares	April 2024
Rule 2306 – Freight Rail Yards	August 2024

CARB

CARB has approved several regulations since the adoption of the 2018-designated communities' CERPs in September 2019. These regulations aim to reduce mobile source emissions throughout the state, including in South Coast AQMD's AB 617 communities. These regulations and their associated emission reductions are listed below in Tables 6 - 9.

While these regulations will reduce emissions in South Coast AQMD's AB 617 communities, some of those reductions are yet to be quantified, or have not been realized yet because full implementation of the rule has not yet been achieved. While the approval of many of these regulations were anticipated at the time of CERP development, some of the projected benefits were not able to be quantified and were therefore not included in the emission reduction targets in the CERPs. Hence, the actual emissions reductions in communities which benefit from these regulations will therefore be higher than the emission reduction targets.

Table 6 - Total Projected Emission Reductions from CARB Regulations in 5th and 10th year of CERP Implementation in tpy

Community	NO _x		DPM	
	5 th year	10 th year	5 th year	10 th year
ELABHWC	124	457	0.5	1.8
SBM	39	120	0.2	0.7
WCWLB	641	1942	11.3	27.9
ECV	117	191	0.7	0.9
SELA	195	446	0.9	3.2
SLA	153	339	2.4	6.2

Table 7 - Projected Emission Reductions from CARB Regulations in 2018-Designated Communities in 2024 and 2029 in tpy

Year Adopted	CARB Regulation	ELABHWC				SBM				WCWLB*			
		NO _x		DPM		NO _x		DPM		NO _x		DPM	
		2024	2029	2024	2029	2024	2029	2024	2029	2024	2029	2024	2029
2023	Advanced Clean Fleets	8	44	0.0	0.1	3	11	0.0	0.0	11	54	0.0	0.1

2020	Advanced Clean Trucks	1	13	0.0	0.1	0	3	0.0	0.0	1	17	0.0	0.1
2022	Advance Clean Cars II	0	7	-	-	0	2	-	-	0	9	-	-
2021	Heavy-Duty Vehicle Inspection and Maintenance	112	303	0.4	0.9	36	78	0.2	0.4	149	376	0.6	1.3
2020	Heavy-Duty Low-NOx Emission Standard	2	57	-	-	1	14	-	-	2	71	-	-
2021	Small Off-Road Engine Amendments	0	5	-	-	0	2	-	-	1	8	-	-
2022	Transport Refrigeration Unit Airborne Toxic Control Measure	1	4	0.1	0.3	0	1	0.0	0.1	5	31	0.8	2.6
2022	Commercial Harbor Craft	-	-	-	-	-	-	-	-	41	90	2.6	4.1
2023	In-Use Locomotive Regulation	0	25	0.0	0.5	39	8	0.0	0.2	0	17		0.3
2020	At-Berth Regulation	-	-	-	-	-	-	-	-	431	1269	7.2	19.4
	Total:	124	457	0.5	1.8	39	120	0.2	0.7	641	1942	11.3	27.9

Table 8 - Projected Emission Reductions from CARB Regulations in 2019-Designated Communities in 2025 and 2030 in tpy

Year Adopted	CARB Regulation	ECV				SELA			
		NOx		DPM		NOx		DPM	
		2025	2030	2025	2030	2025	2030	2025	2030
2023	Advanced Clean Fleets	4	21	0.0	0.1	10	41	0.0	0.1
2022	Advance Clean Cars II	0	3	-	-	0	10	-	-
2021	Heavy-Duty Vehicle Inspection and Maintenance	110	142	0.7	0.8	174	242	0.6	0.8
2020	Heavy-Duty Low-NOx Emission Standard	3	22	-	-	7	53	-	-
2021	Small Off-Road Engine Amendments	0	2	-	-	2	7	-	-
2022	Transport Refrigeration Unit Airborne Toxic Control Measure	0	1	0.0	0.1	2	6	0.2	0.5

2023	In-Use Locomotive Regulation	-	-	-	-	1	87	0.0	1.9
	Total:	117	191	0.7	0.9	195	446	0.9	3.2

Table 9 - Projected Emission Reductions from CARB Regulations in the 2020-Designated Community in 2026 and 2031 in tpy

Year Adopted	CARB Regulation	SLA			
		NOx		DPM	
		2026	2031	2026	2031
2023	Advanced Clean Fleets	10	30	0.0	0.2
2022	Advance Clean Cars II	2	24	-	-
2021	Heavy-Duty Vehicle Inspection and Maintenance	117	142	1.0	1.0
2021	Small Off-Road Engine Amendments	14	45	-	-
2022	Transport Refrigeration Unit Airborne Toxic Control Measure	4	8	1.3	2.8
2023	In-Use Locomotive Regulation	7	89	0.1	2.2
	Total:	153	339	2.4	6.2

Incentives

Incentive funding is another strategy used in the CERPs to achieve emission reductions. Incentives reduce emissions by providing funds to replace older equipment with cleaner technology. CARB allocates Community Air Protection (CAP) Incentive funds statewide¹ and designates funding amounts to each air district. Requests are then made by air districts to distribute the CAP Incentive funds in accordance with the CAP Incentives 2024 Guidelines.²

Mobile Source Projects

The total investments in mobile source incentives funding from July 1, 2017 to June 30, 2024 and resulting emission reductions are provided in Tables 10 and 11. Table 10 shows a summary of the total funds allocated for mobile source projects in each community that have been approved by the South Coast AQMD Governing Board which are completed, under contract, or may enter contract at a future time. Table 11 shows a summary of mobile source projects that are completed or under contract and being implemented. For AB 617 mobile source project evaluations, South Coast AQMD adheres to the Carl Moyer Program³ and Proposition 1B⁴ guidelines, including the methodology used to calculate emission reductions. The

¹ South Coast AQMD, CAP Incentives, <http://www.aqmd.gov/home/programs/business/community-air-protection-incentives>.

² CARB, CAP Incentives 2024 Program Guidelines, <https://ww2.arb.ca.gov/sites/default/files/2024-04/FINAL%20CAP%20Incentives%20Guidelines%20-%202024-04-04.pdf>.

³ South Coast AQMD, Carl Moyer Program (Heavy-Duty Engines), <http://www.aqmd.gov/home/programs/business/business-detail?title=heavy-duty-engines&parent=vehicle-engine-upgrades>.

⁴ South Coast AQMD, Goods Movement Emission Reductions Projects (Proposition 1B Program), [http://www.aqmd.gov/home/programs/business/business-detail?title=goods-movement-emission-reduction-projects-\(prop-1b\)&parent=vehicle-engine-upgrades](http://www.aqmd.gov/home/programs/business/business-detail?title=goods-movement-emission-reduction-projects-(prop-1b)&parent=vehicle-engine-upgrades).

emission reductions presented reflect the total anticipated emission reductions from the CAP Incentive funded mobile source projects.

Table 10 - Mobile Source Incentives and Associated Emission Reductions Approved by the South Coast AQMD Governing Board

Community	Total Incentives Approved (millions of dollars)	NO _x	PM	VOC
		tpy		
ELABHWC	\$82.9	73	1.5	3.3
SBM	\$10.1	80	1.3	2.4
WCWLB	\$117.8	329	10.6	16.5
ECV	\$37.1	146	11.3	16.9
SELA	\$8.4	0.4	0.2	0.5
SLA	\$4.2	3	0.1	0.2

*This table includes Years 1 to 6 Community Air Protection (CAP) Incentive funds approved by South Coast AQMD Governing Board to develop contracts with applicants.

Table 11 - Mobile Source Incentives and Associated Emission Reductions with Executed Contracts

Community	Total Incentives Distributed (millions of dollars)	NO _x	DPM	VOC
		tpy		
ELABHWC	\$14.3	47	2.9	2.0
SBM	\$16.6	116	2.3	2.4
WCWLB	\$35.4	158	11.4	6.1
ECV	\$24.1	122	10.0	14.1
SELA	\$0.02	0.1	0.03	0.1
SLA	\$2.2	14	0.1	0.6

*This table includes Years 1 to 6 Community Air Protection (CAP) Incentive funds approved by South Coast AQMD Governing Board and a contract has been executed with the applicant.

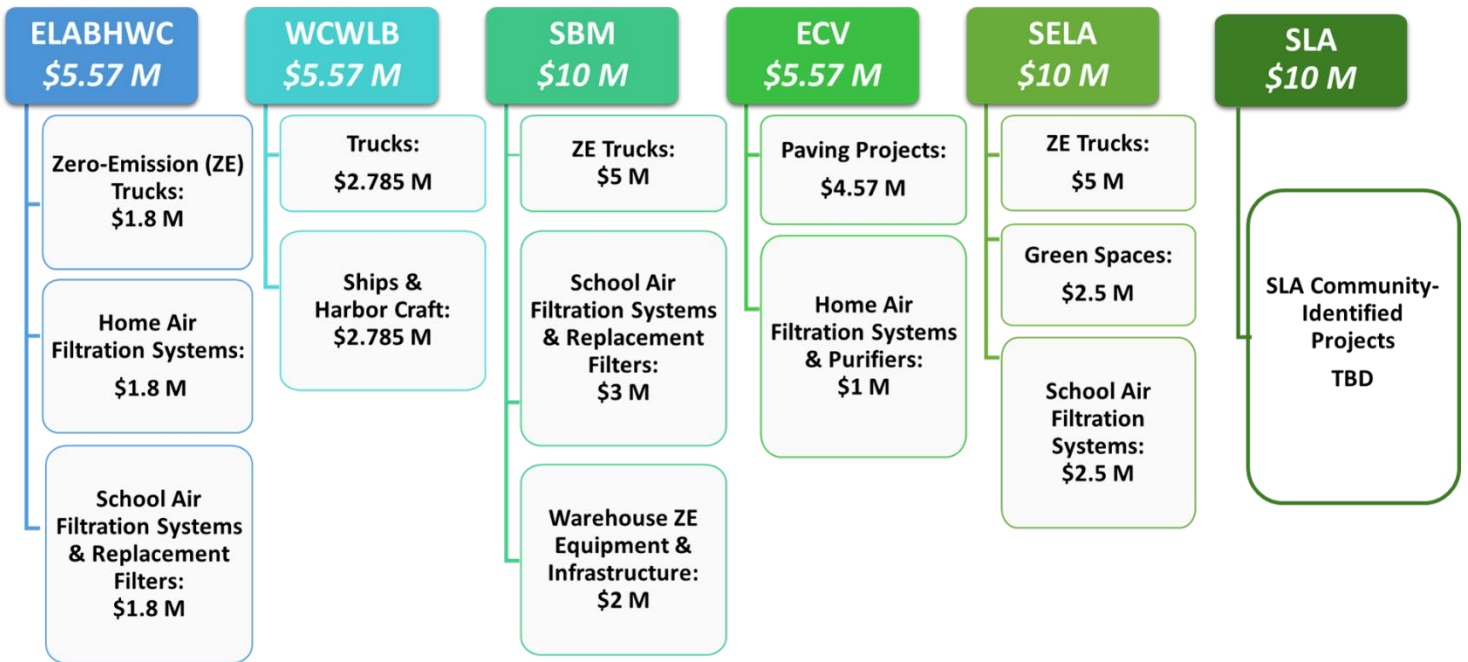
Community-Identified Projects

In October 2020, CARB revised the CAP Incentives Guidelines to include community-identified projects as an option to distribute CAP Incentive funds. Community-identified projects are projects supported by an adopted CERP (e.g., paving projects, green space installation) for which the CSC prioritized and allocated CAP Incentive funds through a participatory budgeting process.

In response to the 2020 revisions to the CAP Incentives 2019 Guidelines, South Coast AQMD held a CAP Incentives Strategy Meeting on October 15, 2020; South Coast AQMD presented an overview of CAP Incentive funds, existing guidelines used to allocate those funds, and solicited input from the CSCs on allocating future CAP Incentive funding. As a result, the available Year 3 CAP Incentive funds (approximately \$37 million) were distributed among the communities based on CSC input and past

investments. Additionally, the South Los Angeles community is currently conducting participatory budgeting to identify which CERP objectives will be funded with the \$10 million Year 5 CAP Incentive funds. Figure 1 shows how the funding amount of CAP Incentives were split between the communities and which types of projects were prioritized. Depending on statewide designations of CAP Incentives, South Coast AQMD continues to evaluate future opportunities to conduct additional participatory budgeting exercises for each community.

Figure 1 - Year 3 CAP Incentive Funds Allocated to Community-Identified Projects





**CARB Annual Progress Report on
Assembly Bill 617 (AB 617)
Community Emission Reductions Plans (CERPs)
for FY 2023-2024**

***Informe de Progreso Anual del FY 2023-2024 para los
Planes Comunitarios de Reducción de Emisiones (CERPs)
de la Ley de la Asamblea 617 (AB 617)***

**Board Meeting
November 1, 2024**

***Reunión de la Junta de Gobierno
1 de noviembre del 2024***

South Coast AQMD AB 617 Communities

Comunidades Designadas de AB 617 de South Coast AQMD

2018-Designated Communities

Comunidades Designadas en 2018

- East Los Angeles, Boyle Heights, West Commerce (ELABHWC)
- San Bernardino, Muscoy (SBM)
- Wilmington, Carson, West Long Beach (WCWLB)

2019-Designated Communities

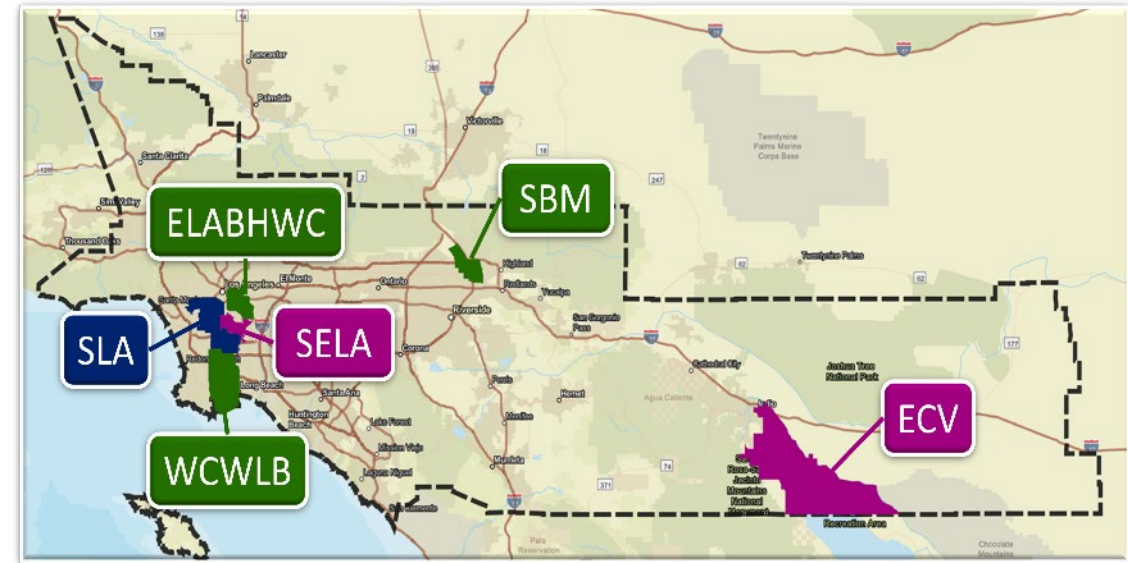
Comunidades Designadas en 2019

- Southeast Los Angeles (SELA)
- Eastern Coachella Valley (ECV)

2020-Designated Community

Comunidad Designada en 2020

- South Los Angeles (SLA)



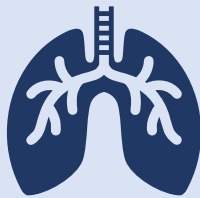
Of the 19 communities designated statewide,
6 are within the South Coast AQMD jurisdiction
*De las 19 comunidades designadas en todo el estado,
6 de ellas están dentro de la jurisdicción de South Coast AQMD*

Categories of CERP Objectives

Categorías de Objetivos del CERP



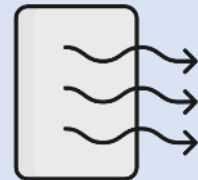
Rules and Regulations
Reglas y Regulaciones



Exposure Reductions
*Reducción de la
Exposición*



Education and Outreach
Educación y Alcance



Monitoring
Monitoreo



Agency Coordination
*Coordinación de
Agencias*



Enforcement
Aplicación de Leyes



Incentives
Incentivos

Community Feedback & Engagement

Comentarios y Participación de la Comunidad

AB 617 ALL COMMUNITY STEERING COMMITTEE (CSC) EVENT



Saturday, August 24, 2024

AB 617 EVENTO DE TODOS LOS COMITÉ DIRECTIVOS DE LA COMUNIDAD (CSC)



Sábado 24 de agosto de 2024
8:30 AM - 3:30 PM

South Coast Air Quality Management District
21865 Copley Dr, Diamond Bar, CA 91765

South Coast AQMD está organizando una reunión comunitaria de AB 617 para todas las partes interesadas del Comité Directivo de la Comunidad (Community Steering Committee, CSC). Desarrollado en colaboración con miembros de la comunidad, el evento de este día tiene como objetivo unir a comunidades de toda la región para enfatizar la importancia de mejorar la calidad del aire y aumentar el compromiso significativo entre las comunidades de justicia ambiental.

ASPECTOS DESTACADOS DEL EVENTO:

CELEBRAR LOS ÉXITOS DE LA COMUNIDAD



TALLERES INTERACTIVOS



PANELES DE EXPERTOS



OPORTUNIDADES DE CONEXIÓN EN RED



FERIA DE RECURSOS



¡ESCANEE PARA
REGISTRARSE!



SE PROVEERÁN DESAYUNO,
ALMUERZO Y REFRIGERIOS

FECHA LÍMITE PRIORITARIA

Viernes 9 de agosto - Solicitud de adaptaciones de idioma y transporte

REGISTRATION DEADLINE

Viernes 16 de agosto, 11:59 p. m. - Asistir sin solicitudes adicionales

Habrà disponible interpretación al español. Idiomas adicionales disponibles bajo solicitud.

Para más información, visite nuestro sitio web en www.aqmd.gov/AB617 @SouthCoastAQMD o comuníquese con el personal de AB 617 en: AB617@aqmd.gov



AB 617 All CSC Event on Saturday, August 24th

- ~170 attendees
- Public feedback on the APR
- Networking, community perspectives, resource sharing, strategic planning
- Representation from all six AB 617 communities

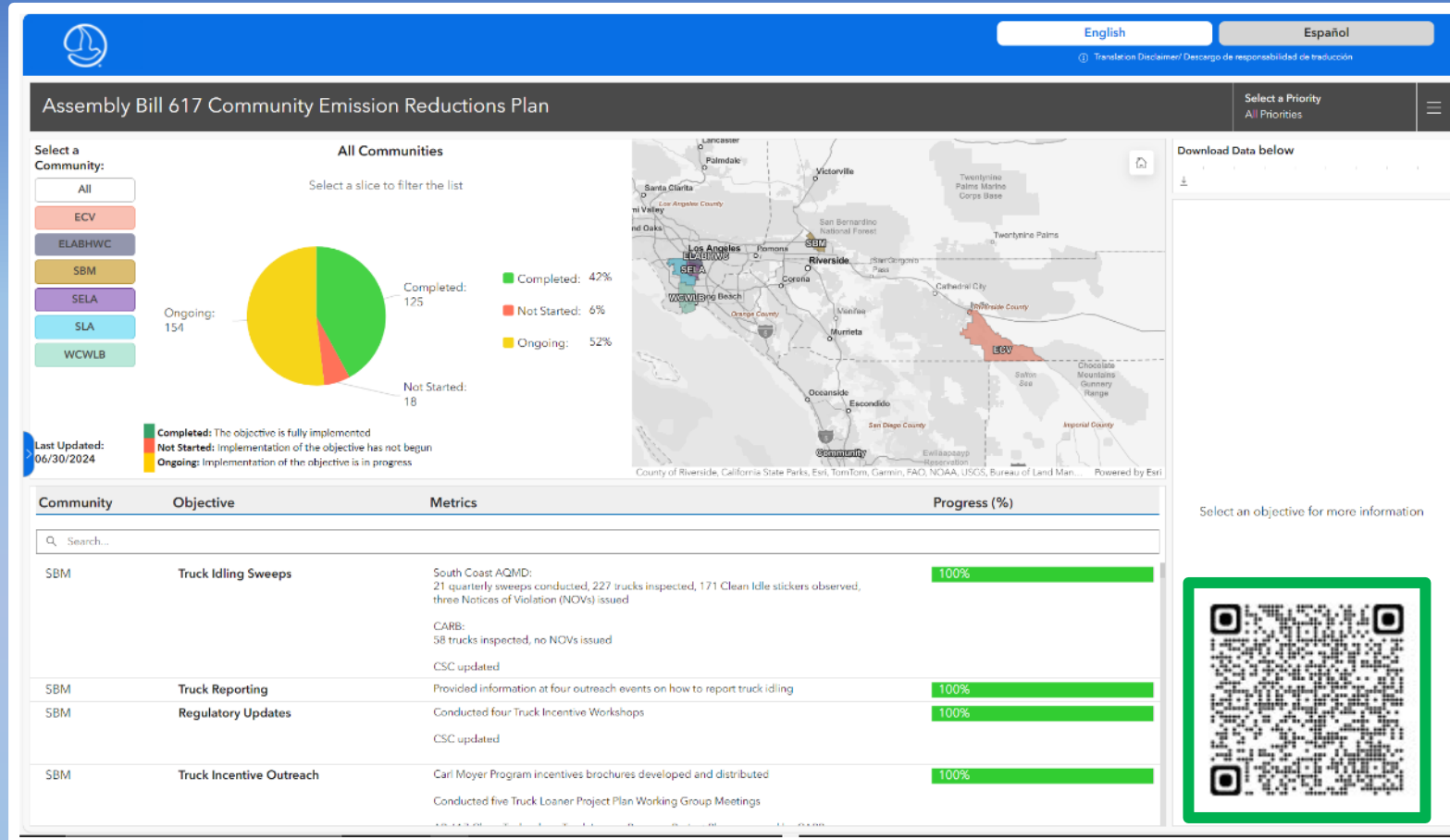
Evento de Todos los CSCs AB 617 el sábado 24 de agosto

- Aproximadamente 170 asistentes
- Sugerencias del público sobre el APR
- Establecimiento de redes, perspectivas comunitarias, intercambio de recursos, planificación estratégica
- Representación de las seis comunidades AB 617



AB 617 CERP Implementation Dashboard

Tablero de Implementacion de los CERPs de AB 617



- Community specific
- Interactive visual platform
- Implementation status of CERP objectives
- *Específico por comunidad*
- *Plataforma visual interactiva*
- *Estado de los objetivos de los CERPs*

Use QR code above or the following link to access the dashboard

Utilice el código QR de arriba o el siguiente enlace para acceder al panel de control:

<https://www.aqmd.gov/nav/about/initiatives/environmental-justice/ab617-134/ab-617-cerp-implementation-dashboard>

2018-Designated Communities

Comunidades Designadas en 2018

East Los Angeles, Boyle Heights, West Commerce (ELABHWC)

Exposure Reduction

- 280 households receiving 356 units through Residential Air Filtration Program (as of August 8, 2024)

Neighborhood and Freeway Traffic, Railyards

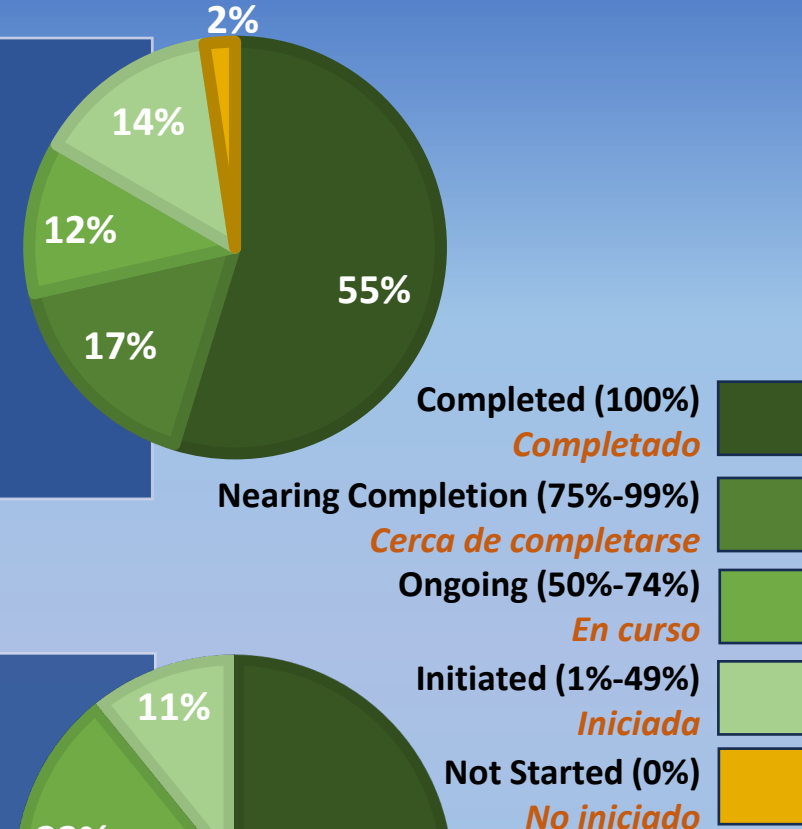
- \$61.7 million in incentives approved for zero-emission locomotive projects and infrastructure within ELABHWC

Reducción de la exposición

- 280 hogares recibiendo 356 unidades a través del Programa de Filtración de Aire Residencial

Tráfico en el vecindario y en las autopistas, Patios ferroviarios

- \$61.7 millones en Incentivos aprobados para infraestructura y locomotoras de cero emisiones



San Bernardino, Muscoy (SBM)

Green Spaces

- Submitted two grant support letters for Master Gardeners to fund up to \$2 million for tree planting

Trucks

- Targeted Incentive flyers distributed to 263 truck owners within SBM boundary

Espacios Verdes

- Se proporcionaron dos cartas de apoyo para la subvención a los Master Gardeners para ayudar a plantar árboles

Camiones

- Se distribuyeron folletos de incentivos a 263 propietarios de camiones dentro de los límites de SBM

2018-Designated Communities (cont.)

Comunidades Designadas en 2018 (cont.)

Wilmington, Carson, West Long Beach (WCWLB)

Neighborhood Truck Traffic

- Participating in Caltrans Advisory Committee to help reduce truck emissions for the Vincent Thomas Bridge project

Oil Drilling and Production

- Collaborated with Los Angeles County on infographic to reduce exposure risks from oil drilling and production sites
- Amendments to Rule 1148.1 will help address concerns with oil drilling and production*

Refineries

- Amendments to Rules 1118, 1178, 1180 and 1180.1 will help address concerns with refineries*

Tráfico de camiones en el vecindario

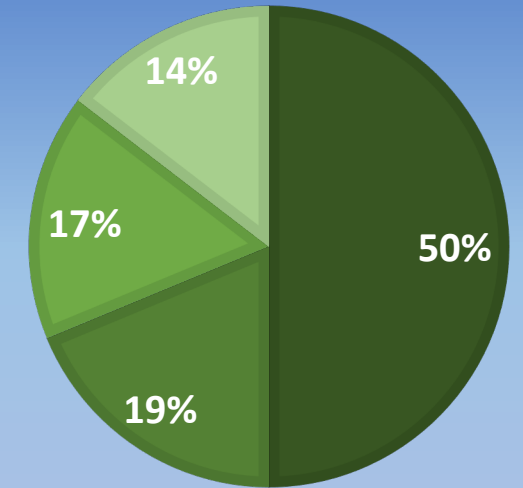
- *Participando en el Comité Asesor de Caltrans para ayudar a reducir las emisiones de camiones del Puente Vincent Thomas*

Perforación y producción de petróleo

- *Colaboración con el Condado de Los Angeles en una infografía para reducir los riesgos de exposición a los sitios de producción de petróleo*
- *Las enmiendas a la Regla 1148.1 ayudarán a abordar las preocupaciones sobre la perforación y producción de petróleo**

Refinerías

- *Las enmiendas a las siguientes reglas ayudarán a abordar las preocupaciones relacionadas con las refinerías: Reglas 1118, 1178, 1180 y 1180.1**



*additional information on the next slide / *Información adicional en la siguiente diapositiva*

Additional Rules Information

Información Adicional sobre Reglas

Rule / Regla 1118

Control of Emissions from Refinery Flares

Control de emisiones de antorchas de refinería

- Monitor and record data on refinery and related flaring operations, and to control and minimize flaring and flare-related emissions
- *Monitorear y registrar datos sobre la refinería y las operaciones relacionadas con quema, y controlar y minimizar la quema y las emisiones relacionadas con la quema.*

Rule / Regla 1148.1

Oil and Gas Production Wells

Pozos de producción de petróleo y gas

- Reduce emissions from the operation and maintenance of wellheads, well cellars, and the handling of produced gas at oil and gas production facilities
- *Reducir las provenientes de la operación y el mantenimiento de bocas de pozo, sótanos de pozos y el manejo del gas producido en las instalaciones de producción de petróleo y gas.*

Rule / Regla 1178

Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

Mayores reducciones de las emisiones de COV de los tanques de almacenamiento en las instalaciones petroleras

- Reduce emissions of Volatile Organic Compounds (VOC) from Storage Tanks located at Petroleum Facilities
- *Reducir las emisiones de Compuestos Orgánicos Volátiles (COV) de los Tanques de Almacenamiento ubicados en Instalaciones Petroleras*

Rules / Reglas 1180 and 1180.1

Fenceline and Community Air Monitoring for Petroleum Refineries and Related Facilities

Monitoreo del aire comunitario y de cercas para refinerías de petróleo e instalaciones relacionadas

- Require Real-Time Fenceline Air Monitoring Systems and to establish a fee schedule to fund refinery-related community air monitoring systems at or near the property boundaries of Petroleum and other Refineries and in nearby communities.
- *Exigir sistemas de monitoreo del aire en vallas en tiempo real y establecer un programa de tarifas para financiar sistemas comunitarios de monitoreo del aire relacionados con las refinerías en o cerca de los límites de propiedad de petróleo y otras refinerías y en las comunidades cercanas.*

2019-Designated Communities / *Comunidades Designadas en 2019*

Eastern Coachella Valley (ECV)



Fugitive Road Dust and Off-Roading

- One application received for \$4.57 M Paving Project Program Announcement; review completed by Review Panel

Residential Air Filtration Program

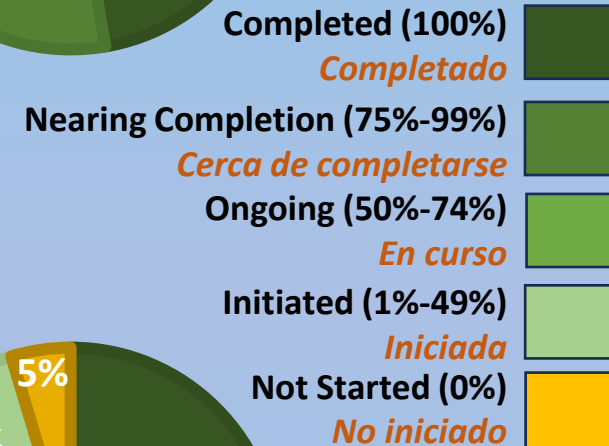
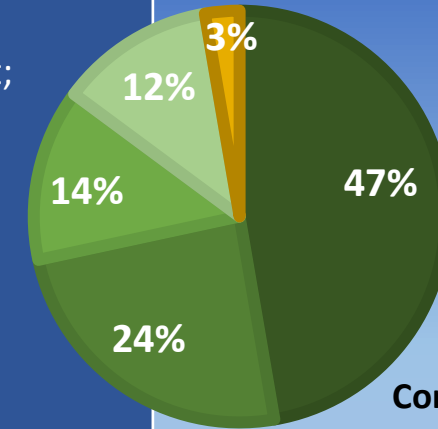
- 294 households receiving 378 units (as of August 8, 2024)

Polvo Fugitivo de la Carretera y Conducción Todoterreno

- *Se recibió una solicitud para el Programa de Pavimentación, revisión completada*

Programa de Filtración de Aire Residencial

- *294 hogares recibiendo 378 unidades*



Southeast Los Angeles (SELA)



Green Spaces

- Released the Green Space Program Request for Proposals

Trucks

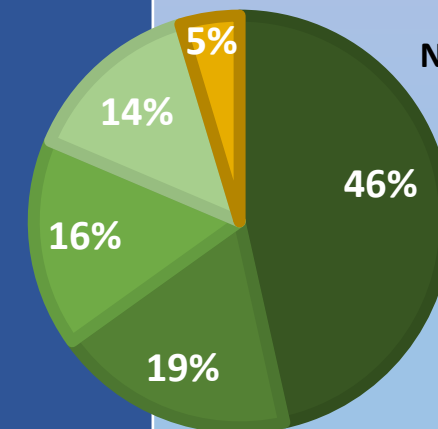
- Installation of 37 "No Idling" truck signs in 34 locations identified by the CSC

Espacios verdes

- *Se publicó la Solicitud de propuestas para el Programa de espacios verdes*

Camiones

- *Instalación de 37 carteles de "No dejar el vehículo con el motor encendido" en 34 lugares identificados por el CSC*



2020-Designated Community

Comunidad Designada en 2020

South Los Angeles (SLA)

Auto Body Shops

- Rule development underway for Proposed Amended Rule (PAR) 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations and PAR 1171 – Solvent Cleaning Operations

Participatory Budgeting

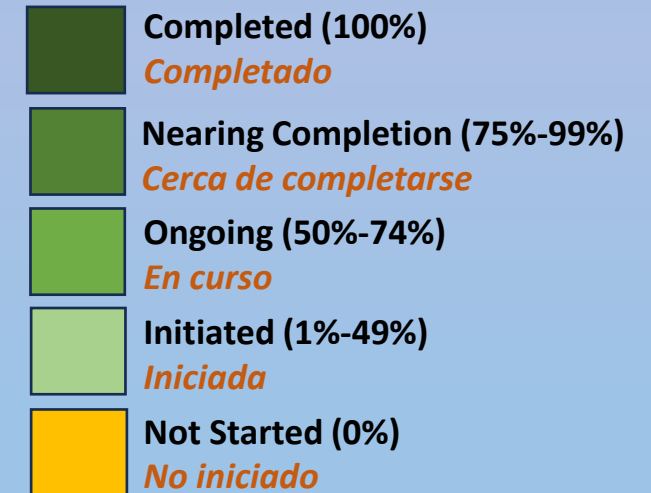
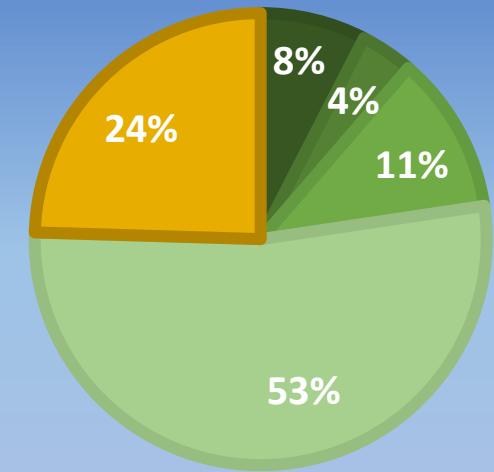
- Initiated Participatory Budgeting to allocate \$11.2 million in CAP Incentives funds for community projects

Talleres de Carrocería

- *Se está desarrollando la reglamentación propuesta para la reglamentación modificada (PAR) 1151 – Operaciones de Recubrimiento de Vehículos de Motor y Equipos Móviles que no sean de Línea de Ensamblaje y la PAR 1171 – Operaciones de Limpieza con Solventes*

Presupuesto Participativo

- *Inició el Presupuesto Participativo para asignar \$11.2 millones en fondos de incentivos CAP para proyectos comunitarios*



Cross-Community Highlights

Aspectos Destacados entre varias Comunidades

Incentives

AB 617 Private Schools Air Filtration Program (All Six)

- \$1.1 million in Supplemental Environmental Project (SEP) funds for 184 private schools and daycares

Clean Technology Truck Loaner Program

(ELABHWC, SBM, SELA, WCWLB)

- Applications for zero-emission truck rental services received through December 2023 and vendors selected in June 2024

Incentivos

AB 617 Programa de Filtración de Aire de Escuelas Privadas (Las seis)

- \$1.1 millones en fondos del Proyecto Ambiental Suplementario (SEP) para sistemas de filtración de aire para 184 escuelas privadas y guarderías

Programa de Préstamo de Camiones con Tecnología Limpia (ELABHWC, SBM, SELA, WCWLB)

- Solicitudes de servicios de alquiler de camiones de cero emisiones recibidas hasta diciembre de 2023 y proveedores seleccionados en junio del 2024

Outreach

Automated License Plate Reader (ALPR) Pilot Studies (ELABHWC, SBM)

- Targeted outreach to truck owners and operators on available incentive programs for heavy-duty trucks

Alcance

Estudios Piloto de Lectores Automáticos de Placas de Vehículos (ALPR) (ELABHWC, SBM)

- Alcance dirigido a los propietarios y operadores de camiones sobre los programas de incentivos disponibles para camiones pesados

Rule Making

Rule 2306 – Freight Rail Yards and Rule 1148.1– Oil and Gas Production Wells; (ELABHWC, SBM, WCWLB, SELA, SLA)

- Rail Indirect Source Rule and amended Rule 1148.1 passed by Governing Board in August 2024

Desarrollo de Reglas

Regla 2306 – Patios de carga ferroviaria y Regla 1148.1 – Pozos de producción de petróleo y gas; (ELABHWC, SBM, WCWLB, SELA, SLA)

- Regla de Fuente Indirecta Ferroviaria y Regla enmendada 1148.1 aprobada por la Junta de Gobierno en agosto del 2024

Projected Emission Reductions in the 5th and 10th Year of CERP Implementation in Tons per Year (tpy) from Mobile Source Incentive Projects and Statewide Control Measures

Reducciones de Emisiones Proyectadas en el 5^{to} y 10^{mo} año de Implementación del CERP en toneladas por año (tpa) de Proyectos de Incentivo de Fuentes Móviles y Medidas de Control Estatales

Community <i>Comunidad</i>	Total Mobile Source Incentives Approved* (millions of dollars) <i>Total de incentivos de Fuentes Móviles aprobados* (millones de dólares)</i>	NOx (tpy/ <i>tpa</i>)		DPM (tpy/ <i>tpa</i>)	
		5 th year <i>5^{to} año</i>	10 th year <i>10^{mo} año</i>	5 th year <i>5^{to} año</i>	10 th year <i>10^{mo} año</i>
ELABHWC	\$82.9	197	530	2.0	3.3
SBM	\$10.1	119	200	1.5	2.0
WCWLB	\$117.8	970	2271	21.9	38.5
ECV	\$37.1	263	337	12.0	12.2
SELA	\$8.4	196	446	1.1	3.4
SLA	\$4.2	156	342	2.5	6.3

*Mobile source incentive projects approved by South Coast AQMD Governing Board

**Proyectos de incentivos de fuentes móviles aprobados por la Junta Directiva de South Coast AQMD*

Key Community Input

Sugerencias Destacadas de la Comunidad

Outreach and Engagement	Collaboration and Providing Additional Opportunities
<ul style="list-style-type: none">• Enhance targeted outreach to independent truck owner-operators about available incentive programs for cleaner trucks• Increase involvement in town hall meetings and schools• Increase in-person engagement and recruitment of new participants• Continue enforcement with CSC coordination• Allow more time for RFP applications• Include CSC input in permit application review• Continue outreach through text and multilingual media	<ul style="list-style-type: none">• Identify additional opportunities and/or funding for air filtration systems, tree planting and air monitoring• Develop an inter-agency task force and collaborate with local agencies• Coordinate discussions among CSC members and other agencies• Provide additional opportunities for inter-CSC collaboration, adopted rules updates, and incorporating community driven data
<i>Formas de mejorar el alcance y la participación</i>	<i>Colaboración y provisión de oportunidades adicionales</i>
<ul style="list-style-type: none">• <i>Alcance dirigido a propietarios-operadores de camiones independientes sobre los programas de incentivos disponibles para camiones más limpios</i>• <i>Aumentar la participación en reuniones del ayuntamiento y escuelas</i>• <i>Más reuniones presenciales y captación de nuevos participantes</i>• <i>Continuar la aplicación de la ley con seguimiento</i>• <i>Permitir más tiempo para las solicitudes de RFP</i>• <i>Incluir a los miembros del CSC para la revisión de la solicitud de permiso</i>• <i>Continuar la divulgación como texto y opciones multilingües</i>	<ul style="list-style-type: none">• <i>Identificar oportunidades adicionales y/o financiamiento para sistemas de filtración de aire, plantación de árboles y monitoreo del aire</i>• <i>Establecer un grupo de trabajo interinstitucional y colaborar con las agencias locales</i>• <i>Más talleres con miembros de los CSCs y otras agencias</i>• <i>Proveer oportunidades adicionales para la colaboración entre los CSCs y la incorporación de datos impulsados por la comunidad</i>

Future CERP Implementation Efforts

Actividades para la Futura Implementación de los CERPs



Truck Routes

- Obtain CSC input on neighborhood streets and corridors of concern for truck traffic
- Encourage agencies to implement truck restrictions per CSC recommendations

Rutas de camiones

- *Obtener aportes del CSC sobre las calles de los vecindarios y los corredores de interés con respecto al tráfico de camiones*
- *Alentar a las agencias a implementar restricciones de camiones según las recomendaciones del CSC*



Green Spaces

- Continue to collaborate with green space partners to provide funding for trees
- Identify additional opportunities for green spaces, such as residential tree planting

Espacios verdes

- *Continuar colaborando con socios de espacios verdes para proporcionar financiamiento para árboles*
- *Identificar oportunidades adicionales para espacios verdes, como la plantación de árboles residenciales*



School Air Filtration

- Public School Air Filtration Program open for applications
- Outreach to and work with relevant school districts to apply

Filtración de aire escolar

- *Programa de Filtración de Aire de Escuelas Públicas abierto para solicitudes*
- *Alcance a y trabajo con los distritos escolares pertinentes para presentar la solicitud*



Emission Reductions

- Pursue emission reductions from commercial marine port sources
- Continue rule development for Proposed Rule (PR) 1435 – Metal Heating Operations and PR 1445 – Laser and Plasma Arc Metal Cutting

Reducción de emisiones

- *Reducir las emisiones de fuentes en puertos marítimos comerciales*
- *Continuar el desarrollo de reglas para la Regla Propuesta (PR) PR 1435 – Operaciones de calentamiento de metales y PR 1445 – Corte de metales con arco de plasma y láser*

Next Steps for APR

Próximos Pasos para el APR

Final APR Package to **South Coast AQMD Governing Board**
November 1, 2024
Paquete Final del APR prestando a la Junta Directiva de South Coast AQMD
1 de noviembre del 2024

APR Package
Submittal to **CARB staff**
Mid-November 2024
Paquete APR
Presentación al personal de CARB
Mediados de noviembre del 2024

CARB staff presents APR Package
to **CARB Governing Board**
Spring / Summer 2025*
El personal de CARB presenta el Paquete del APR a la Junta Directiva de CARB
*Primavera/Verano del 2025**

***CARB Governing Board date is still to be determined**
La fecha de la reunión de la Junta del CARB aún está por determinarse

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 13

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, October 11, 2024, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

RMM:XC:DD:HL:dc

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
November 1, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Warehouse Indirect Source Rule Online Reporting Portal Phase 4	
Brief description:	Development of online reporting portal for Rule 2305 –Warehouse Indirect Source
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	90%
LAST 30 days	<ul style="list-style-type: none"> • User Acceptance Testing
NEXT 30 days	<ul style="list-style-type: none"> • Working on going live
Original estimated go-live date	8/9/24
Current estimated go-live date	11/15/24
Go-live date	N/A
Notes	IM development complete. Anticipating further enhancement requests.

South Coast AQMD Mobile Application Phase 6	
Brief description:	The Phase 6 enhancement of the South Coast AQMD mobile app focuses on introducing the Open Burn Program and Check Before You Burn (CBYB) feature layers, enhancing user access to detailed environmental data and preparing the map component for future expansions.
Estimated project cost	\$54,785
Overall project status	In Progress
Percentage complete	15%
LAST 30 days	<ul style="list-style-type: none"> • System Development in Progress
NEXT 30 days	<ul style="list-style-type: none"> • System Development in Progress
Original estimated go-live date	12/20/24
Current estimated go-live date	12/20/24
Go-live date	N/A
Notes	Project is on schedule.

ATTACHMENT
November 1, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Agenda Tracking System	
Brief description:	Develop new Agenda Tracking System for submittal, review, and approval of Governing Board meeting agenda items
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	85%
LAST 30 days	<ul style="list-style-type: none"> • User Acceptance Testing
NEXT 30 days	<ul style="list-style-type: none"> • User Acceptance Testing and Training
Original estimated go-live date	11/15/24
Current estimated go-live date	12/10/24
Go-live date	N/A
Notes	New enhancements were requested by the users.

Online Application Filing	
Brief description:	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for staff
Estimated project cost	\$525,000
Overall project status	In Progress
Percentage complete	90%
LAST 30 days	<ul style="list-style-type: none"> • User Acceptance Testing of Phase 1 of the project (first ten 400-E-XX forms) • User Acceptance Testing of next set of Rule 222 forms
NEXT 30 days	<ul style="list-style-type: none"> • User Acceptance Testing of Phase 1 of the project (first ten 400-E-XX forms) • User Acceptance Testing of next set of Rule 222 forms
Original estimated go-live date	1/17/25
Current estimated go-live date	1/17/25
Go-live date	N/A
Notes	IM Development Complete.

ATTACHMENT
November 1, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Permit Workflow Automation – Phase 1	
Brief description:	Automate application acceptance and engineering evaluation processes into paperless workflows
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	55%
LAST 30 days	<ul style="list-style-type: none"> • System Development in Progress
NEXT 30 days	<ul style="list-style-type: none"> • System Development in Progress
Original estimated go-live date	3/14/25
Current estimated go-live date	3/14/25
Go-live date	N/A
Notes	Project is on schedule.

Website Upgrade	
Brief description:	Upgrade the Website Content Management System to latest version
Estimated project cost	\$100,000
Overall project status	In Progress
Percentage complete	85%
LAST 30 days	<ul style="list-style-type: none"> • User Acceptance Testing and Training
NEXT 30 days	<ul style="list-style-type: none"> • User Acceptance Testing and Training
Original estimated go-live date	10/11/24
Current estimated go-live date	12/10/24
Go-live date	N/A
Notes	IM Development Complete.

ATTACHMENT
November 1, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Compliance System	
Brief description:	Develop new Compliance System to help streamline the compliance business process. The new system will provide full integration of incident management, inspection process, field operations and operations dashboard
Estimated project cost	\$450,000
Overall project status	In Progress
Percentage complete	65%
LAST 30 days	<ul style="list-style-type: none"> • System Development in progress
NEXT 30 days	<ul style="list-style-type: none"> • System Development in progress
Original estimated go-live date	2/28/25
Current estimated go-live date	2/28/25
Go-live date	N/A
Notes	Project is on schedule.

ATTACHMENT
November 1, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Projects that have been completed within the last 12 months are shown below	
COMPLETED PROJECTS	
PROJECT	DATE COMPLETED
Source Test Tracking System (STTS)	September 20, 2024
IT Service Management	September 17, 2024
Rule 1180 System Enhancements	August 16, 2024
Rule 1415 System Enhancements	August 9, 2024
AQ-SPEC Cloud Platform Phase 2	July 10, 2024
AB2766 Version 2 Enhancements	May 9, 2024
PeopleSoft HCM Labor Agreement Implementation	April 30, 2024
PeopleSoft Electronic Requisition	April 30, 2024
Volkswagen Environmental Mitigation Trust Program GMS Enhancement	March 5, 2024
Email Gateway Replacement	March 1, 2024
Prequalify Vendor List for PCs, Network Hardware, etc.	February 2, 2024
WAIRE Program Online Portal (ISR) - Enhancement for Reporting Year 2024	December 28, 2023
Annual Emissions Reporting 2024	December 28, 2023

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 14

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a hybrid meeting on Friday, October 11, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael Cacciotti, Vice Chair
Administrative Committee

SN:cb

Committee Members

Present: Vice Chair Michael Cacciotti
Board Member Gideon Kracov
Supervisor V. Manuel Perez

Absent: Chair Vanessa Delgado, Committee Chair

Call to Order

Vice Chair Cacciotti called the meeting to order at 10:18 a.m.

For additional details of the Administrative Committee Meeting, please refer to the [Webcast](#).

DISCUSSION ITEMS:

1. **Board Members' Concerns:** There were no board members' concerns.
2. **Chair's Report of Approved Travel:** There was approved travel for Board Member Gideon Kracov for the California Lawyers Association Environmental Law Conference in Yosemite, California and for the CARB meeting in Sacramento.

3. **Report of Approved Out-of-Country Travel:** Out-of-country travel was reported for Ian MacMillan, Assistant Deputy Executive Officer/Planning & Rules, to Hong Kong for an alternative marine fuels workshop and maritime week conference. For additional information, please refer to the [Webcast at 2:28](#).
4. **Review November 1, 2024 Governing Board Agenda:** Board Member Kracov confirmed that there are two Public Hearings for the November Board meeting for Proposed Amended Rules 1151 and 1173. For additional information, please refer to the [Webcast at 2:38](#).
5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** This item was moved to Action Items as approval from the Administrative Committee is needed. For additional information please refer to the [Webcast at 3:30](#).
6. **Update on South Coast AQMD Diversity, Equity and Inclusion Efforts:** Anissa Heard-Johnson, Diversity, Equity & Inclusion (DEI) Officer, DEI with Community Air Programs, provided an update on agency efforts, seasonal events, cultural displays, Statewide DEI Working Group and discussed Daphne Frias for Fabulous Female Friday. For additional information, please refer to the [Webcast at 4:06](#).
7. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Ron Moskowitz, Chief Information Officer, reported on the status of various projects. For additional information, please refer to the [Webcast at 12:43](#).

ACTION ITEMS:

5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** There was one proposal for the compensation for a Board Consultant, Tara Campbell, for the new Board Member, Supervisor Donald P. Wagner. The contract will be effective from September 10, 2024 through June 30, 2025. For additional information please refer to the [Webcast at 3:30](#).

Moved by Kracov; seconded by Perez, unanimously approved.

Ayes: Cacciotti, Kracov, Perez
 Noes: None
 Absent: Delgado

8. **Adopt Resolution & Recognize Revenue for Continued AB 617 Implementation:** Sujata Jain, Chief Financial Officer, reported that this item is to recognize revenue of approximately \$1,876,633 that is remaining from an AB 617

grant that was received in May. This revenue will bring a Board Letter in the future to be spent on contracts, services and supplies.

Board Member Kracov and Supervisor Perez made conflicts of interest disclosures that identified for the record that they are Board Members of CARB which is involved in the item.

Board Member Kracov inquired about the forecast for AB 617 funding and budget allocation. Executive Officer Wayne Nastri indicated that it is a difficult forecast since we are losing Assembly Member Eduardo Garcia and staff is looking at possible successors.

Supervisor Perez commented that he is hopeful that Joey Acuna will win and continue the efforts of Assemblymember Garcia. Mr. Nastri confirmed that we are ready to brief anyone that will be a champion for AB 617.

Board Member Kracov inquired if the allocation of the AB 617 funds stayed the same for this year. Mr. Nastri indicated there was a slight difference in funding.

Moses Huerta, City of Paramount, provided public comment in support of AB 617.

For additional information, please refer to the [Webcast at 14:06](#).

Moved by Kracov; seconded by Perez, unanimously approved.

Ayes: Cacciotti, Kracov, Perez
Noes: None
Absent: Delgado

9. **Establish Board Meeting Schedule for Calendar Year 2025:** Mr. Nastri indicated that this item is to establish the meeting schedule for calendar year 2025, noting that the January Board meeting will be January 10, 2024 because of the New Year, that the Board will be dark in July and that the Board Retreat is tentatively scheduled the day before the April Board meeting. For additional information, please refer to the [Webcast at 20:37](#).

Moved by Kracov; seconded by Perez, unanimously approved.

Ayes: Cacciotti, Kracov, Perez
Noes: None
Absent: Delgado

10. **Review Recommended Appointment of New Member to South Coast AQMD’s Local Government & Small Business Assistance Advisory Group (LGSBA):** Lisa Tanaka O’Malley, Assistant Deputy Executive Officer/Legislative, Public Affairs and Media reported that this item is to recommend James Breitling, Mayor Pro Tem of the City of Upland, to the advisory group, which is at the request of the Local Government and Small Business Advisory Group’s Chair, Councilmember Carlos Rodriguez. This appointment would be for a four-year term from November 2024 to October 2028. For additional information, please refer to the [Webcast at 22:13](#).

Moved by Kracov; seconded by Perez, unanimously approved.

Ayes: Cacciotti, Kracov, Perez
Noes: None
Absent: Delgado

WRITTEN REPORT:

No written reports.

OTHER MATTERS:

11. **Other Business:** There was no other business to report.
12. **Public Comment:** There was no public comment to report.
13. **Next Meeting Date:** The next regular Administrative Committee meeting is scheduled for Friday, November 8, 2024 at 10:00 a.m.

Adjournment

The meeting was adjourned at 10:40 a.m.

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 17

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, October 18, 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

Absent: Mayor José Luis Solache

Call to Order

Committee Chair McCallon called the meeting to order at 10:39 a.m.

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

Roll Call

INFORMATIONAL ITEMS:

This item was taken out of order.

- 4. Update on Proposed Amended Rule 1111 – Reduction of NOx Emission from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters**

Heather Farr, Planning and Rules Manager/Planning, Rule Development and Implementation, provided a summary of Proposed Amended Rule 1111 and Proposed Amended Rule 1121, including alternative compliance options and key issues regarding costs, electrical supply, and installations in high altitudes areas. For additional details please refer to the [Webcast](#) beginning at 4:05.

There were over 20 commentors which included representatives from the community, utility, industry, and environmental groups. For additional details, please refer to the [Webcast](#) beginning at 16:05.

The following commenters supported that the proposed amended rules go to the Board in December 2024 and commented that amending PAR 1111 and PAR 1121 is essential to fulfilling commitments made in the 2022 AQMP and improving public health.

Leah Catanzarite, RMI
Chris Chavez, Coalition for Clean Air
Fernando Gaytan, Earthjustice
Pete Marsh, Long Beach community member
Kim Orbe, Sierra Club
Michael Rochmes, Green Buildings Committee, Los Angeles Climate Reality Project
Julio Rodriguez, CSUN student
Janelle Sangalang, community member
Al Sattler, community member
Gayatri Sehgal, community member
Christy Zamani, Day One

The following commenters expressed concerns with the high costs and grid reliability and urged a delay in the rule implementation timeline.

Jeff Baller, Apartment Owners Association of California
Jessilyn Davis, SoCalGas
Omar Gonzalez, LA Chamber of Commerce
Mike Lewis, Construction Industry Air Quality Coalition
Richard Markuson, Public Heating & Cooling Contractors of America
Michael Shilstone, Central City Association
Mihran Toumajan, NAIOP SoCal
Peter Whittingham, LA County Business Federation (LA BizFed)

Kory Griggs, Indoor Weather HVAC, expressed concerns with operational costs in cold climates. Bob Helbing, Monrovia Chamber of Commerce, stated the costs presented were incorrect and no meaningful ozone reductions would be realized.

Vice Chair Cacciotti suggested to move the Status Update and Technology Check-In from June 2027 to December 2026 to align with the compliance dates in PAR 1121. Vice Chair Cacciotti inquired about the cost difference between installing natural gas units and heat pumps. Mr. Griggs provided an explanation of various installation and cost scenarios. For additional details, please refer to the [Webcast](#) beginning at 58:24.

Chair Delgado suggested to align the Go Zero program timeline with the adoption of PAR 1111 and PAR 1121. Chair Delgado noted that she had been on some site visit tours and acknowledge the need for construction in some cases. Chair Delgado emphasized the need for outreach on the Go Zero program due to the cost impacts. For additional details, please refer to the [Webcast](#) beginning at 1:05:00.

Board Member Padilla-Campos expressed concern for renter displacement due to ongoing construction and asked about outreach to residents. Michael Krause, Assistant Deputy Executive Officer/Planning Rule Development and Implementation, replied staff is working on outreach efforts and that the proposed amended rules will be implemented at the manufacturer level. Committee Vice Chair Mitchell stated that she did not have the impression that the projects would be so massive that renters or residents would be displaced. For additional details, please refer to the [Webcast](#) beginning at 1:08:30.

Committee Chair McCallon expressed his concerns on the cost associated with these rules and the effect on the housing market. He commented that the Go Zero program should cover some of the installation cost. Chair McCallon emphasized the need to communicate with smaller utilities and to address the concerns in BizFed's comment letter. Mr. Krause stated that they have been working with a state group to gather real world data but will continue to work on these issues. Executive Officer Wayne Nastri stated that existing building codes already require electrification for new construction, and he proposed that staff can work on addressing remaining issues before the Set Hearing in November. For additional details, please refer to the [Webcast](#) beginning at 1:13:52.

Committee Vice Chair Mitchell recognized that new construction is ready for zero-emission appliances and emphasized the priority of preserving the existing stock of affordable housing and coming up with every incentive possible. For additional details, please refer to the [Webcast](#) beginning at 1:22:01.

1. 2024 Annual Progress Report for AB 617 Community Emission Reduction Plans

Due to time constraints, this item was not presented. For additional details please refer to the [Webcast](#) beginning at 1:24:31.

This item taken out of order.

3. Update on Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks

Due to time constraints, this item was continued to the next Stationary Source Committee meeting. For additional details please refer to the [Webcast](#) beginning at 1:24:31.

2. Update on Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Due to time constraints, the Committee agreed to staff's request to waive the presentation. For additional details please refer to the [Webcast](#) beginning at 1:25:23

Rita Loof, RadTech International, commented that recordkeeping and reporting requirements in the rule are burdensome and hinders adoption of low VOC technologies. For additional details please refer to the [Webcast](#) beginning at 1:27:00.

Ms. Loof on behalf of Gary Fischer, Solarez, expressed concerns regarding Rule 1151 for automotive coatings stating that the proposed rule adds significant burdens to their industry and acts as a barrier to the implementation of clean technologies. For additional details please refer to the [Webcast](#) beginning at 1:29:00.

There were no comments received from Committee members.

WRITTEN REPORTS:

5. Monthly Permitting Enhancement Program (PEP) Update

The report was acknowledged by the committee.

6. 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.

7. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

8. Other Business

There was no other business to report.

9. Public Comment Period

Harvey Eder, Public Solar Power Coalition, spoke to solar cost effectiveness. For additional details, please refer to the [Webcast](#) beginning at 1:34:05.

10. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, November 15, 2024, at 10:30 a.m.

Adjournment

The meeting was adjourned at 12:11 p.m.

Attachments

1. Attendance Record
2. Monthly Permitting Enhancement Program (PEP) Update
3. 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
4. Notice of Violation Penalty Summary

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE

Attendance –October 18, 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

Uduak-Joe Ntuk Board Consultant (Solache)
Marisela Santana Board Consultant (Solache)
Andrew Silva Board Consultant (Dawson)

Jeff Baller Apartment Owners Association of California
Leah Catanzarite RMI
Chris Chavez Coalition for Clean Air
Jessilyn Davis SoCalGas
Harvey Eder Public Solar Power Coalition
Gary Fischer Solarez
Fernando Gaytan Earthjustice
Omar Gonzalez LA Chamber of Commerce
Kory Griggs Indoor Weather HVAC
Robert Helbing Monrovia Chamber of Commerce
Mike Lewis Construction Industry Air Quality Coalition
Rita Loof RadTech International
Richard Markuson Public Heating & Cooling Contractors of America
Pete Marsh Long Beach community member
Kim Orbe Sierra Club
Michael Rochmes Los Angeles Climate Reality Project
Julio Rodriguez CSUN student
Janelle Sangalang community member
Gayatri Sehgal community member
Michael Shilstone Central City Association
Al Sattler community member
Mihran Toumajan NAIOP SoCal
Peter Whittingham LA BizFed
Christy Zamani Day One

Jason Aspell South Coast AQMD staff
Barbara Baird South Coast AQMD staff
Cindy Bustillos South Coast AQMD staff
Arlene Farol Saria South Coast AQMD staff
Heather Farr South Coast AQMD staff

ATTACHMENT 1

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

Attendance –October 18, 2024

Scott GallegosSouth Coast AQMD staff
Bayron Gilchrist South Coast AQMD staff
De GroeneveldSouth Coast AQMD staff
Anissa Heard-Johnson South Coast AQMD staff
Aaron Katzenstein South Coast AQMD staff
Michael KrauseSouth Coast AQMD staff
Ruby Laity South Coast AQMD staff
Howard Lee South Coast AQMD staff
Jason Low South Coast AQMD staff
Ian MacMillian South Coast AQMD staff
Terrence MannSouth Coast AQMD staff
Michael Morris South Coast AQMD staff
Ron MoskowitzSouth Coast AQMD staff
Susan NakamuraSouth Coast AQMD staff
Wayne Nastro South Coast AQMD staff
Pedro Piqueras South Coast AQMD staff
Andrea PolidoriSouth Coast AQMD staff
Sarah Rees South Coast AQMD staff
Catherine Rodriguez South Coast AQMD staff
Walter Shen South Coast AQMD staff
Lisa Tanaka O'Malley South Coast AQMD staff
Brian TomasovicSouth Coast AQMD staff
Mei Wang South Coast AQMD staff
Jillian WongSouth Coast AQMD staff
Victor Yip South Coast AQMD staff

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – October 18, 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. Since there was no report for September, Figure 1 includes data for both August and September.

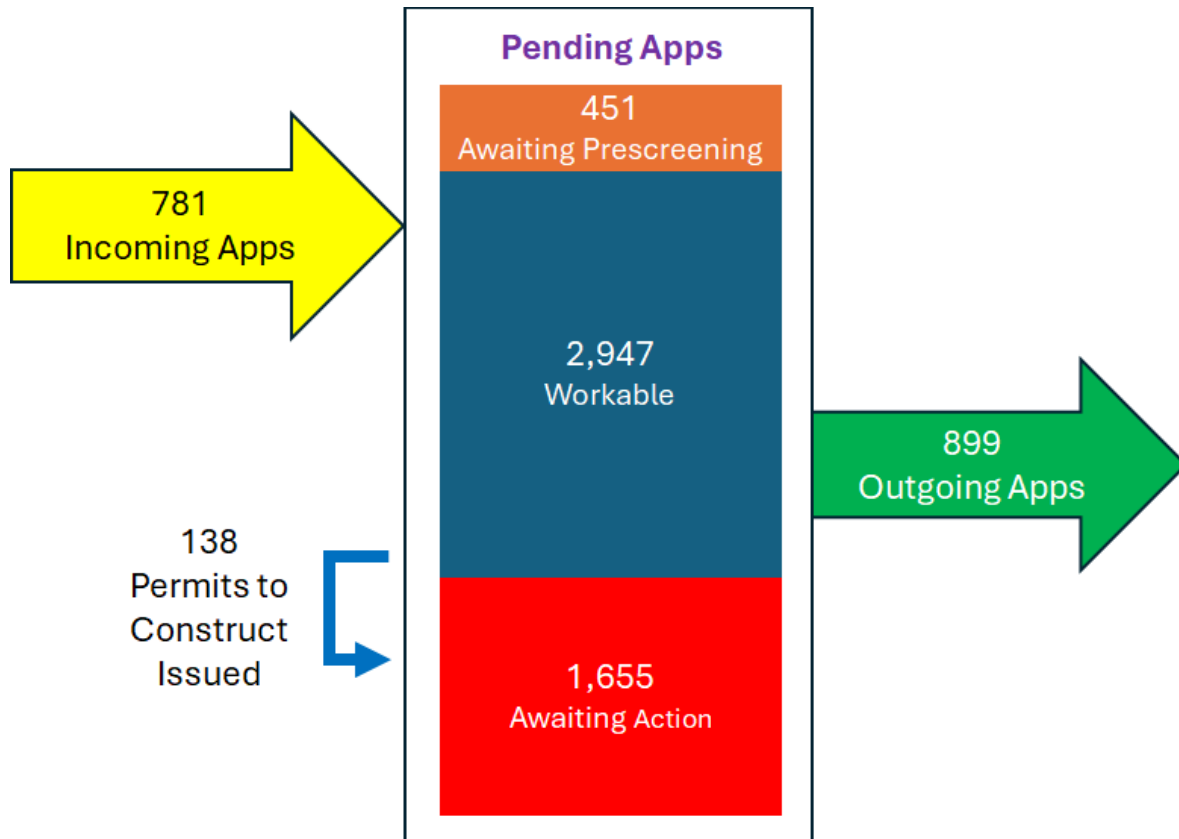


Figure 1: Application Processing Workflow – August and September 2024

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 status several times before final action. Multiple categories may apply to a single application.

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

Awaiting Action (Non-Workable) Categories	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
Additional Information from Facility	223	249	220	219	265	286
CEQA Completion	27	34	35	31	32	34
Completion of Construction	794	866	904	935	983	1,015
Facility Compliance Resolution	19	22	22	36	36	37
Facility Draft Permit Review	91	86	63	59	74	43
Fee Payment Resolution	3	9	3	4	4	6
Other Agency Review	52	45	15	36	45	37
Other Facility Action	7	7	4	10	10	21
Other South Coast AQMD Review	0	0	0	0	0	0
Public Notice Completion	34	32	35	29	23	24
Source Test Completion	127	120	138	142	137	169

Please see Attachment 1 for more information on these categories.

In August and September, staff continued to complete applications at a rate higher than the targeted month to month average, raising the overall annual average. Most notable during this time, staff acted on 249 aged permit applications. Since outgoing applications (green arrow) were higher than incoming applications (yellow arrow) this month, the pending application inventory decreased. In addition, since May, the inventory of Workable applications has decreased from 3,088 to 2,947.

The inventory of Awaiting Action applications has recently increased. Most of the Awaiting Action applications have a Completion of Construction status. From March to September, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,015, including 138 Permits to Construct issued in August and September. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications.

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, the spike in incoming applications occurred in June as expected, and 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. Supervisory promotions occurred during this reporting period to fill vacancies (See “E&P Vacancy Rate” section).

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 as compared to the period before PEP. 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 484 completions per month. 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. A new fiscal year (FY) goal was set to increase production by 500 completions as compared to 2023. This equates to a soft target of 489 completions per month. The red line in Figure 2 shows this new fiscal year goal.

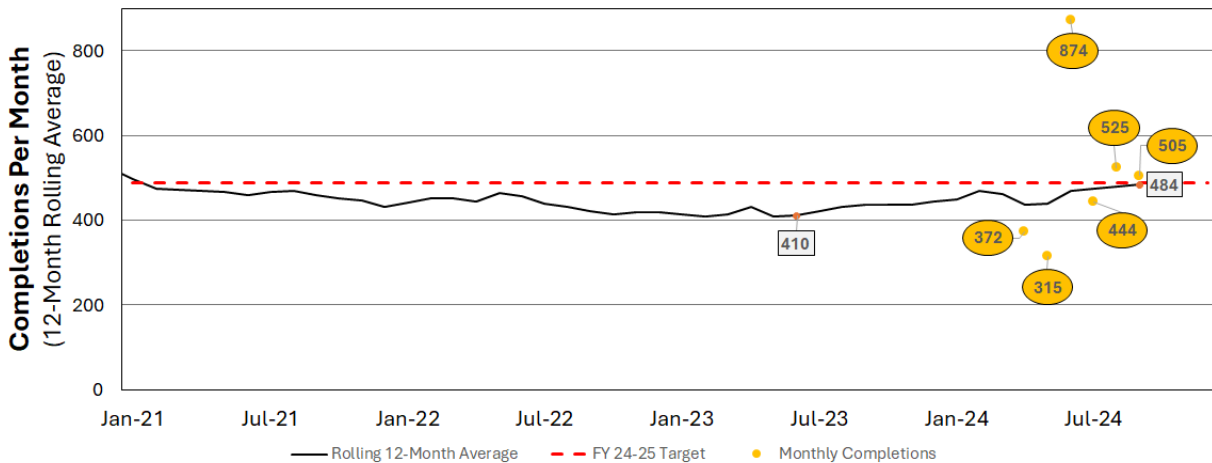


Figure 2: Application Completions - Rolling 12-Month Average and Recent Six Months

Production began to increase in the second half of 2023 as substantial promotions 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.

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. There was one retirement and one promotion of administrative staff which increased the vacancy rate. This increase was offset by two new AQ Engineers starting in August. Four Senior AQ Engineer promotions and two Working of Class Senior AQ Engineers were announced in September. The Senior AQ Engineer positions are critical to permit application review and approval. A new AQ Engineer recruitment was announced in September and will close in November. Hiring of new AQ Engineers is targeted for the first quarter of 2025.

Key Activities in August and September

- Governing Board PEP Update - September 6 ([Webcast link](#))
- Permit Streamlining Task Force Subcommittee – September 25 ([Webcast @ 37:00](#))
- AQ Engineer recruitment announced ([Recruitment link](#))
- Staff completed a focused initiative and acted on 249 aged applications

Upcoming Meetings:

- Permitting Working Group - October 25th
 - Topics: Health Risk Assessment Tool and Rule 317.1 Exclusion Plan Process
- Staff is targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025

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.

October 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. Key activities with U.S. EPA and CARB since the last report are summarized below.

- Staff submitted a comment letter on September 23, 2024, supporting U.S. EPA's conditional approval of Maricopa County Rule 205 – Emissions Offsets Generated by Voluntary Mobile Source Reduction Credits and stating interest to develop a similar mobile source emission reduction credit program
- Staff attended Air & Waste Management New Source Review Workshop September 17-18, 2024
- RECLAIM/NSR Working Group meeting was not held in October
- The RECLAIM/NSR Working Group will be reconvened when there is information to report

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
Settlement Penalty Report (09/01/2024 - 09/30/2024)

Total Penalties

Civil Settlement: \$453,060.79
MSPAP Settlement: \$158,675.00
Total Cash Settlements: \$611,735.79
Total SEP Value: \$0.00

Fiscal Year through 09/30/2024 Cash Total: \$2,380,571.69

Fiscal Year through 09/30/2024 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
168314	5825 W SUNSET LLC	203, 1470	09/03/2024	EC	P75957, P76503	\$1,200.00
143132	ABSOLUTE ABATEMENT & DEMOLITION	1403	09/18/2024	KCM	P74574, P76215	\$5,400.00
199378	ALL PETROLEUM PROS	461, 1166	09/20/2024	RL	P73121, P73123	\$4,500.00
177939	APRO LLC (DBA "UNITED OIL #141")	203	09/03/2024	SP	P74834	\$10,000.00
202649	ARDEX LP	1168	09/20/2024	RM	P74924	\$10,750.00
181510	AVCORP COMPOSITE FABRICATION INC	2004, 3002	09/05/2024	DH	P66854, P76001	\$7,800.00
117290	B BRAUN MEDICAL INC	2004	09/03/2024	CL	P76073, P79253	\$3,747.00
199454	BERGEN LOGISTICS	2305	09/18/2024	ND	O15047	\$19,800.00
194344	CHATSWORTH CLEANERS	203, 1421	09/17/2024	SP	P68650, P73038, P73041	\$6,500.00
143741	DCOR LLC	1173, 2004	09/04/2024	KCM	P75684	\$7,500.00
800037	DEMENNO KERDOON (DBA "WORLD OIL RECYCLING")	402, 2004, 3002, H&S 41700	09/12/2024	DH	P74533, P74534, P79002	\$15,900.00
168686	EXCEL CONSTRUCTION SERVICES INC	1403, 40 CFR 61.145	09/11/2024	JJ	P70119, P70120, P70121	\$5,445.00
195341	FR ROOFING SERVICES	1403	09/17/2024	EC	P63497, P63498	\$1,000.00
141000	GURUAAN LA II LP	203	09/03/2024	SP	P70234, P80608	\$12,000.00
199972	HHKC DEVELOPMENT INC	1403	09/25/2024	ND	P79161	\$12,000.00
196130	HONOR RANCHO WAYSIDE CANYON HOLDINGS LLC	203, 463, 1173	09/25/2024	JL	P73277, P80654	\$25,200.00
196430	IDC LOGISTICS BUENA PARK	2305	09/12/2024	RM	O15026, O15027, O15048	\$64,400.00
124808	INEOS POLYPROPYLENE LLC	2012	09/25/2024	KER	P70021	\$3,627.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
204890	iRHYTHM TECHNOLOGIES INC	2305	09/20/2024	RM	O15112	\$1,500.00
195778	J AND J OPERATORS LLC	203, 463	09/04/2024	EC	P80719	\$3,000.00
236	K & L ANODIZING CORP	1469	09/06/2024	SH	P75267	\$500.00
179842	KARMA AUTOMOTIVE LLC	2305	09/12/2024	RM	O15101	\$9,000.00
800080	LUNDAY THAGARD CO ("DBA WORLD OIL REFINING")	463, 1173, 1178, 2004, 3002	09/25/2024	MR	P78209, P78215, P78712	\$14,508.00
182970	MATRIX OIL CORP	1173, 2004	09/10/2024	EC	P75679	\$10,500.00
149532	O'DONNELL OIL LLC	1148.1, 1173	09/24/2024	EC	P79654	\$9,600.00
195925	OLYMPUS TERMINALS LLC	402, 462, H&S 41700	09/25/2024	DH	P74364, P76275	\$15,000.00
198098	ONTARIO INDUSTRIAL PORTFOLIO	2305	09/18/2024	JJ	O15039	\$19,800.00
35302	OWENS CORNING ROOFING AND ASPHALT LLC	2004, 3002	09/11/2024	DH	P68675	\$960.00
202220	PIONEER TECHNOLOGY INC	2305	09/11/2024	JJ	O15102	\$28,600.00
14437	SAN ANTONIO REGIONAL HOSPITAL	218, 1110.2, 1146, 1415, 3002	09/12/2024	SH	P67586, P73161, P73168, P73171	\$16,000.00
14996	SLOANS DRY CLEANERS	203, 1421	09/24/2024	CL	P28664, P28699	\$7,495.79
5973	SOCAL GAS CO	17 CCR 95669	09/11/2024	JL	P73281, P73297, P73298	\$23,600.00
169990	SPS TECHNOLOGIES, LLC	3002, 3003, 3004	09/20/2024	RM	P79102	\$3,500.00
52107	SYLMAR CLEANERS	201, 203	09/03/2024	SP	P67740	\$3,000.00
200344	TOYO TIRES	2305	09/03/2024	ND	O15056	\$5,000.00
800026	ULTRAMAR INC	1118, 3002, 40 CFR 63.670	09/04/2024	DH	P75063, P75065, P75066, P75067	\$48,144.00
113674	USA WASTE OF CAL (EL SOBRANTE LANDFILL)	402, H&S 41700	09/25/2024	RM	P79503, P79504	\$12,500.00
163158	WHITTIER VALERO	461, H&S 41960.2	09/10/2024	VB	P78657	\$4,084.00

Total Civil Settlements: \$453,060.79

MSPAP						
192448	7 ELEVEN (#37338)	203	09/06/2024	CR	P80954, P80956	\$3,627.00
193434	900 CP OWNER LLC	1415	09/06/2024	VB	P78408	\$3,513.00
173369	ADAMS SERVICE CNT INC	203, 461	09/06/2024	CR	P80568	\$3,910.00
172080	ALICIA AUTO SPA & DETAIL CENTER	461	09/13/2024	VB	P69879	\$1,059.00
174631	ARCO (#42055) TESORO REFINING & MKTG. CO.	461, H&S 41960.2	09/13/2024	CM	P79370	\$1,286.00
198336	ARTSVIK MALKONYAN CONSTRUCTION INC	1403	09/13/2024	CL	P76247	\$1,438.00
47003	BRINDLE & THOMAS	203	09/06/2024	CM	P74397, P80714	\$3,527.00
184049	C.B. NICHOLS EGG RANCH INC	201, 203	09/13/2024	CM	P74902	\$2,297.00
110	CALTRANS	203, 461	09/13/2024	CL	P76522	\$1,243.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
160944	CATHEDRAL CANYON GOLF & TENNIS CLUB	461	09/06/2024	VB	P79331	\$1,588.00
27197	CHEVRON USA PRODUCTS CO (#91965)	461	09/20/2024	CM	P75453	\$2,118.00
130936	CHINATOWN GAS AMERICA	461, H&S 41960.2	09/06/2024	CM	P80912	\$1,286.00
13844	CHROMPLATE COMPANY	1469	09/13/2024	VB	P77751	\$1,059.00
169560	CIRCLE K STORES INC (#2709439)	461, H&S 41960.2	09/13/2024	VB	P70491	\$1,513.00
169738	CIRCLE K STORES INC (#2709462)	203	09/13/2024	VB	P74807	\$1,009.00
169571	CIRCLE K STORES INC (#2709465)	461	09/06/2024	CR	P79088	\$1,009.00
169475	CIRCLE K STORES INC (#2211253)	461	09/06/2024	CR	P79087	\$1,009.00
23194	CITY OF HOPE MEDICAL CENTER	461, 1146, 3002	09/20/2024	VB	P73177	\$16,944.00
146016	COFFMAN SPECIALTIES INC	203, 403.1	09/13/2024	CL	P64797, P64798	\$2,418.00
195645	COMMERCE CENTER CONSTRUCTION	403	09/13/2024	VB	P74198	\$5,045.00
196253	CRESTWOOD COMMUNITIES	403	09/13/2024	CL	P64799	\$3,116.00
151837	DUKE SERVICE CORNER	461, H&S 41960.2	09/20/2024	VB	P78692	\$8,782.00
104280	ENVENT CORPORATION	203	09/06/2024	CM	P73325	\$1,009.00
174168	HB GAS WORKS	461	09/13/2024	CM	P69883	\$1,059.00
192038	KORMEX MANAGEMENT & MARKETING INC	203, 461, H&S 41960.2	09/20/2024	VB	P70480	\$3,230.00
125612	LEBO AUTOMOTIVE MANHATTAN BEACH TOYOTA	461	09/13/2024	CM	P75601	\$1,361.00
148494	MAC BRIDE AUTOMOTIVE SERVICES	201, 203	09/13/2024	CM	P74803	\$1,906.00
9719	MANHATTAN BEACH CITY	461	09/13/2024	VB	P75602	\$529.00
136215	N & K INC	203, 461	09/13/2024	VB	P77707	\$1,343.00
179687	NATIONAL CONSTRUCTION AND REMEDIATION	1403	09/13/2024	CL	P70420, P79174	\$6,751.00
188314	NEWLIGHT TECHNOLOGIES INC	203, 430	09/13/2024	CL	P78588	\$5,213.00
176635	OLI FUEL INC	461	09/06/2024	CR	P80924	\$2,069.00
195694	OLTMANS	403	09/06/2024	CM	P74200	\$2,018.00
150641	PALMIERI CLEANERS	203	09/06/2024	VB	P74040	\$1,972.00
145117	PARAMOUNT STATION, INC.	461	09/13/2024	VB	P70483	\$1,336.00
167889	PAYCHEX INC.	203	09/13/2024	CL	P77830	\$2,018.00
199083	PLANET HOME LIVING	403	09/20/2024	VB	P75234	\$2,500.00
7010	PRUDENTIAL OVERALL SUPPLY	1146	09/20/2024	CM	P68597	\$2,870.00
95363	SAM'S CLUB (#6378)	461, H&S 41960.2	09/13/2024	CM	P80569	\$14,378.00
171533	SEAL BEACH MOBIL	461	09/20/2024	VB	P74812	\$1,336.00
45086	SIGNAL HILL PETROLEUM INC	203, 463, 1176	09/13/2024	CL	P69271, P74366, P75510	\$16,250.00
147358	SOUTH CITY GAS INC (DBA "SOUTH CITY AMPM")	461, H&S 41960.2	09/06/2024	CR	P79374	\$1,588.00
157175	SOUTH CITY GAS (DBA "CARSON ARCO")	203	09/20/2024	CM	P80618	\$1,009.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
184510	STANDARD DEMOLITION INC	1403	09/06/2024	CR	P78115	\$1,109.00
39496	THE LANSDALE COMPANY	203	09/06/2024	CM	P80723	\$1,109.00
38908	TOYOTA LOGISTICS SERVICES INC	203, 461	09/13/2024	CR	P69924	\$7,666.00
164411	VERIZON WIRELESS CALIMESA RELO	203	09/06/2024	VB	P79305	\$937.00
118015	VILLAGE AUTO SPA	461	09/13/2024	CM	P80617	\$2,719.00
194525	WEST COAST DEVELOPMENT INC	403	09/13/2024	CM	P74129, P74142	\$4,594.00
Total MSPAP Settlements: \$158,675.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR SEPTEMBER 2024 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance
- Rule 403 Fugitive Dust
- Rule 403.1 Wind Entrainment of Fugitive Dust
- Rule 430 Breakdown Provisions
- Rule 461 Gasoline Transfer and Dispensing
- Rule 462 Organic Liquid Loading
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- Rule 1118 Emissions from Refinery Flares
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil
- Rule 1168 Adhesive and Sealant Applications
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds
- Rule 1176 Sumps and Wastewater Separators
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems
- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR SEPTEMBER 2024 PENALTY REPORT**

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

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

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

REGULATION XXX- TITLE V PERMITS

- Rule 3002 Requirements
- Rule 3003 Applications
- Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standards for Demolition and Renovation
- 40 CFR 63.670 Requirements for Flare Control Devices

CALIFORNIA HEALTH AND SAFETY CODE

- 41700 Prohibited Discharges
- 41960.2 Gasoline Vapor Recovery
- 42402 Violation of Emission Limitations – Civil Penalty

CALIFORNIA CODE OF REGULATIONS

- 17 CCR 95669 Leak Detection and Repair

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BOARD MEETING DATE: September 6, 2024

AGENDA NO. 18

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a hybrid meeting on Friday, October 18, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Carlos Rodriguez, Chair
Technology Committee

AK:psc

Committee Members

Present: Supervisor Curt Hagman
Mayor Patricia Lock Dawson
Mayor Pro Tem Larry McCallon
Board Member Veronica Padilla-Campos
Councilmember Carlos Rodriguez, Committee Chair

Call to Order

Committee Chair Carlos Rodriguez called the meeting to order at 12:15 p.m.

For additional details of the Technology Committee Meeting, please refer to the [Webcast](#).

ACTION ITEMS:

- 1. Execute Contracts to Develop Data-Based Planning Tool for Medium- and Heavy-Duty Truck Charging Networks, Fleets, and Power Grid Systems and to Investigate Benefits of Electric Vehicle-to-Home Technology on Air Quality**
Fan Xu, Program Supervisor/Technology Advancement Office, presented on the University of California, Riverside's Energy, Economics and Environment Research Center (UCR/E3) proposal and the University of California, Irvine Advanced Power and Energy Program (UCI APEP) proposal. These actions are to: 1) execute a contract with UCR/E3 to develop a data-based planning tool for the deployment of

MD/HD trucks and charging infrastructure in Southern California in an amount not to exceed \$300,000 from the Clean Fuels Program Fund (31); and 2) execute a contract with UCI APEP to investigate the emission reduction benefits of V2H technology in an amount not to exceed \$220,548 from the Clean Fuels Program Fund (31). For additional details, please refer to the [Webcast](#) beginning at 2:33.

Supervisor Hagman commented that a conference in Dubai presented technologies that can reduce vehicle emissions through coordinating traffic signals and asked if the UCI study could be expanded to include relevant technologies. Aaron Katzenstein, Deputy Executive Officer/Technology Advancement Office, commented that staff will look into these technologies. For additional details, please refer to the [Webcast](#) beginning at 8:04.

Mayor Lock Dawson commented that staff can reach out to the Riverside County Transportation Commission in Riverside County for additional information as they are doing a pilot study there and asked for clarification about the timeline of the UCR tool and coverage area of the tool. Dr. Xu explained that the infrastructure planning module will be available next year, and other modules will be completed within two years. Dr. Xu explained that the tool will focus on Southern California first and with plans to expand nationally. Dr. Katzenstein added that the tool is anticipated to help with site selection for the Climate Pollution Reduction Grant project solicitation next year. For additional details, please refer to the [Webcast](#) beginning at 10:30.

Committee Chair Rodriguez asked for clarification on the utility of the data, coordination for the UCR project, availability of the tool, and participants for the UCI project. Dr. Xu explained that the UCR team has been working closely with the utility companies and the tool will be free online for the public during the 2-year project period and will be commercialized later. Dr. Katzenstein responded that there is a development by KB Homes in Menifee, California that has a microgrid setup developed by UCI, where most homes run off electric appliances and have battery storage with solar. For additional details, please refer to the [Webcast](#) beginning at 12:55.

Moved by Hagman; seconded by McCallon; unanimously approved.

Ayes: Hagman, Lock Dawson, McCallon, Padilla-Campos, Rodriguez
Noes: None
Abstain: None
Absent: Wagner

2. Expand the Purpose of LADWP Settlement Projects Fund, Recognize Funds, Execute Contracts for Electrification Projects at Los Angeles Zoo, and Reimburse General Fund for Project Administrative Costs

Nicole Silva, Program Supervisor/Technology Advancement Office presented on the Settlement Agreement between the City of Los Angeles, Los Angeles Department of Water and Power (LADWP), and South Coast AQMD. As a result of the settlement, LADWP paid \$450,000 plus a 6.25 percent administrative fee of \$28,125, for a total of \$478,125, to South Coast AQMD to be used for supplemental environmental project(s) that reduce emissions. These actions are to: 1) Expand the purpose of the LADWP Settlement Projects Fund (38); 2) Recognize \$478,125 into the LADWP Settlement Projects Fund (38); 3) Execute agreements not to exceed a combined total of \$450,000 from LADWP Settlement Projects Fund (38) with SSA Group, LLC (SSA) to purchase four electric passenger trams with a five-year maintenance contract, and with American Green Zone Alliance (AGZA) to purchase electric lawn and garden equipment and two electric utility maintenance vehicles; and 4) Reimburse the General Fund up to \$28,125 for project administrative costs. For additional details, please refer to the [Webcast](#) beginning at 17:32.

Mayor Pro Tem Larry McCallon asked if South Coast AQMD’s logo could be added to the equipment. Dr. Katzenstein responded that staff will include that request in the contract. For additional details, please refer to the [Webcast](#) beginning at 19:46.

Board Member Veronica Padilla-Campos asked when the equipment would be deployed. Ms. Silva replied that the trams were expected to be delivered later this year. Chair Rodriguez echoed including South Coast AQMD logo’s and looks forward to updates to highlight this project in the future. For additional details, please refer to the [Webcast](#) beginning at 20:19.

Moved by Hagman; seconded by McCallon; unanimously approved.

Ayes: Hagman, Lock Dawson, McCallon, Padilla-Campos, Rodriguez
Noes: None
Abstain: None
Absent: Wagner

INFORMATIONAL ITEM:

3. Clean Fuels Program Draft 2025 Plan Update

Vasileios Papapostolou, Planning and Rules Manager/Technology Advancement Office presented on the Clean Fuels Program Draft Plan Update, explaining that staff proposes continued support for a wide portfolio of technologies emphasizing zero-emission technologies for vehicles, off-road equipment, and supporting infrastructure. For additional details, please refer to the [Webcast](#) beginning at 21:51.

Supervisor Hagman asked whether there are any quantitative analysis work conducted around future needs in energy/electricity and hydrogen production at the state level. Executive Officer Wayne Nastri responded that CEC is working on a quantitative analysis on the electrical grid demand while on the hydrogen side, the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) is working on a similar type of analysis and projections. Supervisor Hagman commented on workforce training and development efforts and cautioned about possible duplication of efforts. For additional details, please refer to the [Webcast](#) beginning at 31:18.

Mayor Pro Tem McCallon expressed that he and other Board Members would like to be involved and learn more about what ARCHES will be presenting to staff with their future plans under the California H2 Hub initiative. For additional details, please refer to the [Webcast](#) beginning at 33:09.

Committee Chair Rodriguez asked about adjustments made for “Zero Emission Infrastructure” and the “Health Impacts Studies” between the proposed 2024 and draft 2025 Plan Updates. Dr. Papapostolou responded that the decrease in the Zero Emission Infrastructure was attributed to a couple of grant applications that were not awarded during 2024 and the Health Impacts Studies increase is due to an allocation of \$5 million to the MATES VI program implementation. Committee Chair Rodriguez asked about the reduction in the “Hydrogen/Fuel Cell Technologies” funding support by Clean Fuels between 2024 and 2025 and whether relative to ARCHES, the draft proposed funding for that category would increase. Dr. Katzenstein responded that the proposed Clean Fuels funding for this category is based on projects that staff is aware of and if more CEC grants are awarded, that percentage is expected to increase. Committee Chair Rodriguez expressed that the linear generator technology should be supported. Dr. Katzenstein responded that staff is looking further into that technology and may be presenting a project with UCR to investigate emissions from that technology. For additional details, please refer to the [Webcast](#) beginning at 33:51.

Ranji George, public member, expressed that more funding should be allocated to the “Hydrogen/Fuel Cell Technologies” category, extended downtime for hydrogen refueling stations, and concern about not seeing a “Battery recycling” item/category as part of the draft 2025 Plan Update. For additional details, please refer to the [Webcast](#) beginning at 38:21.

Harvey Eder, Public Solar Power Coalition, expressed that there should be more focus on solar/thermal technologies. For additional details, please refer to the

OTHER MATTERS:

4. Other Business

Supervise Hagman commented that he had a meeting with Southern California Leadership Council which included Governors Pete Wilson, Arnold Schwarzenegger and Gray Davis, where they discussed the effects on the economy with Chevron relocating to Texas and that Chevron contributed \$7B to the state. Committee Chair Rodriguez expressed concerns regarding Chevron's relocation and how it will affect South Coast AQMD efforts moving forward. For additional details, please refer to the [Webcast](#) beginning at 44:57.

5. Public Comment Period

Mr. George made a comparison of battery technology to hydrogen, explaining the benefits of hydrogen over the cost of battery technology. For additional details, please refer to the [Webcast](#) beginning at 46:45.

Mr. Eder expressed concerns regarding the effects of PM2.5. For additional details, please refer to the [Webcast](#) beginning at 49:55.

6. Next Meeting Date

The next regular Technology Committee meeting is scheduled for Friday, November 15, 2024, at noon.

Adjournment

The meeting adjourned at 1:10 p.m.

Attachment

Attendance Record

ATTACHMENT

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TECHNOLOGY COMMITTEE MEETING
Attendance Record – October 18, 2024**

Supervisor Curt Hagman South Coast AQMD Board Member
Mayor Patricia Lock Dawson South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon South Coast AQMD Board Member
Board Member Veronica Padilla-Campos South Coast AQMD Board Member
Councilmember Carlos Rodriguez South Coast AQMD Board Member

Fred Minassian Board Consultant (Padilla-Campos)
Michael Miller Board Consultant (Hagman)
Andy Silva Board Consultant (Lock Dawson)
Mark Taylor Board Consultant (Rodriguez)

Harvey Eder Public Member
Ranji George Public Member
Moses Huerta Public Member
Gillian Kass Public Member

Cindy Bustillos South Coast AQMD Staff
Penny Shaw Cedillo South Coast AQMD Staff
Berj Der Boghossian South Coast AQMD Staff
Scott Gallegos South Coast AQMD Staff
Daphne Hsu South Coast AQMD Staff
Aaron Katzenstein South Coast AQMD Staff
Angela Kim South Coast AQMD Staff
Ruby Laity South Coast AQMD Staff
Howard Lee South Coast AQMD Staff
Hay Lo South Coast AQMD Staff
Ian MacMillian South Coast AQMD Staff
Ron Moskowitz South Coast AQMD Staff
Ghislain Muberwa South Coast AQMD Staff
Susan Nakamura South Coast AQMD Staff
Wayne Nastri South Coast AQMD Staff
Lisa Tanaka O’Malley South Coast AQMD Staff
Vasileios Papapostolou South Coast AQMD Staff
Robert Paud South Coast AQMD Staff
Kristin Remy South Coast AQMD Staff
Nicole Silva South Coast AQMD Staff
Edwin Talledo South Coast AQMD Staff
Mei Wang South Coast AQMD Staff
Michelle White South Coast AQMD Staff
Fan Xu South Coast AQMD Staff

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BOARD MEETING DATE: November 1, 2024

AGENDA NO. 21

PROPOSAL: Determine That Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations does not require new environmental document; and Amend Rule 1151.

SYNOPSIS: In 2018 and 2020, the California Office of Environmental Health Hazard Assessment’s analysis determined that two compounds used in coatings and solvents, para-Chlorobenzotrifluoride (pCBtF) and tert-Butyl Acetate (t-BAc), have carcinogenic health effects. pCBtF and t-BAc are used in coatings and solvents that are regulated under Rule 1151. Proposed Amended Rule 1151 (PAR 1151) will phase out pCBtF and t-BAc, temporarily allow higher VOC limits while coatings are being reformulated, include reporting requirements, and allow alternative VOC limits for certain coating and solvent categories to provide compliance flexibility.

COMMITTEE: Stationary Source, October 18, 2024, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations is a later activity within the scope of the Final Program Environmental Impact Report for the 2022 AQMP such that no new environmental document will be required; and
2. Amending Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations.

Wayne Natri
Executive Officer

Background

Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations was adopted on July 8, 1988, and established requirements to reduce VOC emissions, toxic air contaminants, and stratospheric ozone-depleting compounds from automotive coating operations performed on motor vehicles, mobile equipment, and associated parts or components. The rule includes 12 categories of automotive coatings with VOC limits and applies to any person who sells or uses automotive coatings or associated solvents in a non-assembly line operation. The rule has been amended 13 times with the last major amendment occurring in December 2005. There are approximately 3,000 active autobody shops in the South Coast AQMD that apply automotive coatings subject to Rule 1151.

To reduce the VOC emissions from automotive coatings, many coatings manufacturers have relied on the use of para-Chlorobenzotrifluoride (pCBtF) and tert-Butyl Acetate (t-Bac), two solvents that are exempt from the definition of a VOC because they have low photochemical reactivity and, therefore, do not significantly contribute to the formation of ground-level ozone. In April 2017, the South Coast AQMD Stationary Source Committee recommended a precautionary approach when considering exempt compounds with toxic endpoints and advised staff to prioritize lowering toxicity even if that results in increased VOC emissions. In 2018 and 2020, respectively, OEHHA determined that t-BAC and pCBtF have carcinogenic toxic endpoints.

Proposed Amended Rule 1151 (PAR 1151) partially implements Control Measure CTS-01 – Further Emission Reductions from Coatings, Solvents, Adhesives, and Lubricants of the 2022 AQMP, which seeks to eliminate the toxic impact of pCBtF and t-Bac used in coatings and solvents and seeks additional VOC emission reductions. Furthermore, during the development of the AB 617 Community Emission Reduction Plan (CERP) for South Los Angeles (SLA), community members expressed concern about the impacts from autobody shops, many of which are located close to residents and can be clustered within the community. PAR 1151 addresses the SLA CERP air quality objectives related to autobody refinishing coatings by phasing out pCBtF and t-Bac and achieving VOC emission reductions based on future product reformulations.

Proposed Amendments

PAR 1151 has two primary goals: 1) phase-out pCBtF and t-BAC, and 2) assess the feasibility of additional VOC emission reductions. To expedite the transition away from pCBtF and t-BAC, staff is proposing a temporary Phase I period of three to five years to allow coatings formulated to meet the National U.S. EPA VOC content limits to be used in the South Coast AQMD. U.S. EPA VOC content limits are less stringent than Rule 1151 limits and, therefore, coating manufacturers do not utilize pCBtF or t-BAC in those formulations. This temporary period will decrease the toxic impact of autobody shops on the community and will provide time for coating manufacturers to reformulate their automotive coatings to comply with future effective lower-VOC content limits without the use of pCBtF or t-BAC.

The Phase II period will begin on January 1, 2028. During this period, facilities will begin to transition away from the higher-VOC coatings to reformulated, low-VOC coatings that do not contain pCBtF or t-BAc. This transition will result in a decrease in VOC emissions to levels just below current Rule 1151 VOC emissions.

Other proposed changes include maximum incremental reactivity (MIR) VOC limits on reducers and thinners, alternative MIR limits on adhesion promoters and pretreatment wash primers, quantity and emission reporting requirements, sell-through and use-through provisions, and updated rule provisions for clarity.

Public Process

PAR 1151 was developed through a public process. Staff held four Working Group Meetings on: November 7, 2023, March 7, 2024, May 21, 2024, and July 11, 2024. The meetings included a variety of stakeholders such as automotive coating manufacturers, affected facilities, industry associations, equipment vendors, public agencies, and environmental and community groups. In addition, staff held a Public Workshop on August 30, 2024. As part of this rule development process, staff also held nearly forty meetings with individual stakeholders, presented at industry association meetings, and conducted site visits at facilities subject to this rule.

Emission Reductions

PAR 1151 will affect approximately 3,000 facilities and is expected have a short-term temporary emission increase of 4.8 tons per day, followed by an overall decrease in VOC emissions of 0.19 tons per day at full implementation from current baseline.

Key Issues

Throughout the rule development process, staff worked with stakeholders to address and resolve key issues. Notable issues that were resolved were: 1) reaching a consensus with automotive coating manufacturers on a reasonable phase-out timeline for pCBtF and t-Bac, and 2) agreeing on the feasible future effective lower-VOC limits for each automotive coating category. There is one remaining key issue: recordkeeping and reporting requirements for ultraviolet/ electron beam/light-emitting diode (UV/EB/LED) coating technologies.

PAR 1151 recordkeeping requirements rely on compliance with Rule 109 – Recordkeeping for Volatile Organic Compound Emissions requirements which allow for minimal recordkeeping for super-compliant VOC coatings, defined as coatings containing 50 grams or less of VOC per liter of material, to encourage the sale and use of low VOC products. Minimal recordkeeping is needed to demonstrate compliance with permit conditions and rule requirements. Furthermore, U.S. EPA commented in recent rulemakings that the lack of consistent recordkeeping for all sources is a potential SIP deficiency subject to disapproval. In regard to reporting requirements, they are necessary for all coatings including low-VOC coatings because reporting provides

compliance information to ensure operators are using low-VOC coatings and are staying within usage limits in the rule and permit conditions. In addition, recordkeeping and reporting provides accurate VOC emissions inventories, informs South Coast AQMD staff of the commercial availability of existing low-VOC coatings, shows trends of adoption and use of super-compliant products, and the data can be used to establish lower VOC limits to encourage and facilitate transition to low-VOC products. Lastly, staff identified a LED curable coatings subject to Rule 1151 being used at a local autobody shop. The product is a primer sealer formulated at approximately 200 g/L. The VOC limit for a primer sealers is 250 g/L, so the coating meets the current and future effective VOC limit; however, the VOC content is comparable to conventional primer sealers. Staff does not recommend any changes to the recordkeeping or reporting provisions.

California Environmental Quality Act

Pursuant to the CEQA and South Coast AQMD's certified regulatory program (Public Resources Code Section 21080.5, and CEQA Guidelines Section 15251(l); codified in South Coast AQMD Rule 110), South Coast AQMD, as lead agency, reviewed PAR 1151 and determined that: 1) PAR 1151 implements the 2022 AQMP Control Measure CTS-01 – Further Emission Reductions From Coatings, Solvents, Adhesives, and Lubricants; and 2) the Final Program Environmental Impact Report (EIR) for the 2022 AQMP evaluated Control Measure CTS-01 and analyzed its potential environmental impacts. Since PAR 1151 does not involve any new or modified impacts when compared to what was previously analyzed in the Final Program EIR for Control Measure CTS-01, PAR 1151 qualifies as a later activity within the scope of the program approved earlier for the 2022 AQMP per CEQA Guidelines Section 15168 (c), and the Final Program EIR for the 2022 AQMP adequately describes the activity for the purposes of CEQA such that no new environmental document will be required. The analysis supporting this conclusion can be found in Appendix A of the Final Staff Report (Attachment G to this Board Letter).

Socioeconomic Impact Assessment

The Socioeconomic Impact Assessment considers the direct impacts of PAR 1151 on the end users of the applicable coatings. Approximately 3,000 facilities are subject to PAR 1151 requirements, with most of the facilities classified under the sector of Repair and Maintenance per the North American Industrial Classification System. Of the affected facilities, up to 2,238 facilities may qualify as small businesses based on various small business definitions. Affected facilities will experience incremental recurring costs or cost savings associated with the transition to: 1) Phase I coatings starting in 2025, and 2) Phase II coatings beginning in 2028, 2029, or 2030, depending on the automotive coating category. The total present value of cost savings over the 2025 - 2044 period is estimated to be \$260.45 million and \$239.7 million with a 1 percent and 4 percent discount rate, respectively. The average annual cost savings due to the implementation of PAR 1151 is estimated to be \$13.4 million, regardless of interest rate assumed. PAR 1151 is expected to bring about 167 net jobs gained annually

on average over the 2025 – 2044 period. Overall, the impact of PAR 1151 on production cost and delivered prices in South Coast AQMD region is expected to be minimal.

To address uncertainties regarding the future costs of Phase II reformulated coatings, the Socioeconomic Impact Assessment also includes a scenario analysis. This analysis considers two other price scenarios: one with Phase II coatings being 5 percent more expensive than the baseline coatings, and the other with Phase II coatings 5 percent less expensive. The average annual compliance cost of the more expensive scenario is estimated to be \$14.17 million, while the less expensive one has an estimated annual compliance cost savings of \$40.97 million. The Final Socioeconomic Impact Assessment is included as an attachment to this Board Letter (see Attachment H).

AQMP and Legal Mandates

Pursuant to Health and Safety Code Section 40460(a), South Coast AQMD is required to adopt an AQMP demonstrating compliance with all federal regulations and standards. South Coast AQMD is required to adopt rules and regulations that carry out the objectives of the AQMP. PAR 1151 partially implements the 2022 AQMP Control Measure CTS-01 and achieves the objectives set forth by the AB 617 CERP for the SLA community.

Resource Impacts

Existing staff resources are adequate to implement the proposed amended rule. PAR 1151 includes a phased implementation timeline which is not anticipated to impact existing permits.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Proposed Amended Rule 1151
- G. Final Staff Report (Including the CEQA Analysis)
- H. Final Socioeconomic Impact Assessment
- I. Board Presentation

ATTACHMENT A
SUMMARY OF PROPOSAL

Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Applicability

- Applies to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses, or distributes any automotive coating, automotive coating component, or associated solvent for use within the South Coast AQMD, as well as any person who uses, applies, or solicits the use or application of any automotive coating, automotive coating component, or associated solvent within the South Coast AQMD.

Phase out of para-chlorobenzotrifluoride (pCBtF) and tert-butyl acetate (t-BAc):

Two exempt compounds have been determined to have toxic endpoints. PAR 1151 proposes to phase out those solvents as soon as practicable to reduce toxic exposure.

pCBtF and t-BAc Prohibition Schedule

- **Color coatings** will transition from solvent based to waterborne coatings; most larger shops transitioned over a decade ago. The longer phase-out period will allow time for application training at medium shops. There is also an alternative VOC limit for color coatings sold in small containers that will address use at small shops.
 - Prohibition effective date: November 1, 2025
 - Sell-through end date: November 1, 2026
 - Use-through end date: January 1, 2028
- **All other coating categories**
 - Prohibition effective date: May 1, 2025
 - Sell-through end date: May 1, 2026
 - Use-through end date: July 1, 2027

Emission Limits

- **Phase I VOC Content Limits**
 - In order to quickly transition away from pCBtF and t-BAc, PAR 1151 will temporarily allow for coatings formulated to meet U.S. EPA National Rule limits upon rule adoption.
 - These coatings do not contain pCBtF or t-BAc
- **Phase II VOC Content Limits**
 - Establishes future effective Phase II VOC content limits that represent BARCT for each category of coatings.

Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

- **Maximum Incremental Reactivity (MIR) VOC Limit**
 - Establishes future effective MIR limits for reducers or thinners to reduce the overall ozone depleting impact of reducers and thinners.
 - Establishes alternative MIR VOC limits for adhesion promoters and pretreatment wash primers.

Compliance Schedule

- **Phase I VOC Content Limits**
 - Effective upon rule adoption
- **Phase II VOC Content Limits**, effective date varies by coating category:
 - Effective January 1, 2028
 - Single-stage coatings, adhesion promoters, epoxy primers, pretreatment wash primers
 - Effective January 1, 2029
 - Primer sealers, primer surfacers
 - Effective January 1, 2030
 - Color coatings, tinted mid-coats, gloss clear coatings
- **MIR VOC Limit**
 - Effective January 1, 2030
 - Reducers and Thinners

Administrative and Reporting Requirements for Automotive Coating Manufacturers

- A manufacturer or private labeler of automotive coatings, automotive coating components or regulated products shall submit a Quantity and Emission Report (QER) for sales into or within the South Coast AQMD.
- Reporting deadlines would begin in 2030 and repeat every five (5) years, requiring the previous two calendar years to be reported.

Exemptions

- Training centers for automotive coating application, owned and operated by automotive coating manufacturers, are exempted from the pCBtF and t-BAc prohibition until ten (10) years after rule adoption.

ATTACHMENT B
KEY ISSUES AND RESPONSES

Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Throughout the rule development process, staff worked with stakeholders to address and resolve key issues.

There is one remaining key issue: recordkeeping and reporting requirements for ultraviolet/electron beam/light-emitting diode (UV/EB/LED) coating technologies.

PAR 1151 recordkeeping requirements rely on compliance with the requirements of Rule 109 – Recordkeeping for Volatile Organic Compound Emissions. This scheme allows for minimal recordkeeping for super-compliant VOC coatings, as defined as coatings containing 50 grams or less of VOC per liter of material, to encourage the sale and use of low VOC products. Minimal recordkeeping is needed to demonstrate compliance with permit conditions and rule requirements. Furthermore, U.S. EPA commented in recent rulemakings that the lack of consistent recordkeeping for all sources is a potential SIP deficiency subject to disapproval. In regards to reporting requirements, they are necessary for all coatings including low-VOC coatings because reporting provides compliance information to ensure operators are using low-VOC coatings and are staying within usage limits in the rule and permit conditions. In addition, recordkeeping and reporting provides accurate VOC emissions inventories, informs South Coast AQMD staff of the commercial availability of existing low-VOC coatings, shows trends of adoption and use of super-compliant products, and the data can be used to establish lower VOC limits to encourage and facilitate transition to low-VOC products. Lastly, staff identified a LED curable coatings subject to Rule 1151 being used at a local autobody shop. The product is a primer sealer formulated at approximately 200 g/L. The VOC limit for a primer sealers is 250 g/L, so the coating meets the current and future effective VOC limit; however, the VOC content is comparable to conventional primer sealers. Staff does not recommend any changes to the recordkeeping or reporting provisions.

ATTACHMENT C
RULE DEVELOPMENT PROCESS

Proposed Amended Rule 1151 –
Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations



Fifteen (15) months spent in rule development
One (1) Public Workshop
One (1) Stationary Source Committee Meeting
Four (4) Working Group Meetings
Thirty-seven (37) Stakeholder Meetings
Six (6) Site Visits

**Presented to South Los Angeles Community Steering Committee and
California Autobody Association**

ATTACHMENT D
KEY CONTACTS LIST

**Proposed Amended Rule 1151 –
Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations**

3M Company

AB 617 South Los Angeles Community Steering Committee

AkzoNobel

Allnex

American Coatings Association (ACA)

Axalta Coating Systems

Badische Anilin-und Sodafabrik (BASF)

California Air Pollution Control Officers Association (CAPCOA)

California Air Resources Board (CARB)

California Autobody Association (CAA)

California Occupational Safety and Health (Cal/OSHA)

Community Environmental Services

Covestro

Katy Wolf, Institute for Research and Technical Assistance

PPG Industries, Inc.

RadTech

Raymond Regulatory Resources (3R), LLC

SMC Global

Transtar Autobody Technologies, Inc.

W.M. Barr

U.S. Environmental Protection Agency (U.S. EPA)

ATTACHMENT E

RESOLUTION NO. 24-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations qualifies as a later activity within the scope of the program approved earlier for the 2022 Air Quality Management Plan (AQMP) per California Environmental Quality Act (CEQA) Guidelines Section 15168 (c), and the Final Program Environmental Impact Report (EIR) for the 2022 AQMP adequately describes the activity for the purposes of CEQA such that no new environmental document will be required.

A Resolution of the South Coast AQMD Governing Board amending Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1151 is considered a "project" as defined by CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(1), and has conducted a CEQA review and analysis of the proposed project pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines that: 1) Proposed Amended Rule 1151 partially implements Control Measure CTS-01 – Further Emission Reductions From Coatings, Solvents, Adhesives, and Lubricants which was previously adopted in the 2022 AQMP; 2) no subsequent EIR would be required per CEQA Guidelines Section 15168(c)(2) because there are no new or modified physical changes that would result from implementing Proposed Amended Rule 1151 which were not previously analyzed in the Final Program EIR for the 2022 AQMP specific to Control Measure CTS-01; and 3) the Final Program EIR for the 2022 AQMP can be relied on for CEQA compliance; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1151 is a later activity within the scope of the program approved earlier in the 2022 AQMP per CEQA Guidelines Section 15168(c)(2), and the Final Program EIR for the 2022 AQMP adequately describes and analyzes the activities associated with implementing the proposed project for the purposes of CEQA such that no new environmental document will be required; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that based on substantial evidence in the record and in accordance with the noticing requirements in CEQA Guidelines Section 15168(e), Proposed Amended Rule 1151 qualifies as a later activity within the scope of the program approved earlier for the 2022 AQMP, and the Final Program EIR for the 2022 AQMP adequately describes the activity for the purposes of CEQA; and

WHEREAS, Proposed Amended Rule 1151, and supporting documentation, including but not limited to, the Final Staff Report which includes the CEQA analysis, and the Final Socioeconomic Impact Assessment, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (Section 30.5(4)(D)(i) of the Administrative Code), that no modifications have been made to the proposed project since the Notice of Public Hearing was published that are so substantial as to significantly affect the meaning of Proposed Amended Rule 1151 within the meaning of Health and Safety Code Section 40726 because: 1) adding “s” to “Reducer” and “Thinner” in paragraph (d)(8) was made for consistency; 2) changing “(f)(7)(D)” to “paragraphs (d)(6), (d)(7), and (d)(8)” and removing “Table 3” in subparagraph (h)(G)(i) was to correct a reference; and 3) revising the definition of a VOC to state that t-BAc is not a VOC until the applicable prohibition timeline is for clarification: and (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rule, (c) the changes are consistent with the information contained in the Notice of Public Hearing, and (d) the consideration of the range of CEQA alternatives was conducted in the Final Program EIR for the 2022 AQMP, which evaluated Control Measure CTS-01 upon which Proposed Amended Rule 1151 relies; and

WHEREAS, Proposed Amended Rule 1151 will be submitted for inclusion in the State Implementation Plan; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing, in the rulemaking record, and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to amend Rule 1151 to expeditiously reduce the use of two exempt solvents (para-chlorobenzotrifluoride and *tert*-butyl acetate) in autobody coatings by temporarily allowing less-toxic, higher-VOC autobody coatings to be sold into the South Coast AQMD and establishing future effective Best Available Retrofit Control Technology (BARCT)

VOC Content limits which partially implements the 2022 AQMP Control Measure CTS-01; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40441, 40702, 40725 through 40728.5, 40920.6, and 41508 as well as the federal Clean Air Act; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1151 is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1151 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1151 does not impose the same requirements as any existing state or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in amending Rule 1151, references the following statutes which the South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 39002, 40000, 40001, 40406, 40702, 40440(a), 40725 through 40728.5, 40920.6, 41508 and federal Clean Air Act Sections 110, 172, and 182(e); and

WHEREAS, the South Coast AQMD Governing Board determines that there is a problem that Proposed Amended Rule 1151 will alleviate, (i.e., the South Coast Air Basin does not meet state or federal standards for ozone and PM_{2.5}) and the proposed amendment will promote the attainment or maintenance of such air quality standards; and

WHEREAS, Health and Safety Code Section 40727.2 requires the South Coast AQMD to prepare a written analysis of existing federal air pollution control requirements applicable to the same source type being regulated whenever it adopts, or amends a rule, and that the South Coast AQMD's comparative analysis of Proposed Amended Rule 1151 is included in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board finds that staff's proposed control options for Proposed Amended Rule 1151 are being adopted because they constitute BARCT, and that there is no other control options that meet BARCT and the air quality objectives; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment of Proposed Amended Rule 1151 is

consistent with the March 17, 1989, Governing Board Socioeconomic Resolution for rule amendment; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment for Proposed Amended Rule 1151 is consistent with the provisions of Health and Safety Code Sections 40440.8, 40728.5, and 40920.6; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1151 may result in either incremental costs or incremental cost savings to the affected industries, depending on assumed unit prices of future reformulated coatings; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Final Socioeconomic Impact Assessment and has made a good faith effort to minimize adverse socioeconomic impacts; and

WHEREAS, the South Coast AQMD staff conducted a Public Workshop regarding Proposed Amended Rule 1151 on August 30, 2024; and

WHEREAS, the Public Hearing has been properly noticed in accordance with the provisions of Health and Safety Code Sections 40725 and 40440.5; and

WHEREAS, the South Coast AQMD Governing Board has held a Public Hearing in accordance with all provisions of state and federal law; and

WHEREAS, the South Coast AQMD Governing Board specifies the Planning, Rule Development and Implementation Manager overseeing the rule development for Proposed Amended Rule 1151 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

NOW, THEREFORE, BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 1151 qualifies as a later activity within the scope of the program approved earlier for the 2022 AQMP per CEQA Guidelines 15168(c), and the Final Program EIR for the 2022 AQMP adequately describes the activity for the purposes of CEQA such that no new environmental document will be required. This information was presented to the South Coast AQMD Governing Board, whose members exercised their independent judgement and reviewed, considered, and approved the information therein prior to acting on the proposed project; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 1151 as set forth in the attached, and incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board requests that Proposed Amended Rule 1151 be submitted for inclusion in the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Amended Rule 1151 to CARB for approval and subsequent submittal to U.S. EPA for inclusion into the State Implementation Plan.

DATE: _____

CLERK OF THE BOARDS

(Adopted July 8, 1988)(Amended May 5, 1989)(Amended March 2, 1990)
(Amended June 28, 1990)(Amended November 2, 1990)(Amended December 7, 1990)
(Amended August 2, 1991)(Amended September 6, 1991)
(Amended December 9, 1994)(Amended March 8, 1996)
(Amended June 13, 1997)(Amended December 11, 1998)(Amended December 2, 2005)
(Amended September 5, 2014)
(Amended [DATE OF RULE ADOPTION])

[RULE INDEX TO BE ADDED AFTER RULE ADOPTION]

PROPOSED AMENDED RULE 1151- MOTOR VEHICLE AND MOBILE EQUIPMENT NON-ASSEMBLY LINE COATING OPERATIONS

(a) Purpose

The purpose of this rule is to reduce ~~volatile organic compound~~Volatile Organic Compound (VOC) emissions, toxic air contaminants, stratospheric ozone-depleting compounds, and global-warming compound emissions from ~~automotive coating~~Automotive Coating applications performed on ~~motor vehicles~~Motor Vehicles, ~~mobile equipment~~Mobile Equipment, and ~~associated parts and components~~Associated Parts and Components.

(b) Applicability

This rule is applicable to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses, or distributes any ~~automotive coating~~Automotive Coating, Automotive Coating Component, or associated solvent for use within the ~~District~~South Coast AQMD, as well as any person who uses, applies, or solicits the use or application of any ~~automotive coating~~Automotive Coating, Automotive Coating Component, or associated solvent within the ~~District~~South Coast AQMD.

(c) Definitions

~~For the purpose of this rule, the following definitions shall apply:~~

- (1) ADHESION PROMOTER means any ~~automotive coating~~ Automotive Coating that is, specifically labeled and formulated to be applied to uncoated plastic and other synthetic surfaces, excluding metals, to facilitate bonding of subsequent ~~automotive coatings~~ Automotive Coatings, and on which, a subsequent automotive coating is applied.

Proposed Amended Rule 1151 (Cont.)(Amended ~~September 5, 2014~~[Date of Adoption])

- (2) AEROSOL COATING PRODUCT means a pressurized ~~coating~~Coating product containing pigments or resins that dispenses product ingredients by means of a propellant, and is packaged in a disposable can for hand-held application, or for use in specialized equipment for ground traffic/marking applications.
- (3) ASSEMBLY LINE means an arrangement of industrial equipment and workers in which the product passes from one specialized operation to another until complete, by either automatic or manual means.
- (4) ASSOCIATED PARTS AND COMPONENTS means structures, devices, pieces, modules, sections, assemblies, subassemblies, or elements of any ~~motor vehicle~~Motor Vehicle or ~~mobile equipment~~Mobile Equipment that are designed to be a part of any ~~motor vehicle~~Motor Vehicle or ~~mobile equipment~~Mobile Equipment but ~~which~~that are not attached to any ~~motor vehicle~~Motor Vehicle or ~~mobile equipment~~Mobile Equipment at the time of the application of an ~~automotive coating~~Automotive Coating to such structure, device, piece, module, section, assembly, subassembly, or element. -Associated ~~parts and components~~Parts and Components do not include circuit boards.
- (5) AUTOMOTIVE COATING means any ~~coating~~Coating used or recommended for use in ~~motor vehicles~~Motor Vehicles, ~~mobile equipment~~Mobile Equipment, or ~~associated parts and components~~Associated Parts and Components in refinishing, service, maintenance, repair, restoration, or modification, except metal plating activities; as applied, as a Ready-to-Spray Automotive Coating. Any reference to automotive refinishing or ~~automotive coating~~Automotive Coating on the container or in product literature constitutes a recommendation for use in ~~motor vehicle~~Motor Vehicle, ~~mobile equipment~~Mobile Equipment, and ~~associated parts and components~~Associated Parts and Components refinishing.
- (6) AUTOMOTIVE COATING COMPONENT means any portion of a ~~coating~~Coating, including, but not limited to, a ~~reducer or thinner~~Reducer or Thinner, toner, hardener, ~~and or~~ additive, ~~which~~that is used, or recommended for use, in an ~~automotive coating~~Automotive Coating, ~~or which is used in an automotive coating~~. The raw materials used to produce

Proposed Amended Rule 1151 (Cont.)(Amended ~~September 5, 2014~~[Date of Adoption])

the components are not considered ~~automotive coating components~~Automotive Coating Components.

- (7) AUTOMOTIVE GRAPHIC ARTS OPERATION means the application of logos, letters, designs, numbers, or graphics to a painted surface by brush, roller, or airbrush.
- (8) AUTOMOTIVE REFINISHING FACILITY means any shop, business, location, or parcel of land where ~~motor vehicle~~Motor Vehicles, or ~~mobile equipment~~Mobile Equipment, or ~~their associated parts and components~~Associated Parts and Components are coated, including autobody collision repair shops. ~~Automotive refinishing facility~~Automotive Refinishing Facility does not include the original equipment manufacturing plant where the ~~motor vehicle~~Motor Vehicle or ~~mobile equipment~~Mobile Equipment is completely assembled.
- (9) CLEAR COATING means any ~~automotive coating~~Automotive Coating that is formulated with materials that do not impart color and is specifically labeled and formulated for application over a ~~color coating~~Color Coating or a ~~previous layer of a clear coating~~Clear Coating.
- (10) COATING means a material ~~which that~~ is applied to a surface and forms a film in order to beautify, preserve, repair, or protect such a surface.
- (11) COLOR COATING means any pigmented ~~automotive coating~~Automotive Coating, excluding automotive ~~adhesion promoters~~Adhesion Promoters, and ~~primers~~Primers, and ~~multi-color coatings~~, that requires a subsequent ~~clear coating~~Clear Coating, and ~~which that~~ is applied over a ~~primer~~Primer, ~~adhesion promoter~~Adhesion Promoter, or a ~~previous layer of a color coating~~Color Coating. ~~Color coatings~~Coatings include metallic and iridescent color coatings, which mean Automotive Coatings that contains more than 0.042 pounds per gallon (5 grams per liter) of metal or iridescent particles as applied, where such particles are visible in the dried film.
- (12) ELECTROSTATIC SPRAY APPLICATION means any method of spray application of ~~automotive coatings~~Automotive Coatings where an electrostatic attraction is created between the part to be coated and the paint particles.
- (13) EMISSION CONTROL SYSTEM means any combination of capture systems and control devices used to reduce VOC emissions from ~~automotive coating~~Automotive Coating operations.

Proposed Amended Rule 1151 (Cont.) (Amended September 5, 2014 [Date of Adoption])

~~(13)~~(14) EPOXY PRIMER means any Primer formulated with an epoxy resin and a hardener that is labeled and formulated for application directly to metal surfaces for adhesion, resistance to moisture and corrosion, and where the primary function is to bond to the base material and seal for subsequent work.

(15) EXEMPT COMPOUNDS are as defined in Rule 102, Definition of Terms (Rule 102).

~~(14)~~(16) GLOSS CLEAR COATING means any Automotive Coating that is formulated with materials that do not impart color, is specifically labeled and formulated for application over a Color Coating or a previous layer of a Clear Coating, and that registers a gloss of 70 units or greater on a 60-degree meter, according to ASTM Test Method D523 – Specular Gloss (ASTM Test Method D523).

~~(15)~~(17) GRAMS OF VOC PER LITER OF COATING LESS WATER AND LESS EXEMPT COMPOUNDS, OR (REGULATORY VOC), is the weight of VOC per combined volume of VOC and coating solids and shall be calculated by the following equation:

Grams of VOC per Liter of Coating, Less

$$\text{Water and Less Exempt Compounds} = \frac{W_{sv} - W_w - W_{esex}}{V_m - V_w - V_{esex}}$$

Where: W_{sv} = weight of volatile compounds in grams (includes water, Exempt Compounds, and VOCs)

W_w = weight of water in grams

W_{esex} = weight of exempt compounds Exempt Compounds in grams

V_m = volume of material in liters

V_w = volume of water in liters

V_{esex} = volume of exempt compounds Exempt Compounds in liters

~~(16)~~(18) GRAMS OF VOC PER LITER OF MATERIAL, OR (ACTUAL VOC), is the weight of VOC per volume of material and shall be calculated by the following equation:

Proposed Amended Rule 1151 (Cont.) (Amended September 5, 2014 [Date of Adoption])

$$\text{Grams of VOC per Liter of Material} = \frac{W_{sv} - W_w - W_{esex}}{V_m}$$

Where: W_{sv} = weight of volatile compounds in grams (includes water, Exempt Compounds, and VOCs)

W_w = weight of water in grams

W_{esex} = weight of ~~exempt compounds~~ Exempt Compounds in grams

V_m = volume of material in liters

- ~~(17)~~(19) HIGH-VOLUME, LOW-PRESSURE (HVLP) means spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch, gauge, (psig) air atomizing pressure measured dynamically at the center of the air cap and at the air horns.
- (20) MATTE CLEAR COATING means any Automotive Coating that is formulated with materials that do not impart color, is specifically labeled and formulated for application over a Color Coating or a previous layer of a Matte Clear Coating, and that registers a gloss of less than 70 units on a 60-degree meter, according to ASTM Test Method D523.
- ~~(18)~~ METALLIC/IRIDESCENT COLOR COATING means any automotive coating that contains more than 0.042 pounds per gallon (5 grams per liter) of metal or iridescent particles as applied, where such particles are visible in the dried film.
- (21) MAXIMUM INCREMENTAL REACTIVITY (MIR) means the measure of the photochemical reactivity of a VOC, which estimates the weight of ozone produced from a weight of VOC expressed as gram of ozone per gram of VOC (g O₃/g VOC). MIR values for individual VOCs are specified in Sections 94700 and 94701, Title 17, California Code of Regulations.
- ~~(19)~~(22) MOBILE EQUIPMENT means any device that may either be drawn ~~and/or~~ driven on rails or a roadway including, but not limited to, trains, railcars, truck trailers, mobile cranes, bulldozers, street cleaners, and implements of husbandry or agriculture.
- ~~(20)~~(23) MOTOR VEHICLE means any self-propelled vehicle, including, but not limited to, motorcycles, passenger cars, light-duty trucks ~~and vans~~, medium-duty and heavy-duty vehicles (as defined in Section 1900, Title 13,

Proposed Amended Rule 1151 (Cont.) (Amended September 5, 2014 [Date of Adoption])

of the California Administrative Code of Regulations), ~~Additional examples include, but are not limited to, vans, buses, golf carts, tanks, and armored personnel carriers.~~

~~(21) MULTI-COLOR COATING means any automotive coating that exhibits more than one color in the dried film after a single application, is packaged in a single container, and hides surface defects on areas of heavy use, and which is applied over a primer or adhesion promoter.~~

~~(22)~~(24) PRETREATMENT COATING—WASH PRIMER means any ~~automotive coating~~Automotive Coating that contains a minimum of ~~one-half (0.5)~~ percent acid by weight and not more than 16 percent solids by weight, is necessary to provide surface etching, and that is specifically labeled and formulated for application directly to bare metal surfaces to provide corrosion resistance and adhesion.

~~(25)~~ PRIMER means any ~~automotive coating~~Automotive Coating that is specifically labeled and formulated for application to a substrate to provide 1) a bond between the substrate and subsequent coats, 2) corrosion resistance, 3) a smooth substrate surface, or 4) resistance to penetration of subsequent coats, ~~and on which a for the purpose of applying a subsequent coating—Automotive Coating is applied.~~ Primers may be pigmented and include weld-through primersWeld-Through Primers, Epoxy Primers, Primer Sealers, and Primer Surfacer.

~~(26)~~ PRIMER SEALER means any Coating applied prior to the application of a topcoat for the purpose of color uniformity, or to promote the ability of an underlying Coating to resist penetration by the topcoat.

~~(23)~~(27) PRIMER SURFACER means any Coating applied for the purpose of corrosion resistance or adhesion, and that promotes a uniform surface by filling in surface imperfections.

~~(28)~~ PRIVATE LABELER is the person, company, firm, or establishment (other than the toll manufacturer) identified on the label of a Regulated Product.

~~(29)~~ PRODUCT-WEIGHTED MIR (PW-MIR) means the sum of all weighted-MIR for all ingredients in a Regulated Product. The PW-MIR is the total product reactivity expressed to hundredths of a gram of ozone formed per gram of product (excluding container and packaging) and calculated according to the following equations:

Weighted MIR (Wtd-MIR) ingredient = MIR x Weight fraction ingredient,

and,

$$PW-MIR = (Wtd-MIR)_1 + (Wtd-MIR)_2 + \dots + (WtdMIR)_n$$

where,

MIR = ingredient MIR; and

1,2,3,...,n = each ingredient in the product up to the total n ingredients in the product.

(30) READY-TO-SPRAY AUTOMOTIVE COATING means the Automotive Coating, mixed with any Automotive Coating Components as recommended by the manufacturer's stated mix ratio.

(31) REDUCER OR THINNER means any solvent specifically labeled and formulated to reduce the viscosity of Automotive Coatings.

(32) REGULATED PRODUCT means any Automotive Coating or Automotive Coating Component.

~~(24)~~(33) SINGLE-STAGE COATING means any pigmented automotive coatingAutomotive Coating, (excluding automotive ~~adhesion promoters~~Adhesion Promoters, and ~~primers~~Primers—and multi-color coatings), specifically labeled and formulated for application without a subsequent clear coatingClear Coating and that ~~are~~may be applied over an ~~adhesion promoter~~Adhesion Promoter, a ~~primer~~Primer, or a color coatingColor Coating. -Single-stage coatingsCoatings include single-stage ~~metallic/iridescent coatings~~metallic color coatings.

~~(25)~~(34) SOLVENT CLEANING is as defined in Rule 1171 – Solvent Cleaning Operations (Rule 1171).

(35) SOUTH COAST AQMD TEST METHOD means a test method included in the manual of "Laboratory Methods of Analysis for Enforcement Samples," which can be found on the South Coast AQMD website and are referenced in subdivision (i).

~~(26)~~(36) SPOT REPAIR means repair of an area on a ~~motor vehicle~~Motor Vehicle, ~~mobile equipment~~Mobile Equipment, or ~~associated parts or components~~ Associated Parts and Components of less than one square foot (929 square centimeters) or less.

~~(27)~~(37) TEMPORARY PROTECTIVE COATING means any automotive coatingAutomotive Coating specifically labeled and formulated for the

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purpose of temporarily protecting areas from overspray or mechanical damage.

(38) TINTED MID-COAT means a transparent color coating specifically labeled and formulated to add depth and color-match to a three-stage metallic or iridescent coating system.

~~(28)~~(39) TRANSFER EFFICIENCY means the amount of ~~coating~~Coating solids adhering to the object being coated divided by the total amount of ~~automotive coating~~Automotive Coating solids sprayed, expressed as a percentage.

~~(29)~~(40) TRUCK BED LINER COATING means any ~~automotive coating~~Automotive Coating, excluding color, ~~multi-color~~, and ~~single-stage coatings~~Single-stage Coatings, specifically labeled and formulated for application to a truck bed to protect it from surface abrasion.

~~(30)~~(41) UNDERBODY COATING means any ~~automotive coating~~Automotive Coating specifically labeled and formulated for application to wheel wells, the inside of door panels or fenders, the underside of a trunk or hood, or the underside of the ~~motor vehicle~~Motor Vehicle.

~~(31)~~(42) UNIFORM FINISHING COATING means any ~~automotive coating~~Automotive Coating specifically labeled and formulated for application to the area around a ~~spot repair~~Spot Repair for the purpose of blending a repaired area's color or clear coat to match the appearance of an adjacent area's existing ~~coating~~Coating.

~~(32)~~(43) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 102-Definition of Terms. ~~For the purpose of this rule, tertiary butyl acetate (TBAC) is not a VOC when used in automotive coatings other than color coatings and clear coatings.~~For the purpose of this rule, tert-butyl acetate (t-BAC) is not a VOC when used in automotive coatings other than color coatings and clear coatings until the applicable prohibition timeline in Table 4.

~~(33)~~—The Executive Officer shall conduct a technical assessment on the use of TBAC as a non-VOC by December 31, 2016. ~~In conducting the technical assessment, the Executive Officer shall consider all information available to the SCAQMD on TBAC including, toxicity, carcinogenic and health risk~~

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~~assessment studies. The Executive Office shall report to the Governing Board as to the appropriateness of maintaining TBAc as a non-VOC.~~

(34)(44) WELD-THROUGH PRIMER means an ~~automotive coating~~Automotive Coating designed and labeled exclusively to provide a bridging or conducting effect for corrosion protection following welding.

(d) Requirements

(1) A person shall not apply any ~~automotive coating~~Automotive Coating to a ~~motor vehicle~~Motor Vehicle, ~~mobile equipment~~Mobile Equipment, or ~~associated parts or components~~Associated Parts and Components of a ~~motor vehicle~~Motor Vehicle or ~~mobile equipment~~Mobile Equipment, that contains VOC in excess of the applicable limits specified in the Table 1 - Table of Standards Regulatory VOC Content Limits for Automotive Coatings and Effective Dates (Table 1) ~~below~~. ~~Compliance with the applicable VOC content limits shall be based on VOC content, including any material added to the original automotive coating~~Automotive Coating supplied by the manufacturer, as applied, less water and ~~exempt compounds~~Exempt Compounds. Automotive Coatings formulated to comply with Phase I and Phase II VOC limits shall not contain more than 0.01 weight percent of either para-Chlorobenzotrifluoride (pCBtF) or tert-Butyl Acetate (t-BAc).

**Table 1- TABLE OF STANDARDS Table of Standards
Regulatory VOC Content Limits and Effective Dates for Automotive Coatings**

<u>Coating Categories</u>	<u>Current Limits⁽¹⁾</u>		<u>Phase I Limits Effective [Date of Rule Adoption]</u>		<u>Phase II Limits</u>		
	<u>g/L</u>	<u>lb/gal</u>	<u>g/L</u>	<u>lb/gal</u>	<u>g/L</u>	<u>lb/gal</u>	<u>Effective Date</u>
<u>Base Coatings</u>							
<u>Color Coating ⁽²⁾</u>	<u>420</u>	<u>3.5</u>			<u>250</u>	<u>2.1</u>	<u>1/1/2030</u>
<u>Tinted Mid-Coat</u>	<u>420</u>	<u>3.5</u>	<u>750</u>	<u>6.3</u>	<u>250</u>	<u>2.1</u>	<u>1/1/2030</u>
<u>Clear Coatings</u>							
<u>Gloss Clear Coating</u>	<u>250</u>	<u>2.1</u>	<u>520</u>	<u>4.3</u>	<u>250</u>	<u>2.1</u>	<u>1/1/2030</u>
<u>Matte Clear Coating</u>	<u>250</u>	<u>2.1</u>	<u>550</u>	<u>4.6</u>			
<u>Primers and Sealers</u>							
<u>Pretreatment Wash Primer</u>	<u>660</u>	<u>5.5</u>	<u>780</u>	<u>6.5</u>	<u>660</u>	<u>5.5</u>	<u>1/1/2028</u>
<u>Epoxy Primer</u>	<u>250</u>	<u>2.1</u>	<u>580</u>	<u>4.8</u>	<u>340</u>	<u>2.8</u>	<u>1/1/2028</u>
<u>Primer Sealer</u>	<u>250</u>	<u>2.1</u>	<u>550</u>	<u>4.6</u>	<u>250</u>	<u>2.1</u>	<u>1/1/2029</u>
<u>Primer Surfacer</u>	<u>250</u>	<u>2.1</u>	<u>580</u>	<u>4.8</u>	<u>250</u>	<u>2.1</u>	<u>1/1/2029</u>
<u>Other Coating Categories</u>							
<u>Adhesion Promoter</u>	<u>540</u>	<u>4.5</u>	<u>840</u>	<u>7.0</u>	<u>720</u>	<u>6.0</u>	<u>1/1/2028</u>
<u>Single-Stage Coating</u>	<u>340</u>	<u>2.8</u>	<u>600</u>	<u>5.0</u>	<u>340</u>	<u>2.8</u>	<u>1/1/2028</u>
<u>Temporary Protective Coating</u>	<u>60</u>	<u>0.5</u>					
<u>Truck Bed Liner Coating</u>	<u>310</u>	<u>2.6</u>					
<u>Underbody Coating</u>	<u>430</u>	<u>3.6</u>					
<u>Uniform Finishing Coating</u>	<u>540</u>	<u>4.5</u>					
<u>Any Other Coating Type</u>	<u>250</u>	<u>2.1</u>					

1 The specified limits remain in effect unless revised limits are listed in subsequent columns in the Table of Standards.

2 See Paragraph (d)(4) for Color Coatings supplied in half-pint or smaller containers.

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(2) On and after the effective date in Table 2, a person shall not manufacture, supply, sell, offer for sale, market, blend, distribute, possess, package, or repackage any Reducer or Thinner for use within the South Coast AQMD that contains VOCs in excess of the PW-MIR limit specified in Table 2.

Table 2– PW-MIR VOC Content Limit and Effective Date for Reducers and Thinners

	<u>PW-MIR VOC Limit (g O₃/g VOC)</u>	<u>Effective Date</u>
<u>Reducer and Thinner</u>	<u>1.50</u>	<u>1/1/2030</u>

VOC CONTENT LIMITS Grams per Liter of Coating, Less Water and Less Exempt Compounds		
AUTOMOTIVE COATING CATEGORIES	Current Limit	
	g/L	Lb/Gal
Adhesion Promoter	540	4.5
Clear Coating	250	2.1
Color Coating	420	3.5
Multi-Color Coating	680	5.7
Pretreatment Coating	660	5.5
Primer	250	2.1
Single Stage Coating	340	2.8
Temporary Protective Coating	60	0.5
Truck Bed Liner Coating	310	2.6
Underbody Coating	430	3.6
Uniform Finishing Coating	540	4.5
Any Other Coating Type	250	2.1

(2)(3) Most Restrictive VOC Limit Coating Category

If anywhere on the container of any Automotive Coating; on any sticker or label affixed thereto; or in any sales, advertising, or technical literature, any representation or information on the container of any automotive coating, or any label or sticker affixed to the container, or in any sales, advertising, or technical literature that indicates that the automotive coating Automotive Coating may be used as, or is suitable for use as, ~~meets the definition of or is recommended for use for more than one of the automotive coating~~ Automotive Coating categories listed in ~~paragraph (d)(1)~~ Table 1, then the lowest applicable VOC content limit shall apply.

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(3) ~~Alternative Compliance~~

(A) ~~Emission Control System~~

~~A person may comply with the provisions of paragraph (d)(1), by using an approved emission control system, consisting of collection and control devices, provided such emission control system is approved pursuant to Rule 203 Permit to Operate, in writing, by the Executive Officer for reducing emissions of VOC. The Executive Officer shall approve such emission control system only if the VOC emissions resulting from the use of non-compliant automotive coatings will be reduced to a level equivalent to or lower than that which would have been achieved by the compliance with the terms of paragraph (d)(1). The required efficiency of an emission control system at which an equivalent or greater level of VOC emission reduction will be achieved shall be calculated by the following equation:~~

$$C.E. = [1 - \left(\frac{(VOC_{LW_e})}{(VOC_{LW_{n,Max}})} \times \frac{1 - (VOC_{LW_{n,Max}}/D_{n,Max})}{1 - (VOC_{LW_e}/D_e)} \right)] \times 100$$

Where:

- C.E. = Control Efficiency, percent
- VOC_{LW_e} = VOC Limit of Rule 1151, less water and less exempt compounds, pursuant to paragraph (d)(1).
- VOC_{LW_{n,Max}} = Maximum VOC content of non-compliant automotive coating used in conjunction with a control device, less water and exempt compounds.
- D_{n,Max} = Density of VOC solvent, reducer, or thinner contained in the non-compliant automotive coating containing the maximum VOC.
- D_e = Density of corresponding VOC solvent, reducer, or thinner used in the compliant automotive coating system = 880 g/L.

~~(B) — Alternative Emission Control Plan~~

~~A person may comply with the provisions of paragraph (d)(1) by means of an Alternative Emissions Control Plan, pursuant to Rule 108 — Alternative Emissions Control Plans.~~

~~(4) — Exempt Compounds~~

~~A person shall not manufacture, sell, offer for sale, distribute for use in the District, or apply any automotive coating which contains any Group II Exempt Compounds as defined in Rule 102.~~

~~(5) — Carcinogenic Materials~~

~~A person shall not manufacture automotive coatings for use in the SCAQMD in which cadmium or hexavalent chromium was introduced as a pigment or as an agent to impart any property or characteristic to the automotive coatings during manufacturing, distribution, or use of the applicable automotive coatings.~~

(4) Alternative VOC Content Limits for Color Coatings

In lieu of complying with the Phase I Color Coating VOC limit, and until January 1 2030, a person may elect to manufacture, supply, sell, offer for sale, market, blend, distribute, possess, package, or repackage any Color Coating for use within the South Coast AQMD, or apply a Color Coating to a Motor Vehicle, Mobile Equipment, or Associated Parts and Components of a Motor Vehicle or Mobile Equipment, that is supplied in half-pint or smaller containers, provided the Regulatory VOC content is no more than 720 g/L and the Color Coating does not contain more than 0.01 percent by weight of either pCBtF or t-BAc.

(5) Alternative VOC Content Limits for Adhesion Promoters and Pretreatment Wash Primers

In lieu of complying with the applicable Table 1 Phase II VOC limits for Adhesion Promoters and Pretreatment Wash Primers, a person may elect to manufacture, supply, sell, offer for sale, market, blend, distribute, possess, package, or repackage any Adhesion Promoter or Pretreatment Wash Primers for use within the South Coast AQMD, or apply an Adhesion Promoter or Pretreatment Wash Primer to a Motor Vehicle, Mobile Equipment, or Associated Parts and Components of a Motor Vehicle or Mobile Equipment, that complies with the PW-MIR limit in Table 3.

Table 3 - Alternative PW-MIR VOC Content Limits and Effective Dates

	<u>PW-MIR VOC Limits</u> <u>(g O₃/g VOC)</u>	<u>Effective Date</u>
<u>Adhesion Promoters</u>	<u>2.00</u>	<u>1/1/2028</u>
<u>Pretreatment Wash Primers</u>	<u>1.80</u>	<u>1/1/2028</u>

(6) Sell-Through and Use-Through Provision for Alternative Color Coating VOC Content Limit

Any Color Coating that is manufactured prior to January 1, 2030, supplied in a half-pint or smaller container to comply with the alternative VOC limit pursuant to paragraph (d)(4), and that has a VOC content above 250 g/L, may be sold, supplied, or offered for sale until January 1, 2030, and used until January 1, 2033.

(7) Sell-Through and Use-Through Provision for VOC Content Limit Reductions

Any Automotive Coating that is manufactured prior to the effective date of the applicable VOC content limit specified in Table 1, and that has a VOC content above that limit (but not above the limit in effect on the date of manufacture), may be sold, supplied, or offered for sale for up to 24 months after the applicable effective date and used up to 36 months after the applicable effective date.

(8) Sell-Through and Use-Through Provision for Reducers or Thinners

Any Reducer or Thinner that is manufactured prior to January 1, 2030, may be sold, supplied, or offered for sale until January 1, 2032, and used until January 1, 2033.

~~(6)~~(9) Transfer Efficiency

~~(A)~~—A person shall ~~not apply automotive coatings~~ Automotive Coatings to any ~~motor vehicle~~ Motor Vehicle, ~~mobile equipment~~ Mobile Equipment, or any ~~associated parts or components~~ Associated Parts and Components to a ~~motor vehicle~~ Motor Vehicle or ~~mobile equipment~~ Mobile Equipment using properly operating equipment, operated according to procedures recommended by the manufacturer, and in compliance with applicable permit conditions, if any, except by the use of one of the following methods:

~~(i)~~(A) ~~electrostatic application~~ Electrostatic Spray Application; ~~or~~

~~(ii)~~(B) ~~high volume, low pressure (HVLP) spray~~; ~~or~~

~~(iii)(C)~~ b Brush, dip, or roller; or

~~(iv)~~ Spray gun application, provided the owner or operator demonstrates that the spray gun meets the HVLP definition in paragraph (c)(17) in design and use. A satisfactory demonstration must be based on the manufacturer's published technical material on the design of the spray gun and by a demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun.

~~(v)(D)~~ Any such other automotive coating Automotive Coating application methods as demonstrated, in accordance with the provisions of subparagraph ~~(h)(1)(F)(i)(6)~~, to be capable of achieving equivalent or better ~~transfer efficiency~~ Transfer Efficiency than the automotive coating Automotive Coating application method listed in clause ~~(d)(6)(A)(ii)~~ subparagraph (d)(9)(B), provided written approval is obtained from the Executive Officer prior to use.

~~(B)~~ A person shall not apply any automotive coating by any of the methods listed in subparagraph (d)(6)(A) unless the automotive coating is applied with properly operating equipment, operated according to procedures recommended by the manufacturer and in compliance with applicable permit conditions, if any.

~~(7)(10)~~ Solvent Cleaning, Storage and Disposal of VOC-Containing Materials;

Solvent cleaning Cleaning of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC-containing materials used in cleaning operations shall be carried out pursuant to ~~SCAQMD~~ Rule 1171—Solvent Cleaning Operations.

(e) Alternative Compliance Options

(1) Emission Control System

A person may comply with the provisions of paragraph (d)(1) by using an approved Emission Control System, consisting of collection and control devices, provided such Emission Control System is approved pursuant to Rule 203 – Permit to Operate, in writing, by the Executive Officer for reducing VOC emissions. The Executive Officer shall approve such Emission Control System only if the VOC emissions resulting from the use of non-compliant Automotive Coatings will be reduced to a level equivalent to or lower than that would have been achieved by compliance with the

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terms of paragraph (d)(1). The required efficiency of an Emission Control System at which an equivalent or greater level of VOC emission reduction will be achieved shall be calculated by the following equation:

$$C.E. = \left[1 - \left\{ \frac{(VOC_{LW_c})}{(VOC_{LW_{n,Max}})} \times \frac{1 - (VOC_{LW_{n,Max}}/D_{n,Max})}{1 - (VOC_{LW_c}/D_c)} \right\} \right] \times 100$$

Where:

<u>C.E.</u>	<u>≡</u>	<u>Control Efficiency, percent</u>
<u>VOC_{LW_c}</u>	<u>≡</u>	<u>Regulatory VOC Limit, less water and less Exempt Compounds, pursuant to paragraph (d)(1).</u>
<u>VOC_{LW_{n,Max}}</u>	<u>≡</u>	<u>Maximum Regulatory VOC content of non-compliant Automotive Coating used in conjunction with a control device, less water and Exempt Compounds.</u>
<u>D_{n,Max}</u>	<u>≡</u>	<u>Density of VOC solvent, reducer, or thinner contained in the non-compliant Automotive Coating containing the maximum VOC.</u>
<u>D_c</u>	<u>≡</u>	<u>Density of corresponding VOC solvent, reducer, or thinner used in the compliant Automotive Coating system = 880 g/L.</u>

(2) Alternative Emission Control Plan

A person may comply with the provisions of paragraph (d)(1) by means of an Alternative Emissions Control Plan, pursuant to Rule 108 – Alternative Emissions Control Plans.

(e)(f) Prohibition of Possession, Specification, and Sale or Use

- (1) ~~For the purpose of this rule, no~~ No person that applies automotive coatings ~~Automotive Coatings~~ subject to this rule shall possess any automotive coating ~~Automotive Coating~~ that does not in compliance with the requirements of paragraph (d)(1) when mixed with any Automotive Coating Component (as applied), unless one or more of the following conditions apply:

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- (A) The ~~automotive coating~~Automotive Coating is for use at a facility that utilizes an approved ~~emission control device~~Emission Control System pursuant to ~~subparagraph (d)(3)(A)(e)(1)~~ and the ~~coating~~Coating ~~meets~~complies with the limits specified in permit conditions;:-
 - (B) The ~~automotive coating~~Automotive Coating is for use at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to ~~subparagraph (d)(3)(B)(e)(2)~~, and the ~~automotive coating~~Automotive Coating is specified in the plan;:-
 - (C) The ~~automotive coating~~Automotive Coating is for use at a training center and the ~~automotive coating~~Automotive Coating is used for educational purposes, provided that the VOC emissions from all automotive coatings ~~meeting~~complying with the VOC limits of paragraph (d)(1) do not exceed ~~twelve (12)~~ pounds per day; ~~or~~:-
 - (D) The ~~automotive coating~~Automotive Coating is for use at a prototype ~~motor vehicle~~Motor Vehicle manufacturing facility and the ~~automotive coating~~Automotive Coating is supplied by an ~~assembly-line~~Assembly-Line ~~motor vehicle~~Motor Vehicle manufacturer specifically for use in the refinishing of a prototype ~~motor vehicle~~Motor Vehicle, provided that the VOC emissions from all automotive coatings ~~meeting~~complying with the VOC limits of paragraph (d)(1) ~~do not exceed~~ neither ~~twenty one (21)~~ pounds per day ~~and nor~~ 930 pounds in any one calendar year.
- (2) ~~For the purpose of this rule, no~~ No person shall solicit from, specify, or require any other person to use in the ~~District South Coast AQMD~~ any ~~automotive coating~~Automotive Coating ~~which~~that, when applied as supplied or thinned or reduced according to the manufacturer's recommendation for application, does not ~~meet~~comply with the:
- (A) Applicable VOC limits required by paragraph (d)(1) for the specific application, unless:
 - (i) The ~~automotive coating~~Automotive Coating is located at a facility that utilizes an approved ~~emission control device~~Emission Control System pursuant to ~~subparagraph~~

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- ~~(d)(3)(A)(e)(1)~~, and the ~~automotive coating~~Automotive Coating ~~meets~~complies with the limits specified in permit conditions; ~~or~~,
- (ii) The ~~automotive coating~~Automotive Coating is located at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to subparagraph ~~(d)(3)(B)(e)(2)~~, and the ~~automotive coating~~Automotive Coating is specified in the plan; ~~or~~
- (iii) The ~~automotive coating~~Automotive Coating is specifically exempt pursuant to subdivision ~~(j)~~(k) of this rule; ~~or~~
- (iv) The Automotive Coating complies with the alternative PW-MIR VOC limits in Table 3; or
- (B) ~~The r~~Requirements of paragraphs ~~(d)(4)(f)(7) and (d)(5)~~.
- (3) ~~For the purpose of this rule, no~~ No person shall supply, sell, offer for sale, market, blend, package, repackage or distribute any ~~automotive coating~~Automotive Coating for use within the ~~District~~South Coast AQMD subject to the provisions in this rule ~~which that~~, when applied as supplied or thinned or reduced according to the manufacturer's recommendation for application, does not ~~meet~~comply with the:
- (A) Applicable VOC limits required by paragraph (d)(1) for the specific application, unless:
- (i) The ~~automotive coating~~Automotive Coating is for use at a facility that utilizes an approved ~~emission control device~~Emission Control System pursuant to subparagraph ~~(d)(3)(A)(e)(1)~~, and the ~~coating~~Coating ~~meets~~complies with the limits specified in permit conditions; ~~or~~,
- ~~(ii) The automotive coating is specifically exempt under subdivision (j) of this rule; or,~~
- (iii) The ~~automotive coating~~Automotive Coating is for use at a facility that operates in accordance with an approved Alternative Emissions Control Plan pursuant to subparagraph ~~(d)(3)(B)(e)(2)~~, and the ~~automotive coating~~Automotive Coating is specified in the plan;
- (iii) The Automotive Coating is specifically exempt pursuant to subdivision (k) of this rule; or; and,

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~~(iv) The Automotive Coating complies with the alternative PW-MIR VOC limits in Table 3; or~~

~~(iv) The person that supplies, sells, offers for sale, markets, blends, packages, repackages or distributes the automotive coating keeps the following records for at least five years and makes them available to the Executive Officer upon request:~~

~~(I) Automotive coating name and manufacturer;~~

~~(II) Application method as recommended;~~

~~(III) Automotive coating category and mix ratio specific to the automotive coating;~~

~~(IV) VOC content of the automotive coating;~~

~~(V) Documentation such as manufacturer specification sheets, material safety data sheets, technical data sheets, or any other air quality data sheets that demonstrate that the material is intended for use as an automotive coating;~~

~~(VI) Current manufacturer specification sheets, material safety data sheets, technical data sheets, or air quality data sheets, which list the VOC content of each ready to spray automotive coating (based on the manufacturer's stated mix ratio) and automotive coating components and VOC content of each solvent; and~~

~~(VII) Purchase records identifying the automotive coating category, name, and volume of automotive coatings.~~

~~(VIII) In addition, for sale to an end-user, the name and address of the person receiving the automotive coating, an acknowledgement warranting that the sale to an end-user will comply with this paragraph, including if use is for outside the District, and acknowledgement by the purchaser that this statement is correct.~~

(B) ~~The R~~requirements of paragraphs ~~(d)(4)(f)(7) and (d)(5).~~

(4) ~~For the purpose of this rule, no~~ No person shall solicit from, specify, require, offer for sale, sell, or distribute to any other person for use in the

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~~District~~ South Coast AQMD any ~~automotive coating~~ Automotive Coating application equipment ~~which that~~ does not meet-comply with the requirements of ~~subparagraph (d)(6)(A)(d)(9)~~.

- (5) ~~For the purpose of this rule, no~~ No person shall offer for sale, sell, supply, market, ~~offer for sale or~~ distribute an HVLP spray gun for use within the South Coast AQMD unless the person ~~offering for sale, selling, marketing or distributing the HVLP spray gun for use within the SCAQMD~~ provides accurate information to the spray gun recipient ~~on~~ regarding the maximum inlet air pressure to the spray gun ~~which that~~ would result in a maximum air pressure of 10 pounds per square inch gauge (psig) air pressure, measured dynamically at the center of the air cap and at the air horns, based on:

(A) the ~~The~~ manufacturer's published technical material on the design of the spray application equipment; ~~and~~

(B) by a ~~A~~ demonstration of the operation of the spray application equipment using an air pressure tip gauge from the manufacturer of the gun; ~~and~~

(C) The information shall either be permanently marked on the gun, or provided on the company's letterhead or in the form of technical literature ~~which that~~ clearly identifies the spray gun manufacturer, the seller, or the distributor.

- (6) ~~For the purpose of this rule, the~~ The requirements of paragraphs ~~(e)(1), (e)(2), (e)(3) or (e)(4)~~ (f)(1) through (f)(4) shall apply to all written or oral agreements executed and entered into under the terms of which an ~~automotive coating~~ Automotive Coating or an ~~automotive coating~~ Automotive Coating application equipment shall be used at any location within the ~~District~~ South Coast AQMD.

- (7) Carcinogenic Materials and Exempt Compounds

No person shall manufacture, supply, sell, offer for sale, market, blend, distribute, package, or repackage a Regulated Product for use within the South Coast AQMD, or apply any Regulated Product within the South Coast AQMD, that contains any of the following chemicals in concentrations greater than the limits indicated:

(A) 1.0 ppm of cadmium;

(B) 5.0 ppm of hexavalent chromium;

- (C) 0.01 percent by weight of Group II Exempt Compounds, excluding volatile methylated siloxanes (VMS);
- (D) 0.1 percent by weight of any VMS;
- (E) 0.01 percent by weight of pCBtF and t-BAc for Regulated Products subject to the applicable Phase I or Phase II VOC limits; or
- (F) 0.01 percent by weight of pCBtF and t-BAc pursuant to the applicable effective dates in Table 4.

Table 4: pCBtF and t-BAc Prohibition Timeline

<u>Category</u>	<u>Prohibition Effective Date</u>	<u>Sell-through End Date</u>	<u>Use-through End Date</u>
<u>Color Coatings</u>	<u>November 1, 2025</u>	<u>November 1, 2026</u>	<u>January 1, 2028</u>
<u>All Other Coating Categories</u>	<u>May 1, 2025</u>	<u>May 1, 2026</u>	<u>July 1, 2027</u>

(f)(g) Recordkeeping Requirements

(1) Recordkeeping for VOC Emissions

Records of ~~automotive coating~~ Regulated Product usage shall be maintained pursuant to ~~SCAQMD~~ Rule 109 – Recordkeeping for Volatile Organic Compound Emissions, and shall at a minimum include the following information:

- (A) ~~Material~~ Regulated Product name and manufacturer;
- (B) Application method as recommended;
- (C) ~~Automotive coating~~ Coating category and mix ratio specific to the ~~coating~~ Automotive Coating;
- (D) Actual VOC and ~~regulatory~~ Regulatory VOC content ~~for~~ of the ~~automotive coating~~ Regulated Product;
- (E) Documentation such as manufacturer specification sheets, material safety data sheets, technical data sheets, or any other air quality data sheets that ~~indicate~~ demonstrate the material is intended for use as an ~~automotive coating~~ Automotive Coating or ~~solvent~~ Automotive Coating Component;
- (F) Current manufacturer specification sheets, material safety data sheets, technical data sheets, or air quality data sheets, ~~which that~~ list the ~~actual~~ Actual VOC and ~~regulatory~~ Regulatory VOC content,

- for each ~~ready-to-spray~~ Ready-to-Spray automotive ~~coating~~ Automotive Coating (based on the manufacturer's stated mix ratio) ~~and, automotive coating components~~ Automotive Coating Components, ~~and the VOC content for each solvent; and,~~
- (G) Purchase records identifying the ~~automotive coating~~ Automotive Coating category, name, and the total volume of all ~~coatings and solvents~~ Regulated Products used.
- (2) Recordkeeping Requirements for Emission Control System
Any person using an ~~emission control system~~ Emission Control System shall maintain daily records of key system operating parameters ~~which that~~ will demonstrate continuous operation and compliance of the ~~emission control system~~ Emission Control System during periods of VOC emission—producing activities.— “Key system operating parameters” are those parameters necessary to ensure or document compliance with ~~subparagraph (d)(3)(A)(e)(1)~~, including, but not limited to, temperatures, pressure drops, and air flow rates.
- (3) ~~Recordkeeping Requirements for Coatings complying with paragraph (f)(3)~~
Any person that supplies, sells, offers for sale, markets, blends, packages, repackages or distributes Automotive Coatings that exceed the VOC limits in paragraph (d)(1) by complying with paragraph (f)(3) shall keep the following records for at least five years and make them available to the Executive Officer upon request:
- (A) Regulated Product name and manufacturer;
- (B) Application method as recommended;
- (C) Automotive Coating category and mix ratio specific to the Automotive Coating;
- (D) Actual VOC and Regulatory VOC content of the Regulated Product;
- (E) Documentation such as manufacturer specification sheets, material safety data sheets, technical data sheets, or any other air quality data sheets that demonstrate that the material is intended for use as an Automotive Coating or Automotive Coating Component;
- (F) Current manufacturer specification sheets, material safety data sheets, technical data sheets, or air quality data sheets, that list the

Actual VOC and Regulatory VOC content, for each Regulated Product;

(G) Purchase records identifying the Automotive Coating category, name, and the total volume of all Regulated Products; and

(H) For sale to an end-user:

(i) The name and address of the person receiving the Automotive Coating;

(ii) An acknowledgement warranting that the sale to an end-user will comply with paragraph (f)(3); and

(iii) If the Coating is for use outside the South Coast AQMD, acknowledgement by the purchaser that this statement is correct.

(g)(h) Administrative and Reporting Requirements for Automotive Coating Manufacturers

(1) Compliance Statement Requirement

For each individual ~~automotive coating~~ Automotive Coating, ~~automotive coating component~~ Automotive Coating Component, and ~~ready-to-spray~~ Ready-to-Spray mixture (based on the manufacturer's stated mix ratio), the manufacturer shall include the following information on a product data sheet, or an equivalent medium:

(A) The ~~actual~~ Actual VOC and ~~regulatory~~ Regulatory VOC content for ~~automotive coatings~~ Automotive Coatings (in grams per liter);

(B) The weight percentage of volatiles, water, and ~~exempt compounds~~ Exempt Compounds; and;

(C) The density of the material (in grams per liter).

(2) Labeling Requirements for Coating Manufacturers

(A) The manufacturer of ~~automotive coatings or automotive coating components~~ Regulated Products, including ~~hardeners~~, with the exception of ~~solvents such as reducers and thinners~~ Reducers or Thinners, shall include on all containers:

(A) ~~the~~ The applicable use ~~automotive coating~~ Automotive Coating category; and

(B) ~~the~~ The actual Actual VOC and ~~regulatory~~ Regulatory VOC content, as supplied (in grams of VOC per liter of material and in grams of

Proposed Amended Rule 1151 (Cont.) (Amended September 5, 2014 [Date of Adoption])

VOC per liter of material, less water and ~~exempt compounds~~ Exempt Compounds);

(C) The PW-MIR VOC content of an Adhesion Promoter or Pretreatment Wash Primer if the manufacturer of an Adhesion Promoter or Pretreatment Wash Primer elects to comply with PW-MIR VOC limits in paragraph (d)(5); and

(D) On and after [12 Months from Date of Rule Adoption], all Regulated Products shall display the date of manufacture of the Automotive Coating or a code indicating the date of manufacture. The manufacturers shall file an explanation of each code with the Executive Officer.

~~(B)~~(3) Labeling Requirements for Reducers and Thinners

The manufacturer of ~~solvents, including reducers and thinners~~ Reducers and Thinners; subject to this rule shall include on all containers:

(A) ~~The actual~~ Actual VOC for solvents, as supplied (in grams of VOC per liter of material); and

(B) On and after January 1, 2030, the PW-MIR.

(4) General Quantity and Emission Report (QER)

The manufacturer or private labeler of Regulated Products shall submit to the South Coast AQMD a QER for Regulated Product sales into or within the South Coast AQMD according to the schedule in Table 5. The QER for a manufacturer or private labeler of Regulated Products shall include the following information:

(A) Product manufacturer (as listed on the label);

(B) Product name and code;

(C) Applicable Rule 1151 category;

(D) Actual VOC, Regulatory VOC content, and PW-MIR, if applicable;

(E) Whether the product is waterborne or solvent-based;

(F) Total annual volume sold into or within the South Coast AQMD, including products sold through distribution centers located within or outside the South Coast AQMD, reported in gallons for all container sizes for the years listed in Table 5;

(G) For any Regulated Product with VOC content higher than the applicable VOC content limits in paragraph (d)(1), indicate whether the product has been sold under any of the following provisions:

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- (i) Sell-through provision pursuant to subparagraph (f)(7)(D), Table 3 paragraphs (d)(6), (d)(7), and (d)(8);
- (ii) Exempted pursuant to subdivision (k); or
- (iii) Complying with subdivision (e) and
- (H) Multicomponent Automotive Coatings shall be reported as the Ready-to-Spray Automotive Coating, including the maximum Actual VOC content, maximum Regulatory VOC content, and sales volume.

(5) QER Reporting Timeline

A manufacturer and Private Labeler of Regulated Products shall submit the QER required pursuant to paragraph (h)(4) according to the reporting timeline in Table 5:

Table 5 – QER Reporting Timeline

<u>Reporting Deadlines</u>	
<u>Manufacturers & Private Labelers</u>	<u>Reported Years</u>
<u>September 1, 2030</u>	<u>2028, 2029</u>
<u>September 1, 2035</u>	<u>2033, 2034</u>
<u>September 1, 2040</u>	<u>2038, 2039</u>

(h)(i) Test Methods

(1) Methods of Analysis

For the purpose of this rule, the following test methods shall be used:

(A) VOC Content of Automotive Coatings

(i) The VOC content of Automotive Coatings shall be determined by:

(A) United States Environmental Protection Agency (U.S. EPA) Reference Test Method 24, (– Determination of Volatile Matter Content, Water Content, Volume Solids and Weight Solids of Surface Coatings, Code of Federal Regulations, Title 40 Part 60, Appendix A with the). The exempt compounds Exempt Compounds’ content shall be determined by South Coast Air Quality Management District (South Coast AQMD) Laboratory Test Method 303 – (Determination of Exempt Compounds) contained in the SCAQMD “Laboratory Method of Analysis for Enforcement Samples” manual; or

~~(ii)(B)~~ South Coast AQMD Test Method 304 [~~Determination of Volatile Organic Compounds (VOCs) in Various Materials~~] contained in the SCAQMD "~~Laboratory Method of Analysis for Enforcement Samples~~" manual.

~~(B)~~(2) Exempt Perfluorocarbon Compounds

The following classes of compounds shall be analyzed as Exempt Compounds for compliance with paragraph (d)(1), only at such time as manufacturers specify which individual compounds are used in the formulation of the Automotive Coating and identify the test methods, which have been approved by the U.S. EPA, California Air Resources Board (CARB) and the South Coast AQMD prior to such analysis, that can be used to quantify the amounts of each exempt compound:

- (A) ~~eyelie~~Cyclic, branched, or linear, completely fluorinated alkanes;
- (B) ~~eyelie~~Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations;
- (C) ~~eyelie~~Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations; and
- (D) ~~sulfur~~Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine, ~~shall be analyzed as exempt compounds for compliance with paragraph (d)(1), only at such time as manufacturers specify which individual compounds are used in the formulation of the automotive coatings and identify the test methods, which have been approved by the U.S. EPA, CARB and the SCAQMD prior to such analysis, that can be used to quantify the amounts of each exempt compound.~~

~~(C)~~(3) Determination of ~~Iridescence~~Metallic Particles in Metallic/Iridescence Color Coatings

The metal ~~and silicon~~ content of metallic/~~iridescent~~ Color Coatings shall be determined by South Coast AQMD Test Method 311 [~~Determination of Percent Metal in Metallic Coatings by Spectrographic Method~~] contained in the SCAQMD "~~Laboratory Method of Analysis for Enforcement Samples~~" manual.

~~(D)~~(4) Acid Content in Pretreatment Automotive Coatings

The acid content of ~~pretreatment automotive coatings~~Pretreatment Wash Primers shall be determined by ASTM Test Method D1613-06 (2012) =

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~~(Acidity in Volatile Solvents and Chemical Intermediates Used in Paint, Varnish, Lacquer, and related products~~ Related Products).

~~(E)(5)~~ Reflectance of Anti-Glare Safety Automotive Coatings Gloss Determination

The ~~reflectance of anti-glare safety gloss of automotive coatings~~ Automotive Coatings shall be determined by ASTM Test Method D-523-08 (~~Specular Gloss~~).

~~(F)(6)~~ Transfer Efficiency

The ~~transfer efficiency~~ Transfer Efficiency of alternative ~~automotive coating~~ Automotive Coating application methods, as defined by ~~clause (d)(6)(A)(v) paragraph (c)(39)~~, shall be determined in accordance with the most current versions of the South Coast AQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989," and South Coast AQMD "Guidelines for Demonstrating Equivalency With District Approved Transfer Efficiency Spray Gun, September 26, 2002."

~~(G)~~ Equivalent Test Methods

~~Other test methods determined to be equivalent by the Executive Officer, CARB, and the U.S. EPA, and approved in writing by the Executive Officer may also be used.~~

~~(2)(7)~~ Determination of Efficiency of Emission Control Systems

~~(A) A person that elects to comply with the provision of paragraph (d)(1) using an~~ The efficiency of the collection device of an emission control system Emission Control System as specified in subparagraph ~~(d)(3)(A)~~ (e)(1) shall ~~be determined by the methods specified below:~~

(A) Determine the efficiency of the collection device in the Emission Control System by using:

~~(i) U.S. EPA method cited in 55 Federal Register (FR) 26865, June 29, 1990; or~~

~~(ii)(i)~~ South Coast AQMD's "Protocol for Determination of Volatile Organic Compounds (VOC) Capture Efficiency;"
or

~~(ii)(ii)~~ Any other method approved by the U.S. EPA, CARB, and the District South Coast AQMD Executive Officer.

(B) Determine The the efficiency of the control device of an emission control system as specified in subparagraph (d)(3)(A) and the VOC content in the control device in the Emission Control System

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exhaust gases, measured and calculated as carbon, shall be determined by:

- (i) -U. S. EPA Test Methods 25 - Determination of Total Gaseous Nonmethane Organic Emissions as Carbon;
- (ii) U. S. EPA Test Method 25A - Determination of Total Gaseous Organic Concentration Using a Flame Ionization Analyzer; ~~or~~
- (iii) South Coast AQMD Method 25.1 - (Determination of Total Gaseous Non-Methane Organic Emissions as Carbon); ~~as applicable~~ or
- (iv) South Coast AQMD Method 25.3 - Determination of Low Concentration Non-Methane Non-Ethane Organic Compound Emissions from Clean Fueled Combustion Sources.

(C) Determine emissions of Exempt Compounds by:

- (i) U.S. EPA Test Method 18 - Volatile Organic Compounds by Gas Chromatography; ~~or~~
- (ii) CARB Method 422 - Determination of Volatile Organic Compounds in Emissions from Stationary Sources ~~shall be used to determine emissions of exempt compounds.~~

(8) Equivalent Test Methods

Other test methods determined to be equivalent by the Executive Officer, CARB, and the U.S. EPA, and approved in writing by the Executive Officer may also be used.

~~(3)~~(9) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

~~(j)~~(i) Rule 442 Applicability

Any ~~automotive coating~~Automotive Coating, ~~automotive coating~~Automotive Coating operation, or facility ~~which that~~ is exempt pursuant to subdivision ~~(j)~~(k) from all or a portion of the VOC limits of subdivision (d) shall comply with the provisions of Rule 442 - Usage of Solvents.

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(j)(k) Exemptions

- (1) ~~This~~ The provision of this rule shall not apply to:
 - (A) Any ~~automotive coating~~ Automotive Coating applied to ~~motor vehicle~~ Motor Vehicles or ~~mobile equipment~~ Mobile Equipment, or their ~~associated parts and components~~ Associated Parts and Components, during manufacture on an ~~assembly line~~ Assembly Line that is subject to a VOC limit in Rule 1115 - Motor Vehicle Assembly Line Coating Operations;
 - (B) Any ~~automotive coating~~ Automotive Coating that is expressly and exclusively offered for sale, sold, or manufactured for use outside of the ~~District~~ South Coast AQMD or that is for shipment to other manufacturers for reformulation or repackaging;
 - (C) Any ~~aerosol coating product~~ Aerosol Coating Product; and
 - (D) Any ~~automotive coating~~ Automotive Coating that is supplied, sold, offered for sale, marketed, manufactured, blended, packaged or repackaged for use within the District ~~South Coast AQMD~~ in 0.5 fluid ounces or smaller containers and is applied by brush or air brush to repair minor surface damage and imperfections for touch-up operations.
- (2) ~~The requirements of paragraph (d)(1) shall not apply to automotive coatings~~ Automotive Coatings applied for educational purposes at ~~automotive coating~~ Automotive Coating training centers, ~~which that~~ are owned and operated by ~~automotive coating~~ Automotive Coating manufacturers, provided that the VOC emissions emitted at ~~the automotive coating~~ Automotive Coating training center from all automotive coatings ~~Automotive Coatings~~ not meeting ~~complying with the VOC limits of paragraph (d)(1) complying with paragraph (d)(1)~~ do not exceed ~~twelve~~ (12) pounds per day shall be exempt from:-
 - (A) The requirements of paragraph (d)(1); and
 - (B) The prohibition of pCBtF and t-BAC in subparagraphs (f)(7)(E) and (f)(7)(F) until [Ten Years from Date of Rule Adoption].
- (3) The requirements of paragraph (d)(1) shall not apply to ~~automotive coatings~~ Automotive Coatings supplied by an assembly-line ~~motor vehicle~~ Motor Vehicle manufacturer for use by a prototype ~~motor vehicle~~ Motor Vehicle manufacturing facility in the finishing of a prototype

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~~motor vehicle~~ Motor Vehicle, provided that the VOC emissions at the prototype ~~motor vehicle~~ Motor Vehicle manufacturing facility from all such ~~topcoats~~ Automotive Coatings not complying with the VOC limits of paragraph (d)(1) ~~do not exceed neither~~ 21 pounds per ~~in a calendar day~~ and ~~nor~~ 930 pounds in any one calendar year.

- (4) The requirements of ~~subparagraph (d)(6)(A)~~ (d)(9) shall not apply to ~~automotive graphic arts operations~~ Automotive Graphic Arts Operations, ~~truck bed liner coatings~~ Truck Bed Liner Coatings, or ~~underbody coatings~~ Underbody Coatings.
- (5) The labeling requirements of paragraph (h)(2) shall not apply to Regulated Products formulated to comply with the Phase I VOC content limits until [12 Months from Date of Rule Adoption].

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

November 2024

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EXECUTIVE SUMMARY

Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations was adopted in July 1988 to limit Volatile Organic Compound (VOC) emissions, toxic air contaminants, stratospheric ozone-depleting compounds, and global-warming compound emissions from automotive coating operations performed on motor vehicles, mobile equipment and associated parts or components for motor vehicles and mobile equipment. Rule 1151 includes 12 categories of automotive coatings with VOC limits and applies to any person who supplies, sells, offers for sale, markets, manufactures, blends, repackages, possesses or distributes any automotive coating or associated solvent for use within the South Coast Air Quality Management District (South Coast AQMD), as well as any person who uses, applies, or solicits the use or application of any automotive coating or associated solvent within the South Coast AQMD.

The current proposed rule amendments partially implements the 2022 Air Quality Management Plan (AQMP) control measure CTS-01 to address two exempt compounds that were determined to have toxic end points, including potential carcinogenicity, by the Office of Environmental Health Hazard Assessment (OEHHA): *tert*-Butyl Acetate (t-BAc), which is exempt from the definition of a VOC for certain categories of products in a few source specific rules, including Rule 1151, and para-chlorobenzotrifluoride (pCBtF), which is considered exempt from the definition of a VOC for all uses within the South Coast AQMD, including Rule 1151 products. These exempt compounds are utilized by automotive coating manufacturers to formulate coatings and coating components that comply with Rule 1151 VOC content limits. The proposed prohibition of pCBtF and t-BAc is based on the Stationary Source Committee directive on April 21, 2017, to prioritize lowering the toxicity of coatings and solvents, even if it means increasing VOC levels. Additionally, in 2017, Assembly Bill 617 (AB 617) was signed into state law and required strategy development to reduce toxic air contaminants and criteria pollutants in overburdened communities. During the development of the AB 617 Community Emission Reductions Program (CERP)¹ for the South Los Angeles (SLA) community, community members expressed concern about the impacts from autobody shops.

The current rule development has two primary goals: 1) to propose a phase-out timeline for pCBtF and t-BAc, and 2) to assess the feasibility of emission reductions through technology assessments and stakeholder engagement. To expedite the transition away from pCBtF and t-BAc, staff is proposing a temporary period of a few years to allow coatings formulated to meet the National U.S. Environmental Protection Agency (U.S. EPA) VOC content limits to be used in the South Coast AQMD provided the formulations do not include pCBtF or t-BAc. This temporary period provides time for those coatings to be reformulated to meet future lower-VOC content limits without pCBtF or t-BAc.

During the Phase I period, which will span from the date of rule adoption to January 1, 2028, for most coating categories, coatings formulated to meet U.S. EPA VOC content limits will be allowed to be used. U.S. EPA VOC content limits are less stringent and therefore coating manufacturers do not utilize pCBtF or t-BAc in their formulations to comply with these limits. The transition

¹ South Coast AQMD AB 617 CERP for South Los Angeles (SLA) : <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/south-la/final-cerp.pdf?sfvrsn=18>

away from pCBtF- and t-BAc-containing coatings will result in a temporary increase in VOC emissions during the Phase I period.

The Phase II period begins on January 1, 2028, for most coating categories. During this period, facilities will begin to transition away from the higher-VOC coatings to reformulated, low-VOC coatings that do not contain pCBtF or t-BAc. This transition will result in a decrease in VOC emissions that resulted from the temporary emissions increase during the Phase I period.

There are approximately 3,000 automotive refinishing facilities in the South Coast AQMD subject to Rule 1151, including: autobody repair and paint shops; production autobody paint shops; new car dealer repair and paint shops; fleet operator repair and paint shops; custom-made car fabrication facilities, and truck body builders. This rule amendment will result in a temporary increase in VOC emissions of 4.82 tons per day (tpd) and overall emission reductions of 0.19 tpd at full implementation. The rule amendments will also result in permanently lowering the toxicity of the coatings and protecting public health.

The current rule amendment process began in September 2023. Staff conducted four working group meetings and multiple individual meetings with industry stakeholders and representatives. In addition, staff distributed a survey to the coating manufacturers requesting product data for each automotive coating category.

CHAPTER 1: BACKGROUND

INTRODUCTION

REGULATORY HISTORY

AFFECTED INDUSTRIES

PUBLIC PROCESS

KEY CONCERNS



Introduction

Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations is a source-specific rule adopted on July 8, 1988, to reduce Volatile Organic Compound (VOC) emissions, toxic air contaminants, stratospheric ozone-depleting compounds, and global-warming compound emissions from automotive coating operations performed on motor vehicles, mobile equipment and associated parts or components for motor vehicles and mobile equipment. The rule applies to 12 categories of automotive coatings with VOC limits and applies to any person who supplies, sells, offers for sale, markets, manufactures, blends, repackages, possesses or distributes any automotive coating or associated solvent for use within the South Coast AQMD, as well as any person who uses, applies, or solicits the use or application of any automotive coating or associated solvent within the South Coast AQMD.

To reduce the VOC emissions from automotive coatings, many coatings manufacturers have relied on the use of solvents that are exempt from the definition of a VOC because they have low reactivity and therefore do not significantly contribute to the formation of ground-level ozone. In April 2017, the South Coast AQMD Stationary Source Committee recommended a precautionary approach when considering exempt compounds with a toxic endpoint and removing the exempt status for any compound that has an established toxic endpoint. The California Office of Environmental Health Hazard Assessment (OEHHA) has determined that two exempt compounds used in automotive coatings, pCBtF and t-BAc, have toxic endpoints. Therefore, the current rule development has two primary goals: 1) to propose a phase-out timeline for pCBtF and t-BAc, and 2) to assess the feasibility of emission reductions through technology assessments and stakeholder engagement.

Regulatory History

Rule 1151 was adopted on July 8, 1988, and has been subsequently amended 13 times. The most recent amendment was on September 5, 2014, which sought to make administrative changes to the rule to enhance the understanding of current applicable rule requirements by removing obsolete rule language and making minor revisions and editorial corrections. The 2014 amendment also added new definitions to promote clarity and consistency, and further aligned the transfer efficiency equivalency section with the state Suggested Control Measure (SCM). This amendment was administrative in nature and did not affect current VOC limits or existing work practices and did not yield VOC reductions or increases.

Prior to the 2014 amendment, Rule 1151 was amended in December 2005 and included a partial exemption from the definition of a VOC for t-BAc for Automotive Coatings, except for color and clear coatings. Staff held a Toxics Symposium in October 2014 and developed the draft “t-BAc Assessment White Paper,” which was released in April 2017. As a result of that work, the Stationary Source Committee recommended a precautionary approach—that compounds with a known or suspected toxic endpoint will not be exempted from the definition of VOC—and directed staff to prioritize toxicity over VOC emissions. In addition, the Stationary Source Committee further directed staff to request OEHHA to perform an assessment of pCBtF, a compound that is exempted for all uses in Rule 102 – Definition of Terms (Rule 102) as a Group I Exempt Solvent. In 2018, OEHHA finalized a draft Health Risk Assessment (HRA) of t-BAc, concluding that it poses a potential cancer risk to humans. In 2020, OEHHA finalized the assessment of pCBtF, and determined it to be a stronger carcinogen than t-BAc.

2022 Air Quality Management Plan

The 2022 AQMP adopted on December 2, 2022, set forth a path for improving air quality and meeting federal air pollution standards by striving for zero-NOx emission technologies across all sectors and lower VOC emissions where feasible. The 2022 AQMP included Control Measure CTS-01 Further Emission Reductions From Coatings, Solvents, Adhesives, and Lubricants, which seeks further VOC emission reductions from automotive refinishing coatings. The control strategy included short term goal of reduce the toxic impact of pCBtF and t-BAc with a longer term goal seeking additional VOC emission reductions. PAR 1151 partially implements the 2022 AQMP Control Measure CTS-01.

Assembly Bill 617

AB 617 was signed into state law in 2017 and requires strategy development to reduce toxic air contaminants and criteria pollutants in overburdened communities. During the development of the AB 617 CERP for the South Los Angeles (SLA) community, community members expressed concern about the impacts from autobody shops, many of which are located close to residents and can be clustered within the community. PAR 1151 addresses the air quality commitment objectives related to autobody refinishing coatings by quickly reducing toxic air emissions with the phase out of pCBtF and t-BAc and the long-term VOC emission reductions that will occur with future product reformulations.

Affected Industries

Rule 1151 is applicable to Automotive Coatings and applies to any person who supplies, sells, offers for sale, markets, manufactures, blends, repackages, possesses or distributes any automotive coating or associated solvent for use within the South Coast AQMD, as well as any person who uses, applies, or solicits the use or application of any automotive coating or associated solvent within the South Coast AQMD. To determine how many facilities are affected by Rule 1151, staff researched the Clean Air Support System (CLASS) database using Standard Industrial Classification code (SIC) 7532 – Top, Body, and Upholstery Repair Shops and Paint Shops; North American Industry Classification System code (NAICS) 811121 – Automotive Body, Paint and Interior Repair and Maintenance; and South Coast AQMD Control Equipment Category (CCAT) codes 60 and 65 – Spray Booth, Paint and Solvent; and Automotive Refinishing Spray Booth as the search criteria. The CLASS database contains approximately 3,000 active Rule 1151 facilities. This database research identified required air permits that are for paint spray booths.

The 3,000 active facilities in the South Coast AQMD that apply automotive coatings to motor vehicles fall into six broad categories: 1) motor vehicle assembly lines; 2) autobody repair and paint shops; 3) production autobody paint shops; 4) new car dealer repair and paint shops; 5) fleet operator repair and paint shops; and 6) truck-body builders. These categories are further described as:

1. Motor Vehicle Assembly Lines

Motor vehicle assembly line operations are where the original equipment manufacturer (OEM) builds new vehicles. VOC emissions from the application of coatings on motor vehicle assembly lines are subject to Rule 1115, not Rule 1151.

2. Autobody Repair and Paint Shops
Autobody repair and paint shops are the largest component of the motor vehicle refinishing industry. They are usually small to medium-sized shops, owner operated and specialize in collision repair work. They are found throughout the South Coast AQMD within business, commercial, and residential districts. These shops are subject to Rule 1151.
3. Production Paint Shops
Production paint shops are high-volume retail auto paint shops where a large portion of the paint jobs are complete vehicles. These facilities are generally able to offer lower prices than small autobody shops and are subject to Rule 1151.
4. New Car Dealer Repair and Paint Shops
Many new car dealers operate paint shops to touch-up new cars damaged during delivery, refurbish used cars before resale, and provide a full-service facility for customers. These shops are generally moderate in size and have operating characteristics between production paint shops and neighborhood autobody, repair, and paint shops, and are subject to Rule 1151.
5. Fleet Operator Repair and Paint Shops
Some companies maintain motor vehicle paint shops for maintenance of their fleet vehicles and equipment. These facilities are generally similar to new car dealer shops and are subject to Rule 1151.
6. Truck-Body Builders
Truck-body builders are facilities where old truck-bodies are modified or repainted. These facilities are subject to Rule 1151.

Process Description

Rule 1151 is applicable to all automotive and mobile equipment (such as trains, railcars, and truck trailers) refinishing operations that are not a part of a motor vehicle assembly line coating operation. Rule 1151 should not be confused with Rule 1115 – Motor Vehicle Assembly Line Coating Operations, which is applicable to assembly line coating operations conducted during the manufacturing of new motor vehicles.

Automotive refinishing products are used during the repair process to address damage during manufacture, transit, or the service life of the vehicle, and are also used in the restoration, color change, and customization of the vehicle. Automotive coatings are used in automotive refinishing operations to form a film that serves to beautify, preserve, repair, or protect the surface of a motor vehicle, mobile equipment, or associated parts and components.

Automotive coatings are typically grouped into two different classes, undercoats and topcoats. Undercoats primarily prepare the substrate for subsequent coatings. Undercoats include adhesion promoters for plastic parts, pretreatment coatings for bare metal surface etching, and primers, primer sealers, primer surfacers, and weld-through primers, which are used to undercoat the surface prior to application of the topcoat(s). Topcoats are typically applied onto prepared primed surfaces and include single-stage coatings and color and clear coat coating systems. Other coatings include:

- Uniform finish coatings, which are used for blending a spot repair into the surrounding areas for proper color match;
- Underbody coatings, which are used on the underside of the exterior body such as inner fender-well and chassis paint which is typically used on floorboards and frame rails; and
- Bed liner coatings, which are used to coat the beds of pick-up trucks.

Public Process

The current rule amendment process began in September 2023. Staff conducted four working group meetings and multiple individual meetings with industry stakeholders and representatives. In addition, staff distributed a survey to the coating manufacturers requesting product data for each automotive coating category. Table 1-1 summarizes the key topics discussed at each of the Working Group Meetings, which ranged from one to three hours and included presentations that are posted on the South Coast AQMD's website.²

Table 1-1: Summary of Working Group Meetings

Meeting title	Date	Highlights
Working Group Meeting #1	November 7, 2023	<ul style="list-style-type: none"> • Rule background • Key amendment objectives • Exempt solvent background • Preliminary technology assessments • Coating manufacturer survey
Working Group Meeting #2	March 7, 2024	<ul style="list-style-type: none"> • Amendment progress update • Anticipated PAR 1401 impacts to 1151 facilities • Coating manufacturer survey update • Initial rule concepts
Working Group Meeting #3	May 21, 2024	<ul style="list-style-type: none"> • Amendment progress update • Coating manufacturer survey data analysis • BARCT Assessment progress • Initial rule concepts
Working Group Meeting #4	July 11, 2024	<ul style="list-style-type: none"> • Amendment progress update • Cost-Effectiveness and Incremental Cost-Effectiveness • Proposed Interim Limits • Initial Preliminary Draft Rule Language

² <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1151>

Meeting title	Date	Highlights
Public Workshop	August 30, 2024	<ul style="list-style-type: none"> • Amendment progress update • Preliminary Draft Rule Language • Staff considerations and proposed changes to Preliminary Draft Rule Language • Cost-Effectiveness • Emission Reductions

Staff also met with industry stakeholders and their representatives throughout the rule development process. The following table summarizes stakeholder meetings during the rulemaking:

Table 1-2: Meetings with Stakeholders

Date	Stakeholder
January 2, 2024	SMC Global
January 2, 2024	PPG
January 10, 2024	Axalta
January 23, 2024	BASF
January 23, 2024	Cal OSHA
January 24, 2024	U.S. EPA
January 30, 2024	W.M. Barr
January 30, 2024	American Coatings Association (ACA)
January 31, 2024	Allnex
January 31, 2024	PPG
February 6, 2024	CARB
February 8, 2024	Transtar
February 20, 2024	Axalta
March 14, 2024	CAPCOA
March 21, 2024	W.M. Barr
March 28, 2024	AB617 SLA CSC
April 2, 2024	AkzoNobel
April 10, 2024	Axalta
June 5, 2024	AkzoNobel
June 13, 2024	Axalta
June 14, 2024	PPG
June 14, 2024	BASF
June 21, 2024	Covestro
June 26, 2024	California Autobody Association
July 12, 2024	U.S. EPA
July 17, 2024	AkzoNobel
July 24, 2024	W.M. Barr

Date	Stakeholder
July 30, 2024	PPG
August 1, 2024	CARB
August 2, 2024	Axalta
August 6, 2024	PPG
August 16, 2024	PPG
August 20,2024	AkzoNobel
August 21, 2024	BASF
August 23, 2024	Axalta
September 13, 2024	Axalta
September 25, 2024	BASF

CHAPTER 2: TECHNOLOGY ASSESSMENT

VOC CONTROL TECHNOLOGY AND EXEMPT COMPOUNDS

BACKGROUND ON TECHNOLOGY ASSESSMENT

TECHNOLOGY ASSESSMENT FOR AUTOMOTIVE COATING
CATEGORIES



VOC Control Technology and Exempt Compounds

VOC emissions in automotive coatings can be controlled by modifying the chemistry of the coatings to reduce the VOC content; examples of different coating technologies are shown in the following figure. The most widely used method for controlling VOC emissions for automotive coatings is to transition to water-based systems or to formulate with exempt solvents. To meet the low VOC limits in Rule 1151, manufacturers relied heavily on pCBtF and, to a lesser extent, t-BAc.

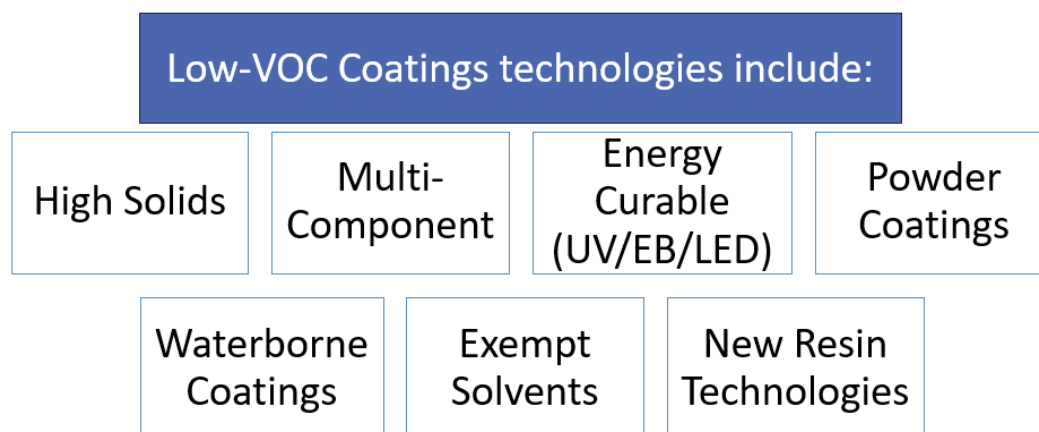


Figure 2-1: Coating Technologies

Ultraviolet, electron beam, light-emitting diode (UV/EB/LED) technologies have the potential to reduce VOC emissions from coatings, although these technologies are not widely implemented in automotive coatings at this time. Improvement in application methods to improve transfer efficiency can also reduce VOC emissions; however, Rule 1151 already requires facilities to use efficient high-volume, low-pressure (HVLP) spray guns for coating applications. The use of add-on controls, such as thermal oxidizers, is another method for VOC reduction that has been used in some surface coating applications.

Background on pCBtF and t-BAc

In 1994, the U.S. EPA exempted pCBtF from the definition of a VOC, and, in 2004, South Coast AQMD added pCBtF as an exempt VOC compound in Rule 102. The Rule 102 VOC exemption for pCBtF means it is not considered a VOC for any application within the South Coast AQMD.

In 2004, the U.S. EPA exempted t-BAc from the definition of a VOC, but due to toxicity concerns, the South Coast AQMD did not allow for an unlimited Rule 102 exemption but, instead, allowed for several limited exemptions in source specific rules, e.g., Rules 1113 and 1151. In 2013, the Rule 1113 amendment included a resolution that directed staff to review the exemption for t-BAc due to renewed toxicity concerns. The California Office of Environmental Health Hazard Assessment (OEHHA) finalized their t-BAc assessment in 2017, concluding that it had a higher cancer potency than previously estimated. In 2018, staff presented the preliminary t-BAc assessment and expressed concerns regarding pCBtF because OEHHA had yet to assess its toxicity. Based on staff recommendations, the Stationary Source Committee directed staff to: remove existing t-BAc exemption in Rules 1113 and 1151 when the rules are amended, and request that OEHHA review the potential toxicity of pCBtF and remove the exemption, as resources allow,

if pCBtF is deemed a potential carcinogen. In 2020, the pCBtF cancer inhalation unit risk factor document was adopted by OEHHA, which indicated pCBtF is a potential carcinogen.

Comparing pCBtF and t-BAc toxicity to Other Compounds

Staff considered several approaches to address the toxicity concerns for pCBtF and t-BAc from removing the exempt status to a complete prohibition of use. To inform that decision, staff considered how other compounds with potential toxic endpoints have historically been addressed. Rule 102 defines exempt compounds as being Group I or Group II compounds; Group II compounds are prohibited from use in some rules, including Rule 1151. Cancer Potency Factor is a measure used to estimate the risk of cancer associated with exposure to a carcinogenic substance and represents the increased cancer risk per unit of exposure over a lifetime. Reference Exposure Level (REL) is the maximum concentration level of a substance in the air that is not expected to have adverse health effects in humans over a specified exposure duration; RELs can be acute (short-term), 8-hour, or chronic (long-term). Four compounds and their Cancer Potency Factors and Reference Exposure Levels (REL) are listed in Table 2-1 and 2-2 for comparison.

Table 2-1: Cancer Potency Factor Comparison

Compound	Cancer Potency Factor (Slope Factor)
perchloroethylene (perc)	0.021
Dimethyl Carbonate (DMC)	0.0035
t-BAc	0.0047
pCBtF	0.03

For the four compounds shown in the Table 2-1, pCBtF has the highest Cancer Potency Factor. The Cancer Potency Factor of pCBtF is almost 50 percent higher than perchloroethylene's, a prohibited Group II Exempt Compound.

Table 2-2 shows the available Acute RELs for the same four compounds. t-BAc has the lowest REL, meaning the highest risk among the compounds. The Cancer Potency Factor for pCBtF is much higher than t-BAc, perc, and DMC, but it has no established Acute REL.

Table 2-2: Acute REL Comparison

Compound	Acute REL
perc	20,000
DMC	14,000
t-BAc	10,000
pCBtF	N/A

Staff Recommendations on pCBtF and t-BAc

The preceding comparison of pCBtF and t-BAc to other toxic compounds that are prohibited from use in VOC rules, including Rule 1151, supports a future prohibition of pCBtF and t-BAc. OEHHA's assessment of pCBtF and t-BAc shows these compounds to be as toxic as many chemicals currently prohibited; therefore, staff recommends prohibiting the use of pCBtF and t-BAc.

Automotive Coating Manufacturer pCBtF and t-BAc Survey

To understand the extent of the use of pCBtF and t-BAc to comply with the VOC limits in Rule 1151, staff conducted a survey, in December 2023, of manufacturers who sell automotive coatings and products subject to Rule 1151. The main exempt compounds of interest of the survey were pCBtF and t-BAc. The results of the survey were used to help evaluate VOC content limits, VOC emissions, a potential prohibition timeline, and future effective VOC content limits. Table 2-3 shows the survey questions.

Table 2-3: pCBtF and t-BAc December 2023 Survey Questions

Requested Information	
1.	Company name, contact person, and an email address
2.	Do you sell automotive coatings into or within the South Coast AQMD?
3.	Do any of the automotive coatings sold into or within the South Coast AQMD contain para-chlorobenzotrifluoride (pCBtF), also known as Oxsol 100, or t-BAc?
4.	Information regarding each automotive coating categories that include pCBtF or t-BAc in formulation
5.	Information regarding reducers and solvent cleaning product that include pCBtF or t-BAc in formulation
6.	The approximate weight percent of pCBtF or t-BAc in formulations
7.	The VOC content of each individual product
8.	Total annual volume sold or used in South Coast AQMD percent of California sales for each automotive coating category

In total, five of the seven major automotive coating manufacturers responded to the survey. Most reported that a large portion of the automotive coatings categories meet the current Rule 1151 VOC limits using pCBtF and t-BAc. The following summarizes the major findings of the survey:

- 62 percent of the reported automotive coatings contain pCBtF and less than one percent contain t-BAc;
- 71 percent of the reported automotive coatings are solvent-based and 29 percent are water-based;
- Only two automotive categories reported using t-BAc: adhesion promoters and truck bedliners, and these two categories also reported using quantities of pCBtF ranging from 16 to 34 percent;
- Seven automotive coating categories reported only containing pCBtF in their formulation: clear coatings, color coatings, pretreatment coatings, primers, single-stage, uniform finish coatings, and underbody coatings;
- The remaining two categories: multi-color coatings and temporary protective coatings, were not reported in the survey.

Automotive Refinishing Products and Use of pCBtF and t-BAc

There are two main classes of automotive coatings: undercoats and topcoats. Undercoats, including pretreatment wash primers, primer surfacers, and primer sealers, prepare the exterior surfaces by providing corrosion resistance, adhesion, and a smooth foundation for subsequent topcoats. Pretreatment wash primers are applied directly to bare metal surfaces to provide corrosion resistance and adhesion. Pretreatment wash primers also contain a minimum of 0.5 percent acid by weight to provide surface etching and no more than 16 percent solids by weight. Similarly, primer surfacers are coatings applied to a substrate to facilitate bonding between subsequent topcoats and can be sanded to provide a smooth uniform finish. Primer sealers, on the other hand, have a lower solids content than surfacers and are intended to provide a smooth substrate surface for subsequent topcoat(s) and are not intended to be sanded. Topcoats are applied to provide color, gloss, and a protective finish. Topcoats can be classified into two main categories: 1) single-stage coatings; and 2) multi-stage systems. Single-stage topcoats consist of only one final coating, which is applied over undercoats to provide color, gloss, and protection.

Multi-stage coatings, unlike the single-stage coatings, consist of two or more layers, each contributing separately to the final finish's characteristics. The initial layer, or basecoat layer, contains the pigmentations and metallic flakes that provide the final color and color effects. The final coatings in multi-stage systems are non-pigmented clear coats that provide hardness and durability to the final glossy finish. One special form of clear coat that is typically found on high-end vehicles is a low gloss or matted clear coat; these specialty clear coats contain flattening agents or additives that disperse light to give a flat matted finish. Multi-stage coatings include two-stage systems as well as three-stage systems. Three-stage coatings differ from the two stage-systems in that they include a mid-coat layer that provides additional color effects, such as a pearlized light effect resulting from mica flakes. The nature of both the coating systems requires that all coating components be used to refinish the vehicle to provide the required appearance and performance.

The main difference in the application of coatings in a manufacturing setting compared to a refinishing environment are the curing characteristics of the coatings. Automotive original equipment manufacturing (OEM) coatings are typically cured using baking ovens that operate at

high temperatures. The types of coatings used in refinishing operations are typically air dried or by forced-air spray booths. Refinishing shops cannot use high-temperature ovens due to the potential damage to other automobile components made of plastic or other sensitive materials. Therefore, automotive coatings are formulated for faster drying times.

Table 2-4: General Automotive Coating Categories

Automotive Coating Type	
Undercoats	Topcoats
Pretreatment Wash Primer	Solid Color Coating
Primer Surfacer	Metallic Color Coating
Primer Sealer	Single-Stage Color Coating
Adhesion Promoter	Gloss and Matte Clear Coatings

During staff meetings with automotive coating industry stakeholders, the manufacturers indicated they primarily rely on pCBtF to meet the current Rule 1151 VOC limits and there is no suitable drop-in replacement. Based on the survey responses, color coatings, primers, and clear coatings account for approximately 80 percent of the automotive coating sales in California. pCBtF use is prevalent across these three categories, most significantly in primers and clear coats. Primers account for approximately 20 percent of the total California sales with 45 percent containing pCBtF. Clear coats account for approximately 38 percent of the total California sales with 60 percent of the products containing pCBtF. Color coatings account for approximately 22 percent of the total California sales and have a significant number of water-based formulations available in the market. Figure 2-2 shows the percentage of automotive coatings sales in California.

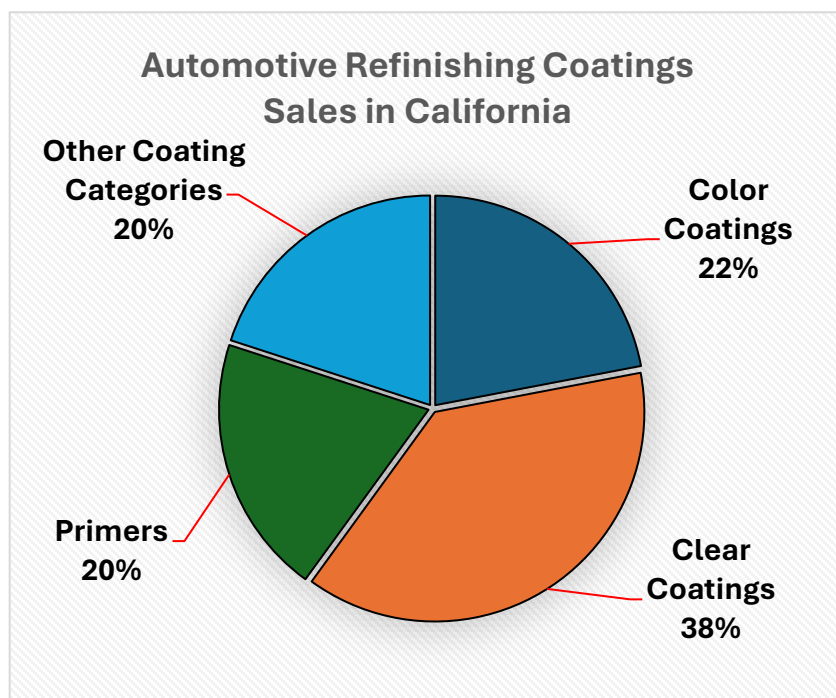


Figure 2-2: Automotive Coating Sales in California by Category.

Table 2-5 summarizes the weight percent usage of pCBtF in the automotive coatings sold within the South Coast AQMD according to the survey and range of pCBtF reported.

Table 2-5: pCBtF Weight Percent Survey Response by Category

Coating Category	pCBtF (wt %)	Average pCBtF (wt %)
Adhesion Promoter	Up to 88%	34%
Pretreatment Coating	Up to 71%	18%
Primer	Up to 68%	23%
Color Coating	Up to 60%	21%
Single Stage Coating	Up to 65%	36%
Clear Coating	Up to 65%	33%
Uniform Finishing Coating	Up to 60%	32%
Truck Bed Liner Coating	Up to 25%	16%
Reducer	Up to 100%	55%

Based on the survey data that was submitted by the manufacturers, the use of pCBtF is prevalent in nearly all automotive coating categories, and t-BAC to a much lesser extent, to meet Rule 1151 limits. Due to the toxic risk associated with pCBtF and t-BAC, staff is proposing an expedited

phase-out approach for the usage of pCBtF and t-BAc for automotive coatings by allowing higher VOC limits (Phase I limits) upon rule adoption and then transitioning to future effective lower limits (Phase II limits); this will provide sufficient time for coating manufacturers to develop suitable replacement products that will meet the lower future limits.

Automotive refinish coatings that are formulated to comply with the higher VOC limits in the National Rule or European limits do not utilize pCBtF and t-BAc in their formulation and are readily available outside of the South Coast AQMD. Table 2-6 compares current Rule 1151 VOC limits with the National Rule and European limits for automotive refinish coatings.

Table 2-6: National Rule and European Limits Compared to Rule 1151 Limits by Category

Coating Category	VOC Content Less Water and Exempts		
	Rule 1151 (g/L)	European Limits (g/L)	National Rule (g/L)
Adhesion Promoter	540	840	840
Color Coating	420	420	600
Clear Coating	250	420	600
Pretreatment Coating	660	780	780
Primer	250	540	550-580
Single-Stage Coating	340	420	600
Truck Bed Liner Coating	310	840	420
Uniform Finish Coating	540	840	840
Specialty Coating	--	840	840
Any Other Coating Type	250	--	840

Staff's analysis of the survey data and feedback from coating manufacturers indicate additional potential subcategories will be needed with higher VOC limits to avoid market disruptions. PAR 1151 includes the following new sub-categories: matte clear coats, epoxy primers, primer sealers, and primer surfacers. To streamline the categories and the table of standards, several main category names have been created to group and clarify the different subcategories of automotive coatings.

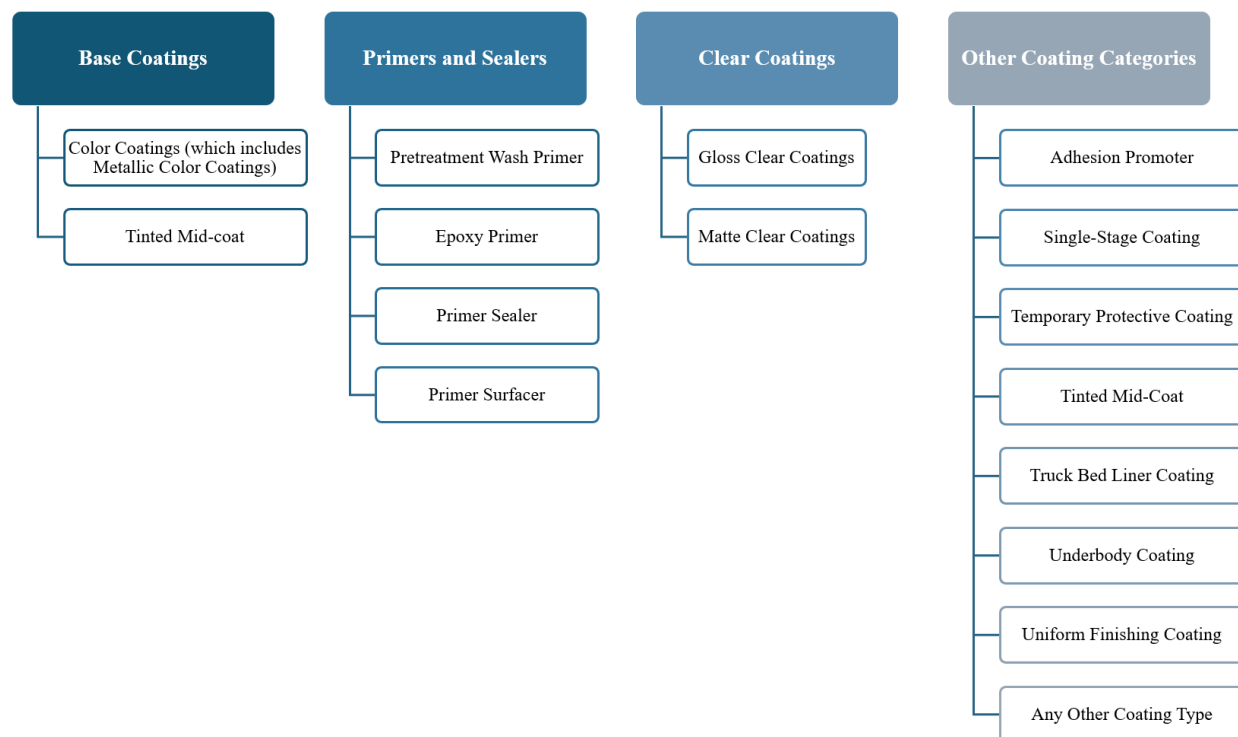


Figure 2-3: PAR 1151 Categories and Subcategories

The separation by primer type is consistent with the National Rule which differentiates between three types of primers: 1) pretreatment wash or “etch” primers, 2) primer sealers, and 3) primer surfacers. Staff also carved out an epoxy primer that has a slightly higher Phase II VOC limit based on stakeholder feedback that higher VOC levels are needed to formulate epoxy primers. The subcategories for each coating is discussed as part of their respective categories in the BARCT assessment section. In the case where the BARCT assessment concluded the subcategories could achieve the same VOC limit in the same timeframe, subcategories were combined.

Initially, staff proposed using the European limits as the Phase I limits since they are lower than the National Rule limits for several coating categories and the lower limits would minimize the temporary VOC emission increase in Phase I. However, transitioning to European coatings would delay the transition out of pCBtF and t-BAc due to potential supply chain challenges, product registration requirements for the raw material(s) used in the European formulation, and additional OEM testing and approvals. The delayed transition timeline does not align with staff’s priority for an expedited transition out of pCBtF and t-BAc. PAR 1151 will instead rely on the National Rule limits as the basis for the Phase I limits, unless lower limits for the applicable coating category are already being achieved. Use of the National Rule limits will allow for a rapid phase-out of pCBtF and t-BAc since most of the replacement products are currently available in nearby states and will also allow manufacturers to direct resources towards meeting the future effective lower Phase II limits.

According to the manufacturer survey and feedback received, clear coats are already less than the National Rule limit with existing formulations at or less than 520 g/L. Matte clear coats, however, will need a slightly higher VOC limit because of the flattening agent used to achieve the low-gloss matte appearance. Most color coats are also currently formulated at 420 g/L which is much less

than the National Rule limit of 600 g/L. Table 2-7 lists staff's proposed Phase I limits for each automotive coating category.

Table 2-7: Phase I Limits

Automotive Coating Categories	Phase I Limits (g/L)	U.S. EPA National Rule Limits (g/L)
Adhesion Promoter	840	840
Gloss Clear Coating	520	600
Matte Clear Coating	550	840
Color Coating	420	600
Pretreatment Wash Primer	780	780
Epoxy Primer	580	580
Primer Sealer	550	550
Primer Surfacer	580	580
Single-Stage Coatings	340	600
Temporary Protective Coating	60	N/A
Tinted Mid-Coat	750	750
Truck Bed Liner Coating	310	N/A
Underbody Coating	430	840
Uniform Finishing Coat	540	840
Any Other Coating Type	250	N/A

Three categories were either not reported in the survey or were reported as not containing any pCBtF or t-BAC in their formulation:

- Multi-color coatings were not reported, and no coatings could be identified that meet the definition of a multi-color coating; therefore, that category is proposed to be removed from PAR 1151;
- Temporary protective coatings were not reported, but were later identified and did not contain pCBtF or t-BAC; therefore, staff is proposing to maintain the VOC limit for that category;
- Underbody coatings were not reported as containing any pCBtF or t-BAC; therefore, staff is proposing to maintain the VOC limit for that category.

The BARCT assessment will focus on nine categories and subcategories that utilize an average of 16 percent or more pCBtF or t-BAC. The adhesion promoter and truck bed liner category were the only two categories that reported t-BAC use. Table 2-8 lists the categories the BARCT assessment will evaluate and the corresponding pCBtF weight percent by category. Note: the manufacturer's survey was based on current Rule 1151 categories and subcategories; therefore,

the data does not reflect the newly proposed subcategories. Primer sealers, primer surfacers, and epoxy primers were all reported as primers; color coatings, metallic coatings, and midcoats were all reported as base coats (they were referred to as color coatings based on current rule language); and matte and gloss clear coatings were reported as clear coatings.

Table 2-8: BARCT Assessment Categories and Corresponding pCBtF weight percent

Automotive Coating Category	pCBtF wt %	Average pCBtF wt %
Adhesion Promoter	Up to 88%	34 %
Pretreatment Coating	Up to 71%	18%
Primer	Up to 68%	23%
Base Coating	Up to 60%	21%
Single Stage Coating	Up to 65%	36%
Clear Coating	Up to 65%	33%
Uniform Finish Coating	Up to 60%	32%
Truck Bed Liner Coating	Up to 25%	16%
Reducer	Up to 100%	55%

BARCT Assessments

In the following sections, the data, feedback provided by stakeholders, and staff proposal for each category included in the technology assessment will be discussed. Most automotive coatings are multi-component products that may require a hardener, activator, or reducer for proper application and curing, thus VOC limits are as applied. The purpose of a BARCT assessment is to assess potential VOC control options to establish future effective emission limits for each automotive coating category. Under Health and Safety Code Section 40406, BARCT is defined as:

“an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source.”

The BARCT assessment follows a framework through the rule development process and includes public participation. Figure 2-3 shows the overall BARCT assessment approach.

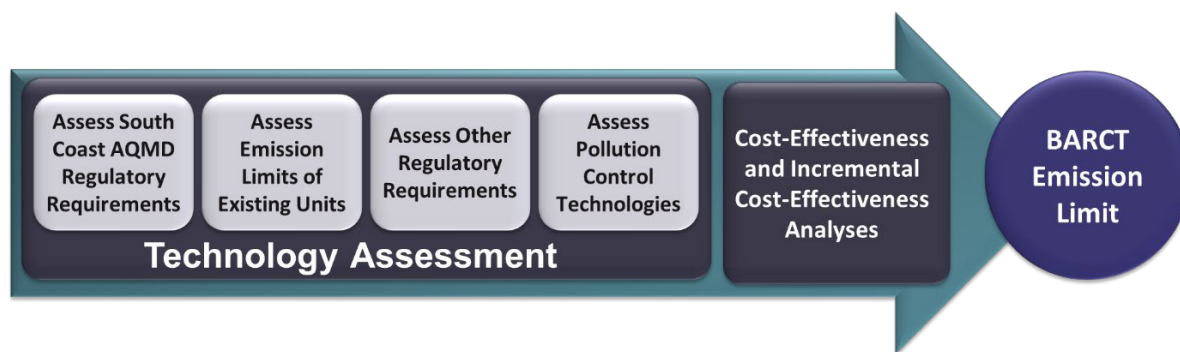


Figure 2-4: BARCT Assessment Approach

Technology Assessment

Staff conducted a technology assessment to evaluate VOC control technologies that will achieve the BARCT levels for Phase II VOC limits for automotive coating categories subject to PAR 1151. To quickly transition products out of pCBtF and t-BAc, staff is proposing to temporarily raise the VOC limits similar to those of the U.S. EPA National Rule limits for Phase I; except for categories that can currently meet lower limits. The technology assessment will focus on establishing a lower future effective Phase II limit at or near current VOC levels. There are currently 12 automotive coating categories subject to Rule 1151; the BARCT assessment focused on nine of the automotive categories and subcategories that utilize 16 to 55 percent pCBtF on average in their formulation and will have potential challenges in meeting Phase II VOC content limits without the use of pCBtF or t-BAc in their formulation. The remaining five categories were either not reported in the manufacturer survey or are not anticipated to encounter significant challenges to meet the current limits in Rule 1151. The technology assessment consists of four steps: the assessment of South Coast AQMD requirements, a complete assessment of emission limits of existing coatings, review of other regulatory requirements, and assessment of available VOC control technologies. The assessment also considers the categorization and subcategorization of the coatings. Based on stakeholder feedback, PAR 1151 includes three new subcategories: matte gloss coatings, epoxy primers, and bifurcated primers into primer sealers and primer surfacers.

BARCT Assessment

Assess South Coast AQMD Regulatory Requirements

Assessment of South Coast AQMD Regulatory Requirements

Staff reviewed existing South Coast AQMD VOC coating regulations for similar categories and to assess potential technology transfer. Most of the limits in existing South Coast AQMD rules were at similar VOC levels as Rule 1151, which may be an indication that the low VOC limits are likely achieved using exempt solvents. Table 2-9 summarizes the current South Coast AQMD VOC coatings rules that staff evaluated as part of the BARCT technology assessment.

Table 2-9: South Coast AQMD Regulatory Requirements

Regulation/ Rule Title	Relevant Unit/ Equipment	VOC Emission Limits for Similar Coating Categories
Regulation XI – Source Specific Standards / Rule 1107 – Coatings of Metal Parts and Products	All metal coating operations except: aerospace assembly, magnet wire, marine craft, motor vehicle, metal container, and coil coating operations	<ul style="list-style-type: none"> • General One-Component: 275 g/L • General Multi-Component: 340 g/L • Etching Filler: 420 g/L • Metallic: 420 g/L • Pretreatment Coatings: 420 g/L • Touch Up: 420 g/L • Extreme High Gloss: 340 g/L • High Performance Architectural: 420 g/L
Regulation XI – Source Specific Standards / Rule 1106 – Marine and Pleasure Craft Coatings	Applies to marine or pleasure craft coatings and any associated solvent	<p><u>Pleasure Craft</u></p> <ul style="list-style-type: none"> • Finish Primer/Surfacer: 420 g/L • High Build Primer Surfacer: 340 g/L • Marine Deck Sealant Primer: 760 g/L • Pretreatment Wash Primer: 780 g/L • Teak Primer: 775 g/L • Extreme High Gloss Coating: 490 g/L • High Gloss Coating: 420 g/L • Pretreatment Wash Primer: 780 g/L <p><u>Marine Coating</u></p> <ul style="list-style-type: none"> • Extreme High Gloss: 420 g/L (baked); 490 g/L (air dried) • High Gloss: 275 g/L (baked); 340 g/L (air dried) • Pretreatment Wash Primer: 420 g/L (baked);
Regulation XI – Source Specific Standards / Rule 1113 – Architectural Coatings	Applies to coatings applied to stationary sources, fields, or lawns	<ul style="list-style-type: none"> • Industrial Maintenance (IM) Coatings: 100 g/L • Color Indicating Safety Coating: 480 g/L • High Temp IM Coating: 420 g/L • Non-Sacrificial Anti-Graffiti Coatings: 100 g/L • Metallic Pigmented Coatings: 150 g/L • Multi-Color Coatings: 250 g/L • Non-flat Coatings: 50 g/L • Pretreatment Wash Primers: 420 g/L

**Assess VOC
Limits of
Existing
Coatings**

Assess VOC Limits of Existing Coatings

The manufacturers' submitted survey data was used to evaluate existing VOC levels for each coating category. Based on the survey, most coatings use either pCBtF or t-BAc in their formulation to comply with existing limits. Adhesion promoters and truck bed liners were the only two categories that utilize t-BAc along with pCBtF in their formulation; these two categories only account for one percent of the total automotive coating sales. Table 2-10 shows the average VOC content per category.

Table 2-10: VOC Limits of Existing Coatings and Exempt Compounds Usage

Automotive Coating Category	Average VOC as applied (g/L)	t-BAc in Formulation	pCBtF in formulation
Adhesion Promoter	528	Yes	Yes
Base Coating	340	No	Yes
Multi-Color Coating	Not Reported	Not Reported	Not Reported
Clear Coating	246	No	Yes
Pretreatment Coating	657	No	Yes
Primer	232	No	Yes
Single-Stage Coating	334	No	Yes
Truck Bedliner Coating	249	Yes	Yes
Underbody Coating	382	No	Yes
Uniform Finish Coating	467	No	Yes
Temporary Protective Coating	Not Reported	Not Reported	Not Reported
Any Other Coating Type	Not Reported	Not Reported	Not Reported

Other Regulatory Requirements

Other Regulatory Requirements

This step of the BARCT assessment identifies and compares other regulatory requirements for the same source type or category. The evaluation ensures that the proposed requirements are consistent with, conform to, or are more stringent than existing standards. The assessment evaluated most California


Air Districts that have similar automotive coatings rules, the Federal Regulation 40 CFR Part 9 and 59 – National Volatile Organic Compound Emission Standards for Automotive Refinish Coating (U.S. National Rule), and the European Regulation for Paints, Varnishes, Vehicle Refinish Products, and Activities. Most Air Districts throughout California have similar VOC limits since most Air Districts rely on the limits in the CARB SCM. Furthermore, most automotive refinishing products sold and used in California rely on pCBtF and t-BAc to meet the low limits specified in the CARB SCM. The U.S. National Rule limits and European limits are higher than those of California air districts and manufacturers do not use pCBtF or t-BAc in their product formulation. Tables 2-11 and 2-12 compare limits between large California Air Districts, National Rule, and European Rule.

Table 2-11: Other Air District Limits

Category	Antelope Valley – Rule 1151 (g/L)	Bay Area AQMD – Rule 45 (g/L)	Eastern Kern APCD – Rule 410.4A (g/L)	Feather River AQMD – Rule 3.19 (g/L)	San Diego County APCD – Rule 67.20 (g/L)	Santa Barbara APCD – Rule 339 (g/L)
Adhesion Promoter	540	540	540	540	540	540
Base Coating	420	420	420	420	420	420
Clear Coating	250	250	250	250	250	250
Pretreatment Coating	660	660	660	660	660	660
Primer	250	250	250	250	250	250
Single-Stage Coating	340	420	340	340	340	340
Truck Bed Liner Coating	310	310	200	310	310	310
Uniform Finish Coating	540	540	650	540	540	540
Any Other Coating Type	250	250	250	250	250	250

Table 2-12: South Coast AQMD, U.S. National Rule, Limits

Category	South Coast AQMD Limits (g/L)	European Limits (g/L)	National Rule Limits (g/L)
Adhesion Promoter	540	--	840
Base Coating	420	420	600
Clear Coating	250	420	600
Pretreatment Coating	660	780	780
Primer	250	540	550-580
Single-Stage Coating	340	420	600
Truck Bed Liner Coating	310	840	--
Uniform Finish Coating	540	--	840
Specialty Coating	--	840	840
Any Other Coating Type	250	--	840



**Assess
low-VOC
Technologies**

Assess Low-VOC Technologies

The next step is to research the commercially available low VOC control technologies and seek information on any emerging VOC control technology. As part of this assessment, staff met with several of the major automotive coating manufacturers to discuss the status and development of low VOC products. Most of the manufacturers agree that phasing out the toxic compounds as quickly as possible is the best approach, but the lack of a suitable drop-in exempt solvents is a challenge. Manufacturers have indicated they have been working on reformulations to meet existing limits without pCBtF or t-BAc and are confident they will have a product to bring to the market. In addition, staff met with coating resin raw material suppliers to discuss emerging technologies; the resin suppliers stated that they are currently in the process of developing resin systems that meet the current limits of Rule 1151 without the use of exempt solvents; they are developing two component primer systems that meet current limits. There are a few products available that demonstrate feasibility to meet the current VOC limits without pCBtF or t-BAc but may only be specific to certain substrates or do not meet certain performance requirements. UV/EB/LED curable primer is a technology that can be utilized for repairing areas of one square-foot or less and allows for fast cure times. Staff has identified a UV/EB/LED curable primer formulated at approximately 210 g/L, which is less than the current 250 g/L limit for primers. Table 2-13 lists some of the coating products that are currently available on the market that meet the current limits.

Table 2-13: Low VOC Coatings Currently Available without pCBtF or t-BAc

Automotive Coating Type	Category	VOC As Applied (g/L)
Water-based 1K Primer - Gray	Primer	86
Water-based 1K Primer Surfacer - Gray	Primer	86
Water--based High-Build 1K Primer	Primer	160
Water-based Flexible 1K Primer Surfacer	Primer	158
UV Cured Primer Filler Surfacer	Primer	210
Water-based Acrylic Urethane Clearcoat	Clearcoat	126

Another form of effective VOC control is the use of add-on control technology that captures and directs VOC-laden air from process areas or emissions points to air pollution control equipment. The effectiveness of an add-on control system is based on the capture efficiency and the VOC destruction capability of the emissions control device, which is typically around 95 percent destruction efficiency. Capture efficiency refers to the ability of a ventilation system to capture and transfer VOCs released from process areas or emission points to the pollution control device. If the process areas or emission points meet the criteria set forth in U.S. EPA Method 204, the area or emission point may be considered a permanent total enclosure (PTE) and the capture efficiency is assumed to be 100 percent. If the criteria of U.S. EPA Method 204 are not met, then the capture efficiency of the system can only be determined through source testing.

The options for control devices are numerous, each having different cost and control efficiencies. The particular selection is dependent upon the needs and operation of the specific automotive refinish facility. Although there are many types of control devices that work on different principles such as adsorption or destruction of VOC emissions, the most typical type of control equipment for VOC emissions is the use of thermal destruction equipment such as a thermal oxidizer or a regenerative catalytic oxidizer.

Rule 1151 allows for the use of add-on control equipment as an option for achieving compliance. Although this method of control may be cost-effective for some operators, it could be prohibitively expensive for others, particularly those that are small businesses or have low production throughputs. Staff's evaluation of add-on control using a thermal oxidizer determined that it was not cost-effective at \$230,000 per ton of VOC reduced. Therefore, the use of add-on controls is offered as an option rather than a mandated requirement. The evaluation can be found in Chapter 4 under the incremental cost-effectiveness analysis. The primary form of control is to rely on low-VOC coating formulations.

Proposed Initial Phase II VOC Emission Limits

Based on the BARCT assessment and discussion with manufacturers, staff has developed the following proposed initial Phase II VOC limits. The next step is to determine if it is cost-effective to reformulate from the Phase I VOC limits to the Phase II VOC limits.

Table 2-14: Initial Proposed Phase II Limits

Automotive Coating Categories	Initial Proposed Phase II Limit (g/L)
Adhesion Promoter	720
Gloss Clear Coating	250
Matte-Clear Coating	520
Color Coating	250
Metallics Color Coating	250
Pretreatment Wash Primer	660
Epoxy Primer	340
Primer Sealer	250
Primer Surfacer	250
Single-Stage Coatings	340
Tinted Mid-Coat	250
Temporary Protective Coating	60
Truck Bed Liner Coating	310
Underbody Coating	430
Uniform Finishing Coat	540
Any Other Coating Type	250

For the coating categories outlined in red, staff did not identify any pCBtF or t-BAc in those coatings; therefore, staff is not proposing to change those VOC limits since it is feasible for them to meet current VOC limits without pCBtF and t-BAc.

**Cost-Effectiveness
and Incremental
Cost-Effectiveness
Analyses****Cost-Effectiveness and Incremental Cost-Effectiveness Analysis**

The South Coast AQMD routinely conducts cost-effectiveness analyses regarding proposed rules and regulations that result in the reduction of criteria pollutants (NO_x, SO_x, VOC, PM, and CO). The analysis is used as a measure of relative effectiveness of a proposal. It is generally used to compare and rank rules, control measures, or alternative means of emissions control relating to the cost of purchasing, installing, and operating control equipment to achieve the projected emission reductions. The major components of the cost-effectiveness analysis are the annualized nonrecurring costs, recurring cost, emission reductions, discount rate, present value factor, and equipment life.

- **Annualized Nonrecurring Cost:** The cost difference of the transition from the higher Phase I limits to the lower Phase II limits. Staff anticipates that coating manufacturers will have to reformulate or develop new products with lower VOC content; the cost difference between the new product for Phase II and Phase I products is the annualized nonrecurring cost. Staff estimates the cost of Phase II compliance products to be 10 percent more than Phase I products; this is based on manufacturer feedback. For color coating category, water-based low-VOC products are currently available, so the cost difference between Phase I and Phase II is based on actual costs.
- **Recurring Cost:** Annual cost that is recurring over the course of the technology considered. Operation and maintenance are examples of recurring costs. However, there will be zero recurring cost associated with the transition from Phase I to Phase II since the evaluation is only based on the cost difference during the transition from the higher VOC Phase I products to the low-VOC Phase II products. Accordingly, there are no operation and maintenance costs associated with the transition.
- **Present Value Factor (PVF):** Formula, as described below, is based on timeframe evaluated and discount rate used. For this evaluation, cost is evaluated over one year for Phase I and Phase II cost difference; thus, the present worth value is equal to one.
- **Discount rate:** The discount rate used for the cost-effectiveness calculation is four percent and used in calculating the present value factor.
- **Emission Reduction:** The VOC reduction from the higher Phase I interim limits to the lower Phase II limit over one year timeframe.
- **Equipment life:** The timeframe at which the cost difference between Phase I and Phase II and emission reductions are evaluated. The timeframe used is one year.

The cost-effectiveness for PAR 1151 was completed using the discounted cash flow method, as explained in the next section.

Discounted Cash Flow (DCF)

The DCF method converts all costs, including initial capital investments and costs expected in the present and all future years of equipment life, to present value. Conceptually, it is as if calculating the number of funds that would be needed at the beginning of the initial year to finance the initial capital investments and to set aside to pay off the annual costs as they occur in the future. The fund that is set aside is assumed to be invested and generates a rate of return at the discount rate chosen. The final cost-effective measure is derived by dividing the present value of total costs by the total emissions reduced over the equipment life. The following equation is used for calculating cost-effectiveness with DCF:

$$\text{Cost – effectiveness} = \frac{\text{Initial Capital Investments} + (\text{Annual O\&M Costs} \times \text{PVF})}{\text{Annual Emission Reductions} \times \text{Years of Equipment Life}}$$

Where:

$$\text{PVF} = \frac{(1 + r)^N - 1}{r * (1 + r)^{(N-1)}}$$

Where

r = real interest rate (discount rate); and

N = years of equipment life.

The present-value factor (PVF) converts a constant stream of payments made for N years into its single present-value equivalent.

Finally, Health and Safety Code Section 40920.6(a)(3) states that an incremental cost-effectiveness assessment should be performed on one or more identified potential control options that meet emission reduction objectives. To determine the incremental cost-effectiveness under this paragraph, South Coast AQMD calculates the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option. Once the BARCT assessment is complete and VOC limits are established, staff considers incrementally more stringent options to demonstrate that the VOC limit represents the “maximum degree of reduction achievable by each class or category.” The equation for incremental cost-effectiveness is as follows:

$$1 - CE \left(\$/\text{tons VOC reduced} \right) = \frac{\text{Incremental Difference in Cost (Present Worth Value)}}{\text{Incremental Difference in Emission Reductions (Lifetime Reductions)}}$$

Summary of Cost-Effectiveness Analysis and Incremental Cost-Effectiveness Analysis

To determine cost-effectiveness for the proposed Phase II BARCT limits, cost information and estimates for existing coatings were obtained. Staff met with multiple coating manufacturers, vendors, distributors, and stakeholders to gather cost data and estimates for various types of coatings. Based on manufacturer feedback, coatings meeting the current limits are approximately 10 percent more expensive than those meeting the U.S. National Rule limits and, as a result, staff assumed the products meeting the proposed Phase II limits will be similar in cost to the coatings meeting current Rule 1151 limits. The cost difference between the Phase I and Phase II products will be used in the cost-effectiveness analysis. The South Coast AQMD Governing Board established a cost screening threshold of \$40,168 per ton of VOC removed.

Automotive Coating Categories

As previously mentioned, one of the first steps in the BARCT assessment is to establish the class and category of automotive coating products. Staff collaborated with the stakeholders to better understand the challenges and establish several subcategories of the specific coating categories. Based on the BARCT technology assessment and manufacturer feedback, staff updated the existing categories and established subcategories of coatings for color coats, clear coats, and primers since each coating had specific challenges and/or requirements. The following sections

explain the cost-effectiveness of reducing the VOC limits from the Phase I to Phase II VOC limit for each applicable subcategory of automotive coating.

Adhesion Promoter

Adhesion promoters are coatings applied directly to uncoated plastic and other synthetic surfaces, excluding metals, to facilitate bonding of subsequent coatings. All adhesion promoters reported in the automotive coating manufacturer survey are solvent-based coatings and utilize exempt compounds to comply with the current VOC content limit of 540 g/L. The two primary exempt solvents used in this category are pCBtF and t-BAc. Total estimated annual usage for this category is approximately 12,900 gallons per year which represents approximately 0.7 percent of the automotive coatings used in South Coast AQMD.

The proposed Phase I VOC content limit of 840 g/L is identical to the limit for adhesion promoters in the U.S. National Rule. Upon discussion with coating manufacturers, and after reviewing the coating data evaluation, staff determined that a lower Phase I limit for adhesion promoters was not feasible given the VOC contents of the commercially available adhesion promoters that do not contain pCBtF or t-BAc.

The proposed Phase II VOC content limit of 720 g/L is technologically feasible and cost-effective by the January 1, 2028, effective date based on discussions with coating manufacturers. The cost-effectiveness for the category is approximately \$30,000 per ton of VOC reduced.

PAR 1151 also includes an alternative Product-Weighted Maximum Incremental Reactivity (PW-MIR) VOC limit of 2.0 g O₃/g VOC for adhesion promoters. Traditional mass-based VOC limits treat all VOCs equal, other than water and exempt compounds which are excluded. However, research³ has shown that different solvents have varying potentials to form ground-level ozone. The MIR scale measures the relative ozone-forming potential of VOCs, offering a more nuanced approach than traditional mass-based limits. By using a PW-MIR VOC limit, one can account for the differences in reactivity, ensuring that products with more reactive VOCs are more strictly regulated, while less reactive VOCs are afforded some flexibility. The California Air Resources Board (CARB) published MIR values for various VOCs, which have been instrumental in developing these limits⁴

Staff utilized survey data and online searches to identify adhesion promoters sold within the South Coast AQMD, identifying 15 such products. To gather detailed VOC information for each product, staff reviewed the Safety Data Sheets for all 15 adhesion promoters. Using the CARB MIR values, staff calculated the PW-MIR for each product. In cases where VOC compounds were reported as a range, staff calculated an average PW-MIR based on the mid-point of the reported range, as well as a maximum PW-MIR using the highest reported value for each VOC compound. After calculating the average and maximum PW-MIR values for all the products, staff performed a statistical analysis to propose an appropriate PW-MIR limit for adhesion promoters. Table 2-15 lists the products staff considered; included are the weight percentages (wt%) for pCBtF and t-

³ Carter, William P.L., College of Engineering, Center for Environmental Research and Technology, The SAPRC-99 Chemical Mechanism and Updated VOC Reactivity Scales, February 2023

⁴ California Air Resources Board (CARB), "Tables of Maximum Incremental Reactivity (MIR) Values", available at https://ww2.arb.ca.gov/sites/default/files/2020-12/cp_reg_mir-tables.pdf

BAC in those products, as those solvents have very low MIR values. Staff put more emphasis on adhesion promoters without pCBtF and t-BAC to more accurately reflect the potential PW-MIR of these products once those exempt solvents are prohibited.

Table 2-15: PW-MIR Values for Adhesion Promoters

PRODUCT	Regulatory VOC_{As} Applied (g/L)	pCBtF (wt %)	t-BAC (wt %)	PW-MIR with Average VOC Content (g O₃/g VOC)	PW-MIR with Max VOC Content (g O₃/g VOC)
Product 1	540	87.8	0	0.26	0.36
Product 2	526	0	58.1	1.22	1.75
Product 3	540	0	0	1.35	1.68
Product 4	537	3.1	22	2.72	3.21
Product 5	508	86.9	0	0.35	0.51
Product 6	540	82.8	0	0.4	0.56
Product 7	537	55.8	0	0.49	0.62
Product 8	520	54.8	0	1.42	1.81
Product 9	516	49.4	0	0.16	0.2
Product 10	517	49.3	0	0.37	0.56
Product 11	511	33.9	0	0.47	0.74
Product 12	533	3.5	20.2	2.69	3.17
Product 13	526	0	58.1	1.22	1.75
Product 14	529	0	20	2.68	3.16
Product 15	540	0	0	1.35	1.68

In addition to this assessment, a manufacturer of an adhesion promoter provided data on their potential future non-pCBtF/t-BAC formulation and indicated it could achieve a PW-MIR of between 2.0 – 2.5 g O₃/g VOC, which supports staff's assessment and proposed limit.

The proposed PW-MIR limits are designed to achieve equal or greater reductions in ground-level ozone compared to traditional mass-based VOC limits because VOCs with the greatest ozone forming potential will be targeted rather than treating each VOC equally; this offers more flexibility in product reformulation. Additionally, PW-MIR limits are particularly beneficial for coatings with low solids content. For these coatings, there are limited options to reduce VOC content, especially when compounds such as pCBtF and t-BAC are no longer allowed for use. It

should be noted that a cost-effectiveness analysis has not been conducted, as the use of PW-MIR is presented as an option rather than a requirement. Staff anticipates that formulation costs will be lower, as the PW-MIR approach provides manufacturers with greater flexibility in reformulating their products. This flexibility allows for higher levels of VOCs while still achieving the necessary reductions in ozone formation. It is also important to note that a product complying with the proposed alternative MIR limit can potentially have a higher mass (g/L) limit than the mass limits in the Table of Standards in the rule.

Gloss Clear Coating

Broadly, clear coatings are coatings that are formulated with materials that do not impart color and are applied over a color coating or previous layer of clear coating. Ninety-nine percent of the clear coatings reported in the automotive coating manufacturer survey are solvent-based and about 60 percent contain pCBtF. Forty one percent of the total automotive coatings used in South Coast AQMD are clear coats. Staff is proposing to carve out a subcategory from clear coatings for gloss clear coatings; gloss clear coatings register a gloss of 70 units or greater on a sixty-degree meter, according to ASTM Test Method D 523. Gloss clear coats annual usage is approximately 801,000 gallons.

The proposed Phase I VOC content limit for the high gloss clear coat category is 520 g/L. The proposed Phase II VOC content limit of 250 g/L is technologically feasible based on a future effective date of January 1, 2030. The VOC limit is cost-effectiveness for the category at \$39,000 per ton of VOC removed.

Matte Clear Coating

Staff is proposing to carve out a subcategory from clear coatings for matte clear coatings. Matte clear coatings are coatings that are formulated with materials that do not impart color and are applied over a color coating or a subsequent layer of a matte clear coating; matte clear coatings register a gloss of less than 70 units on a sixty-degree meter, according to ASTM Test Method 523. Matte clear coatings contain a flattening agent which is a substance that gives the clear coat a lusterless or matte appearance. According to manufacturers, a higher VOC limit is necessary due to the flattening agent used in these coatings. Based on coating manufacturer feedback, matte clear coatings are a small, niche category of coatings and make up approximately 0.4 percent of the clear coating category used in South Coast AQMD.

Staff evaluated the cost-effectiveness of a lower Phase II VOC content limit of 520 g/L for matte clear coatings. Due to the relatively low volume of these coatings sold and subsequently low emission reductions from the lower limit, it was determined to not be cost-effective at \$600,000 per ton of VOC removed. Accordingly, staff is proposing to maintain the 550 g/L for matte clear instead of lowering the Phase II VOC content limit.

Color Coating

Color coatings are pigmented automotive coatings, excluding adhesion promoters and primers, that require a subsequent clear coating to be applied. Color coatings are generally applied over a primer or adhesion promoter but can also be applied over another color coating. Based on survey data and product data sheet analysis, staff confirmed that use of pCBtF is prevalent in solvent-based color coatings. Approximately 30 percent of color coatings reported in the survey are water based while 70 percent reported are solvent based. Based on the survey data, color coatings can typically be divided into two subcategories: solid colors coats and metallic color coatings. Metallic color coatings need to have a higher VOC content in their formulation to achieve their metallic

appearance; solid color coatings can be formulated at lower VOC levels. The following figure shows the average VOC content for each subcategory.

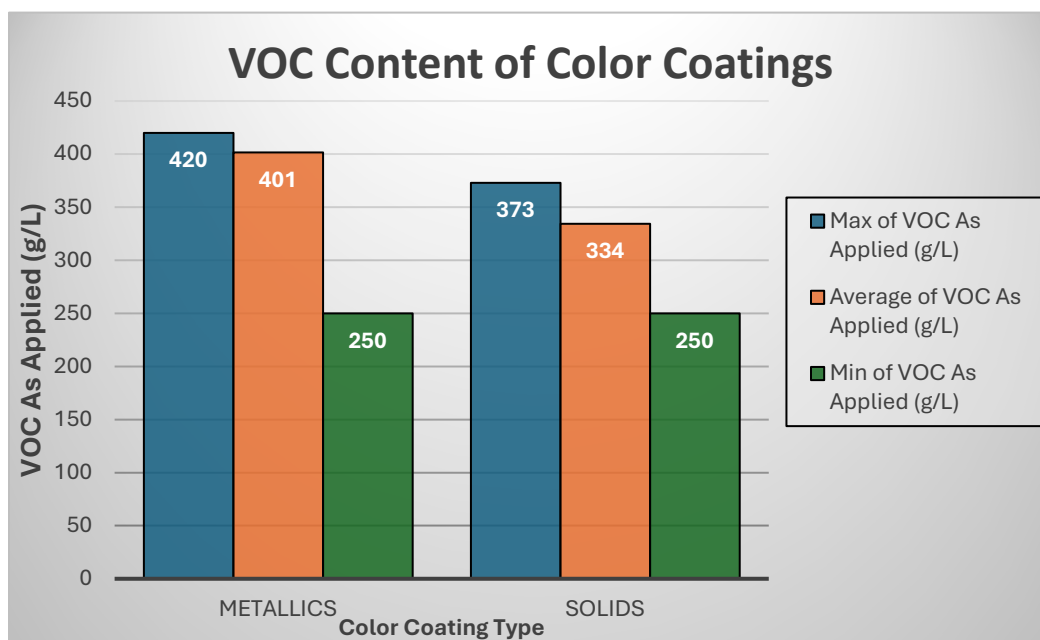


Figure 2-5: Metallics and Solid Color VOC Content

Lower-VOC water-based color coatings are widely used by most facilities and make up most of the volume of color coatings sold for use in South Coast AQMD. Approximately 240,000 gallons are used annually in the South Coast. Water-based color coatings do not contain pCBtF or t-BAc.

Because there are non-pCBtF-containing color coatings currently commercially available and in use that meet the existing VOC content limit for color coatings, staff is not proposing to raise the VOC Content limit of 420 g/L during the Phase I period. There are smaller shops that rely on the higher VOC solvent-based color coatings so the rule will allow higher VOC coatings to be sold in small containers, which is detailed in Chapter three of this staff report.

The proposed Phase II VOC Content limit of 250 g/L is based on reported automotive coating manufacturer survey data and discussions with coating manufacturers. It is cost-effective for the color coatings category at \$24,000 per ton of VOC reduced.

Survey data provided by coating manufacturers did not include sales volume for the individual products. The average “As Applied VOC” contents displayed in Figure 2-4 are based on the number of products reported by coating manufacturers.

Metallic Color Coating

Staff initially proposed to carve out a subcategory of color coatings for metallic color coatings. Metallic color coatings are color coatings that contain more than 0.042 g/L of metal flakes, as applied, where such particles are visible in the dried film.

There are non-pCBtF-containing metallic color coatings currently commercially available and in use that meet the existing VOC content limit for color coatings; therefore, staff is not proposing to

raise the VOC Content limit of 420 g/L during the Phase I period. Approximately 293,000 gallons of metallic color coatings are used annually.

Coating manufacturers voiced concerns regarding the higher VOC contents of metallic color coatings compared to traditional solid color coatings and the need for a separate, higher limit. Staff reviewed metallic color coating data sheets and initially confirmed the need for a subcategory carve-out. However, based on follow up meetings with, BASF, one of the major automotive coating manufacturers, a 250 g/L is technically feasible since they currently offer a water-based basecoat system that has a maximum VOC content of 250 g/L for all colors including solid colors, metallic colors, and mid-coat layers. The formulation for the BASF Glasurit® 100 line currently meets the 250 g/L limit without the use of pCBtF and t-BAc. However, several manufacturers have raised color matching concerns associated with product development, reformulation, and testing. Therefore, staff is also proposing a future effective date of January 1, 2030, for both the color and metallic color coating category; this will ensure manufacturers have adequate time to address technical and color matching challenges associated with reformulation. Staff is proposing a lower Phase II VOC content limit 250 g/L for the metallic color coating category which is cost-effectiveness at \$18,000 per ton of VOC reduced.

Based on staff's latest analysis, PAR 1151 includes the same Phase I and Phase II VOC limits and effective dates for solid color coatings and metallic coatings; therefore, the categories will be combined in the Table of Standards as "Color Coatings."

Tinted Mid-Coat

Tinted mid-coats are transparent color coatings used as part of a three-stage metallic or pearlescent system. The mid-coat is traditionally used to add a depth effect to paints and color match three-stage coatings during the repair process. Mid-coats are similar to basecoats since they can be tinted or adjusted to get a different color and provide the metallic finish desired. Approximate mid-coat usage is 2,000 gallons per year for the category.

Mid-coats utilize pCBtF in formulation to meet the current 420 g/L VOC limit. Since no suitable replacement is currently available, staff is proposing a Phase I limit of 750 g/L which is similar to the National Rule limit. Based on manufacturer feedback and staff evaluation of the mid-coat category, a Phase II VOC limit of 250 g/L is feasible and also cost-effective at \$8,000 per ton of VOC reduced. Therefore, staff is proposing a Phase II limit of 250g/L for the category with a future effective date of January 1, 2030.

Primers

The primer category can be divided into pretreatment wash primers, primer sealers, primer surfacers, and epoxy primers. Most primers reported in the automotive coating manufacturer survey are solvent based, with only a very small percentage being water-based. Staff found the use of pCBtF to be prevalent among primers to meet the current VOC content limits.

Pretreatment Wash Primer

Pretreatment wash primers are automotive coatings that contain a minimum of 0.5 percent acid by weight and not more than the 16 percent solids by weight as necessary to provide surface etching. Staff confirmed the use of pCBtF is prevalent in pretreatment wash primers as reported in the automotive coating manufacturer survey. Approximately 25,300 gallons are used annually in South Coast AQMD.

The proposed Phase I VOC content limit is 780 g/L. Staff initially evaluated the cost-effectiveness of a lower Phase II VOC content limit of 720 g/L for pretreatment wash primers, but due to the relatively low volume of these coatings sold and subsequent low emission reductions from the lower limit, staff confirmed that the lower limit is not cost-effective at \$104,000 per ton of VOC removed. Accordingly, staff initially determined that it was appropriate to maintain the higher Phase I VOC content limit in Phase II. After further discussions with automotive coating manufacturers, staff again evaluated the cost-effectiveness of a lower Phase II VOC content limit. Staff determined that a Phase II VOC content limit of 660 g/L for pretreatment wash primers is cost-effective for the category at \$7,000 per ton of VOC emissions reduced. The proposed Phase II VOC content limit of 660 g/L is technologically feasible based on a future effective date of January 1, 2028.

In addition, similar to adhesion promoters, PAR 1151 includes an alternative PW-MIR VOC limit for pretreatment wash primers that manufacturers can opt to comply with in lieu of the mass-based VOC limit in PAR 1151 Table 1 – Table of Standards. The mass-based VOC limit for pretreatment wash primers is slightly lower than that of the adhesion promoters; therefore, staff is proposing a slightly lower PW-MIR limits of 1.8 g O₃/g VOC. A cost-effectiveness assessment was not conducted as this is an alternative option meant to provide flexibility and not a required VOC limit.

Table 2-16: PW-MIR Values for Pretreatment Wash Primers

PRODUCT	Regulatory VOC _{As} Applied (g/L)	pCBtF (wt %)	t-BAc (wt %)	PW-MIR with Average VOC Content (g O ₃ /g VOC)	PW-MIR with Max VOC Content (g O ₃ /g VOC)
Product 1	652	14.6	0	0.55	0.60
Product 2	657	10.5	0	1.37	1.82
Product 3	659	0	0	1.73	2.34
Product 4	659	36.5	0	0.44	0.54
Product 5	652	14.6	0	1.53	1.99
Product 6	657	71.3	0	0.32	0.4
Product 7	660	1.4	0	2.4	2.73

Epoxy Primer

Epoxy primers are automotive coatings that are formulated with an epoxy resin and hardener and are applied directly to metal during the restoration of a vehicle, for the purpose of adhesion, resistance to moisture and corrosion, and where the primary function is to bond to the base material and seal to facilitate subsequent work. Approximately 3,400 gallons of epoxy primers are used annually.

The proposed Phase I VOC content limit is 580 g/L. The proposed Phase II VOC content limit is 340 g/L and is technologically feasible based on a future effective date of January 1, 2028. The proposed Phase II limit is cost-effective for the category at \$11,000 per ton of VOC emissions reduced.

Primer Sealer

Primer sealers are automotive coatings that are applied prior to the application of a topcoat for the purpose of color uniformity, or to promote the ability of an underlying coating to resist penetration by the topcoat. These types of primers are referred to as “non-sanding primers” since primer sealers are not intended to be sanded, the basecoat can simply be applied after the sealer dries. Approximately 10,200 gallons of primer sealers are used annually.

The proposed Phase I VOC content limit is 550 g/L. Staff initially proposed a Phase II VOC content limit of 150 g/L for both the primer sealer and surfacer subcategories, but several manufacturers expressed concern regarding the ability to meet the lower limit. Manufacturers stated that they are currently in the process of developing solvent-based prototypes that meet the 250 g/L limit without pCBtF. The lower 150 g/L VOC content does not offer enough flexibility to address humidity adhesion test challenges and also has not yet obtained OEM approval. In response to feedback, staff revised the proposed Phase II VOC content limit to 250 g/L for both the primer sealer and surfacer subcategories. The revised proposed VOC content limit of 250 g/L is technologically feasible with a future effective date of January 1, 2028. The proposed limit is cost-effective for the category at \$22,000 per ton of VOC reduced.

Primer Surfacer

Primer surfacers are automotive coatings that are applied for the purpose of corrosion resistance or adhesion, and to promote a uniform surface by filling in surface imperfections. Approximately 287,000 gallons are used annually for this category.

Staff identified a commercially available UV/EB/LED curable product being used at a local refinishing facility as a potential technology to justify lowering the VOC limit of the primer surfacer category. The UV/EB/LED curable primer technology is currently only recommended for panel repairs of one square-foot or less but can potentially be scaled up to larger panels. The UV/EB/LED curable primer has a VOC content of 206 g/L, which is slightly lower than the proposed Phase II VOC limit of 250 g/L. A Phase II limit of 210 g/L is technically feasible based on this technology; however, the cost for the UV/EB/LED primer (at approximately \$260 for a quart of product) is approximately four times higher than a conventional primer. In addition, a UV light curing lamp tool is needed to cure the product at a cost of about \$2,000; a one-time cost for a tool that may last up to ten years. Staff’s cost-effectiveness calculation concluded the cost-effectiveness ranges from \$800,000 to \$1.8 MM per ton of VOC reduced for the UV/EB/LED technology. Due to the high cost and low potential VOC reductions, staff is not recommending a Phase II limit of 210 g/L based on the UV/EB/LED curable technology and instead proposes a 250 g/L limit based on traditional primer surfacer technology. Automotive coating manufacturers and resin manufacturers have indicated that low VOC primers are currently being developed to meet or exceed current VOC limits.



The proposed Phase I VOC content limit is 580 g/L. The proposed Phase II limit of 250 g/L is technologically feasible based on a future effective date of January 1, 2028. The proposed limit is cost-effective for the category at \$23,000 per ton of VOC reduced.

Single-Stage coating

Single-stage coatings are pigmented automotive coatings, excluding adhesion promoters and primers, labeled and formulated for application without a subsequent clear coating and are applied over an adhesion promoter, a primer, or a color coating. Staff confirmed that no water-based single-stage coatings were reported in the automotive coating manufacturer survey and that single-stage coatings comprise about two percent of automotive coatings used in South Coast AQMD with an annual usage of approximately 35,000 gallons.

The proposed Phase I VOC content limit is 600 g/L. The proposed Phase II VOC content limit is 340 g/L and is technologically feasible based on a future effective date of January 1, 2028. The proposed limit is cost-effective for the category at \$19,000 per ton of VOC reduced.

Table 2-17: Cost-effectiveness by Category

Automotive Coating Category	Proposed Phase II VOC Content Limits (g/L)	Cost-Effectiveness
Base Coatings		
Color Coating	250	\$24,000
Metallic Color Coating	250	\$18,000
Tinted Mid-Coat	250	\$8,000
Clear Coatings		
Gloss Clear Coating	250	\$39,000
Matte-Clear Coating	520	\$600,000
Primers		
Pretreatment Wash Primer	660	\$7,000
Epoxy Primer	340	\$11,000
Primer Sealer	250	\$22,000
Primer Surfacer	250	\$23,000
Other Coating Categories		
Adhesion Promoter	720	\$30,000
Single-Stage Coating	340	\$19,000
Temporary Protective Coating	60	N/A
Truck Bedliner Coating	310	N/A
Underbody Coating	430	N/A
Uniform Finish Coating	540	N/A
Any Other Coating Type	250	N/A

Reducers and Thinner

In recent years, reducers and thinners have posed an enforcement challenge as end users have been buying and using non-compliant high-VOC reducers and thinners instead of the more expensive, compliant pCBtF-based reducers and thinners. These high VOC reducers and thinners could not be used in any meaningful amount in the automotive coatings at the autobody shops to produce a compliant ready-to-spray coating.

As the South Coast AQMD phases out pCBtF and t-BAc, a mechanism to reduce the air quality impact of reducers and thinners is to develop PW-MIR VOC limits. The automotive coatings will continue to have a mass-based VOC limit; however, the new PW-MIR limit on the reducer and thinner will result in less ground-level ozone formation. To gather detailed VOC information for each product, staff reviewed the safety data sheets for 40 reducers and thinners. Using the CARB MIR values, staff calculated the PW-MIR for each product. In cases where VOC compounds were reported as a range, staff determined an average PW-MIR based on the midpoint of the reported range and a maximum PW-MIR using the highest reported value for each compound. After calculating both average and maximum PW-MIR values, staff conducted a statistical analysis to propose an appropriate PW-MIR limit for reducers and thinners and established a PW-MIR limit of 1.50 g O₃/g VOC, which has been demonstrated to be technically feasible and is achievable with several currently commercially available products. Table 2-18 shows a subset of the over 100 thinners and reducers staff reported in the survey.

Table 2-18: PW-MIR Values for Selected Reducers and Thinners

PRODUCT	Regulatory VOC_{As} Applied (g/L)	pCBtF (wt %)	t-BAc (wt %)	PW-MIR with Average VOC Content (g O₃/g VOC)	PW-MIR with Max VOC Content (g O₃/g VOC)
Product 1	891	0	0	1.32	1.63
Product 2	844	55	0	0.77	0.79
Product 3	247	82	0	0.16	0.20
Product 4	0	95	0	0.10	0.11

Staff assessed 15 percent of the reported reducers and thinners in the survey, considering their PW-MIR values and pCBtF content. The data indicates that the price per gallon of products with higher PW-MIR values tends to decrease. On average, products with a PW-MIR greater than 1.50 g O₃/g

VOC cost \$98 per gallon, while those with a PW-MIR less than 1.50 g O₃/g VOC cost \$145 per gallon. This suggests that pCBtF is associated with a higher price (Figure 2-6).

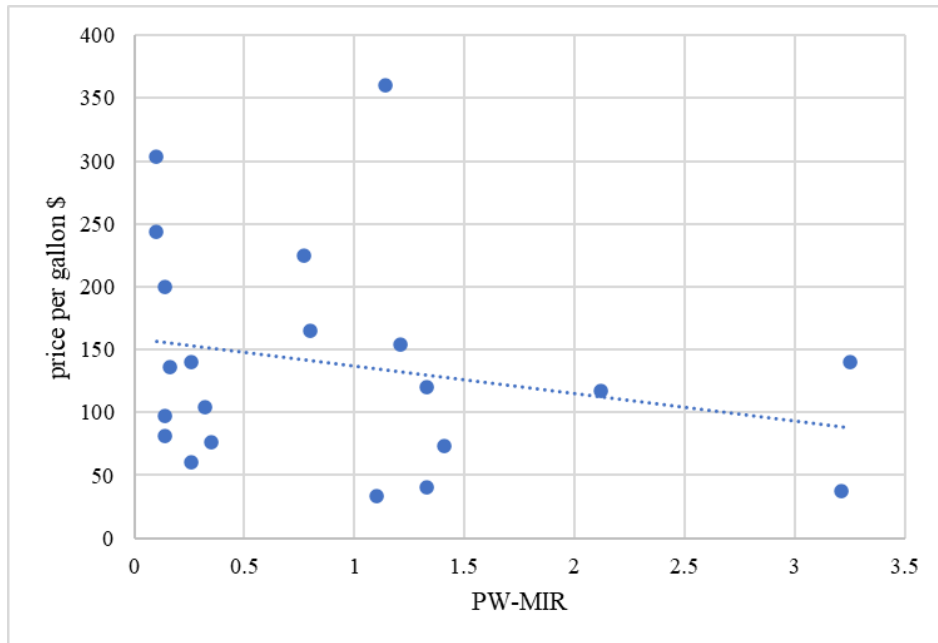


Figure 2-6: Price per gallon vs PW-MIR for reducers and thinners

In addition, as shown in Figure 2-7, the price per gallon of a product has a positive correlation with its pCBtF percentage. On average, products containing more than 50 percent pCBtF cost approximately \$180 per gallon, while non-pCBtF products average around \$94 per gallon.

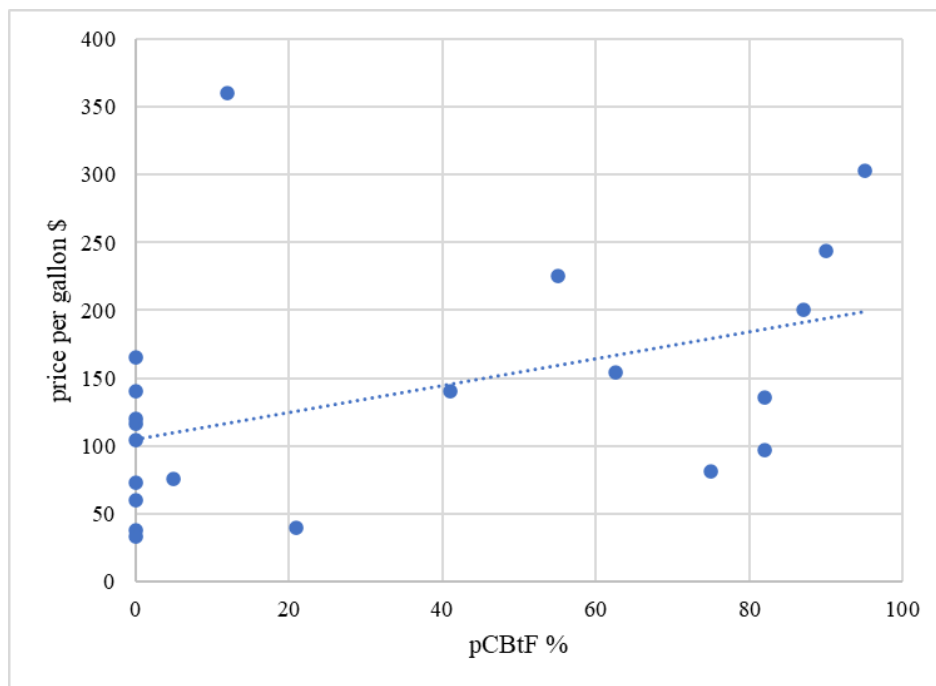


Figure 2-7: Price per gallon vs pCBtF content for reducers and thinners

On the other hand, for non-pCBtF products, there is no correlation between the price per gallon and the PW-MIR (Figure 2-8). This indicates that the cost of a product formulated without pCBtF is independent of its PW-MIR. Therefore, a lower PW-MIR does not necessarily translate to a higher cost in this category.

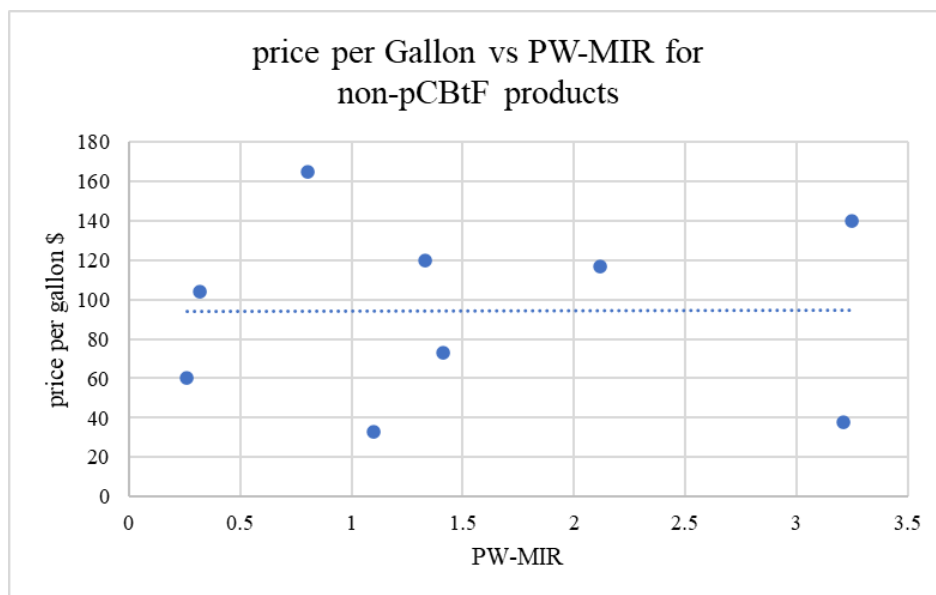


Figure 2-8: Price per gallon vs PW-MIR for non-pCBtF reducers and thinners

Potential Ozone Reduction Benefit

By adopting a PW-MIR approach instead of relying solely on VOC limits measured in grams per liter, the regulatory framework can be better aligned with air quality goals while providing manufacturers with increased flexibility. The PW-MIR approach offers flexibility, allowing manufacturers to explore various formulations without being restricted by a single mass-based VOC limit. This encourages innovation and the development of products that meet regulatory requirements while enhancing performance and reducing environmental impact. In the reducers and thinners category, implementing a PW-MIR limit will reduce the ozone formation potential of the ready-to-spray automotive coating beyond the emission reductions that result from the mass-based VOC limits in Table 1 of the rule.

Rule 1151 currently does not have a VOC limit for reducers and thinners, the VOC content is regulated on the ready to spray coating, which includes the reducer and thinners. Based on the manufacturer's survey, there are approximately 126,338 gallons of reducers and thinners sold into the South Coast AQMD annually. That number is an underestimate as not all manufacturers submitted a survey, and staff is aware of a significant amount of non-complaint reducers and thinners being used in our jurisdiction. Reducers and thinners that can be used to mix compliant coatings are mostly formulated with pCBtF; they have an average PW-MIR VOC of 0.40 g O₃/g VOC because pCBtF has such low photochemical reactivity (0.11 g O₃/g VOC). Reducers and thinner that do not contain pCBtF have an average PW-MIR of 1.85 g O₃/g VOC. With the phase out of pCBtF, staff assumes the PW-MIR of the reducers will increase up to 1.85 g O₃/g VOC leading to a considerable increase in the amount of ground level ozone formed. The future effective limit of 1.50 g O₃/g VOC is projected to reduce ozone formation potential by approximately 0.18 tons per day (tpd).

While staff did not find a strong cost correlation with the MIR VOC level, the average cost of a coating under 1.50 g O₃/g VOC is \$93 per gallon, the average cost coatings above 1.50 g O₃/g VOC is \$98 per gallon. The cost effectiveness analysis would indicate there is a cost savings; however, staff does not think the added regulatory limit will save costs. There is a significant cost savings going from pCBtF thinners and reducers to products with conventional solvents. but transitioning to lower MIR products will require some formulation work and product testing.

CHAPTER 3: SUMMARY OF PROPOSALS

INTRODUCTION

PROPOSED AMENDED RULE STRUCTURE

PROPOSED AMENDED RULE 1151



Introduction

The main objective of the proposed amendments to Rule 1151 is to phase out the use of pCBtF and t-BAC as solvents in automotive coatings, as directed by the South Coast AQMD's Stationary Source Committee, due to toxicity concerns.

Staff is proposing the following amendments to Rule 1151. The proposed amendments are primarily on the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAC use in the regulated products. Some other amendments are for new labeling and reporting requirements, and for rule clarification or streamlining. The proposed revised rule structure and key provisions are discussed in the following sections.

Proposed Amended Rule Structure

- (a) *Purpose*
- (b) *Applicability*
- (c) *Definitions*
- (d) *Requirements*
- (e) *Alternative Compliance Options*
- (f) *Prohibition of Possession, Specification, Sale or Use*
- (g) *Recordkeeping Requirements*
- (h) *Administrative and Reporting Requirements for Automotive Coating Manufacturers*
- (i) *Test Methods*
- (j) *Rule 442 Applicability*
- (k) *Exemptions*

Proposed Amended Rule 1151

Purpose [Subdivision (a)]

The purpose of this rule is to reduce VOC emissions, toxic air contaminants, stratospheric ozone-depleting compounds, and global-warming compound emissions from automotive coating applications performed on motor vehicles, mobile equipment, and associated parts and components.

No significant revisions were made to this subdivision. Staff capitalized defined terms to indicate that definitions for the associated terms can be found in the Definitions subdivision.

Applicability [Subdivision (b)]

PAR 1151 applies to any person that supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses, or distributes any automotive coating, automotive coating component, or associated solvent for use within the South Coast AQMD, as well as any person who uses, applies, or solicits the use or application of any automotive coating, automotive coating component, or associated solvent within the South Coast AQMD.

No significant revisions were made to this subdivision. Staff capitalized defined terms to indicate that definitions for the associated terms can be found in the definition's subdivision.

Definitions [Subdivision (c)]

To provide clarity, definitions are used in the proposed amended rule as a proper noun to better distinguish defined terms from common terms. Refer to PAR 1151 for a complete list of definitions.

The following are new and modified definitions for PAR 1151, including some that distinguish the new automotive coating categories necessary for the transition away from pCBtF and t-BAC. Staff proposes to establish new categories and VOC content limits to reflect the results of the technology assessment. For all definitions, refer to the preliminary draft of PAR 1151 released with the Staff Report. Accordingly, the following definitions for those new categories will be added:

ADHESION PROMOTER in paragraph (c)(1), which means:

“any Automotive Coating that is specifically labeled and formulated to be applied to uncoated plastic and other synthetic surfaces, excluding metals, to facilitate bonding of a subsequent automotive coating.”

EPOXY PRIMER in paragraph (c)(14), which means:

“any Primer formulated with an epoxy resin and a hardener that is labeled and formulated for application directly to metal surfaces for adhesion, resistance to moisture and corrosion, and where the primary function is to bond to the base material and seal for subsequent work.”

GLOSS CLEAR COATING in paragraph (c)(16), which means:

“any Automotive Coating that is formulated with materials that do not impart color, is specifically labeled and formulated for application over a Color Coating or a previous layer of a Clear Coating, and that registers a gloss of 70 units or greater on a 60-degree meter, according to ASTM Test Method D523.”

MATTE CLEAR COATING in paragraph (c)(20), which means:

“any Automotive Coating that is formulated with materials that do not impart color, is specifically labeled and formulated for application over a Color Coating or a previous layer of a Matte Clear Coating, and that register a gloss of less than 70 units on a 60-degree meter, according to ASTM Test Method D523.”

MAXIMUM INCREMENTAL REACTIVITY (MIR) in paragraph (c)(21), which means:

“the measure of the photochemical reactivity of a VOC, which estimates the weight of ozone produced from a weight of VOC expressed as gram of ozone per gram of VOC (g O₃/g VOC). MIR values for individual VOCs are specified in sections 94700 and 94701, Title 17, California Code of Regulations.”

PRETREATMENT WASH COATING in paragraph (c)(24), was renamed as PRETREATMENT WASH PRIMER; however, the definition was not substantially altered.

PRIMER in paragraph (c)(25), which means:

“any Automotive Coating that is specifically labeled and formulated for application to a substrate to provide 1) a bond between the substrate and subsequent coats, 2) corrosion resistance, 3) a smooth substrate surface, or 4) resistance to penetration of subsequent coats, for the purpose of applying a subsequent Automotive Coating. Primers may be pigmented and include Weld-through Primers, Epoxy Primers, Primer Sealers, and Primer Surfacer.”

PRIMER SEALER in paragraph (c)(26), which means:

“any Coating applied prior to the application of a topcoat for the purpose of color uniformity, or to promote the ability of an underlying Coating to resist penetration by the topcoat.”

PRIMER SURFACER in paragraph (c)(27), which means:

“any Coating applied for the purpose of corrosion resistance or adhesion, and that promotes a uniform surface by filling in surface imperfections.”

PRIVATE LABELER in paragraph (c)(28), which means:

“is the person, company, firm, or establishment (other than the toll manufacturer) identified on the label of a Regulated Product.”

PRODUCT-WEIGHTED MIR (PW-MIR) in paragraph (c)(29), which means:

“the sum of all weighted-MIR for all ingredients in a Regulated Product. The PW-MIR is the total product reactivity expressed to hundredths of a gram of ozone formed per gram of product (excluding container and packaging) and calculated according to the following equations:

Weighted MIR (Wtd-MIR) ingredient = MIR x Weight fraction ingredient,

and,

$$PW-MIR = (Wtd-MIR)_1 + (Wtd-MIR)_2 + \dots + (WtdMIR)_n$$

where,

MIR = ingredient MIR; and

1,2,3,...,n = each ingredient in the product up to the total n ingredients in the product.”

READY-TO-SPRAY AUTOMOTIVE COATINGS in paragraph (c)(30), which means:

“the Automotive Coatings, mixed with any Automotive Coating Components as recommended by the manufacturer’s stated mix ratio.”

REDUCER OR THINNER in paragraph (c)(31), which means:

“any solvent specifically labeled and formulated to reduce the viscosity of Automotive Coatings.”

REGULATED PRODUCT in paragraph (c)(32), which means:

“any Automotive Coating or Automotive Coating Component.”

SOUTH COAST AQMD TEST METHOD in paragraph (c)(35), which means:

“a test method included in the manual of “Laboratory Methods of Analysis for Enforcement Samples,” which can be found on the South Coast AQMD website and are referenced in subdivision (i).”

TINTED MID-COAT in paragraph (c)(38), which means:

“a transparent Color Coating specifically labeled and formulated to add depth and color-match to a three-stage metallic or pearlescent coating system.”

VOLATILE ORGANIC COMPOUND (VOC) in paragraph (c)(43), which means:

“is as defined in Rule 102. For the purpose of this rule, tert-butyl acetate (t-BAc) is not a VOC when used in automotive coatings other than color coatings and clear coatings until the applicable prohibition timeline in Table 4.”

Requirements [Subdivision (d)]

This subdivision contains the provisions for any person that applies any automotive coating to a motor vehicle, mobile equipment, or associated parts or components of a motor vehicle or mobile equipment.

Paragraph (d)(1) - PAR 1151 VOC Content Limits

PAR 1151 establishes Phase I and Phase II VOC content limits and effective dates for automotive coatings by category, as summarized in PAR 1151 Table 1 – Table of Standards. The following table provides a summary of the proposed VOC content limits and effective dates. Coatings complying with Phase I and Phase II VOC limits are not allowed to contain pCBtF or t-BAc.

Table 3-1: Summary of the Revisions to the VOC Content Limits and Effective Dates Compared with the Current Requirements

Coating Categories	Current Limits ⁽¹⁾		Phase I Limits - Effective on date of rule adoption		Phase II Limits		
	g/L	lb/gal	g/L	lb/gal	g/L	lb/gal	Effective Date
Base Coatings							
Color Coating ⁽²⁾	420	3.5			250	2.1	1/1/2030
Tinted Mid-Coat	420	3.5	750	6.3	250	2.1	1/1/2030
Clear Coatings							
Gloss Clear Coating	250	2.1	520	4.3	250	2.1	1/1/2030
Matte-Clear Coating	250	2.1	550	4.6			
Primers and Sealers							
Pretreatment Wash Primer	660	5.5	780	6.5	660	5.5	1/1/2028
Epoxy Primer	250	2.1	580	4.8	340	2.8	1/1/2028
Primer Sealer	250	2.1	550	4.6	250	2.1	1/1/2029
Primer Surfacer	250	2.1	580	4.8	250	2.1	1/1/2029
Other Coating Categories							
Adhesion Promoter	540	4.5	840	7.0	720	6.0	1/1/2028
Single-Stage Coating	340	2.8	600	5.0	340	2.8	1/1/2028
Temporary Protective Coating	60	0.5					
Truck Bed Liner Coating	310	2.6					
Underbody Coating	430	3.6					
Uniform Finishing Coating	540	4.5					
Any Other Coating Type	250	2.1					

1 The specified limits remain in effect unless revised limits are listed in subsequent columns in the Table of Standards.

2 See Paragraph (d)(4) for Color Coatings supplied in half-pint or smaller containers.

Paragraph (d)(2) - PAR 1151 PW-MIR Limits

PAR 1151 establishes a product-weighted maximum incremental reactivity (PW-MIR) limit for reducers and thinners and an effective date, as summarized in PAR 1151 – Table 2.

Table 3-2: Product- Weighted MIR VOC Content Limit for Reducers and Thinners and Effective Dates

	PW-MIR VOC Limit (g O₃/g VOC)	Effective Date
Reducers and Thinners	1.50	1/1/2030

Paragraph (d)(4) – Alternative VOC Content Limits for Color Coatings

In paragraph (d)(4), staff is proposing an alternative VOC content limit of 720 g/L for color coatings that are supplied in half-pint or smaller containers, provided that the coating does not contain more than 0.01 percent by weight of either pCBtF or t-BAc. This is intended to address smaller autobody shops that are still using solvent-based color coatings and this will provide additional time to transition to water-based alternatives. Shops will be able to comply with this alternative limit until January 1, 2030, as stated in the paragraph.

Paragraph (d)(5) – Alternative VOC Content Limits for Adhesion Promoters and Pretreatment Wash Primers

In paragraph (d)(5), staff is proposing alternative VOC content limits for adhesion promoters and pretreatment wash primers. Rather than complying with the otherwise applicable VOC content limits, coating manufacturers may elect to comply with the applicable PW-MIR limit summarized in PAR 1151 – Table 3.

Table 3-3: Alternative Product-Weighted MIR VOC Content Limits and Effective Dates

	PW-MIR VOC Limit (g O₃/g VOC)	Effective Date
Adhesion Promoters	2.00	1/1/2028
Pretreatment Wash Primers	1.80	1/1/2028

Paragraph (d)(6) – Sell-Through and Use-Through Provision for Alternative VOC Content Limits of Color Coatings

Paragraph (d)(6) includes the sell-through and use-through allowances for color coatings that are supplied in half-pint or smaller containers and that comply with the alternative VOC content limit pursuant to paragraph (d)(4). This paragraph clarifies that color coatings complying with the alternative VOC content limit pursuant to paragraph (d)(4) and that are manufactured prior to January 1, 2030, may be sold, supplied, or offered for sale up to January 1, 2032, and used until January 1, 2033.

Paragraph (d)(7) – Sell-Through and Use-Through Provision for VOC Content Limit Reductions

Paragraph (d)(7) includes the sell-through and use-through allowances for coating categories where there is a *decrease* in the allowed VOC limit. This paragraph clarifies that coatings manufactured to comply with the higher, Phase I VOC limit and prior to the Phase II effective date, can be sold for up to 24 months and used for up to 36 months after the VOC limit is decreased upon the Phase II effective date. Paragraph (d)(7) does not apply to the sell-through and use-through periods associated with the transition away from pCBtF and t-BAC-containing coatings to U.S. EPA National Rule coatings. These sell-through and use-through periods will be subject to the provisions in subparagraph (f)(8)(D), discussed later in the staff report.

Paragraph (d)(8) – Sell-Through and Use-Through Provision for Reducers or Thinners

Paragraph (d)(8) includes the sell-through and use-through allowances for reducers or thinners manufactured prior to the corresponding January 1, 2030, effective date of the PW-MIR limit. Reducers or thinners manufactured prior to this date may be sold, supplied, or offered for sale until January 1, 2032, and used until January 1, 2032. Paragraph (d)(8) does not apply to the sell-through and use-through periods associated with the transition away from pCBtF and t-BAC-containing coatings to coatings formulated to comply with the U.S. EPA National Rule VOC content limits.

Alternative Compliance Options [Subdivision (e)]

This subdivision contains the provisions for any person that chooses to comply with the provisions of paragraph (d)(1) by using an approved emission control system or an alternative emission control plan.

Subdivision (e) was previously a paragraph in the preceding subdivision and is now its own stand-alone subdivision. Staff moved this language for better readability and consistency. No changes were made to this language other than being moved to its own subdivision.

Prohibition of Possession, Specification, Sale or Use [Subdivision (f)]

This subdivision contains the provisions for any person that applies, possesses, solicits the use or application of, supplies, sells, offers for sale, markets, blends, packages, repackages or distributes automotive coatings for use within the South Coast AQMD.

Clauses (f)(2)(A)(iv) and (f)(3)(A)(iv) – PW-MIR Allowances

Clauses (f)(2)(A)(iv) and (f)(3)(A)(iv) clarify that a person can solicit from, specify, or require any other person to use, and can supply, sell, offer for sale, market, blend, package, repackage or distribute an automotive coating in South Coast AQMD that does not meet applicable VOC limits required by paragraph (d)(1) if the automotive coating otherwise complies with an applicable alternative PW-MIR limit in PAR 1151 – Table 3.

Paragraph (f)(7) – Carcinogenic Materials and Exempt Compounds

Paragraph (f)(7) was moved from Subdivision (d) to Subdivision (f) to streamline the rule and group all provisions that include prohibitions together in the same subdivision. Paragraph (f)(7) prohibits the manufacturing of regulated products for use in South Coast AQMD in which cadmium or hexavalent chromium. Staff added language to clarify that the manufacture, use, supply, sale, and offering for sale of a regulated product for use within South Coast AQMD in

which cadmium or hexavalent chromium is also prohibited. In addition, staff deleted the qualification that the cadmium or hexavalent chromium is used “as a pigment or as an agent to impart any property or characteristic to the automotive coatings.” Carcinogenic materials should be limited regardless of their purpose in an automotive coating. Instead, PAR 1151 establishes a concentration limit for cadmium and hexavalent chromium that aligns with the limits established by the U.S. EPA’s limits under the U.S. Resource Conservation and Recovery Act (RCRA).

The prohibition of using Group II exempts was moved from Subdivision (d) to Subdivision (f) to streamline the rule and group all provisions that include prohibitions together in the same subdivision. Currently, the rule prohibits the manufacture, sale, offer for sale, or distribution for use of any automotive coatings that contain any Group II exempt compounds within the South Coast AQMD. The amended prohibition language includes an upper concentration limit to account for potential trace levels of Group II exempts, established at 0.01 weight percent for all Group II exempts other than volatile methyl siloxanes (VMS). VMS are found in small, but non-negligible, amounts in some silicone-based coatings; therefore, staff included a 0.1 weight percent upper concentration limit for VMS. In addition, PAR 1151 extends the prohibition to include pCBtF and t-BAc with an upper concentration limit of 0.01 weight percent. Manufactures can continue to sell coatings containing pCBtF and t-BAc manufactured prior to May 1, 2025, within the South Coast AQMD to allow to time transition away from those solvents. Coatings containing pCBtF and t-BAc that are manufactured prior to May 1, 2025, that are already in the supply chain, can be continued to be sold until May 1, 2026, and continued to be used until July 1, 2027. The following table provides a summary of the proposal.

Table 3-4: pCBtF and t-BAc Prohibition Timeline

Category	Prohibition Effective Date	Sell-through End Date	Use-through End Date
Color Coatings	November 1, 2025	November 1, 2026	January 1, 2028
All Other Coating Categories	May 1, 2025	May 1, 2026	July 1, 2027

PAR 1151 includes a longer phase-out period for color coatings to allow for end-user training. Most large autobody shops are currently using water-based color coatings and small shops can take advantage of the half-pint alternative VOC limit until the Phase II limits take effect. Medium-sized shops are still using solvent-based color coatings, and the half-pint containers will not work in the existing mixing equipment. Staff is providing a longer phase-out time to allow time for end-user training as the medium-sized autobody shops transition from solvent-based to water-based color coatings. Staff visited many shops that transitioned to water-based coatings over a decade ago. While they agree that water-based coatings are good products, training was needed to learn how to properly apply the coatings. Since the large shops already use water-based coatings and small shops will likely opt for the cheaper half-pint high-VOC coatings, staff does not anticipate there will be a lot of pCBtF-based color coatings manufactured for use in the South Coast AQMD after May 1, 2025.

Recordkeeping Requirements [Subdivision (g)]

Subdivision (g) outlines the recordkeeping requirements including maintaining records for VOC emissions pursuant to Rule 109 – Recordkeeping for Volatile Organic Compound Emissions, emission control systems, and for any person who supplies, sells, offers for sale, markets, blends, packages, repackages or distributes any automotive coatings for use within South Coast AQMD that do not meet the applicable VOC limits but are intended for use at a facility that utilizes an approved emission control system; a facility that operates in accordance with an approved alternative emissions control plan; or are exempt under subdivision (k).

This subdivision was restructured to streamline and better organize the rule provisions. Most of the changes are minor, defined terms were capitalized, and the existing Rule 1151 recordkeeping clause (e)(3)(A)(iv) was moved to paragraph (g)(3).

Administrative and Reporting Requirements for Automotive Coating Manufacturers [Subdivision (h)]

This subdivision outlines the compliance statement, labeling, and reporting requirements for automotive coating manufacturers.

Staff is proposing to require coating manufactures to add PW-MIR labeling for reducers and thinners, applicable adhesion promoters and pretreatment wash primers, as well as the date of manufacture for all regulated products. Manufacturers will also be required to submit a General Quantity and Emission Report (QER) to South Coast AQMD according to the proposed schedule in PAR 1151 Table 5.

Subparagraph (h)(2)– Labeling Requirements

Subparagraph (h)(2)(A) requires any automotive coating and automotive coating component to display the applicable automotive category on the label.

Subparagraph (h)(2)(B) requires any automotive coating and automotive coating component to display both the actual VOC and regulatory VOC content on the label in grams of VOC per liter of material and in grams of VOC per liter of material, less water and exempt compounds.

Subparagraph (h)(2)(C) requires any manufacturer of an adhesion promoter or pretreatment wash primer who elects to comply with the PW-MIR limit in paragraph (d)(5) in lieu of mass limit in grams of VOC per liter in paragraph (d)(1), shall display the PW-MIR VOC content on the product label.

Subparagraph (h)(2)(D) requires any automotive coatings and automotive coatings components to display the date of manufacture or a code indicating the date of manufacture. If the manufacturer uses a code that does not clearly indicate the date of manufacture, they must file an explanation of the date code with the Executive Officer. These labeling requirements will be effective beginning one year after rule adoption.

Paragraph (h)(3) – Labeling Requirements for Solvent Manufacturers

Paragraph (h)(3) requires any reducers or thinners to display the PW-MIR on the label on and after January 1, 2030.

Paragraph (h)(4) and (h)(5) – General Quantity and Emission Report (QER)

Paragraphs (h)(4) and (h)(5) specify the information required to be submitted by automotive coating manufacturers and/or private labelers of regulated products sold into or within the South Coast AQMD, and the reporting timeline. Some key parameters required to be reported include the product manufacturer, name and code, applicable Rule 1151 category, VOC content, whether the coating is solvent-based or water-based, PW-MIR, and volumes sold into or within South Coast AQMD. Table 3-4 provides a summary of the reporting deadlines.

Table 3-5: Reporting Timeline

Reporting Deadlines	Reported Years
Manufacturers & Private Labelers	
September 1, 2030	2028, 2029
September 1, 2035	2033, 2034
September 1, 2040	2038, 2039

For a coating that falls under multiple categories, the category with the most restrictive VOC content pursuant to paragraph (d)(3) shall be listed in the general quantity and emissions report. In addition, any automotive coating that contains water or uses water as a carrier shall be considered water-based or water-based in the general quantity and emissions report. The following example demonstrates the acceptable QER reporting format:

QER Example:

Reporting the quantity and emissions of multicomponent coatings shall be reported as ready-to-spray with maximum actual VOC and maximum regulatory VOC. It should be reported as follows:

A gloss clear coating contains the following components:

Table 3-6: Multicomponent Coating Example

	Maximum Regulatory VOC (g/L)	Maximum Actual VOC (g/L)
Part A	400	100
Part B	600	550
Thinner	800	800

The coating, as applied, has a Regulatory VOC of 250 g/L and an Actual VOC of 150 g/L. The QER should be completed as follows:

Table 3-7: QER Example

Product Name	Coating Category	Water-based or Solvent-Based	Single or Multi-Component	VOC of Coating, As Applied (g/L)	VOC of Material, As Applied (g/L)	Total Annual Volume (gal) Sold In South Coast AQMD
Gloss Clear	Gloss Clear Coating	S/B	M	250	150	1,000
Thinner	Reducer/Thinner	S/B	N/A	800	800	500

Test Methods [Subdivision (i)]

This provision specifies the approved test methods for determining the VOC content of automotive coatings, to quantify amounts of exempt perfluorocarbon compounds in automotive coatings, metal content of automotive coatings, acid content of pretreatment wash primers, gloss determination of automotive coatings, transfer efficiency of alternative automotive coatings application methods, and efficiency of emission control systems. The structure and numbering has been amended and streamlined; however, the content remains unchanged. The reference to the U.S. EPA method for capture efficiency in clause (i)(7)(A)(i) was removed because that method is no longer an active test method.

Rule 442 Applicability [Subdivision (j)]

This provision clarifies that any automotive coating, automotive coating operation, or facility that is exempt pursuant to subdivision (k) from all or a portion of the VOC limits of subdivision (d), shall comply with Rule 442 – Usage of Solvents. This subdivision was not changed other than to capitalize defined terms and amend a reference that changed.

Exemptions [Subdivision (k)]

This provision provides conditional exemptions to various subdivisions of this rule. Staff is not proposing any removals from this subdivision.

Subparagraph (k)(2)(B) – Automotive Coating Training Center

Subparagraph (k)(2)(B) outlines the timeframe during which automotive training centers owned and operated by automotive coating manufacturers that are used for educational training purposes shall be conditionally exempt from the prohibition of pCBtF and t-BAc in paragraph (f)(7).

The intent is to address automotive coating training centers that are located within the South Coast AQMD who train employees that are employed at auto body shops located in Air Districts outside of South Coast AQMD's jurisdiction. Other local Air Districts within California may have yet to prohibit the use of pCBtF and t-BAc in their jurisdiction; these Air Districts will continue to use

automotive coatings that contain pCBtF and t-BAc. Staff is proposing a period of ten years from the date of rule adoption to allow automotive training centers to use coatings that contain pCBtF and t-BAc.

Paragraph (k)(5) – Phase I Product Labeling

Paragraph (k)(5) outlines the timeframe during which automotive coatings formulated to meet Phase I VOC content limits shall be exempt from the labeling requirements of paragraph (h)(2). Staff is proposing a period of one year from the date of rule adoption during which automotive coating manufacturers may transition U.S. National Rule products into South Coast AQMD without having to re-label products before doing so. The intention of this exemption period is to more rapidly transition away from pCBtF and t-BAc-containing products upon rule adoption.

CHAPTER 4: IMPACT ASSESSMENT

INTRODUCTION

EMISSIONS INVENTORY AND EMISSION REDUCTIONS

COST-EFFECTIVENESS AND INCREMENTAL COST-EFFECTIVENESS

SOCIOECONOMIC IMPACT ASSESSMENT

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

COMPARATIVE ANALYSIS



Emission Inventory

The emission inventory for the proposed rule was determined by using the 2002 CARB Automotive Refinishing Survey, California population growth data from the U.S. Census, and VOC content and sales data from the South Coast AQMD Coating Manufacturer Survey. According to the 2002 CARB Automotive Refinishing Survey, the total volume of automotive coatings from all categories was 3,685,636 gallons with a population of approximately 33.8 million people in the state of California based on U.S. census data published on April 1, 2000. The U.S. Census data published on April 1, 2020, reported that the population of California increased by approximately 15 percent to approximately 39.5 million people and, as a result, staff estimated that automotive coatings usage also increased by approximately 15 percent to a total volume of 4,574,991 gallons in 2021 in California. Since South Coast AQMD accounts for nearly 46 percent of the California population, the total volume used was also estimated to be approximately 46 percent of the total volume at approximately 2.1 million gallons. Manufacturers also reported percent sales by category in the South Coast AQMD survey which was applied to the total usage volume estimated in the South Coast AQMD. While VOC limits are based on the regulatory VOC, which removes water and exempts from the numerator and denominator, emissions are calculated based on the actual VOCs. The regulatory VOC is the VOC based on the volume of solids in the coating and estimates the amount of VOC emitted from painting a certain square footage. This calculation was developed by the U.S. EPA to address potential lowering of solids to comply with VOC regulations resulting in the need for additional layers of coating. The actual VOC represents the VOC content in a can of paint which is the metric used for emission baselines. There is not a direct correlation between the regulatory and actual VOC from coating to coating, it will vary depending on the amount and type of exempt solvent or water used in the formulation. For the emissions calculations for PAR 1151, staff estimated the actual VOC of the coatings based on coatings with a similar regulatory VOC as reported in the survey data provided by the automotive coating manufacturers.

Based on staff's proposal, the baseline emission for the PAR 1151 can be separated into current Limits (2021), Phase I Limits, and Phase II Limits. The baseline emissions are 2.47, 7.29, and 2.28 respectively. The following table lists the associated emissions by category for the respective phases.

Table 4-1: Estimated VOC Emission Inventory by Category for Each Phase

Emission Category	2021 Emissions (tpd)	Phase I Emissions (tpd)	Phase II Emissions (tpd)
Base Coatings			
Color Coating	0.73	0.73	0.46
Tinted Mid-Coat	0.003	0.01	0.0028
Clear Coatings			
Gloss Clear Coating	1.09	3.92	1.09
Matte-Clear Coating	0.006	0.02	0.02
Primers			
Pretreatment Wash Primer	0.08	0.21	0.08
Epoxy Primer	0.003	0.02	0.005
Primer Sealer	0.01	0.06	0.01
Primer Surfacer	0.23	1.8	0.23
Other Coating Categories			
Adhesion Promoter	0.04	0.12	0.10
Single-Stage Coating	0.08	0.2	0.08
Temporary Protective Coating	0	0	0
Truck Bedliner Coating	0.13	0.13	0.13
Underbody Coating	0.004	0.004	0.004
Uniform Finish Coating	0.07	0.07	0.07
Any Other Coating Type	0	0	0
Total PAR 1151	2.47	7.29	2.28

Control Technology

Compliance with PAR 1151 is expected to be met through manufacturers reformulating regulated products by substituting certain chemicals with other chemicals that contain less VOCs, less or no toxics, and no stratospheric ozone-depleting compounds. The manufacturers will have flexibility to use any compliant alternative reformulation to meet the VOC limits in PAR 1151. For certain categories, there are existing products that meet the proposed lower VOC content limits; therefore, product reformulation is technically feasible. Some end-users may comply with the rule using alternative options such as control devices (e.g., emission collection systems or thermal oxidizer). The latter options may be cost prohibitive for most refinishing facilities, so it is anticipated that most will comply using lower VOC products in the future.

Emission Reductions

Based on the technology assessment, which includes staff discussions with stakeholders and analyzing the South Coast AQMD automotive coating manufacturer survey data as well as product data sheets, staff is proposing updated VOC content limits for six existing automotive coating categories and four proposed new automotive coating categories. Staff is proposing an effective date of January 1, 2028, for all but four automotive coating categories: gloss clear coatings, color coatings, metallic color coatings, and tinted mid-coats, which will have an effective date of January 1, 2030, to provide the necessary additional time to reformulate these coatings to meet the proposed Phase II VOC content limits.

Staff is proposing to maintain the higher interim Phase I limit for matte clear coatings in Phase II to accommodate specific challenges and requirements for the category. The VOC limits are presented in Table 4-2; the delayed and foregone emissions, and emission reductions are presented in Table 4-3.

Table 4-2: Proposed Phase I and Phase II VOC Limits by Category

Automotive Coating Category	Current Limits	Phase I Limits	Phase II Limits	Phase II Effective Date
Base Coatings				
Color Coating	420	420	250	1/1/2030
Tinted Mid-Coat	420	750	250	1/1/2030
Clear Coatings				
Gloss Clear Coating	250	520	250	1/1/2030
Matte-Clear Coating	250	550		
Primers				
Pretreatment Wash Primer	660	780	660	1/1/2028
Epoxy Primer	250	580	340	1/1/2028
Primer Sealer	250	550	250	1/1/2029
Primer Surfacer	250	580	250	1/1/2029
Other Coating Categories				
Adhesion Promoter	540	840	720	1/1/2028
Single-Stage Coating	340	600	340	1/1/2028
Temporary Protective Coating	60	60	60	-
Truck Bedliner Coating	310	310	310	-
Underbody Coating	430	430	430	-
Uniform Finish Coating	540	540	540	-
Any Other Coating Type	250	250	250	-

Table 4-3: Temporary Emission Reductions Forgone and Final Emission Reductions by Category

Automotive Coating Category	Current Emissions	Phase I Emissions	Phase II Emissions	Phase II Effective Date	Forgone Emission Reductions (tpd)
Base Coatings					
Color Coating	0.33	0.33	0.19	1/1/2030	(0.14)
Metallics Color Coating	0.40	0.40	0.27	1/1/2030	(0.13)
Tinted Mid-Coat	0.003	0.01	0.0028	1/1/2030	(0.0002)
Clear Coatings					
Gloss Clear Coating	1.09	3.92	1.09	1/1/2030	0
Matte-Clear Coating	0.003	0.02	0.02	N/A	0.017
Primers					
Pretreatment Wash Primer	0.08	0.21	0.08	1/1/2028	0
Epoxy Primer	0.003	0.02	0.005	1/1/2028	0.002
Primer Sealer	0.01	0.06	0.01	1/1/2029	0
Primer Surfacer	0.23	1.8	0.23	1/1/2029	0
Other Coating Categories					
Adhesion Promoter	0.04	0.12	0.10	1/1/2028	0.006
Single-Stage Costings	0.08	0.2	0.08	1/1/2028	0
Temporary Protective Coating	0	0	0	N/A	0
Truck Bedliner Coating	0.13	0.13	0.13	N/A	0
Underbody Coating	0.004	0.004	0.004	N/A	0
Uniform Finish Coating	0.07	0.07	0.07	N/A	0
Any Other Coating Type	0	0	0	N/A	0
Total Emissions (tpd)	2.47	7.29	2.28		-
PAR 1151 Emissions Change (tpd)	0	4.82	(5.01)		(0.19)

The temporary forgone emissions from current limits to Phase I is approximately 4.82 tpd and emission reductions from Phase I to Phase II emissions will be approximately 5.01 tpd; at full implementation the total overall emission reduction will be 0.19 tpd for the proposed rule amendments. The temporary increase from the current VOC limits to the Phase I limits is being proposed to phase out pCBtF and t-BAc as quickly as possible to protect public health, which aligns with the South Coast AQMD Stationary Source Committee's directive to prioritize toxicity over VOC reductions.

Cost-Effectiveness and Incremental Cost-Effectiveness

Cost-Effectiveness

The cost and cost-effectiveness analysis are based on the cost difference between the estimated cost of coatings formulated to meet the Phase II VOC limits and coatings formulated to meet the Phase I VOC limits. The cost of the Phase II compliant coatings is assumed to be ten percent more than Phase I compliant coatings. The cost-effectiveness analysis was conducted for each coating category using the estimated emission reduction from Phase I to Phase II VOC limits. Staff did not include the cost savings associated with the transition from the current pCBtF and t-Bac-containing lower-VOC coatings to coatings that meet the Phase I VOC limits. Cost savings will occur from the transition to the higher VOC coatings meeting the Phase I limit due to the high cost of pCBtF.

Phase I limits for all categories will be adjusted back to current or near-current levels in Phase II. However, there are five coating categories where the VOC limits will not change and thus a cost-effective and incremental cost-effectiveness analysis was not conducted. The five categories are: temporary protective coatings, truck bed liner coatings, underbody coatings, uniform finish coatings, and “any other” coating type. Staff also proposed to maintain the Phase I interim limit for the metallic color coating category since a higher VOC limit is needed to achieve a metallic appearance, so a cost-effectiveness analysis was not conducted for this category.

Staff gathered costs from various sources which included the manufacturers, online research, and vendor quotes. Certain coating categories such as color coats currently have water-based low-VOC options; in this case, staff relied on actual cost data since it is already available. For categories where costs are not available, staff assumed a ten percent increase in cost. This difference in cost is used in the cost-effectiveness analysis.

Table 4-4: Cost-Effectiveness for Each Automotive Coating Category

Automotive Coating Category	Cost-Effectiveness (\$ per ton VOC reduced)
Base Coatings	
Color Coating	\$24,000
Metallics Color Coating	\$18,000
Tinted Mid-Coat	\$8,000
Clear Coatings	
Gloss Clear Coating	\$39,000
Matte Clear Coating	\$600,000
Primers	
Pretreatment Wash Primer	\$7,000
Epoxy Primer	\$11,000
Primer Sealer	\$22,000
Primer Surfacer	\$23,000
Other Coating Categories	
Adhesion Promoter	\$30,000
Single-Stage Costings	\$19,000
Temporary Protective Coating	N/A
Truck Bedliner Coating	N/A
Underbody Coating	N/A
Uniform Finish Coating	N/A
Any Other Coating Type	N/A

Consistent with the South Coast AQMD cost-effectiveness methodology, the discount cash flow method of analysis is used to calculate the cost-effectiveness for PAR 1151 for Phase I to Phase II emission limits. The cost-effectiveness for the proposed amendments is calculated by the following equation using clearcoat category as an example.

$$CE = [\text{Capital Cost} + (1.0 \times \text{Annual O\& M})]/(\text{Annual Emission Reductions} \times 1)$$

Where,

Capital Cost	=	Product cost difference between Phase II and I
1.0	=	Present value factor for 1 year at 4% interest
1	=	Assumed Productive Life of the Equipment in years

The cost-effectiveness for clear coat category is:

$$CE = [(\$39,906,099) + (\$0 * 1.0)]/(398 * 1)$$

$$CE = (\$39,906,099)/398 \text{ tons}$$

$$CE = \$38,656 \text{ per ton of VOC Reduced}$$

Incremental Cost-Effectiveness

There is no established cost threshold for incremental cost-effectiveness; however, under Health and Safety Code Section 40920.6, South Coast AQMD is required to perform an incremental cost analysis when adopting a Best Available Retrofit Control Technology (BARCT) rule or feasible measure required by the California Clean Air Act. To perform this analysis, South Coast AQMD must (1) identify one or more control options achieving the emission reduction objectives for the proposed amended rule, (2) determine the cost-effectiveness for each option, and (3) calculate the incremental cost-effectiveness for each option. To determine incremental costs, South Coast AQMD must, pursuant to Health and Safety Code Section 40920.6(a)(3), “calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option.” Staff conducted a cost-effectiveness assessment for each automotive coating category and determined that it was cost-effective for most categories to achieve the lower Phase II limits. Staff’s evaluation also concluded that a thermal oxidizer with low-NOx burner is the next stringent level of control. This add-on VOC control option controls emissions at the facility level and can achieve up to 95 percent destruction efficiency, yielding additional VOC reductions; this type of control is considered Best Available Control Technology (BACT). Cost of add-on control will vary based on facility size and the size of the unit needed. Staff assumed an average spray booth size of 30’W x 15’W x 13’H, flow rate of 15,000 scfm, and operation of 12 hours a day for 5 days per week. The rated heat input necessary is approximately 1.25 MMBtu/hr with an annual operating cost of approximately \$91,000 per year with an equipment life of 25 years. Based on vendor quotes and compiled costs, the capital and installation costs are estimated to be approximately \$275,000. There are approximately 3,000 refinishing facilities operating spray booths within the South Coast AQMD. Therefore, the cost to equip all spray booths with add-on control is estimated to be \$825 million. The additional emission reductions are assuming a 95 percent capture efficiency and a 95 percent destruction efficiency across the control device. The more stringent add-on control option yields an additional emission reduction of 2.4 tons per day or 876 tons per year.

Using the discounted cash-flow method the annual cost of this add-on control option, assuming 25 years life for the equipment, is calculated using the following equation:

$$\text{Annual Cost of Control Option} = [\text{Capital Cost} + (15.62 \times \text{Annual O\& M})]/(876 \times 25)$$

Where,

$$15.62 = \text{Present value factor at 25 years and 4\% interest}$$

$$\text{Capital Cost for this control option} = \$825,000,000$$

$$\text{Annual O \& M (calculated based on 1.25 MMBtu/hr and fuel usage using SoCal Gas June 2024 rates)} = \$272,160,000$$

$$\begin{aligned} \text{Annual Cost of Control Option} &= [\$825,000,000 + (15.622) \times 272,160,000]/(876 \times 25) \\ &= \$230,000 \text{ per ton of additional VOC reduced} \end{aligned}$$

Socioeconomic Impact Assessment

~~A socioeconomic impact assessment has been conducted and released for public review and comment as a separate document at least 30 days prior to the South Coast AQMD Governing Board Hearing for PAR 1151, which is scheduled for November 1, 2024 (subject to change).~~

A Draft Socioeconomic Impact Assessment for PAR 1151 was released for public review and comment on October 1, 2024. The Final Socioeconomic Impact Assessment is available in the November 1, 2024, Governing Board Package.

California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD's certified regulatory program (Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l); codified in South Coast AQMD Rule 110), the South Coast AQMD, as lead agency, reviewed the proposed project (PAR 1151) and determined that: 1) PAR 1151 implements the 2022 AQMP Control Measure CTS-01 – Further Emission Reduction from Coatings, Solvents, Adhesives; and 2) the Final Program Environmental Impact Report (EIR) for the 2022 AQMP evaluated Control Measure CTS-01 and analyzed its potential environmental impacts. Since PAR 1151 does not involve any new or modified impacts when compared to what was previously analyzed in the Final Program EIR for Control Measure CTS-01, PAR 1151 qualifies as a later activity within the scope of the program approved earlier for the 2022 AQMP per CEQA Guidelines 15168 (c), and the Final Program EIR for the 2022 AQMP adequately describes the activity for the purposes of CEQA such that no new environmental document will be required. The analysis supporting this conclusion is provided in Appendix A of this Staff Report.

Draft Findings Under The Health and Safety Code

Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, nonduplication, and reference, as defined in that section, based on relevant information presented at the Public Hearing, this written analysis, and the rulemaking record. The draft findings are as follows:

Necessity – PAR 1151 is needed to phase out two exempt compounds, pCBtF and t-BAc, to address their toxic risk as by proposed by 2022 AQMP Control Measure CTS-01.

Authority - The South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702 and 41508.

Clarity - PAR 1151 is written and displayed so that the meaning can be easily understood by persons directly affected by it.

Consistency - PAR 1151 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal and state regulations.

Nonduplication - PAR 1151 does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference - In amending Rule 1151, the South Coast AQMD Governing Board references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40001, 40440, and 40702.

Comparative Analysis

Under Health and Safety Code Section 40727.2, the South Coast AQMD is required to perform a comparative analysis when adopting, amending, or repealing a rule or regulation. The comparative analysis is relative to existing federal requirements, existing or proposed South Coast AQMD rules and air pollution control requirements and guidelines which are applicable to VOC regulations for automotive coatings. There are no other existing or proposed South Coast AQMD rules that directly apply to the same source type (non-assembly line motor vehicle and mobile equipment coating operations). The California Air Resource Board provides suggested VOC standards in the form of a Suggested Control Measure (SCM) but has no regulatory requirements; the SCM serve as technical support document to promote consistency and uniformity among California Air District rules which most, if not all, of the California Air Districts have adopted. Staff evaluated six of the larger California Air Districts air districts with similar automotive coating rules and will refer to them collectively as California Air Districts in the table below. The California Air Districts evaluated are: Antelope Valley AQMD, Bay Area AQMD, Eastern Kern APCD, Feather River AQMD, San Diego County APCD, and Santa Barbara County APCD. The comparative analysis for PAR 1151 can be found in Table 4-5.

Table 4-5: Comparative Analysis of PAR 1151

Rule Element	PAR 1151	CARB Suggested Control Measure (SCM) for Automotive Coatings	U.S. EPA, 40 CFR Parts 59, National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings	California Air Districts
Applicability	<ul style="list-style-type: none"> Any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses, or distributes any Automotive Coating, Automotive Coating Component, or associated solvent for use within the South Coast AQMD, as well as any person who uses, applies, or solicits the use or application of any Automotive Coating, Automotive Coating Component, or associated solvent within the South Coast AQMD. 	<ul style="list-style-type: none"> Applies to anyone who sells, supplies, offers for sale, or manufactures any automotive coatings for use within the applicable California Air District Technical support document to promote consistency and uniformity among California Air District rules All automotive coatings that are applied to motor vehicles and mobile equipment 	<ul style="list-style-type: none"> Manufacturers or importers of automobile refinishing coatings or coating components manufactured for sale or distribution in the U.S. 	<ul style="list-style-type: none"> Similar to CARB SCM
Requirements	<ul style="list-style-type: none"> VOC limits for automotive coatings categories: undercoats, basecoats, clear coats, primers, and other automotive coating categories Future effective date for lower Phase II Limits PW-MIR limit for reducers/thinners Alternative VOC limit for color coatings supplied in half pint or smaller containers Alternative VOC limit for adhesion promoters and prewash treatment primers Most restrictive clause for products subject to multiple VOC limits 	<ul style="list-style-type: none"> VOC limits for the main automotive coating categories which include primers, color coatings, and clear coats 	<ul style="list-style-type: none"> VOC limits for automotive coatings categories pretreatment wash primers, primers/primer surfacers, primer sealers, single stage/two topcoat, topcoats of two or more stages, multi-colored topcoats, and specialty coatings National Rule standards combines and averages basecoat and clear coats as part of topcoats whereas PAR 1151 regulates as separate categories 	<ul style="list-style-type: none"> Similar to CARB SCM BAAQMD higher limit for single stage: 420 g/L Eastern Kern APCD lower limit for truck bed liners at 200 g/L

Rule Element	PAR 1151	CARB Suggested Control Measure (SCM) for Automotive Coatings	U.S. EPA, 40 CFR Parts 59, National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings	California Air Districts
	<ul style="list-style-type: none"> Sell through and use through for products on shelf prior to effective date of rule Minimum transfer efficiency requirements Alternative Compliance option using emission control system 			
Prohibition	<ul style="list-style-type: none"> Prohibition of sale of products that do not meet VOC content limit Prohibition of use of products containing pCBtF and t-BAc at a future date Prohibition of sale and use of products containing certain exempt compounds Prohibition of sale and use of carcinogenic material Prohibition of sale and use of products containing pCBtF and t-Bac at a future date 	<ul style="list-style-type: none"> Prohibition of possession provision that prohibits any person from having any automotive coating or solvents that do not comply with the VOC limits 	<ul style="list-style-type: none"> Prohibition of sale of products that do not meet VOC content limit in Table of Standards 	<ul style="list-style-type: none"> Prohibition of sale of products that do not meet VOC content limit in Table of Standards
Recordkeeping	Daily	None	None	Daily
Administrative	<ul style="list-style-type: none"> Container labeling of VOC content and date of manufacture Sales and quantity reporting from manufacturers, private labelers, and distribution centers based on reporting timeline specified 	<ul style="list-style-type: none"> Container labeling of VOC content and date of manufacture Sales reporting from manufacturers, private labelers, big box retailers, and distribution centers Annual reporting of sales utilizing 55-gallon per year 	<ul style="list-style-type: none"> Container labeling of VOC content and date of manufacture or code indicating such date 	<ul style="list-style-type: none"> Container labeling of VOC content and date of manufacture or code indicating such date

Rule Element	PAR 1151	CARB Suggested Control Measure (SCM) for Automotive Coatings	U.S. EPA, 40 CFR Parts 59, National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings	California Air Districts
Exemptions	<ul style="list-style-type: none"> Exemption for automotive coatings subject to other source specific rules Automotive coating products packaged and applied using a propellant or aerosol Automotive coating products supplied or sold in 0.5 ounces or smaller containers Exemption for automotive training centers until 10 years after rule adoption Labeling requirements for Phase I for one year after rule adoption. 	<ul style="list-style-type: none"> Aerosol consumer products and aerosol coatings such as spray paints Original equipment manufacturer coatings that are covered by separate district rules Products manufactured for use outside of California air districts Exempts tertiary butyl acetate (t-Bac) from the VOC definition 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Aerosol coating products Coating applied at training centers for educational purposes Coatings located at prototype manufacturing facilities BAAQMD Exemption for touch up operations, Eastern Kern County APCD and Butte County : Automotive coating products supplied or sold in 0.5 ounces or smaller containers

APPENDIX A: DETAILED CEQA ANALYSIS

INTRODUCTION

SUMMARY OF ENVIRONMENTAL IMPACTS

ENVIRONMENTAL TOPIC AREAS WITH POTENTIALLY SIGNIFICANT IMPACTS

ENVIRONMENTAL TOPIC AREAS WITH LESS THAN SIGNIFICANT IMPACTS

ENVIRONMENTAL TOPIC AREAS WITH NO IMPACTS

CONCLUSION

REFERENCES

Introduction

The California Environmental Quality Act (CEQA) is comprised of Public Resources Code Section 21000 et seq. and the CEQA Guidelines which are codified at Title 14 California Code of Regulations, Section 15000 et seq. CEQA requires the evaluation of all potential adverse environmental impacts of proposed projects and the identification and implementation of methods to reduce or avoid significant adverse environmental impacts of these projects, if feasible. [Public Resources Code Section 21061.1 and CEQA Guidelines Section 15364 defining feasible]. The purpose of the CEQA process is to inform decision makers, public agencies, and interested parties of potential adverse environmental impacts that could result from implementing a proposed project and to identify feasible mitigation measures or alternatives, when an impact is significant.

Control Measure CTS-01 of the 2022 AQMP seeks volatile organic compound (VOC) emission reductions by focusing on select coating, adhesive, solvent, and sealant categories by further limiting the allowable VOC content in formulations or incentivizing the use of super-compliant technologies. Categories to be considered include but are not limited to, metal part and product coatings, automotive refinishing coatings, adhesives, and sealants. Use of super-compliant zero- and low-VOC materials, such as powder coating, aqueous coatings, and some ultraviolet light, electron beam, and light emitting diode cured coatings, eliminate or substantially reduce emissions compared to similar products that are not zero- or low-VOC products. There are several product categories where these materials perform as well as traditional products and are widely available in the market. This control measure is anticipated to be accomplished with a multi-phase adoption and implementation schedule.

PAR 1151 affects approximately 3,000 automotive refinishing facilities in the South Coast AQMD jurisdiction and is designed to implement Control Measure CTS-01 of the 2022 AQMP. PAR 1151 includes a future effective prohibition on the use of para-chlorobenzotrifluoride (pCBtF) and *tert*-Butyl Acetate (t-BAc), two solvents that are exempt from the definition of a VOC but that have been deemed as potential carcinogens by the Office of Environmental Health Hazard Assessment (OEHHA). PAR 1151 proposes a phase-out timeline for pCBtF and t-BAc, along with a commitment to determine the feasibility of emission reductions through conducting technology assessments and seeking input from stakeholders.

To expedite the transition away from pCBtF and t-BAc, PAR 1151 proposes a temporary period of a few years, referred to herein as Phase I, a three to five year period which will be effective upon rule adoption, to allow coatings and primers which are formulated to meet the National U.S. Environmental Protection Agency (U.S. EPA) VOC content limits to be used in the South Coast AQMD, provided the formulations do not include pCBtF or t-BAc. The transition away from pCBtF- and t-BAc-containing coatings will result in a temporary increase in VOC emissions of 4.82 tons per day (tpd) (equivalent to 9,640 pounds per day) during the Phase I period. The Phase II period will begin on January 1, 2028, for a majority of coating categories, and during this period, facilities will begin to transition away from the higher-VOC coatings to reformulated low-VOC coatings that do not contain pCBtF or t-BAc. This transition to Phase II will result in a permanent decrease in VOC emissions of 0.19 tpd (equivalent to 380 pounds per day). To address the temporary increase in VOC emissions during Phase I (referred to herein as temporary VOC emission reductions foregone), the 2022 AQMP has a State Implementation Plan (SIP) set-aside account which reserved 4.0 tpd of VOC emissions specifically designated for the potential

technology assessment and phase-out of toxics for VOC-based rules as targeted by Control Measure CTS-01. Since its adoption, the amount of VOC reserves in the SIP set-aside account was revised to 3.0 tpd. Nonetheless, any temporary VOC emission reductions foregone for amending the various VOC-based rules, as is the case for PAR 1151, will be offset by the VOC emission reduction reserves in the set-aside account. Also, it is important to emphasize that PAR 1151 will result in permanently lowering the toxicity of the coatings which will protect public health. In addition to PAR 1151, other opportunities for reducing VOC emissions from product formulations are expected to occur over the long-term due to future VOC limits that are currently in South Coast AQMD Rules 1113 – Architectural Coatings, and 1168 – Adhesive and Sealant Applications, that have not yet gone into effect. Thus, region-wide, VOC emissions will be reduced even with the temporary VOC emission reductions foregone during Phase I of implementing PAR 1151.

The 2022 AQMP⁵ was considered a “project” as defined by CEQA Guidelines Section 15378, and the South Coast AQMD was lead agency under CEQA because it was the “public agency that has the principal responsibility for carrying out or approving a project that may have a significant effect upon the environment.” [Public Resources Code Section 21067]. Further, since the South Coast AQMD Governing Board had the primary responsibility for approving the entirety of the project, the South Coast AQMD was the most appropriate public agency to act as lead agency for the project. [CEQA Guidelines Section 15051(b)].

The 2022 AQMP: 1) had environmental impacts which were evaluated in a Final Program Environmental Impact Report (Program EIR); and 2) was a discretionary action which was considered and approved by the South Coast AQMD Governing Board.

Therefore, the proposed project, PAR 1151, is integrally related to the 2022 AQMP for which a previous environmental analysis has been prepared in the Final Program EIR for 2022 AQMP, which was certified by the South Coast AQMD Governing Board on December 2, 2022.⁶

The Final Program EIR for the 2022 AQMP identified potentially significant impacts, and mitigation measures were adopted. Further, since mitigation measures were adopted for the 2022 AQMP, a Mitigation, Monitoring, and Reporting Plan for the 2022 AQMP, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines 15097 was also required and adopted.

Further, because the Final Program EIR concluded that the 2022 AQMP will have potentially significant and unavoidable adverse impacts on the environment, Findings were made pursuant to CEQA Guidelines Section 15091, and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 was adopted.

The 2022 AQMP, along with the December 2022 Final Program EIR for the 2022 AQMP (State Clearinghouse No. 2022050287) and its corresponding Findings, Statement of Overriding Considerations, and Mitigation, Monitoring, and Reporting Plan, upon which the analysis of the

⁵ South Coast AQMD, 2022 Air Quality Management Plan, December 2022. <https://www.aqmd.gov/home/air-quality/air-quality-management-plans/air-quality-mgt-plan>

⁶ South Coast AQMD, Final Program Environmental Impact Report for the 2022 Air Quality Management Plan, December 2022. <https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-final-peir.pdf>

PAR 1151 relies, are incorporated by reference pursuant to CEQA Guidelines Section 15150 and are available from the South Coast AQMD's website at:

December 2022 Final Program EIR for the 2022 AQMP

Master webpage: <https://www.aqmd.gov/home/research/documents-reports/lead-agency-scaqmd-projects/south-coast-aqmd-projects---year-2022>

December 2022 Final Program EIR for the 2022 AQMP (including Appendices)

<https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-final-peir.pdf>

Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan: <https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-attachment1toresolution.pdf>

2022 AQMP: <https://www.aqmd.gov/home/air-quality/air-quality-management-plans/air-quality-mgt-plan>

Copies of these documents may also be obtained from:

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A Program EIR was considered to be the appropriate document for the 2022 AQMP pursuant to CEQA Guidelines Section 15168(a)(3) because the 2022 AQMP constituted a series of actions that can be characterized as one large project in connection with the issuance of rules, regulations, plans, or other general criteria required to govern the conduct of a continuing program. In addition, the use of a Program EIR had the following advantages by:

- Providing an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action;
- Ensuring a consideration of cumulative impacts that might be slighted in a case-by-case analysis;
- Avoiding duplicative reconsideration of basic policy considerations;
- Allowing consideration of broad policy alternatives and program-wide mitigation measures at an early time when the Lead Agency has greater flexibility to deal with basic problems of cumulative impacts; and
- Allowing its use with a later activity if the later activity is within the scope of the project analyzed in the Program EIR without requiring further environmental documents.

Because PAR 1151 implements Control Measure CTS-01 which was adopted in the 2022 AQMP, this appendix examines whether PAR 1151 qualifies as a later activity within the scope of the analyses in the Final Program EIR for the 2022 AQMP, pursuant to CEQA Guidelines 15168(c) – Use with Later Activities.

As such, this appendix: 1) compares the proposed later activity of PAR 1151 with the previously approved program, Control Measure CTS-01 which was adopted in the 2022 AQMP; 2) summarizes the environmental impacts analyzed in the Final Program EIR for the 2022 AQMP for Control Measure CTS-01; 3) identifies the differences, if any, between the analysis of the environmental impacts in the Final Program EIR for 2022 AQMP for Control Measure CTS-01 and PAR 1151 and as needed, identifies any other impact areas which may require further analysis; and 4) considers the evidence and determines whether: a) PAR 1151 is a later activity within the scope of the program approved earlier for the 2022 AQMP; and b) the Final Program EIR for the 2022 AQMP adequately describes the later activity of PAR 1151 for the purposes of CEQA such that no new environmental document will be required.

Summary Of Environmental Impacts

The CEQA Guidelines require environmental documents to identify significant environmental effects that may result from a proposed project. [CEQA Guidelines Section 15126.2(a)]. Direct and indirect significant effects of a project on the environment should be identified and described, with consideration given to both short- and long-term impacts. The discussion of environmental impacts may include, but is not limited to, the resources involved; physical changes; alterations of ecological systems; health and safety impacts caused by physical changes; and other aspects of the resources involved including water, scenic quality, and public services. If significant adverse environmental impacts are identified, the CEQA Guidelines require a discussion of measures that could either avoid or substantially reduce any adverse environmental impacts to the greatest extent feasible. [CEQA Guidelines Section 15126.4].

The categories of environmental impacts to be studied in a CEQA document are established by CEQA [Public Resources Code Section 21000 et seq.] and the CEQA Guidelines [codified in Title 14 California Code of Regulations Section 15000 et seq.]. Under the CEQA Guidelines Appendix G: Environmental Checklist Form, there are 20 environmental topic areas categories in which potential adverse impacts from a project are evaluated. The South Coast AQMD, as lead agency, has taken into consideration the environmental checklist questions in Appendix G, but has reorganized the contents to consolidate the environmental topic areas to avoid repetition. For example, South Coast AQMD's customized the environmental checklist by: 1) combining the topics of "air quality" and "greenhouse gas emissions" into one section; 2) combining the topics of "cultural resources" and "tribal cultural resources" into one section; 3) separating the "hazards and hazardous materials" topic into two sections: "hazards and hazardous materials" and "solid and hazardous waste"; and 4) distributing the questions from the topic of "utilities/service systems" into other more specific environmental areas such as "energy," "hydrology and water quality," and "solid and hazardous waste." For each environmental topic area, per CEQA Guidelines Section 15064.7(a), "[a] threshold of significance is an identifiable quantitative, qualitative, or performance level of a particular environmental effect, noncompliance with which means the effect will normally be determined to be significant by the agency and compliance with which means the effect normally will be determined to be less than significant." The South Coast AQMD has developed unique thresholds of significance for the determination of significance in accordance with CEQA Guidelines Section 15064.7(b).

The CEQA Guidelines also includes provisions for the preparation of Program EIRs in connection with the issuance of plans, such as the 2022 AQMP, to govern the conduct of a continuing program, including adoptions of broad policy programs as distinguished from those prepared for specific types of projects such as land use projects, for example. [CEQA Guidelines Section 15168]. A Program EIR also allows for the consideration of broad policy alternatives and program-wide mitigation measures at an early time when an agency has greater flexibility to deal with basic problems or cumulative impacts. [CEQA Guidelines Section 15168 (b)(4)]. Lastly, a Program EIR also plays an important role in establishing a structure within which a CEQA review of future related actions can be effectively conducted. A Program EIR, by design, provides the basis for future environmental analyses and will allow future project-specific CEQA documents, if necessary, to focus solely on the new effects or detailed environmental issues not previously considered. If an agency finds that no new effects could occur, or no new mitigation measures would be required, the agency can approve the activity as being within the scope of the project covered by the Program EIR and no new environmental document would be required. [CEQA Guidelines Section 15168(c)(2)].

The Final Program EIR for the 2022 AQMP analyzed the impacts of implementing the various control measures in the 2022 AQMP on 19 environmental topic areas: aesthetics, agriculture and forestry resources, air quality and greenhouse gas emissions, biological resources, cultural and tribal cultural resources, energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, solid and hazardous waste, transportation, wildfire, and mandatory findings of significance. The Final Program EIR for the 2022 AQMP concluded that the implementation of all of the control measures in the 2022 AQMP would result in potentially significant impacts for the following environmental topic areas: air quality and greenhouse gas (GHG), energy, hazards and hazardous materials, hydrology and water quality, noise, and solid and hazardous waste. All other environmental topic areas were either concluded to have less than significant impacts or no impact. Mitigation measures to minimize significant impacts from implementation of the 2022 AQMP were adopted in the Mitigation, Monitoring, and Reporting Plan which can be found in Attachment 1 to the Governing Board Resolution for the Final Program EIR for the 2022 AQMP.⁷

Table A-1 summarizes the analysis in the Final Program EIR for the 2022 AQMP associated with Control Measure CTS-01: effect of implementation and nature of potential impacts, environmental topic areas affected according to level of significance impact, and the applicable mitigation measures. It should be noted that Control Measure CTS-01 was determined to have potentially significant impacts to the environmental topic area of hazards and hazardous materials; less than significant impact to operational air quality, and hydrology and water quality; and no impact to the environmental topic areas of energy, GHG, noise, and solid and hazardous waste. However, the Final Program EIR for the 2022 AQMP concluded potential significant impacts to air quality and GHG, energy, hydrology and water quality, noise, and solid and hazardous waste as a result of implementing other control measures.

⁷ South Coast AQMD, Attachment 1 to the Governing Board Resolution for the Final Program Environmental Impact Report for the 2022 Air Quality Management Plan, December 2022. <https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-attachment1toresolution.pdf>

Implementation of Control Measure CTS-01 was anticipated to result in potential adverse operational air quality impacts associated with the delayed VOC emission reductions and permanent VOC emission reductions foregone associated with the removal of the exemption for pCBtF and t-BAc, but also the benefit of reducing exposure to toxic air contaminants. Potential hazards impacts were expected from the potential use of more flammable materials in coatings formulations due to the removal of the exemption for pCBtF and t-BAc. Potential hydrology and water quality impacts were expected from the potential increased use of water-based formulations and water used by consumers to clean equipment used in the application of the coatings.

Table A-1. Analysis of Control Measure CTS-01 in the Final Program EIR for the 2022 AQMP

Effects of Implementing CTS-01	Environmental Topic Areas with Potentially Significant Impacts	Applicable Mitigation Measures For Potentially Significant Impacts	Environmental Topic Areas with Less than Significant Impacts	Environmental Topic Areas with No Impacts
Revising the VOC content limits for select coating categories, incentivizing the use of super-compliant zero-emission and low-VOC materials and technologies and removing the VOC exemption status for pCBtF and t-BAc to address toxicity concerns.	- Hazards and Hazardous Materials	- Hazards and Hazardous Materials: HZ-7 and HZ-8	- Air Quality - Hydrology and Water Quality	All other environmental topic areas not listed to be potentially significantly impacted, or less than significantly impacted

Table A-2 summarizes the expected effect of project implementation, environmental topic areas affected, and the applicable mitigation measures associated with implementation of PAR 1151 and compares the similarities to those analyzed for Control Measure CTS-01 in the Final Program EIR for the 2022 AQMP. PAR 1151 proposes to phase out the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily revises VOC limits for several product categories or includes new subcategories and prohibits pCBtF and t-BAc use in the regulated products. PAR 1151 also proposes requirements for new labeling and reporting and includes rule clarification and streamlining. Therefore, of the above physical effects contemplated by Control Measure CTS-01, implementation of PAR 1151 is expected to result in the increased use of flammable products, temporary increased VOC emissions, increased water demand, and impacts to wastewater quality.

Table A-2. Comparison of Environmental Impacts between CTS-01 and PAR 1151

Effects of Implementing PAR 1151	Similarity to Environmental Topic Areas with Potentially Significant Impacts	Potentially Applicable Mitigation Measures For Potentially Significant Impacts	Similarity to Environmental Topic Areas with Less than Significant Impacts	Similarity to Environmental Topic Areas with No Impacts
<p>Temporary increase of VOC emissions during Phase I period, and potential use of water and flammable materials in coating formulations due to the transition away from pCBtF- and t-BAc containing coatings.</p> <hr/> <p><i>Implementation of PAR 1151 is expected to result in the same or similar potential impacts as for Control Measure CTS-01 of the 2022 AQMP.</i></p>	<p>Hazards and Hazardous Materials</p> <hr/> <p><i>Implementation of PAR 1151 is expected to result in the same or similar potentially significant impacts relating to the increased use of flammable products from Control Measure CTS-01 of the 2022 AQMP, if coatings are reformulated with flammable products.</i></p>	<p>Hazards and Hazardous Materials: HZ-7 and HZ-8</p> <hr/> <p><i>These mitigation measures were crafted to minimize the impacts associated with the potential increased use of flammable products from Control Measure CTS-01 of the 2022 AQMP. These are also expected to apply to PAR 1151, if coatings are reformulated with flammable products.</i></p>	<p>- Air Quality During Operation - Hydrology and Water Quality</p> <hr/> <p><i>Implementation of PAR 1151 is expected to result in the same or similar, less than significant impacts as anticipated for Control Measure CTS-01 of the 2022 AQMP (e.g., temporary VOC emissions reductions foregone, increased water demand, and impact to wastewater quality).</i></p>	<ul style="list-style-type: none"> - Aesthetics - Agriculture and Forestry Resources - Biological Resources - Cultural and Tribal Cultural Resources - Energy - Greenhouse Gas Emissions - Geology and Soils - Land Use and Planning - Mineral Resources - Noise - Population and Housing - Public Services - Recreation - Solid and Hazardous Waste - Transportation - Wildfire <hr/> <p><i>Same as Control Measure CTS-01 of the 2022 AQMP.</i></p>

The Final Program EIR for the 2022 AQMP concluded that the implementation of Control Measure CTS-01 would have the potential to generate: 1) significant adverse impacts on hazards and hazardous materials due to the potential use of flammable materials in reformulated products; 2) less than significant impacts on operational air quality due to a temporary increase in the interim VOC emissions (e.g., temporary emission reductions foregone); 3) less than significant impacts on hydrology and water quality due to increased water demand and increased wastewater; and 4) no impacts for all other environmental topic areas.

Environmental Topic Area with Potentially Significant Impacts

The Final Program EIR for the 2022 AQMP analyzed the potential environmental impacts that may occur from implementing all of the control measures which comprise the 2022 AQMP and its goal to address the 2015 federal 8-hour ozone standard to satisfy the planning requirements of the federal Clean Air Act (CAA), and concluded that its implementation would result in potentially significant impacts for the following environmental topic areas: air quality and GHG, energy, hazards and hazardous materials, hydrology and water quality, noise, and solid and hazardous waste. However, specific to the implementation of Control Measure CTS-01, the Final Program EIR for the 2022 AQMP analyzed and concluded potentially significant impacts only for the environmental topic of hazards and hazardous materials.

Since PAR 1151 implements Control Measure CTS-01 without adding new or modifying the previously analyzed impacts for each environmental topic area, the overall conclusion of potentially significant impacts for the topic of hazards and hazardous materials in the Final Program EIR for the 2022 AQMP will remain unchanged if PAR 1151 is implemented.

The following sections summarizes the analysis in the Final Program EIR for the 2022 AQMP of the potentially significant impacts for the topic of hazards and hazardous materials relative to Control Measure CTS-01.

Hazards and Hazardous Materials

Implementation of a project would be considered to have significant hazards or hazardous materials impacts if any of the following conditions occur:

- Non-compliance with any applicable design code or regulation.
- Non-conformance to National Fire Protection Association standards.
- Non-conformance to regulations or generally accepted industry practices related to operating policy and procedures concerning the design, construction, security, leak detection, spill containment, or fire protection.
- Exposure to hazardous chemicals in concentrations equal to or greater than the Emergency Response Planning Guideline (ERPG) 2 levels.

Impacts to Fire Hazards

The Final Program EIR for the 2022 AQMP anticipated that Control Measure CTS-01 could require reformulation of certain coatings, adhesives, and lubricants to meet lower future VOC content limits. In addition, Control Measure CTS-01 would remove the VOC exemption status for pCBtF and t-BAc to address toxicity concerns. OEHHA has determined that these compounds are potentially carcinogenic and have consequently developed unit risk factors for these compounds. Due to OEHHA's determinations, the phase-out of the exemption status of pCBtF and t-BAc in architectural coatings including industrial maintenance and anti-graffiti coatings, automotive coatings, paint thinners, multi-purpose solvents, and adhesives is needed to reduce exposure to toxic materials. Removal of the VOC exemption status for pCBtF and t-BAc may result in some increases to VOC emissions (represented as VOC emission reductions foregone) from coating, solvent, and adhesive product categories that rely on formulations with these compounds to achieve a low-VOC content.

Although the goal of the reformulated products is to reduce the VOC content, the reformulations could have widely varying flammability and health effects depending on the chemical characteristics of the replacement solvents chosen. While most reformulations are expected to be made with water, which is not flammable and does not have adverse health impacts, other reformulations could be made with an exempt, but extremely flammable solvent, such as acetone. Acetone is an exempt compound from air quality rules and regulations because of its low reactivity. In addition, coatings, solvents, adhesives, and lubricants can also be reformulated with other solvents that are not exempted from the definition of a VOC in South Coast AQMD's Rule 102 – Definition of Terms, but that also have flammability and health effects issues.

Table A-3 in this appendix is from Table 4.4-5 of the Final Program EIR for the 2022 AQMP and identifies a list of typical conventional solvents and possible replacement solvents that may be used in the manufacture of coatings, adhesives, and lubricants along with their chemical characteristics pertaining to whether each substance is fire hazard. As illustrated in Table A-3, the flammability classifications by the National Fire Protection Association (NFPA) are the same for acetone as well as for other conventional solvents that are currently used in existing formulations such as t-BAc, toluene, xylene, methyl ethyl ketone (MEK), isopropanol, butyl acetate, and isobutyl alcohol. Because acetone has the lowest flash point of all the chemicals listed, from a flammability perspective, reformulations made with acetone would represent the worst-case. However, it is important to note that acetone also has one of the highest Lower Explosive Limit (LEL), 2.6 percent by volume, which means that acetone vapors will not cause an explosion unless the vapor concentration exceeds 26,000 parts per million (ppm).

In contrast, a conventional solvent such as toluene can cause an explosion at 1.3 percent by volume or 13,000 ppm, which poses a much greater risk of explosion when compared to acetone. Similarly, the concentration of xylene, another conventional solvent, can cause an explosion at even lower concentrations than toluene at 1.0 percent by volume or 10,000 ppm. However, facility operators are required to follow operating guidelines when working with flammable chemicals. These guidelines specify well-ventilated areas, as prescribed by the fire department codes, so that LEL concentrations would be avoided when working with flammable chemicals.

While a “worst-case” flammability scenario could be that all of the affected 2022 AQMP coatings, solvents, adhesives, and lubricants would be reformulated with acetone to meet the VOC content limits, due to lower costs, most future reformulated products will likely be reformulated using primarily water. Water-based coatings are generally not flammable and typically have a lower NFPA classification, and a lower Consumer Product Safety Commission classification when compared to coatings formulated with conventional solvents.

Chemistry classes at all levels from grade school to universities, as well as industrial laboratories, use acetone for wiping down counter tops and cleaning glassware. Additional uses for acetone include solvent for paint, varnish, lacquers, inks, adhesives, floor coatings, and cosmetic products including nail polish and nail polish remover. Further, it is currently used widely in coating and solvent formulations.

Labels and safety data sheets accompanying acetone-based products caution the user regarding acetone’s flammability and advise the user to “*keep the container away from heat, sparks, flame, and all other sources of ignition. The vapors may cause flash fire or ignite explosively. Use only with ventilation.*” All of the large coating manufacturers currently offer pure acetone for sale with similar warnings. The Uniform Fire Code (UFC) treats solvents such as acetone, butyl acetate, and MEK as Class I Flammable Liquids. Further, the UFC considers all of these solvents to present the same relative degree of fire hazard. [South Coast AQMD, 2003]. Acetone has very low flash point than the other Class I Flammable Liquids; therefore, it is considered to have a more severe fire hazard potential and should be labeled as “extremely flammable.” The UFC sets standards intended to minimize risks from flammable or otherwise hazardous materials. Local jurisdictions are required to adopt the uniform codes or comparable regulation to use flammability labeling when required. For some applications, local fire agencies require permits for the use or storage of hazardous materials and permit modifications for increases in their use. Permit conditions depend on the type and quantity of the hazardous materials onsite. Permit conditions may include, but are not limited to, specifications for sprinkler systems, electrical systems, ventilation, and containment. The fire departments make annual business inspections to ensure compliance with permit conditions and other appropriate regulations.

A list of conventional and potential replacement solvents properties and their related health hazards information are shown in Tables A-3 and A-4, respectively. As illustrated in Tables A-3 and A-4, some of the potential replacement solvents have lower or less severe threshold limit values (TLVs), permissible exposure levels (PELs), or immediately dangerous to life or health concentrations (IDLHs) than some of the conventional solvents. For example, acetone would be considered to have less health hazards than all of the conventional solvents listed. However, there are some replacement solvents that could have higher, more severe, or unknown toxicological effects. For example, the diisocyanate group of solvents appear to have more severe toxicological effects than the listed traditional solvents.

Table A-3. Chemical Characteristics for Conventional and Potential Replacement Coating Solvents

CAS No.	Chemical Compound	Auto-ignition Temperature (°F)	Boiling Point (@760 mmHg, °F)	Evaporation Rate @ 25 °C (Butyl Acetate = 1)	Flash Point (°F)	LEL/UEL ^a (% by Vol.)	Vapor Pressure (mmHg @ 20 °C)	NFPA Flammability Rating ^b	Flammability ^c
Conventional Solvents									
67-64-1	Acetone	538	56	6.1	-4	2.6/12.8	180	3	Extremely Flammable
80-05-7	Bisphenol A	N/A	428	N/A	N/A	N/A	N/A	0	N/A
123-86-4	n-Butyl acetate	N/A	257	1	73	1.7/7.6	15	3	Extremely Flammable
111-79-2	2-Butoxyethanol	471.2	340.7	N/A	141.8	1.1/12.7	0.8	2	Combustible
78-92-2	sec-Butyl alcohol	N/A	208	N/A	81	1.7/9.8	11.5	3	Flammable
108-94-1	Cyclohexane	788	312.1	N/A	111	1.1/9.4	0.53	2	Combustible
25265-71-8	Diethylene glycol	444	471	N/A	255	1.6/10.8	1	1	Combustible
34590-94-8	Dipropylene glycol methyl ether	278.6	408	N/A	180	1.1/3	0.5	3	Combustible
29911-28-2	Dipropylene glycol monobutyl ether	N/A	441	N/A	205	N/A	0.06	1	Combustible
100-41-4	Ethylbenzene	809.6	276.8	0.84	70	0.8/7	6.75	3	Flammable
103-09-3	2-Ethylhexyl acetate	N/A	390	N/A	185	N/A	N/A	2	Combustible
107-21-1	Ethylene glycol	748	388	0.01	232	3.2/15.3	0.06	1	Combustible
109-59-1	Ethylene glycol isopropyl ether	N/A	109.5	N/A	109	1.6/13	2.6	2	Combustible
50-00-0	Formaldehyde	806	-2	N/A	147	N/A	N/A	4	Combustible
78-83-1	Isobutyl alcohol	780	226	0.82	82	1.2/10.9	9	3	Flammable
108-21-4	Isopropyl acetate	N/A	109.5	N/A	39	1.8/8	47	3	Flammable
67-63-0	Isopropyl alcohol	399	180	2.3	53	2/12.7	33	3	Extremely Flammable
64742-95-6	Light aromatic hydrocarbons	880	335	0.3	180	0.6/7	11	2	Combustible
110-43-0	Methyl amyl ketone	N/A	301	N/A	106	1.1/7.9	2.14	2	Combustible
78-93-3	Methyl ethyl ketone	474	80	4	16	1.8/11.5	8.7	3	Extremely Flammable
108-10-1	Methyl isobutyl ketone	860	291	0.46	97	1/8.2	5	3	Flammable
107-87-9	Methyl n-propyl ketone	N/A	271.5	N/A	45	1.5/8.2	27	3	Flammable

Table A-3 (continued). Chemical Characteristics for Conventional and Potential Replacement Coating Solvents

CAS No.	Chemical Compound	Auto-ignition Temperature (°F)	Boiling Point (@760 mmHg, °F)	Evaporation Rate @ 25 °C (Butyl Acetate = 1)	Flash Point (°F)	LEL/UEL ^a (% by Vol.)	Vapor Pressure (mmHg @ 20 °C)	NFPA Flammability Rating ^b	Flammability ^c
Conventional Solvents									
64741-41-9	Mineral spirits (Stoddard)	232	154-188	0.1	109-113	1.0 / 7	1.1	2	Combustible ^d
64742-94-5	Heavy aromatic naphtha	830	719.6	>0.1	145	1.8/11.7	1	2	Combustible
91-20-3	Naphthalene	978.8	424	N/A	176	0.9/5.9	0.03	2	Combustible
8002-05-9	Petroleum distillate (Naphtha)	N/A	86-460	N/A	20 - 100	1.1/5.9	40	3	Extremely Flammable
108-88-3	Toluene	538	111	2	41	1.3/7	22	3	Flammable ^d
108-67-8	1,3,5-Trimethylbenzene	550	329	0.01	122	2.6/12.5	2	2	Combustible
95-63-6	1,2,4-Trimethylbenzene	932	337	0.01	112	0.9/6.4	1	2	Combustible
64742-89-8	V.M.&P Naphtha	288	266.9	1.2	53.1	1.2/6	20	3	Flammable
1330-20-7	Xylene	499	139	0.8	81	1.0/6.6	6	3	Flammable ^d
Potential Replacement Solvents									
67-64-1	Acetone	538	56	6.1	-4	2.6/12.8	180	3	Extremely Flammable
100-51-6	Benzyl alcohol	817	401	0.006	199	1.3/13	0.15	2	Combustible
71-36-3	n-Butanol	N/A	242.5	N/A	95	1.4/11.2	4	3	Flammable
123-86-4	n-Butyl acetate	N/A	257	1	73	1.7/7.6	15	3	Extremely Flammable
85-68-7	Butyl benzyl phthalate	797	698	N/A	390	N/A	8.6E-6	1	Combustible
616-38-6	Dimethyl carbonate	869	194	3.2	64	4.2/12.9	42	3	Flammable
108-01-0	2-Dimethylaminoethanol	455	282	N/A	104	1.6/11.9	3.18	2	Combustible
117-81-7	Dioctyl phthalate	735	446	N/A	405	0.3/	< 0.01	1	Combustible
25265-71-8	Dipropylene glycol	590	449	N/A	250	2.9/12.6	0.03	1	Combustible
763-69-9	Ethyl 3-Ethoxypropionate	N/A	338	N/A	138	N/A	< 1	2	Combustible
141-78-6	Ethyl acetate	800	171	N/A	25	2.2/9	73	3	Extremely Flammable
64-17-5	Ethyl alcohol	685	173	1.4	55	3.3/19	44	3	Extremely Flammable
111-76-2	Ethylene glycol monobutyl ether	460	340	0.07	144	1.1/12.7	0.8	2	Combustible
111-80-5	Ethylene glycol monoethyl ether	455	275	0.41	120	1.7/15.6	4	2	Combustible
109-86-4	Ethylene glycol monomethyl ether	545	256	0.53	100	1.8/19.8	6	2	Combustible

Table A-3 (concluded). Chemical Characteristics for Conventional and Potential Replacement Coating Solvents

CAS No.	Chemical Compound	Auto-ignition Temperature (°F)	Boiling Point (@760 mmHg, °F)	Evaporation Rate @ 25 °C (Butyl Acetate = 1)	Flash Point (°F)	LEL/UEL ^a (% by Vol.)	Vapor Pressure (mmHg @ 20 °C)	NFPA Flammability Rating ^b	Flammability ^c
Potential Replacement Solvents (continued)									
2807-30-9	Ethylene glycol monopropyl ether	455	300	0.22	124	1.3/15.8	1.3	2	Combustible
149-57-5	2-Ethylhexanoic acid	699	442	N/A	244	1/8.6	< 0.01	1	Combustible
822-06-0	Hexamethylene diisocyanate	N/A	415	N/A	284	1/	0.5	1	Combustible
64742-53-6	Hydrotreated light naphthenic distillate	>600	500	N/A	295	N/A	0.04	1	Combustible
79-20-9	Methyl acetate	501	135	5.3	14	3.1/16	173	3	Extremely Flammable
96-29-7	Methyl ethyl ketoxime	N/A	306	N/A	1380	N/A	0.9	2	Combustible
101-68-8	Methylene bisphenyl diisocyanate	464	597	N/A	390	N/A	5E-6	1	Combustible
98-56-6	Parachlorobenzotrifluoride	>500	282	0.9	109	0.9/10.5	5.3	1	Combustible
57-55-6	Propylene glycol	700	370	0.01	210	2.6/12.5	0.08	1	Combustible
108-65-6	Propylene glycol monomethyl ether acetate	N/A	294	N/A	109	1.1/13.1	2.53	2	Combustible
770-35-4	Propylene glycol phenyl ether	923	469	0.002	239	0.8/6.0	0.01	3	Flammable
1569-01-3	Propylene glycol propyl ether	N/A	302	N/A	118	N/A	N/A	2	Combustible
100-42-5	Styrene	914	293	0.5	88	1.1/6.1	4.5	3	Flammable
540-88-5	Tertiary butyl acetate	N/A	208	2.8	62	1.5 /N/A	N/A	3	Flammable
25265-77-4	Texanol	730	471	< 0.01	248	0.6/4.2	0.01	1	Combustible
26471-62-5	Toluene diisocyanate	1148	478	N/A	250	0.9/9.5	0.025	1	Combustible
121-44-8	Triethylamine	480	194	5.6	16	1.2/8.0	57.1	3	Extremely Flammable
144-19-4	Trimethyl 1,3-pentanediol	572	450	N/A	235	N/A	N/A	1	Combustible

^a Lower Explosive Limit / Upper Explosive Limit

^b NFPA Flammability Rating: 0 = Not Combustible; 1 = Combustible if heated; 2 = Caution: Combustible liquid flash point of 100° to 200°F; 3 = Warning: Flammable liquid flash point below 100°F; 4 = Danger: Flammable gas or extremely flammable liquid

^c The Consumer Products Safety Commission (CPSC) has Labeling and Banning Requirements for Chemicals and Other Hazardous Substances which are located in 15 U.S.C. §1261 and 16 CFR Part 1500. Specifically, the flammability of a product is defined in 16 CFR Part 1500.3 (c)(6) and is based on flash point. For example, a flammable liquid needs to be labeled as: 1) "Extremely Flammable" if the flash point is below 20°F; 2) "Flammable" if the flash point is above 20°F but less than 100°F; or, 3) "Combustible" if the flash point is above 100°F up to and including 150°F.

^d Requires Special Hazards Labeling per 16 CFR Part 1500.14 (a)(3) & (b)(3)

Table A-4. Health Hazards of Conventional and Potential Replacement Solvents

CAS No.	Chemical Compound	NFPA Health Rating ^a	TLV (ACGIH) ^b (ppm)	PEL (OSHA) ^c (ppm)	IDLH (NIOSH) ^d (ppm)	Health Effects
Conventional Solvents						
67-64-1	Acetone	1	500	1,000	2,500	Mild irritation - eye, nose, throat, skin; narcosis
80-05-7	Bisphenol A	2	N/A	N/A	N/A	Mild irritation - eyes and skin
123-86-4	n-Butyl acetate	2	150	150	1,700	Moderate irritation – eye, nose, throat; narcosis
111-79-2	2-Butoxyethanol	1	20	50	5	Mild irritation - eyes, skin and respiratory
78-92-2	sec-Butyl alcohol	2	100	150	2,000	Mild irritation - eye, nose, throat, skin; narcosis
108-94-1	Cyclohexane	2	20	50	700	Moderate irritation- eye, skin, nose and throat
25265-71-8	Diethylene glycol	1	N/A	N/A	N/A	Mild irritation - eyes and skin
34590-94-8	Dipropylene glycol methyl ether	0	100	100	100	Mild irritation – eye, skin, respiratory, digestion
29911-28-2	Dipropylene glycol monobutyl ether	1	N/A	N/A	N/A	Potential severe irritation to eyes, nose and throat; moderate skin and digestion irritation
100-41-4	Ethylbenzene	2	100	100	800	Moderate irritation – eye, skin, nose, throat
103-09-3	2-Ethylhexyl acetate	2	N/A	N/A	N/A	Mild irritation – eye, skin, respiratory, digestion
107-21-1	Ethylene glycol	2	100	50	N/A	Mild irritation – respiratory, skin, kidney, reproductive
109-59-1	Ethylene glycol isopropyl ether	2	25	25	N/A	Mild irritation – eye, skin, respiratory, digestion
50-00-0	Formaldehyde	3	0.30	1	0.016	Irritation - skin, eyes, nose, and throat. High levels of exposure may cause some types of cancers.
78-83-1	Isobutyl alcohol	1	50	100	8,000	Mild irritation – eye, nose, throat; suspect carcinogen
108-21-4	Isopropyl acetate	1	100	250	1,800	Mild irritation – eye, skin, nose, throat
67-63-0	Isopropyl alcohol	1	200	400	2,000	Mild irritation – eyes, nose, throat; narcosis
64742-95-6	Light aromatic hydrocarbons	2	10-100	10-100	25-100	Mild irritation – eye, skin, respiratory, digestion
110-43-0	Methyl amyl ketone	1	50	100	100	Mild irritation - eyes and skin
78-93-3	Methyl ethyl ketone	1	200	200	3,000	Mild irritation – eye, nose, throat; narcosis; skin
108-10-1	Methyl isobutyl ketone	2	50	50	50	Potential serious eye irritation; mild skin and respiratory irritation
107-87-9	Methyl n-propyl ketone	2	150	200	150	Moderate irritation – eye, skin, respiratory

Table A-4 (continued). Health Hazards of Conventional and Potential Replacement Solvents

CAS No.	Chemical Compound	NFPA Health Rating ^a	TLV (ACGIH) ^b (ppm)	PEL (OSHA) ^c (ppm)	IDLH (NIOSH) ^d (ppm)	Health Effects
Conventional Solvents						
64741-41-9	Mineral spirits (Stoddard)	1	100	500	5,000	Narcosis; mild irritant
64742-94-5	Heavy aromatic naphtha	2	N/A	N/A	N/A	Mild irritation – eye, skin, respiratory, digestion
91-20-3	Naphthalene	4	10	10	10	Moderate irritation - eye, skin; fatal if inhaled
8002-05-9	Petroleum distillate (Naphtha)	1	400	500	1,100	Mild irritation; narcosis
108-88-3	Toluene	2	50	200	500	Moderate irritation – eye, nose, throat; narcosis; skin; suspect teratogen; mutagen, nervous system
108-67-8	1,3,5-Trimethylbenzene	2	25	25	25	Mild irritation - skin, eye; harmful if inhaled
95-63-6	1,2,4-Trimethylbenzene	2	25	25	25	Mild irritation - skin; serious irritation- eye; harmful if inhaled
64742-89-8	V.M.&P Naphtha	1	300	500	N/A	Mild irritation - skin, eye
1330-20-7	Xylene	2	100	100	1,000	Mild irritation – eye, nose, throat; narcosis; skin
Potential Replacement Solvents						
67-64-1	Acetone	1	500	1,000	2,500	Mild irritation - eye, nose, throat, skin; narcosis
100-51-6	Benzyl alcohol	2	N/A	N/A	N/A	Mild irritation - skin, respiratory; severe eye and ingestion irritation
71-36-3	n-Butanol	2	20	100	1,400	Potential severe irritation to eyes, nose and throat; moderate skin, digestion and respiratory irritation
123-86-4	n-Butyl acetate	2	150	150	150	Mild irritation - skin, eye, respiratory, digestion
85-68-7	Butyl benzyl phthalate	1	N/A	N/A	N/A	Mild irritation - eye, nose, throat, skin
108-01-0	2-Dimethylaminoethanol	3	N/A	N/A	N/A	Potential severe irritation to eyes, skin, throat and digestion; high risk to unborn child
616-38-6	Dimethyl carbonate	0	N/A	N/A	N/A	Mild irritation - respiratory, skin, eye, digestive
117-81-7	Diocetyl phthalate	0	N/A	N/A	N/A	Mild irritation - respiratory, skin, eye, digestive
25265-71-8	Dipropylene glycol	1	N/A	N/A	N/A	Mild irritation - respiratory, skin, eye, digestive, nausea, dizziness; may cause liver and kidney damage
763-69-9	Ethyl 3-Ethoxypropionate	1	0.3	N/A	0.01	Mild irritation - respiratory, skin, eye, digestive

Table A-4 (continued). Health Hazards of Conventional and Potential Replacement Solvents

CAS No.	Chemical Compound	NFPA Health Rating ^a	TLV (ACGIH) ^b (ppm)	PEL (OSHA) ^c (ppm)	IDLH (NIOSH) ^d (ppm)	Health Effects
Potential Replacement Solvents						
141-78-6	Ethyl acetate	1	400	400	400	Mild irritation - respiratory, skin, eye, digestive; may cause acute inhalation
64-17-5	Ethyl alcohol	2	1,000	1,000	1,000	Mild irritation - respiratory, skin, eye, digestive
111-76-2	Ethylene glycol monobutyl ether	2	20	50	700	Mild irritation – eye, nose, throat; anemia; skin
111-80-5	Ethylene glycol monoethyl ether	2	5	200	500	Cumulative blood damage; moderate irritation of eyes, throat, skin
109-86-4	Ethylene glycol monomethyl ether	2	5	25	N/A	Cumulative CNS; skin; suspect reproductive effects; blood disorders
2807-30-9	Ethylene glycol monopropyl ether	2	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
149-57-5	2-Ethylhexanoic acid	2	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
822-06-0	Hexamethylene diisocyanate	4	0.005	N/A	0.005	Potential fatality if inhaled; moderate skin, eye irritation; toxic if swallowed
64742-53-6	Hydrotreated light naphthenic distillate	1	N/A	N/A	N/A	Mild irritation - eye, skin, respiratory, digestive
79-20-9	Methyl acetate	2	200	200	200	Mild irritation - eye, nose, skin, respiratory, digestive
96-29-7	Methyl ethyl ketoxime	2	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
101-68-8	Methylene bisphenyl diisocyanate	3	0.01	0.02	40	Mild irritation – respiratory
98-56-6	Parachlorobenzotrifluoride	2	N/A	N/A	N/A	Mild irritation - eye, nose, respiratory, digestive
57-55-6	Propylene glycol	0	100	100	N/A	Mild irritation – slight eye, anesthesia
108-65-6	Propylene glycol monomethyl ether acetate	1	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
770-35-4	Propylene glycol phenyl ether	2	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
1569-01-3	Propylene glycol propyl ether	2	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
100-42-5	Styrene	2	20	100	5,000	Mild irritation – eye, respiratory, neurotoxicity

Table A-4 (concluded). Health Hazards of Conventional and Potential Replacement Solvents

CAS No.	Chemical Compound	NFPA Health Rating ^a	TLV (ACGIH) ^b (ppm)	PEL (OSHA) ^c (ppm)	IDLH (NIOSH) ^d (ppm)	Health Effects
Potential Replacement Solvents						
540-88-5	Tertiary butyl acetate	2	200	200	200	Mild irritation - eye, nose, skin, respiratory, digestive; prolonged exposure may cause dermatitis, blood effects, central nervous system and kidney problems
25265-77-4	Texanol	1	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive
26471-62-5	Toluene diisocyanate	3	0.005	0.02	10	Mild irritation – respiratory
121-44-8	Triethylamine	3	1	25	200	Mild irritation - eye; Cumulative eye, respiratory, and hematological effects.
144-19-4	Trimethyl 1,3-pentanediol	0	N/A	N/A	N/A	Mild irritation - eye, nose, skin, respiratory, digestive

^a NFPA Health Rating: 0 = No unusual hazard; 1 = Caution: May be irritating; 2 = Warning: May be harmful if inhaled or absorbed; 3 = Warning: Corrosive or toxic. Avoid skin contact or inhalation; 4 = Danger: May be fatal on short exposure. Specialized protective equipment required.

^b TLV = Threshold Limit Value, a recommended guideline established by the American Conference of Governmental Industrial Hygiene (ACGIH)

^c PEL = Permissible Exposure Limit, established by OSHA

^d IDLH = Immediately Dangerous to Life and Health, established by NIOSHA

In addition to the health hazard values summarized in Table A-3, several of the chemicals listed are identified as toxic air contaminants, including but not limited to the following: ethylbenzene, formaldehyde, methyl ethyl ketone (MEK), methyl isobutyl ketone (MIBK), toluene, triethylamine, and xylene. The use of materials that contain toxic compounds is of particular concern, in both existing formulations as well as reformulated products, to the South Coast AQMD and other agencies such as U.S. EPA, CARB, OSHA, and OEHHA (which is part of the California Environmental Protection Agency (Cal/EPA), because some of the toxic air contaminants used in some coatings are considered carcinogens (cancer-causing), while others may have other non-cancer health effects.⁸

For these reasons, the South Coast AQMD has two rules which regulate toxic air contaminant emissions at facilities, including those using coatings: South Coast AQMD Rule 1401 – New Source Review of Toxic Air Contaminants, and South Coast AQMD Rule 1402 – Control of Toxic Air Contaminants From Existing Sources. Rule 1401 applies to new and modified facilities, including coating facilities, and Rule 1402 applies to facility-wide risk at existing facilities. Since the majority of coating facilities located within South Coast AQMD’s jurisdiction are existing sources, the requirements in Rule 1402 are the main drivers for reducing overall risk and, therefore, toxic air contaminant emissions from this industry.

Thus, when coatings and other products are reformulated as part of implementing the various control measures from the 2022 AQMP, including CTS-01, manufacturers could potentially use replacement chemicals that could pose new or different health risks, but South Coast AQMD Rules 1401 and 1402 would limit potential exposures to nearby receptors for manufacturers within the Basin. Further, future South Coast AQMD rule development efforts, including PAR 1151, seeking to lower VOC limits would require individual evaluation of reformulations, the replacement chemicals, and the corresponding potential health risks. Exposure typically occurs when applying the coatings, solvents, and adhesives.

Some of the replacement solvents (e.g., triethylamine) in Table A-4 are likely to be present in trace amounts during accidental releases which, considered a one-time event, would be neutralized and cleaned up before all the solvent has evaporated, so no new chronic health risk is expected. No acute risk would be generated because they would only be present in trace amounts for a brief duration until the spill is cleaned up. As shown in Table A-4, the toxicity of replacement materials is generally less or no worse than conventional solvents overall but if a facility changes from using water-based products to using products that are reformulated with chemicals that may have new or different health hazards, significant adverse health hazard impacts could occur from using some low-VOC reformulated products. However, as with the use of all chemicals, existing health protective regulations would continue to apply when handling and storing both flammable and toxic materials. In addition, any increase in the future use of a low-VOC compliant coating materials that are reformulated with water would be expected to result in a concurrent reduction in the number of accidental releases of high-VOC coating materials. As a result, the net number of accidental releases would be expected to remain constant or potentially be reduced.

⁸ Formaldehyde, toluene, triethylamine, and xylene are classified as having both chronic and acute health effects; ethylbenzene as having chronic health effects and zinc oxide proposed as having chronic health effects; MEK as having acute health effects with future proposed risk value for chronic; and cobalt compounds as having future proposed risk values. In addition, MIBK is classified by U.S. EPA as a HAP, but the toxicology assessment is not finalized.

Regarding fire hazards, if manufacturers use solvents such as Texanol, propylene glycol, etc., in future compliant water-based coatings, significant adverse hazard impacts would not be expected to occur because, in general, these solvents are either equivalent or less flammable than conventional solvents based on NFPA ratings. However, if manufacturers reformulate with acetone, then more acetone-based (and extremely flammable) products would be on the market. Similarly, if manufacturers reformulate with products that have increased flammability than products manufactured with conventional solvents, consumers who may be used to a higher VOC product with lower flammability, may be unaware that the reformulated products may have chemicals with increased flammability and an increased risk when used.

In general, water-based coatings and products tend to contain less flammable and less toxic materials than solvent-based coatings and products. While the continued and potentially increased use of water-based coatings and products would generally be expected to reduce the overall hazard, impacts associated with solvent-based products, a switch from currently using water-based products to reformulated solvent-based products could offset any reduction realized.

Without knowing how many facilities currently using water-based products would switch to using reformulated solvent-based products as a result of implementing the 2022 AQMP Control Measure CTS-01, significant impacts on fire hazards associated with reformulated coatings products could occur. Therefore, the Final Program EIR for the 2022 AQMP concluded that hazards and hazardous materials impacts associated with increased flammability of potential replacement solvents were significant. For these reasons, implementation of PAR 1151 is also concluded to result in potentially significant hazards and hazardous materials impacts associated with increased flammability of potential replacement solvents in reformulations of coatings.

Mitigation Measures

Since hazards and hazardous materials impacts associated with increased flammability of potential reformulated coatings were found to be significant, the following mitigation measures were adopted in the Final Program EIR for the 2022 AQMP, and will be required as part of future rule development pertaining to reformulated products:

- HZ-7 Add consumer warning requirements for all flammable and extremely flammable products.

- HZ-8 Add requirements to conduct a public education and outreach program in joint cooperation with local fire departments regarding flammable and extremely flammable products that may be included in consumer paint thinners and multi-purpose solvents.

Mitigation Measure HZ-7 will need to be implemented by any manufacturer that supplies reformulated coatings, solvents, adhesives, and lubricants with intent to sell these products within South Coast AQMD's jurisdiction. Mitigation Measure HZ-8 will be jointly implemented by the South Coast AQMD working with the local fire departments. The potential fire hazard impacts associated with more flammable solvents were expected to be significant prior to mitigation. While the South Coast AQMD cannot predict which coatings, solvents, adhesives, and lubricants each

affected facility might choose to use in the future as reformulations become available or estimate the amount of coatings to be used, the mitigation measures are expected to be effective at informing consumers about the potential fire hazards associated with reformulated products. Thus, after mitigation is applied, the Final Program EIR for the 2022 AQMP concluded that no remaining significant impacts on fire hazards were expected. These mitigation measures are also applicable to PAR 1151 and will similarly mitigate the potential fire hazard impacts to less than significant levels.

Conclusion and Cumulative Impacts

The Final Program EIR for the 2022 AQMP concluded that, while the continued and potential increased use of water-based coatings and products would generally be expected to reduce the overall hazard impacts associated with solvent-based products, the potential reformulation of coatings and products to products that are more flammable could result in a significant impact on fire hazards. Mitigation Measures HZ-7 and HZ-8 were identified as effective at informing consumers about the potential fire hazards associated with reformulated products. Thus, if PAR 1151 is implemented, no remaining significant impacts on fire hazards are expected after mitigation measures are applied. Table A-5 summarizes the impacts of PAR 1151 on the topic of hazards and hazardous materials.

When combined with the Southern California Association of Governments (SCAG) Connect SoCal Plan⁹, the CARB Proposed 2022 State SIP Strategy¹⁰, state policies, and other past, present, and reasonably foreseeable activities, the 2022 AQMP was concluded to result in a significant increase in the use of hazards and hazardous materials and would contribute to cumulatively considerable hazards and hazardous materials impacts. Feasible mitigation measures were developed to reduce the potentially significant hazards and hazardous materials impacts. No additional feasible mitigation measures were identified to further reduce cumulative hazards and hazardous materials impacts. Cumulative impacts to hazards and hazardous materials for past, present and reasonably foreseeable future projects would remain significant and unavoidable.

⁹ Southern California Association of Governments, Connect SoCal (2020–2045 Regional Transportation Plan/Sustainable Communities Strategy), May 2020. <https://scag.ca.gov/read-plan-adopted-final-connect-socal-2020>

¹⁰ California Air Resources Board, 2022 State Strategy for the State Implementation Plan (2022 State SIP Strategy), September 2022. <https://ww2.arb.ca.gov/resources/documents/2022-state-strategy-state-implementation-plan-2022-state-sip-strategy>

Table A-5. Summary of Hazards and Hazardous Materials Impacts

Significance Criteria	Potentially Significant Impacts	Mitigation Measures For Potentially Significant Impacts	Cumulative Impacts
<p>Hazards and hazardous materials impacts are significant if any of the following conditions occur:</p> <ul style="list-style-type: none"> • Non-compliance with any applicable design code or regulation. • Non-conformance to National Fire Protection Association standards. • Non-conformance to regulations or generally accepted industry practices related to operating policy and procedures concerning the design, construction, security, leak detection, spill containment, or fire protection. • Exposure to hazardous chemicals in concentrations equal to or greater than the ERPG 2 levels 	<p>Implementation of PAR 1151 would cause potential significant hazards and hazardous materials impacts:</p> <ul style="list-style-type: none"> • Due to the potential use of more flammable materials when reformulating coatings in response to the prohibition from having coatings formulated with pCBtF and t-BAc 	<p>HZ-7 and HZ-8</p>	<p>Cumulative impacts to hazards and hazardous materials for past, present, and reasonably foreseeable future projects would remain significant and unavoidable.</p>

Environmental Topic Area With Less Than Significant Impacts

Since PAR 1151 implements Control Measure CTS-01 without adding new or modifying the previously analyzed impacts for each environmental topic area, the overall conclusion of less than significant impacts for the topics of operational air quality and hydrology and water quality in the Final Program EIR for the 2022 AQMP will remain unchanged if PAR 1151 is implemented. The following section summarizes the analysis of less than significant impacts for the environmental topics of air quality and hydrology and water quality in the Final Program EIR for the 2022 AQMP and explains how these conclusions also apply to the implementation of PAR 1151.

Air Quality

The Final Program EIR for the 2022 AQMP anticipated that, due to OEHHA's determinations, several South Coast AQMD rules would need to be amended as part of implementing Control Measure CTS-01 in order to prohibit the use of pCBtF and t-BAc in automotive coatings, architectural coatings, including industrial maintenance and anti-graffiti coatings, paint thinners, multi-purpose solvents, lubricants, adhesives and sealants in order to reduce the potential exposure to toxic materials.

In 2017, t-BAc was identified as a carcinogen after it had been previously granted a partial exemption from the definition of a VOC in certain uses in several source specific rules, e.g., Rule 1113 – Architectural Coatings and Rule 1151. Further, in 2020, pCBtF was identified as a stronger carcinogen than t-BAc, after it had been previously exempted from the definition of a VOC in Rule 102 for all uses within the South Coast AQMD, including automotive coatings subject to Rule 1151.

The Final Program EIR for the 2022 AQMP anticipated that, if the future use of coatings, solvents, lubricants, paint thinners, adhesives, and sealants that are formulated with pCBtF and t-BAc is prohibited, without other products commercially available on the market that are capable of achieving the future VOC limits, then these various rules may need to be amended to allow the increase in the future VOC limits for certain products until such time that lower VOC formulations without pCBtF and t-BAC can be developed. If these aforementioned rules are amended to increase the future VOC limits, then previously anticipated VOC emission reductions will either be delayed or permanently foregone, depending on the future availability of lower VOC-containing formulations.

As such, Control Measure CTS-01 specifically committed to revising the VOC content for select product categories, incentivizing the use of super-compliant zero emission and low-VOC materials, and removing the VOC exemption status for pCBtF and t-BAc to address toxicity concerns. The Final Program EIR for the 2022 AQMP concluded that implementation of the 2022 AQMP control measures, including Control Measure CTS-01, would generate less than significant operational air quality impacts. However, implementation of Control Measure CTS-01 was expected to cause delayed VOC emission reductions and permanent VOC emission reductions foregone due to the removal of the exemption for pCBtF and t-Bac. To address these temporary and permanent VOC emissions increases that would occur, the 2022 AQMP established a revised SIP set-aside reserve of VOC emissions specifically designated for the potential technology assessment and phaseout of toxics for VOC-based rules as targeted by Control Measure CTS-01.

The reserve of VOC emissions in the set-aside account is specifically designated to offset the temporary emission reductions foregone that may occur during the potential technology assessments and phaseout of toxics for all VOC-based rules as targeted by Control Measure CTS-01. The contents in the set-aside account is funded by VOC emission reductions achieved beyond the South Coast AQMD's initial commitment in other recent South Coast AQMD rule amendments which targeted VOC emission reductions. In addition, the set-aside account is annually audited and replenished when the rules that are amended in response to Control Measure CTS-01 attain the final low-VOC limit and realize permanent VOC emission reductions.

Ultimately, implementation of Control Measure CTS-01 was concluded in the Final Program EIR for the 2022 AQMP to result in an overall net VOC emission reductions with an added benefit of reducing exposure to toxic air contaminants. The analysis in the Final Program EIR for the 2022 AQMP also concluded that the long-term health benefit of prohibiting these toxic compounds with substantial adverse carcinogenic health effects outweighs the delayed and permanent VOC emission reductions foregone that would be associated with implementing Control Measure CTS-01.

Unlike Control Measure CTS-01, no permanent VOC emission reductions foregone are expected if PAR 1151 is implemented. Instead, PAR 1151 is expected to result in temporary VOC emission increases (also referred to as temporary emission reductions foregone) and these increases will be offset from the reserve of VOC emission reductions in the SIP set-aside account that was established for the 2022 AQMP and by other VOC rulemaking efforts. It is important to note that the set-aside account is only going to be relied upon to offset the temporary VOC emission reductions delayed during the Phase I-portion of implementing PAR 1151 (e.g., for a three to five-year period). Once Phase II of PAR 1151 is implemented, permanent VOC emission reductions will be expected, and the set-aside account will be replenished accordingly. In addition, other opportunities for reducing VOC emissions from product formulations are expected to continue to occur over the long-term due to future VOC limits that are currently in other South Coast AQMD rules (e.g., Rules 1113 and 1168) that have not yet gone into effect. Upon full implementation, PAR 1151 will result in an overall a long-term net VOC emission reductions.

Impacts to Operational Air Quality

South Coast AQMD's adopted air quality significance thresholds for criteria pollutant emissions, the mass daily thresholds, were developed in 1993, and a full discussion of their development can be found in the South Coast AQMD CEQA Handbook. Significance thresholds for toxic air contaminants are based on requirements in South Coast AQMD Rules 1401 and 212, while the significance criteria for odor is based on requirements in South Coast AQMD Rule 402. The significance threshold for greenhouse gas emissions was adopted by the South Coast AQMD Governing Board in December 2008. Information on the history and development of the various air quality significance thresholds is available on the South Coast AQMD website.¹¹ Table A-6 summarizes South Coast AQMD's air quality significance thresholds.

¹¹ <https://www.aqmd.gov/docs/default-source/ceqa/handbook/south-coast-aqmd-air-quality-significance-thresholds.pdf>

Table A-6. South Coast AQMD Air Quality Significance Thresholds

Mass Daily Thresholds ^a		
Pollutant	Construction	Operation
NO_x	100 lbs/day	55 lbs/day
VOC	75 lbs/day	55 lbs/day
PM₁₀	150 lbs/day	150 lbs/day
PM_{2.5}	55 lbs/day	55 lbs/day
SO_x	150 lbs/day	150 lbs/day
CO	550 lbs/day	550 lbs/day
Lead	3 lbs/day	3 lbs/day
Toxic Air Contaminants (TACs), Odor, and GHG Thresholds		
TACs (including carcinogens and non-carcinogens)	Maximum Incremental Cancer Risk \geq 10 in 1 million Cancer Burden $>$ 0.5 excess cancer cases (in areas \geq 1 in 1 million) Chronic & Acute Hazard Index \geq 1.0 (project increment)	
Odor	Project creates an odor nuisance pursuant to South Coast AQMD Rule 402	
GHG	10,000 MT/yr CO ₂ eq for industrial facilities	
Ambient Air Quality Standards for Criteria Pollutants ^b		
NO₂ 1-hour average annual arithmetic mean	South Coast AQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal)	
PM₁₀ 24-hour average annual average	10.4 $\mu\text{g}/\text{m}^3$ (construction) ^c & 2.5 $\mu\text{g}/\text{m}^3$ (operation) 1.0 $\mu\text{g}/\text{m}^3$	
PM_{2.5} 24-hour average	10.4 $\mu\text{g}/\text{m}^3$ (construction) ^c & 2.5 $\mu\text{g}/\text{m}^3$ (operation)	
SO₂ 1-hour average 24-hour average	0.25 ppm (state) & 0.075 ppm (federal – 99 th percentile) 0.04 ppm (state)	
Sulfate 24-hour average	25 $\mu\text{g}/\text{m}^3$ (state)	
CO 1-hour average 8-hour average	South Coast AQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal)	
Lead 30-day Average Rolling 3-month average	1.5 $\mu\text{g}/\text{m}^3$ (state) 0.15 $\mu\text{g}/\text{m}^3$ (federal)	

^a Source: South Coast AQMD CEQA Handbook (South Coast AQMD, 1993)

^b Ambient air quality thresholds for criteria pollutants based on South Coast AQMD Rule 1303, Table A-2 unless otherwise stated.

^c Ambient air quality thresholds based on South Coast AQMD RULE 403.

KEY: lbs/day = pounds per day ppm = parts per million $\mu\text{g}/\text{m}^3$ = microgram per cubic meter \geq = greater than or equal to
MT/yr CO₂eq = metric tons per year of CO₂ equivalents $>$ = greater than

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Based on Table 4-3 provided in the Chapter 4 of this document, it is estimated that PAR 1151 will cause approximately 4.82 tpd (equivalent to 9,640 pounds per day) of temporary emission reductions foregone during Phase I but result in emission reductions of approximately 5.01 tpd during the period from Phase I to Phase II. A temporary increase of the current VOC limits during Phase I is being proposed so as to phase out pCBtF and t-BAc as quickly as possible to protect public health in accordance with the South Coast AQMD Stationary Source Committee's directive to prioritize reducing toxicity over VOC reductions. The temporary VOC emissions increase in Phase I exceeds the mass daily South Coast AQMD air quality significance thresholds shown in Table A-6; however, there is a SIP set-aside account which has 3.0 tpd of VOC emission reserves along with a surplus of approximately two tpd of VOC emission reductions achieved by other South Coast AQMD VOC rules to address this issue. More importantly, upon full implementation, PAR 1151 will achieve an overall VOC emission reduction of 0.19 tpd (equivalent to 380 pounds per day) over the long-term.

South Coast AQMD implements several recent rules pertaining to VOC emissions reduction, for instance, rules including optical gas imaging requirements with more frequent leak detection and repair. These rules are anticipated to be able to collectively achieve VOC emission reductions sufficient to offset the projected increases in VOC emissions from implementing Control Measure CTS-01, including the temporary VOC emissions increase during Phase I of PAR 1151. Specifically, South Coast AQMD Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, Rule 463 – Organic Liquid Storage, and Rule 1148 – Thermally Enhanced Oil Recovery Wells were previously amended and were anticipated to achieve VOC emission reductions of 1.86 tpd, 1.65 tpd, and 0.67 tpd, respectively, which collectively would achieve approximately 4.18 tpd of VOC emission reductions. The combined VOC emission reduction of these rules (4.18 tpd) with the revised SIP set-aside account (3.0 tpd), should be sufficient to fully offset the temporary VOC emission reductions foregone due to PAR 1151. Further, these other rules are anticipated to achieve VOC emission reductions in greater quantities beyond the original targets, commitments, and obligations made by the South Coast AQMD at the time of the rule amendments.

Both PAR 1151 and the implementation of Control Measure CTS-01 are expected to result in VOC emissions reductions. Control Measure CTS-01 is anticipated to achieve both short- and long-term reductions in VOC emissions, while PAR 1151 is expected to result in long-term VOC emissions reductions of 0.19 tpd (equivalent to 380 pounds per day) at full implementation. The Final Program EIR for the 2022 AQMP concluded that Control Measure CTS-01 was expected to result in less than significant air quality impacts during operation. Similarly, PAR 1151 is expected to result in the same less than significant air quality impacts during operation due to the temporary VOC emissions increase over the short-term being offset by the SIP set-aside account and surplus emission reductions from other South Coast AQMD VOC rules, and a net air quality benefit over the long-term. Thus, the conclusion in the Final Program EIR for 2022 AQMP of less than significant air quality impacts during operation relative to Control Measure CTS-01 also applies to PAR 1151. As mentioned earlier, both PAR 1151 and Control Measure CTS-01 are expected to result in long-term VOC emission reductions, while the VOC emission reductions attributable to PAR 1151 will be a subset of the total expected VOC emission reductions from CTS-01; thus, upon full implementation of the proposed project, PAR 1151 will result in less than significant air quality impacts during operation.

Finally, the focus of Control Measure CTS-01 is to revise the VOC content for select product categories, incentivizing the use of super-compliant zero emission and low-VOC materials, and removing the VOC exemption status for pCBtF and t-BAc to address toxicity concerns, the Final Program EIR for the 2022 AQMP concluded that implementation of Control Measure CTS-01 would not result in emissions of other criteria pollutants that are typically associated with combustion activities (e.g., oxides of nitrogen (NO_x), carbon monoxide (CO), sulfur oxides (SO_x), particulate matter (PM)₁₀, and PM_{2.5}). Since PAR 1151 is partially implementing Control Measure CTS-01, PAR 1151 would also not be expected to cause emissions of these other criteria pollutants. Thus, PAR 1151 will have no air quality impacts associated with NO_x, CO, SO_x, PM₁₀, and PM_{2.5} emissions. Since no significant operational air quality impacts were identified, no mitigation measures are necessary or required.

Toxic Air Contaminants

The Final Program EIR for the 2022 AQMP concludes that implementation of some control measures will cause an increase in toxic air contaminants emissions (e.g., ammonia slip from the use of ammonia in SCR technology) while implementation of other control measures specifically aim to reduce toxic air contaminant emissions (e.g., Control Measure CTS-01 which prohibits the use of pCBtF and t-BAc). In addition, decreases in criteria pollutant emissions will also result in decreases of toxic air contaminant emissions associated with combustion of transportation fuels and natural gas including diesel particulate, benzene, formaldehyde, and other TACs. When considered together, implementation of all control measures which comprise the 2022 AQMP is expected to cause an overall reduction in toxic air contaminant emissions. Control Measure CTS-01 specifically aims to reduce emissions of pCBtF and t-BAc, which are toxic air contaminants with high cancer potency factors and adverse health effects. Rule 102 contains a definition which describes what qualifies as a VOC and divides compounds into Group I and Group II. The cancer potency factors for t-BAc and pCBtF are 0.0047 and 0.03 (mg/kg-day)⁻¹, respectively, which are higher or within the same order of the cancer potency factor for some Group II compounds in Rule 102 such as perchloroethylene (0.021). While some coatings manufacturers could use new toxic air contaminant compounds in their revised product formulations, for any formulations that contain toxic compounds that are also classified as a VOC, the VOC limits in PAR 1151, which partially implement Control Measure CTS-01, serve to restrict the overall toxicity in coatings subject to the rule. Since t-BAc and pCBtF have higher cancer potency factors compared to other Group II compounds, the overall toxicity of any reformulations from implementing PAR 1151 would be reduced relative to baseline conditions. It should be noted that Group II compounds are already restricted because they are toxic, potentially toxic, upper atmospheric ozone depleters, or cause other adverse environmental impacts. Therefore, the overall amount of toxic air contaminants used in product reformulations will be reduced as a result of implementing PAR 1151. The long-term health benefit of prohibiting these toxic compounds with substantial adverse carcinogenic health effects (e.g., t-BAc and pCBtF) in PAR 1151 outweighs the temporary delayed VOC emission reductions that were discussed in the previous section. Based on the foregoing analysis, implementation of PAR 1151 is similar to the implementation of Control Measure CTS-01 in that they both will result in an overall reduction in the amount of toxic air contaminants used in future product reformulations. The Final Program EIR for the 2022 AQMP concluded less than significant impacts relative to toxic air contaminants for Control Measure CTS-01. As such, PAR

1151, which partially implements Control Measure CTS-01, is expected to result in the same air quality benefit over the long-term relative to reduced toxics. Thus, the previous conclusion of less than significant air quality impacts relative to toxic air contaminants in the Final Program EIR of the 2022 AQMP for all control measures, including Control Measure CTS-01 which is the basis for PAR 1151, will also apply to PAR 1151. Further, since no significant operational air quality impacts relating to emissions of toxic air contaminants were identified in the Final Program EIR of the 2022 AQMP for all control measures, including Control Measure CTS-01 which is the basis for PAR 1151, no mitigation measures were necessary or required at that time. Similarly, since PAR 1151 is also expected to also have less than significant air quality impacts relating to toxic air contaminants, no mitigation measures are necessary or required.

Conclusion and Cumulative Impacts

The Final Program EIR for the 2022 AQMP concluded that implementation of Control Measure CTS-01 would result in less than significant operational air quality impacts and less than significant impacts from toxic air contaminants. The 2016 AQMP established a set-aside account for VOC emissions, in the event that not all of the adopted control measures would achieve the entire amount of desired emission reductions. At the time, the SIP set-aside account had an initial balance of 0.5 tpd of VOC for each year from 2017 to 2030, and 0.2 tpd of VOC in 2031, to accommodate projects with a positive conformity determination (i.e., emissions that exceed the de minimis threshold). In addition, the 2022 AQMP revised the amount in the SIP set-aside reserve to 3.0 tpd VOC emissions specifically designated for the potential technology assessment and phaseout of toxics for VOC-based rules as targeted by Control Measure CTS-01. Thus, any delayed or permanent VOC emission reductions foregone from amending the various VOC-based rules, including but not limited to PAR 1151, will be offset by the VOC emissions in the SIP set-aside account. In addition, other opportunities for reducing VOC emissions from product formulations are expected to continue to occur over the long-term due to future VOC limits that are currently in rules that have not yet gone into effect. Therefore, cumulative air quality impacts from PAR 1151 and all other AQMP control measures when considered together, are not expected to be significant because implementation of all AQMP control measures, and in particular PAR 1151, is expected to result in net emission reductions and an overall air quality improvement.

Relative to cumulative impacts, the Final Program EIR for the 2022 AQMP concluded that implementation of the 2022 AQMP, when combined with past, present, and reasonably foreseeable activities, would contribute to cumulative considerable impacts to air quality during construction, but would not contribute to cumulatively considerable impacts to air quality during operation (including toxic air contaminants). PAR 1151 implements Control Measure CTS-01 and will have no impact to air quality during construction, and a net benefit to air quality during operation. There are no new impacts that would occur from implementing PAR 1151 which would change the previous conclusions of the Final Program EIR for the 2022 AQMP for the control measures, including Control Measure CTS-01, regarding cumulatively considerable impacts to air quality during construction. Further, no new mitigation measures would be required. Therefore, the cumulative impacts to air quality during construction would remain significant and unavoidable.

Hydrology and Water Quality

In the 2022 AQMP, Control Measure CTS-01 committed to revising the VOC content for select product categories, incentivizing the use of super-compliant zero emission and low-VOC materials, and removing the VOC exemption status for pCBtF and t-BAC to address toxicity concerns. The analysis in the Final Program EIR for the 2022 AQMP concluded that implementation of Control Measure CTS-01 would be expected to cause potential adverse hydrology and water quality impacts associated with the increased use of water-based formulations.

Implementation of a project would be considered to have significant adverse hydrology or water quality impacts if any of the following conditions occur:

Water Demand

- The existing water supply does not have the capacity to meet the increased demands of the project, or the project would use more than 262,820 gallons per day of potable water.
- The project increases demand for total water by more than five million gallons per day.

Water Quality

- The project will cause degradation or depletion of ground water resources substantially affecting current or future uses.
- The project will cause the degradation of surface water substantially affecting current or future uses.
- The project will result in a violation of National Pollutant Discharge Elimination System (NPDES) permit requirements.
- The capacities of existing or proposed wastewater treatment facilities and the sanitary sewer system are not sufficient to meet the needs of the project.
- The project results in substantial increases in the area of impervious surfaces, such that interference with groundwater recharge efforts occurs.
- The project results in alterations to the course or flow of floodwaters.

Impacts to Water Demand

One of the commitments in Control Measure CTS-01, which is the basis for PAR 1151, is to reformulate conventional coatings into low-VOC coatings. The process of reformulating coatings relies on some water in the product chemistry and water for clean-up, but historically, reformulating coatings has not resulted in significant adverse impacts on water demand. The potential increase in water use associated with Control Measure CTS-01 was evaluated in the Final Program EIR for the 2016 AQMP (and restated in the Final Program EIR for the 2022 AQMP) for both manufacturers of water-based coatings and water used by consumers to clean equipment used in the application of the coatings. The analysis was conservative and assumed that one gallon of water would be used to manufacture one gallon of coating applied, and one gallon of water would be used to clean-up equipment for every gallon of coating applied. The analysis determined that the water demand associated with the manufacture of water-based formulations combined with

their associated clean-up activities was estimated to be 62,547 gallons per day. This estimate was especially conservative because the majority of manufacturers of coatings are neither located within South Coast AQMD's jurisdiction nor California. Thus, as a practical matter, only the water used for reformulations manufactured within South Coast AQMD's jurisdiction plus the portion of the water needed for clean-up purposes would be representative of the potential water demand impact that would occur as a result of the continued implementation of Control Measure CTS-01.

The Final Program EIR for the 2022 AQMP concluded that implementation of Control Measure CTS-01 was not expected to cause significant impacts on both water demand and water supplies, as water use resulting from coating reformulation was not anticipated to exceed the South Coast AQMD significance threshold of 5,000,000 gallons per day of total water (comprised of potable, recycled, and groundwater) demand, and the 262,820 gallons per day significance threshold for potable water. The implementation of PAR 1151 is not expected to increase water demand estimates beyond that previously projected by Control Measure CTS-01. This is because the CTS-01 estimates were conservative, and most affected facilities under PAR 1151 use products manufactured outside of South Coast AQMD's jurisdiction and/or California. However, for all control measures, the Final Program EIR for the 2022 AQMP concluded potentially significant impacts to water demand, and a portion of the water demand impacts, though to a lesser extent was associated with Control Measure CTS-01. For example, the production of alternative fuels associated with Control Measure MOB-06 was estimated to require 200,000 to 300,000 gallons of water per day which exceeded the South Coast AQMD significance threshold of 262,820 gallons per day for potable water.

Based on these considerations, less than significant water demand impacts were expected due to the implementation of the Control Measure CTS-01. The previous conclusion of less than significant water demand impacts reached in the Final Program EIR of the 2022 AQMP for Control Measure CTS-01, which is the basis for PAR 1151, will also apply to PAR 1151.

Impacts to Water Quality

The Final Program EIR for the 2022 AQMP anticipated that, for Control Measure CTS-01, certain products are expected to be reformulated to meet low-VOC content limits with future effective dates and the reformulated products could have widely varying compositions depending on the chemical characteristics of the replacement solvents chosen. Implementation of the 2022 AQMP control measures may result operational water quality impacts due to potentially increased volumes of wastewater generated via the reformulation of coatings, solvents, adhesives, and lubricants into water-based products to reduce the VOC content per Control Measure CTS-01. The 2022 AQMP concluded that implementation of Control Measure CTS-01 and consequently, the use of water to manufacture coatings, solvents, and other products, would generally lead to formulations that would be less toxic than the currently available products that contain either exempt or non-exempt chemicals (that are typically petroleum-based) and as such, generate fewer adverse impacts to water quality. Thus, the Final Program EIR for the 2022 AQMP concluded less than significant impacts to water quality for Control Measure CTS-01. Currently, there are some products in use that are formulated with exempt or non-exempt solvents, and clean-up may require something other than water, such as acetone or other solvents, which could cause adverse water quality impacts if the clean-up materials are disposed of improperly. However, under Control

Measure CTS-01, most products are expected to be made with water, but other reformulations could continue to be made with an exempt solvent such as acetone or other solvents that are exempted from the definition of a VOC in South Coast AQMD's Rule 102. For those products made with water, water would also be used for clean-up and the resultant wastewater could be disposed of into the public sewer system.

Control Measure CTS-01 could also result in the use of ultraviolet (UV)-cured resins and coatings which would not be expected to use water or generate wastewater. Lastly, the phase-out of the VOC exemption of t-BAC and pCBtF in architectural coatings, automotive coatings, paint thinners, multi-purpose solvents, and adhesives is needed to reduce exposure to toxic materials and will also reduce the potential for adverse water quality impacts. The application methods for reformulated products are expected to require the same types of equipment (e.g., spray guns, rollers, and brushes) currently used in coating operations such that the corresponding clean-up practices employed to clean the coating equipment would also not be expected to change.

Historically, the reformulation of conventional coatings into low-VOC coatings which rely on water in the product chemistry and water for clean-up has not resulted in significant adverse impacts on water quality. As previously discussed in the section on Impact to Water Demand, the potential wastewater impacts associated with Control Measure CTS-01 were previously evaluated in the Final Program EIR for the 2016 AQMP for both wastewater from manufacturing water-based coatings and wastewater generated by consumers when cleaning equipment used in the application of the coatings. The analysis was conservative and assumed that one gallon of water would be used clean-up equipment for every gallon of coating applied resulting in approximately 21,000 gallons per day of wastewater generated, which is relatively small when compared to the estimated wastewater treatment capacity of about 2,900 mgd within South Coast AQMD's jurisdiction.

Based on discussions with coating formulators, the trend in coating technologies is to replace toxic/hazardous solvents with equal or less toxic/hazardous solvents. Thus, lowering the VOC content limit of coatings will have reduce any existing impacts on water quality because reformulation is not expected to change the current practices of applying coatings and other materials, or alter the product chemistry, or disposal methods to be more detrimental to water quality. In the past, the South Coast AQMD has received comments that, with the increased use of water-based technologies to meet the lower VOC content limits, there will be a greater trend of improperly disposing of coating applicators into groundwater, storm drains, or sewer systems; however, there is no data to support this contention. In any event, there are several reasons why there should be no significant increase over current practices for improper disposal due to greater use of water-based coatings. Results from a survey of contractors determined that a majority either dispose of the waste material properly as required by the coating manufacturer's Safety Data Sheets or recycle the waste material regardless of type of coating. Based upon these considerations, there is no reason to expect that paint contractors will change their disposal practices, especially those that dispose of wastes properly, with the implementation of Control Measure CTS-01. The Final Program EIR for the 2022 AQMP conclusion of less than significant impacts on water quality due to implementation of Control Measure CTS-01 applies to PAR 1151, as PAR 1151 does not propose any expected new or additional impacts on water quality compared to Control Measure CTS-01. The Final Program EIR for the 2022 AQMP concluded that the implementation of all

control measures combined is expected to result in significant water quality impacts; as such a mitigation measure to address these impacts was adopted (e.g., HWQ-5). Mitigation measure HWQ-5 states that, for any project that would increase the generation of wastewater, the facility must review diversion options for reusing the treated wastewater on-site, in lieu of discharge, where applicable and feasible. However, for Control Measure CTS-01, the Final Program EIR for the 2022 AQMP concluded that less than significant impacts to water quality would occur because the reformulated products would have less toxicity. Since clean-up activities are not expected to be substantially different with PAR 1151 relative to what was contemplated for Control Measure CTS-01, an increased volume of wastewater would not be expected. As such, mitigation measure HWQ-5, is not applicable to implementing PAR 1151. Further, since PAR 1151 partially implements Control Measure CTS-01, wastewater which may be generated from the application reformulated coatings is expected to contain less hazardous materials than the wastewater generated for solvent-based coating operations, thereby reducing toxic influent to the wastewater treatment plants.

Based on these considerations, less than significant water quality impacts were expected due to the implementation of the Control Measure CTS-01. The previous conclusion of less than significant water quality impacts reached in the Final Program EIR of the 2022 AQMP for Control Measure CTS-01, which is the basis for PAR 1151, will also apply to PAR 1151.

Conclusion and Cumulative Impacts

The analysis in the Final Program EIR for the 2022 AQMP indicated that implementation of Control Measure CTS-01 was not expected to result in significant water demand, water supply, and water quality impacts. PAR 1151 implements Control Measure CTS-01, and implementation of PAR 1151 is not expected to create new water demand, water supply, and water quality impacts or make the previously identified water demand, water supply, and water quality impacts more severe. Thus, the previous conclusion in the Final Program EIR of the 2022 AQMP of less than significant impacts to hydrology and water quality for Control Measure CTS-01, which is the basis for PAR 1151, will also apply to PAR 1151.

However, the Final Program EIR for the 2022 AQMP concluded that implementation of the 2022 AQMP, which combined the effects of Control Measure CTS-01 with other measures such as L-CMB-01, L-CMB-05, L-CMB-06, MCS-02, MOB-05, MOB-06, MOB-07, and MOB-08, would result in significant impacts to hydrology and water quality. The Final Program EIR for the 2022 AQMP includes mitigation measures such as HWQ-1 to HWQ-5 to lessen hydrology and water quality impacts. These mitigation measures have been adopted for all previously mentioned control measures. No new or modified mitigation measures will be required for the implementation of the proposed project. Relative to cumulative impacts, the Final Program EIR for the 2022 AQMP concluded that implementation of the 2022 AQMP, when combined with past, present, and reasonably foreseeable activities, would contribute to cumulatively considerable impacts to hydrology and water quality. Since PAR 1151 is expected to have less than significant impacts on hydrology and water quality, there are no new impacts which would change the previous conclusions of the Final Program EIR for the 2022 AQMP regarding cumulatively considerable impacts to hydrology and water quality. Further, no new mitigation measures would be required if

PAR 1151 is implemented. Therefore, the cumulative impacts to hydrology and water quality would remain significant and unavoidable due to the combined effect of all other control measures.

Environmental Topic Areas With No Impacts

This section identifies the environmental topic areas that were analyzed and concluded to have no impacts if the proposed project is implemented. The 2022 AQMP was designed to reduce emissions from existing emission sources and products and promote the use of the cleanest technology available. The analysis provided in the Final Program EIR for 2022 AQMP concluded that implementation of Control Measure CTS-01 would have no impacts to the following environmental topic areas: aesthetics, agriculture and forestry resources, biological resources, cultural and tribal cultural resources, energy, GHG emissions, geology and soils, land use and planning, mineral resources, noise, solid and hazardous waste, population and housing, public services, recreation, transportation, and wildfire. Since no impacts were identified, no mitigation measures are necessary or required for these environmental topic areas. PAR 1151 implements Control Measure CTS-01 without adding new or modifying the previously analyzed impacts for each environmental topic area; therefore, the overall conclusions of no impacts for these environmental topic areas in the Final Program EIR for the 2022 AQMP will remain unchanged if PAR 1151 is implemented.

The following summarizes the conclusions of no impacts in the Final Program EIR for the 2022 AQMP for each of these environmental topic areas and explains how the conclusions for each environmental topic area also apply to the implementation of PAR 1151.

Aesthetics: The majority of control measures from the 2022 AQMP to be implemented within South Coast AQMD's jurisdiction would typically affect industrial, institutional, or commercial facilities located in appropriately zoned areas (e.g., industrial and commercial areas) that are not usually associated with scenic resources. The Final Program EIR of the 2022 AQMP concluded that no aesthetics impacts would occur because: 1) no construction would be required to install new or modify existing structures that would obstruct or degrade scenic resources; 2) no light generating equipment would be required that would adversely affect day or nighttime views; and 3) any changes to the manufacturing process would occur inside the facility's buildings and do not affect the exterior of the structure.

PAR 1151 proposes to prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures, which means that PAR 1151 will also not require new light generating equipment or cause any changes in the visual profile of the facility structures. Implementation of the 2022 AQMP control measures, including Control Measure CTS-01, was not expected to create additional demand for new lighting or exposed combustion sources that could create glare, adversely affecting day or nighttime views in any areas. Based on these considerations, no significant aesthetic impacts were expected due to the implementation of the 2022 AQMP. The previous conclusion of no impact to aesthetics reached

in the Final Program EIR of the 2022 AQMP for all control measures, including Control Measure CTS-01 which is the basis for PAR 1151, will also apply to PAR 1151.

Agriculture and Forestry Resources: Implementation of 2022 AQMP control measures, including Control Measure CTS-01, was not expected to generate any new construction of buildings or other structures that would require conversion of farmland to non-agricultural use, conflict with zoning for agricultural uses, or a Williamson Act contract. Further, 2022 AQMP control measures would typically affect existing facilities that are located in appropriately zoned areas. Any new facilities that may be affected by 2022 AQMP control measures would be constructed and operated for reasons other than complying with the control measures. Improvements would continue to be subject to project-level review, including review of agricultural impacts under CEQA. Therefore, implementation of the 2022 AQMP would not affect Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, or conflict with a Williamson Act contract, if implemented. Physical changes associated with the 2022 AQMP were expected to occur at previously developed sites and would not warrant construction in undeveloped areas where agricultural and forest resources are more likely to exist. The 2022 AQMP control measures would have no direct or indirect effects on agricultural or forest land resources because their focus is on achieving emission reductions by increasing the low-emitting technologies into market. The 2022 AQMP could provide benefits to agricultural and forest land resources by improving air quality in the region, thus reducing the adverse oxidation impacts of ozone on plants and animals. PAR 1151 proposes to prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. Under PAR 1151, manufacturing of the automotive coatings products formulated to achieve the applicable VOC limits by their effective dates will occur within the confines of the same existing facilities as previously analyzed and these ongoing manufacturing activities will not require the use of forest land, conversion of farmland to non-agricultural use or conflict with zoning for agriculture use. Therefore, the previous conclusion of no impact to agriculture and forestry resources reached in the Final Program EIR of the 2022 AQMP for all control measures, including Control Measure CTS-01 which is the basis for PAR 1151, will also apply to PAR 1151.

Biological Resources: Implementation of the 2022 AQMP control measures, including Control Measure CTS-01, was not expected to result in habitat modification, adversely affect any riparian habitat, or interfere with the movement of any native resident or migratory fish or wildlife species. Facilities affected by the 2022 AQMP control measures have already been disturbed and typically do not contain open space, water features, or natural vegetation. Sites might contain landscaping that consists of ornamental trees, vegetation, and turf. The sites of the affected facilities that would be subject to the control measures were not expected to support riparian habitat, federally protected wetlands, or migratory corridors because they are existing, developed, and established industrial and commercial facilities. Additionally, special status plants, animals, or natural communities identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service were not expected to be found on or in close proximity to the affected facilities. PAR 1151 proposes to prohibit the use of pCBtF and t-BAc as

solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. As with the PAR 1151, the manufacture of automotive coating products will continue to occur within the boundaries of existing industrial facilities which have been previously cleared of vegetation and have already been paved for safety and fire prevention reasons. Thus, PAR 1151 would not be expected to result in or have the potential to result in the removal of vegetation with potential to support wildlife. Based upon these considerations, significant adverse biological resources were not expected from implementing the 2022 AQMP. Therefore, the previous conclusion of no impact to biological resources reached in the Final Program EIR for the 2022 AQMP for all control measures including Control Measure CTS-01, which is the basis for PAR 1151, will also apply to PAR 1151.

Cultural and Tribal Cultural Resources: PAR 1151 was crafted to partially implement Control Measure CTS-01 of the 2022 AQMP and as such, proposes to prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. As is the case with Control Measure CTS-01, PAR 1151 will also not require construction activities to install new or modify existing structures. Also, most facilities affected by 2022 AQMP control measures would be located on previously disturbed industrial and commercial sites where there is little likelihood of identifiable artifacts. Consequently, with no expected construction resulting from implementing Control Measure CTS-01, which is the basis for PAR 1151, no city or county planning department approvals for construction activities subject to project-level review, including review for impacts to cultural and tribal and cultural resources, would be required.

In addition, regarding the topic of cultural resources, commercial and industrial areas are generally not located in historic districts, and implementation of the 2022 AQMP control measures, including Control Measure CTS-01 which is the basis for PAR 1151, was not expected to require or cause a substantial adverse change in the significance of a historical cultural resource. For this reason, the Final Program EIR for the 2022 AQMP concluded no impacts for the topic of cultural resources. Since PAR 1151 implements Control Measure CTS-01 from the 2022 AQMP, the previous conclusion of no impact to cultural resources reached in the Final Program EIR for the 2022 AQMP will also apply to PAR 1151.

Further, tribal cultural resources are sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either eligible or listed in the California Register of Historical Resources or local register of historical resources. The provisions of CEQA, Public Resources Code Section 21080.3.1 et seq. (also known as Assembly Bill 52 or AB 52), require meaningful consultation with California Native American Tribes on potential impacts to tribal cultural resources, as defined in Public Resources Code Section 21074. In addition, as part of the AB 52 process, Native American tribes must submit a written request to the relevant lead agency if it wishes to be notified of projects that require CEQA public noticing

and are within its traditionally and culturally affiliated geographical area. South Coast AQMD maintains a list of Native American tribes which wish to receive CEQA notices.

As such, the South Coast AQMD provided a formal notice of the 2022 AQMP to all California Native American Tribes (Tribes) that requested to be on the Native American Heritage Commission's (NAHC) notification list per Public Resources Code Section 21080.3.1(b)(1). The NAHC notification list provided a 30-day period during which a Tribe may respond to the formal notice, in writing, requesting consultation on the 2022 AQMP. However, no Tribes requested consultation during the 30-day comment period for the 2022 AQMP. Since PAR 1151, implements Control Measure CTS-01 from the 2022 AQMP, no separate tribal consultation pursuant to AB 52 to address site-specific requests identified by the tribes would be needed to implement PAR 1151.

The Final Program EIR for the 2022 AQMP concluded less than significant impacts for the environmental topic of tribal cultural resources out of an abundance of caution for all of the control measures combined because some of the control measures could require physical modifications and disturbance to existing structures and/or soil. However, Control Measure CTS-01 was not one of the control measures that was identified as resulting in the potential for any physical modifications, and thus, if evaluated individually, the effect of Control Measure CTS-01 on tribal cultural resources would have no impact. Since PAR 1151 implements Control Measure CTS-01 from the 2022 AQMP, no impact to tribal cultural resources is also expected for PAR 1151.

Geology and Soils: The 2022 AQMP control measures, including Control Measure CTS-01, would not directly or indirectly expose people or structures to earthquake faults, seismic shaking, seismic-related ground failure including liquefaction, lateral spreading, landslides, mudslides, or substantial soil erosion. Most facilities affected by 2022 AQMP control measures would be located on previously disturbed industrial and commercial sites where there is little likelihood of identifiable artifacts. It is possible, however, that cultural or archaeological resources or human remains may nevertheless be discovered. PAR 1151 proposes to prohibit the use of pCBtF and t-BAC as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAC use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will neither require construction activities to install new or modify existing structures nor soil excavation. Therefore, no significant impacts to geology and soils are expected to occur. Further, projects implemented as a result of the 2022 AQMP would be subject to project-level review, including review of both geological and paleontological impacts under CEQA, as applicable. The Final Program EIR for the 2022 AQMP concluded that implementation of the control measures, including Control Measure CTS-01, would not directly or indirectly destroy a unique paleontological resource or site or unique geological feature or result in other significant adverse geology or soils impacts. The previous conclusion of no impact to geology and soils reached in the Final Program EIR for the 2022 AQMP for all control measures including Control Measure CTS-01, which is the basis for PAR 1151, will also apply to PAR 1151.

Energy: The Final Program EIR for the 2022 AQMP previously analyzed energy impacts associated with reformulating automotive coating products by substituting certain chemicals with other chemicals that contain less VOCs, less or no toxics, and no stratospheric ozone-depleting

compounds. The Final Program EIR for the 2022 AQMP control measure, including Control Measure CTS-01, concluded that no energy impacts would occur because manufacturing and reformulation of automotive coating products would comply with any relevant existing energy conservation plans, create no need for new or substantially altered power or natural gas utility systems, create no significant adverse effects on peak and base period demands for electricity or other forms of energy, and cause no adverse effect on energy production or distribution infrastructures. PAR 1151 proposes to prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. Thus, the previous conclusion of no impact to energy reached in the Final Program EIR for the 2022 AQMP for all control measures including Control Measure CTS-01, which is the basis for PAR 1151, will also apply to PAR 1151.

GHG Emissions: Significant changes in global climate patterns have recently been associated with global warming, an average increase in the temperature of the atmosphere near the Earth's surface, attributed to accumulation of GHG emissions in the atmosphere. GHGs trap heat in the atmosphere, which in turn heats the surface of the Earth. Some GHGs occur naturally and are emitted to the atmosphere through natural processes, while others are created and emitted solely through human activities. The emission of GHGs through the combustion of fossil fuels (i.e., fuels containing carbon) in conjunction with other human activities, appears to be closely associated with global warming. State law defines GHG to include the following: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆) (Health and Safety Code Section 38505(g)). The most common GHG that results from human activity is CO₂, followed by CH₄ and N₂O. Traditionally, GHGs and other global warming pollutants are perceived as solely global in their impacts and that increasing emissions anywhere in the world contributes to climate change anywhere in the world. A study conducted on the health impacts of CO₂ "domes" that form over urban areas cause increases in local temperatures and local criteria pollutants, which have adverse health effects.¹² The analysis of GHGs is a different analysis than the analysis of criteria pollutants for the following reasons. For criteria pollutants, the significance thresholds are based on daily emissions because attainment or non-attainment is primarily based on daily exceedances of applicable ambient air quality standards. Further, several ambient air quality standards are based on relatively short-term exposure effects on human health (e.g., one-hour and eight-hour standards). Since the half-life of CO₂ is approximately 100 years, for example, the effects of GHGs occur over a longer term which means they affect the global climate over a relatively long timeframe. As a result, the South Coast AQMD's current position is to evaluate the effects of GHGs over a longer timeframe (e.g., annually) than a single day. GHG emissions are typically considered to be cumulative impacts because they contribute to global climate effects. The South Coast AQMD convened a "Greenhouse Gas CEQA Significance Threshold Working Group" to consider a variety of benchmarks and potential significance thresholds to evaluate GHG impacts. On December 5, 2008,

¹² Jacobsen, Mark Z. "Enhancement of Local Air Pollution by Urban CO₂ Domes," Environmental Science and Technology, as describe in Stanford University press release in March 2010, available at: <https://pubs.acs.org/doi/10.1021/es903018m>

the South Coast AQMD adopted an interim CEQA GHG Significance Threshold for projects where South Coast AQMD is the lead agency (South Coast AQMD, 2008). This interim threshold is set at 10,000 metric tons of CO₂ equivalent emissions (MT/yr of CO₂eq). The South Coast AQMD prepared a “Draft Guidance Document – Interim CEQA GHG Significance Thresholds” that outlined the approved tiered approach to determine GHG significance of projects (South Coast AQMD, 2008, p. 3-10). The first two tiers involve: 1) exempting the project because of potential reductions of GHG emissions allowed under CEQA; and 2) demonstrating that the project’s GHG emissions are consistent with a local general plan. Tier 3 proposes a limit of 10,000 MT/yr CO₂eq as the incremental increase representing a significance threshold for projects where South Coast AQMD is the lead agency (South Coast AQMD, 2008, pp. 3-11). Tier 4 (performance standards) is yet to be developed. Tier 5 allows offsets that would reduce the GHG impacts to below the Tier 3 brightline threshold. Projects with incremental increases below this threshold will not be cumulatively considerable.

Many control measures of the Final Program EIR for the 2022 AQMP are expected to have GHG emissions associated with construction over the short-term; however, construction GHG emissions are amortized over 30 years and are much less than the overall potential operational emissions reductions of GHGs over the long-term. The Final Program EIR for the 2022 AQMP identified potential significant impacts for GHG emissions, however, Control Measure CTS-01, which implements PAR 1151, was concluded to not contribute to the conclusion of significance. The purpose of PAR 1151 is to reduce emissions of VOCs, toxic air contaminants, and stratospheric ozone-depleting compounds from the application of automotive coatings because formulations of these products contain compounds that are primarily comprised of VOCs but can also contain toxics and stratospheric ozone-depleting compounds. However, automotive coatings are not known to contain GHG compounds such as HFCs, PFCs, and SF₆ because these chemicals are typically used in refrigeration and fire suppression application and PAR 1151 does not contain any proposed limitations on the use of GHG compounds. PAR 1151 proposes to prohibit the manufacture, supply, sale and use of automotive coatings containing t-BAC and pCBtF but neither of these compounds are considered a GHG pollutant. In addition, the main focus of PAR 1151 is to revise VOC limits and/or their corresponding effective dates for certain automotive coatings categories, which will result in potentially significant operational air quality impacts for VOC emissions during the Phase I interim period when high-VOC coatings without t-BAC and pCBtF will be used until low-VOC coatings can be reformulated without t-BAC and pCBtF during Phase II. Therefore, no significant GHG impacts are expected. Further, PAR 1151 does not contain any proposed revisions that would require any additional reductions of stratospheric ozone-depleting compounds. As previously explained in the criteria air pollutants impacts discussion earlier in this appendix, automotive coatings are products which are typically applied onto various surfaces and are not utilized in combustion activities whatsoever. Thus, for the same reasons no construction or operation emissions of combustion-generated criteria air pollutants (e.g., NO_x, CO, SO_x, PM₁₀, and PM_{2.5}) are expected to be created if PAR 1151 is implemented, combustion-generated GHG pollutants (e.g., CO₂, CH₄, N₂O) would also not be created if PAR 1151 is implemented. In conclusion, the proposed revisions to the VOC limits and/or their corresponding effective dates for certain automotive coatings categories in PAR 1151 along with the proposed prohibition of t-BAC and pCBtF to reduce toxics contained in certain automotive coatings will have no significant impact on GHG emissions. Therefore, PAR 1151 is not expected to generate GHG emissions either directly or indirectly, that may have a significant impact on the environment. Further,

implementation of PAR 1151 would not be expected to conflict with an applicable plan, policy or regulation adopted for the purpose of reducing GHG emissions since GHG emissions would not be impacted in any way by PAR 1151.

The Final Program EIR for the 2022 AQMP concluded potentially significant GHG operational emissions over the short-term and less than significant GHG emission impacts over the long-term for the entire 2022 AQMP. However, Control Measure CTS-01 was not one of the control measures that contributed to these short- and long-term GHG impacts.

In addition, the Final Program EIR for the 2022 AQMP also concluded that the cumulative air quality impacts for past, present, and reasonably foreseeable future projects may show quantitatively that the emissions benefit of implementing the 2022 AQMP is greater than the expected short-term emission increases in GHG emissions. As such, the cumulative operational GHG impacts were concluded to be less than significant.

Since PAR 1151 implements Control Measure CTS-01, PAR 1151 will not contribute to these aforementioned GHG impacts or make them more severe at the project- or cumulative-level. Thus, PAR 1151 is not expected to result in any additional significant GHG impacts. Since no significant GHG emission impacts were identified for PAR 1151, no mitigation measures are necessary or required. Similarly, since PAR 1151 will not contribute to any of the GHG impacts previously analyzed in the Final Program EIR for the 2022 AQMP, the previous conclusion that cumulative operational GHG impacts would be less than significant and not cumulatively considerable will remain unchanged if PAR 1151 is implemented.

Land Use and Planning: Since the 2022 AQMP does not require construction of major new land use developments in any areas within South Coast AQMD's jurisdiction, none of the control measures, including Control Measure CTS-01, were expected to physically divide any established communities within South Coast AQMD's jurisdiction. For purposes of evaluating potential land use impacts, the analysis assumed that no new rail or truck traffic routes would be constructed, but rather that existing truck and rail routes and corridors would be modified. The truck and rail corridors likely to be involved are primarily associated with rail yards and intermodal facilities in industrial zones within the Southern California area. Since none of the existing transportation routes would likely be modified and no new transportation routes were anticipated, no land use conflicts, or inconsistencies with any general plan, specific plan, local coastal program, or zoning ordinance were expected. Activities that result from implementing the various 2022 AQMP control measures would be subject to project-level review that would assess consistency with adopted land use regulations, including review of impacts to land use and planning under CEQA, as applicable. Any proposed modification to an existing rail or truck traffic route/corridor would require a separate CEQA evaluation. No significant land use impacts were identified because any activities undertaken to implement the 2022 AQMP control measures would be expected to comply with, and not interfere with, applicable land use plans, policies, or regulations of an agency with jurisdiction over the project, including, but not limited to the general plans, specific plans, local coastal programs or zoning ordinances. PAR 1151 proposes to prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other

amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. The previous conclusion of no impact to land use and planning reached in the Final Program EIR for the 2022 AQMP for all of the control measures, including Control Measure CTS-01, will also apply to PAR 1151.

Mineral Resources: The analysis in the Final Program EIR for the 2022 AQMP indicated that there were no provisions in the 2022 AQMP that would result in the loss of availability of a known mineral resource of value to the region and the residents of the state, or of a locally important mineral resource recovery site delineated in a local general plan, specific plan, or other land use plan. PAR 1151 proposes implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. Implementation of the 2022 AQMP control measures, including Control Measure CTS-01, is not expected to result in an increase in the use of mineral resources. The 2022 AQMP was not expected to have any significant effects on the use of important minerals. Therefore, no new demand for mineral resources was expected to occur and no significant adverse mineral resources impacts from implementing the proposed project were anticipated. The previous conclusion of no impact to mineral resources reached in the Final Program EIR for the 2022 AQMP will also apply to PAR 1151.

Noise: Implementation of a project would be considered to have significant adverse noise impacts if any of the following conditions occur: 1) construction noise levels exceed the local noise ordinances or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three decibels (dBA) at the site boundary. Construction noise levels will be considered significant if they exceed federal Occupational Safety and Health Administration (OSHA) noise standards for workers; and 2) the proposed project operational noise levels exceed any of the local noise ordinances at the site boundary or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three dBA at the site boundary. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, neither Control Measure CTS-01 nor PAR 1151 will require construction activities to install new or modify existing structures. Since implementation of CTS-01 and PAR 1151 would not require physical modifications involving construction, no new periodic or temporary ambient noise levels increases in the vicinity of affected facilities, excessive ground borne vibration, and ground borne noise level would be expected. Therefore, implementation of CTS-01 and PAR 1151 is not expected to have an effect on noise. The previous conclusion of no impact to noise reached in the Final Program EIR for the 2022 AQMP regarding Control Measure CTS-01 will also apply to PAR 1151.

Population and Housing The analysis in the Final Program EIR for the 2022 AQMP indicated that none of control measures, including Control Measure CTS-01, were anticipated to generate any significant effects, either direct or indirect, on the population or population distribution of people living in the South Coast AQMD's jurisdiction as no additional workers were anticipated to be required. Consistent with past experience, the analysis also indicated that the existing labor pool within the southern California area would accommodate the labor requirements for any modifications requiring construction at affected facilities. Additionally, the 2022 AQMP control measures, including Control Measure CTS-01, contain no provisions that would cause displacement of substantial numbers of people or housing necessitating construction of replacement housing elsewhere. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAC as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAC use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, neither Control Measure CTS-01 nor PAR 1151 will require construction activities to install new or modify existing structures. Accordingly, population and housing impacts were not expected from the implementation of the 2022 AQMP. The previous conclusion of no impact to population and housing reached in the Final Program EIR for the 2022 AQMP regarding all of the control measures, including Control Measure CTS-01, will also apply to PAR 1151.

Public Services: Fire protection and emergency medical services are provided to affected facilities and residential developments by local county and city fire departments. All activities undertaken as a result of implementing the 2022 AQMP control measures, including Control Measure CTS-01, would be required to comply with fire-related safety features in accordance with the applicable provisions of the adopted California Fire Code, any county or city ordinances, and standards regarding fire prevention and suppression measures related to water improvement plans, fire hydrants, fire access, and water availability. Based on the preceding discussion, implementation of the 2022 AQMP control measures, including Control Measure CTS-01, would not adversely affect the ability of local fire protection to provide adequate service and impacts would be less than significant. Implementation of the 2022 AQMP control measures would not result in an increase in calls for police protection. Implementation of the 2022 AQMP control measures occur at existing facilities or promote transition to low-emitting products but would not facilitate the construction of new development. At existing industrial facilities, on-site security is typical and would be expected to continue with the same demand for police department support as is currently needed. Furthermore, implementation of the 2022 AQMP control measures would not induce population growth either directly or indirectly. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAC as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAC use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. Considering that no increase in local population would be expected to occur as a result of PAR 1151, there would also be no additional demand for new or expanded schools, parks, and libraries such that no other adverse population or housing impacts would be expected. The previous conclusion of no impact to public

services reached in the Final Program EIR for the 2022 AQMP for all of the control measures, including Control Measure CTS-01, will also apply to PAR 1151.

Recreation: Demand for parks and recreational facilities in an area is usually determined by the area's population. Per Population and Housing section, the implementation of the 2022 AQMP control measures, including Control Measure CTS-01, does not include the development of new homes, which would lead to an increase in population and thereby, the need for additional park and recreation facilities. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. The implementation of the 2022 AQMP control measures, including Control Measure CTS-01, would not increase the use of existing neighborhood and regional parks or other recreational facilities, nor would it require construction of new or expanded parks or recreational facilities. The Final Program EIR for the 2022 AQMP concluded that no impacts to park and recreational facilities would occur, and no mitigation measures were necessary in order to implement all of the control measures, including Control Measure CTS-01. Thus, the previous conclusion of no impact to recreation reached in the Final Program EIR for the 2022 AQMP for all of the control measures, including Control Measure CTS-01, will also apply to PAR 1151.

Solid and Hazardous Waste: Implementation of a project would be considered to have significant solid and hazardous waste impacts if the generation and disposal of hazardous and non-hazardous waste exceeds the capacity of designated landfills. The Final Program EIR for the 2022 AQMP concluded that implementation of Control Measure CTS-01 is not expected to result in significant solid and hazardous waste impacts. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAc as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAc use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. Therefore, PAR 1151 will not require construction activities to install new or modify existing structures. The sell-through and use-through provisions in PAR 1151 will allow manufacturers and suppliers to deplete Regulated Products in the warehouse or on the shelf and allows users to use up any remaining product rather than disposing of them. The sell-through and use-through effective dates also accommodate the typical three-year shelf life of these Regulated Products. Of course, when there is unused material under the current version of Rule 1151, contractors and businesses using Regulated Products either dispose of waste material according to the specifications in the manufacturer's product data sheets or recycle the waste material. Under PAR 1151, the disposal practices and the total amount of materials (hazardous and non-hazardous) disposed of would not be expected to change. Therefore, implementation of PAR 1151 would not be expected to create a new need to dispose of unused materials that do not comply with PAR 1151 upon adoption. The previous conclusion of no impact to solid and hazardous waste reached in the Final Program EIR for the 2022 AQMP regarding Control Measure CTS-01 will also apply to PAR 1151.

Transportation: Implementation of the 2022 AQMP control measures, including Control Measure CTS-01, was not expected to substantially alter vehicle mileage or transportation routes. The 2022 AQMP builds upon transportation and related Transportation Control Measure (TCMs) developed by Southern California Association of Governments (SCAG) and included in the SCAG Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). Therefore, the 2022 AQMP control measures would not conflict with a program plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities. As discussed in the Population and Housing paragraph, implementation of the 2022 AQMP was not expected to generate additional employee or population increases. Therefore, no increase in vehicle trips was expected. Therefore, less than significant impacts from the implementation of the 2022 AQMP control measures were expected to occur. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAC as solvents in automotive coatings due to toxicity concerns. The proposed project primarily includes the revised VOC limits for several product categories or new subcategories and the prohibition of pCBtF and t-BAC use in the regulated products. PAR 1151 proposes some other amendments for new labeling and reporting requirements, and for rule clarification or streamlining. As with Control Measure CTS-01, PAR 1151 will not require construction activities to install new or modify existing structures. Under PAR 1151, automotive coatings are expected to be manufactured, formulated, and applied in a similar fashion as occurred with the previous rule version with no expected changes in modes of transportation, delivery, recirculation, and distribution of automotive coatings. The previous conclusion of no impact to transportation reached in the Final Program EIR for the 2022 AQMP for all of the control measures, including Control Measure CTS-01, will also apply to PAR 1151.

Wildfire: Activities that result from implementation of the 2022 AQMP control measures, including Control Measure CTS-01, would not block or otherwise interfere with the use of evacuation routes; nor would they interfere with operations of emergency response agencies or with coordination and cooperation between such agencies. Therefore, there would be no impacts on emergency activities. PAR 1151 proposes to implement Control Measure CTS-01 and prohibit the use of pCBtF and t-BAC in automotive coating formulations due to toxicity concerns. As such, PAR 1151 includes revised VOC limits for several product categories and new subcategories plus a prohibition from using pCBtF and t-BAC in the regulated products. PAR 1151 proposes amendments for new labeling and reporting requirements, and for rule clarification or streamlining. As with Control Measure CTS-01, PAR 1151 will not require construction activities to install new or modify existing structures. The previous conclusion of no impact to wildfire reached in the Final Program EIR for the 2022 AQMP for all of the control measures, including Control Measure CTS-01, will also apply to PAR 1151.

In summary, relative to cumulative impacts, the Final Program EIR for the 2022 AQMP concluded that implementation of all of the control measures, including Control Measure CTS-01, when combined with past, present, and reasonably foreseeable activities, would not contribute to cumulatively considerable impacts to the following environmental topic areas: aesthetics, agriculture and forestry resources, biological resources, cultural and tribal cultural resources, GHG emissions, energy, geology and soils, land use and planning, mineral resources, population and housing, public services, recreation, transportation, and wildfire. However, the Final Program EIR for the 2022 AQMP concluded that implementation of control measures other than Control

Measure CTS-01, would contribute to cumulatively considerable impacts to noise and solid and hazardous waste.

Since implementation of Control Measure CTS-01 via PAR 1151 is expected to have no impact on any of the aforementioned environmental topic areas, there are no new or modified impacts expected from PAR 1151 which would change the previous conclusions in the Final Program EIR for the 2022 AQMP regarding cumulatively considerable impacts.

CONCLUSION

Control Measure CTS-01 of the 2022 AQMP was previously analyzed in the Final Program EIR for the 2022 AQMP, and PAR 1151, which implements Control Measure CTS-01, is not expected to result in new or modified physical changes or impacts that were not previously analyzed in the Final Program EIR for the 2022 AQMP.

The Final Program EIR for the 2022 AQMP concluded that implementation of all the control measures combined would result in potentially significant impacts to the environmental topic areas of air quality and GHG emissions, energy, hazards and hazardous materials, hydrology and water quality, noise, and solid and hazardous waste. However, the Final Program EIR for the 2022 AQMP concluded that implementation of Control Measure CTS-01 would only have potentially significant hazards and hazardous materials impacts, less than significant air quality and hydrology and water quality impacts, and no impacts to the environmental topics of GHG emissions, energy, noise, and solid and hazardous waste. The previous conclusions reached in the Final Program EIR for the 2022 AQMP for Control Measure CTS-01, will also apply to PAR 1151.

For environmental topic areas which were concluded in the Final EIR for the 2022 AQMP to have potentially significant impacts, mitigation measures were adopted. Nonetheless, no environmental topic area identified as having a potentially significant impact in the Final Program EIR for the 2022 AQMP was concluded to be feasibly mitigated to less than significant levels. When combined with the Connect SoCal Plan, the SIP strategies, state policies, and other past, present, and reasonably foreseeable activities, implementation of the 2022 AQMP was concluded to result in significant environmental impacts. No additional feasible mitigation measures to reduce the significant cumulative impacts were identified, and cumulative impacts to the environmental topic areas of air quality and greenhouse gas emissions, energy, hazards and hazardous materials, hydrology and water quality, noise, and solid and hazardous waste remained significant and unavoidable.

Therefore, the environmental impacts associated with implementing PAR 1151 are within the scope of what was previously analyzed in the Final Program EIR for the 2022 AQMP for Control Measure CTS-01. Thus, no new Initial Study would need to be prepared leading to either an EIR or a Negative Declaration pursuant to CEQA Guidelines Section 15168(c)(2). PAR 1151 does not introduce new information which will cause new significant effects or substantially worsen or make more severe significant effects that were previously analyzed in the Final Program EIR for the 2022 AQMP. There is no change to the mitigation measures or alternatives previously considered in the Final Program EIR for the 2022 AQMP. Thus, in accordance with CEQA

Guidelines Section 15168(c)(2), a subsequent EIR would not be required pursuant to CEQA Guidelines Section 15162.

Based on the preceding analysis, pursuant to CEQA Guidelines Section 15168(c)(2), PAR 1151 is considered a later activity within the scope of the 2022 AQMP which was analyzed in the Final Program EIR for the 2022 AQMP. The mitigation measures developed in the Final Program EIR for the 2022 AQMP for the previously adopted Control Measure CTS-01 in the 2022 AQMP upon which PAR 1151 relies are also applicable to the implementation of PAR 1151 and will remain in effect. [CEQA Guidelines Section 15168(c)(3)].

Therefore, PAR 1151 is considered a later activity within the scope of the Final Program EIR for the 2022 AQMP and the Final Program EIR for the 2022 AQMP adequately describes the later activity for the purposes of CEQA such that no new environmental document will be required.

REFERENCES

The 2022 AQMP, along with the December 2022 Final Program EIR for the 2022 AQMP (State Clearinghouse No. 2022050287) and its corresponding Findings, Statement of Overriding Considerations, and Mitigation, Monitoring, and Reporting Plan, upon which the analysis of PAR 1151 relies, are incorporated by reference pursuant to CEQA Guidelines Section 15150 and are available from the South Coast AQMD's website at:

December 2022 Final Program EIR for the 2022 AQMP

Master webpage: <https://www.aqmd.gov/home/research/documents-reports/lead-agency-scaqmd-projects/south-coast-aqmd-projects---year-2022>

December 2022 Final Program EIR for the 2022 AQMP (including Appendices)

<https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-final-peir.pdf>

Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan: <https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-attachment1toresolution.pdf>

2022 AQMP: <https://www.aqmd.gov/home/air-quality/air-quality-management-plans/air-quality-mgt-plan>

Introduction

1. South Coast AQMD, December 2022, 2022 Air Quality Management Plan, <https://www.aqmd.gov/home/air-quality/air-quality-management-plans/air-quality-mgt-plan>.
2. South Coast AQMD, December 2022, Final Program Environmental Impact Report for the 2022 Air Quality Management Plan. <https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-final-peir.pdf>.

Summary of Environmental Impacts

3. South Coast AQMD, December 2022, Attachment 1 to the Governing Board Resolution for the Final Program Environmental Impact Report for the 2022 Air Quality Management Plan -Findings, Statement of Overriding Considerations, and Mitigation, Monitoring, and Reporting Plan. <https://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2022/2022-aqmp-attachment1toresolution.pdf>.

Environmental Impact Area with Potentially Significant Impacts

4. South Coast AQMD Air Quality Analysis Handbook: <https://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook>
5. Southern California Association of Governments, May 2020, Connect SoCal (2020–2045 Regional Transportation Plan/Sustainable Communities Strategy), <https://scag.ca.gov/read-plan-adopted-final-connect-socal-2020>

6. California Air Resources Board, September 2022, 2022 State Strategy for the State Implementation Plan (2022 State SIP Strategy), <https://ww2.arb.ca.gov/resources/documents/2022-state-strategy-state-implementationplan-2022-state-sip-strate>

Environmental Impact Area with Less Than Significant Impacts

7. South Coast AQMD, March 2023, South Coast AQMD Air Quality Significance Thresholds, <https://www.aqmd.gov/docs/default-source/ceqa/handbook/south-coast-aqmd-air-quality-significance-thresholds.pdf>.

Environmental Impact Area with No Impacts

8. Jacobsen, Mark Z. “Enhancement of Local Air Pollution by Urban CO₂ Domes,” Environmental Science and Technology, as describe in Stanford University press release on March 16, 2010: <https://pubs.acs.org/doi/10.1021/es903018m>

APPENDIX B: RESPONSES TO COMMENTS



Public Workshop Comments

Staff held a Public Workshop on September 30, 2024, to provide a summary of PAR 1151. The following is a summary of the verbal comments received on PAR 1151 and staff's responses.

Commentor #1 Doug Raymond – W.M. Barr

Doug Raymond expressed support of an alternative MIR limit for the adhesion promoter coating category and requested that staff update the rule language in paragraph (k)(5) to provide more clarity on acceptable product labeling.

Staff Response to Commentor #1:

Staff expressed appreciation for the support of the alternative MIR limit since staff believes it will provide manufacturers the flexibility to formulate using a variety of solvent options while still meeting the South Coast AQMD air quality goals. After an assessment of existing adhesion promote composition data, staff is proposing an alternative MIR limit of 2.0 g O₃/g VOC for the adhesion promoter coating category.

Commentor #2 Andrew Batenhorst – California Autobody Association (CAA)

Andrew Batenhorst expressed concern that the cost of complying with the proposed amendments will be passed onto autobody shops by the automotive coating manufacturers.

Staff Response to Commentor #2:

Staff acknowledged the commentor's concerns and potential cost impacts to small businesses that a product reformulation may pose, but the toxic health impacts should also be a major concern and priority. Staff expects the overall cost of the coatings in Phase I to decrease since pCBtF is more expensive when compared to solvents used in National Rule compliant product formulations; this should result in a cost savings to businesses. To further minimize any potential impacts on small business, staff is working closely with automotive coating manufacturers to determine the most feasible pathway and timeline to achieve the end goal of removing the toxic compounds and obtaining emission reductions. Additionally, staff will also be conducting a Socioeconomic Impact Assessment that will analyze potential regional economic impacts and will consider the range of probable costs to industry and small businesses.

Commentor #3 Emily Taylor – Axalta

Emily Taylor expressed concern that the six-month timeline after rule adoption for the VOC labeling requirements in paragraph (h)(2) is not sufficient. Commentor suggested a twelve-month timeline after rule adoption or no labeling requirement if the necessary VOC product information is provided upon request.

Staff Response to Commentor #3:

Staff received several similar written comments regarding the challenges of relabeling products sold nationally and, accordingly, revised the proposal to include a 12-month exemption from the labeling requirements.

Commenter #4 Ryan Brown – AkzoNobel

Ryan Brown expressed concern that the proposed amendments would increase costs for the autobody shops and customers due to manufacturers needing to reformulate. Ryan also mentioned that the proposed timeline is not sufficient for the manufacturers to reformulate products to comply with the proposed amendments.

Staff Response to Commentor #4

Staff responded by recognizing that reformulating is a challenge for manufacturers. Due to national rule products being allowed for sale and use during phase I and the high cost of pCBtF, staff expect costs to be lower than current coatings sold for use in the South Coast AQMD. During phase II, staff believes the benefit of removing toxins justify the potential cost increases and the proposed changes are below the cost effectiveness threshold. Staff worked with all of the major automotive coating manufacturers to draft feasible timelines and VOC limits.

Commentor #5 Tim Ronak – AkzoNobel

Tim Ronak expressed concern that the proposed amendments would increase the cost of the manufacturing and supply chain for the affected products, and as a result increase insurance premiums for both shop owners and consumers. Commentor also expressed concern of potential economic impacts that the proposed amendments may have on the South Coast market.

Staff Response to Commentor #5

Staff acknowledged the commentor's concerns and considers potential cost impacts in the rule development process. Staff is working closely with the major automotive coating manufacturers to determine most feasible pathway and timeline that will minimize any potential impacts on the end-user.

Commentor #6 Bruce Williams – Axalta

Bruce Williams acknowledged staff's efforts and agreed with the proposal to remove pCBtF and t-BAc from affected products. Commentor expressed concern on the alignment of the use-through and sell-through timelines for the different VOC limit changes.

Staff Response to Commentor #6

Staff acknowledge the commentor's concerns. Staff aligned the sell-through and use-through timelines for: 1) the Phase I compliant products with the applicable Phase II effective date for their respective categories, 2) the alternative color coating VOC limit in small containers, and 3) the reducer and thinner being reformulated to comply with the PWMIR limit. These alignments will ease the transition as automotive coatings are frequently sold as a system, so each component should be allowed to be sold and used in the same timeframe.

Commentor #7 Rhett Cash – American Coatings Association

Rhett Cash expressed concern about the proposed timelines for the two phases as well as the VOC limits for the color and metallic coatings. Commentor suggested raising the proposed VOC limits for the color and metallic coatings or extending the proposed timelines. Commentor also suggested removing the proposed MIR compliance method for reducers and thinners or increasing the proposed MIR limit. Commentor also suggests the inclusion of volatile methyl siloxane use in the

rule language. Commentor also expresses the difficulties that reporting information on multi-component coatings as proposed would cause.

Staff Response to Commentor #7

Staff acknowledge the commentors concerns and suggestions. After discussing with multiple manufacturers, staff consider the VOC limit timelines to be reasonable to achieve. Staff did increase the proposed MIR limit for thinners and reducers based on further research and input from manufacturers and modified the prohibition level for volatile methyl siloxanes (VMS).

Commentor #8 Ben Mendoza – Kelly’s Bodyshop

Ben Mendoza expressed concern about the impact on small businesses that the proposed changes can cause due to increases in costs. Commentor also asked what other actions South Coast AQMD is taking to improve air quality in the district.

Staff Response to Commentor #8

Staff acknowledge the commentor’s concerns, and further explained some examples of how South Coast AQMD is planning on improving air quality. Staff also recommended reading the Air Quality Management Plan for further information.

Commentor #9 Steve Baran – AkzoNobel

Steve Baran expressed concern for the economic impact to paint shops or other sellers having unsellable stock of the prohibited coatings. Commentor also suggested extending the use-through and sell-through timelines.

Staff Response to Commentor #9

Staff acknowledge the commentor’s concerns and clarified that there will be use-through and sell-through timelines that will allow shops to transition out of the prohibited coatings. Staff did consider revising the use-through and sell-through timelines and made some adjustments.

Commentor #10 – Katy Wolf

Katy Wolf expressed concern over the toxicity of volatile methyl siloxanes. Commentor also expressed concern on allowing use of VMSs, and later having toxicity concerns in the future, similar to the process currently occurring with pCBtF.

Staff Response to Commentor #10

Staff acknowledge the commentor’s concerns and committed to reviewing the proposed amendments to Rule 1151. PAR 1151 retained the prohibition of VMSs but will allow for a slightly higher level, 0.1 percent instead of 0.01 percent, due to the potential for these compounds to be present as a by-product or contaminant.

Commentor #11 Bruce Williams – Axalta

Bruce Williams asked for clarification on the purpose of the carve out for the eight-ounce cans and how it would be practically applied.

Staff Response to Commentor #11

Staff responded by clarifying that the specified rule language was intended to support smaller shops with low usage of solvent based coatings, and the shops would only be able to purchase the solvent based coatings in eight-ounce cans.

Comment Letters

Comment Letter #1



September 11, 2024

Chris Bradley
Planning, Rule Development and Implementation
South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
Email: cbradley@aqmd.gov

Re: Proposed Amended Rule 1151 – Automotive Coatings

Dear Mr. Bradley:

Saint Clair Systems, Inc. is involved in the design and manufacture of viscosity control equipment for fluid dispensing systems. This includes UV/EB/LED cure applications for various customers. We are involved in industrial coatings and automotive finishing, adhesives and sealants, coil coatings, and printing sectors, just to name a few. We welcome the opportunity to comment on the proposed amendments to Rule 1151 – Automotive Coatings.

We appreciate the district's efforts to protect the air, but the current proposal adds a multitude of burdens to our industry and acts as a barrier to the implementation of clean, sustainable technology.

PAR 1151 treats all coating processes alike regardless of their environmental benefit. UV/EB/LED processes are formulated with no Volatile Organic Compounds (VOCs) or toxic air contaminants, and the application and curing process does not emit any Hazardous Air Pollutants (HAPs). Conversion away from solvent-based processes benefits the District, and your Board has provided incentives in the form of regulatory flexibility in several other rules such as R219 and most recently R301.

We strongly oppose the new additional requirements for reporting, recordkeeping and labelling in the latest R1151 proposal. The current Rule 109 requirements cover UV/EB/LED materials and sufficiently provides the district with compliance verification. PAR 1151 creates a whole host of mandates on businesses, even those outside California which will not result in any emission reductions. In fact, these additional requirements will deter businesses from investing in clean technologies like UV/EB/LED. Businesses who are willing to invest in clean technologies should be encouraged to do so. Saddling them with added regulatory costs is a disincentive and will be counterproductive to the District's mission. Thus, we urge the district to:

1-1

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Provide exemptions for UV/EB/LED materials from section (g) Recordkeeping Requirements and section (h) Administrative and Reporting Requirements for Automotive Coating Manufacturers.

We hope we can continue to work with staff to add language that would remedy the harm being done to businesses in the South Coast who are looking to convert to cleaner, safer UV/EB/LED processes thereby providing the district emission reductions above and beyond those currently required in R1151.

1-1

Sincerely,

Michael R. Bonner
Vice President – Engineering & Technology
Saint Clair Systems, Inc.

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586.336.0700 • www.viscosity.com

Staff Response to Comment Letter #1:*Response to Comment 1-1:*

Staff appreciates Saint Clair Systems, Inc. comment letter. Staff agrees that conversion away from solvent-based processes yields an environmental benefit to our region and is also aware that the curing process associated with UV/EB/LED type system is not similar to traditional forms of automotive coatings which typically require air drying. South Coast AQMD rules are technology neutral and does not promote one technology type over another type provided the different technologies achieve the same emission reductions. Staff evaluates all currently available technologies that help meet air quality goals. As part of PAR 1151, staff assessed the current state of all VOC control technologies along with their associated costs prior to proposing a VOC limit. This evaluation was conducted on a class and category basis since each coating category may have their own unique challenges and performance requirements. The technology assessment includes meeting with coating manufacturers, evaluating emissions from existing coatings, and field visits to local businesses of various sizes ranging small volume to high production automotive repair facilities. During field visits, staff identified a business that has invested in the UV curing technology as part of their repair process; the UV curable coating used at this business is an undercoat categorized as a primer surfacer coating and typically limited to one square foot or less. Staff included data for UV primer in the BARCT assessment in Chapter 2; however, the VOC content of the coating is not zero-VOC and is formulated with a VOC content of approximately 200 g/L. While this coating is slightly below the proposed phase II VOC limit, the technology was not the driver of the proposed VOC limit as the high cost and low potential VOC reductions were not demonstrated to be cost effective.

In regard to the requirements in subdivision (g) for recordkeeping, these are not new requirements but existing requirements. The additional paragraphs in paragraph (g)(1) is incorporating by reference all requirements and exemptions under Rule 109 requirements with additional provisions to clarify how end users need to maintain records. Paragraphs (g)(2) and (g)(3) reference emission control systems for facilities that use coatings that exceed VOC limits. Any end user applying high-VOC UV/EB/LED coatings that use an emission control system must keep those records. Furthermore, subdivision (g) incorporates by reference Rule 109, including that rule's exemption from recordkeeping for "super compliant" materials. Rule 109 defines a super compliant material as any material containing 50 grams or less of VOC per liter of material. Rule 109, Paragraph (h)(2) states: "The provisions of this rule shall not apply to any Super Compliant Material(s) used at a facility which can demonstrate that the total permitted and non-permitted facility VOC emissions, including emissions from the super compliant material, do not exceed 4 tons in any calendar year as shown by annual VOC records." Therefore, facilities using the exemption must keep minimal records to verify that their VOC emissions meet the 4 ton per year criteria. An example of this recordkeeping can include, but is not limited to, maintaining all purchase receipts of super compliant material(s) and technical data sheets. Facilities using non-super compliant material(s) in addition to super compliant material(s) are still required to maintain records pursuant to Rule 109 for the non-super compliant material(s).

In regard to reporting requirements, without the reporting data provided by the manufacturers of these low-VOC products, it would not be possible for the South Coast AQMD to determine accurate emission inventories or observe trends in the use of ultra-low VOC content products. Staff relies on submitted Quantity and Emissions Reports (QERs) to determine the progress that has

been made to reformulate to lower VOC products. The sales volume reported from these lower VOC products also provides an indication of market acceptance. If UV/EB/LED or low-VOC technologies were to be excluded from the QERs, the technology would remain unnoticed as a potential clean technology alternative.

Comment Letter #2



September 13, 2024

Mr. Christopher Bradley
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765

RE: South Coast Air Quality Management District Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations; ACA Comments

Dear Mr. Bradley:

The American Coatings Association (ACA) submits the following comments to the South Coast Air Quality Management District (SCAQMD) regarding Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. ACA is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory, and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services. ACA appreciates the opportunity to comment and looks forward to working with SCAQMD throughout the rulemaking process.

VOC Limits for Color Coatings, Metallic Color Coatings, and Tinted Mid-Coats

Some coatings manufacturers have expressed concerns with the proposed Phase II VOC limit of 250 g/L for color coatings, metallic color coatings, and tinted mid-coats. These concerns stem from technical and color matching challenges associated with reformulation of these products. In addition, some coatings manufacturers anticipate that the development of tinted mid-coats using waterborne technology will be very challenging. Due to these outstanding issues, ACA encourages the District to consider increasing the Phase II VOC limits for color coatings, metallic color coatings, and tinted mid-coats to 420 g/L. This VOC limit is consistent with the current VOC limits in effect for these products.

If SCAQMD decides to move forward with the Phase II VOC limit of 250 g/L for color coatings, metallic color coatings, and tinted mid-coats, then ACA requests that the District include an effective date of 1/1/2031 for these three categories. It will be very difficult for industry to complete the amount of work needed to reformulate with respect to color matching, the number of toners required, scale-up, color retrieval system updates, and launch logistics within SCAQMD's proposed timeline of 1/1/2030. A 1/1/2031 timeframe will give industry an additional year to develop, formulate, and test its products to ensure the availability of effective coatings as well as compliance with the new rule requirements. An additional year also aligns with SCAQMD's federal ozone requirements to record VOC emissions reductions prior to 2032.

2-1

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VOC Limit for Gloss Clear Coatings

SCAQMD's proposed Phase II VOC limit for gloss clear coatings is 250 g/L. This VOC limit will be particularly challenging due to the technological methods of addressing the lower limit. Industry is not aware of current or foreseeable technology that has demonstrated the ability to replicate OEM appearance with refinish coatings, along with required drying speed. ACA encourages the District to consider increasing the Phase II VOC limits for gloss clear coatings to 420 g/L. This VOC limit is consistent with the VOC limit for these product types in the EU.

2-2

Group II Exempt Compound Language

ACA encourages SCAQMD to consider increasing the threshold in paragraph (f)(8) to 0.1 percent by weight. Of particular concern for industry is the Group II Exempt Compounds in subparagraph (f)(8)(A) and the use of volatile methyl siloxanes (VMS). The use of VMS has been allowed in other coatings rules in the District, including amended Rule 1168. The limited use of VMS is common in the ceramic coatings market, including DIY and specialty detailing services for car enthusiasts. As such, ACA supports a threshold of 0.1 percent by weight instead of 0.01 percent by weight in paragraph (f)(8). This small threshold increase would be helpful for the impurity levels of certain VMS that are unavoidable with other silicone chemistries that are not Group II Exempt.

2-3

Provisions for Reducers/Thinners

ACA requests that SCAQMD remove all provisions and requirements related to reducers/thinners. ACA believes that the underlying reason for including specific requirements for reducers/thinners is due to enforcement issues within the District. The issue is not with the products themselves.

In addition, it's important to note that the VOC content of reducers/thinners is already regulated through the VOC limits of the other coatings categories. It is redundant to have both PW-MIR limits for reducers/thinners and VOC limits on the ready-to-spray mixtures that use the same reducers/thinners. It also adds unnecessary constraints to an already limited formulation toolbox for coatings manufacturers. Consequently, ACA encourages SCAQMD to remove all provisions and requirements for reducers/thinners from Rule 1151.

2-4

Reporting Requirements

The new QER reporting requirements outlined in paragraph (h)(4) will be burdensome for coatings manufacturers. In particular, the requirement for multi-component coatings in subparagraph (h)(4)(H) will be impossible for coatings manufacturers to report. It will require manufacturers to collect ready-to-spray data from every automotive refinish shop and customer that they sold automotive coating components to within SCAQMD for the reporting timeframe. These shops and customers mix the ready-to-spray coatings to color match a substantial number of different colors as is needed to match the color on other parts of automobiles and mobile equipment. The sheer amount of data that will be collected, collated, and formatted for the QER is untenable. With that said, the information from each individual shop or customer is available to SCAQMD during facility inspections. When an individual shop or customer is asked to produce this information during an inspection, it is much less data than what would be required to be aggregated for the QER. ACA urges SCAQMD to remove subparagraph (h)(4)(H). If the District proceeds with the reporting requirement in subparagraph (h)(4)(H), industry needs additional detail and specificity.

2-5

In addition, subparagraph (h)(4)(F) will require manufacturers to report annual volumes sold into the District, including products sold through distribution centers located within or outside the District. Many third-party distributors are reluctant to share details around sales to customers that are not under a rebate program or contract with the coatings manufacturer, as the distributors may view this non-contractual or rebated business as theirs to manage on their own. Coatings manufacturers may be forced to update distribution agreements to specify that distributors must comply with this new data requirement or risk being deauthorized as a distributor. However, there are some warehouse distributors that supply small jobbers with no contracts, who may not have formal agreements in place to fall back on in the event a jobber resisted providing the sales information. This requirement places the compliance burden on coatings manufacturers, but the data that the District wants reported is actually held by other parties in the distribution chain. ACA encourages SCAQMD to remove subparagraph (h)(4)(F).

2-6

Definitions

Paragraph (c)(5) defines Automotive Coating as “any Coating used or recommended for use in Motor Vehicles, Mobile Equipment, or Associated Parts and Components in refinishing, service, maintenance, repair, restoration, or modification, except metal plating activities.” However, section (c) does not define or clarify the differences between refinishing, repair, and/or restoration. Repair and/or refinishing may also be considered processes that restore a vehicle’s appearance back to its original condition. ACA encourages SCAQMD to clarify the terms “refinishing,” “repair,” and “restoration.”

2-7

Epoxy Primer Category

Section (c)(14) of the revised preliminary draft rule language states that an epoxy primer must be labeled and formulated for vehicle restoration and that restoration is the process of restoring a vehicle’s appearance back to its original condition. ACA requests that SCAQMD provide rationale for creating the epoxy primer category and its limitation of use to restoration.

In addition, ACA is seeking clarification on whether epoxy primers can be used for other purposes outside of restoration. There is also a concern that the rule language indicates manufacturers may only sell epoxy primers to those who will use the primer in restoration processes. Please clarify if the sales of epoxy primers for non-restoration use is prohibited. If allowed, please provide additional detail regarding the expected language for the labels and product literature.

2-8

Definitions of Matte-Clear Coating and Gloss Clear Coating

The definition of matte-clear coating in paragraph (c)(20) should be defined differently to accommodate clear coatings that have a mid-range value for gloss units and more closely align with how gloss is measured for these types of coatings. ACA suggests the following revised definitions for matte-clear coatings and gloss clear coatings:

MATTE-CLEAR COATING means any Automotive Coating that is formulated with materials that do not impart color and is specifically labeled and formulated for application over a Color Coating or a previous layer of a Matte-Clear Coating, that registers a gloss of less than ~~49~~ 85 units on a 60-degree meter, according to ASTM Test Method D523.

2-9

GLOSS CLEAR COATING means any Automotive Coating that is formulated with materials that do not impart color and is specifically labeled and formulated for application over a Color Coating or

Clear Coating, which registers a gloss of ~~40~~ 85 units or greater on a 60-unit degree meter, according to ASTM Test Method D523.

2-9
Cont.

ACA recommends that the gloss cutoff be changed from 40 to 85 units at a 60-degree angle.

Alternative VOC Limit for Color Coatings & Package Size

ACA encourages SCAQMD to increase the package size to 1 quart (32 fluid ounces) for color coatings and metallic color coatings utilizing the alternative VOC limit provisions in paragraph (d)(3). Current shop usage of small volume ready-to-spray coatings exceed 8 ounces. Industry is also seeking clarification on whether this packing size alternative is for the automotive coating component or for the ready-to-spray mixture.

2-10

Labeling Requirements for Coatings Manufacturers

ACA encourages SCAQMD to consider either removing the labeling requirements in subparagraphs (h)(2)(A)-(B) or revising the labeling exemption in paragraph (k)(5) to one year from the date of rule adoption for Phase I products. U.S. EPA's National Rule does not require this information to be on the product label. Industry will be utilizing its current inventory that complies with both U.S. EPA's National Rule and SCAQMD's proposed Phase I requirements. It will be burdensome for industry to relabel its products with the additional information in subparagraphs (h)(2)(A)-(B). Over-stickering also adds unnecessary time, labor, and cost to the supply chain. In addition, if manufacturers are including the information in subparagraphs (h)(2)(A)-(B) on its current National Rule product labels, the categories may not align exactly with those defined in Rule 1151 and would likely create confusion for enforcement.

2-11

In lieu of the labeling requirements in subparagraphs (h)(2)(A)-(B), coatings manufacturers are able to provide this information on their VOC compliance wallcharts. These resources are available on the internet and would be as accessible to the District as the information on the actual product label.

Errors in Preliminary Staff Report – Table 2-12

ACA noticed several errors in Table 2-12 in the preliminary draft staff report. The values for several categories are incorrect or misrepresented in the "National Rule Limits (g/L)" column. ACA encourages SCAQMD to review and correct Table 2-12 in the staff report for accuracy and clarity.

2-12

Conclusion

Thank you for your consideration of ACA's comments. Please do not hesitate to contact me if you have any questions or require additional clarification.

Sincerely,



Rhett Cash
Counsel, Government Affairs

Submitted via email

Staff Response to Comment Letter #2:

Response to Comment 2-1:

Staff understands the concern some manufacturers may have regarding the proposed Phase II VOC limit of 250 g/L for color coatings, metallic coatings, and tinted mid-coats. However, staff has received feedback from several manufacturers that offer product lines for color coatings, metallic coatings, and tinted mid-coats that are currently commercially available and formulate at or below 250 g/L. Given that the compliant technology is available today, staff believes that the proposed effective date of 1/1/2030 is reasonable and provides sufficient time for manufacturers to reformulate and address color matching challenges. Several manufacturers have indicated they are currently working on reformulation efforts. Maintaining the effective date of 1/1/2030 is necessary to demonstrate attainment with the 2015 8-hour ozone National Ambient Air Quality Standards (NAAQS) for the South Coast Air Basin by 2032, and most importantly, sets the pathway for an expedited phase-out of pCBtF and t-BAc as soon as practicable. Staff is maintaining the Phase II VOC limit proposal of 250 g/L since the technology is readily available.

Response to Comment 2-2:

Staff acknowledges that reformulation efforts and subsequent testing necessary to comply with a Phase II limit of 250 g/L for the gloss clear coat category can be a challenging process. Staff identified some water-based products currently available on the market which demonstrates it is technically feasible. PAR 1151 allows for several more years of testing and reformulation before the 250 g/L limit goes into effect. An effective date of 1/1/2030 should provide sufficient time to address the expressed challenges. Staff worked closely with coating manufacturers in developing the timelines and they have generally agreed with the proposed timeline for developing a suitable replacement that meets OEM requirements. Staff held several meetings with multiple coating manufacturers, and none expressed a major concern with the proposed Phase II limit of 250 g/L or its implementation timeline. Many manufacturers anticipated the upcoming prohibition of pCBtF and started working on reformulating and testing new products prior to this rule amendment.

Response to Comment 2-3:

Staff agrees with the concern associated with the presence of volatile methyl siloxanes (VMS) associated with silicone chemistries and thus have increased the threshold in paragraph (f)(7) from 0.01 percent to 0.1 percent by weight for VMS.

Response to Comment 2-4:

The PW-MIR limit for reducers and thinners proposed by staff was added in part to address the enforcement issues with non-compliant reducers being used throughout the South Coast AQMD. These non-compliant reducers are used as replacement for the recommended reducer/thinner specified by the manufacturer and when the non-compliant reducers are mixed with a basecoat, clear coat, or primer, the ready-to-spray mixture no longer complies with the VOC limit of their respective category. PW-MIR limits are applicable to stand alone reducer/thinners and are intended to reduce the amount of ozone created from the use of autobody coatings. Staff acknowledges there will be some reformulation necessary to meet the PW-MIR limit and based on the comments received, have increased the proposed limit from 1.0 to 1.5 g O₃/g VOC. Some existing reducers and thinners already meet this limit and an effective of 2030 allows time for the remaining reducers and thinners to comply. The PW-MIR will require coating manufacturers to prioritize solvents with lower-MIR to comply.

Response to Comment 2-5:

Staff worked to establish a balance between obtaining the necessary data while minimizing the impact on the regulated industry. Accurate inventory data is critical for planning, and most emissions from automotive coatings are from small autobody and collision shops that do not report their emissions to the South Coast AQMD; therefore, there is very limited data available to determine the emission inventory, product availability, and product trends.

To address the lack of data, the South Coast AQMD conducted a voluntary survey of product sales as part of rule development. The results from the survey are not a complete inventory because only five out of seven autobody coating manufacturers responded. Mandatory reporting in other coatings rules, such as Rule 314, which requires annual reporting and fees, provides clear benefits: emissions trends over time, enhanced understanding of the primary categories contributing to emissions and the widespread availability of low-VOC products in many applications.

Staff understands that reporting takes resources and therefore is only requiring reporting every five years starting in 2030. This strikes a balance between the need for accurate emission information and the burden of reporting on manufacturers. In addition, the reporting requirement is proposed to sunset in 2040.

Staff did make revisions to the reporting requirements for multicomponent coatings by only requiring the maximum regulatory VOC and maximum actual VOC for a product line. This will help streamline the reporting for the manufacturers and provide more meaningful data for the South Coast AQMD. In an instance where there are multiple colors in a product line, those colors can be reported as one line item with the maximum VOC content and volume sold.

Response to Comment 2-6:

Staff understands there will be challenges with the reporting requirements; however, PAR 1151 established the first reporting deadline sufficiently far in the future to accommodate any manufacturer and distributor agreements. In general, South Coast AQMD has stricter VOC limits for many types of products so the manufacturers must have a way to track those sales to ensure only compliant products are coming into our jurisdiction. They also must plan on the volume of coatings they must manufacture to meet the demand for coating sales within our jurisdiction; therefore, they should be able to accurately determine the sales for the specified years they will be required to report. The reporting requirements are very similar to other VOC reporting rules but with a longer timeframe between reports.

Response to Comment 2-7:

Staff believes it is not necessary to clarify the terms “refinish,” “repair,” or “restoration” since the terms are understood in plain language and the process for all three terms equates to restoring a vehicle appearance to its original appearance. Staff removed the reference to the term “restoration” in the definition of an epoxy primer because it created ambiguity.

Response to Comment 2-8:

PAR 1151 includes a new category for epoxy primers based on feedback from a coating manufacturer who expressed concerns about the ability to formulate an epoxy primer at or below 250 g/L VOC limit without the use of pCBtF. Staff identified several low-VOC epoxy primers;

however, they do use pCBtF. Staff created a carve out to allow for a slightly higher VOC limit of 340 g/L to achieve the desired performance. Based on sales-volume data, the volume for this category is fairly small when compared to other types of primers.

Response to Comment 2-9:

The definition of matte clear coating was intended to address a niche category of specialty clear coatings, used on a limited number of vehicles, that measure 40 units or less on a 60-degree meter. Manufacturers have indicated that matte clear coatings require a higher VOC limit due to the additional solvent used as a carrier for the matting agents that achieve the matte finish. Matte clear coatings are used in relatively small volumes and are not common compared to their gloss clear coating counterpart.

Staff does not believe that it is necessary to revise the definition for gloss clear coats from 40 to 85 units on a 60-degree meter; however, staff understands that vehicles gloss can change over time making repair and gloss/color matching challenging. A vehicle that left the factory at a gloss level well below 40 units can in time, increase to a gloss to above that level. Staff does not agree with establishing a gloss level for “matte clear coatings” as high as 85-gloss units, that level is clearly a high gloss coating. Staff is proposing to increase the gloss level for a “matte clear coating” to 70 units to address the challenges for repairing and matching lower-gloss clear finishes and will monitor the QERs to determine if adjustments are needed to the gloss levels and VOC limits in the future. Matte finishes are more of a niche category at this time, but their popularity is increasing which mean the emissions could increase because of this high VOC carve out.

Response to Comment 2-10:

The packaging size alternative is for any autobody coating or component purchased for use by an autobody shop. The intent of this alternative VOC limit is to allow for small autobody shops that have not transitioned to water-based coatings to continue to use solvent-based color coatings until the future effective Phase II date goes into effect. The alternative packaging size is to help address challenges and lessen the impact on small shops and individuals who purchase half pints for small jobs. Staff does not agree with increasing the packaging size to one quart since many individuals purchase only small amounts that are necessary; however, staff did include a longer pCBtF phase-out period for color coatings to allow time for the medium-sized shops who are using mixing equipment that will not accommodate half-pint cans. This extra time will allow for the needed training for painters to learn how to properly apply water-based color coatings.

Response to Comment 2-11:

Staff does not agree with removing the labeling requirements in subparagraph (h)(2)(A) and (h)(2)(B) but does agree with the suggestion for revising the labeling exemption in paragraph (k)(5) to one year from the date of rule adoption for Phase I products.

Response to Comment 2-12:

Staff appreciates pointing out the error in the table. The table that is being referenced is Table 2-8 in this draft staff report, it was Table 2-12 in the preliminary draft staff report. Staff will provide that update.

Comment Letter #3



September 13, 2024

Mr. Christopher Bradley
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765

RE: South Coast Air Quality Management District Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Dear Mr. Bradley:

The W.M. Barr & Company, Inc. appreciates the opportunity to comment on the South Coast Air Quality Management District (SCAQMD) proposed amendments to Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations.

The W.M. Barr & Company, Inc. is a major supplier of Multi-purpose Solvents and Paint Thinners to the retail market under our Klean-Strip® brand. Our family of brands supports consumers in their efforts to maintain clean and well-maintained homes. We also support the automotive paint and body industry bringing our expertise in paint removal, surface preparation and adhesion promoter technologies to life through our Bulldog® and Klean-Strip Automotive® brands.

VOC Limits

W.M. Barr supports the proposed VOC limits for the Adhesion Promoter category for Phase I and Phase II. While the Phase II date of 1/1/2028 and VOC limit of 740 g/l will be challenging, W.M. Barr will make every effort to reformulate their product to meet this limit. W.M. Barr also suggests that an alternative future effective limit for Adhesion Promoters could be between 2.0 and 2.5 MIR. The use of Reactivity to control VOC emissions is a new and evolving Science Based alternative to Mass based VOC limits. MIR limits may provide a key pathway for meaningfully reducing ozone generation while maintaining optimal product performance. W.M. Barr encourages the district to expand its regulation into Reactivity VOC limits.

3-1

Definitions

W.M. Barr also supports changes to the definition of Adhesion Promoter. The new definition more clearly describes the use of this product category.

3-2

Phase I implementation

W.M. Barr appreciates the ability to sell product that complies with the US EPA National VOC limits for the Adhesion Promoter in the first phase so that there is time to reformulate out of the compound tert-Butyl acetate (t-BAC). This reformulation period will allow the paint and body shops to have access to a product that supports appropriate paint adherence, preventing unnecessary additional paint repairs and VOC releases, while quickly reducing t-BAC usage.

3-3

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www.wmbarr.com

|1



Currently the US EPA National VOC labeling does not require the wording in section (h)(2)(A)-(B). W.M. Barr will be quickly making label changes to send product into the Air Quality Management District that is correctly labeled in accordance with section (h)(2)(A)-(B), but it will be difficult to ensure that older stock produced without the need for this terminology does not enter the channels of trade. We appreciate that section (k)(5) provides some relief, but respectfully the sales allowance for US EPA Nationally labeled product be applied for at least nine months or preferably one year to allow time for Rule 1151 Phase 1 compliant product without this specific label language to move through our distribution network. W.M. Barr supports the comments of the America Coatings Association as it relates to this issue.

3-4

Summary

W.M. Barr & Company, Inc. supports the staff proposal for the VOC limits and dates for the Adhesion Promoter. Likewise, W.M. Barr supports the definition change for the Adhesion Promoter category. Our company is respectfully requesting sales allowances for US EPA Nationally labeled product be extended to nine months or one year instead of six months as currently proposed.

3-5

W.M. Barr & Company, Inc would like to thank the staff for all their hard work. As well for the staff's willingness to engage in discussions on the proposed amendments and meet with us to iron out differences. Any questions or comments feel free to contact our consultant Doug Raymond at 440-339-4539 or at djraymond@me.com.

Sincerely,

Amanda Burwell

Amanda Burwell M.P.H
 Director of Regulatory Affairs | W.M. Barr
 C: (901) 426-0958
 1715 Aaron Brenner Dr. 1 Suite 600 1 Memphis. TN 38120
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cc: Heather Farr
 cc: Doug Raymond

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2

Staff Response to Comment Letter #3:

Staff Response to Comment Letter #3:

Response to Comment 3-1:

Staff appreciates W.M. Barr & Company for submitting the comment letter and support of the proposed VOC limits for adhesion promoter categories. Staff's assessment of potential PW-MIR values for the adhesion promoter category concluded that a PW-MIR value of 2.0 g O₃/g VOC is appropriate for the category and aligns with W.M. Barr's suggestion.

Response to Comment 3-2:

Staff appreciates support for the revised definition of adhesion promoters.

Response to Comment 3-3:

Thank you for the comment and staff appreciates the reformulation efforts to phase out of t-BAC as soon as practicable.

Response to Comment 3-4:

Please see response to comment 2-12. Thank you.

Response to Comment 3-5:

Thank you for supporting of staff's proposal and staff appreciates W.M. Barr's continual engagement with staff to address key concerns.

Comment Letter #4

September 12, 2024

Mr. Chris Bradley
Planning, Rule Development and Implementation
South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
Email: cbradley@aqmd.gov

Re: Proposed Amended Rule 1151 – Automotive Coatings-- OPPOSE

Dear Mr. Bradley:

Miwon Specialty Chemical Co., Ltd. is involved in the production and distribution of raw materials that are used in ink and coating formulations that are cured by exposure to UV and LED light or an electron beam. Many of our customers have manufacturing facilities in California. We welcome the opportunity to comment on the proposed amendments to Rule 1151 – Automotive Coatings. We appreciate the district’s efforts to protect the air, but the current proposal adds a multitude of burdens to our industry and, more importantly, acts as a barrier to the implementation of clean technology. Therefore, we stand opposed to the draft version of the proposed rule.

PAR 1151 treats all coating processes alike, regardless of their environmental benefit. UV/EB/LED processes are not formulated with Volatile Organic Compounds (VOCs) or toxics air contaminants. Conversion away from solvent processes benefits the District and your Board has provided incentives in the form of regulatory flexibility in several other rules such as R219 and most recently R301.

4-1

We strongly oppose the new additional requirements for reporting, recordkeeping and labelling, in the latest R1151 proposal. The current Rule 109 requirements cover UV/EB/LED materials and sufficiently provide the district with compliance verification. PAR 1151 imposes a whole host of mandates on businesses, even those outside California, which will not result in any emission reductions. In fact, these additional requirements will deter businesses from investing in clean technologies like UV/EB/LED. Businesses who are willing to invest in clean technologies should be encouraged to do so and saddling them with added regulatory costs will be counterproductive to the district’s mission. Thus, we urge the district to:

4-2

Provide exemptions for UV/EB/LED materials from section (g) Recordkeeping Requirements and section (h) Administrative and Reporting Requirements for Automotive Coating Manufacturers.

We hope we can continue to work with staff to add language that would remedy the harm being done to businesses in the South Coast who are looking to convert to UV/EB/LED processes thereby giving the district emission reductions above and beyond those currently required in R1151.

4-3

Sincerely,

Paul Elias
Director
Miwon Specialty Chemical USA

Staff Response to Comment Letter #4:

Response to Comment 4-1:

Staff appreciates Miwon Specialty Chemical USA for taking the time to submit the comment letter. Please see response to comment 1-1.

Response to Comment 4-2:

Please see response to comment 1-1.

Response to Comment 4-3:

Please see response to comment 1-1.

Comment Letter #5



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September 13, 2024

Mr. Christopher Bradley
 Planning, Rule Development and Implementation
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765

SENT BY EMAIL
cbradley@aamd.gov

RE: BASF Comments on South Coast Air Quality Management District Proposed Amended Rule 1151

Dear Mr. Bradley,

BASF submits the following comments to South Coast Air Quality Management District (SCAQMD) regarding Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. BASF manufactures and sells automotive refinish coatings into the North American market under the brands Glasurit®, R-M®, baslac®, Limco®, and Norbin®. BASF refinish products are currently used by over 8,000 body shops across the US. BASF appreciates the opportunity to work with SCAQMD throughout the rule amendment process, including this opportunity to comment on the preliminary draft rule.

VOC Limits for Basecoats

BASF supports SCAQMD's proposal to implement a Phase II VOC limit of 250 g/L for basecoats, which includes the existing category Color Coating, and the proposed new categories Metallic Color Coating and Tinted Mid-Coat.

BASF's Glasurit® 100 Line waterborne basecoat system has been commercially available in North America since 2020 and is already used at over 800 body shops across North America today. 100 Line has a maximum VOC content of 250 g/L for all colors – including solid colors, metallic colors and mid-coat layers – and does not contain the solvents PCBTF or TBAC. More information about 100 Line, including VOC wallcharts, TDSs and SDSs can be found on our website: <https://refinish.basf.us/brands/glasurit/>

BASF also offers several other waterborne basecoat systems which have a maximum ready-for-use VOC content of 420 g/L for all colors and including mid-coats, without PCBTF or TBAC. Lowering the proposed Phase I VOC limit for the Tinted Mid-Coat category from 750 g/L to 420 g/L could be another VOC emissions reduction opportunity for SCAQMD to consider, as compliant products are already commercially available today.

BASF has already provided the maximum VOC content data for 100 Line and our other products to SCAQMD via our timely response to the Rule 1151 Coating Manufacturer Survey. We note, however, that *Figure 2-4: Metallics and Solid Color VOC Content* on pg. 2-16 of the Preliminary Draft Staff Report released on August 16, 2024 does not accurately reflect the data BASF provided in the survey, which is that 250 g/L VOC content is achievable today for all colors, including solid and metallic colors. We request that SCAQMD consider correcting *Figure 2-4* for the Final Staff Report.

Given that compliant technology is commercially available today, BASF supports SCAQMD's ambition to implement the 250 g/L Phase II VOC limit for basecoats as soon as practical, to realize VOC emission reductions earlier.

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5-1



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VOC Limits for Primer Surfacer and Primer Sealer

BASF supports the Phase II VOC limit of 250 g/L for the Primer Surfacer and Primer Sealer categories, as proposed in the Revised Preliminary Draft Rule released on September 3, 2024.

This VOC limit will provide coatings manufacturers with some flexibility to develop different solutions to satisfy the gamut of body shop needs and provide the performance properties required for OEM certifications. Given that 250 g/L is the current VOC limit for primers in Rule 1151, maintaining 250 g/L as the VOC limit for Phase II will not lead to an increase in VOC emissions when compared to today. Any further lowering of the VOC limit for primers and primer surfacers will limit the types of technology coatings manufacturers can develop and could lead to lower productivity for body shops, decreased product performance and challenges passing OEM certifications for the coating system.

While waterborne primers with lower VOC levels may be suitable for quick repairs of small areas, they may not be suitable for full body repairs, nor provide all the properties body shops need for the wide variety of repairs and substrates they may need to deal with. Waterborne primers also have longer dry times than solventborne primers, which will slow down body shops and impact their productivity. Attempting to improve drying by introducing reactive primers and/or increased bake time could make the primers more difficult to sand. Further, this increased usage of heat for curing waterborne primers will lead to more energy usage from electric or gas sources at body shops. Repairs done using waterborne primers will also have a decreased likelihood of passing OEM certifications, as properties such as salt spray, humidity and stone chip resistance will be difficult to achieve. Water from the basecoat layer could penetrate into the primer layer, resulting in a shorter lifetime of the coating. If the coating system does not pass OEM certifications, body shops would not be able to complete OEM warranty repairs, resulting in business loss for shops in SCAQMD.

In summary, not all primers are interchangeable or universal in application usage. Coatings manufacturers need the flexibility of a higher VOC limit in order to develop a variety of primer surfacer and primer sealer solutions.

5-2

Matte Clearcoat Definition

The proposed definition of Matte Clear Coating is too narrow, and does not encompass the full range of gloss levels that are considered matte. The typical range of gloss levels for matte clearcoats is between 0-85 units, measured at a 60 degree angle. The gloss level may vary based on the specific car part being coated. For example, trim pieces may require higher gloss levels than the main body and gloss levels for vertical coated panels may differ from horizontal coated panels. Further, matte clearcoats applied over light and pure silver colors may also require a higher gloss level.

Since automotive OEM matte clearcoats all have different levels of gloss, refinish coatings manufacturers need to provide products that are flexible enough for body shops to be able to match the appearance of the coating on any car.

Therefore, BASF requests SCAQMD revise the definitions of Matte Clear Coating and Gloss Clear Coating as follows:

5-3

MATTE-CLEAR COATING means any Automotive Coating that is formulated with materials that do not impart color and is specifically labeled and formulated for application over a Color Coating or a previous layer of a Matte-Clear Coating, that registers a gloss of less than **40-85** units on a 60-degree meter, according to ASTM Test Method D523.

GLOSS CLEAR COATING means any Automotive Coating that is formulated with materials that do not impart color and is specifically labeled and formulated for application over a Color Coating or Clear Coating, which registers a gloss of **40-85** units or greater on a 60-~~unit~~ **degree** meter, according to ASTM Test Method D523.

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PWMIR Requirement for Reducers and Thinners

BASF requests that SCAQMD consider eliminating the proposed new PWMIR limit for Reducers and Thinners. The VOC content of Reducers and Thinners is already regulated via the VOC limits for ready-for-use coatings. Adding a PWMIR requirement on top of this is redundant and adds unnecessary constraints to coatings manufacturers' already limited formulation toolbox.

Alternately, if SCAQMD insists on introducing this new PWMIR requirement for Reducers and Thinners, BASF requests that SCAQMD consider updating the sell-through and use-through provisions for Reducers and Thinners in paragraph (d)(6) to 24 and 36 months, respectively, to align with the sell-through and use-through provisions for the other coatings categories set forth in paragraph (d)(5). Many National Rule or European products which comply with Phase I VOC limits rely on reducers with PWMIR values >1.0 when mixed to be ready-for-use. We appreciate that SCAQMD adjusted the effective date in Table 2 to align with the latest proposed Phase II effective date of 2030. Similarly aligning the sell-through and use-through provisions in paragraphs (d)(5) and (d)(6) will ensure that all phase-out timings match and prevent confusion for distributors and end-users.

5-4

Reporting Requirement

BASF requests that SCAQMD consider removing or revising the new Quantity and Emission Report (QER) requirement set forth in paragraph (h)(4), as it will lead to increased administrative and recordkeeping requirements which will be burdensome to coatings manufacturers and distribution partners.

Subparagraph (h)(4)(F) introduces a requirement for coatings manufacturers to report "total annual volume sold into or within [SCAQMD], including products sold through distribution centers located within or outside [SCAQMD]." Details on product sales through third party distributors may not be readily available to coatings manufacturers, and distributors may be reluctant to share such details with manufacturers.

Additionally, the proposed reporting requirement for multi-component automotive coatings, as outlined in subparagraph (h)(4)(H), should be removed or revised. A vast majority of automotive refinish coatings are not supplied as ready-for-use coatings, but instead must be mixed with reducers, hardeners and/or additives in manufacturer-specified mixing ratios prior to application. Industry standard for communicating mixing ratios and maximum VOC content of ready-for-use coatings is via the TDS and/or Wallcharts. Examples of BASF wallcharts can be found on our website: <https://refinish.basf.us/?s=wallchart+south+coast>.

5-5

The specific reducer or hardener that a body shop painter chooses for a given job is dependent on many factors, including the temperature and humidity. It's not possible for a coating manufacturer to know exactly what products were mixed together for every job; therefore, it's not possible for the coatings manufacturer to correlate product sales volumes to specific product mixing combinations, since these decisions occur at the body shop level.

Further, for color coatings, each basecoat system consists of approximately 80 toners, which can be used in various combinations to match any color that has been painted on a car, amounting to tens of thousands of colors. Therefore, it would be incredibly burdensome to attempt to list every possible combination of toners, mixing clears, etc., and would again be impossible to tie these combinations to specific sales volumes. Such a list would also be so lengthy and complicated that it would not provide value to SCAQMD.

Instead, if SCAQMD insists on requiring manufacturers to report ready-for-use VOC content information on the products we sell, we suggest the agency consider limiting the requirement to report only maximum ready-for-use regulatory VOC for a given coating product or system. This could potentially be done in a format similar to the Coating Manufacturer Survey that was used for PAR 1151.

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Training Centers

BASF appreciates SCAQMD's decision to incorporate a 10-year exemption for training centers, as outlined in subparagraph (k)(2)(B) of Revised Preliminary Draft PAR 1151. This temporary exemption from the PCBTF and TBAC prohibitions will enable coatings manufacturers with training facilities located in SCAQMD to continue to support all customers, including painters from other air districts, during this transition period. Due to the possibility that other jurisdictions may not adopt similar regulations within the 10 year period, we request that SCAQMD remain open to revisiting this exemption timeline in the future.

5-6

Alignment with Other Jurisdictions

BASF encourages SCAQMD to minimize changes to coating category names in order to maintain alignment with existing VOC regulations in other jurisdictions as much as possible.

For example, since the ultimate Phase II limit is proposed to be 250 g/L for all solid color coatings, metallic color coatings and tinted mid-coats, BASF requests that SCAQMD consider maintaining only the existing "Color Coating" category, to reduce complexity and promote alignment with existing VOC regulations in other jurisdictions. Further, the proposed change of the category "Clear Coating" to "Gloss Clear Coating" is unnecessary and deviates from the categories laid out in other automotive refinish VOC regulations. The difference between "Clear Coating" and "Matte Clear Coating" should still be understood by end users, as these terms are commonly used today. Modifying the category name would lead to increased administrative burdens, such as the need to update product documentation and labelling.

5-7

BASF also encourages SCAQMD to promote alignment of VOC category names and limits in any future discussions with regulatory authorities in other jurisdictions contemplating similar changes to their VOC regulations.

Thank you for your consideration of these comments. Please do not hesitate to contact me by email or phone if you have questions or require additional information.

Best regards,

Rachel Staran
Sr. Product Steward - Coatings Solutions North America
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Staff Response to Comment Letter #5:

Response to Comment 5-1:

Staff appreciates BASF for taking the time to submit the comment letter and support for the Phase II VOC limit of 250 g/L for basecoats, as well as BASF's efforts, commitment, and leadership to early adoption of low VOC technology without the use of pCBtF or t-BAc as solvents. Having products that are commercially available today, and in use, proves that through research and testing, it is technologically feasible to achieve low limits. We also really appreciate BASF taking the time and effort to compile and submit data to South Coast AQMD as part of the Manufacturer Survey. The Survey analysis for the basecoat category relied on averages which may explain why the BASF data was not accurately reflected. Staff reviewed the data provided by BASF and a distinction was made in the data between solid color and metallic colors. Staff was not aware that the Glasurit® 100 line consisted of a 250 g/L for both metallics and solid colors. Staff has revised the assessment and clarified the analysis with a discussion of BASF's commercially available Glasurit® 100 line that meets the current limit of 250 g/L without pCBtF.

Response to Comment 5-2:

Staff understands that not all primers are universal in application which is why several subcategories of primers were created to address the challenges. Staff also agrees that a higher VOC limit of 250 g/L is necessary to provide flexibility to develop various types of compliant primers.

Response to Comment 5-3:

Please see response to comment 2-9.

Response to Comment 5-4:

Please see response to comment 2-4. However, staff does agree with the request to align the sell-through and use-through provisions with the respective categories. Staff is proposing to update the sell-through and use-through provisions for reducers and thinners in paragraph (d)(6) to 24 months and 36 months.

Response to Comment 5-5:

Staff appreciates the comment and understands the complexity and challenges with correlating product sales volumes with specific mixing combinations since they occur at the shop and job level. Staff agrees with the suggestion for reporting *maximum* ready-for-use (as applied) VOC content levels for each coating category, similar to the coating manufacturer survey used. This means, for a specific color coating line, a manufacturer does not have to report each and every color, or combination of color, hardener, additive, thinner that reflects the application conditions, as separate line-items. The QER can be streamlined to include a specific color line, by indicating the maximum VOC of that color line. Staff changed the rule language to address this comment.

Response to Comment 5-6:

Staff understands the challenges manufacturers have in attempting to comply with other air districts throughout California and the uncertainty of timelines that other agencies may adopt alongside similar regulations, thus staff agrees to remain open about revisiting the training exemption timeline in the future.

Response to Comment 5-7:

Staff understands the request to align with other air districts and attempts to align with other regulatory agencies, whenever possible. Staff is regularly meeting with other California air districts and CARB to work to align automotive coating regulatory requirements. The concern regarding the potential toxicity of pCBtF and t-BAc is shared throughout all of the air districts in California; however, not all districts have the same resources as the South Coast AQMD to amend regulations. Where feasible, staff has aligned the categories with the U.S. EPA National Rule. For example, PAR 1151 combined the color coatings and metallic coatings into one category as the BARCT assessment concluded both subcategories can achieve the same VOC limits on the same timeline. However, the gloss clear coating and matte clear coating subcategories will be retained as the BARCT assessment indicated they require different VOC levels.

Comment Letter #6



September 13, 2024

Chris Bradley
 Planning, Rule Development and Implementation
 South Coast Air Quality Management District
 21865 Copley Drive, Diamond Bar, CA 91765
 Email: cbradley@aqmd.gov

Re: Public Comments-- Proposed Amended Rule 1151 – Automotive Coatings-- OPPOSE

Dear Mr. Bradley:

RadTech International is pleased to comment on the proposed amendments to Rule 1151—Automotive Coatings. RadTech is the premier trade association in North America for Ultraviolet/Electron Beam/Light Emitting Diode (UV/EB/LED) technology. We speak on behalf of our over 800 members who are involved in a myriad of industry sectors ranging from printing and packaging to nail polish. UV/EB/LED materials are also used in the Automotive Coatings industry in applications such as hard coat repair for polycarbonate headlight lenses. (please see attached June 2024 article published in the UV+EB Magazine).

UV/EB/LED processes are all electric, eliminating the need for add-on control devices thereby preventing emissions of criteria pollutants (Nitrogen Oxides) and Greenhouse Gases. Our products are not formulated with conventional solvents and therefore the emissions of Volatile Organic Contaminants (VOCs) are negligible. Energy curable materials are free of toxic materials and are considered “super-compliant” as they go above and beyond current rule requirements and provide the district with excess emission reductions. Transitioning to these cleaner materials help the district achieve its clean air goals.

Unfortunately, we cannot support the current rule proposal as it needlessly saddles our industry with burdensome requirements that do not result in any benefit to air quality. On the contrary, these overly prescriptive requirements act as a barrier to the implementation of clean technology. We urge the district to provide incentives in the form of **regulatory flexibility**, to companies who invest in UV/EB/LED technology. Our suggested changes are as follows:

Request for Exemption

As mentioned during the public workshop, RadTech urges the district to provide regulatory flexibility to UV/EB/LED processes. Our materials are typically well below 50 grams/liter in VOC content which is minimal compared to the proposed limits, some as high as 840 grams/liter. While it may make regulatory sense to scrutinize high VOC materials, it simply does not make sense to subject companies who are investing in clean air technology to the same level of scrutiny. In keeping with past district policies and direction from the Governing Board, we respectfully request that UV/EB/LED materials be exempted from the rule requirements. Any relief from administrative burdens will amount to incentives for businesses to voluntarily choose UV/EB/LED technology.

We strongly oppose the new additional requirements for reporting, recordkeeping and labeling in the latest R1151 proposal. The current Rule 109 requirements cover UV/EB/LED materials and sufficiently provide the

6-1

district with compliance verification. PAR 1151 creates a whole host of mandates on businesses, even those outside California which will not result in any emission reductions. In fact, these additional requirements will deter businesses from investing in clean technologies like UV/EB/LED. Businesses who are willing to invest in clean technologies should be encouraged to do so and saddling with added regulatory costs will be counterproductive to the District's mission.

6-1
cont.

We ask the district to provide exemptions for UV/EB/LED materials from section (g) Recordkeeping Requirements and section (h) Administrative and Reporting Requirements for Automotive Coating Manufacturers.

Request for Definition

We very much appreciate the inclusion of a definition for energy curable materials in various source specific rules in past rulemakings. Unfortunately, PAR 1151 lacks any mention of energy curable materials which can cause confusion and uncertainty in the regulated community. The rule should be technology neutral and include definitions for all available compliant technologies. We would very much appreciate the inclusion of a definition for energy curable materials in the rule. We propose adding the following definition:

6-2

ENERGY CURABLE MATERIALS are single component reactive products that cure upon exposure to visible-light, ultraviolet light, or to an electron beam.

Test Method

The Environmental Protection Agency and the SCAQMD have long recognized that EPA Method 24 is not suitable for thin film UV/EB/LED Materials. The Multiple Test Method Section of the rule is problematic in that it acts as a "gotcha" to businesses who may be subject to fines by the district due to lack of clarity on which method to employ. Thus, RadTech urges the inclusion of ASTM D7767-11 as suitable test method for UV/EB/LED Automotive Coatings. We propose the following language:

6-3

The VOC content of thin film Energy Curable Adhesives and Sealants may be determined by manufacturers using ASTM Test Method 7767– Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them.

Transfer Efficiency

We request an exemption from the transfer efficiency requirements of the rule, for high viscosity (above 650 cps) materials. This request is consistent with the exemption in Rule 1106—Marine Coatings, adopted by the Board. Flexibility should be offered to UV/EB processes as related to the requirements for transfer efficiency in the rule. We suggest the following language

The provisions of paragraph (d)(7) shall not apply to marine or pleasure craft coatings with a viscosity of 650 centipoise or greater, as applied.

6-4

UV/EB materials not only meet but far exceed any proposed rule requirements and any added flexibility to companies that choose these pollution preventive processes will encourage voluntary emission reductions thereby furthering the district's mission. We appreciate your attention to this matter and look forward to a productive rulemaking process.

Sincerely,

Rita M. Loof
Director, Environmental Affairs

Cc: SCAQMD Board

Staff Response to Comment Letter #6:

Response to Comment 6-1:

Staff appreciates Radtech for taking the time to submit a comment letter. Staff supports providing regulatory relief for low emission materials and processes, including for super-compliant coatings. However, quantity and emission reporting is essential in determining if there are super-compliant coatings available in the marketplace and the extent to which they are being used. If low-VOC products were not reported, it would not be possible for staff to determine accurate emission inventories or observe trends in the use of ultra-low VOC content products. This data is also critical for staff when developing VOC rules to establish lower limits.

As mentioned in response to comment 1-1, Rule 1151 requires records to be kept pursuant to Rule 109. Rule 109 states that the requirements shall not apply to any super compliant material(s) used at a facility which can demonstrate that the total permitted and non-permitted facility VOC emissions, including emissions from the super compliant material, do not exceed 4 tons in any calendar year as shown by annual VOC records. Therefore, facilities using the exemption must keep *minimal* records to verify that their VOC emissions meet the 4 ton per year criteria. This exemption was included to encourage the use and sales of ultra-low VOC content products, ideally by offsetting the costs of reporting.

Response to Comment 6-2:

South Coast AQMD is technologically neutral and does not promote any one technology over another; the end user may choose to comply with the proposed VOC limit for the respective category at their discretion. Further, several major coating manufacturers currently offer UV curable primers as part of their product portfolio with a VOC content of approximately 200 g/L. The UV primers are simply classified as primers and subject to the VOC limits of the respective category. Staff believes it is not necessary to add a definition for energy curable materials or make a distinction between primer types when the final characteristics of the coating are the same. Adding a definition to a rule that is not referenced at any other place in the rule could cause confusion.

Response to Comment 6-3:

On August 22, 2022, U.S. EPA issued a limited SIP disapproval for South Coast AQMD Rules 1106 and 1107 for including ASTM D 7767 in the rules. U.S. EPA stated that ASTM D7767 is not a U.S. EPA approved test method and, therefore, cannot be used to enforce a SIP approved rule; it is not an appropriate test method to determine VOC compliance. Once U.S. EPA issues a final SIP disapproval or partial disapproval of a rule submitted into the SIP, South Coast AQMD faces potential sanctions by the federal government and other consequences under the Clean Air Act unless the identified rule deficiencies are corrected and approved by U.S. EPA. Offset sanctions would be triggered 18 months after the effective date of a final disapproval and highway funding sanctions would also be triggered after offset sanctions are imposed. Therefore, staff will not include ASTM Test Method D 7767 in PAR 1151.

Response to Comment 6-4:

Rule 1151 is not proscriptive about the transfer efficiency requirements. The rule allows for:

- 1) Electrostatic Spray Application,
- 2) HVLP spray,

- 3) Brush, dip, or roller, or
- 4) Any such other Automotive Coating application methods as demonstrated to be capable of achieving equivalent or better Transfer Efficiency than those listed above.

These options accommodate the application of coatings with a centipoise greater than 650, which is the viscosity of a typical motor oil; most automotive coatings have a centipoise of 15 or less, including UV/EB/LED coatings. Given the flexibility the rule allows, an exemption is not necessary.

Comment Letter #7



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UV SINCE 1987

UV CURING SYSTEMS
3D UV CURING SYSTEMS
UV RADIOMETERS
CORONA TREATERS
FLAME TREATERS
XYZ DISPENSING
IR SYSTEMS

LASER MARKING EQUIPMENT
NON-VACUUM PLASMA TREATMENT
HYDROPHYLIC MEDICAL COATING SYSTEMS
UV LED SYSTEMS
3D UV CURE CHAMBERS
UV DISINFECTION
UV RENTAL SYSTEMS

September 12, 2024

Chris Bradley
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South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
Email: cbradley@aqmd.gov

Re: Proposed Amended Rule 1151 – Automotive Coatings-- OPPOSE

Dear Mr. Bradley:

DDU Enterprises, Inc is involved in UV, Surface treatment and other clean air manufacturing technologies serving many California manufacturers up and down the state for over 33 years. We welcome the opportunity to comment on the proposed amendments to Rule 1151 – Automotive Coatings. We appreciate the district's efforts to protect the air but the current proposal adds a multitude of burdens to our industry and acts as a barrier to the implementation of clean technology. Therefore, we stand opposed to the draft version of the proposed rule.

PAR 1151 treats all coating processes alike regardless of their environmental benefit. UV/EB/LED processes are not formulated with Volatile Organic Compounds (VOCs) or toxics air contaminants. Conversion away from solvent processes benefits the District and your Board has provided incentives in the form of regulatory flexibility in several other rules such as R219 and most recently R301.

We strongly oppose the new additional requirements for reporting, recordkeeping and labeling in the latest R1151 proposal. The current Rule 109 requirements cover UV/EB/LED materials and sufficiently provide the district with compliance verification. PAR 1151 creates a whole host of mandates on businesses, even those outside California which will not result in any emission reductions. In fact, these additional requirements will deter businesses from investing in clean technologies like UV/EB/LED. Businesses who are willing to invest in clean technologies should be encouraged to do so and saddling with added regulatory costs will be counterproductive to the District's mission. Thus, we urge the district to:

Provide exemptions for UV/EB/LED materials from section (g) Recordkeeping Requirements and section (h) Administrative and Reporting Requirements for Automotive Coating Manufacturers.

We hope we can continue to work with staff to add language that would remedy the harm being done to businesses in the South Coast who are looking to convert to UV/EB/LED processes thereby giving the district emission reductions above and beyond those currently required in R1151.

Sincerely Yours,

DS DeLong

Douglas S. DeLong
DDU Enterprises, Inc.

7-1

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310-698-0307

Staff Response to Comment Letter #7:

Response to Comment 7-1:

Staff appreciates DDU Enterprises, Inc. for taking the time to submit a comment letter regarding PAR 1151. Please see response to comment 1-1 and response to comment 6-1. Thank you.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Final Socioeconomic Impact Assessment For:
Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment
Non-Assembly Line Coating Operations**

November 2024

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EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

On March 17, 1989, the South Coast Air Quality Management District (South Coast AQMD) Governing Board adopted a resolution which requires an analysis of the economic impacts associated with adopting and amending rules and regulations. In addition, Health and Safety Code Section 40440.8 requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which “will significantly affect air quality or emissions limitations.” Lastly, Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or “all feasible measures” requirements relating to emissions of ozone, carbon monoxide (CO), sulfur oxides (SO_x), nitrogen oxides (NO_x), volatile organic compounds (VOC), and their precursors.

Proposed Amended Rule (PAR 1151) has been developed to address two exempt compounds that were determined to have toxic end points, including potential carcinogenicity, by the Office of Environmental Health Hazard Assessment (OEHHA): 1) tert-Butyl Acetate (t-BAC), which is exempt from the definition of a VOC for certain categories of products in a few source-specific rules, including Rule 1151; and 2) para-chlorobenzotrifluoride (pCBtF), which is considered exempt from the definition of a VOC for all uses within the South Coast AQMD, including Rule 1151 products. These exempt compounds are utilized by automotive coating manufacturers to formulate coatings and coating components that comply with Rule 1151 VOC content limits. PAR 1151 has two primary goals: 1) to propose a timeline to phase-out pCBtF and t-BAC; and 2) to assess the feasibility of VOC emission reductions through a technology assessment and stakeholder engagement and impose the lowest limits feasible without use of the phased-out toxic compounds. A socioeconomic impact assessment has been conducted accordingly, and the following presents a summary of the analysis and findings.

Key Elements of PAR 1151

The implementation of PAR 1151 would lead to the: 1) phase-out of automotive coatings and coating components that utilize pCBtF or t-BAC; and 2) reformulation of automotive coatings and coating components that do not contain pCBtF or t-BAC and are compliant with the future VOC emission limits. It is important to note that currently available coatings which contain pCBtF and t-BAC are more expensive than higher-VOC coatings which meet the National U.S. Environmental Protection Agency VOC content limits (U.S. National Rule Limits). As a result, facilities will temporarily experience cost savings relative to the pre-adoption time period, followed by a period of higher coating prices after reformulated coatings are required.

Affected Facility and Industry

PAR 1151 is applicable to approximately 2,880 facilities located in South Coast AQMD’s jurisdiction, with 1,864 facilities in Los Angeles County, 444 facilities in Orange County, 304 facilities in San Bernardino County, and 268 facilities in Riverside County. According to the North American Industrial Classification System (NAICS), 2,760 out of the 2,880 facilities are classified under the Repair and Maintenance industry (NAICS 811); 85 facilities are under the Retail Trade industry (NAICS 44-45); 31 facilities are under the Transportation Equipment Manufacturing industry (NAICS

336); two facilities are under the Machinery Manufacturing industry (NAICS 333); one facility is under the Air Transportation industry (NAICS 481); and one facility is under the State and Local Government industry (NAICS 92).

A small-business analysis was conducted for the facilities affected by PAR 1151. The following table presents the number of affected facilities that qualify as a small business based on varying small-business definitions:

Definition	Number of Facilities
South Coast AQMD Rule 102	1,702
South Coast AQMD's Small Business Assistance Office	2,236
U.S. Small Business Administration	2,238

Assumptions for the Analysis

PAR 1151 contains a multi-phased implementation schedule. During Phase I, affected facilities will be allowed to use coatings formulated to meet the less stringent U.S. National Rule Limits, which do not utilize pCBtF or t-BAc in their formulations and are, therefore, less expensive. This will lead to the phase-out of pCBtF and t-BAc containing coatings, while resulting in a temporary increase in VOC emissions. During this phase, affected facilities will experience cost savings. During Phase II, affected facilities will begin to transition from the Phase I higher-VOC coatings to reformulated, low-VOC coatings that do not contain pCBtF or t-BAc. In Phase II, reformulation costs and any higher material costs are expected to be passed on to the affected facilities through higher costs per gallon of the reformulated coating. While Phase II coatings are expected to be more expensive than Phase I coatings, it is unclear whether Phase II coatings will continue to be more expensive than the currently used coatings in the long run.

This analysis also considers a Phase 0 period, referring to the pre-adoption time when the coatings used must meet the existing Rule 1151 limits and generally contain t-BAc or pCBtF. Based on feedback from automotive coating manufacturers, the coatings currently used in Phase 0 are about 10 percent more expensive than the coatings that will be allowed to be used during Phase I. For the reformulated coatings that will meet the proposed Phase II limits, the expected cost is assumed to be approximately the same as the present-day cost. Put simply, since pre-adoption prices are already higher in than coatings that meet the U.S. National Rule Limits, affected facilities are expected to experience a period of cost savings followed by a period of higher costs as VOC coatings are reformulated as required by PAR 1151. The analysis assumes a baseline case where reformulated coatings in Phase II are the same price as pre-adoption coatings. Given the uncertainty

of future prices, two alternative scenarios have been considered, with prices either: 1) five percent higher than pre-adoption; or 2) five percent lower than pre-adoption. In any scenario coatings in Phase I will be less expensive than pre-adoption.

The cost analysis uses a forecast period from 2025 to 2044 and estimates the costs of complying with PAR 1151 by considering two main factors:

1. **Cost Savings from Phase 0 to Phase I:** During Phase I, affected facilities will be allowed to use coatings that are less expensive than the coatings used in Phase 0. This change will result in cost savings.
2. **Transition from Phase I to Phase II:** Depending on the automotive coating category, affected facilities will be required to transition from Phase I coatings to reformulated Phase II coatings in 2028, 2029, or 2030. This would result in an increase in costs relative to Phase I, and parity in costs relative to Phase 0.

Compliance Costs and Scenario Analysis

Based on the assumption that the coatings in Phase 0 and Phase II have approximately the same price, implementation of PAR 1151 is expected to result in an overall cost savings. Specifically, the total present value of the cost savings over the forecast period is estimated at \$260.45 million and \$239.70 million with a 1 percent and 4 percent discount rate, respectively. The average annual cost savings due to the implementation of PAR 1151 is estimated to be \$13.40 million, regardless of the assumed interest rate. While there are estimated annual average savings, this reflects both the savings from less expensive coatings that meet the U.S. National Rule Limits partially offset by the reformulation cost and higher material cost in Phase II coatings.

Since Phase II coatings are still being reformulated and not yet available, a scenario analysis was conducted which assesses the uncertainty in future costs associated with reformulated coatings. Specifically, two alternative price scenarios were considered. For the “more expensive” scenario, Phase II coatings are five percent more expensive than Phase 0 coatings, resulting in incremental compliance costs for the affected facilities. For the “less expensive” scenario, where Phase II coatings are five percent less expensive than the Phase 0 coatings, the facilities are expected to achieve greater cost savings compared to the baseline scenario. The following table presents the average annual costs or cost savings of implementing PAR 1151 for the 10 automotive coating categories with a lower Phase II VOC limit proposed for the baseline analysis and two alternative scenarios.

Automotive Coating Categories	Annual Average Costs Under Various Price Scenarios (2025 – 2044)		
	Less Expensive Scenario	Baseline Analysis	More Expensive Scenario
Adhesion Promoter	(\$147,982)	(\$38,604)	\$70,774
Gloss Clear Coating	(\$24,941,312)	(\$9,976,525)	\$4,988,262
Color Coating	(\$2,544,909)	(\$299,401)	\$1,946,107
Metallic Color Coating	(\$4,578,494)	(\$218,024)	\$4,142,447
Pretreatment Wash Primer	(\$189,462)	(\$49,425)	\$90,612.31
Epoxy Primer	(\$39,491)	(\$10,302)	\$18,887
Primer Sealer	(\$275,776)	(\$91,925)	\$91,925
Primer Surfacer	(\$7,738,365)	(\$2,579,455)	\$2,579,455
Single-Stage Coating	(\$504,485)	(\$131,605)	\$241,276
Tinted Mid-Coat	(\$12,806)	(\$5,123)	\$2,561
Total	(\$40,973,082)	(\$13,400,388)	\$14,172,306

Job Impacts

The direct cost savings of PAR 1151 are used as inputs to the Regional Economic Models, Inc (REMI PI+) model to assess job impacts and secondary/induced impacts for all the industries in the four-county economy on an annual basis from 2025 to 2044.

Staff conducted a REMI analysis using cost estimates from the baseline analysis and the aforementioned two alternative price scenarios. The following table presents the job impacts in the four-county economy annually (on average) over the forecast period, relative to the REMI baseline forecast.

Scenario	Job Impacts
Baseline Analysis	167 Jobs Gained
More Expensive Scenario	110 Jobs Foregone
Less Expensive Scenario	445 Jobs Gained

**Competitiveness
and Price
Impacts**

The overall impact of implementing PAR 1151 on production cost and delivered prices in the region is not expected to be substantial. According to the REMI Model, the implementation of PAR 1151 is projected to decrease the relative delivered price of products in the Repair and Maintenance (NAICS 811) sector by a maximum of 0.342 percent in 2025, relative to the baseline scenario. The relative cost of production in the Repair and Maintenance sector is forecasted to decrease by a maximum of 0.338 percent relative to the baseline scenario, which is expected to occur in 2025.

INTRODUCTION

Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, limits Volatile Organic Compound (VOC) emissions, toxic air contaminants, stratospheric ozone-depleting compounds, and global-warming compound emissions from automotive coating operations performed on motor vehicles, mobile equipment, and associated parts or components for motor vehicles and mobile equipment. This rule applies to any person who supplies, sells, offers for sale, markets, manufactures, blends, repackages, possesses, or distributes any automotive coating or associated solvent for use within the South Coast AQMD jurisdiction, as well as any person who uses, applies, or solicits the use or application of any automotive coating or associated solvent within the South Coast AQMD jurisdiction.¹ Rule 1151 was adopted in July 1988 and last amended in 2014.

To reduce the VOC emissions from automotive coatings, many coatings manufacturers have relied on the use of solvents that are exempt from the definition of a VOC because they have low reactivity and therefore do not significantly contribute to the formation of ground-level ozone. OEHHA has determined that two exempt compounds used in automotive coatings, pCBtF and t-BAc, have toxic endpoints, including potential carcinogenicity. Therefore, the current rule development has two primary goals: 1) to propose a phase-out timeline for pCBtF and t-BAc, and 2) to assess the feasibility of emission reductions through a technology assessment and stakeholder engagement and impose the lowest limits feasible without use of the phased-out toxic compounds.

The socioeconomic impact assessment of PAR 1151 will involve several phases. This analysis will consider a Phase 0 period, referring to the period before the implementation of PAR 1151 when the coatings used must meet the existing Rule 1151 limits, which generally contain pCBtF or t-BAc and are therefore more expensive. The Phase I period will span from the date of rule adoption to the effective date of Phase II for each coating category. During this period, coatings formulated to meet the U.S. National Rule limits will be allowed to be used. Note that the U.S. National Rule limits are less stringent than that in Phase 0, and therefore coating manufacturers will not need to utilize pCBtF or t-BAc in their formulations to comply with these limits. During this period affected facilities are anticipated to experience cost savings resulting from the use of less expensive U.S. National Rule Limit compliant coatings. The transition to using the non-pCBtF- and t-BAc containing coatings will result in a temporary increase in VOC emissions during Phase I.

The Phase II period begins either in 2028, 2029, or 2030, dependent on the applicable automotive coating category. During this period, the affected facilities will begin to transition away from the Phase I higher-VOC coatings to reformulated, low-VOC coatings that do not contain pCBtF or t-BAc. During this period affected facilities are anticipated to experience higher costs as the reformulated coatings are expected to be more expensive. This transition will result in a decrease in VOC emissions that resulted from the temporary emissions increase during the Phase I period.

PAR 1151 would affect approximately 2,880 facilities in the South Coast AQMD jurisdiction that

¹ Per Health and Safety Code Section 19, a “Person” means any person, firm, association, organization, partnership, business trust, corporation, limited liability company, or company.
https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&heading2=GENERAL%20PROVISIONS, accessed September 2024.

apply automotive coatings to motor vehicles. These facilities fall into six broad categories: 1) motor vehicle assembly lines; 2) autobody repair and paint shops; 3) production autobody paint shops; 4) new car dealer repair and paint shops; 5) fleet operator repair and paint shops; and 6) truck body builders.²

LEGISLATIVE MANDATES

The legal mandates directly related to the socioeconomic impact assessment of PAR 1151 include South Coast AQMD Governing Board resolutions and various sections of the Health and Safety Code.

South Coast AQMD Governing Board Resolution

On March 17, 1989, the South Coast AQMD Governing Board adopted a resolution that requires an analysis of the economic impacts associated with adopting and amending rules and regulations that considers all of the following elements:

- Affected industries;
- Range of probable costs;
- Cost-effectiveness of control alternatives; and
- Public health benefits.

Health and Safety Code Requirements

The state legislature adopted legislation which reinforces and expands the South Coast AQMD Governing Board resolution requiring socioeconomic impact assessments for rule development projects. Health and Safety Code Section 40440.8, which went into effect on January 1, 1991, requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which "will significantly affect air quality or emissions limitations."

To satisfy the requirements in Health and Safety Code Section 40440.8, the scope of the socioeconomic impact assessment should include all of the following information:

- Type of affected industries;
- Impact on employment and the regional economy;
- Range of probable costs, including those to industry;
- Availability and cost-effectiveness of alternatives to the rule;
- Emission reduction potential; and
- Necessity of adopting, amending, or repealing the rule in order to attain state and federal ambient air quality standards.

Health and Safety Code Section 40728.5, which went into effect on January 1, 1992, requires the South Coast AQMD Governing Board to: 1) actively consider the socioeconomic impacts of regulations; 2) make a good faith effort to minimize adverse socioeconomic impacts; and 3) include small business impacts. To satisfy the requirements in Health and Safety Code Section 40728.5, the socioeconomic impact assessment should include the following information:

² For a brief description of each of the six facility categories, please see Chapter 1 Background Section of Draft Staff Report for PAR 1151, <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1151>. The Final Staff Report is located in Attachment G of the November 1, 2024 Governing Board package for PAR 1151, which upon posting, will be available 72 hours prior to the Governing Board meeting at <https://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

- Type of industries or business affected, including small businesses; and
 - Range of probable costs, including costs to industry or business, including small business.
- Finally, Health and Safety Code Section 40920.6, which went into effect on January 1, 1996, requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or “all feasible measures” requirements relating to emissions of ozone, CO, SOx, NOx, VOC, and their precursors. A cost-effectiveness analysis was conducted for PAR 1151 and can be found in Chapter 2 of the PAR 1151 Final Staff Report.³

AFFECTED FACILITIES

The implementation of PAR 1151 would affect approximately 2,880 facilities in the South Coast AQMD jurisdiction, with 1,864 facilities in Los Angeles County, 444 facilities in Orange County, 304 facilities in San Bernardino County, and 268 facilities in Riverside County. Most of the affected facilities are classified under the Repair and Maintenance sector (96 percent), followed by the Retail Trade sector (three percent), and the Transportation Equipment Manufacturing sector (one percent), as presented in Table 1.

**Table 1
Affected Facilities by Industry**

NAICS	Industry Name	Number of Facilities	Percentage
811	Repair and Maintenance	2,760	95.83%
44-45	Retail Trade	85	2.95%
336	Transportation Equipment Manufacturing	31	1.08%
333	Machinery Manufacturing	2	0.07%
481	Air Transportation	1	0.03%
92	State and Local Government	1	0.03%
Total		2,880	100%

SMALL BUSINESS

The South Coast AQMD defines a “small business” in Rule 102 for purposes of fees as one which employs 10 or fewer persons and which earns less than \$500,000 in gross annual receipts. The South Coast AQMD also defines “small business” for the purpose of qualifying for access to services from the South Coast AQMD’s Small Business Assistance Office as a business with an annual receipt of \$5 million or less, or with 100 or fewer employees. In addition to the South Coast AQMD’s definition of a small business, the United States (U.S.) Small Business Administration and the federal 1990 Clean Air Act Amendments (1990 CAAA) each have their own definition of a small business.

The 1990 CAAA classifies a business as a “small business stationary source” if it: 1) employs 100

³ South Coast AQMD, Draft Staff Report for Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1151>, accessed August 2024. The Final Staff Report is located in Attachment G of the November 1, 2024 Governing Board package for PAR 1151, which upon posting, will be available 72 hours prior to the Governing Board meeting at <https://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

or fewer employees; 2) does not emit more than 10 tons per year of either VOC or NOx; and 3) is a small business as defined by the U.S. Small Business Administration. Based on firm revenue and employee count, the U.S. Small Business Administration definition of a small business varies by six-digit NAICS code.⁴ For example, according to the U.S. Small Business Administration definition, a business that makes less than \$9 million in firm revenue in the sector of Automotive Body, Paint, and Interior Repair and Maintenance (NAICS 811121) is classified as a small business, while a business in the New Car Dealers (NAICS 441110) sector is considered a small business with less than 200 employees.

South Coast AQMD mostly relies on Dun and Bradstreet data to conduct small business analyses for private companies. In cases where the Dun and Bradstreet data are unavailable or unreliable, other external data sources such as Manta, Hoover, LinkedIn, and company website data will be used. The determination of data reliability is based on data quality confidence codes in the Dun and Bradstreet data as well as staff’s discretion. Revenue and employee data for publicly owned companies are gathered from Securities and Exchange Commission (SEC) filings. Since subsidiaries under the same parent company are interest-dependent, the revenue and employee data of a facility’s parent company will be used for the determination of its small business status. Staff excluded one government owned facility from the small business analysis, leaving 2,879 remaining commercially owned facilities. Employment and revenue estimates from 2024 Dun and Bradstreet data as well as other external sources are available for only 2,490 facilities. Note that although the employment and revenue data for some facilities are unknown or missing, the current data used for this small business analysis represents the most thorough and accurate information obtainable as of the publication date of this final report. The large number of affected facilities that are small businesses is likely the result of many facilities being small autobody repair and paint shops. The number of affected facilities that are small businesses based on each of the three definitions is presented in Table 2. Staff was unable to conduct a small business analysis for the 1990 CAAA definition of a small business as most of the facilities are not required to submit annual emission reports pursuant to South Coast AQMD Rule 222 or have failed to submit.⁵

Table 2
Number of Affected Small Business Facilities Based on Various Definitions

Definition	Number of Facilities
South Coast AQMD Rule 102	1,702
South Coast AQMD's Small Business Assistance Office	2,236
U.S. Small Business Administration	2,238

⁴ U.S. Small Business Administration, 2023 Small Business Size Standards, <https://www.sba.gov/document/support-table-size-standards>, accessed September 3, 2024.

⁵ South Coast AQMD, Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/Rule-222.pdf>, accessed September 06, 2024.

COMPLIANCE COST

This analysis of compliance costs of PAR 1151 involves three phases:

- Phase 0: This pre-adoption phase before the implementation of PAR 1151, requires automotive coatings to meet the existing Rule 1151 limits. According to manufacturers these coatings are more expensive than the U.S. National Rule Limit compliant coatings.
- Phase 1: This phase will span from the date of rule adoption to the effective date of Phase II for each coating category. In this phase, the facilities will be permitted to use less expensive coatings that comply with the less stringent U.S. National Rule Limits. These coatings will not contain pCBtF or t-BAc, leading to the phase-out of these coatings. However, this will result in a temporary increase in VOC emissions.
- Phase II: During this phase more stringent limits were deemed feasible for most coating categories, therefore most facilities will switch from the higher-VOC coatings used in Phase I to newly reformulated, low-VOC coatings that also do not contain pCBtF or t-BAc. These reformulated coatings are anticipated to be more expensive than the U.S. National Rule Limit compliant coatings.

The key requirements of PAR 1151 that would have cost impacts for the affected facilities include: 1) allowing the affected facilities to use the coatings that meet the less stringent U.S. National rule limit in Phase I, enabling facilities to use less expensive coatings compared to those in Phase 0; and 2) the transition from Phase I coatings to more expensive reformulated Phase II coatings. The analysis assumes that the manufacturers' reformulation costs are passed on to affected facilities in the form of higher prices in Phase II.

Affected facilities will experience incremental recurring costs or cost savings associated with the transition to: 1) Phase I coatings starting in 2025; and 2) Phase II coatings beginning in either 2028, 2029, or 2030, depending on the specific automotive coating category. The estimates of compliance costs under PAR 1151 covers a 20-year period, from 2025 to 2044.

Cost assumptions for PAR 1151 were obtained from a variety of different sources including coating manufacturers, vendors, distributors, and stakeholders. All the costs discussed in this Socioeconomic Impact Assessment are presented in 2023 dollars. No capital or one-time costs are incurred by the affected facilities. The estimation procedure and assumptions for each cost category are discussed in the following sections.

Recurring Costs

Transition to Phase I Coatings

PAR 1151 will require the phase-out of automotive coatings that contain pCBtF or t-BAc. To estimate the cost impact on facilities, staff compared the prices of Phase I coatings with the current Phase 0 coatings. Based on manufacturer feedback, Phase 0 coatings are approximately 10 percent more expensive than Phase I coatings. The California population growth rates were applied to the 2002 California Air Resources Board (CARB) Auto Refinishing Survey to estimate current

automotive coating usage in California.⁶ Given that South Coast AQMD represents about 46 percent of California's population, the estimated coating volume for the region is approximately 2.1 million gallons. The usage per automotive coating category was estimated by applying the percent sales for each category reported in the South Coast AQMD Coating Manufacturer Survey to the total volume of coatings used in the South Coast AQMD from which the total costs for both Phase 0 and Phase I coatings were calculated. The cost difference between these two phases is the estimated recurring cost or cost savings for affected facilities, beginning in 2025. An example of this calculation is shown in the following equation:

$$\text{Cost Impact}_{\text{Phase I}} = (\text{Phase I price per gallon} * \text{Usage}) - (\text{Phase 0 price per gallon} * \text{Usage})$$

Since Phase I coatings are estimated to be 10 percent less expensive than Phase 0 coatings, an overall cost savings is anticipated for the affected facilities during the transition. The duration of these cost savings will depend on the effective date of the Phase II limits, which could be either 2028, 2029, or 2030, depending on the automotive coating category.

Transition to Phase II Coatings

During Phase II, affected facilities will be required to transition from Phase I coatings to reformulated, low-VOC coatings that do not contain pCBtF or t-BAc (Phase II coatings). Based on manufacturer feedback, Phase II coatings are expected to cost approximately the same as the Phase 0 coatings (10 percent more expensive than Phase I). Therefore, in this analysis, the prices for coatings in Phase 0 and Phase II are considered the same, both being 10 percent higher than those that will be allowed in Phase I. The cost impact of the transition to Phase II was estimated by calculating the cost difference between Phase II and Phase 0 total costs, beginning on the Phase II limit effective date (2028, 2029, or 2030). An example of this calculation is shown in the following equation:

$$\text{Cost Impact}_{\text{Phase II}} = (\text{Phase II price per gallon} * \text{Usage}) - (\text{Phase 0 price per gallon} * \text{Usage})$$

Assuming that Phase II and Phase 0 coatings are priced similarly per gallon, the transition to Phase II coatings will not result in additional costs for affected facilities relative to the present day. However, relative to Phase I the transition to Phase II coatings will result in additional costs. Table 3 outlines each automotive coating category, including the prices for each phase, usage estimates, and the effective date for the Phase II limits. The prices for automotive coatings shown in Table 3 reflect the average costs of coatings currently available on the market. However, it is important to note that there are both high-end and more budget-friendly options; therefore, actual prices can vary.

⁶ California Air Resources Board (CARB), March 2005, Draft Report: 2002 Survey of Automotive Refinish Coatings, <https://ww2.arb.ca.gov/sites/default/files/2020-12/2002report.pdf>, accessed September 10, 2024; United States Census Bureau, August 2003, California: 2000 Population and Housing Unit Counts, <https://www2.census.gov/library/publications/2003/dec/phc-3-6.pdf>, accessed September 10, 2024; United States Census Bureau, August 2021, California: 2020 Census, <https://www.census.gov/library/stories/state-by-state/california-population-change-between-census-decade.html>, accessed September 10, 2024.

**Table 3
Automotive Coating Categories by Price, Usage, and Phase II Limit Effective Date**

Automotive Coating Categories	Phase 0	Phase I	Phase II	Usage (gals/year)	Phase II Limit Effective Date
Adhesion Promoter	\$200	\$180	\$200	12,868	1/1/2028
Gloss Clear Coating	\$500	\$450	\$500	798,122	1/1/2030
Color Coating*	\$250	\$245	\$250	239,521	1/1/2030
Metallic Color Coating*	\$400	\$397	\$400	290,698	1/1/2030
Pretreatment Wash Primer	\$130	\$117	\$130	25,346	1/1/2028
Epoxy Primer	\$200	\$180	\$200	3,434	1/1/2028
Primer Sealer	\$450	\$405	\$450	10,214	1/1/2029
Primer Surfacer	\$450	\$405	\$450	286,606	1/1/2029
Single-Stage Coating	\$250	\$225	\$250	35,095	1/1/2028
Tinted Mid-Coat	\$100	\$90	\$100	2,049	1/1/2030

* Note that for Color Coating and Metallic Color Coating, low VOC products that do not contain pCBtF or t-BAc are currently available. Therefore, the cost difference between phases is based on actual costs rather than estimates.

Total Compliance Cost

The compliance cost analysis covers the period from 2025 to 2044, beginning with Phase 0. Based on the assumption that Phase 0 and Phase II coatings are approximately the same price, the implementation of PAR 1151 is expected to result in overall cost savings. The total present value of cost savings over the forecast period is estimated at \$260.45 million and \$239.70 million with a 1 percent and 4 percent discount rate, respectively. The average annual cost savings due to the implementation of PAR 1151 is estimated to be \$13.40 million, regardless of interest rate assumed. While there are estimated annual average savings, this reflects both the savings from less expensive coatings that meet the U.S. National Rule Limits partially offset by the reformulation cost and higher material cost in Phase II coatings. Table 4 presents the estimated total present value and average annual cost savings of PAR 1151 for the 10 automotive coating categories with a lower Phase II VOC limit proposed.

**Table 4
Total Present Value and Average Annual Estimated Cost Savings of PAR 1151**

Recurring Costs	Present Value Worth (2024)		Annual Average (2025-2044)
	1% Discount Rate	4% Discount Rate	
Automotive Coating Categories			
Adhesion Promoter	(\$756,895)	(\$714,200)	(\$38,604)
Gloss Clear Coating	(\$193,681,508)	(\$177,654,863)	(\$9,976,525)
Color Coating	(\$5,812,489)	(\$5,331,521)	(\$299,401)
Metallic Color Coating	(\$4,232,648)	(\$3,882,408)	(\$218,024)
Pretreatment Wash Primer	(\$969,055)	(\$914,392)	(\$49,425)
Epoxy Primer	(\$201,987)	(\$190,593)	(\$10,302)
Primer Sealer	(\$1,793,445)	(\$1,668,394)	(\$91,925)
Primer Surfacer	(\$50,324,723)	(\$46,815,757)	(\$2,579,455)
Single-Stage Coating	(\$2,580,320)	(\$2,434,771)	(\$131,605)
Tinted Mid-Coat	(\$99,447)	(\$91,218)	(\$5,123)
Total	(\$260,452,516)	(\$239,698,116)	(\$13,400,388)

Scenario Analysis

The primary analysis, referred to as the “baseline,” assumes that the prices of Phase 0 and Phase II coatings are the same, resulting in cost savings. However, since Phase II coatings are not yet available for purchase and are still being reformulated, a scenario analysis was performed for two alternative price scenarios to assess the uncertainty in future costs associated with these coatings: a “more expensive” scenario, where Phase II coatings are 5 percent more expensive than Phase 0 coatings, and a “less expensive” scenario, where Phase II coatings are 5 percent less expensive than Phase 0 coatings.

More Expensive

In this scenario, Phase II coatings are assumed to be 5 percent more expensive than Phase 0 coatings. The total present value of compliance costs based on these assumptions are \$225.14 million and \$98.04 million for a 1 percent and 4 percent discount rate, respectively. The average annual compliance costs for this scenario are estimated to be \$14.17 million, regardless of interest rate assumed. Table 5 presents the estimated total present value and average annual costs for the more expensive scenario.

**Table 5 – More Expensive Scenario
Total Present Value and Average Annual Estimated Costs of PAR 1151**

Recurring Costs	Present Worth Value (2024)		Annual Average (2025-2044)
	1% Discount Rate	4% Discount Rate	
Automotive Coating Categories			
Adhesion Promoter	\$1,186,765	\$677,508	\$70,774
Gloss Clear Coating	\$69,541,552	\$4,686,161	\$4,988,262
Color Coating	\$33,684,859	\$22,029,255	\$1,946,107
Metallic Color Coating	\$72,465,820	\$49,248,489	\$4,142,447
Pretreatment Wash Primer	\$1,519,419.47	\$867,415.06	\$90,612.31
Epoxy Primer	\$316,704	\$180,802	\$18,887
Primer Sealer	\$1,456,935	\$620,642	\$91,925
Primer Surfacer	\$40,882,154	\$17,415,460	\$2,579,455
Single-Stage Coating	\$4,045,794	\$2,309,687	\$241,276
Tinted Mid-Coat	\$35,706	\$2,406	\$2,561
Total	\$225,135,709	\$98,037,826	\$14,172,306

Less Expensive

In this scenario, Phase II coatings are 5 percent less expensive than Phase 0 coatings. The total present value of cost savings under these assumptions are \$746.04 million and \$577.43 million for a 1 percent and 4 percent discount rate, respectively. The average annual cost savings for the less expensive scenario are estimated to be \$40.97 million, regardless of interest rate assumed. Table 6 presents the estimated total present value and average annual cost savings for the less expensive scenario.

**Table 6 – Less Expensive Scenario
Total Present Value and Average Annual Estimated Cost Savings of PAR 1151**

Recurring Costs	Present Worth Value (2024)		Annual Average (2025-2044)
	1% Discount Rate	4% Discount Rate	
Automotive Coating Categories			
Adhesion Promoter	(\$2,700,555)	(\$2,105,908)	(\$147,982)
Gloss Clear Coating	(\$456,904,567)	(\$359,995,887)	(\$24,941,312)
Color Coating	(\$45,309,837)	(\$32,692,295)	(\$2,544,909)
Metallic Color Coating	(\$80,931,116)	(\$57,013,304)	(\$4,578,494)
Pretreatment Wash Primer	(\$3,457,529)	(\$2,696,200)	(\$189,462)
Epoxy Primer	(\$720,678)	(\$561,988)	(\$39,491)
Primer Sealer	(\$5,043,825)	(\$3,957,431)	(\$275,776)
Primer Surfacer	(\$141,531,584)	(\$111,046,960)	(\$7,738,365)
Single-Stage Coating	(\$9,206,435)	(\$7,179,228)	(\$504,485)
Tinted Mid-Coat	(\$234,600)	(\$184,842)	(\$12,806)
Total	(\$746,040,725)	(\$577,434,043)	(\$40,973,082)

MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The Regional Economic Models, Inc (REMI) PI+ v3 model was used to assess the socioeconomic impacts of PAR 1151.⁷ The model links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and it is comprised of five interrelated blocks: 1) output and demand; 2) labor and capital; 3) population and labor force; 4) wages, prices, and costs; and 5) market shares.⁸

It should be noted that the REMI model is not designed to assess impacts on individual operations. The model was used to assess the impacts of PAR 1151 on various industries that make up the local economy. Cost impacts on individual operations were assessed outside of the REMI model and were aggregated to the 70-sector NAICS code level to be used as inputs into the REMI model.

Impacts of PAR 1151

This assessment is performed relative to the REMI baseline (“business as usual”) forecast where PAR 1151 would not be implemented. The direct cost savings of PAR 1151 are used as inputs to the REMI model which uses this information to assess secondary and induced impacts for all the industries in the four-county economy on an annual basis over the 2025-2044 period. Direct effects of PAR 1151 are generated in the process of transitioning from Phase 0 coatings to Phase I coatings, and the transition to Phase I to Phase II coatings. While the compliance cost savings of

⁷ Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Coast Area (70-sector model). Version 3. 2023.

⁸ Within each county, producers are made up of 156 private non-farm industries and sectors, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 ages/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

affected facilities in Phase I would decrease their cost of doing business, the manufacturer of these coatings would experience a decrease in revenue as a result, holding the volume of coatings constant. Staff is not aware of any automotive coating manufacturers (NAICS 325510) located within the South Coast AQMD region and found that the local market for these coatings is primarily served by companies based in other states. Consequently, staff determined that the possible revenue loss to this industry due to the potential cost savings from PAR 1151 would not be considered in the four-county area in the REMI analysis. This does not imply that there will not be negative impacts to these manufacturers, but rather that any impacts will primarily be felt outside the South Coast AQMD jurisdiction. Table 7 lists the 70-sector NAICS codes modeled in REMI that would incur direct cost savings.

**Table 7
Industries Incurring Cost Savings**

Source of Compliance Cost	REMI Industries Incurring Compliance Cost (NAICS)	REMI Industries Benefitting from Compliance Spending (NAICS)
Phase 0 to Phase I Coating Transition	Repair and Maintenance (811) Retail Trade (44-45) Motor Vehicles, Bodies and Trailers, and Parts Manufacturing (3361-3363)	N/A*
Phase I to Phase II Coating Transition	Other Transportation Equipment Manufacturing (3364-3369) Machinery Manufacturing (333) Air Transportation (481) State and Local Government (92)	

*Note: Staff is unaware of any automotive coating manufacturers (NAICS 325510) located within the South Coast AQMD region, therefore the potential revenue loss to this industry is not considered in the REMI analysis for PAR 1151.

Regional Job Impacts

The REMI analysis was conducted by using cost estimates from the baseline analysis and the two alternative price scenarios outlined in the Compliance Cost section of this report.

Baseline Analysis

The REMI model projects that there will be 167 jobs gained annually on average over the 2025 – 2044 period, relative to the REMI baseline forecast. The net job gains are likely due to the cost savings incurred by PAR 1151 affected facilities during the transition from Phase 0 coatings to Phase I coatings. These savings may also result in lower prices for consumers, which in turn has positive spillovers into other sectors of the economy. The Retail Trade (NAICS 44-45), Repair and Maintenance (NAICS 811), and State and Local Government (NAICS 92) industries are

forecasted to gain 19, 17, and 13 jobs, respectively, annually on average over the forecast period. Table 8 presents the forecasted jobs forgone or added for selected years in the industries with the largest magnitude of average annual job impacts. The “All Other Industries” row in Table 8 shows the sum of job impacts for all other industries excluding the 10 selected industries presented in the table.

Table 8
Projected Job Impacts of PAR 1151 for Selected Industries and Years – Baseline

Industry (NAICS)	2025	2030	2035	2044	Annual Average	Baseline Number of Jobs	% of Baseline Jobs
Retail trade (44-45)	75	8	0	2	19	923,250	0.002%
Repair and maintenance (811)	58	13	4	1	17	132,850	0.013%
State and local government (92)	24	27	1	2	13	954,442	0.001%
Construction (23)	112	-5	-48	-1	11	555,242	0.002%
Real estate (531)	40	6	-1	2	11	747,794	0.001%
Food services and drinking places (722)	31	10	3	1	11	744,951	0.001%
Administrative and support services (561)	39	4	0	1	10	841,663	0.001%
Professional, scientific, and technical services (54)	32	6	-1	2	9	1,008,886	0.001%
Personal and laundry services (812)	43	-3	0	1	9	405,558	0.002%
Ambulatory health care services (621)	36	-8	-1	3	7	688,181	0.001%
All Other Industries	186	22	4	10	51	5,330,430	0.001%
All Industries	677	81	-39	23	167	12,333,247	0.001%

More Expensive Scenario

The more expensive scenario assumes Phase II coatings are 5 percent more expensive than Phase 0 coatings. In this scenario the affected facilities incur cost savings during Phase I and compliance costs during Phase II. The REMI model projects that in this scenario there will be 110 jobs forgone annually on average over the 2025 – 2044 period, relative to the REMI baseline forecast. The Construction (NAICS 23), Repair and Maintenance, and Retail Trade industries are forecasted to forgo 20, 11, and 9 jobs, respectively, on average over the forecast period. Table 9 presents the forecasted jobs foregone or added for selected years in the industries with the largest magnitude of average annual job impacts. The “All Other Industries” row in Table 9 shows the sum of job impacts for all other industries excluding the 10 selected industries presented in the table.

Table 9
Projected Job Impacts of PAR 1151 for Selected Industries and Years - More Expensive Scenario

Industry (NAICS)	2025	2030	2035	2044	Annual Average	Baseline Number of Jobs	% of Baseline Jobs
Construction (23)	112	-70	-102	-16	-20	555,242	-0.004%
Repair and maintenance (811)	58	-21	-36	-37	-11	132,850	-0.008%
Retail trade (44-45)	75	-34	-41	-32	-9	923,250	-0.001%
Personal and laundry services (812)	43	-29	-23	-21	-7	405,558	-0.002%
Real estate (531)	40	-17	-25	-21	-6	747,794	-0.001%
State and local government (92)	24	12	-29	-25	-6	954,442	-0.001%
Administrative and support services (561)	39	-18	-23	-20	-6	841,663	-0.001%
Professional, scientific, and technical services (54)	32	-12	-23	-18	-6	1,008,886	-0.001%
Food services and drinking places (722)	31	-8	-20	-22	-6	744,951	-0.001%
Ambulatory health care services (621)	36	-29	-15	-11	-4	688,181	-0.001%
All Other Industries	186	-85	-108	-100	-29	5,330,430	-0.001%
All Industries	677	-310	-443	-324	-110	12,333,247	-0.001%

Less Expensive Scenario

The less expensive scenario assumes Phase II coatings are five percent less expensive than Phase 0 coatings. In this scenario the affected facilities incur greater cost savings relative to the baseline analysis. The REMI model projects that for this scenario there will be 445 jobs gained annually on average over the 2025 – 2044 period, relative to the REMI baseline forecast. The Retail Trade, Repair and Maintenance, and Construction industries are forecasted to gain 47, 46, and 42 jobs, respectively, on average over the forecast period. Table 10 presents the forecasted jobs foregone or added for selected years in the industries with the largest magnitude of average annual job impacts. The “All Other Industries” row in Table 10 shows the sum of job impacts for all other industries excluding the 10 selected industries presented in the table.

Table 10
Projected Job Impacts of PAR 1151 for Selected Industries and Years - Less Expensive Scenario

Industry (NAICS)	2025	2030	2035	2044	Annual Average	Baseline Number of Jobs	% of Baseline Jobs
Retail trade (44-45)	75	50	41	35	47	923,250	0.005%
Repair and maintenance (811)	58	48	44	38	46	132,850	0.034%
Construction (23)	112	60	5	14	42	555,242	0.008%
State and local government (92)	24	42	30	28	32	954,442	0.003%
Real estate (531)	40	28	24	25	28	747,794	0.004%
Food services and drinking places (722)	31	28	26	25	27	744,951	0.004%
Administrative and support services (561)	39	27	23	22	26	841,663	0.003%
Personal and laundry services (812)	43	23	22	23	25	405,558	0.006%
Professional, scientific, and technical services (54)	32	25	20	22	24	1,008,886	0.002%
Ambulatory health care services (621)	36	13	14	17	17	688,181	0.003%
All Other Industries	186	129	116	121	131	5,330,430	0.002%
All Industries	677	473	366	370	445	12,333,247	0.004%

Worst-Case Scenario Analysis

South Coast AQMD generally includes an alternative worst-case scenario in Socioeconomic Impact Assessments which analyzes a scenario that assumes the affected facilities would purchase all feasible emission control equipment and services from providers outside the South Coast AQMD region, based on the recommendations made by Abt Associates Inc.⁹ However, staff is unaware of any automotive coating manufacturers located within the South Coast AQMD region and has instead conducted a REMI analysis for each of the alternative price scenarios (e.g., more expensive and less expensive) in lieu of a worst-case scenario analysis.

Price Impact and Competitiveness

The impact of implementing PAR 1151 on production costs and delivered prices in the region is not expected to be substantial. In the Repair and Maintenance industry, which incurs most of the cost savings associated with PAR 1151, the REMI model projects an average decrease in relative delivered prices of 0.075 percent over the forecast period, with a maximum decrease of 0.342 percent forecasted in the year 2025. The relative cost of production for the Repair and Maintenance

⁹ Abt Associates Inc., August 2014, Review of the SCAQMD Socioeconomic Assessments, Chapter 6, Section 3, <https://www.aqmd.gov/docs/default-source/Agendas/aqmp/scaqmd-report---review-socioeconomic-assessments.pdf>, accessed April 2, 2024.

industry is forecasted to decrease by 0.074 percent on average relative to the REMI baseline scenario, with a maximum decrease of 0.338 percent expected to occur in 2025. Given the potential decrease in delivered prices and cost of production, the implementation PAR 1151 is expected to improve the ability of local firms to compete with producers located outside South Coast AQMD's jurisdiction.

REFERENCES

Abt Associates Inc., August 2014, Review of the SCAQMD Socioeconomic Assessments, Chapter 6, Section 3, <https://www.aqmd.gov/docs/default-source/Agendas/aqmp/scaqmd-report---review-socioeconomic-assessments.pdf>.

California Air Resources Board (CARB), March 2005, Draft Report: 2002 Survey of Automotive Refinish Coatings, <https://ww2.arb.ca.gov/sites/default/files/2020-12/2002report.pdf>.

California Legislative Information, Health and Safety Code: General Provisions – Section 19, https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=19.

Regional Economic Modeling Inc. (REMI), Policy Insight® for the South Coast Area (70-sector model). Version 3, 2023.

South Coast AQMD, April 2023, Rule 222 – Filling Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/Rule-222.pdf>.

South Coast AQMD, Draft Staff Report for Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1151>.

United States Census Bureau, August 2003, California: 2000 Population and Housing Unit Counts <https://www2.census.gov/library/publications/2003/dec/phc-3-6.pdf>.

United States Census Bureau, August 2021, California: 2020 Census, <https://www.census.gov/library/stories/state-by-state/california-population-change-between-census-decade.html>.

United States Small Business Administration, March 2023, Table of Small Business Size Standards, <https://www.sba.gov/document/support-table-size-standards>.

Proposed Amended Rule 1151

*Motor Vehicle and Mobile
Equipment Non-Assembly Line
Coating Operations*



**BOARD MEETING
November 1, 2024**

Rule 1151 Background

- Rule 1151 was adopted in 1988
 - Establishes VOC limits for coatings applied to motor vehicle and mobile equipment
- Proposed amendments necessary to:
 - Implement control measure from 2022 AQMP to:
 - Phase out two toxic solvents
 - Achieve additional VOC reductions
 - Fulfill AB 617 South Los Angeles Community Emissions Reduction Plan objective to reduce emissions from autobody shops
- Public process began in November 2023:
 - Four Working Group Meetings, one Public Workshop, nearly 40 stakeholder meetings, and six site visits
 - Presented at South Los Angeles Community Steering Committee meeting and California Autobody Association

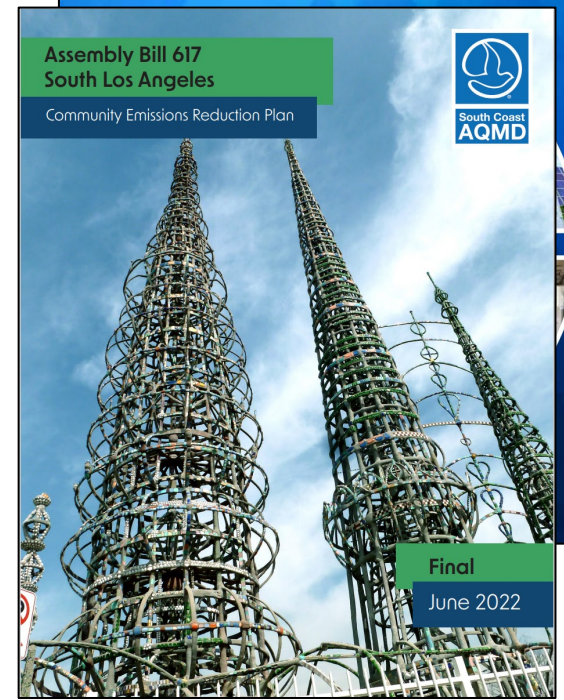
(Adopted July 8, 1988)(Amended May 5, 1989)(Amended March 2, 1990)
(Amended June 28, 1990)(Amended November 2, 1990)(Amended December 7, 1990)
(Amended August 2, 1991)(Amended September 6, 1991)
(Amended December 9, 1994)(Amended March 8, 1996)
(Amended June 13, 1997)(Amended December 11, 1998)(Amended December 2, 2005)
(Amended September 5, 2014)

RULE 1151. MOTOR VEHICLE AND MOBILE EQUIPMENT NON-ASSEMBLY LINE COATING OPERATIONS

(a) Purpose

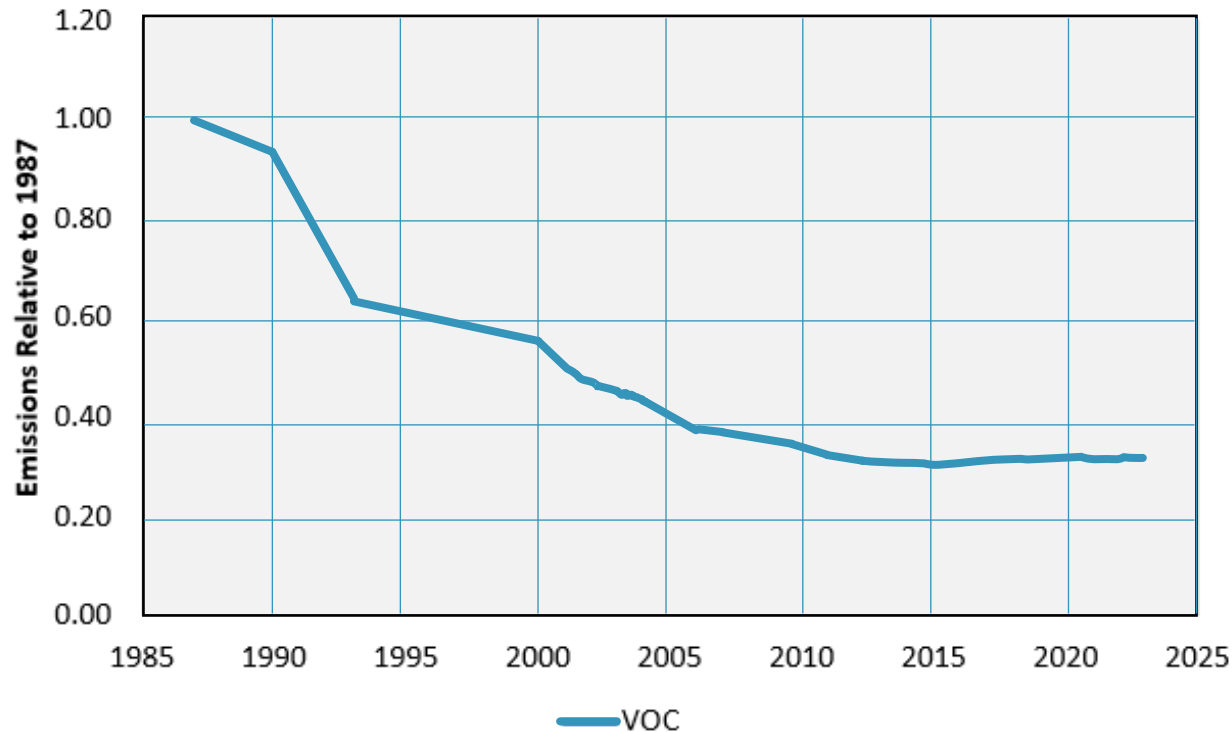


2022
AIR QUALITY
MANAGEMENT PLAN



(VOC) emissions,
ounds, and global-
cations performed
components.
s for sale, markets,
r distributes any
istrict, as well as any
of any automotive
y:
ating, specifically
plastic surfaces to
and on which, a
ed coating product
redients by means
can for hand-held
nd traffic/markings
ial equipment and
alized operation to
eans.
tructures, devices,
or elements of any

VOC Emission Control in Automotive Coatings



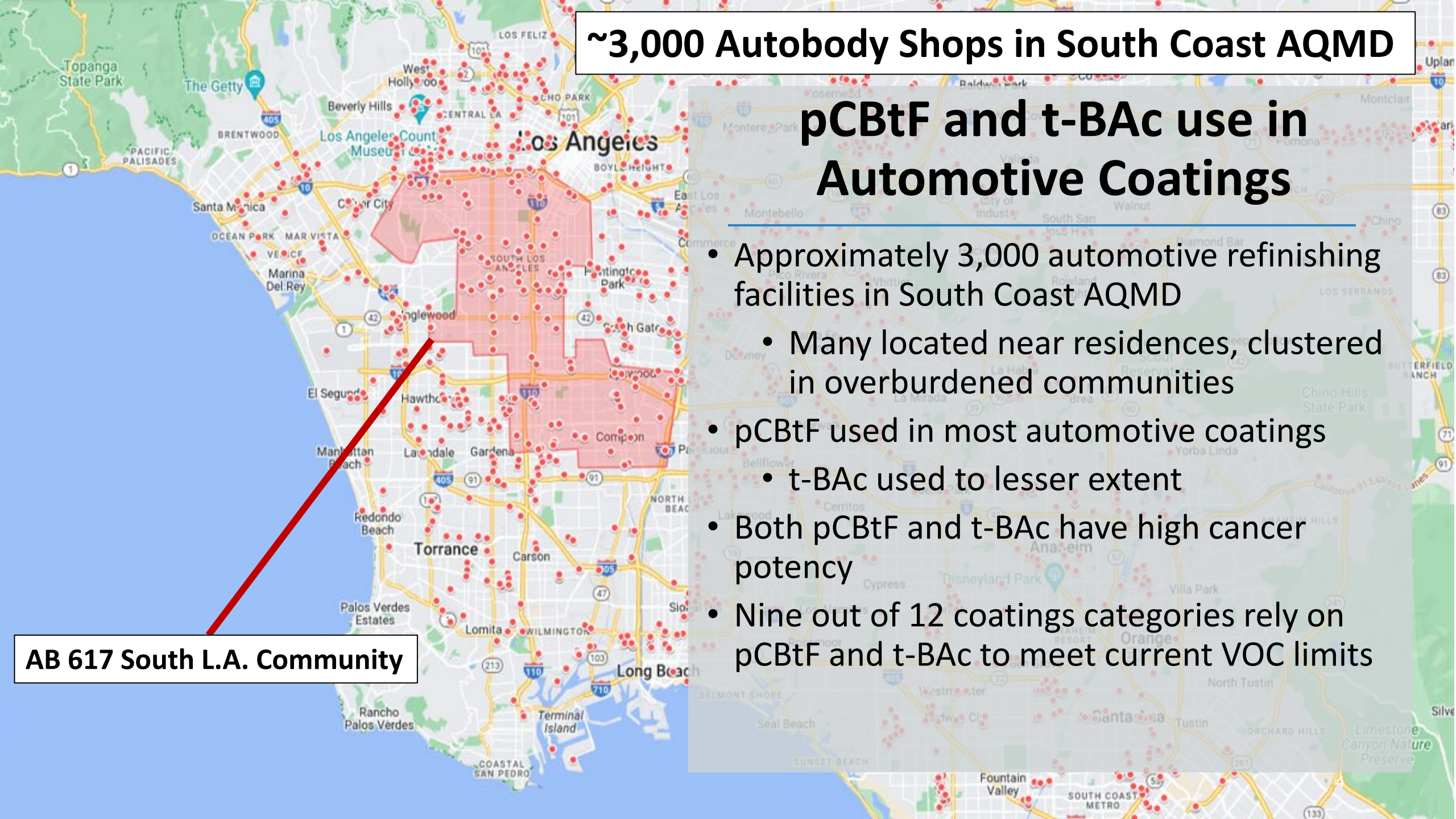
- South Coast AQMD achieved significant VOC emission reductions from coatings and solvents
 - Some achieved reductions using exempt solvents with low photochemical reactivity
- In 2017, Stationary Source Committee directed staff to prioritize reducing toxicity, even if it results in increased VOC emissions
- Office of Environmental Health Hazard Assessment (OEHHA) determined two exempt solvents used have toxic end points
 - *tert*-butyl acetate (t-BAc) in 2018
 - para-chlorobenzotrifluoride (pCBtF) in 2020

~3,000 Autobody Shops in South Coast AQMD

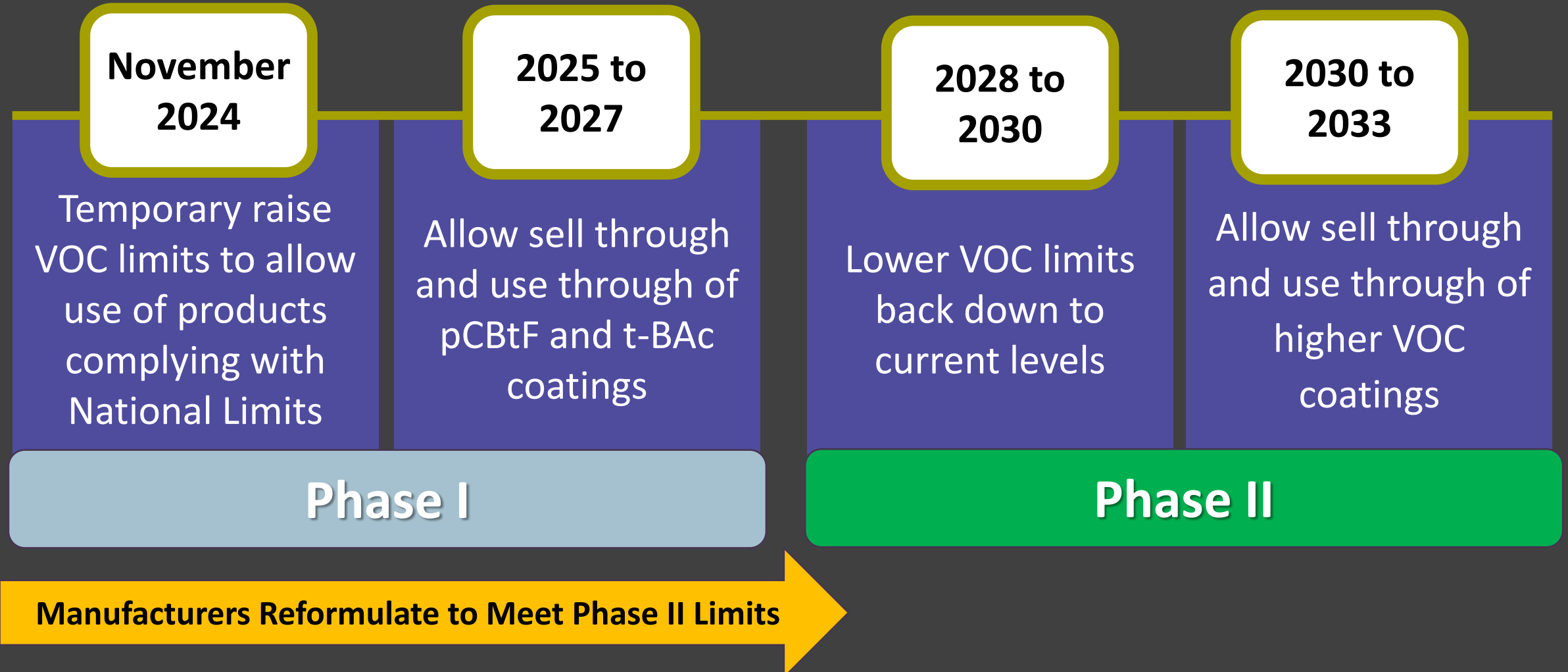
pCBtF and t-BAc use in Automotive Coatings

- Approximately 3,000 automotive refinishing facilities in South Coast AQMD
 - Many located near residences, clustered in overburdened communities
- pCBtF used in most automotive coatings
 - t-BAc used to lesser extent
- Both pCBtF and t-BAc have high cancer potency
- Nine out of 12 coatings categories rely on pCBtF and t-BAc to meet current VOC limits

AB 617 South L.A. Community



Overall Phase-Out Approach for pCBtF and t-BAc



Need for 3 to 5 Year Reformulation Timeline

Research and Development

- Reformulation to lower VOC limits without pCBtF and t-BAc
- Long-term testing

Color Matching

- Up to 30,000 colors available
- Requires Original Equipment Manufacturer (OEM) approval



OEM Certification and Approvals

- Each automaker has strict performance requirements

Manufacturing, Logistics, Labeling, and End User Training

- Adequate inventory to support industry
- Training will be needed due to different performance and characteristics of new products

PAR 1151 VOC Emissions

Baseline
Emissions

2.47 tpd

Temporary VOC
Emission Increase
in Phase I

4.8 tpd

Overall Emission
Reductions in
Phase II

0.19 tpd

Key Issue

- Recordkeeping and reporting requirements for UV/EB/LED technology too burdensome

- UV/EB/LED coatings are not necessarily low-VOC
 - UV/LED autobody primer used locally contains ~200 g/L VOC
- U.S. EPA has cited inadequate recordkeeping as reason to prevent SIP approval¹
- Recordkeeping critical for end user to demonstrate compliance with rule and permit limits
- Rule 1151 recordkeeping incorporates Rule 109 by reference
 - Allows for minimal recordkeeping for super-compliant VOC coatings
 - Low-VOC coatings used at high volumes have high emissions
- Reporting requirements are necessary even for low-VOC coatings:
 - Provides accurate emissions inventories
 - Critical to inform staff of existing low-VOC commercially available coatings

¹. Page 2-1 of Rule 219 Final Staff Report: [Rule 219 Final Staff Report](#)

CEQA and Socioeconomic Impact Assessment

California Environmental Quality Act (CEQA)

- Relies on CEQA analysis previously conducted for the 2022 AQMP which adequately describes the activities and impacts

Socioeconomic Cost Impact for 2025 to 2044

- **Total Average Annual Cost** – Cost savings of \$40 million to increased cost of \$14 million (depending on scenario and assumptions)
- **Average Annual Job Impact** – 110 jobs forgone to 445 jobs gained (depending upon scenario and assumptions)

Staff Recommendations

Determine that Proposed Amended Rule 1151 is a later activity within the scope of the Final Program Environmental Impact Report for the 2022 AQMP such that no new environmental document will be required; and

Amend Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

BOARD MEETING DATE: November 1, 2024

AGENDA NO. 22

PROPOSAL: Determine That Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, Is Exempt from CEQA; and Amend Rule 1173

SYNOPSIS: Rule 1173 applies to refineries, chemical plants, oil and gas production fields, and others. Proposed Amended Rule 1173 (PAR 1173) establishes enhanced leak detection using optical gas imaging and more stringent control requirements including lower leak standards. PAR 1173 will address Community Emission Reduction Plan objectives from the AB 617 community Wilmington, Carson, West Long Beach. PAR 1173 also refines repair schedules and includes contingency measures to fulfill federal requirements.

COMMITTEE: Stationary Source, August 16, 2024, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants is exempt from the requirements of the California Environmental Quality Act; and
2. Amending Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants.

Wayne Natri
Executive Officer

SR:MK:MM:RC:AS

Background

Rule 1173 was adopted on July 7, 1989, to reduce VOC emissions from components at specific facilities and to consolidate three existing rules. Since adoption, Rule 1173 has been amended five times to lower certain leak standards, to expand applicability to

additional facility types and heavy liquids, to enhance monitoring requirements, and to address administrative issues. Rule 1173 was last amended in 2009. Currently, Rule 1173 applies to more than 200 refineries, chemical plants, lubricating oil and grease re-refiners, marine terminals, oil and gas production fields, natural gas processing plants and pipeline transfer stations and affects approximately 2.6 million components and points of fugitive VOC emissions.

On September 6, 2019, the South Coast AQMD Governing Board adopted the AB 617 Wilmington, Carson, West Long Beach (WCWLB) Community Emissions Reduction Plan (CERP). The WCWLB CERP includes an air quality objective that seeks to further reduce fugitive VOC emissions through rule amendments to enhance VOC leak detection and repair requirements. The WCWLB CERP considered more rapid leak detection and response enabled by advanced air measurements and lowering allowable emissions from on-site equipment.

On December 2, 2022, the South Coast AQMD Governing Board adopted the 2022 AQMP to achieve attainment of the ozone National Ambient Air Quality Standards (NAAQS). The 2022 AQMP includes Control Measure FUG-01: Improved Leak Detection and Repair (LDAR) which proposes implementing the use of advanced LDAR technologies including optical gas imaging (OGI) devices for earlier detection of VOC emissions from leaks. The 2022 AQMP also committed to include contingency measures in rulemaking to partially satisfy federal Clean Air Act (CAA) contingency requirements for applicable ozone NAAQS in the South Coast AQMD's jurisdiction.

Proposal

Proposed Amended Rule 1173 (PAR 1173) further reduces VOC emissions from components by: 1) requiring optical gas imaging inspections monthly; 2) lowering VOC leak standards for component category light liquid pumps and compressors from 500 ppm to 400 ppm; 3) lowering VOC leak standards for fittings, valves, and other devices from 500 ppm to 100 ppm; and 4) formalizing inspection requirements and lowering leak standards for fin fans to 100 ppm, all effective January 1, 2026. PAR 1173 also simplifies the leak repair schedule, updates threshold for Notice of Violation, and requires electronic reporting. In addition, PAR 1173 contains three contingency measures to be implemented sequentially, if needed: 1) further lowers VOC leak standard for component category light liquid pumps and compressors to 300 ppm; 2) increases OGI inspections to every two weeks; and 3) further lowers VOC leak standards for component category fittings, valves, and other devices to 50 ppm.

Public Process

PAR 1173 was developed through a public process. A Working Group was formed, which included representatives from industry, consultants, and community and environmental groups. Four working group meetings were held on: February 28, 2024; April 24, 2024; June 12, 2024; and July 11, 2024. Staff also met individually with

stakeholders and visited sites affected by the proposed amended rule. In addition, a Public Workshop was held on July 26, 2024, to present PAR 1173, cost-effectiveness, and receive public comment.

Emission Reductions

Implementation of PAR 1173 is expected to result in emission reductions of 2.03 tons per day of VOC beginning January 1, 2026.

Key Issues

Through the rulemaking process, staff has worked with stakeholders to address and resolve issues. Two resolved issues were fin fan plug applicability and delay of repair of essential components. Staff is not aware of any remaining key issues.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, PAR 1173 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 and is included as Attachment H to this Board Letter. If PAR 1173 is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

Socioeconomic Impact Assessment

Approximately 2.61 million components at 203 facilities are subject to PAR 1173 requirements, with the majority of the facilities classified under the sector of Oil and Gas Extraction per North American Industrial Classification System. Of the 203 affected facilities, up to 117 facilities may qualify as small businesses based on various small business definitions. The key provisions of PAR 1173 that would have cost impacts for the affected facilities include: 1) establishing more stringent VOC leak standards for light liquid pumps and compressors as well as valves, fittings, fin fans and other components; 2) requiring monthly OGI inspections; and 3) repairing or replacing the detected leaking components. The total present value of compliance costs of implementing PAR 1173 over the 2026 – 2035 period is estimated to be \$135.73 million and \$112.88 million for a 1 percent and 4 percent discount rate, respectively. The average annual compliance costs of PAR 1173 are estimated to range from \$14.43 million to \$14.47 million for a 1 percent to 4 percent real interest rate, respectively. Implementing PAR 1173 is expected to result in 16 net jobs gained annually on average over the 2026 – 2035 period. Overall, the impact of PAR 1173 on production cost and delivered prices in South Coast AQMD region is expected to be minimal. The Final Socioeconomic Impact Assessment is included as Attachment I to this Board Letter.

AQMP and Legal Mandates

Under Health and Safety Code Section 40460(a), the South Coast AQMD is required to adopt an AQMP demonstrating compliance with all federal regulations and standards. PAR 1173 partially implements the 2022 AQMP Control Measure FUG-01: Improved Leak Detection and Repair by requiring monthly monitoring of components with the use of OGI technology.

PAR 1173 also implements objectives stated in the WCWLB CERP to reduce fugitive VOC emissions. Additionally, PAR 1173 updates BARCT requirements by establishing more stringent leak standards pursuant to Health and Safety Code section 40920.6.

In addition, PAR 1173 introduces contingency measures to partially satisfy federal CAA Section 182(c)(9) that requires that ozone nonattainment areas classified as “serious” or above provide for contingency measures to be implemented if the area fails to meet any applicable milestone. PAR 1173 introduces three contingency measures to fulfill ozone attainment plan requirements for the applicable NAAQS.

Implementation and Resource Impact

Existing staff resources are adequate to implement the proposed amended rule.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. PAR 1173
- G. Final Staff Report
- H. Notice of Exemption from CEQA
- I. Final Socioeconomic Impact Assessment
- J. Board Presentation

ATTACHMENT A

SUMMARY OF PROPOSAL

Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

Purpose

- Contains a new purpose to establish contingency measures in the South Coast Air Basin for applicable ozone standards

Applicability

- Contingency measures become applicable upon approval by U.S. EPA

South Coast AQMD Inspection Procedures

- Effective January 1, 2026, lower violation standard from 50,000 to 10,000 ppm
- Effective January 1, 2026, visible vapors detected with optical gas imaging (OGI) by South Coast AQMD personnel subject to Notice to Violation

Identification Requirements

- Tagging of leaking components required until repaired

Self Inspection Requirements

- Weekly audio-visual-olfactory (AVO) inspections for unmanned facilities
- Effective January 1, 2026, monthly OGI inspections of all components
- Effective January 1, 2026, annual Method 21 analyzer inspections of all fin fans
- OGI inspections now also considered when determining relaxation of quarterly Method 21 analyzer inspections to annual frequency

Leak Standards and Repair Requirements

- New leak standards and repair schedule effective January 1, 2026
- Leak standard for valves, fittings, and other devices lowered from 500 ppm to 100 ppm
- Leak standard for compressors and pumps (light liquid) lowered from 500 ppm to 400 ppm
- Leak standard for fin fans set at 100 ppm with separate repair schedule
- Simplified repair schedule to repair components above the violation standard within 1 calendar day and those above the leak standard but below the violation standard within 14 calendar days
- Limited delay of repair for a small percentage of valves, fittings, compressors, or pumps (light liquid) below 500 ppm until outage or turnaround

- Components with visible leaks dripping liquid must be repaired within 1 calendar day or, if inaccessible, within 14 calendar days
- Components with visible vapors detected with OGI must be repaired within 1 calendar day or, if inaccessible or below violation standard, within 14 calendar days
- For fin fans, all leaks above 5,000 ppm must be repaired within 14 calendar days. A limited percentage of fin fan leaks under 5,000 ppm may be delayed until outage or turnaround

Atmospheric Process PRD Requirements

- Threshold removed from requirement to conduct a failure analysis and implement corrective actions following a release from an atmospheric process PRD in order to maintain stringency with federal requirements
- Mitigation fee in lieu of connecting atmospheric process PRDs to vapor recovery or control system adjusted from \$350,000 to \$625,000 with annual California Consumer Price Index adjustment

Recordkeeping and Reporting Requirements

- Electronic reporting to dedicated email address Rule1173Reports@aqmd.gov or other electronic formats to be developed

Test Methods

- Additional test methods approved

Ozone Contingency Measures

- Within 60 days of finding of nonattainment or failure of reasonable further progress, implementation sequentially of a contingency measure
- Stage 1: Lowered leak standard for compressors and pumps (light liquid) from 400 ppm to 300 ppm
- Stage 2: Increased OGI inspection frequency from monthly to every two weeks
- Stage 3: Lowered leak standard for valves, fittings, and other devices from 100 ppm to 50 ppm

Exemptions

- Unsafe component inspections and repair exempt until safe to do so

Interim Procedures and Requirements

- Existing violation standards, leak standards, and repair periods in effect until January 1, 2026

ATTACHMENT B
KEY ISSUES AND RESPONSES

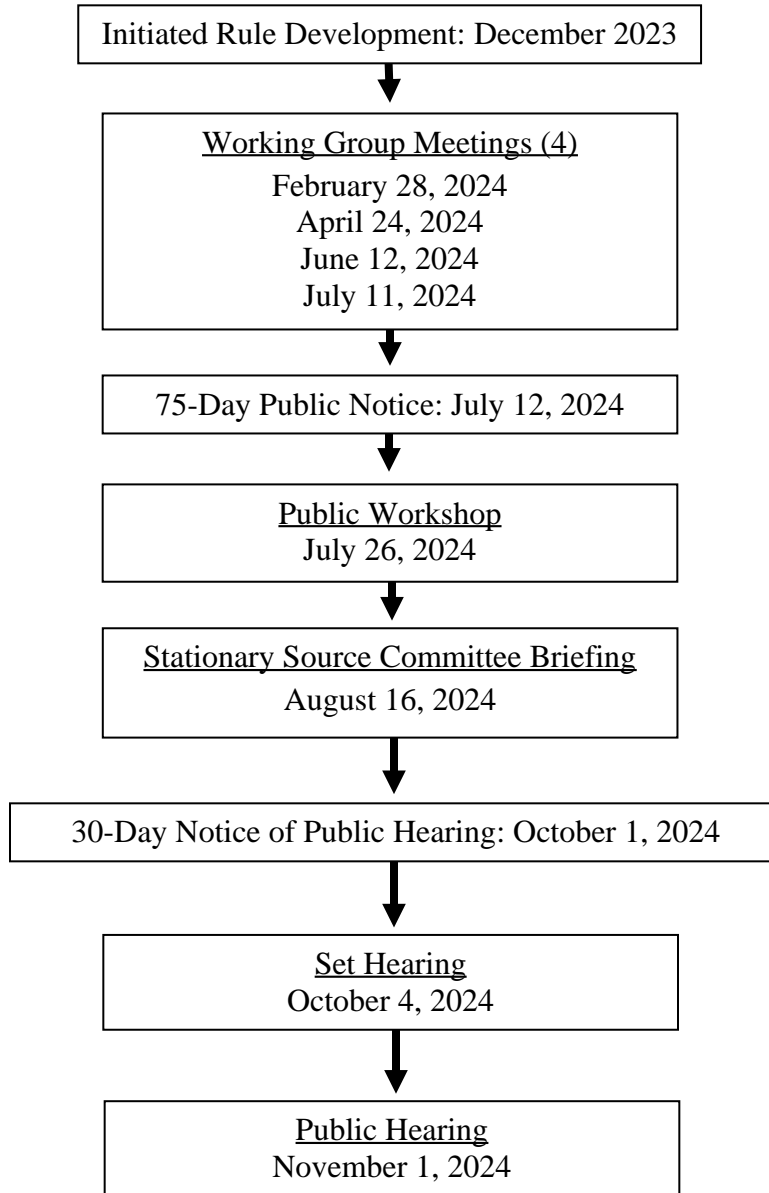
Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and
Releases from Components at Petroleum Facilities and Chemical Plants

Throughout the rulemaking process, staff worked with stakeholders to resolve key issues. Staff is not aware of any key remaining issues.

ATTACHMENT C

RULE DEVELOPMENT PROCESS

Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants



11 months spent in rule development
One (1) Public Workshop
One (1) Stationary Source Committee Meeting
Four (4) Working Group Meetings

ATTACHMENT D
KEY CONTACTS LIST

ALAMITOS COMPANY
ALTAIR PARAMOUNT LLC
AMVAC CHEMICAL CORP
ANTERRA SERVICES INC
ARROWHEAD OPERATING INC
BEACON ENERGY SERVICES INC
BLUE LAKE ENERGY
BRAYTON-HODGES PETROLEUM INC
BRIDGE ENERGY LLC
BRIDGE POINT CARSON LLC
BRINDLE & THOMAS
BROWNSTEIN
CALIFORNIA RESOURCES LONG BEACH INC
CALNEV PIPE LINE LLC
CALNRG OPERATING LLC
CHEVRON PRODUCTS CO
CITY OF HUNTINGTON BEACH
CITY OF NEWPORT BEACH
COLUMBINE ASSOCIATES
COOPER & BRAIN INC
CREE OIL LTD
DCOR LLC
DEIST
E & T LLC
E&B NATURAL RESOURCES MANAGEMENT CORP
EQUILON ENTERPRISES LLC

EVONIK
HELLMAN PROPERTIES LLC
HERLEY OLIVE HOLDINGS, LLC
HERLEY-KELLY CO
HONOR RANCHO WAYSIDE CANYON HOLDINGS LLC
INEOS COMPOSITES
INEOS POLYPROPYLENE LLC
J AND J OPERATORS LLC
JOHN THOMAS, THOMAS OILERS
KINDER MORGAN MATERIALS SERVICES LLC
KONICA-MINOLTA
LEONARD 1&2 LLC
LINN WESTERN OPERATING INC
MARATHON PETROLEUM
MONTROSE AIR QUALITY SERVICES LLC
OLD-FIELD AND ASSOCIATES
OLYMPUS TERMINALS LLC
OPTIMA CONSERVATION RESOURCES, LLC
PACIFIC COAST ENERGY COMPANY LP
PACIFIC PALMS PETROLEUM LLC
PACIFIC PIPELINE SYSTEM LLC
PARAMOUNT PIPELINE, LLC
PETRO DIAMOND TERMINAL CO
PHILLIPS 66 COMPANY
PIER OIL CO
PLASKOLITE INC
PLEGEL OIL COMPANY INC
POWER RUN OIL LLC
RANCHO LPG HOLDINGS LLC

REICHHOLD LLC
RIBOST TERMINAL LLC
ROSECRANS ENERGY
S&C OIL CO
SAMPSON OPERATORS
SENTINEL PEAK RESOURCES CALIFORNIA LLC
SFPP LP
SHADOW WOLF ENERGY, LLC
SHELL USA INC
SIGNAL HILL PETROLEUM INC
SO CAL HOLDING LLC
TEAM INC
TEG OIL AND GAS USA INC
TERMO COMPANY
TESORO REFINING & MARKETING CO LLC
THE LANSDALE COMPANY
THE TERMO COMPANY
THUMS LONG BEACH CO
TIDELANDS OIL PRODUCTION CO
TJ INVESTMENTS TOM SCOTT DBA
TORRANCE REFINING COMPANY LLC
UNIVAR SOLUTIONS USA INC
VALERO
VEOLIA E.S. TECHNICAL SOLUTIONS LLC
VOPAK INC
WESTERN STATES PETROLEUM ASSOCIATION
WG HOLDINGS SPV LLC
WORLD OIL RECYCLING
ZENITH ENERGY WEST COAST TERMINALS LLC

ATTACHMENT E

RESOLUTION NO. 24-____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board amending Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1173 is considered a “project” as defined by CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(1) and has conducted a CEQA review and analysis of Proposed Amended Rule 1173 pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Amended Rule 1173 is exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that since Proposed Amended Rule 1173 will achieve VOC emission reductions through making VOC leak standards more stringent and by requiring frequent optical gas imaging inspections, which can be accomplished without physical modifications, it can be seen with certainty that implementation of Proposed Amended Rule 1173 would not cause a significant adverse effect on the environment; therefore, Proposed Amended Rule 1173 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD staff has prepared a Notice of Exemption for Proposed Amended Rule 1173 that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment of Proposed Amended Rule 1173 is

ATTACHMENT E

consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule amendment; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment for Proposed Amended Rule 1173 is consistent with the provisions of Health and Safety Code Sections 40440.8, 40728.5, and 40920.6; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1173 will result in net jobs gained, minimal impact to production costs and delivered prices in the South Coast AQMD region, and increased costs to the affected industries, yet such costs are considered to be reasonable; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Final Socioeconomic Impact Assessment and has made a good faith effort to minimize adverse socioeconomic impacts; and

WHEREAS, the South Coast AQMD staff conducted a Public Workshop on July 26, 2024 regarding Proposed Amended Rule 1173; and

WHEREAS, Proposed Amended Rule 1173 and supporting documentation, including but not limited to, the Notice of Exemption, Final Staff Report, and Final Socioeconomic Impact Assessment were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in section (d)(4)(D) of the Governing Board Procedures (codified as section 30.5(4)(D)(i) of the Administrative Code), that modifications to Proposed Amended Rule 1173 subdivision (c) and paragraph (l)(1) since the Notice of Public Hearing was published, referencing Rule 1302 to better define the applicable facilities and clarifying that the interim repair periods may be applicable in the exemptions, are not so substantial as to significantly affect the meaning of Proposed Amended Rule 1173 within the meaning of Health and Safety Code Section 40726 because: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rule, (c) the changes are consistent with the information contained in the Notice of Public Hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because the proposed project is exempt from CEQA; and

ATTACHMENT E

WHEREAS, Proposed Amended Rule 1173 will be submitted to California Air Resources Board (CARB) and United States Environmental Protection Agency (U.S. EPA) for inclusion into the State Implementation Plan; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to amend Rule 1173 to implement Best Available Retrofit Control Technology, partially implement Control Measure FUG-01 of the 2022 Final Air Quality Management Plan, address an objective contained in the Wilmington, Carson, West Long Beach Community Emission Reduction Plan, and partially satisfy federal Clean Air Act Section 182(c)(9) contingency measure requirements for ozone nonattainment areas classified as “serious” or above; and

WHEREAS, the South Coast AQMD Governing Board has determined, pursuant to Health and Safety Code Section 40001(c), that there is a problem that Proposed Amended Rule 1173 will alleviate, namely the failure to attain national ambient air quality standards for ozone, and that the rule will promote the attainment of state and federal ambient air quality standards; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 39650 et. seq., 40000, 40001, 40440, 40441, 40702, 40725 through 40728.5, 40920.6, and 41508; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1173 is written and displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1173 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1173 does not impose the same requirements as any existing state or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, South Coast AQMD; and

ATTACHMENT E

WHEREAS, the South Coast AQMD Governing Board, in amending Rule 1173, references the following statutes which the South Coast AQMD hereby implements, interprets or makes specific: Assembly Bill 617, Health and Safety Code Sections 39002, 40001, 40406, 40702, 40440(a), 40725 through 40728.5, 40920.6, and 41511; and

WHEREAS, Health and Safety Code Section 40727.2 requires the South Coast AQMD to prepare a written analysis of existing federal air pollution control requirements applicable to the same source type being regulated whenever it adopts, or amends a rule, and the South Coast AQMD's comparative analysis of Proposed Amended Rule 1173 is included in the Final Staff Report; and

WHEREAS, the Public Hearing has been properly noticed in accordance with all provisions of Health and Safety Code Sections 40725 and 40440.5; and

WHEREAS, the South Coast AQMD Governing Board has held a Public Hearing in accordance with all provisions of law; and

WHEREAS, the South Coast AQMD Governing Board specifies the Planning, Rule Development, and Implementation Manager overseeing the rule development for Proposed Amended Rule 1173 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

NOW, THEREFORE BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 1173 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. This information has been presented to the South Coast AQMD Governing Board, whose members exercised their independent judgment and reviewed, considered, and approved the information therein prior to acting on Proposed Amended Rule 1173; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 1173 as set forth in the attached, and incorporated herein by reference.

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board requests that Proposed Amended Rule 1173 be submitted for inclusion in the State Implementation Plan; and

ATTACHMENT E

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Amended Rule 1173 and supporting documentation to CARB for approval and subsequent submittal to the U.S. EPA for inclusion into the State Implementation Plan.

DATE: _____

CLERK OF THE BOARDS

**PROPOSED AMENDED RULE 1173 CONTROL OF VOLATILE ORGANIC
COMPOUND LEAKS AND RELEASES FROM COMPONENTS AT
PETROLEUM FACILITIES AND CHEMICAL PLANTS**

[Rule index to be added after Amendment]

(a) Purpose

This rule is intended to control ~~v~~Volatile ~~o~~Organic ~~e~~Compound (VOC) ~~l~~Leaks from ~~e~~Components, ~~and~~ ~~r~~Releases from ~~a~~Atmospheric ~~p~~Process ~~p~~Pressure ~~r~~Relief ~~d~~Devices (PRDs), and establish Contingency Measures for applicable ozone standards for the reduction of VOC.

(b) Applicability

(1) ~~_____~~ This rule applies to ~~e~~omponents at ~~r~~Refineries, ~~e~~Chemical ~~p~~Plants, ~~l~~Lubricating ~~o~~Oil and ~~g~~Grease ~~r~~Re-refiners, ~~m~~Marine ~~t~~Terminals, ~~o~~Oil and ~~g~~Gas ~~p~~Production ~~f~~Fields, ~~n~~Natural ~~g~~Gas ~~p~~Processing ~~p~~Plants, and ~~p~~Pipeline ~~t~~Transfer ~~s~~Stations.

(2) ~~_____~~ Subdivision (k) shall not become applicable until the effective date of final and full approval by the United States Environmental Protection Agency (U.S. EPA) of the California State Implementation Plan (SIP) as meeting the Contingency Measure requirements of the Clean Air Act Sections 172(c)(9) and 182(c)(9) for the South Coast Air Basin regarding the 2008 and 2015 ozone National Ambient Air Quality Standards (NAAQS).

(c) Definitions:

For the purpose of this rule the following definitions shall apply:

(1) ~~_____~~ ATMOSPHERIC PROCESS PRD is a PRD located on process equipment other than storage tanks or pipelines used to transport material and that vents to atmosphere.

(2)(1) ~~_____~~ BACKGROUND is the ambient concentration of total organic compounds (TOC) in the air at least one (1) meter upwind of the Component to be inspected, determined according to the test method in paragraph (j)(1).

(3)(2) ~~_____~~ CHEMICAL PLANT is ~~any~~ facility, as defined in Rule 1302, engaged in producing chemicals; and/or manufacturing products by chemical processes, as described by North American Industry Classification System (NAICS) subsector 3252 – Resin, Synthetic Rubber, and Artificial and Synthetic Fibers and Filaments Manufacturing or similar. ~~Any facility or operation that has 282 as the first three digits in its Standard Industrial Classification Code as defined in the Standard Industrial Classification Manual is included in this definition.~~

- ~~(4)~~(3) COMMERCIAL NATURAL GAS is a mixture of hydrocarbons, with at least 80 percent methane by volume and less than ten ~~(10)~~ percent by weight VOC, determined according to test methods specified in paragraph (j)(2).
- ~~(5)~~(4) COMPONENT is ~~any v~~Valve, ~~f~~Fitting, ~~p~~Pump, ~~e~~Compressor, ~~PRD~~pressure-relief device, ~~Fin~~ Fan, or other device (diaphragm, ~~h~~Hatch, sight-glass, ~~and~~ meter) in VOC service. ComponentsThey are further classified as:
- (A) MAJOR COMPONENT is ~~any~~ 4-inch or larger ~~v~~Valve, ~~any~~ 5-hp or larger ~~p~~Pump, ~~any~~ ~~e~~Compressor, ~~and~~ ~~any~~ 4-inch or larger ~~PRD~~pressure-relief device, ~~or a~~ Fin Fan.
- (B) MINOR COMPONENT is ~~any~~ ~~e~~Component which is not a ~~m~~Major ~~e~~Component.
- ~~(6)~~(5) COMPRESSOR is a device used to compress ~~gas/es and/or~~ vapors by the addition of energy, and includes all associated Connectors, Flanges, and Compressor Seals~~components used for connecting and sealing purposes~~.
- ~~(7)~~ COMPRESSOR SEAL is associated with a Compressor and is used to prevent escape of gas/vapor and introduction of atmosphere.
- ~~(8)~~ CONNECTOR is a nonwelded connection to, from, or between pipes or piping details without flanged ends, typically threaded and screwed together.
- ~~(9)~~ CONTINGENCY MEASURE (CM) is a control strategy to further reduce VOC emissions if the South Coast Air Basin fails to comply with the requirements specified in Clean Air Act, Sections 172(c)(9) and 182(c)(9) regarding the 2008 and 2015 ozone NAAQS. These requirements are making reasonable further progress (RFP), attaining the applicable ozone NAAQS by a specified attainment date, and meeting any applicable milestones.
- ~~(10)~~ ESSENTIAL COMPONENT is a Component that cannot be isolated from the fluid stream and can only be taken out of service by shutdown of the Process Unit that it serves.
- ~~(6)~~ FACILITY is a refinery, chemical plant, lubricating oil and grease re-refiner, marine terminal, oil and gas production field, natural gas processing plant, or pipeline transfer station.
- ~~(7)~~ FIELD GAS means feed-stock gas entering the natural gas processing plant.
- ~~(11)~~ FIN FAN is a device used to reduce temperature of process fluid by use of heat exchange with air, and includes all associated Fin Fan Plugs, Connectors, and Flanges.

- (12) FIN FAN PLUG is a threaded plug located opposite a cooling tube on plug-type header boxes to provide access for inspection and cleaning of individual cooling tubes.
- (13)(8) FITTING is a device used to terminate, attach, or connect pipes or piping details, including but not limited to flanges and threaded connections. Fittings include piping couplings (Flange or Connector), blind Flanges, plugs, and caps.
- (14) FLANGE is a nonwelded connection between pipes or piping details with flanged ends, joined by bolting and equipped with a gasket, seal, or other means that provides a barrier to potential leakage.
- (15)(9) HATCH is any covered opening system that provides access to a tank, container, or vessel.
- (16)(10) HEAVY LIQUID is any liquid with ten (10) percent or less VOC by volume evaporated at 150°C (302°F), determined according to test methods specified in paragraph (j)(2)-or-(j)(3).
- (17)(11) INACCESSIBLE COMPONENT is any eComponent located over five (5) meters above ground when access is required from the ground; or any eComponent located over two (2) meters away from a platform when access is required from the platform; or any eComponent which would require the elevation of a monitoring personnel higher than two (2) meters above permanent support surfaces.
- (18)(12) INSPECTION is a survey of eComponents, using an appropriate analyzer, according to the test method in paragraph (j)(1), for the purpose of determining compliance with this rule, and may be either of the following and is further classified as:
- (A) AUDIO-VISUAL-OLFACTORY (AVO) OPERATOR INSPECTION is a survey of eComponents by the owner or operator, or their contractor, by hearing, by sight, and by smell.
- (B) OPTICAL GAS IMAGING (OGI) INSPECTION is a survey of multiple Components using an OGI Device, viewable from a Platform, ground level, or vantage point, by the owner or operator, or their contractor.
- (C) ANALYZER INSPECTION is a survey of individual Component potential sources of Leaks using an appropriate analyzer in accordance with the test method in paragraph (j)(1) by the owner or operator, or their contractor.
- (D)(B) SOUTH COAST AQMD DISTRICT INSPECTION is a survey of eComponents using an appropriate analyzer, OGI Device, or other means by South Coast AQMD District personnel, or their authorized representatives.

- (19)(13) LEAK is ~~the dripping of either heavy or light liquid; or the~~ emission and detection of a concentration of TOC above ~~b~~Background, determined according to the test method in paragraph (j)(1).
- (20)(14) LIGHT LIQUID is ~~any~~ liquid with more than ten (10) percent VOC by volume evaporated at 150°C (302°F), determined according to the test method specified in paragraph (j)(2).
- (21)(15) LUBRICATING OIL AND GREASE RE-REFINER is a facility, as defined in Rule 1302, engaged in the blending, compounding, and re-refining of lubricating oils and greases from ~~purchased~~ mineral, animal, and vegetable materials, as described by NAICS code 324191 – Petroleum Lubricating Oil and Grease Manufacturing or similar defined in Standard Industrial Classification Code 2992. Petroleum refineries engaged in the production of lubricating oils and greases are classified in Standard Industrial Classification Code 2911 and therefore are not included in this definition.
- (22)(16) MARINE TERMINAL is a facility, as defined in Rule 1302, engaged in, ~~equipment or structure constructed to handle~~ the loading or unloading of organic liquid into or out of marine tank vessels, as described by NAICS code 424710 – Petroleum Bulk Stations and Terminals, NAICS code 488320 – Marine Cargo Handling, or similar defined as in Standard Industrial Classification Codes 4226 and 5171.
- (23)(17) NATURAL GAS PROCESSING PLANT is a facility, as defined in Rule 1302, engaged in the separation of natural gas liquids from ~~field feed stock gas~~ and/or fractionation of the liquids into natural gas products, such as ethane, propane, butane, and natural gasoline, as described by NAICS code 211130 – Natural Gas Extraction or similar. -Excluded from the definition are compressor stations, dehydration units, sweetening units, field treatment, underground storage facilities, liquefied natural gas units, and ~~field feed stock gas~~ gathering systems unless these ~~facilities~~entities are located at a ~~n~~Natural gGas ~~p~~Processing pPlant.
- (24)(18) OIL AND GAS PRODUCTION FIELD is a facility, as defined in Rule 1302, engaged in ~~on which~~ crude petroleum and natural gas production and handling ~~are conducted~~, as described by NAICS subsector 211 – Oil and Gas Extraction or similar defined in the Standard Industrial Classification Manual as Industry No. 1311, Crude Petroleum and Natural Gas.
- (25) OPTICAL GAS IMAGING (OGI) DEVICE is an infrared camera with a detector capable of visualizing gases in the 3.2-3.4 micrometer waveband.

- (26) OUTAGE is an unscheduled shutdown of a Process Unit for more than 24 hours for maintenance and Repair work or other reasons.
- ~~(27)~~(19) PIPELINE TRANSFER STATION is a facility, as defined in Rule 1302, which handles the transfer and storage of petroleum products or crude petroleum in pipelines as described by NAICS code 486110 – Pipeline Transportation of Crude Oil, NAICS code 486910 – Pipeline Transportation of Refined Petroleum Products, or similar.
- ~~(28)~~(20) PLATFORM is any raised, permanent, horizontal surface for the purpose of gaining access to eComponents.
- ~~(29)~~(21) PRESSURE RELIEF DEVICE (PRD) is a pressure relief valve (PRV) or a rRupture dDisc, and includes all associated Connectors and Flanges.
- ~~(30)~~(22) PRESSURE RELIEF VALVE (PRV) is associated with a PRD and a device which is automatically actuated by upstream static pressure to the atmosphere (atmospheric PRV) or to a control device, and used for safety or emergency purposes.
- ~~(23) PROCESS PRD is a PRD located on process equipment other than storage tanks or pipelines used to transport material.~~
- (31) PROCESS UNIT is an assembly of Components and other devices connected by pipes to process feed or raw materials and to produce intermediate or final products. Process Units can operate independently if supplied with sufficient materials and sufficient storage for products.
- ~~(32)~~(24) PUMP is a device used to transport Light Liquids or Heavy Liquids fluids by the addition of energy, and includes all associated Connectors, Flanges, and Pump Seal components used for connecting or sealing purposes.
- (33) PUMP SEAL is associated with a Pump and is used to prevent escape of Light Liquids or Heavy Liquids and to prevent introduction of atmosphere.
- ~~(34)~~(25) REFINERY is a facility, as defined in Rule 1302, engaged in producing gasoline, aviation gasoline, kerosene, distillate fuel oils, residual fuel oils, biofuels, asphalt, and lubricants and also producing aliphatic and aromatic chemicals as by-products, through fractionation or straight distillation of crude oil, redistillation of unfinished petroleum derivatives, cracking or other processes, as described by NAICS code 324110 – Petroleum Refineries, NAICS code 324199 – All Other Petroleum and Coal Products Manufacturing, or NAICS code 325199 – All Other Basic Organic Chemical Manufacturing, or similar that processes petroleum, as defined in the Standard Industrial Classification Manual as Industry No. 2911, Petroleum Refining.

- ~~(35)~~(26) RELEASE is any VOC emission to the atmosphere from an atmospheric PRD caused by an increase in upstream pressure. A Leak caused by improper reseating of the a PRV PRD is not a Release release.
- ~~(36)~~(27) REPAIR is corrective action for the purpose of eliminating or reducing Leaks, Visible Leaks, or Visible Vapors and includes washing, tightening, repacking, lubricating, resealing, or replacing Components, piping, or other devices. Repair that may involve the temporary removal or taking out of service of a eComponent or PRV.
- ~~(37)~~(28) RUPTURE DISC is associated with a PRD and is a diaphragm held between fFlanges for the purpose of isolating VOC from the atmosphere or from a downstream PRV pressure relief valve.
- ~~(38)~~ SOUTH COAST AIR BASIN is the non-desert portions of Los Angeles, Riverside, and San Bernardino counties and all of Orange County as defined in California Code of Regulations, Title 17, Section 60104.
- ~~(39)~~(29) TAMPER-PROOF is means that all the data collected is shall be encrypted such that it cannot be modified.
- ~~(40)~~(30) TELLTALE INDICATOR is a device installed in conjunction with a PRD, indicating whether a rRelease has occurred.
- ~~(41)~~(31) TOTAL ORGANIC COMPOUNDS (TOC) is the concentration of gaseous organic compounds determined according to the test method in paragraph (j)(1).
- ~~(42)~~(32) TURNAROUND is a scheduled shutdown of a pProcess uUnit for maintenance and rRepair work.
- ~~(43)~~(33) VALVE is a device that regulates or isolates the fluid flow in a pipe, tube, or conduit by means of an external actuator, and includes all associated Connectors and Flanges.
- ~~(44)~~ VISIBLE LEAK is the excessive dripping of process fluid from a Component in VOC service. A Visible Leak may be any one of the following:
- ~~(A)~~ More than three (3) drops per minute from a Component in Light Liquid service.
 - ~~(B)~~ More than three (3) drops per minute from an Inaccessible Component in Heavy Liquid service.
 - ~~(C)~~ More than three (3) drops per minute and the emission of VOC greater than 100 ppm detected using an appropriate analyzer in accordance with the test method in paragraph (j)(1) from an accessible Component in Heavy Liquid service.

(45) VISIBLE VAPORS is TOC vapor leakage detected with an OGI Device, when operated and maintained in accordance with manufacturer training or certification, or equivalent California Air Resources Board (CARB) training, user manuals, specifications, and recommendations.

(46)(34) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 102.

(d) South Coast AQMD Inspection Procedures~~Leak Standards~~

(1) Effective January 1, 2026, the owner or operator of a facility shall be in violation of this rule if South Coast AQMD personnel detect using an appropriate analyzer in accordance with the test method in paragraph (j)(1) a Component exceeding the applicable standard listed in Table 1 – Violation Standards:

TABLE 1 – VIOLATION STANDARDS

<u>Component Service</u>	<u>Violation Standard</u>
<u>Light Liquid or Gas/Vapor</u>	<u>10,000 ppm</u>
<u>Heavy Liquid</u>	<u>500 ppm</u>

(2) The owner or operator of a facility shall be in violation of this rule if South Coast AQMD personnel detect a Component with a Visible Leak.

(3) Effective January 1, 2026, the owner or operator of a facility shall be in violation of this rule if South Coast AQMD personnel detect a Component with Visible Vapors, unless the owner or operator concurrently demonstrates, or no later than one (1) calendar day after detection for an Inaccessible Component, using an appropriate analyzer in accordance with the test method in paragraph (j)(1) or another method approved by the Executive Officer to the satisfaction of South Coast AQMD personnel that the Component is not exceeding the applicable standard listed in Table 1 – Violation Standards.

~~(1) The operator of a facility subject to this rule shall be in violation of this rule if District inspection detects any:~~

~~(A) Light liquid leak of more than three drops per minute;~~

~~(B) Leak greater than 50,000 ppm from a component in light liquid/gas/vapor service;~~

~~(C) Leak greater than 500 ppm from a component in heavy liquid service; or~~

~~(D) Leak within any continuous 24-hour period and numbering in excess of the Leak Thresholds for that component listed below in Table 1, if it is:~~

- (i) — A leak from a component in light liquid /gas/vapor service, greater than 10,000 ppm; or
- (ii) — A leak from an atmospheric PRD, greater than 200 ppm; or
- (iii) — A leak from a pump in heavy liquid service, greater than 100 ppm.

TABLE 1. — LEAK THRESHOLDS

Component Type	Max. No. of Leaks for 200 or less components inspected	Max No. of Leaks for > 200 components inspected
Valves	1	0.5% of number inspected
Pumps	2	1% of number inspected
Compressors	1	1
Atmospheric PRDs	1	1
Threaded Pipe Connectors	1	0.5% of number inspected
Other Components	1	1

The maximum number of leaks in Table 1 shall be rounded upwards to the nearest integer, where required.

- (4)(E) ~~The owner or operator of a facility shall be in violation of this rule if South Coast AQMD personnel observe~~ Open-ended lines and Valves located at the end of lines that are not sealed with a blind flange, plug, cap, or a second closed Valve at all times, except during operations requiring process fluid flow through the open-ended line.
- (2) — ~~For the purpose of determining an oil and gas production facility’s compliance with the leak standards specified in subparagraphs (d)(1)(B), (d)(1)(C), and (d)(1)(D), the operator of the facility may request a written approval from the Executive Officer to adjust a leak measurement to exclude methane and ethane, provided:~~
 - (A) — ~~The operator submits a plan identifying the components to be included under paragraph (d)(2);~~
 - (B) — ~~The operator demonstrates the methane and ethane content of the line product is 50 percent or more by volume, as determined by a District approved laboratory, according to the test method in paragraph (j)(2);~~
 - (C) — ~~The demonstration is based on a sampling and analysis of a representative sample obtained on a semiannual basis in accordance with the schedule and sample size approved by the Executive Officer; and~~

~~(D) — A copy of the analysis results with laboratory analysis is provided upon request by the Executive Officer.~~

~~(E) — The operator of a Title V facility shall submit an application for permit modification to incorporate the approval under paragraph (d)(2) in the Title V permit.~~

(e) Identification Requirements

The owner or operator shall:

- (1) Physically identify clearly and visibly all ~~m~~Major e~~C~~omponents, except Fin Fans, in ~~l~~ight l~~iquid~~ or gas/vapor service, and all p~~P~~umps in h~~Heavy l~~iquid service, and, effective January 1, 2026, all Fin Fans in VOC service, for ~~i~~nspection, ~~r~~epair, replacement, and recordkeeping purposes.
- (2) Clearly identify all ~~m~~Major e~~C~~omponents, except Fin Fans, in ~~h~~Heavy l~~iquid~~ service other than ~~p~~P~~umps~~ subject to paragraph (e)(1), and ~~m~~Minor e~~C~~omponents, in ~~P~~iping and I~~n~~strumentation (P&I)-flow diagrams, and/or group them together functionally for ~~i~~nspection, ~~r~~epair, replacement, and recordkeeping purposes.
- (3) Submit the information required to identify ~~e~~C~~omponents~~ in ~~h~~Heavy l~~iquid~~ service, as required by paragraphs (e)(1) and (e)(2), for approval by the Executive Officer ~~on or before September 1, 2003.~~
- (4) Any change(s) in ~~m~~Major e~~C~~omponent identification shall require prior written approval from the Executive Officer.
- (5) Physically identify clearly and visibly each Component under Repair near the source of leakage with physical identification larger and of a different color than that used in accordance with paragraph (e)(1) and maintain such Components physically identified until Repair is complete.

(f) ~~Self~~Operator Inspection Requirements

- (1) The owner or operator of a facility, except for unmanned Oil and Gas Production Fields and unmanned Pipeline Transfer Stations, shall conduct an AVO Inspection of all accessible Pumps, Compressors, and Atmospheric Process PRDs at least once per operating shift, and no more than 12 hours between AVO Inspections. The owner or operator of an unmanned Oil and Gas Production Field or an unmanned Pipeline Transfer Station shall conduct an AVO Inspection of all accessible Pumps, Compressors, and Atmospheric Process PRDs at least once per calendar week.

~~(1) — The operator shall:~~

- (A) ~~Audio visually inspect all accessible pumps, compressors, and atmospheric PRDs once during every eight hour operating period, except for unmanned oil and gas production fields and unmanned pipeline transfer stations.~~
- (2) Effective January 1, 2026, the owner or operator of a facility shall conduct an OGI Inspection of Components at least once per calendar month, unless a Component will be out of service for more than 14 calendar days of the calendar month due to Outage or Turnaround.
- (A) The owner or operator conducting an OGI Inspection shall complete a manufacturer's certification or training program, or equivalent CARB training for the OGI Device used to conduct the Inspection.
- (B) The owner or operator conducting an OGI Inspection shall operate and maintain the OGI Device in accordance with the manufacturer's specifications and recommendations.
- (C) In lieu of an OGI Inspection, the owner or operator may elect to use an alternative Inspection method approved in writing by U.S. EPA that is equivalent or more stringent than an OGI Inspection. The owner or operator seeking to use an alternative Inspection method shall submit the written approval from U.S. EPA to the Executive Officer for their review and independent approval.
- (3) The owner or operator of a facility shall conduct an Analyzer Inspection:
- (A)(B) ~~Inspect Quarterly, of all accessible eComponents, except Fin Fans, in HLight HLiquid/ or gas/vapor service, and all pPumps in hHeavy HLiquid service quarterly, with pumps in heavy liquid service beginning July 1, 2003.~~
- (B)(C) Inspect Annually, of all iInaccessible eComponents, except Fin Fans, in HLight HLiquid/ or gas/vapor service annually and, effective January 1, 2026, all Fin Fans in VOC service.
- (D) ~~At any refinery with more than 25,000 components:~~
- (i) ~~At the time of operator inspection, simultaneously record in an electronic format all component inspections beginning January 1, 2004, and~~
- (ii) ~~Operate and maintain the electronic recording instrument according to manufacturer's specifications.~~
- (C)(E) After every Release inspect an atmospheric from a PRD within one (1) calendar day and an additional Analyzer Inspection reinspect it within 14 calendar days after every release.

- ~~(D)(F)~~ After every Repair of a Component ~~Inspect all repaired or replaced components~~ within 30 calendar days of Repair the repair or replacement.
- ~~(E)~~ Using an electronic recording instrument, operated and maintained according to manufacturer's specifications, to simultaneously record all readings in an electronic format, at a Refinery with more than 25,000 Components.
- ~~(4)(2)~~ The owner or operator may apply for written approval from the Executive Officer to change the Analyzer ~~i~~Inspection frequency for each type of accessible ~~e~~Component other than PRD in light liquid/gas/vapor service at a facility, except pumps and compressors, as required in subparagraph (f)(3)(A)~~(1)(B)~~ from quarterly to annually, provided that all accessible eComponents of that type at ~~the~~that facility have been successfully operated and maintained for five consecutive calendar quarters with no Visible liquid ~~i~~Leaks, no Visible Vapors, of more than three drops per minute, and with no ~~i~~Leaks greater than 10,000 ppm not exceeding the applicable standardLeak Thresholds, by component type, listed in Table 1 Violation Standards.
- ~~(3)~~ The operator may apply for written approval from the Executive Officer to change the inspection frequency for all accessible atmospheric PRDs in light liquid/gas/vapor at a facility, as required in subparagraph (f)(1)(B), from quarterly to annually, provided that all atmospheric PRDs at that facility have been successfully operated and maintained for five consecutive quarters with no liquid leaks of more than three drops per minute and with leaks greater than 200 ppm not exceeding the Leak Thresholds listed in Table 1.
- ~~(4)~~ The operator may apply for written approval from the Executive Officer to change the inspection frequency for pumps in heavy liquid service at a facility, as required in subparagraph (f)(1)(B), from quarterly to annually, provided that all pumps in heavy liquid service at that facility have been successfully operated and maintained for five consecutive quarters, with leaks greater than 100 ppm not exceeding the Leak Thresholds listed in Table 1 for pumps.
- (5) The owner or operator shall submit documentation prior to the change in ~~i~~Inspection frequency, as per paragraphs ~~(f)(2), (f)(3) and (f)(4)~~, for written approval from the Executive Officer.
- (6) The owner or operator shall revert to a quarterly ~~i~~Analyzer Inspection frequency for a ~~e~~Component type, should AVO Inspection, OGI Inspection, the annual Analyzeroperator iInspection, or South Coast AQMD~~District~~ ~~i~~Inspection

~~detect~~ show any of the following, ~~leaks in excess of the thresholds applicable to the~~
~~e~~Component type, listed below, either:

- (A) ~~Light liquid A Visible l~~Leak; ~~of more than three drops per minute, or~~
- (B) ~~Visible Vapors; or~~
- (C)(B) ~~A~~ Leaks exceeding the ~~applicable standard~~maximum number of leaks, by
 component type, listed in Table 1 – ~~Violation Standards~~.for:
 - (i) ~~Components in light liquid/gas/vapor service, greater than 10,000~~
 ppm,
 - (ii) ~~Pumps in heavy liquid service, greater than 100 ppm,~~
 - (iii) ~~Atmospheric PRDs, greater than 200 ppm.~~

(g) Leak Standards and Repair~~Maintenance~~ Requirements

Effective January 1, 2026:

- (1) The owner or operator of a facility shall Repair all Components exceeding the
applicable standard listed in Table 2 – Component Leak Standards:

TABLE 2 - COMPONENT LEAK STANDARDS

<u>Component Type</u>	<u>Leak Standard</u>
<u>Compressor or Pump (Light Liquid)</u>	<u>400 ppm</u>
<u>Pressure Relief Device (PRD)</u>	<u>200 ppm</u>
<u>Pump (Heavy Liquid)</u>	<u>100 ppm</u>
<u>Valve, Fitting, or other device (diaphragm, Hatch, sight-glass, meter)</u>	<u>100 ppm</u>
<u>Fin Fan</u>	<u>100 ppm</u>

- (2) For a Component other than a Fin Fan exceeding the applicable standard listed in
Table 2 – Component Leak Standards, the owner or operator shall:

- (A) If the Component exceeds the applicable standard listed in Table 1 –
Violation Standards, no later than one (1) calendar day after detection,
either:
 - (i) Demonstrate the Component does not emit Visible Vapors using an
OGI Device; or
 - (ii) Demonstrate the Component does not exceed the applicable
standard listed in Table 1 – Violation Standards using an appropriate
analyzer in accordance with the test method in paragraph (j)(1); and
- (B) Within 14 calendar days of detection, complete Repair of the Component
below the applicable standard listed in Table 2 – Component Leak

Standards, except for a limited number of Essential Components, rounded up to the next whole number of Essential Components listed in Table 3 – Limited Delay of Repair and as determined on the last calendar day of each calendar quarter, provided each such Essential Component does not exceed the applicable standard listed in Table 3 – Limited Delay of Repair and Repair is completed no later than the end of the next Outage or Turnaround, whichever comes first, for the Process Unit that includes each such Essential Component:

TABLE 3 – LIMITED DELAY OF REPAIR

<u>Essential Component Type</u>	<u>Delay Leak Standard</u>	<u>Total Number Allowed</u>
<u>Valve or Fitting</u>	<u>500 ppm</u>	<u>0.05% of facility total number of Valves and Fittings</u>
<u>Compressor or Pump (Light Liquid)</u>	<u>500 ppm</u>	<u>0.05% of facility total number of Compressors and Pumps (Light Liquid)</u>

- (3) For a Visible Leak from an accessible Component other than a Fin Fan, the owner or operator shall, no later than one (1) calendar day after detection, eliminate the Visible Leak.
- (4) For a Visible Leak from an Inaccessible Component other than a Fin Fan, the owner or operator shall:
 - (A) Within 24 hours of detection, electronically notify the Executive Officer in an approved format, or in writing via Rule1173Reports@aqmd.gov if no format is approved; and
 - (B) Within 14 calendar days of detection, eliminate the Visible Leak.
- (5) For Visible Vapors from an accessible Component other than a Fin Fan, the owner or operator shall, no later than one (1) calendar day after detection, either:
 - (A) Eliminate the Visible Vapors; or
 - (B) Demonstrate the Component does not exceed the applicable standard listed in Table 1 – Violation Standards using an appropriate analyzer in accordance with the test method in paragraph (j)(1) and, within 14 calendar days of detection, complete Repair of the Component below the applicable standard listed in Table 2 – Component Leak Standards.
- (6) For Visible Vapors from an Inaccessible Component other than a Fin Fan, the owner or operator shall:
 - (A) Within 14 calendar days of detection, eliminate the Visible Vapors; and

- (B) If Visible Vapors are not eliminated within seven (7) calendar days of detection, within eight (8) calendar days of detection electronically notify the Executive Officer in an approved format, or in writing via Rule1173Reports@aqmd.gov if no format is approved.
- (7) For either a Fin Fan exceeding the applicable standard listed in Table 2 – Component Leak Standards, a Visible Leak from a Fin Fan, or Visible Vapors from a Fin Fan, the owner or operator shall:
 - (A) No later than 14 calendar days after detection, either:
 - (i) Demonstrate the Fin Fan does not emit Visible Vapors using an OGI Device; or
 - (ii) Demonstrate the Fin Fan does not Leak at a rate exceeding 5,000 ppm using an appropriate analyzer in accordance with the test method in paragraph (j)(1); and
 - (B) No later than the end of the next Outage or Turnaround, whichever comes first, of the Process Unit that includes the Fin Fan, complete Repair of the Fin Fan below the applicable standard listed in Table 2 – Component Leak Standards.
- (8) As determined on the last calendar day of each calendar quarter, the owner or operator of a facility with a Fin Fan shall not allow more than 1% of the facility total number of Fin Fan Plugs, rounded up to the next whole number, to leak at a rate exceeding the applicable standard listed in Table 2 – Component Leak Standards.

The operator shall:

- (1) ~~Repair, replace or remove a leaking component as soon as practicable but no later than the time period specified in Table 2, Repair Periods. For each calendar quarter, the operator may extend the repair period, as specified in Table 2, for a total number of leaking components, not to exceed 0.05 percent of the number of components inspected during the previous quarter, by type, rounded upward to the nearest integer where required.~~

TABLE 2. — REPAIR PERIODS

Type of Leak	Time Period	Extended Repair Period
Light liquid/gas/vapor component leaks greater than 500 ppm but no more than 10,000 ppm	7 Calendar Days	7 Calendar Days
Heavy liquid component leaks greater than 100 ppm but no more than 500 ppm	7 Calendar Days	7 Calendar Days

Type of Leak	Time Period	Extended Repair Period
Heavy liquid leak greater than 3 drops per minute and greater than 100 ppm but no more than 500 ppm	7 Calendar Days	
Any leak greater than 10,000 ppm but no more than 25,000 ppm	2 Calendar Days	3 Calendar Days
Atmospheric PRD leaks greater than 200 ppm but no more than 25,000 ppm	2 Calendar Days	3 Calendar Days
Any leak greater than 25,000 ppm	1 Calendar Day	
Heavy liquid component leaks greater than 500 ppm	1 Calendar Day	
Light liquid leaks greater than 3 drops per minute	1 Calendar Day	

(2) — Replace a component or parts thereof with Best Available Control or Retrofit Technology (BACT or BARCT), or vent it to an air pollution control device approved by the Executive Officer, after it has been subjected to five repair actions within a continuous twelve month period for:

- (A) — A light liquid leak of greater than three drops per minute,
- (B) — A leak greater than 10,000 ppm or
- (C) — A leak greater than 200 ppm for an atmospheric PRD.

(3) — The reporting provisions of Rule 430 shall not be applicable to components being repaired or replaced under the provisions of this rule, except compressors.

(h) Atmospheric Process PRD Requirements

(1) The owner or operator of a Refinery shall continuously monitor a Atmospheric Process PRDs located on process equipment by installing t Tamper-proof electronic valve monitoring devices capable of recording the duration of each r Release and quantifying the amount of VOC the compounds released, according to the following schedule:

(A) — For a refinery with less than 50 atmospheric process PRDs:

- (i) — Install monitoring devices on 50 percent of all atmospheric process PRDs by January 1, 2009; and
- (ii) — Install monitoring devices on the remaining atmospheric process PRDs by July 1, 2009.

(B) — For a refinery with more than 50 atmospheric process PRDs:

- (i) ~~Install monitoring devices on 20 percent of all atmospheric process PRDs by January 1, 2009,~~
- (ii) ~~Install monitoring devices on 40 percent of all atmospheric process PRDs by July 1, 2009; and~~
- (iii) ~~Install monitoring devices on the remaining atmospheric process PRDs by July 1, 2010.~~
- (C) ~~In conjunction with the requirements of subparagraphs (h)(1)(A) and (h)(1)(B), the operator of a refinery shall continue to monitor all atmospheric process PRDs by use of electronic process control instrumentation that allows for real time continuous parameter monitoring or telltale indicators until such time that the operator of a refinery has demonstrated compliance with subparagraphs (h)(1)(A) and (h)(1)(B).~~
- (D) ~~Notwithstanding the requirements of subparagraphs (h)(1)(A) and (h)(1)(B), the operator of a refinery may delay the installation of the tamper proof electronic valve monitoring devices to no later than the next scheduled turnaround following June 1, 2007 for that process unit PRD(s), provided that the operator demonstrates to the satisfaction of the Executive Officer that the installation at an earlier date is not feasible or constitutes a safety hazard.~~
- (A)(E) ~~Notwithstanding the requirements of subparagraphs (h)(1)(A) and (h)(1)(B), for any atmospheric process PRD, ~~the~~ owner or operator of a ~~refinery~~ may continue to use tamper-proof electronic valve monitoring devices in combination with continuous parameter monitoring or tamper-proof electronic valve monitoring devices and telltale indicators for any Atmospheric Process PRD that in combination can record the duration of each release and quantify the amount of the compounds released, provided that the owner or operator demonstrates on or before July 1, 2010 the compliance dates in subparagraphs (h)(1)(A) and (h)(1)(B) to the satisfaction of the Executive Officer that the combination of tamper-proof electronic valve monitoring devices, continuous parameter monitoring, or telltale indicators represents the actual process conditions at the location of the Atmospheric Process PRD release to the atmosphere.~~
- (B)(F) ~~The requirements of subparagraphs (h)(1)(A) and (h)(1)(B) ~~do not~~ do not apply to atmospheric process PRDs that will be connected in such a manner as to direct all gases and vapors that can be released by an atmospheric process PRD to a VOC vapor recovery or control system, no later than the next scheduled turnaround after~~

~~December 31, 2008, for that process equipment or unit associated with those atmospheric process PRD(s). The operator of a refinery must submit a revised compliance plan no later than December 31, 2008, that identifies the applicable atmospheric process PRD(s) and the schedule for connecting the atmospheric process PRD(s) to a VOC recovery or control system. Until such time that the atmospheric process PRD(s) are connected to a VOC vapor recovery or control system, the operator shall monitor all atmospheric process PRDs by use of electronic process control instrumentation that allows for real time continuous parameter monitoring or telltale indicators.~~

~~(C)(G) The requirements of subparagraphs (h)(1)(A) through (h)(1)(F) This requirement does not apply to a Atmospheric pProcess PRDs in Heavy lLiquid service that rRelease to drains subject to and are regulated under Rule 1176, provided that the owner or operator demonstrates to the satisfaction of the Executive Officer that all rReleasesd-material meets the definition of hHeavy lLiquid.~~

- (2) The owner or operator of a eChemical pPlant shall monitor aAtmospheric pProcess PRDs ~~located on process equipment by either one~~ of the following options:
 - (A) Install and maintain tTamper-proof electronic valve-monitoring devices capable of recording the duration of each rRelease and quantifying the amount of VOCeompounds released on twenty percent of the aAtmospheric pProcess PRD inventory. ~~The operator shall install the electronic valve monitoring devices during the first turnaround after December 31, 2003; or~~
 - (B) Use of electronic process control instrumentation that allows for real time continuous parameter monitoring, ~~starting July 1, 2004,~~ and tTelltale iIndicators for the aAtmospheric pProcess PRDs where parameter monitoring is not feasible. ~~The telltale indicators shall be installed no later than December 31, 2004.~~
- (3) The owner or operator of a lLubricating oOil and gGrease rRe-refiner or a mMarine tTerminal shall monitor aAtmospheric pProcess PRDs by use of either electronic process control instrumentation that allows for real time continuous parameter monitoring, ~~starting January 1, 2009,~~ or and tTelltale indicators for the aAtmospheric pProcess PRDs where parameter monitoring is not feasible. ~~The telltale indicators shall be installed no later than December 31, 2007.~~
- (4) ~~By December 31, 2007,~~ tThe owner or operator shall submit to the Executive Officer ~~Distriet~~ a compliance plan or a revised compliance plan, containing the inventory of aAtmospheric pProcess PRDs by size, set pressure and location, and

indicate the option(s) chosen to comply with paragraphs (h)(1), (h)(2), ~~and~~ (h)(3), as applicable. If applicable, the owner or operator shall indicate the process parameter selected for continuous monitoring and the justification for such selection.

- (5) Following any ~~Release~~ from an ~~Atmospheric Process~~ PRD ~~in excess of 500 pounds of VOC in a continuous 24-hour period~~, the owner or operator shall conduct a failure analysis and implement corrective actions within 30 days to prevent the reoccurrence of similar ~~Releases~~.
 - (6) At a ~~Refinery~~ with a ~~crude oil~~ throughput greater than 20,000 barrels per day, the owner or operator shall, as soon as practicable but no later than the next first Turnaround following the requirement to connect becomes effective, connect all ~~Atmospheric Process~~ PRDs serving that equipment to a vapor recovery or control system following either:
 - (A) Two (2) a second Releases, each in excess of 500 pounds of VOC in a continuous 24-hour period, within any five (5) year period from any Atmospheric Process PRD serving the same piece or pieces of equipment;
or
 - (B) Any Release in excess of 2,000 pounds of VOC in a continuous 24-hour period, from any Atmospheric Process PRD serving the same piece or pieces of equipment.
 - (7) In lieu of complying with paragraph (h)(6), an owner or operator may elect to pay a mitigation fee of ~~\$625,000~~\$350,000 to the Executive Officer~~District~~ for ~~any Releases described by exceeding the thresholds in subparagraphs (h)(6)(A) or (h)(6)(B)~~ and any subsequent ~~Release in excess of 500 pounds of VOC in a continuous 24-hour period within a five (5) year period~~. Effective July 1 of each calendar year after [Date of Amendment], the mitigation fee shall be automatically adjusted by the change in the annual average California Consumer Price Index for All Urban Consumers against calendar year 2024, as defined in California Health and Safety Code §40500.1(a). Within 90 days of the release, the owner or operator shall notify the Executive Officer, in writing, of the election to pay the current mitigation fee and submit payment as requested by the Executive Officer.
- (i) Recordkeeping and Reporting Requirements
- (1) The owner or operator shall record all Leaks, Visible Leaks, Visible Vapors, Repairs, Components awaiting Repair, and Inspections, ~~as required in subdivision (f)~~, in an electronic format approved by the Executive Officer and

submit those records electronically to the Executive Officer in an approved format, or in writing via Rule1173Reports@aqmd.gov if no format is approved, as quarterly or annual iInspection reports to the Executive Officer no later than 30 days after the end of each calendar quarter or no later than 60 days after the end of the calendar year, respectively. ~~Upon request by the Executive Officer, the operator shall include in the report the reason for extending the repair period for any component, as allowed in paragraph (g)(1). The operator shall submit the records in an electronic format approved by the Executive Officer and they shall be certified in writing by the facility official responsible for the inspection and repair program.~~

- (2) The owner or operator shall include in all records of ~~operator i~~Inspection and repair, at a minimum, the eComponent identification and type, Repairservice, location, lLeak rate, and date and time of ~~i~~Inspection. The owner or operator shall maintain these records ~~at the facility for a period of at least two (2) years or five (5) years for a Title V facility and~~ make themmade available to the Executive Officer, upon request.
- (3) The owner or operator of a ~~r~~Refinery, ~~e~~Chemical ~~p~~Plant, ~~l~~Lubricating ~~o~~Oil and ~~g~~Grease ~~r~~Re-refiner, or ~~m~~Marine ~~t~~Terminal shall:
 - (A) Notify the Executive Officer, by telephone to 800-CUT-SMOG or any another District approved method approved by the Executive Officer, of any ~~a~~Atmospheric ~~p~~Process PRD ~~r~~Release ~~in excess of the reportable quantity limits as stipulated in 40 CFR, Part 117, Part 302 and Part 355, including any release in excess of 100 pounds of VOC, within one (1) hour of such occurrence or within one (1) hour of the time the owner or operatorsaid person knew or reasonably should have known of its occurrence;~~
 - (B) Submit a written failure analysis report to the Executive Officer within 30 days following notification of an ~~a~~Atmospheric ~~p~~Process PRD ~~r~~Release, providing the following information:
 - (i) PRD type, size and location.
 - (ii) Date, time, and duration of the ~~PRD r~~Release event.
 - (iii) Types of VOC released and individual amounts, in pounds, including supporting calculations.
 - (iv) Cause of the ~~atmospheric process PRD r~~Release event.
 - (v) Corrective actions taken to prevent a subsequent ~~PRD r~~Release.
 - (C) Submit quarterly reports electronically to the Executive Officer in an approved format, or in writing via Rule1173Reports@aqmd.gov if no format is approved, for all monitored ~~a~~Atmospheric ~~p~~Process PRDs to

comply with paragraphs (h)(1), (h)(2), and (h)(3), if applicable, in an electronic format approved by the Executive Officer, indicating the parameter(s) monitored as a function of time, no later than 30 days after the end of each calendar quarter.

(D) ~~Keep~~ Maintain records of the process parameter(s) monitored ~~for a period of five years, where elected~~ to comply with paragraphs (h)(1), (h)(2), and (h)(3), if applicable, for a period of at least five (5) years and make them available to the Executive Officer, upon request.

(4) The reporting provisions of Rule 430 shall not be applicable to Components being Repaired under the provisions of this rule, except Compressors.

(j) Test Methods

(1) Measurements of ~~H~~L leak concentrations shall be conducted according to the ~~United States Environmental Protection Agency (U.S. EPA)~~ Reference Method 21 using an appropriate analyzer calibrated with methane. The analyzer shall be calibrated before ~~i~~Analyzer Inspection each day.

(2) The VOC content shall be determined according to ASTM Methods D 1945, D 7833, or D 2163 for gases, South Coast SCAQMD Method 304-91 for liquids. The percent VOC of a liquid evaporated at 150°C (302°F) shall be determined according to ASTM Method D 86.

(3) The flash point of ~~h~~H Heavy ~~L~~L liquids shall be determined according to ASTM Method D 93.

~~(4) Equivalent Test Methods~~

(4) The ~~A~~ owner or operator ~~person~~ may use another method to determine compliance with this rule provided it is demonstrated to be equivalent and approved in writing by the Executive Officers ~~of the District, the California Air Resources Board (CARB), and the Regional Administrator of the U.S. EPA, Region IX, or their designees.~~

(k) Ozone Contingency Measures ~~Other Rules and Regulation Applicability~~

~~In case of conflict between the provisions of this rule and any other rule, the provisions of the rule which more specifically applies to the subject shall prevail.~~

(1) On and after 60 days following the effective date of a final rule by U.S. EPA that the conditions described in Clean Air Act Sections 172(c)(9) and 182(c)(9) have occurred in the South Coast Air Basin regarding the 2008 or 2015 ozone NAAQS, the applicable CM specified in paragraph (k)(2) shall be implemented.

(2) CMs shall be implemented sequentially after issuance of each final rule:

Stage 1 CM

(A) The owner or operator of a facility within the South Coast Air Basin shall Repair a Compressor or Pump (Light Liquid) detected above 300 ppm, instead of 400 ppm as listed in Table 2 – Component Leak Standards.

Stage 2 CM

(B) The owner or operator of a facility within the South Coast Air Basin shall conduct an OGI Inspection of Components at least once every two (2) calendar weeks, instead of at least once per calendar month as specified in paragraph (f)(2), unless a Component will be out of service for more than seven (7) calendar days of the two (2) calendar week period due to Outage or Turnaround.

Stage 3 CM

(C) The owner or operator of a facility within the South Coast Air Basin shall Repair a Valve, Fitting, or other device (diaphragm, Hatch, sight-glass, meter) detected above 50 ppm, instead of 100 ppm as listed in Table 2 – Component Leak Standards.

(l) Exemptions

(1) The requirementsprovisions of this rule shall not apply to the following Components ifto the following cases, where the owner or operatorperson seeking the exemption shall supplies the proof of the applicable criteria of the applicable criteria to the satisfaction, upon request, of the Executive Officer for the following cases:

(A) Components which present a safety hazard for iInspection or Repair, as documented and established in a safety manual or policy, previously, or with the prior written approval of the Executive Officer, except that the owner or operator shall inspectmonitor these eComponents for iLeaks when it is safe to do so. Upon detection of a leak, tThe owner or operator shall rRepair or replace the eComponent(s) as soon as the repairs or replacement in accordance with subdivisions (g) or (m), as applicable, from the date Repair can be carried out safely.

(B) Components being rRepaired or replaced duringwithin the specified repair or replacement time period, as given in subdivisions (g) or (m), as applicableTable 2, provided such Components are physically identified in accordance with paragraph (e)(5).

- (C) Components exclusively handling ~~e~~Commercial ~~n~~Natural ~~g~~Gas.
 - (D) Components exclusively handling fluids with a VOC content of ten (10) percent by weight or less, determined according to test methods specified in paragraph (j)(2).
 - (E) Components incorporated in lines, while operating under negative pressures.
 - (F) Components totally contained or enclosed such that there are no VOC emissions into the atmosphere.
 - (G) Components buried below ground.
 - (H) Pressure/-vacuum vent ~~v~~Valves on storage tanks.
 - (I) Storage tank ~~h~~Hatches subject to Rule 1178.
- (2) The ~~requirements~~provisions of subdivisions (h) and (i)~~and paragraphs (i)(2) and (i)(3)~~ shall not apply to PRDs installed for protection from overpressure due to variation in ambient temperature provided that they are vented to drains or back into the pipeline. The owner or operator~~A person seeking an exemption under this paragraph~~ shall supply proof of the applicable criteria to the satisfaction, upon request, of the Executive Officer.
- (3) The provisions of Rules 466, 466.1, and 467 shall not apply to facilities subject to this rule.
- (4) The provisions of paragraph (e)(1) and subdivision (f) shall not apply to components handling liquids with a flash point greater than 121°C (250°F), as determined according to the test method specified in paragraph (j)(3).
- (5) The requirements of paragraphs (h)(6) and (h)(7) shall not apply to Atmospheric PRD ~~r~~Releases from Refineries demonstrated to the satisfaction of the Executive Officer that resulted from natural disasters, acts of war or terrorism, or external power curtailment beyond the Refinery's control, excluding power curtailment due to an interruptible service agreement, ~~shall not be subject to the provisions of paragraphs (h)(6) and (h)(7). The owner or operator of the Refinery seeking exemption shall supply proof of the applicable criteria to the satisfaction, upon request, of the Executive Officer.~~
- ~~(6) Except for the requirements of subdivision (e), the requirements of this rule shall not become effective as to lubricating oil and grease re-refiners and to marine terminals until December 31, 2007. Lubricating oil and grease re-refiners and marine terminals shall comply with the requirements of subdivision (e) no later than September 30, 2007.~~

(6) The requirements of paragraph (f)(2), clause (g)(2)(A)(i), and clause (g)(7)(A)(i) to conduct an OGI Inspection shall not apply on days the owner or operator determines that it is unsafe to conduct an OGI Inspection from a Platform or vantage point capable of inspecting Components, provided that the reasons and dates the OGI Inspection was not conducted is documented. The owner or operator shall resume OGI Inspection on the first day determined to be safe. The owner or operator seeking exemption shall supply proof of the applicable criteria to the satisfaction, upon request, of the Executive Officer.

(m) Interim Procedures and Requirements

(1) Prior to January 1, 2026, the owner or operator of a facility shall be in violation of this rule if South Coast AQMD personnel detect using an appropriate analyzer in accordance with the test method in paragraph (j)(1) a Component exceeding the applicable standard listed in Table 4 – Interim Violation Standards:

TABLE 4 – INTERIM VIOLATION STANDARDS

<u>Component Service</u>	<u>Interim Violation Standard</u>
<u>Light Liquid and Gas/Vapor</u>	<u>50,000 ppm</u>
<u>Heavy Liquid</u>	<u>500 ppm</u>

(2) Prior to January 1, 2026, the owner or operator of a facility shall Repair all Components exceeding the applicable standard listed in Table 5 – Interim Leak Standards as soon as practicable but no later than the time period specified in Table 6 – Interim Repair Periods:

TABLE 5 - INTERIM LEAK STANDARDS

<u>Component Type</u>	<u>Interim Leak Standard</u>
<u>Compressor or Pump (Light Liquid)</u>	<u>500 ppm</u>
<u>Pressure Relief Device (PRD)</u>	<u>200 ppm</u>
<u>Pump (Heavy Liquid)</u>	<u>100 ppm</u>
<u>Valve, Fitting, or other device (diaphragm, Hatch, sight-glass, meter)</u>	<u>500 ppm</u>

TABLE 6 - INTERIM REPAIR PERIODS

<u>Type of Leak or Visible Leak</u>	<u>Interim Repair Period</u>
<p><u>Leak greater than 25,000 ppm;</u> <u>Leak or Visible Leak (Heavy Liquid) greater than 500 ppm; or</u> <u>Visible Leak (Light Liquid)</u></p>	<p><u>1 calendar day</u></p>
<p><u>Leak greater than 10,000 ppm but no greater than 25,000 ppm; or</u> <u>Leak greater than 200 ppm but no greater than 25,000 ppm from</u> <u>component type PRD</u></p>	<p><u>5 calendar days</u></p>
<p><u>Visible Leak (Heavy Liquid) greater than 100 ppm but no greater than</u> <u>500 ppm</u></p>	<p><u>7 calendar days</u></p>
<p><u>Leak (Light Liquid or gas/vapor) greater than 500 ppm but no greater</u> <u>than 10,000 ppm; or</u> <u>Leak (Heavy Liquid) greater than 100 ppm but no greater than 500 ppm</u></p>	<p><u>14 calendar days</u></p>

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

November 2024

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EXECUTIVE SUMMARY

Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (Rule 1173) controls volatile organic compound (VOC) leaks from components and releases from atmospheric process pressure relief devices. Rule 1173 applies to refineries, chemical plants, lubricating oil and grease re-refiners, marine terminals, oil and gas production fields, natural gas processing plants, and pipeline transfer stations.

Proposed Amended Rule (PAR) 1173 was developed to implement the Wilmington, Carson, West Long Beach (WCWLB) Community Emission Reductions Plan (CERP) and the 2022 Air Quality Management Plan Control Measure FUG-01: Improved Leak Detection and Repair. The objective of PAR 1173 is to further reduce VOC emissions from components by: 1) lowering VOC leak standards for light liquid pumps and compressors as well as fittings, valves, and other devices; 2) formalizing inspection requirements and lower leak standards for fin fans; and 3) requiring optical gas imaging (OGI) inspections monthly. PAR 1173 affects approximately 2.6 million components and points of fugitive VOC emissions at approximately 203 facilities. The control strategies are expected to reduce VOC emissions by 740.1 tons per year or 2.03 tons per day. The overall cost-effectiveness of PAR 1173 is \$18,800 per ton of VOC reduced.

Additionally, PAR 1173 will introduce three contingency measures to partially satisfy Clean Air Act contingency requirements for applicable ozone National Ambient Air Quality Standards in the South Coast AQMD's jurisdiction. The contingency measures, if all triggered, are expected to further reduce VOC emissions by 217.9 tons per year or 0.60 tons per day.

Development of PAR 1173 was conducted through a public process. Four Working Group meetings were held on February 28, 2024, April 24, 2024, June 12, 2024, and July 11, 2024. The Working Group is composed of representatives from businesses, environmental groups, public agencies, and consultants. A Public Workshop was held on July 26, 2024, where the proposed amended rule language was presented to the general public and stakeholders, and comments were received. Staff also conducted multiple site visits as part of this rulemaking process.

CHAPTER 1: BACKGROUND

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COMMERCIAL NATURAL GAS DISCUSSION

INTRODUCTION

Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants applies to refineries, chemical plants, lubricating oil and grease re-refiners, marine terminals, oil and gas production fields, natural gas processing plants and pipeline transfer stations. The purpose of Rule 1173 is to reduce and control volatile organic compound (VOC) from leaks from components and from releases from atmospheric process pressure relief devices (PRDs). Proposed Amended Rule (PAR) 1173 is needed to further reduce VOC from components using new smart leak detection and repair (LDAR) technology and through other practical and innovative strategies.

OVERVIEW OF COMPONENTS

Components are used throughout facilities that extract, process, transmit, and store fluids, including fluids that contain VOCs. As opposed to piping, components may be assembled from parts and often contain moving parts and other points of failure and thus are more likely to develop leaks to allow the escape of VOC to atmosphere. Components are grouped together by design and purpose:

Fittings

A fitting is a device used to terminate, attach, or connect pipes or piping details. Fittings may be divided into two types: connectors or flanges. Facilities reported to South Coast AQMD that they conducted more than 1.7 million inspections of fittings during the fourth quarter of calendar year 2023.

Connectors are nonwelded connections of pipes or piping details, typically threaded and screwed together. Another type of connector is a compression fitting. Examples of connector-type fittings are couplings, elbows, tees, plugs, or caps. See Figure 1-1.

Flanges are nonwelded connections of pipes or piping details with flanged ends that do not fit inside one another, unlike connectors. Instead, flanges are joined together by bolting and are equipped with a gasket, seal, or other means to provide a barrier from leakage. See Figure 1-2.

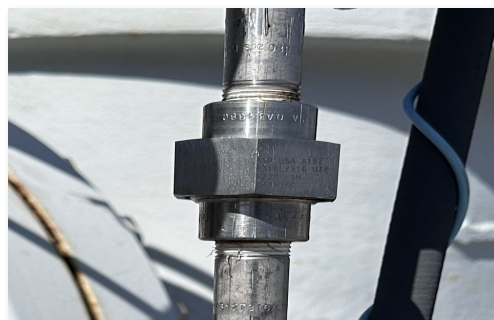


Figure 1-1 - Connector

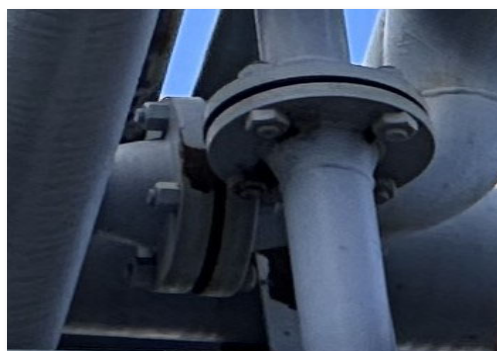


Figure 1-2 - Two flanges

Valves

A valve is a device that regulates or isolates the flow of fluid in a pipe, tube, or conduit by means of an external actuator, and includes all associated connectors and flanges. Figure 1-3 shows a photo of a typical valve used in industrial applications with two potential sources of leakage: one at the valve stem and a second at the associated flange. Based on submitted reports, staff estimated that there are approximately a half-million valves in South Coast AQMD in light liquid or gas/vapor VOC service.



Figure 1-3 - Valve

Pumps and Compressors

Pumps and compressors are devices used to move fluids with the addition of energy. Devices used to move liquids, including light liquids and heavy liquids, are referred to as pumps and devices used to move gas/vapor are referred to as compressors. These devices increase the pressure of the fluid to facilitate movement and to overcome friction. Pumps and compressors use seals to minimize introduction of atmosphere into the fluid stream on the suction side and minimize loss of VOC to atmosphere on the pressure side. Pumps and compressors may also have associated connectors and flanges to join to the fluid stream. Per industry reports, staff estimated that there are approximately 8,000 pumps in light liquid service, 2,200 pumps in heavy liquid service, and 600 compressors in South Coast AQMD. See Figure 1-4.



Figure 1-4 - Pump

Pressure Relief Devices (PRDs)

A pressure relief device, or PRD, is a device, used in situations to rapidly decrease pressure in fluid streams by venting to atmosphere or venting to a control device such as a flare or a vapor recovery system. Typically, PRDs are used as safety devices and are not supposed to be operated on a continuous basis. PRDs operate automatically, either actuated by an upstream static pressure that exceeds a predetermined value or through the rupturing of a membrane disc by excess pressure. PRDs comprise a pressure relief valve (PRV), one or more rupture discs, or some combination of these. PRDs also include all associated connectors or flanges. Figure 1-5 shows a PRD with associated threaded connectors. Facilities subject to Rule 1173 reported a total of approximately 6,300 PRDs in service, venting to atmosphere or venting to control devices.



Figure 1-5 - PRD

Fin Fans

A fin fan is a form of an air-cooled heat exchanger, used to reduce the temperature of a fluid stream by forcing ambient air over an array of tubes containing a fluid. See Figure 1-6. Many fin fan heat exchangers can be found installed in elevated settings to allow for unobstructed air flow.

Access to the tubes to perform maintenance is provided by fin fan plugs, located on opposite ends of each tube. Fin fan plugs are identified by their row and column on a fin fan. See Figure 1-7. Previously, a fin fan plug, a type of threaded plug, was considered a component, specifically as a type of fitting, by South Coast AQMD. To improve clarity, fin fans themselves are now identified as a type of component, and includes fin fan plugs and all other associated connectors and flanges. Based on reported data and estimation, staff believes that there are approximately 450 fin fans in VOC service in South Coast AQMD and estimates that there are approximately 252,000 fin fan plugs.



Figure 1-6 - Fin Fan (Source: linkedin.com)



Figure 1-7 - Fin Fan Plugs

Other Devices

In addition to these types of components previously discussed, four (4) other component types are identified in Rule 1173 and are collectively referred to as “other”: 1) diaphragm; 2) hatch; 3) sight-glass; and 4) meter. Staff estimates that “other” devices make up approximately 122,000 components in South Coast AQMD. See Figure 1-8

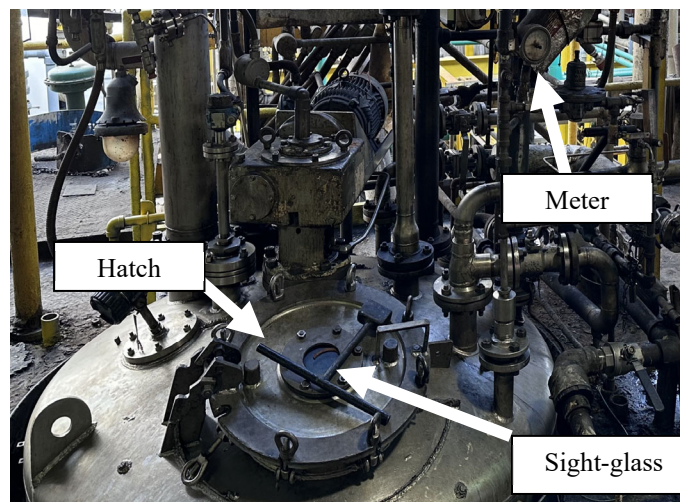


Figure 1-8 – Several other devices (hatch, sight-glass, meter)

BACKGROUND

Contingency Measure SIP Revision

The U.S. Environmental Protection Agency (U.S. EPA) requires areas that do not meet a National Ambient Air Quality Standard (NAAQS or standard) to develop and submit a State Implementation Plan (SIP) for approval. SIPs are used to show how the region will meet the standard. Regions must attain NAAQS by specific dates or face the possibility of sanctions by the federal government and other consequences under the Clean Air Act (CAA). This can result in

stricter restrictions for permitting new projects and the loss of federal highway funds. The South Coast AQMD SIPs are developed within the agency’s Air Quality Management Plans (AQMPs).

In August 2018, the U.S. EPA designated the Basin as “extreme” nonattainment and the Coachella Valley as “severe-15” nonattainment for the 2015 8-hour ozone standard. The South Coast Air Basin (Basin) includes large areas of Los Angeles, Orange, Riverside, and San Bernardino counties. The Coachella Valley is the desert portion of Riverside County in the Salton Sea Air Basin. “Extreme” nonattainment areas must attain this standard by August 2038 and “severe” nonattainment areas must attain by August 2033.

Control Measures in the 2012, 2016, and 2022 Final AQMPs

On December 2, 2022, the South Coast AQMD Governing Board adopted the 2022 AQMP to achieve attainment for ozone. The 2022 AQMP is focused on attaining the 2015 8-hour ozone standard of 70 parts per billion (ppb) by 2037 for the Basin and 2032 for the Coachella Valley. The 2022 AQMP contains five proposed VOC measures for stationary sources, including FUG-01: Improved Leak Detection and Repair. FUG-01 proposes implementing the use of advanced LDAR technologies including optical gas imaging (OGI) devices, open path detection devices, and gas sensors for earlier detection of VOC emission from leaks.

The 2022 AQMD also made reference to incorporate co-benefits with reductions in greenhouse gas (GHG) emissions, such as methane and ethane, in order provide climate change assistance.

California Assembly Bill 617 and Community Emission Reductions Plans

In addition, Assembly Bill (AB) 617 was signed into California law in July 2017 and focuses on addressing local air pollution in environmental justice (EJ) communities. On September 27, 2018, the California Air Resources Board (CARB) designated 10 communities across the state to implement community plans for the first year of the AB 617 program. One of those communities was the Wilmington, Carson, West Long Beach (WCWLB) community.

In September 2019, the South Coast AQMD Governing Board adopted the Community Emission Reductions Plan (CERP) for the WCWLB community, outlining the actions and commitments by the Community Steering Committee (CSC), the South Coast AQMD, and the CARB, to reduce air pollution in the WCWLB community. Among the objectives of the WCWLB CERP include reducing fugitive VOC emissions as described in Chapter 5b Action 2. The WCWLB CERP identifies Rule 1173 and proposes reductions be achieved through rule amendments to detect and address VOC leaks. The CERP considered more rapid leak detection and response enabled by advanced air measurements and lowering allowable emissions from on-site equipment, such as emission concentrations.

REGULATORY HISTORY

Rule 1173 was originally adopted on July 7, 1989 and subsequently amended on several occasions:

1989 Rule Adoption

Rule 1173 was developed to reduce fugitive emissions from certain components, specifically valves, pumps, compressors, pressure relief devices (PRDs), diaphragms, fittings, sight-glasses, and meters located at certain facilities, specifically refineries, chemical plants, oil and gas fields, natural gas processing plants, and pipeline transfer stations. Rule 1173 was intended to phase out then-Rules 466, 466.1, and 467, which had been applicable to a more limited number of

components at some of the target facilities. Rule 1173 implemented the 1988 AQMP Control Measure #88-B-13.

1990 Amendments

The 1990 amendments to Rule 1173 were primarily administrative in nature. Upon notification by U.S. EPA that certain rules submitted to the State Implementation Plan (SIP), including Rule 1173, controlling emissions of VOC contain provisions that are not consistent with federal policies, the South Coast AQMD initiated rulemaking to correct 34 of the 90 identified deficiencies in 24 different rules. The 1990 amendments modified Rule 1173's VOC definition and deleted outdated compliance dates.

1994 Amendments

The 1994 amendments to Rule 1173 were also administrative changes. U.S. EPA identified three rules submitted to the SIP, including Rule 1173, with deficiencies. South Coast AQMD initiated rulemaking to correct these SIP deficiencies and PAR 1173 (1994) modified the definition for inaccessible components, modified approval of equivalent test methods, revised unsafe component exemption, added definition for exempt compounds, and made other minor clarifications.

2002 Amendments

The 2002 amendments to Rule 1173 proposed further reductions of fugitive VOC emissions from components at facilities by requiring an inspection and repair program for heavy liquids, reducing the leak threshold and time to repair components in light liquid service, and requiring capture and control of PRD releases or payment of a mitigation fee. This amendment implemented portions of 1997/99 AQMP Control Measures FUG-04 and FUG-05.

2007 Amendments

The 2007 amendments to Rule 1173 expanded the number of facilities subject to the rule by including lubricating oil and grease re-refiners and marine terminals. The amendment also required the implementation of an enhanced atmospheric PRD monitoring program at refineries. It implemented portions of Control Measure FUG-05 – Emission Reductions from Fugitive VOC Sources, of the 2003 AQMP.

2009 Amendments

The 2009 amendments to Rule 1173 were administrative in nature correcting internal rule references to address the installation schedule for continuous monitors for atmospheric process PRDs and exemptions.

AFFECTED FACILITIES AND EQUIPMENT

PAR 1173 affects approximately 2.6 million components and points of fugitive VOC emissions at approximately 203 facilities operating as refineries, chemical plants, lubricating oil and grease re-refiners, marine terminals, oil and gas production fields, natural gas processing plants and pipeline transfer stations.

PUBLIC PROCESS

Development of PAR 1173 was conducted through a public process. Four Working Group meetings were held on February 28, 2024, April 24, 2024, June 12, 2024, and July 11, 2024. The Working Group is composed of representatives from businesses, environmental groups, public agencies, and consultants. The purpose of the Working Group meetings is to discuss proposed

concepts and work through the details of South Coast AQMD's proposal. Additionally, a Public Workshop was held on July 26, 2024. The purpose of the Public Workshop was to present the proposed amended rule language to the general public and stakeholders, and to solicit comments. Staff also conducted multiple site visits as part of this rulemaking process.

COMMERCIAL NATURAL GAS DISCUSSION

As noted earlier in *Background*, staff is tasked with looking for co-benefits with GHG programs. Currently in Rule 1173, commercial natural gas, comprising methane and ethane with trace amounts of odorant gases, is exempted under Rule 1173, despite methane being a known greenhouse gas. Throughout working group meetings, site visits, and other meetings, staff exchanged with a variety of representatives to find common ground and build consensus around best management practices to reduce emissions of this GHG. After careful consideration and deliberation, staff concluded that requirements for commercial natural gas, comprised almost exclusively as methane and ethane and defined in Rule 102 as not to be considered VOCs, are not within the scope of Rule 1173 regarding VOC leaks and releases and left in place the existing exemption for commercial natural gas.

CHAPTER 2: BARCT ASSESSMENT

BARCT ANALYSIS APPROACH

**ASSESSMENT OF SOUTH COAST AQMD REGULATORY
REQUIREMENTS**

ASSESSMENT OF EMISSION LIMITS FOR EXISTING UNITS

OTHER REGULATORY REQUIREMENTS

ASSESSMENT OF POLLUTION CONTROL TECHNOLOGIES

INITIAL BARCT EMISSION LIMIT AND OTHER CONSIDERATIONS

**COST-EFFECTIVENESS AND INCREMENTAL COST-
EFFECTIVENESS ANALYSES**

BARCT EMISSION LIMIT RECOMMENDATION

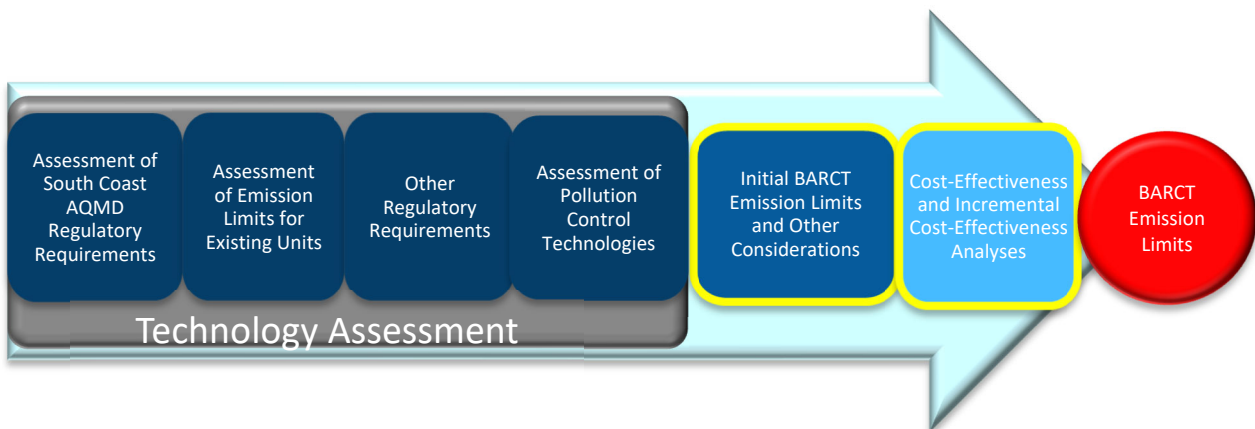
BARCT ANALYSIS APPROACH

PAR 1173 rule development was initiated in response to objectives in the WCWLB CERP for enhanced leak detection and to partially implement Control Measure FUG-01 in the 2022 Final AQMP. Additionally, South Coast AQMD periodically assesses rules to ensure that Best Available Retrofit Control Technology (BARCT) is reflected in rule requirements. To address community member objectives, partially implement Control Measure FUG-01, and ensure that Rule 1173 reflects BARCT, a BARCT assessment was conducted to identify the potential to further reduce emissions from components.

BARCT is defined in the Health & Safety Code Section 40406 as “an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source.” Consistent with state law, BARCT emission limits take into consideration environmental impacts, energy impacts, and economic impacts. The BARCT analysis approach follows a series of steps conducted for each equipment category.

The steps for BARCT analysis consist of:

- Assessment of South Coast AQMD Regulatory Requirements
- Assessment of Emissions Limits for Existing Units
- Other Regulatory Requirements
- Assessment of Pollution Control Technologies
- Initial BARCT Emission Limits and Other Considerations
- Cost-Effectiveness and Incremental Cost-Effectiveness Analyses
- BARCT Emission Limit



The BARCT assessment included a review of leak detection technologies and emission reduction strategies. Newer leak detection technologies were reviewed including OGI devices, gas sensors, and open path detection. Leak detection methods were also analyzed with varying inspection frequencies. Lower leak standards for various types of components were also reviewed. Staff analyzed the potential to reduce emissions from leaks with enhanced leak detection technologies and reduce emissions from facility operations by establishing more stringent requirements for existing components.

As part of the technology assessment, a cost-effectiveness analysis was conducted for technologies with potential to reduce emissions. A cost-effectiveness analysis determines the cost per ton of pollutant reduced. In the 2022 AQMP, a cost-effectiveness threshold of \$36,000 per ton of VOC reduced was established. After adjusting for inflation, the cost-effectiveness threshold is \$40,170 per ton of VOC reduced (2023 U.S. Dollars). An incremental cost-effectiveness analysis was also conducted for proposed controls and monitoring methods to establish BARCT, if applicable, and is discussed in Chapter 4.

ASSESSMENT OF SOUTH COAST AQMD REGULATORY REQUIREMENTS

Rule 1173 applies to specific types of components at seven categories of facilities. Leaking components emit VOC through openings such as threaded connections, gaskets, seals, and other points of contact that degrade over time and require periodic monitoring to identify leakage, performance maintenance, and possible replacement of components to minimize emissions. Rule 1173 currently requires audio-visual inspections of certain components every 8 hours, quarterly analyzer leak checks for accessible components and annual analyzer leak checks for inaccessible components in accordance with U.S. EPA Method 21. Since the last non-administrative amendments to Rule 1173 in 2007, there have been advancements in the availability of leak monitoring technology including OGI devices, gas sensors, and open path detection. These technologies are included in the BARCT assessment.

ASSESSMENT OF EMISSION LIMITS FOR EXISTING UNITS

Rule 1173 currently has a variety of emission limits based on the type of component and type of service of the component. In addition, South Coast AQMD also completed an evaluation of the federal Lowest Achievable Emission Rate (LAER) requirement for major polluting facilities as well as the Best Available Control Technology (BACT) for new or modified petroleum refineries regarding fugitive VOC emission sources. Known as a LAER/BACT Determination, those emission limits, expressed in ppm, are also summarized in the Table 2-1 below:

Table 2-1 Emission Limits			
Regulation	Rule 1173 (ppm)		LAER/BACT (ppm)
	Light Liquid or Gas/Vapor	Heavy Liquid	Light Liquid or Gas/Vapor
Valve, Fitting, Other*	500	100	200
PRDs	200	100	200
Pump, Compressor	500	100	N/A
*Fitting also includes fin fan plugs. Other includes diaphragms, hatches, sight-glasses, and meters			

Regarding advanced leak monitoring technologies, Rule 1173 currently does not have an advanced leak monitoring requirement, such as OGI. Other South Coast AQMD rules, specifically Rules 1178, 463, and 1148.1 have advanced monitoring frequencies summarized in the Table 2-2 below:

Table 2-2 Monitoring Requirements in Other South Coast AQMD Rules			
Regulation	Rule 1178	Rule 463	Rule 1148.1
OGI Monitoring Requirement	Every two weeks	Monthly	Monthly

OTHER REGULATORY REQUIREMENTS

Staff reviewed rules and regulations from other air districts including Bay Area AQMD, San Joaquin Valley Air Pollution Control District (APCD), and Santa Barbara County APCD. The inspections are conducted with analyzers and no rule in other air districts requires the use of advanced monitoring equipment like OGI. Those emission limits, expressed in ppm, are summarized in the Table 2-3 below:

Table 2-3 Leak Standards in Other Air Districts (expressed in ppm)						
Air District	Bay Area	San Joaquin Valley			Santa Barbara County	
Regulation	Rule 8-18	Rule 4409	Rule 4455	BACT	Rule 331	BACT
Valve, Fitting	100	500	L: 200 G/V: 400	100	1,000	100
Other*	100	500	L: 500 G/V: 1,000	100	1,000	100
Pump, Compressor	500	500	L: 500 G/V: 1,000	100	1,000	100
PRD	500	L: 200 G/V: 400	L: 100 G/V: 200	100	1,000	100

*Other includes diaphragms, hatches, sight-glasses, and meters (L = liquid, G/V = gas/vapor)

On November 20, 2023, Bay Area AQMD released a draft with proposed amendments to their Rule 8-18, including lowering some leak standards to 50 ppm. On September 4, 2024, amendments to Bay Area AQMD Rule 8-18 were adopted that do not include a 50 ppm leak standard.

ASSESSMENT OF POLLUTION CONTROL TECHNOLOGIES

Multiple leak detection technologies and methods were considered to reduce the emissions impact from leaks from components. A review of continuous monitoring technologies including fixed gas

sensor networks and open path device systems was conducted. Periodic monitoring with handheld optical gas imaging devices was also reviewed.

Continuous monitoring solutions using open path detection and fixed gas sensor networks were assessed in 2023 for PAR 1178 rulemaking and again in 2024 for PAR 463 rulemaking regarding tanks. It was determined that the best solution for monitoring tanks is to require periodic monitoring with handheld OGI devices due to their ability to detect small and large leaks at varying distances. In regard to monitoring components, the advantage of handheld OGI devices versus open path and gas sensor methods is accentuated. Continuous monitoring systems are limited in their ability to detect smaller leaks because they are installed at a distance from the source of emissions. Depending on the detection technology of the continuous monitoring system, a leak may go undetected unless the leak is significantly large at the source. With gas sensors or open path devices, the leak may go undetected if it does not make contact with the fixed sensor or emitted open path beam. Therefore, continuous monitoring systems with sensors that must come in contact with the VOC vapor may not be the most effective technologies to reduce the emissions impact from component leaks. Another drawback to requiring continuous monitoring systems is delayed implementation due to plan approval and installation timeframes. Staff assessed that the advanced monitoring technology most suitable to identify sources of leaks at the component level is handheld OGI devices.

Periodic Monitoring with Optical Gas Imaging

An optical gas imaging camera uses infrared technology capable of visualizing vapors. Optical gas imaging cameras have different detectors capable of visualizing a variety of gas wavelengths. VOC wavelengths are in the 3.2-3.4 micrometer waveband. The difference in views is shown in Figure 2-1.



Figure 2-1: View with naked eye compared to view with an OGI camera

OGI cameras with the ability to detect or visualize in this waveband range contain a cryocooler that is integrated into the sensor and increases the sensitivity of the camera to detect smaller leaks. OGI cameras are widely used as a screening tool for leak detection purposes and have continuous monitoring capability. Fixed OGI systems have been implemented at well sites and compression stations for continuous emissions monitoring. Handheld OGI cameras, as seen in Figure 2-2, are used widely by leak detection service providers as well as facilities for periodic monitoring.



Figure 2-2- OGI camera

Fixed OGI cameras may not catch all leaks that can be identified during an inspection where a portable OGI device is manually operated. Fixed OGI cameras are limited in the number of angles viewed and would likely be stationed further away from an emissions source compared to a person conducting an inspection with a portable OGI device. Stationary and portable devices both have the capability to detect large leaks, however, there is greater chance that smaller leaks would be identified with a manual field inspection than with a stationary camera because components can be monitored in close proximity using portable devices such as handheld OGI cameras and toxic vapor analyzers (TVA).

INITIAL BARCT EMISSION LIMIT AND OTHER CONSIDERATIONS

Leak Standards

After review of other pending and finalized leak standards in other air districts, staff considered the following leak standards as initial BARCT emission limits with several other incremental leak standards for determination of cost-effectiveness and incremental cost-effectiveness, summarized in the Table 2-4 below. As noted in Chapter 1, to ensure clarity, staff has bifurcated fin fan plugs from other types of fittings and classified these under a newly-defined component type “Fin Fan”.

Table 2-4 Initial BARCT Limits	
Component Type	Initial BARCT Leak Standard (ppm)
Valve, Fitting, Other*	50
Pump (Light Liquid), Compressor	50
PRD	50
Fin Fan	50
*Other includes diaphragms, hatches, sight-glasses, and meters	

OGI Inspection Frequency

After review of other South Coast AQMD rules requiring OGI device inspection, staff considered weekly OGI inspection as the initial BARCT limit with several other less frequent inspection schedules for determination of cost-effectiveness and incremental cost-effectiveness.

COST-EFFECTIVENESS AND INCREMENTAL COST-EFFECTIVENESS ANALYSES

Leak Standards

Lower leak standards are expected to increase the number of leaks detected above the leak standard, leading to increased maintenance and repair cost. Lower leak standards are also expected to decrease the baseline fugitive VOC emissions from components in compliance with the leak standards. To understand how many more leaks are to be expected and the VOC emission rate of components in compliance, staff studied Rule 1173 leak reports submitted to South Coast AQMD.

Rule 1173 requires recordkeeping of component leaks and repairs, and further requires facilities to submit these records quarterly, as Rule 1173 Component Leak Report (Form C) and Rule 1173 Statistics Summary Sheet (Form D). Staff examined all leak reports submitted for calendar year 2023, 4th quarter. For each grouping of components, the distribution of leak values above the leak standard was counted. The component groups demonstrated certain trends when examined for power trendlines, as demonstrated in the Figures 2-3, 2-4, 2-5, and 2-6 below. For component type fin fan, leak reports regarding fittings were used for trends.

Figure 2-3 Distribution of Valve, Fitting, Other Leaks

Range: 500 ppm to 11,000 ppm, Grouping: by 100

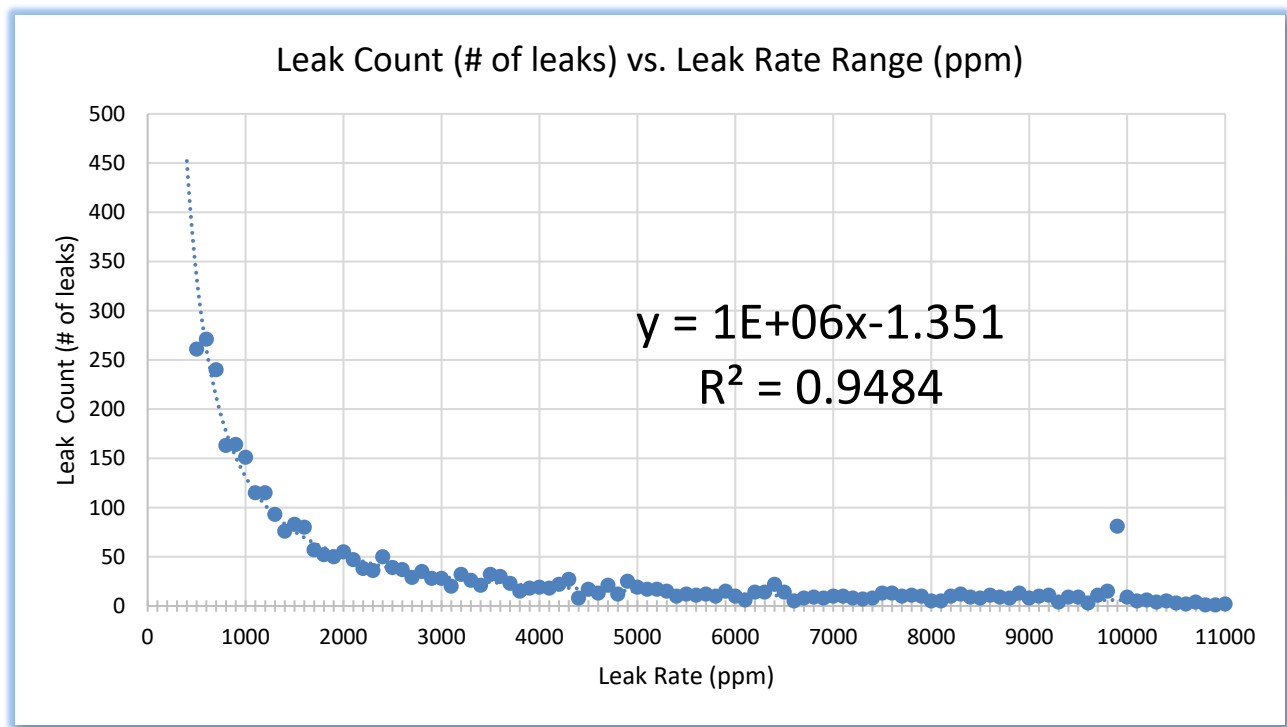


Figure 2-4 Distribution of Pump (Light Liquid), Compressor Leaks

Range: 500 ppm to 11,000 ppm, Grouping: by 250

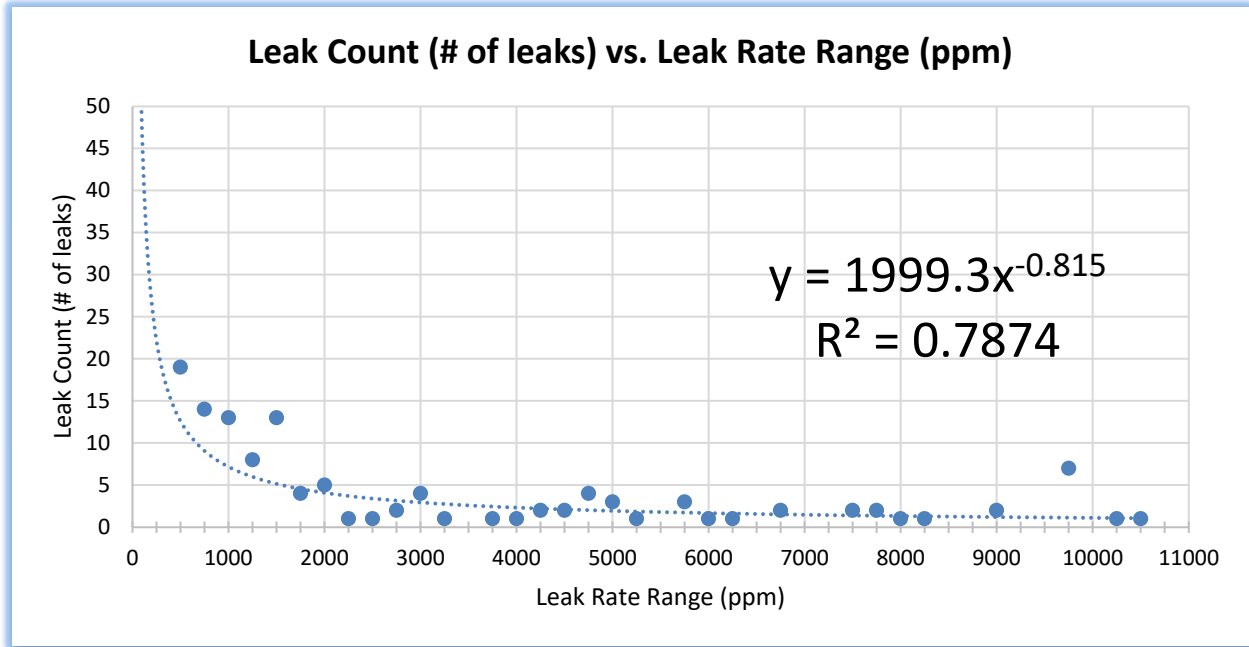


Figure 2-5 Distribution of PRD Leaks

Range: 200 ppm to 11,000 ppm, Grouping: by 500

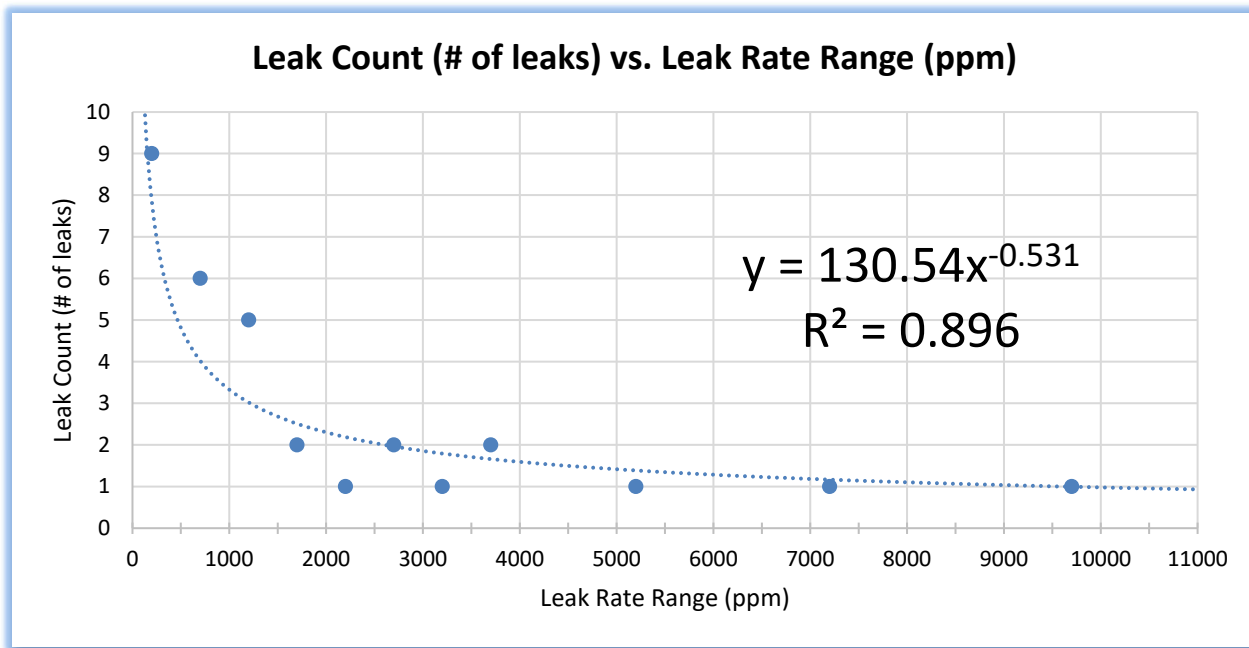
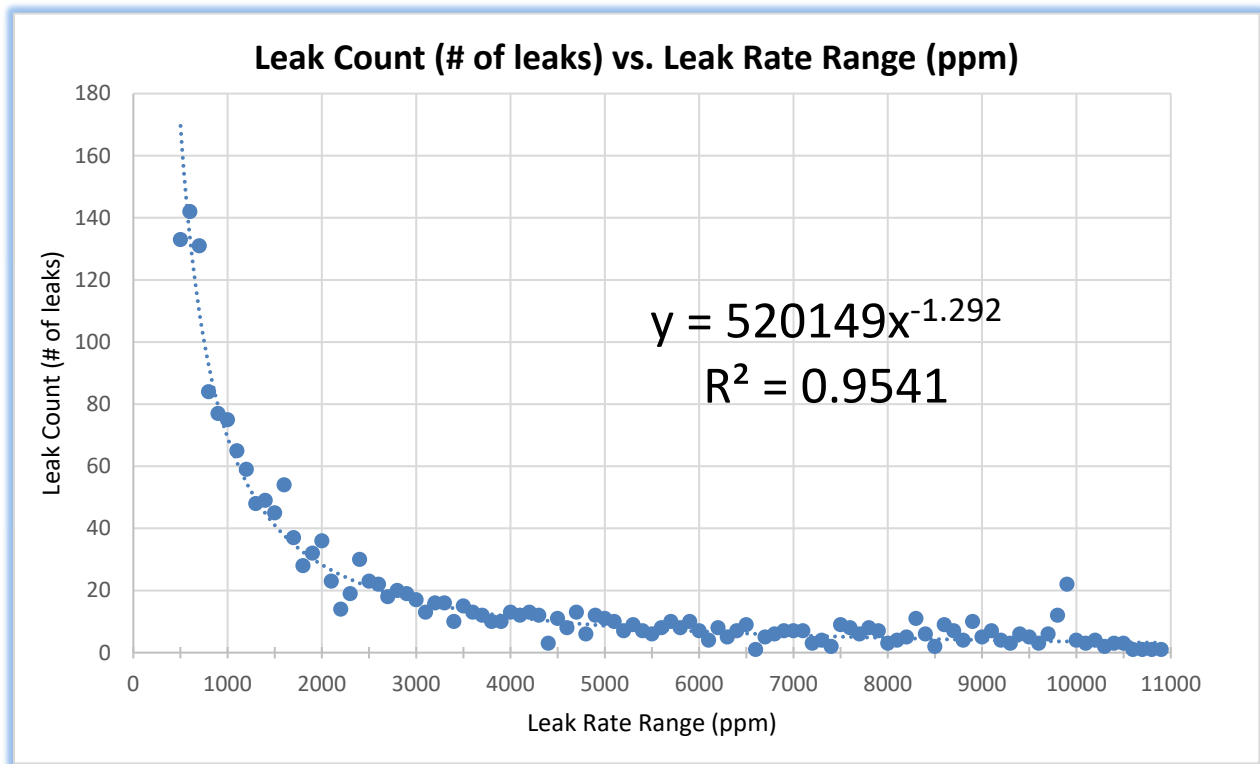


Figure 2-6 Distribution of Fin Fan Leaks (from Fitting data)

Range: 500 ppm to 11,000 ppm, Grouping: by 100



These curves and power trendlines are able to predict, with relatively high confidence, the number of additional leaks estimated above a leak standard at differing leak values:

Fitting, Valve, Other:

$$\text{Additional quarterly leaks at leak value} = 10^6 \times (\text{leak value})^{-1.351}$$

Pump (Light Liquid) and Compressor:

$$\text{Additional quarterly leaks at leak value} = 1999.3 \times (\text{leak value})^{-0.815}$$

PRD:

$$\text{Additional quarterly leaks at leak value} = 130.54 \times (\text{leak value})^{-0.531}$$

Fin Fan:

$$\text{Additional quarterly leaks at leak value} = 520,149 \times (\text{leak value})^{-1.292}$$

For example, for component type fitting, valve, other, at a leak value of 400 ppm, 305 additional leaks are estimated each quarter at that leak value range. Therefore, 1,220 additional leaks are

estimated each year at a leak standard of 400 ppm. At a leak value of 300 ppm, 455 additional leaks are estimated each quarter at that leak value range. At a leak value of 300 ppm, $305 + 405 = 755$ additional leaks are expected in the 300 and 400 leak value range. Thus, 3,020 additional leaks are estimated each year at a leak standard of 300 ppm. Additional leak estimates are listed below in Table 2-5 for various lower leak standards:

Table 2-5 Estimated Additional Leaks Per Year				
Leak Standard (ppm)	Fitting, Valve, Other	Pump (Light Liquid), Compressor	PRD	Fin Fan (as expressed in Fin Fan Plugs)
500	Current leak standard	Current leak standard		Current leak standard
400	1,220	60		106
300	3,020	136		325
200	6,136	244	Current leak standard	649
100	14,080	432	44	1,444
50	34,344	760	76	4,547

Each of these estimated additional leaks has a cost associated with its repair. In 2023, San Joaquin Valley APCD amended their VOC component rules, including Rules 4409 and 4455. The Staff Report¹ for that rulemaking contains Table C-4: *Constant in Quantifying Repairing and Replacing Components* which itemized component replacement costs, percentage needing repair versus replacement, repair labor costs, and average repair or replacement times. To determine if the San Joaquin Valley APCD method is appropriate for South Coast AQMD, staff compared prevailing wage rates in Los Angeles County for various crafts and classifications as published by the California Department of Industrial Relations and found all average hourly wages for trade groups expected to perform repair to be less than the hourly rate used by San Joaquin Valley APCD (\$133/hour). Cost of materials is expected to be similar statewide. These costs were shared with stakeholders to receive feedback. Applying the San Joaquin Valley APCD method to the distribution of leaks detected in South Coast AQMD for calendar year 2023, 4th quarter yields a cost for each component type of repair as seen in Table 2-6 below. For repair of fin fan plugs, staff spoke with stakeholders and industry sources and determined average repair cost for a fin fan plug while in operation. For repair of fin fan plugs during process unit shutdown, staff employed the same repair cost as component type Fitting, Valve, Other:

¹ <https://ww2.valleyair.org/media/vptf4eg2/gb-item.pdf>

Table 2-6 Repair Cost by Component Type				
Fitting, Valve, Other	Pump (Light Liquid), Compressor	PRD	Fin Fan, during operation	Fin Fan, during shutdown
\$711.56	\$5,486.10	\$5,541.40	\$10,000.00	\$711.56

Multiplying the number of estimated leaks by the cost of repair for each leak yields the annual additional cost of implementing each lower leak standard, summarized in the Table 2-7 below. For fin fans, staff assumed that additional leaks detected would be repaired during periods of process unit shutdown:

Table 2-7 Estimated Annual Cost of Lower Leak Standards				
Leak Standard (ppm)	Fitting, Valve, Other	Pump (Light Liquid), Compressor	PRD	Fin Fan
500	Current leak standard	Current leak standard		Current leak standard
400	\$868,000	\$329,000		\$75,000
300	\$2,149,000	\$746,000		\$231,000
200	\$4,366,000	\$1,339,000	Current leak standard	\$462,000
100	\$10,019,000	\$2,370,000	\$244,000	\$1,027,000
50	\$24,438,000	\$4,169,000	\$598,000	\$2,411,000

To determine baseline fugitive VOC emissions from components in compliance with PAR 1173, staff estimated VOC emissions using methods in South Coast AQMD Annual Emission Reporting (AER) document *Guidelines for Reporting VOC Emissions from Component Leaks*, revised February 2015², specifically Method 2 – Correlation Equation Method. Based on California Air Pollution Control Officers Association (CAPCOA)-revised 1995 U.S. EPA correlation equations and factors for refineries and marketing terminals, it provides a method to estimate VOC emissions based on component type and screening value in ppm.

Similar to the estimated annual cost at various leak standards, estimate average screening values at various leak standards should be developed. Looking again at the estimated additional leaks at

² <http://www.aqmd.gov/docs/default-source/planning/annual-emission-reporting/guidelreportvocemiscomleaks.pdf>

each leak standard, staff developed an estimated average screening value based on a weighted average of estimated leak counts at each leak standard by the formula:

$$\begin{aligned} & \textit{Estimated Average Screening Value @ Leak Standard (ppm)} \\ &= \frac{\sum(\textit{leak value} \times \textit{number of leaks at leak value})}{\sum \textit{number of leaks at leak value}} \end{aligned}$$

For example, for component type fitting, valve, other, at a leak value of 500 ppm, there were 261 actual leaks at that leak value range in calendar year 2023, 4th quarter. At a leak value of 400 ppm, 305 additional leaks are estimated each quarter at that leak value range. At 300 ppm, 450 additional leaks are estimated. And at 200, 100, and 50 ppm, 779, 1,986, and 5,066 leaks are estimated, respectively. Thus, the estimated average screening value for a 500 ppm leak standard is 112 ppm as calculated below:

$$\begin{aligned} & \textit{Estimated Average Screening Value @ 500 ppm} \\ &= \frac{(500 \times 261) + (400 \times 305) + (300 \times 450) + (200 \times 779) + (100 \times 1,986) + (50 \times 5,066)}{261 + 305 + 450 + 779 + 1,986 + 5,066} \end{aligned}$$

For the lowest leak standard considered, 50 ppm, the leak standard is used at the estimated average screening value. Estimated average screening values associated with each leak standard are listed in Table 2-8 below:

Table 2-8 Estimated Average Screening Value				
Leak Standard (ppm)	Fitting, Valve, Other (ppm)	Pump (Light Liquid), Compressor (ppm)	PRD (ppm)	Fin Fan (ppm)
500	112	169		113
400	101	136		104
300	90	114		92
200	78	91	103	79
100	64	68	70	63
50	50	50	50	50

The number of components reported to South Coast AQMD in calendar year 2023, 4th quarter are or are estimated to be as listed in Table 2-9:

Table 2-9 Number of Components by Type	
Component Type	Components in South Coast AQMD
Valve	498,640
Fitting (Connectors and Flanges)	1,720,410
<ul style="list-style-type: none"> Connector (assumed 90% of Fittings) 	<i>1,548,370 (estimated)</i>
<ul style="list-style-type: none"> Flange (assumed 10% of Fittings) 	<i>172,040 (estimated)</i>
Other (diaphragms, hatches, sight-glasses, and meters)	122,390
Pump (Light Liquid)	7,950
Compressor	640
PRD	6,350
<ul style="list-style-type: none"> Fin Fan Plug (assumed 560 fin fan plugs per fin fan and 450 estimated fin fans) 	<i>252,000 (estimated)</i>

Estimating baseline fugitive VOC emissions from each component category at various leak standards using AER Method 2 yields the following table, Table 2-10:

Table 2-10 Baseline Annual VOC emissions (in tons)				
Leak Standard (ppm)	Fitting, Valve, Other	Pump (Light Liquid), Compressor	PRD	Fin Fan (as expressed in Plugs)
500	1,529.2	96.3		120.7
400	1,419.3	84.1		113.5
300	1,306.0	75.4		103.7
200	1,177.0	65.5	10.5	92.7
100	1,021.4	54.7	8.2	78.5
50	855.0	45.1	6.6	66.2

With estimated annual cost for each leak standard and estimated emission reductions derived from the difference between baseline annual VOC emissions, the following tables, Tables 2-11 through 2-14, present cost-effectiveness and incremental cost-effectiveness for each category of component:

Table 2-11 Cost-effectiveness and Incremental Cost-effectiveness for Fitting, Valve, Other					
	400 ppm	300 ppm	200 ppm	100 ppm	50 ppm
Estimated cost per year	\$868,000	\$2,149,000	\$4,366,000	\$10,019,000	\$24,438,000
VOC Emission Reduction (tons)	109.9	223.2	351.2	507.8	674.2
Cost-Effectiveness (per ton VOC)	\$7,900	\$9,600	\$12,400	\$19,700	\$36,200
Incremental Cost-Effectiveness (per ton VOC)		\$11,300	\$17,300	\$36,100	\$86,600

Table 2-12 Cost-effectiveness and Incremental Cost-effectiveness for Pump (Light Liquid), Compressor					
	400 ppm	300 ppm	200 ppm	100 ppm	50 ppm
Estimated cost per year	\$329,000	\$746,000	\$1,339,000	\$2,370,000	\$4,169,000
VOC Emission Reduction (tons)	12.2	20.9	30.8	41.6	51.2
Cost-Effectiveness (per ton VOC)	\$27,000	\$35,600	\$43,500	\$56,900	\$81,500
Incremental Cost-Effectiveness (per ton VOC)		\$47,700	\$60,100	\$94,900	\$189,000

Table 2-13 Cost-effectiveness and Incremental Cost-effectiveness for PRD		
	100 ppm	50 ppm
Estimated cost per year	\$244,000	\$598,000
VOC Emission Reduction (tons)	2.3	3.9
Cost-Effectiveness (per ton VOC)	\$106,500	\$154,200
Incremental Cost-Effectiveness (per ton VOC)		\$223,100

Table 2-14 Cost-effectiveness and Incremental Cost-effectiveness for Fin Fan					
	400 ppm	300 ppm	200 ppm	100 ppm	50 ppm
Estimated cost per year	\$75,000	\$231,000	\$462,000	\$1,027,000	\$2,411,000
VOC Emission Reduction (tons)	7.2	16.9	27.9	42.2	54.5
Cost-Effectiveness (per ton VOC)	\$10,500	\$13,700	\$16,500	\$24,400	\$44,300
Incremental Cost-Effectiveness (per ton VOC)		\$15,900	\$21,000	\$39,800	\$112,700

Based on leak standards that are both cost-effective and incrementally cost-effective, the proposed BARCT limits are as follows in Table 2-15:

Table 2-15 Proposed Component Leak Standards			
Component Type	Leak Standard (ppm)	Cost-Effectiveness (per ton VOC)	Incremental Cost-Effectiveness (per ton VOC)
Fitting, Valve, Other	100	\$19,700	\$36,100
Pump	400	\$27,000	\$0
Pressure Relief Device	200	\$0	\$0
Fin Fan	100	\$24,400	\$39,800

OGI Inspection Frequency

Frequent OGI inspections are expected to increase capital costs as more cameras are likely to be needed, and further increase recurring costs for maintenance of the camera and labor by trained operators. However, frequent OGI inspections are expected to catch more leaks and reduce VOC emissions associated with larger leaks.

To build a model to determine cost-effectiveness and incremental cost-effectiveness, staff used several assumptions regarding OGI cameras. First, manufacturers of OGI cameras claim that they are capable of inspecting 10,000 components per day. While some facilities may approach that efficiency, some may not. Thus, staff conservatively estimated that each OGI camera will be used

to inspect 5,000 components per operating day. For South Coast AQMD's 2.6 million components, including an estimated 252,000 fin fan plugs, the number of OGI cameras needed to implement the inspection schedule is listed in the table 2-15 below:

Table 2-16 OGI Camera Needed for PAR 1173				
	Every 2 Months	Monthly	Every 2 Weeks	Weekly
OGI cameras	13	25	53	105

Regarding capital costs, staff assumed the average cost per camera to be \$120,000, consistent with rulemaking for Rule 463, amended in June 2024. OGI cameras have an expected life span of 10 years, and annual maintenance and associated shipping costs are documented to be \$4,874. Labor costs for implementation are \$413.88 per operating day, inflation-adjusted from a \$400 figure used in the PAR 1178 rulemaking. In accordance with South Coast AQMD practice to use the Discounted Cash Flow method to account for capital costs, with an interest rate of 4% and life of equipment of 10 years yields $PVF_{(4,10)} = 8.11$. Thus, the Present Value of each OGI camera over 10 years is calculated at \$1,005,478, or \$100,548 per year. The cost associated with various inspection frequencies is listed in the table 2-16 below:

Table 2-17 OGI Inspection Cost by Frequency				
	Every 2 Months	Monthly	Every 2 Weeks	Weekly
Total Cost over 10 years	\$13,333,000	\$25,137,000	\$54,713,000	\$108,394,000
Annual Cost	\$1,333,000	\$2,514,000	\$5,471,000	\$10,839,000

To estimate emissions associated with leaks detectable with an OGI device, staff reviewed again the calendar year 2023, 4th quarter leak reports. Manufacturers of OGI cameras report that their devices are capable of detecting leaks in the 2,000 ppm to 5,000 ppm range. Staff took a conservative approach and determined the number of leaks at or above 5,000 ppm extrapolated per year. To determine the emissions associated with these leaks, staff again referred to the South Coast AQMD AER guidance document and employed the specific leak emission factor based on component type. There are two leak emission factors: one based on a pegged factor at 10,000 ppm and one based on a pegged factor at 100,000 ppm. Staff used the lower, more conservative factor in calculations.

At present, leaks are detected using U.S. EPA Method 21 equipment at a frequency of once per calendar quarter. Assuming these leaks persist for one-half of the time between inspections, or 45 days, estimates of current annual emissions from larger leaks that could be detected by OGI cameras are listed below in Table 2-17. For leaks associated with fin fan plugs, persistence time is estimated to be a half-year as most fin fan plugs are considered inaccessible components and thus are inspected annually instead of quarterly.

Table 2-18 Estimated Leaks and Emissions Reductions from Use of OGI								
	Connector	Flange	Valve	Pump Seal	Other	Compressor	PRD	Fin Fan
Annual Leaks	2,286	254	928	100	436	44	28	268
Emission Factor (lb/hr)	0.066	0.209	0.141	0.196	0.181	0.181	0.181	0.066
Emissions (tons/year)	81.5	28.7	70.7	10.6	42.6	4.3	2.7	38.7

The total amount of VOC emissions associated with leaks greater than 5,000 ppm is estimated at 279.8 tons per year.

VOC emissions associated with these larger leaks can be reduced with more frequent inspections using OGI devices. The emissions and associated reductions with each OGI inspection schedule are listed in the Table 2-19 below:

Table 2-19 OGI Emission Reductions by Inspection Frequency				
	Every 2 Months	Monthly	Every 2 Weeks	Weekly
Leak Emissions (tons/year)	167.1	83.5	39.0	19.5
Emission Reduction (tons/year)	112.7	196.2	240.8	260.3

Combining the costs with the associated emission reduction, Table 2-20 presents cost-effectiveness and incremental cost-effectiveness of each implementation schedule:

Table 2-20 OGI Cost-Effectiveness and Incremental Cost-Effectiveness by Inspection Frequency				
	Every 2 Months	Monthly	Every 2 Weeks	Weekly
Annual Cost	\$1,333,000	\$2,514,000	\$5,471,000	\$10,839,000
Emission Reduction (tons/year)	112.7	196.2	240.8	260.3
Cost-Effectiveness (per ton VOC)	\$11,800	\$12,800	\$22,700	\$41,600
Incremental Cost-Effectiveness (per ton VOC)		\$14,100	\$66,400	\$275,400

OGI component inspection frequency every month was found to be cost-effective and incrementally cost-effective.

BARCT EMISSION LIMIT RECOMMENDATION SUMMARY

Based on the BARCT assessment, staff proposes to lower the leak standard for component category fitting, valve, other to 100 ppm, lower the leak standard for component category pump (light liquid), compressor to 400 ppm, set leak standards for fin fans to 100 ppm, and set an OGI inspection frequency of monthly. Table 2-21 below shows the cost-effectiveness for proposed requirements:

Table 2-21 BARCT Assessment Summary	
Proposed Requirement	Cost-Effectiveness (\$/ton)
100 ppm leak standard for component type fitting, valve, other	\$19,700
200 ppm leak standard for pressure relief devices	\$0 (No change)
400 ppm leak standard for component type pump (light liquid), compressor	\$27,000
100 ppm leak standard for component type fin fan	\$24,400
OGI component inspection frequency every month	\$12,800

CHAPTER 3: SUMMARY OF PROPOSALS

INTRODUCTION

PROPOSED AMENDED RULE STRUCTURE

PROPOSED AMENDED RULE 1173

INTRODUCTION

PAR 1173 lowers leak standards for certain types of components and adds OGI inspection requirements on components. PAR 1173 also includes ozone contingency measures to comply with federal requirements.

The following information describes the structure of PAR 1173 and explains the provisions incorporated from other source-specific rules. New provisions and any modifications to provisions that have been incorporated are also explained. PAR 1173 also includes grammatical and editorial changes for clarity.

PROPOSED AMENDED RULE STRUCTURE

PAR 1173 will contain the following subdivisions:

- (a) Purpose*
- (b) Applicability*
- (c) Definitions*
- (d) South Coast AQMD Inspection Procedures*
- (e) Identification Requirements*
- (f) Self Inspection Requirements*
- (g) Leak Standards and Repair Requirements*
- (h) Atmospheric Process PRD Requirements*
- (i) Recordkeeping and Reporting Requirements*
- (j) Test Methods*
- (k) Ozone Contingency Measures*
- (l) Exemptions*
- (m) Interim Procedures and Requirements*

PROPOSED AMENDED RULE 1173

Subdivision (a) Purpose

The purpose of this rule is expanded to include reference to contingency measures to fulfill federal requirements and partial implementation of the 2022 AQMP.

Subdivision (b) Applicability

The types of facilities applicable to this rule are not changed as a result of PAR 1173. Additional language was added to ensure subdivision (k) *Ozone Contingency Measures* is applicable upon approval by U.S. EPA.

Subdivision (c) Definitions

Several definitions were added, deleted, or substantially modified for clarity and consistency. Subdivision-wide, definitions of each applicable facility type have been updated from older Standard Industrial Classification (SIC) code references to newer North American Industry Classification System (NAICS) code references. Note: NAICS codes are included for guidance only and are not meant to be a criterion for determining applicability. Other key definition changes are discussed below:

- *Atmospheric Process PRD* – replaces existing definition for Process PRD for consistency with usage in rule language.
- *Component* – modified to incorporate newly-defined “Fin Fan” component type.
- *Compressor Seal* – added to fully explain the part of a compressor used for sealing purposes.
- *Connector* – added to fully explain a type of fitting connection and part of other components.
- *Contingency Measure* – added to implement federal requirements.
- *Essential Component* – added to implement limited delay of repair provision for certain types of components that cannot be isolated.
- *Facility* – definition deleted.
- *Field Gas* – definition deleted.
- *Fin Fan* – added to increase clarity and ensure accurate reporting.
- *Fin Fan Plug* – added to increase clarity and ensure accurate reporting.
- *Fitting* – modified to increase clarity and include examples.
- *Flange* – added to fully explain a type of fitting connection and parts of other components or other equipment for connection and access for cleaning, inspection, and modification.
- *Inspection* – modified to trifurcate existing “Operator Inspection” sub-definition into three new sub-definitions:
 - Audio-Visual-Olfactory (AVO) Inspection, by hearing, by sight, and by smell,
 - Optical Gas Imaging (OGI) Inspection, of multiple components simultaneously from a platform, ground level, or a vantage point, and
 - Analyzer Inspection, of individual components potential sources of leaks. Some elements of components, such as piping itself or fin fan tubes, are not considered potential sources of leaks.
- *Leak* – modified to remove reference to liquid leaks.
- *Optical Gas Imaging (OGI) Device* – added to implement OGI inspection requirements.
- *Outage* – added to implement limited delay of repair and fin fan repair schedule, complementing defined term “turnaround”. A process unit temporarily in suspense and not in shutdown, with a fluid stream in recirculation such as in “hot standby mode”, does not meet the definition of an outage. In addition, a process unit shutdown lasting less than 24 hours does not meet the definition of an outage, consistent with federal regulations.
- *Process PRD* – definition deleted and replaced by Atmospheric Process PRD definition.
- *Process Unit* – added to ensure clarity and implement limited delay of repair and fin fan repair schedule
- *Pump Seal* – added to fully explain the part of a pump used for sealing purposes.
- *Refinery* – modified to ensure refineries that produce refined products but may use non-petroleum-based feedstock be and continue to be considered refineries.
- *Repair* – modified to include newly-defined visible leaks and visible vapors and clarify that Repair may include replacing components and other actions.
- *South Coast Air Basin* – added to implement federal requirements related to contingency measures.
- *Visible Leak* – added by bifurcation from existing leak definition and clarified.
- *Visible Vapors* – added to implement OGI inspection requirements.

Note: On October 24, 2008, South Coast AQMD issued a compliance advisory regarding Rule 1173 providing guidance regarding the term “encrypted” used within the definition of *tamper-proof*. In that context, encrypted was explained to include transmission and handling of the signal from the field device to the base radio. If the handling of the data from the base radio to the data storage device is wireless, that transmission shall be encrypted, and the data transmitted and stored within the data storage unit shall be labeled by date and time (i.e., data are date stamped). If the handling of the data from the base radio to the data storage device is transmitted through a hard-wired communication connection, then such equipment shall be considered *tamper-proof* as required by Rule 1173 if the data transmitted and stored within the data storage unit is labeled by date and time (i.e., data are date stamped). In addition, all changes to data transmitted from field device to the base radio and from the base radio to the data storage unit must be documented and available to the Executive Officer upon request.

Subdivision (d) South Coast AQMD Inspection Procedures

Formerly titled *Leak Standards*, PAR 1173 modifies existing South Coast AQMD (formerly referred to as “District” in rule language) inspection procedures. The former provisions have been moved to subdivision (m) – *Interim Procedures and Requirements*. Effective January 1, 2026, PAR 1173 reduces the violation standard for components in light liquid and gas/vapor service from the existing 50,000 ppm violation standard to a new 10,000 ppm violation standard and places this new violation standard and the existing 500 ppm violation standard for heavy liquids in new Table 1 – *Violation Standards*.

PAR 1173 also clearly identifies visible leaks, both light liquid and heavy liquid, as subject to Notice of Violation. Further, PAR 1173 replaces the existing Table 1 – *Leak Thresholds* violation pathway with a new OGI-based violation pathway pertaining to visible vapors from components in VOC service. Upon detection of visible vapors by South Coast AQMD personnel using an OGI device, PAR 1173 provides a pathway for the owner or operator to not be subject to a Notice of Violation for these visible vapors if able to concurrently demonstrate, using a Method 21 analyzer, that the component is emitting below the violation standard at the time of the visible vapors.

For inaccessible components, the owner or operator may demonstrate that the component is emitting below the violation standard within one (1) day. Staff believes with the use of extension probes, ladders, and lifts, one (1) day is sufficient to access inaccessible components with an analyzer for the purpose of determining VOC leak rate of components with visible vapors. In that demonstration, South Coast AQMD personnel need not be present, but the owner or operator must comply with U.S. EPA Method 21 procedures using an analyzer in calibration with proper documentation, such as monitoring logs and photographs. In either case, an owner or operator will

still be subject to a Notice of Violation if South Coast AQMD personnel, using an analyzer, finds that the leak exceeds violation standards, despite the findings from an owner or operator analyzer.

Note: The term *inaccessible component* is defined within Rule 1173 and refers to “permanent support surfaces” in that definition. Temporary scaffolding, as shown in Figure 3-1, or various forms of personnel lifts do not meet the definition of a “permanent support surface”, even if scaffolding remains onsite unconstructed or if lifts are available onsite.

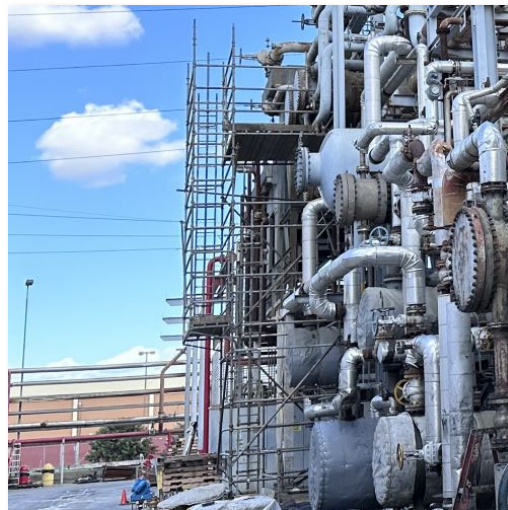


Figure 3-1 - Temporary scaffolding

The provisions in the former paragraph (d)(2), which allowed a facility to adjust a leak measurement to exclude methane and ethane, have been removed.

Subdivision (e) Identification Requirements

PAR 1173 requires all major components, including fin fans, be tagged clearly and visibly and minor components to be identified in piping and instrumentation flow diagrams. PAR 1173 adds an additional tagging requirement for leaking components under repair. Individual fin fan plugs are not required to be tagged unless leaking.

Subdivision (f) Self Inspection Requirements

Formerly titled *Operator Inspection Requirements*, PAR 1173 sets and revises inspection schedules for the owner or operator.

AVO inspections of pumps, compressors, and atmospheric PRDs are required once per operating shift and are to occur no more than 12 hours apart, except at unmanned oil and gas production fields and pipeline transfer stations, those that are typically without onsite personnel during operations. Those unmanned facilities are now required to perform AVO inspections at least weekly. Previously, audio-visual inspection was required every eight hours and there was no requirement for those unmanned facilities.

Beginning January 1, 2026, OGI inspection of components in VOC service is required monthly, unless a component will be out of VOC service for more than 14 days of the month due to outage or turnaround. As noted in Chapter 2, the manufacturers of OGI devices report these are capable of inspecting up to 10,000 components per operating day. The nature of inspection with an OGI device differs from that with a Method 21 analyzer. While a Method 21 analyzer uses a component-by-component approach, OGI devices inspect multiple components at once. Staff does not expect operators to take a component-by-component approach with OGI devices. The operator of the OGI device must be trained to operate and maintain the device in accordance with manufacturer’s specifications. Visible vapors detected shall be repaired per subdivision (g) and recorded per subdivision (i).

In lieu of an OGI inspection, an alternative inspection method may be used if approved by U.S. EPA and the Executive Officer. Other agencies, such as the state of Colorado Department of Public Health & Environment (CDPHE), have several approved alternative inspection methods. Referred to as an Alternative Approved Instrument Monitoring Method (AIMM)¹, they are for use by oil and gas facilities in that jurisdiction. If one of the methods were also approved by U.S. EPA, they may also be used in South Coast AQMD jurisdiction if approved.

Analyzer inspections by U.S. EPA Method 21 will continue to be conducted quarterly, with inaccessible components inspected annually. Beginning January 1, 2026, fin fans, including fin fan plugs, will be inspected with a Method 21 analyzer annually. Facilities may also continue to seek an alternative annual inspection schedule for certain categories of components. Existing rule language provides a path of relaxation of quarterly analyzer inspection towards annual analyzer inspection if certain analyzer and AVO inspection performance metrics are met and maintained. This rule language has been updated to include visible vapors detected with OGI camera in the same performance metrics and are now a criterion for approval or disapproval of an alternative annual inspection schedule. Staff also considered a path towards relaxation of monthly OGI inspection, as suggested by stakeholders. After careful consideration, staff did not include a path towards relaxation of monthly OGI inspection in these rule amendments because there is insufficient data to demonstrate relaxation is warranted.

Staff was also asked to consider alternative inspection schedules for certain types of “leakless” components, such as bellow-seal valves or magnetically-driven, or “mag-drive”, pumps. Staff encourages the use of these technologies in replacement of components, but, similar to OGI inspection, staff does not have data regarding the performance of these under an LDAR program. In future amendments, with sufficient data, relaxation of inspection frequencies of so-called “leakless” components may be justified.

Subdivision (g) *Leaks Standards and Repair Requirements*

Formerly titled *Maintenance Requirements*, PAR 1173 revises leak standards at which the owner or operator must repair a component, effective January 1, 2026. The component category comprising types valve, fitting, and other device (diaphragm, hatch, sight-glass, or meter) must be repaired when above 100 ppm, formerly 500 ppm. Pumps in light liquid service and compressors must be repaired when above 400 ppm, also formerly 500 ppm. Two other categories of component, PRD and pump in heavy liquid service, remain at their existing leak standard of 200 ppm and 100 ppm, respectively. In addition, a new category of component is identified, fin fan, with a leak standard of 100 ppm. Leak standards are listed in Table 2 – *Component Leak Standards*.

Staff received feedback, data, and reports from several stakeholders regarding the impacts of lowering leak standards. Stakeholders reported that lowering leak standards would result in additional shutdowns to fix leaks. Minimizing additional startups and shutdowns is a key concern for South Coast AQMD, as evident by Rule 429.1 regarding Startup and Shutdown Provisions at Petroleum Refineries and Related Operations. In jurisdictions with a 100 ppm leak standard such as Bay Area AQMD, San Joaquin Valley APCD, or Santa Barbara County APCD, those jurisdictions allow for a delay of repair until the next scheduled shutdown to minimize additional

¹ <https://cdphe.colorado.gov/oil-and-gas-compliance-and-recordkeeping/approved-instrument-monitoring-method-aimm-for-oil-gas>

shutdowns. Staff is sensitive to impacts of additional shutdowns, not only for excess VOC emissions associated with shutdown and startup, but also oxides of nitrogen (NO_x), carbon monoxide (CO), particulate matter (PM), oxides of sulfur (SO_x), and other air contaminants. The impacts of recent shutdowns and startups reported to staff are summarized below:

Table 3-1 Impacts of Recent Shutdowns and Startups						
Occurrence	VOC (tons)	PM (tons)	NO _x (tons)	CO (tons)	SO _x (tons)	Opacity
2020Q3 Event	2.86	0.10	0.29	1.58	0.99	N/A
2020Q3 Event	3.35	0.11	0.18	1.57	0.32	N/A
2023Q1 Event	0.31	0.01	0.03	0.15	0.06	N/A
2023Q1 Event	N/A	N/A	2.32	8.04	1.05	> 140 hrs over 20%
2024Q2 Event	0.01	0.01	0.22	2.34	N/A	N/A
2024Q2 Event	N/A	N/A	0.20	N/A	0.07	N/A
Average	1.09	0.04	0.54	2.28	0.41	In excess of 20%

To minimize the possibility of PAR 1173 resulting in additional shutdowns and excess emissions associated with startup and shutdown, PAR 1173 allows for a limited number of valves and fittings, and pumps (light liquid) and compressors, to delay repair until the next shutdown of process unit that includes the component, expressed in Table 3 – *Limited Delay of Repair*. The allowable percentage of valves and fittings, and pumps (light liquid) and compressors, is 0.05%, respectively, lower than other jurisdictions. The allowable leak rate for both component categories is 500 ppm, also lower than other jurisdictions. The allowable period of delay for both component categories is until scheduled shutdown or unscheduled shutdowns longer than 24 hours, which is also stricter than other jurisdictions.

To determine unrealized VOC reductions associated with delay of repair, staff calculated VOC emission factors using Method 2 – Correlation Equation Method from the South Coast AQMD AER document. Using this method, staff determined the worst case scenario for valves and fittings: a flange component type emitting VOC at 500 ppm instead of 100 ppm. In this scenario, the component would emit 4.75 lbs of VOC per year. If each reporting facility were to allow 0.05% of valves and fittings, calculated to be 1,256 for all of South Coast AQMD, exclusively in the form of flanges to emit at 500 ppm instead of 100 ppm, unrealized VOC reductions are expected to be

3.0 tons of VOC per year or less than 0.01 tons of VOC per day. Using the same approach, the worst case scenario for a pump (light liquid) or compressor is a pump emitting VOC at 500 ppm instead of 400 ppm. The pump would emit 6.07 lbs of additional VOC per year. If each reporting facility were to allow 0.05% of its pumps or compressors to leak, there would be 178 for all of South Coast AQMD. For 178 pumps allowed to leak at 500 ppm instead of 400 ppm, unrealized VOC reductions are expected to be 0.54 tons VOC per year or about 0.001 tons VOC per day.

In comparison, a single startup/shutdown event on average generates 1.09 tons of VOC, 0.04 tons of PM, 0.54 tons of NO_x, 2.28 tons of CO, 0.41 tons of SO_x, and excess visible emissions. In the worst case, a startup/shutdown event was shown to generate 3.35 tons of VOC.

Staff also received feedback regarding applicable leak standards to different potential leak points, sometimes referred to as “subcomponents”. Components may contain multiple points of potential leakage. As noted in Chapter 1, a valve should be checked for leaks in at least two locations: at the valve stem and at the associated flange, and the 100 ppm leak standard for “Valve, Fitting, or other device” would apply. For a compressor or light liquid pump, each associated seal, connector, and flange should be checked for leaks and the 400 ppm leak standard for “Compressor or Pump (Light Liquid)” would apply for each of those potential leak sources. Lastly, for a PRD, each associated PRV, rupture disc, connector, and flange should be checked for leaks and the 200 ppm leak standard for “Pressure Relief Device (PRD)” would apply for each of these.

PAR 1173 deletes existing Table 2 – *Repair Periods*, reorganized as Table 6 – *Interim Repair Periods*, and adds repair schedules for leaks above a leak standard, visible leaks, and visible vapors with special consideration for fin fans. For components in VOC service, other than fin fans, above the applicable leak standard, the component must be repaired below the Table 2 – *Component Leak Standard* within 14 days of detection. For components above the applicable violation standard (10,000 ppm for light liquid or gas/vapor service, 500 ppm for heavy liquid service), within 1 calendar day, the leak must be reduced below the violation standard in Table 1 – *Violation Standards* or no longer be visible using an OGI camera. The component must be completely repaired below the applicable leak standard in Table 2 - *Component Leak Standards* within 14 days of detection, as shown below.

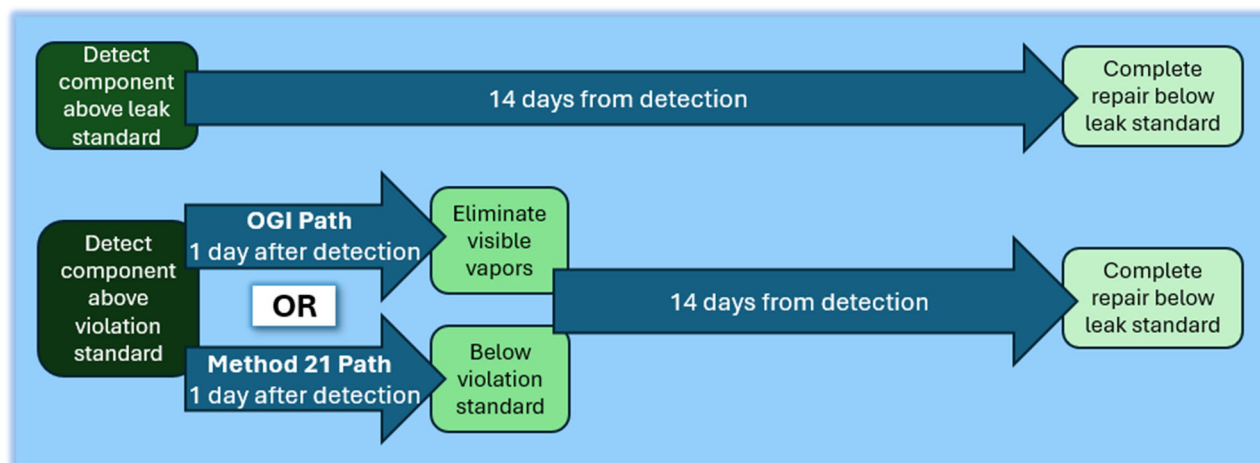


Figure 3-2 – Repair pathways for leaks above standard detected via analyzer inspection

For components in VOC service with visible leaks, other than fin fans, the visible leak must be eliminated by the next day. An operator finding a visible leak from an inaccessible component shall electronically notify the South Coast AQMD via Rule1173Reports@aqmd.gov within 24 hours, and eliminate the visible leak within 14 days, as shown below.

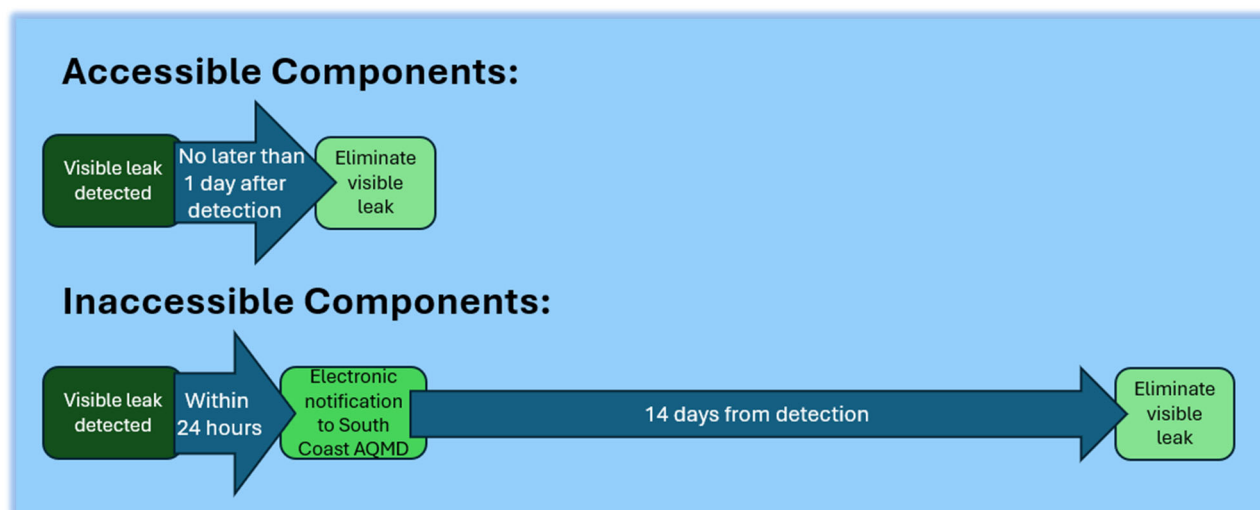


Figure 3-3 – Repair pathway for accessible and inaccessible visible leaks detected via AVO inspection or other means

For components in VOC service with visible vapors, other than fin fans, the visible vapors must be eliminated by the next day. Alternatively, if visible vapor is determined to be below the violation standard in Table 1 – *Violation Standards*, repair instead must be completed within 14 days. An operator detecting visible vapors from an inaccessible component shall eliminate visible vapors within 14 days. If visible vapors are not eliminated within seven (7) calendar days of detection, the operator shall notify South Coast AQMD within eight (8) calendar days of detection electronically, or to Rule1173Reports@aqmd.gov if approved, as shown below.

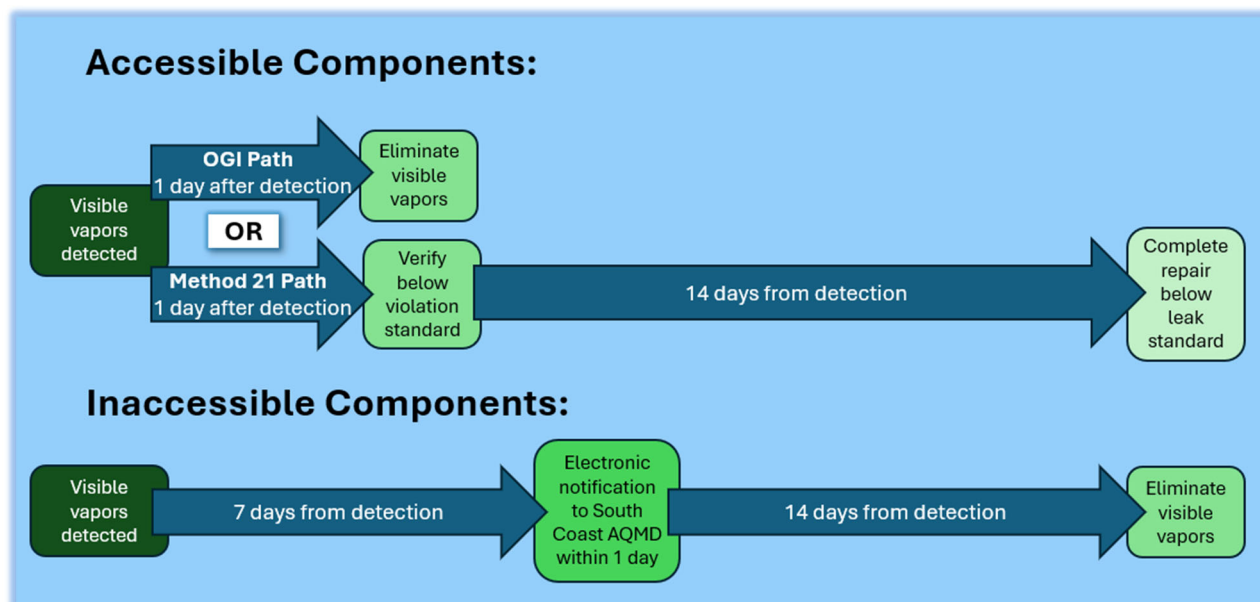


Figure 3-4 – Repair pathways for accessible and inaccessible visible vapors detected via OGI inspection

Lastly, for fin fans, because of the unique nature of fin fan plugs, PAR 1173 proposes a different approach to the repair schedule of fin fans. Stakeholders reported that to safely repair a fin fan plug while in operation, an engineered clamp must be designed and manufactured over several days to fit around the leaking fin fan plug. A heat-resistant sealant is injected and forms a seal around the plug, reducing leakage. The number of clamps that can be installed is limited by other clamps and other equipment nearby. Additionally, fin fans are often inaccessible, high off of ground level with access only by ladders, scaffolding, or lifts. By their nature as air-cooled heat exchangers, the surrounding air has elevated temperatures, posing additional challenges.

Staff is sensitive to these valid concerns. PAR 1173 requires repair of fin fans within 14 days to reduce leaks to below 5,000 ppm or eliminate visible vapors. For leaks between 100 ppm and 5,000 ppm, repair may be delayed until the next outage or turnaround, but these may not exceed 1% of all facility fin fan plugs. In the worst case scenario, delaying repair on 1% of fin fan plugs at 5,000 ppm, estimated to be as many as 2,520 out of 252,000 operating fin fan plugs, results in unrealized VOC emission reductions above the 100 ppm leak standard of 14.7 tons of VOC per year (0.04 tons per day). As shown in Chapter 2, a fin fan leak standard of 100 ppm results in VOC reductions of 42.2 tons per year.

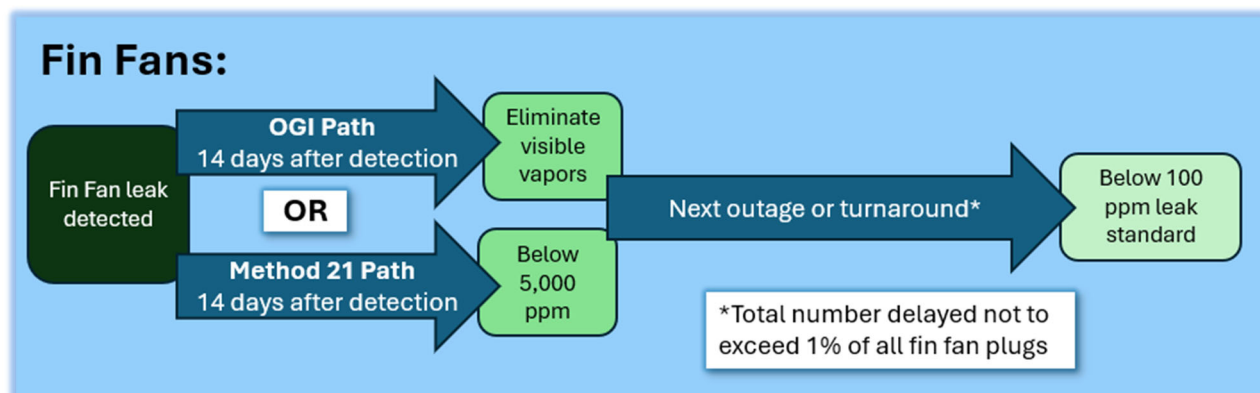


Figure 3-5 – Repair pathway for fin fan leaks detected

Subdivision (h) Atmospheric Process PRD Requirements

PAR 1173 removes obsolete rule language with achievement dates in the past. PAR 1173 also removes the 500 lbs VOC emission threshold for releases from atmospheric process PRDs to conduct a failure analysis and implement corrective actions, in order to align with federal requirements. PAR 1173 also updates the existing mitigation fee, added in 2002 at \$350,000, to account for inflation. The mitigation fee is now set at \$625,000 with annual adjustment for inflation based on the California Consumer Price Index (CPI), similar to the mechanism in Rule 320. The amount of the mitigation fee would be determined based on the date of the release event that triggered the mitigation fee. For releases that occur prior to July 1, the mitigation fee will be the revised fee as calculated on July 1 of the preceding year. For releases that occurred prior to the date of rule amendment, the original mitigation fee of \$350,000 would apply. The California CPI for the current year may be found here: <https://www.dir.ca.gov/oprl/CPI/PresentCCPI.PDF>. Historic California CPI from years 1955 to present may be found here: <https://www.dir.ca.gov/OPRL/CPI/EntireCCPI.PDF>.

For example, if a release triggering a mitigation fee were to occur on August 15, 2027, the owner or operator would refer to the annual average California CPI for All Urban Consumers for calendar year 2026, typically published in early 2027. Hypothetically, assume a value of 348.601. Next, obtain the annual average California CPI for All Urban Consumers for calendar year 2024. Assume a value of 335.122 for this example. Next, calculate a conversion factor by dividing the current value against the 2024 value, per the formula:

$$\text{Conversion Factor} = \frac{\text{Most recent annual average California CPI}}{\text{Calendar year 2024 annual average California CPI}}$$

For the example, the value would be (348.601 / 335.122) or 1.040. Multiple the mitigation fee by the conversion factor to obtain the current mitigation fee. For this example, the adjusted mitigation fee would be (1.040 * \$625,000) or \$650,000.

Subdivision (i) Recordkeeping and Reporting Requirements

PAR 1173 requires electronic reporting, including via email to Rule1173Reports@aqmd.gov as the default method or web-based submission portals to be developed by South Coast AQMD

similar to U.S. EPA's Central Data Exchange (CDX) or CARB's California Electronic Greenhouse Gas Reporting Tool (Cal e-GGRT). Electronic reporting applies to all notifications and reports including leaks from inaccessible components, OGI inspection reporting, and reports regarding delay of repair. PAR 1173 also now requires five years of recordkeeping to be maintained to align with federal requirements. In addition, existing rule language regarding applicability of reporting of equipment breakdowns pursuant to Rule 430 has been moved from subdivision (g).

Subdivision (j) Test Methods

PAR 1173 updates the acceptable test methods to determine VOC content of gases by allowing ASTM Methods D 7833 and D 2163, along with the existing approved ASTM Method D 1945.

Subdivision (k) Ozone Contingency Measures

PAR 1173 deletes the entirety of the existing obsolete subdivision, formerly titled *Other Rules and Regulation Applicability*, and repurposes it for ozone contingency measures in the South Coast Air Basin to comply with federal requirements.

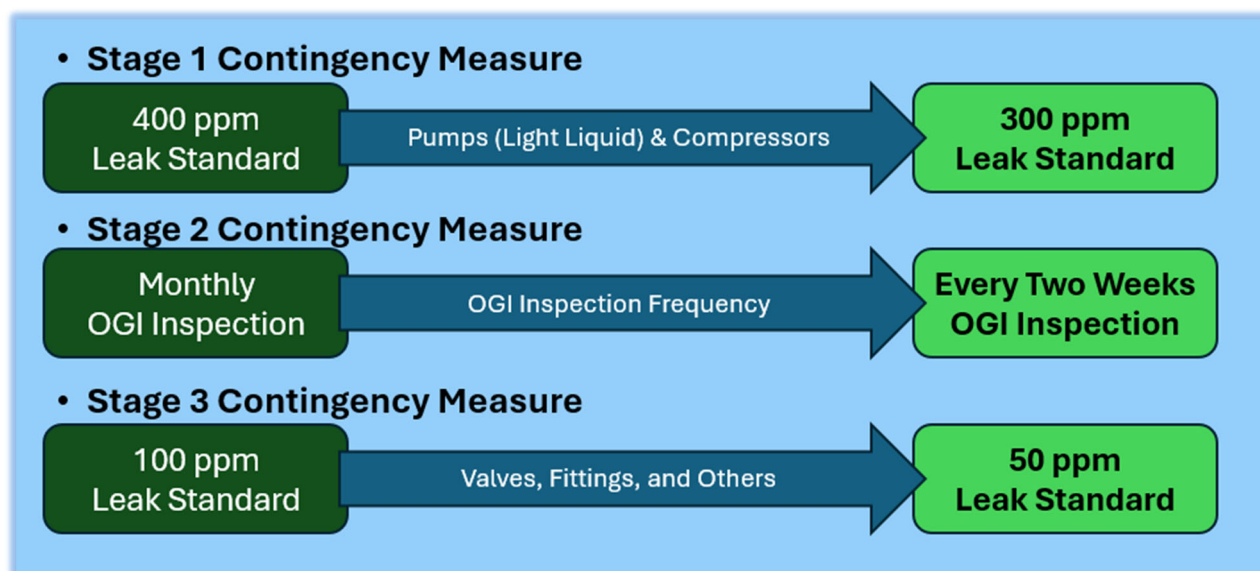


Figure 3-6 – Ozone contingency measure pathway

These contingency measures would only be implemented in the event that the U.S. EPA determines that the South Coast AQMD has failed to meet a reasonable further progress (RFP) milestone or to attain an ozone NAAQS, after amendments to Rule 1173 are approved by U.S. EPA to be included into the SIP. These contingency control measures are necessary as part of comprehensive efforts to timely attain ozone standards. The contingency measures would be triggered upon the issuance of a final determination by the U.S. EPA that the South Coast AQMD has failed to comply with either of the following requirements:

1. Meet any ozone RFP requirement in an attainment plan approved in accordance with section 51.1012; or
2. Attain the applicable ozone NAAQS by the applicable attainment date.

PAR 1173 includes three contingency measures for the South Coast Air Basin. The measures shall be implemented sequentially, starting with the Stage 1 contingency measure, then layering the Stage 2 contingency measure and then Stage 3 contingency measure if triggered, effective 60 days after issuance of each final determination. The first contingency measure reduces the leak standard of pumps to 300 ppm. Triggering the first contingency measure will result in an estimated additional 8.8 tons per year of VOC reduction. The second contingency measure will increase the frequency of OGI inspections to every two calendar weeks. Triggering the second contingency measure will result in an estimated additional 44.5 tons per year of VOC reduction. The third contingency measure will reduce the leak standard for valves, fittings, and other devices to 50 ppm. Triggering the third contingency measure will result in an estimated additional 166.4 tons per year of VOC reduction.

Contingency measures should provide for emission reductions approximately equivalent to either one year's worth of air quality improvement or one year's worth (OYW) of reductions needed for RFP in the years following RFP milestone and attainment years. While the proposed amendments in Rule 1173 satisfy a 'triggering mechanism' requirement set by the U.S. EPA, the reductions from the rule alone are not adequate to satisfy the OYW of progress, which is calculated as the percentage of the base year emission inventory (EI) the annual rate of reductions represents of either NO_x or VOC (or combined) per year. See the equation below for an example.

$$\frac{(\text{base year EI} - \text{attainment year EI})}{(\text{attainment year} - \text{base year})} \div \text{base year EI} \times \text{attainment year EI} = \text{OYW of Progress}$$

Contingency measures are required to result in emission reductions within one year of a final action by the U.S. EPA. It would be challenging to implement more stringent requirements, achieving additional NO_x or VOC reductions, in rules involving other traditional sources within the mandated one-year time period. Retrofitting or replacement of existing equipment with newer technologies or equipment, or any permitting provisions would likely take more than one year to effectively implement. Conversely, the proposed amendment to Rule 1173 does not require permitting of units, does not require units be retrofitted or replaced, and does not require reformulation or development of new products. Consequently, Rule 1173 is well suited for contingency provisions since implementing lower leak standards or higher frequency OGI monitoring could be implemented in less than 60 days following the triggering of a contingency measure with resulting emission reductions occurring in less than one year.

Based on the above analysis, the South Coast AQMD will satisfy, in part, the contingency requirements ~~for set in~~ CAA section 172(c)(9) and the U.S. EPA's Ozone Implementation Rule with these proposed amendments to Rule 1173. PAR 1173 provides contingency measures to be triggered if the South Coast Air Basin fails to meet RFP or attain the applicable ozone standards (2008 & 2015 8-hour ozone NAAQS) by the applicable date. The emission reductions anticipated from PAR 1173, in conjunction with reductions from existing rules and regulations, are expected to achieve the reductions equivalent to or more than OYW of progress. In the future, South Coast AQMD will consider preparing a State Implementation Plan revision that includes an infeasibility justification for contingency measures that achieve less than OYW of reductions. ~~PAR 1173 addresses the contingency measures for RFP and attainment for the applicable ozone standards (2008 & 2015 8-hour ozone NAAQS).~~

Subdivision (l) Exemptions

PAR 1173 expands on an existing exemption for safety to exempt unsafe repairs and clarifies that the schedule for repair does not begin until the component is safe to repair. PAR 1173 also adds an exemption for unsafe OGI inspections. If the owner or operator conducting an OGI inspection at a facility determines that it is unsafe to climb a platform or other area due to safety concerns such as wind or slippery surfaces from rain, the facility is not required to conduct an inspection from the area. An OGI inspection must be conducted the first day the owner or operator determines it safe to do so. An owner or operator is required to document the date that a required inspection was not completed and the reason.

Subdivision (m) Interim Procedures and Requirements

PAR 1173 adds interim procedures and requirements from the date of rule amendment until January 1, 2026, for what leaks are subject to a Notice of Violation and when to repair components, expressed as Table 4 – *Interim Violation Standards*, Table 5 – *Interim Leak Standards*, and Table 6 – *Interim Repair Periods*, respectively. These interim procedures and requirements largely reflect existing procedures and requirements in Rule 1173.

CHAPTER 4: IMPACT ASSESSMENTS

INTRODUCTION

EMISSION REDUCTIONS

COSTS AND COST-EFFECTIVENESS

INCREMENTAL COST-EFFECTIVENESS

SOCIOECONOMIC IMPACT ASSESSMENT

CALIFORNIA ENVIRONMENTAL QUALITY ACT

DRAFT FINDINGS UNDER HEALTH & SAFETY CODE SECTION 40727

COMPARATIVE ANALYSIS

INTRODUCTION

Impact assessments were conducted as part of PAR 1173 rule development to assess the environmental and socioeconomic implications. These impact assessments include emission reduction calculations, cost-effectiveness and incremental cost-effectiveness analyses, a socioeconomic impact assessment, and a California Environmental Quality Act (CEQA) analysis. Staff prepared draft findings and a comparative analysis pursuant to Health and Safety Code Sections 40727 and 40727.2, respectively.

EMISSION REDUCTIONS

PAR 1173 achieves VOC emission reductions largely through two strategies: 1) lowering VOC leak standards for components to reduce baseline VOC emissions associated with components in compliance with the rule; and 2) reducing the persistence of larger VOC leaks by requiring OGI inspections more frequently than current analyzer inspections to reduce VOC emissions associated with components not in compliance with the rule.

For a detailed analysis of the projected VOC emission reductions, please refer to Chapter 2 and Chapter 3. Total VOC emission reductions from the proposed amended rule are 2.03 tons per day. A summary of the expected VOC emission reductions is listed in Table 4-1.

Table 4-1 Emission Reductions from Proposed <u>Amended</u> Rule		
Proposed Requirement	VOC Emission Reductions (tons per year)	VOC Emission Reductions (tons per day)
Lower leak standard for component type valve, fitting, other to 100 ppm	507.8	1.39
Valve, fitting delay of repair offset	(3.0)	(0.01)
Lower leak standard for component type fin fan to 100 ppm	42.2	0.12
Fin Fan delay of repair offset	(14.7)	(0.04)
Lower leak standard for component type pump (light liquid), compressor to 400 ppm	12.2	0.03
Pump (light liquid), compressor delay of repair offset	(0.5)	(< 0.01)
Monthly OGI Inspection of all components in VOC service	196.2	0.54
Overall	740.1	2.03

Below is a summary of expected additional VOC emission reductions for contingency measures:

Table 4-2 Emission Reductions from Contingency Measures		
Contingency Measure	Additional VOC Emission Reductions (tons per year)	Additional VOC Emission Reductions (tons per day)
Lower leak standard for component type pump (light liquid), compressor from 400 ppm to 300 ppm	8.8	0.02
OGI Inspection every two weeks of all components in VOC service	44.5	0.12
Lower leak standard for component type valve, fitting, other from 100 ppm to 50 ppm	166.4	0.46
Overall	219.8	0.60

COST-EFFECTIVENESS

Health and Safety Code Section 40920.6 requires a cost-effectiveness analysis when establishing BARCT requirements. The cost-effectiveness of a control is measured in terms of the control cost in dollars per ton of air pollutant reduced. The costs for the control technology include purchasing, installation, operation, maintenance, and permitting. Emission reductions were calculated for each requirement and based on estimated baseline emissions. The 2022 AQMP established a cost-effectiveness threshold of \$36,000 per ton of VOC reduced. After adjusting for inflation, the cost-effectiveness threshold is \$40,170 per ton of VOC reduced (2023 U.S. Dollars). A cost-effectiveness that is greater than the threshold of \$40,170 per ton of VOC reduced requires additional analysis and a hearing before the Governing Board on costs.

The cost-effectiveness is estimated based on the present value of the retrofit cost, which was calculated according to the capital cost (initial one-time equipment and installation costs) plus the annual operating cost (recurring expenses over the useful life of the control equipment multiplied by a present worth factor). Capital costs are one-time costs that cover the components required to assemble a project. Annual costs are any recurring costs required to operate equipment. Costs for this proposal were obtained from available literature, vendors, and facilities.

Details regarding costs and cost-effectiveness determinations are included in Chapter 2. The overall cost-effectiveness of the proposed amended rule is \$18,800 per ton of VOC reduced. The cost-effectiveness for each proposed requirement and the overall cost-effectiveness is summarized in ~~the~~ Table 4-3 ~~below~~.

Table 4-3 Summary of Cost-Effectiveness			
Proposed Requirement	Annualized Cost	Annual VOC Reductions (tons per year)	Cost-Effectiveness (\$/ton)
Lower leak standard for component type valve, fitting, other to 100 ppm	\$10,019,000	507.8	\$19,700
Lower leak standard for component type pump (light liquid), compressor to 400 ppm	\$329,000	12.2	\$27,000
Lower leak standard for component type fin fan to 100 ppm	\$1,027,000	42.2	\$24,400
Monthly OGI Inspection of all components in VOC service	\$2,514,000	196.2	\$12,800
Delay of repair offsets	\$0	(18.2)	\$0
Overall	\$13,889,000	740.1	\$18,800

INCREMENTAL COST-EFFECTIVENESS

Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for BARCT rules or emission reduction strategies when there is more than one control option which would achieve the emission reduction objective of the proposed amendments, relative to ozone, CO, SOx, NOx, and their precursors. Since volatile organic compounds are precursors to ozone, an incremental cost-effectiveness analysis is required for controls proposed to limit VOC emissions. Incremental cost-effectiveness is the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control options as compared to the next less expensive control option.

Incremental cost-effectiveness is calculated as following:

$$\text{Incremental Cost} \cdot \text{Effectiveness} = \frac{\text{Cost of Option 2} - \text{Cost of Option 1}}{\text{Benefit of Option 2} - \text{Benefit of Option 1}}$$

Details regarding costs and incremental cost-effectiveness determinations are included in Chapter 2. The incremental cost-effectiveness for each next more stringent proposed requirement is summarized in the Table 4-4 below.

Table 4-4 Summary of Incremental Cost-Effectiveness			
Next More Stringent Proposed Requirement	Incremental Annualized Cost	Incremental Annual VOC Reductions (tons per year)	Incremental Cost-Effectiveness (\$/ton)
Further lowering leak standard for component type valve, fitting, other from 100 ppm to 50 ppm	\$14,419,000	166.5	\$86,600
Further lowering leak standard for component type fin fan from 100 ppm to 50 ppm	\$1,384,000	12.3	\$112,700
Further lowering leak standard for component type pump (light liquid), compressor from 400 ppm to 300 ppm	\$417,000	8.8	\$47,700
More frequent OGI Inspection, from monthly to every two weeks	\$2,958,000	44.5	\$66,400

SOCIOECONOMIC IMPACT ASSESSMENT

~~A socioeconomic impact assessment has been conducted and was released for public review and comment as a separate document at least 30 days prior to the South Coast AQMD Governing Board Hearing for PAR 1173, which is scheduled for November 1, 2024 (subject to change).~~

A Draft Socioeconomic Impact Assessment for PAR 1173 was released for public review and comment on October 1, 2024. The Final Socioeconomic Impact Assessment is available in the November 1, 2024, Governing Board Package.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PAR 1173) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption ~~will be~~ has been prepared pursuant to CEQA Guidelines Section 15062, and if the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

DRAFT FINDINGS UNDER HEALTH & SAFETY CODE SECTION 40727

Requirements to Make Findings

Health and Safety Code Section 40727 requires that the Governing Board make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report. In order to determine compliance with Health and Safety Code Section 40727, Health and Safety Code Section 40727.2

requires a written analysis comparing the proposed amended rule with existing regulations, if the rule meets certain requirements.

Necessity

A need exists to amend PAR 1173 to implement best available retrofit control technology, emission reduction strategies recommended in the WCWLB CERP as part of the AB 617 commitment, and Control Measure FUG-01 in the 2022 Final AQMP, and contingency measures for the 2008 and 2015 ozone NAAQS.

Authority

The South Coast AQMD obtains its authority to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 through 40728, 40920.6, and 41508.

Clarity

PAR 1173 is written or displayed so that its meaning can be easily understood by the persons directly affected by them.

Consistency

PAR 1173 is in harmony with and not in conflict with or contradictory to existing statutes, court decisions, or state or federal regulations.

Non-Duplication

PAR 1173 will not impose the same requirements as any existing state or federal regulations. The proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference

In amending this rule, the following statutes which the South Coast AQMD hereby implements, interprets or makes specific are referenced: Health and Safety Code Sections 39002, 40001, 40406, 40702, 40440(a), and 40725 through 40728.5.

COMPARATIVE ANALYSIS

Under Health and Safety Code Section 40727.2, the South Coast AQMD is required to perform a comparative written analysis when adopting, amending, or repealing a rule or regulation. The comparative analysis is relative to existing federal requirements, existing or proposed South Coast AQMD rules and air pollution control requirements and guidelines which are applicable to components. Table 4-5 below is a comparison of PAR 1173 to federal fugitive emission rules. There are no other South Coast AQMD rules pertaining to components subject to PAR 1173. Also included, table 4-6 below is a comparison of PAR 1173 to other air district fugitive emission rules.

<u>Table 4-5 – Comparison of PAR 1173 to federal and other South Coast AQMD fugitive emission rules</u>		
<u>Regulation</u>	<u>PAR 1173</u>	<u>40 CFR 60 VV/VVa, 40 CFR 60 GGG/GGGa, & 40 CFR 63 CC</u>
<u>Applicability</u>	<ul style="list-style-type: none"> • <u>Refineries</u> • <u>Chemical Plants</u> • <u>Re-refiners</u> • <u>Marine Terminals</u> • <u>Oil and Gas Production Fields</u> • <u>Natural Gas Processing Plants</u> • <u>Pipeline Transfer Stations</u> 	<ul style="list-style-type: none"> • <u>Refineries</u> • <u>Chemical Plants</u> • <u>Onshore natural Gas Processing Plants</u>
<u>Inspection Requirements</u>	<ul style="list-style-type: none"> • <u>Monthly via OGI for all components</u> • <u>Quarterly via Method 21 for accessible components</u> • <u>Annually via Method 21 for inaccessible components</u> 	<ul style="list-style-type: none"> • <u>Monthly via Method 21 or alternative methods for pumps in light liquid service and valves in light liquid or gas/vapor service</u>
<u>Leak Standards</u>	<ul style="list-style-type: none"> • <u>100 ppm for most components</u> • <u>200 ppm for PRDs</u> • <u>400 ppm for pumps (light liquid) and compressors</u> 	<ul style="list-style-type: none"> • <u>10,000 ppm for most components</u> • <u>500 ppm for PRDs</u>
<u>Repair Schedule for visible vapors or other large leaks</u>	<u>1 day</u>	<u>15 days</u>
<u>Failure Analysis or similar</u>	<u>For any release from atmospheric process PRD</u>	<u>For any release from atmospheric process PRD</u>
<u>Recordkeeping and Reporting</u>	<ul style="list-style-type: none"> • <u>Recordkeeping required</u> • <u>Quarterly reporting</u> 	<ul style="list-style-type: none"> • <u>Recordkeeping required</u> • <u>Semi-annual reporting</u>
<u>Ozone Contingency Measures</u>	<u>Yes</u>	<u>No</u>

Table 4-6 – Comparison of PAR 1173 to other air district fugitive emission rules

Rule	PAR 1173	8-18	4409	4455	331
Jurisdiction	South Coast AQMD	Bay Area AQMD	San Joaquin Valley APCD		Santa Barbara APCD
Applicability	<ul style="list-style-type: none"> • Refineries • Chemical Plants • Re-refiners • Marine Terminals • Oil and Gas Production Fields • Natural Gas Processing Plants • Pipeline Transfer Stations 	<ul style="list-style-type: none"> • Refineries • Chemical Plants • Bulk Plants • Bulk Terminals 	<ul style="list-style-type: none"> • Light crude Production Facilities • Natural Gas Production Facilities • Natural Gas Processing Facilities 	<ul style="list-style-type: none"> • Petroleum Refineries • Gas Liquids Processing Facilities • Chemical Plants 	<ul style="list-style-type: none"> • Refineries • Chemical Plants • Oil and Gas Production Fields • Oil and Gas Processing Plants • Pipeline Transfer Stations
Requirements					
Leak Standard					
<i>Valve & Fitting</i>	100 ppm	100 ppm	500 ppm	200-400 ppm	1,000 ppm
<i>Other devices</i>	100 ppm	100 ppm	500 ppm	500-1,000 ppm	1,000 ppm
<i>Pump (Light) & Compressor</i>	400 ppm	500 ppm	500 ppm	500-1,000 ppm	1,000 ppm
<i>Pump (Heavy)</i>	100 ppm				
<i>PRD</i>	200 ppm	500 ppm	200-400 ppm	100-200 ppm	1,000 ppm
<i>Fin Fan</i>	100 ppm	None	None	None	None
Repair Schedule	1-14 days	7-15 days	1-7 days	1-14 days	1-14 days
Liquid Leak Repair Schedule	1 day	7 days	1 day	1 day	1 day
OGI Inspection	Required	Not required	Referenced	Referenced	Not required
<i>OGI Inspection Frequency</i>	Monthly	N/A	Not required	Not required	N/A
Delay of Repair					

<i>Valve & Fitting</i>	Allowed until outage or turnaround • 0.05% of total • 500 ppm max	Allowed until turnaround, 5 years max • 0.15% of total • 10,000 ppm max			
<i>Other devices</i>	Not allowed	Not allowed			
<i>Pump (Light) & Compressor</i>	Allowed until outage or turnaround • 0.05% of total • 500 ppm max	Allowed until turnaround, 5 years max • 0.5% of total • 10,000 ppm max	Allowed until turnaround, 1 year max • No cap • No max	Allowed until turnaround, 1 year max • No cap • No max	Allowed until turnaround, 1 year max • No cap • No max
<i>Pump (Heavy)</i>	Not allowed				
<i>PRD</i>	Not allowed	Allowed until turnaround, 5 years max • 0.5% of total • 10,000 ppm max			
<i>Fin Fan</i>	Allowed until outage or turnaround • 1% of total • 5,000 ppm max	N/A	N/A	N/A	N/A
Recordkeeping and Reporting	• Inspection, leak, and PRD reporting • 5 year retention	• Inspection, leak, and PRD reporting • 5 year retention	• Limited leak reporting only • 5 year retention	• PRD release reporting only • 5 year retention	• Reporting not required • 2 year retention
Ozone Contingency Measures	Yes	No	No	No	No

APPENDIX A: RESPONSE TO COMMENTS

**PUBLIC WORKSHOP COMMENTS
COMMENT LETTERS**

Public Workshop Comments

Public Workshop Commenter #1 – Neal Davenport, Davenport Engineering

The commentor requested the following:

- 1-A) Clarity regarding cost effectiveness for OGI for facilities with fewer than 5,000 components.
- 1-B) Consideration for exemption or other consideration for facilities with fewer than 5,000 components.

Staff Response to Public Workshop Commenter #1

- 1-A) Cost effectiveness for OGI may be calculated for facilities with fewer than 5,000 components using the same assumptions used in the BARCT assessment of OGI inspection, scaled for the number of components present on site. For example, for a facility with 2,500 components, monthly OGI inspection is expected to cost approximately \$2,400 per year. VOC emission reductions associated with these 2,500 components, identifying large VOC leaks monthly instead of quarterly, are expected to be 376 lbs, or 0.19 tons, per year. Cost effectiveness is expected to be \$12,800 per ton of VOC emission reduction.

For facilities with fewer than 5,000 components, staff expects these facilities to contract OGI inspection to a third-party or, if multiple smaller facilities are all under common ownership, they may choose to purchase their own OGI camera and inspect multiple facilities in one operating day. The choice to contract OGI inspections or purchase an OGI device is a business decision up to each individual owner or operator as PAR 1173 does not require an OGI device to be maintained onsite at a facility.

Also, these smaller facilities with components in VOC service subject to PAR 1173 are often subject to other South Coast AQMD rules already requiring OGI inspection including Rule 463 regarding VOC storage tanks and Rule 1148.1 regarding oil and gas production wells. Staff expects these facilities to take advantage of synergies between these VOC rules and may perform OGI inspections of VOC storage tanks, oil and gas production wells, and components in VOC service by the same contractors or the same OGI device and personnel, lowering the actual cost effectiveness in real world practice.

- 1-B) Staff is sensitive to the concerns of small business and facilities with fewer than 5,000 components. PAR 1173 does not require facilities to own or to maintain an OGI camera onsite and make a large capital investment over \$100,000. Staff has identified several contractors already performing OGI inspection in the South Coast air basin which may be more appropriate for the needs of a small operator. Additionally, the same leak detection equipment can be utilized over several rules (Rule 463, Rule 1148.1, Rule 1178) to help reduce costs.

Public Workshop Commenter #2 – Jessica Paquette, Matrix Oil

The commentor expressed the following:

- 2-A) Concerns regarding cost assumptions, especially those from San Joaquin Valley APCD.
- 2-B) Interest in pilot study using laser detection for methane leaks instead of OGI inspection.

Staff Response to Public Workshop Commenter #2

- 2-A) Staff has evaluated cost assumptions from San Joaquin Valley APCD and refined several cost assumptions. First, staff has compared prevailing wage rates in Los Angeles County for various crafts and classifications as published by the California Department of Industrial Relations and found all average hourly wages for trade groups expected to perform repair to be less than the hourly rate used by San Joaquin Valley APCD (\$133/hour). Second, several cost assumptions have been refined as a result of stakeholder feedback, including adjusting the cost of annual OGI maintenance, the daily labor cost to operate OGI devices, and the cost of fin fan plug repair while in operation.
- 2-B) This rulemaking project evaluated several “smart LDAR” technologies, including open path laser detection, gas sensors, and OGI. For the purpose of detecting leaks from the more than 2.6 million components in South Coast AQMD, OGI was found to be the most appropriate. PAR 1173 does contain a provision that in lieu of OGI inspection, another approach may be used if approved by U.S. EPA and the Executive Officer.

Public Workshop Commenter #3 – Derek Marin, Vista Paint Corporation

The commentor requested the following:

- 3-A) Correct the NAICS code associated with facility type Chemical Plant to 3252.
- 3-B) Ensure that non-VOCs like water are not captured within the definition of heavy liquid, which is defined as less than ten (10) percent VOC by volume.

Staff Response to Public Workshop Commenter #3

- 3-A) Rule language has been updated to reflect NAICS code 3252 - Resin, Synthetic Rubber, and Artificial and Synthetic Fibers and Filaments Manufacturing.
- 3-B) PAR 1173 exempts components handling fluids with a VOC content of ten (10) percent by weight or less, thus a non-VOC liquid like water would not be considered a heavy liquid.

Public Workshop Commenter #4 – Alok Das, World Oil Recycling

The commentor expressed the following:

- 4-A) Eliminate the requirement for OGI monitoring in months when quarterly analyzer inspection will also be taking place as it is redundant.
- 4-B) More transparency regarding rule changes with side-by-side rule language comparison between existing rule language and new rule language in presentations.

Staff Response to Public Workshop Commenter #4

- 4-A) Staff leaves in place monthly OGI inspection without exemption. Monthly OGI inspection without exemption was found to be cost-effective and incremental cost-effective. Many, but not all, facilities have inaccessible components which are inspected annually, not quarterly, and those specific components would require OGI inspection if they were not inspected by analyzer in a given calendar month. This increases the complexity and burden of compliance on facilities to keep track of which components need and do not need OGI inspection each month. In addition, staff has noted many contractors routinely carry an

OGI device to help locate leaks when performing analyzer inspections, so staff feels monthly OGI inspection requirements reflects existing best management work practice and performed a BARCT assessment on this practice.

- 4-B) Staff appreciates this feedback regarding presentations and already incorporates side-by-side rule language comparison between existing rule language and new rule language in drafts of rule language with tracked changes.

Public Workshop Commenter #5 – Oscar Espino-Padron, Earth Justice

The commentor requested the following:

- 5-A) For staff to respond to written recommendations regarding PAR 1173 submitted by Earth Justice together with Communities for a Better Environment, Center for Biological Diversity, California Communities Against Toxics, and the Del Amo Action Committee.
- 5-B) Clarification regarding the triggering of ozone contingency measures.

Staff Response to Public Workshop Commenter #5

- 5-A) The comment letter from Earth Justice and others along with associated responses to those written comments are located later in this Appendix.
- 5-B) Ozone contingency measures (CMs) come into effect after publication by U.S. EPA of that the South Coast Air Basin has failed to comply with the 2008 or 2015 ozone NAAQS, either by not making RFP, failing to attain either NAAQS, or failing to meet a milestone. Three (3) ozone CMs are listed in PAR 1173 and CMs are triggered sequentially with the Stage 1 CM occurring first, Stage 2 CM second (with Stage 1 CM still in effect), and lastly Stage 3 CM last (with all CMs in effect).

Public Workshop Commenter #6 – Greg Busch, AltAir Paramount

The commentor expressed the following:

- 6-A) Consideration for flexibility for OGI inspection for smaller facilities with fewer components.

Staff Response to Public Workshop Commenter #6

- 6-A) See Response 1-B2.

Public Workshop Commenter #7 – “Pearl”, Resident of West Long Beach

The commentor expressed the following:

- 7-A) Concerns about fuels transition plans and phase out infrastructure.

Staff Response to Public Workshop Commenter #7

- 7-A) PAR 1173 does not address fuels transitions plans or phase out infrastructure. Details regarding fuels transition plans and related infrastructure can be found in the 2022 Air Quality Management Plan.

Public Workshop Commenter #8 – Ramine Ross, Western States Petroleum Association (WSPA)

The commentor requested the following:

- 8-A) Clarification of expectations of newly defined term “OGI Inspection”.
- 8-B) Additional time for discussion of key issues.

Staff Response to Public Workshop Commenter #7

- 8-A) Staff expects OGI inspections to differ from analyzer inspections. While analyzer inspections utilize U.S. EPA Method 21 and are performed component-by-component, OGI inspections are expected to observe multiple components simultaneously and not individual components.
- 8-B) South Coast AQMD has rescheduled this project from its original October 2024 Governing Board meeting to the November 2024 Governing Board meeting to allow additional discussion.

Public Workshop Commenter #9 – Kristy Monji-Chung, NV5

The commentor requested the following:

- 9-A) Additional information regarding CARB OGI training.
- 9-B) Costs associated with ongoing OGI training.

Staff Response to Public Workshop Commenter #9

- 9-A) At the present time, the California Air Resources Board offers OGI training to regulators only, such as CARB or South Coast AQMD staff, and not to the regulated community.
- 9-B) According to OGI device manufacturers, the cost of operator training is included in the capital cost of the OGI device. PAR 1173 does not require annual or periodic operator training and as such, costs associated with OGI training are not included in the analysis.

Public Workshop Commenter #10 – Julia May, Communities for a Better Environment (CBE)

The commentor expressed the following:

- 10-A) Support for previous comments by Earth Justice and “Pearl”. Commentor also expressed, based on monitoring, that actual VOC emissions may be underreported and U.S. EPA emission factors may be underestimating VOC emissions. Commentor also stated costs associated with repair may be overestimated and operators may save money by reducing leaks and reducing product loss.
- 10-B) Possible cost savings associated with OGI inspection versus analyzer inspection.
- 10-C) Evaluation of impact of reduction of benzene and other toxics associated with leak reduction.

Staff Response to Public Workshop Commenter #10

- 10-A) Staff appreciates these comments. Regarding VOC calculations, staff did not rely on original U.S. EPA factors and equations and instead relied on the most current and best available factors and correlation equations available, consistent with past rulemaking projects concerning Rule 1173. The methods employed were from document “Guidelines for Reporting VOC Emissions from Component Leaks” last revised in 2015 for the purposes of South Coast AQMD Annual Emission Reporting. The document comprises refinements of “California Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities”, dated February 1999, prepared by the California Air Pollution Control Officers Association (CAPCOA) and CARB. In turn, many of that document’s factors and correlation equations are derived with refinements from U.S. EPA Protocol, dated November 1995, entitled “1995 Protocol for Equipment Leak Emission Estimates”.
- 10-B) As staff is leaving in place the existing analyzer inspection requirements, staff did not identify a cost reduction associated with OGI inspection versus analyzer inspection. In future rulemaking, if supported by data and technology improvements, OGI inspection may someday reduce or replace analyzer inspection and realize cost savings.
- 10-C) Staff expects some co-benefits in the form of reduction of benzene and other toxics by reducing VOC emissions. Toxic emission reductions are not subject to cost-effectiveness and are not including in the cost-effectiveness or incremental cost-effectiveness analyses.

Public Workshop Commenter #1 – Mr. Davenport

The commentor requested the following:

- 1-C) Clarity regarding possible trigger dates for ozone contingency measures.

Staff Response to Public Workshop Commenter #1

- 1-C) These contingency measures would only be implemented in the event that U.S. EPA determines that South Coast AQMD has failed to meet an RFP milestone or has failed to attain an ozone NAAQS. Staff expects U.S. EPA to issue a final determination regarding attainment with the 2008 ozone NAAQS no sooner than 2032 and a determination for the 2015 ozone NAAQS no sooner than 2037. In addition, while contingency measures could also be triggered for failure to meet an RFP milestone, South Coast AQMD has never failed to meet an RFP milestone in its history and remains confident it will not in the foreseeable future.

Comment Letters

Comment Letter #1



Ramine Ross
Senior Manager, Southern California Region

July 10, 2024

Michael Morris
Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Via e-mail at: mmorris@aqmd.gov

Re: SCAQMD Proposed Amended Rule 1173, Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants: WSPA Comments on Working Group Meeting #3 & Working Group Meeting #4

Dear Mr. Morris,

Western States Petroleum Association (WSPA) appreciates the opportunity to participate in the rulemaking process for the South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Rule 1173, Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (PAR 1173). The stated purpose of this rulemaking is to revise the current leak standards and leak detection and repair (LDAR) program requirements established in Rule 1173 in response to control measures proposed in the 2022 Air Quality Management Plan (AQMP) and objectives listed in the State Assembly Bill 617 (AB 617) Community Emission Reduction Plan for the Wilmington, Carson, West Long Beach (WCWLB) community.^{1,2}

WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport, and market petroleum, petroleum products, natural gas, renewable fuels, and other energy supplies in five western states including California. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the SCAQMD and thus will be impacted by PAR 1173.

WSPA offers the following comments following the third Working Group Meeting held on June 12, 2024.³ WSPA is also providing comment in advance of the fourth Working Group Meeting, which is scheduled for July 11, 2024.⁴

¹ SCAQMD PAR 1173 Working Group Meeting #1. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-wgm-1.pdf?sfvrsn=12>.

² Community Emissions Reduction Plan, Wilmington, Carson, West Long Beach. Available at: <https://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/wilmington/ceqp/final-cep-wcwb.pdf?sfvrsn=8>.

³ SCAQMD PAR 1173 Working Group Meeting #3. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-wgm3.pdf?sfvrsn=8>.

⁴ SCAQMD PAR 1173 Working Group Meeting #4. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-wgm4.pdf?sfvrsn=6>.

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Comment
1-1)

1. WSPA remains concerned about the District's intended use of Optical Gas Imaging (OGI) technologies with the proposed amended rule and seeks additional clarity on how OGI inspections will be utilized.

While WSPA supports the use of OGI as a sensor technology for enhanced leak detection, the technology has operability concerns, including but not limited to:

- Wide and varied detection thresholds, currently ranging between 2,000 and 5,000 parts per million (ppm). Note that OGI only sees VOC as "smoke" above the detection threshold, it cannot quantify the concentration.
- Sensitive to environmental factors such as wind, heat, and humidity.
- Does not work in low light conditions, limiting monitoring time during winter.
- Varied reading quality as the technology is generally dependent on the ability and judgement of the operator, which impacts the reliability and repeatability of results.
- In a congested piping complex, it could be difficult to locate the leak source.

Because of these concerns, WSPA seeks additional discussion on how these considerations will be addressed as part of the proposed OGI inspection program.

The presentation slides for Working Group Meeting #4 detail an initial rule framework. Under Subdivision (g), Staff is proposing a 1-hour requirement for electronic notification to SCAQMD following the detection of visible leaks and vapors.⁵ After a detection, facilities must undergo a number of activities immediately following to help address the detection, and notification within 1 hour of detection may not be feasible. WSPA recommends that PAR 1173 notification provisions be consistent with those in the recently adopted Rule 1178, which state that an owner/operator notify SCAQMD within 24 hours after the inspection is completed.⁶

Comment
1-2)

2. SCAQMD has proposed revised leak standards for components, repair of which may need to be delayed depending on the component. Additionally, as touched upon in Working Group Meeting #3, the detection of leaks by OGI in unsafe or otherwise inaccessible areas could necessitate a delay of repairs until proper scaffolding and support infrastructure can be erected. The rule must include language that allows for delay of repair in such situations.

SCAQMD has proposed revised leak standards as follows:⁷

Component Type	Current Rule 1173 Standard (ppm)	Proposed Amended Rule 1173 Standard (ppm)
Valves and Fittings	500	100
Pumps and Compressors	500	400
Pressure Relief Devices	200	200

⁵ Ibid.

⁶ SCAQMD Rule 1178(h)(2)(A). Available at: <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1178.pdf?sfvrsn=4>.

⁷ SCAQMD PAR 1173 Working Group Meeting #3. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-wqm3.pdf?sfvrsn=8>.

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SCAQMD has acknowledged that delay of repair for components is allowed in other air districts in order to reduce emissions associated with shutdown and startup operations.⁸ SCAQMD reported it had conducted an evaluation of variance petitions and concluded that delay of repair for components appears unnecessary.⁹ This evaluation has not been presented to stakeholders so the scope or methodology used is unknown. Furthermore, the District's analysis was inherently based on the current leak standard (i.e., not the current proposal). Staff have not considered whether a lower leak standard would impact the necessity for delay of repair provisions.

In Working Group Meeting #3, SCAQMD noted that scaffolding is in place for required Method 21 inspections.¹⁰ However, OGI cameras may find leaks in locations where there is a lack of safe access to the component. Time would be needed to safely erect scaffolding before such a repair could be completed.¹¹ Once access is gained, a Method 21 inspection should be conducted to quantify the leak, and repair of the component should follow the existing Rule 1173 Table 2 timelines.

Additionally, for components that are determined to be accessible, WSPA recommends that the District consider a subsequent Method 21 inspection following an OGI inspection when visible vapors are detected, such that the repair timeline of the identified leaking component can then follow the existing Rule 1173 Table 2 timelines. SCAQMD should also consider a timeframe allowance for this Method 21 inspection to be completed, in order to allow an additional inspector with the proper equipment to be deployed.

WSPA recommends that the District work with refineries to develop a delay of repair provision that includes a critical analysis of what is necessary based on revised leak standards and a feasible timeline for safe access to leaking components identified by OGI.

Comment
1-3)

3. Staff's methane provisions would impose a direct compliance obligation on a pollutant for which SCAQMD does not have the regulatory authority. These are incorrectly labeled as a co-benefit and should be removed from the proposed rule.

In the development of regulations, a co-benefit is a secondary benefit that is achieved indirectly through the primary regulatory action. For example, a regulation with the intended purpose of reducing NO_x criteria pollutant emissions from diesel-fired engines would likely generate a co-benefit from the reduction of toxic air contaminants achieved by the same action taken to reduce NO_x emissions. Staff's methane proposal does not qualify as a co-benefit because it would impose direct compliance obligations on methane emissions; not merely recognize a co-benefit resultant from a volatile organic compound (VOC) compliance obligation. SCAQMD notes in Working Group Meeting #3:¹²

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

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"Components in natural gas service would likely be inspected via OGI inevitably due to their close proximity to VOC components, adding de minimis [sic] burden."

WSPA does not believe that to be the case. Besides the fact that natural gas components are not always co-located with VOC components (for example a natural gas fired boiler), there will be a burden to routinely monitor them. There could be thousands of components in a refinery, which will need to be tagged and identified. We acknowledge that facilities may choose on their own to monitor natural gas components as a good practice. However, the District is proposing that facilities would be required to repair leaking components in natural gas service where the leaks are detected by OGI, thus adding a direct compliance obligation for natural gas. These actions would make natural gas a regulated compound under PAR 1173 and would not qualify as a co-benefit. Requiring such actions would be inappropriate under PAR 1173, and the District should maintain the current rule exemption for components exclusively handling commercial natural gas.¹³

Comment
1-4)

4. **The District must maintain an appropriate process for this rulemaking development by holding technical workshops to detail and gather stakeholder feedback on any significant technical revision to the proposed amended rule prior to the release of the draft rule language. In addition to the technical elements of this proposed rule, SCAQMD must develop and discuss the expected timeline for implementation of these proposals before the draft rule language is released.**

At Working Group meetings for recent rulemakings, Staff have stated that the goals of the stakeholder input process include:¹⁴

- To receive input from stakeholders throughout the rulemaking process, with early input important for providing Staff the opportunity to work towards resolving issues;
- To develop a proposal that all facilities can comply with and that meets the objectives of the proposed rule or proposed amended rule; and
- To encourage facilities to meet with Staff to discuss any concerns, unique situations, etc.

It is important that District staff allow sufficient time for stakeholder input during key steps in the rulemaking process, especially during the development of proposals, to ensure that the proposals meet the intended purpose of the rulemaking in a technically feasible and cost-effective manner. Although complications that may be revealed through this process could cause delay the rulemaking from the District's intended timeline, it is more beneficial for the

¹³ SCAQMD Rule 1173(i)(1)(C). Available at: <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1173.pdf?sfvrsn=4>

¹⁴ SCAQMD Proposed Amended Rules 1147, 1100, and Proposed Rule 1147.1, Working Group Meeting #1. February 28, 2019. Available at: https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1147.2-1147-1100/part1147_wg1_02202019_final.pdf?sfvrsn=2.

SCAQMD Proposed Amended Rule 1178, Working Group Meeting #1. March 17, 2021. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1178/part1178-wgm1-final.pdf?sfvrsn=6>.

SCAQMD Proposed Rule 1460, Working Group Meeting #1. March 16, 2022. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/rule-1460/proposed-rule-1460-wgm-1-03162022.pdf?sfvrsn=15>.

SCAQMD Proposed Amended Rule 1180, Working Group Meeting #1. January 25, 2023. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/rule-1180-and-1180.1/rule-1180---wgm-1---final-version.pdf?sfvrsn=40>.

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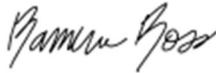
District to have implemented robust and fully developed proposals rather than risk future administrative and technical challenges that may otherwise occur.

The proposed programs are complex and resource intensive, and their overall costs will depend on the timeline for implementation. SCAQMD has not yet discussed the timeline under which these actions would be phased in or otherwise need to be implemented by facilities. The proposed timeline must be presented to stakeholders prior to release of Draft Rule Language so that stakeholders have the ability to provide feedback on the feasibility of the District proposal.

To allow for continued thoughtful discussion on these issues, WSPA is requesting that Staff be allowed more time to develop the 75-day package. Working backwards from an October Governing Board presentation, the planned release of the 75-day package is currently slated for late July. WSPA is appreciative to Staff for all the work and discussion that has been completed so far – site visits, stakeholder meetings, Working Group Meetings, etc. However, as shared in this letter, there are still significant concerns on the feasibility, implementation and cost in the proposed rule concepts that need to be explored and discussed further.

WSPA appreciates the opportunity to provide these comments related to PAR 1173. We look forward to continued discussion of this important rulemaking. If you have any questions, please contact me at (310) 808-2146 or via e-mail at ross@wspa.org.

Sincerely,



Cc: Wayne Nastri, Executive Officer, SCAQMD
Sarah Rees, Deputy Executive Officer, SCAQMD
Michael Krause, Assistant Deputy Executive Officer, SCAQMD
Rodolfo Chacon, Program Supervisor, SCAQMD
Areio Soltani, Air Quality Specialist, SCAQMD
Mayor Pro Tem Larry McCallon, Stationary Source Committee Chair
Ron Ketcham, Board Assistant
Debra Mendelsohn, Board Assistant
Supervisor Holly Mitchell, Stationary Source Committee Vice Chair
Lorraine Lundquist, Board Assistant
Patty Senecal, Senior Director, WSPA

Staff Responses to Comment Letter #1

- 1-1) To address operability concerns, the proposed amended rule requires OGI operators to be trained. Also see staff response to Public Workshop Comment 8-1 regarding OGI inspection expectations. Regarding notification to South Coast AQMD of visible leaks and visible vapors, staff has revised requirements. For the case of visible vapors, notification is required only in the case of inaccessible visible vapors not repaired within 7 days. For the case of visible leaks, notification is required only in the case of inaccessible visible leaks and notification is now required within 12 hours instead of one (1) hour.
- 1-2) Minimizing additional startups and shutdowns is a key concern for South Coast AQMD, as evident by Rule 429.1 regarding Startup and Shutdown Provisions at Petroleum Refineries and Related Operations. Staff is sensitive to impacts of additional shutdowns, not only for excess VOC emissions associated with shutdown and startup, but also oxides of nitrogen (NO_x), carbon monoxide (CO), particulate matter (PM), oxides of sulfur (SO_x), and other air contaminants. As a result, PAR 1173 now includes delay of repair provisions for component type valve or fitting, which comprise 99% of all reported components, component type pump (light liquid) or compressor, as well as fin fans and associated fin fan plugs.
- 1-3) Staff has removed all draft commercial natural gas provisions and requirements from PAR 1173. While staff is cognizant that the South Coast AQMD Governing Board, as expressed through the 2022 AQMP, asked staff to look for co-benefits with greenhouse gas programs in various rulemaking projects, staff concluded because the primary constituents of commercial natural gas, methane and ethane, are explicitly exempted as VOCs in Rule 102, including non-VOCs in a VOC rule is not appropriate at the present time.
- 1-4) South Coast AQMD has rescheduled this project from its original October 2024 Governing Board meeting to the November 2024 Governing Board meeting to allow additional discussion.

Comment Letter #2



July 26, 2024

VIA: ELECTRONIC MAIL ONLY (mkrause@aqmd.gov)

South Coast Air Quality Management District
 Attn: Michael Krause, Assistant Deputy Executive Officer
 21865 Copley Drive
 Diamond Bar, California 91765

Re: South Coast AQMD Proposed Amended Rule 1173 (Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants)

Dear Mr. Krause:

The undersigned organizations submit this comment letter regarding South Coast AQMD Proposed Amended Rule (PAR) 1173. Additionally, we may provide further comments after the public workshop scheduled for today, July 26. As you know, component leaks are the largest source of VOC emissions at petroleum refineries, including hazardous VOCs that are known to cause cancer and other health harms. The proposed updates to this regulation are critical to reducing VOC emissions in the region, particularly for communities in Wilmington, Carson, and West Long Beach exposed daily to VOC releases from routine oil refinery operations. In fact, staff calculations determined the proposed updates to Rule 1173 would reduce VOC emissions by as much as 680.7 tons per year, or 1.86 tons per day. While we appreciate the District's diligent efforts to complete updates to this rule, we offer the following important recommendations to strengthen the proposed rule:

- The District must provide additional clarity regarding reinspections under PAR 1173 subparagraph (f)(3)(D), which requires that a facility conduct an analyzer inspection “[a]fter every Repair of a Component within 30 days of Repair.”

Under PAR 1173 subparagraph (g)(2)(B), a facility is required to repair a component within “14 calendar days of detection.”¹ For this reason, operators must take a contemporaneous leak measurement after conducting a repair to

¹ Existing Rule 1173 subparagraph (g)(1) (Table 2 – Repair Periods) provides repair timeframes. Operators are then required to “[i]nspect all repaired or replaced components within 30 days of the repair or replacement” under subparagraph (f)(1)(F).

Comment
2-1)

confirm the leak has been controlled within the required 14-day timeframe. After conducting the repair and confirming the leak rate is below applicable thresholds, under PAR 1173 subparagraph (f)(3)(D), a facility must then conduct a follow-up inspection within 30 days of the repair—which could take place after this 14-day repair period—to confirm the effectiveness of the corrective action. Based on quarterly inspection reports, however, refineries are not conducting and logging these reinspections. In its rule and staff report, the District must clarify how these reinspections should be conducted. The District must also note that reinspections are required to occur within 30 calendar days of the repair.

Comment
2-2)

- The District must provide automatic inflation adjustments for mitigation fees required under PAR 1173 subparagraph (h)(6), which applies when a facility elects not to connect all atmospheric process PRDs to a vapor recovery or other control system.

Under PAR 1173 subparagraph (h)(6), the District is proposing to raise mitigation fees for VOC releases from \$350,000 to \$625,000 to adjust for inflation. A facility is required to notify the District that it intends to pay a mitigation fee rather than utilize vapor recovery or other control systems. The District, however, does not provide a mechanism that automatically adjusts for inflation, meaning that any increases in mitigation fees would require additional rulemaking. This would create delays in implementing mitigation fees and undermine their purpose to deter significant releases of VOCs. In fact, the District recently recognized this issue in updating mitigation fees under Rule 1118—in that rulemaking, the District noted “adjusting mitigation fees annually utilizing the consumer price index going forward serves as a deterrent to flaring and incentivize[s] facilities to minimize flaring emissions.”²

Comment
2-3)

- The District must clarify the implementation of ozone contingency measures under PAR 1173 subparagraph (k) to avoid any confusion as to when these measures must be implemented by facilities subject to this regulation.

Under PAR 1173 subparagraph (k), the District proposes three ozone contingency measures that would be implemented “upon the issuance of a final determination by U.S. EPA that the South Coast Air Basin has failed to comply

² South Coast AQMD, *Staff Report - Proposed Amended Rule 1118 – Control of Emissions from Refinery Flares* (Mar. 2024), <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1118/par-1118-draft-staff-report-april-5-2024.pdf?sfvrsn=32> [https://perma.cc/8E9U-4P3C].

Comment
2-4)

with” either “an RFP requirement in an approved attainment plan for the 2008 or 2015 ozone NAAQS” or attainment of “the 2008 or 2015 ozone NAAQS by the applicable date.” PAR 1173 subparagraph (2)(A) then provides that each individual contingency measure would be “effective 60 days after issuance of each final determination.” The amended rule then lists the three contingency measures without elaborating on how each of these measures would be phased in based on two attainment deadlines. The District should clarify how it expects these measures will be implemented to avoid any ambiguity.

- **The District must incorporate third-party audit requirements to ensure that all components at these facilities are identified and properly inspected for compliance with PAR 1173 emission limits.**

PAR 1173 does not provide additional measures to ensure that facilities are complying. The District cannot rely solely on facilities to self-report and on occasional onsite inspections by District staff. At a minimum, the District must require periodic third-party compliance audits of LDAR programs that include verification monitoring of a subset of components, review of quarterly inspection records, component identification procedures, data management procedures, calibration methods, training in monitoring techniques, identification of omitted components, and misclassification of components. These are common issues in LDAR programs that are often unaddressed. The audit report should be made publicly available and submitted to the District for review. The audits should provide detailed findings and a schedule to address any deficiencies identified by the contractor.

We appreciate your consideration of these concerns and recommendations. We hope that staff will address these issues in the proposed amended rule.

Sincerely,

Oscar Espino-Padron
Senior Attorney
Earthjustice Los Angeles Office

Julia May
Senior Scientist
Communities for a Better Environment

Maya Golden-Krasner
Deputy Director
Climate Law Institute
Center for Biological Diversity

Jane Williams
Executive Director
California Communities Against Toxics

Cynthia Babich

3 of 4

Founder and Director
Del Amo Action Committee

cc: Mike Morris, Planning & Rules Manager (mmorris@aqmd.gov)
Rodolfo Chacon, Program Supervisor (rchacon@aqmd.gov)
Areio Soltani, Air Quality Specialist (asoltani@aqmd.gov)

Staff Responses to Comment Letter #2

- 2-1) The requirement of PAR 1173 to inspect following repair is identical in intent to existing Rule 1173, with only minor changes in rule language for phrasing and to replace previously undefined terms with newly-defined term “repair”. Staff has revised rule language to read “30 calendar days” for additional clarity.
- 2-2) PAR 1173 now includes an automatic adjustment of the mitigation fee based on the California Consumer Price Index. The language is consistent with South Coast AQMD Rule 320 which provides an automatic adjustment for the fees set forth in Regulation III.
- 2-3) See staff response to Public Workshop Comments 1-3 and 5-2 regarding ozone contingency measures.
- 2-4) Staff believes that South Coast AQMD personnel conducting periodic inspections with OGI devices and Method 21 analyzers as well as review of facility records provides sufficient oversight of owner or operator self-inspections. While some facilities do utilize third-party contractors, staff does not see a need to require it within the rule.

Comment Letter #3



Ramine Ross
Senior Manager, Southern California Region

August 8, 2024

Michael Morris
Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Via e-mail at: mmorris@aqmd.gov

Re: SCAQMD Proposed Amended Rule 1173, Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants: WSPA Comments on Preliminary Draft Rule Language and Preliminary Draft Staff Report

Dear Mr. Morris,

Western States Petroleum Association (WSPA) appreciates the opportunity to participate in South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Rule 1173, Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (PAR 1173). The stated purpose of this rulemaking is to revise the current leak standards and leak detection and repair (LDAR) program requirements established in Rule 1173 in response to control measures proposed in the 2022 Air Quality Management Plan (AQMP) and objectives listed in the State Assembly Bill 617 (AB 617) Community Emission Reduction Plan for the Wilmington, Carson, West Long Beach (WCWLB) community.^{1,2}

WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport, and market petroleum, petroleum products, natural gas, renewable fuels, and other energy supplies in five western states including California. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the SCAQMD and thus will be impacted by PAR 1173.

WSPA offers the following comments following release of the Preliminary Draft Rule Language and Preliminary Draft Staff Report (PDSR) on July 19, 2024.^{3,4}

¹ SCAQMD PAR 1173 Public Workshop. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-pw.pdf?sfvrsn=8>

² Community Emissions Reduction Plan, Wilmington, Carson, West Long Beach. Available at: <https://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/wilmington/cerp/final-cerp-wcwb.pdf?sfvrsn=8>

³ Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants. July 19, 2024 Draft. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-preliminary-draft-rule-language-par-1173-clean.pdf?sfvrsn=6>

⁴ Preliminary Draft Staff Report. Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plant. July 2024. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-preliminary-draft-staff-report-par-1173.pdf?sfvrsn=8>

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Comment
3-1)

1. Based on the proposed changes to the definition of "Fitting" in PAR 1173, it appears that SCAQMD intends for the rule to apply to fin fan plugs, a type of component that does not fall under the current Rule 1173. WSPA does not believe fin fan plugs should be subject to the rule. Staff has not contemplated the additional population of components that this would bring under the rule, nor the increased cost of inspecting and repairing the components.

The proposed revisions to the definition for Fitting would broaden the set of fittings that are subject to the rule to arguably include fin fan plugs. Fin fan plugs are a type of heat exchanger, and heat exchangers have not historically been subject to the rule. If brought under the rule, this would introduce a significant number of new components into facilities' LDAR inventories. There would be increased costs associated, not only with more Method 21 inspections and OGI inspections, but also for repairs of these components, many of which cannot be isolated for repair or repaired during service due to the high temperatures and pressures of operation. The increased costs associated with inspecting and repairing these components must be considered in Staff's cost-effectiveness analysis, along with the increased emissions that can result from the startup/shutdown necessary to perform repairs. If Staff incorporates these costs and emissions into their analysis and determines the 100-ppm threshold to still be cost-effective, then WSPA would request additional delay-of-repair provisions specific to fin fan plugs to allow repair to occur during the next scheduled turnaround.

Comment
3-2)

2. The proposals to require identification on all Major Components and quarterly Analyzer Inspections on all Accessible Components, as well as the proposal to remove the exemption for components exclusively handling fluids with a VOC content of ten percent or less, could potentially bring hundreds of thousands of new components under PAR 1173 that have previously not been included. The costs associated with these requirements would be vastly different than what has been represented in the District's analyses to date. The existing exemptions for heavy liquid components should be retained.

The existing Rule 1173 specifies that quarterly Method 21 analyses (i.e., Analyzer Inspections) be conducted for all Accessible Components in vapor or light liquid service and all pumps in heavy liquid service; other components in heavy liquid service are not included under this requirement, as stated in Section (f)(3). The same is true for identification requirements under Section (e) for Major Components. The District's proposal to revise these requirements to remove the exception for non-pump heavy liquid components would bring thousands of new components under the rule. This, in combination with the proposal to remove the exemption for components exclusively handling fluids with a VOC content of ten percent or less (Section (l)(1)(D)) and the exemption for components handling liquids with a flash point greater than 250 °F (Section (l)(4)), would effectively require Method 21 inspections on all heavy liquid components currently exempt from Rule 1173.

Removing these exemptions would result in a dramatic expansion of the rule and would require each facility to hire several new employees to handle tagging, updating Piping and

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Instrumentation Diagrams (P&IDs), conducting the inspections, and repairing components. The costs associated with these requirements would be significantly greater than what has been suggested in the District's analyses to date. The existing exemptions in Rule 1173 for Heavy Liquid components should be retained and the existing definition of Heavy Liquid in PAR 1173(c)(13) should retain reference to the test method listed in Section (j)(3) - ASTM Test Method D93.

Comment
3-3)

3. **There are going to be situations where addressing a repair is unsafe, inaccessible, or infeasible to be completed within the proposed 14 calendar days. The rule must include language that allows for a sufficient delay of repair in such situations.**

SCAQMD has acknowledged that delay of repair for essential equipment or critical components is allowed in other air districts in order to reduce emissions associated with shutdown and startup operations.⁵ SCAQMD reported it had conducted an evaluation of past variance petitions before the South Coast Hearing Board and concluded that delay of repair for essential equipment of critical components seemed to be unnecessary.⁵ SCAQMD has not presented this evaluation to stakeholders so the scope and approach employed is not known, nor is the methodology used to reach the presented conclusion. The District's analysis was necessarily contingent on the current leak standard (i.e., not the current proposal) since that is what any prior variance records would have reflected. Staff's analysis has not considered whether the lower leak standard proposed for critical components under PAR 1173 would have impacted the necessity for a delay of repair provision.

WSPA recommends that the District work with facilities to develop a delay of repair provision that includes a critical analysis of what is necessary based on revised leak standards and a feasible timeline for safe access to leaking components identified by OGI.

Comment
3-4)

4. **WSPA remains concerned about the District's intended use of Optical Gas Imaging (OGI) technologies as a mechanism for determining compliance with PAR 1173. Facilities should have the opportunity to conduct a focused Method 21 inspection in instances where OGI has identified a positive detection.**

While WSPA supports the use of OGI as a technology for enhanced leak detection, the technology has wide detection thresholds, currently ranging between 2,000 and 5,000 parts per million (ppm) and is also very sensitive to environmental factors such as heat and humidity. The reading quality using OGI technology is also dependent on the skills and judgement of the operator, which can impact the reliability and repeatability of results. Taken together, this technology is not suitable as a direct mechanism for determining compliance. Rather, following detection of a leak exceeding the proposed Component Leak Standards, Staff should consider allowing facilities to first confirm the leak using Method 21 before the 14-day repair timeline automatically starts. If facilities can demonstrate via Method 21 that a leak falls below the applicable standard, then no repair would be needed. If, however, the

⁵ Ibid.
⁶ Ibid.

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leak is confirmed to exceed the applicable standard, then the 14-day repair timeline would begin.

Comment
3-5)

5. WSPA recommends that the proposed language in PAR 1173(f)(2) and 1173(k)(2)(B) be adjusted to remove the requirement for inspection of "each component" during OGI inspection, so as not to imply that OGI inspections must be conducted on an individual basis for all components subject to the rule.

As defined in PAR 1173, an OGI Inspection is a survey of components. An OGI Inspection can function as a survey of just one component at a time or several components at once. For the purpose of efficiency, facilities should not be required to conduct individual OGI Inspections on a component-by-component basis. As such, WSPA suggests that the proposed language in Sections (f)(2) and (k)(2)(B) should be adjusted to remove the phrase "of each Component".

Comment
3-6)

6. SCAQMD has not explained why electronic notification should be required when Visible Vapors are detected from Inaccessible Components, as proposed in PAR 1173(g)(6). Submitting a notification for every visible leak detected would be very time-consuming. WSPA requests removal of this requirement. Facilities would prefer to indicate leaks using leak tags at ground level, or by an alternative method to be designated by the facility.

Comment
3-7)

7. Staff have not provided a basis for including the proposed contingency measures in PAR 1173. Staff have also not provided an explanation for how including these more stringent control levels comports with the District's Health & Safety Code obligations for establishment of BARCT. Staff should provide justification for including these measures or remove them from PAR 1173.

The District has included three Contingency Measures (CMs) in PAR 1173, which are proposed to be implemented upon determination by USEPA that the South Coast Air Basin has failed to meet certain federal air quality requirements. Staff has arbitrarily selected what these CMs would entail, without demonstrating the basis. As presented at the Public Workshop held on July 26, 2024, Staff found that the CMs were not incrementally cost-effective.⁷ This is documented in Staff's PDSR analysis, which presented incremental cost-effectiveness values ranging from \$47,700 to \$115,600 per ton of VOC emissions reduced. Given these conclusions, these CMs should not have been included in PAR 1173. Per the California Health and Safety Code (HSC), BARCT measures must be technically feasible, and demonstrated to be cost-effective on both an absolute and an incremental basis. Deeming these as "contingency measures" does not avoid this obligation.

⁷ SCAQMD PAR 1173 Public Workshop. Available at: <https://www.sqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-pw.pdf?sfvrsn=3>

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Comment
3-8)

8. Staff is proposing to remove from the rule the applicability of reporting provisions of Rule 430, as provided for in Section (g)(3). Stakeholders deserve an understanding for this decision.

Staff is proposing to remove from the rule the applicability of reporting provisions of Rule 430. WSPA is unaware of which Working Group meeting(s) this was discussed in, and it does not appear to be included in the PDSR. WSPA requests an explanation from Staff on the reason for the proposal to remove this provision from the rule.

Comment
3-9)

9. WSPA does not understand why the phrase "to the satisfaction of South Coast AQMD personnel" is included in Section (d)(3) when an approved test method is used to demonstrate that a component is not exceeding the Violation Standards. WSPA suggests removing this phrase in this section of the proposed amended rule.

PAR 1173(d)(3) includes the following phrase: "...in accordance with the test method in paragraph (j)(1) to the satisfaction of South Coast AQMD personnel". If a leak test is done according to the referenced test method (i.e., Method 21), then why would District personnel need to deem the results satisfactory? WSPA suggests removing "to the satisfaction of South Coast AQMD personnel" from this section. Additionally, WSPA requests that the District consider allowing additional time for facilities to conduct these types of demonstrations for Inaccessible Components, such as three days.

Comment
3-10)

10. Where the District relies on existing standards in other air districts to support proposed leak standards in PAR 1173, associated conditions from the referenced rules should also be included.

The District has cited Bay Area Air Quality Management District (BAAQMD) Regulation 8, Rule 18 – Equipment Leaks as a reference for similar proposed leak standards in PAR 1173. However, SCAQMD has not proposed the same repair timelines as in the BAAQMD rule. The BAAQMD standard consists of several inter-related provisions and exemptions that were adopted collectively under the rule. SCAQMD cannot select some parts of the BAAQMD rule (e.g., the leak standards) for PAR 1173 and not the corresponding provisions/exemptions as these together dictate the stringency. If SCAQMD is to align with the BAAQMD rule as support for certain leak standards under PAR 1173, Staff should ensure that the related provisions align as well.

Comment
3-11)

11. WSPA suggests that Staff consider retaining the phrase "atmospheric process PRD" in Sections (i)(3)(A) and (i)(3)(B), where it has been stricken in the proposed amended rule. This would retain the clarity that the phrase provides.

Comment
3-12)

12. WSPA objects to the proposed removal of the exemption in Rule 1173(l)(3), which states that the provisions of Rules 466, 466.1, and 467 shall not apply to facilities subject to Rule 1173. These sources should be covered under one rule only, to avoid conflicting regulation. Staff has not initiated rulemaking processes for Rules 466, 466.1, and 467 to align them with proposed amendments to Rule 1173, so removing

August 8, 2024
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this exemption could lead to confusion and conflicting requirements for applicable sources.

In addition to the above comments, WSPA requests responses to the following clarifying questions about PAR 1173:

Comment
3-13)

1. In Section (m) of the Preliminary Draft Rule Language, the District proposes interim violation standards and leak thresholds what would apply during the time period after rule adoption through October 1, 2025. However, no interim repair timelines are specified. Is the intention during this interim period to require repair within one day or within 14 days, as proposed in Section (g)?

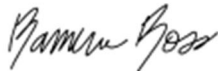
Comment
3-14)

2. Many proposed amendments to the rule reference "electronic" notification requirements. The language implies that this requirement would begin upon rule adoption, but Staff have not included instructions on how or where these reports would be submitted, or what format they would take, or what electronic systems SCAQMD would need to develop to accommodate such reporting. Can Staff please provide more detail about the electronic notifications to clarify? WSPA would also recommend that SCAQMD consider a phase-in period (i.e., after rule adoption) to ensure that whatever guidance and/or systems are needed can be put into place.

As described in these comments, several significant technical issues persist. Additional time for this rulemaking will be needed to discuss and resolve the significant technical issues remaining, so WSPA requests that Staff consider proposing the Set Hearing date for this rule to February 2025; it is currently scheduled for September 6, 2024.

WSPA appreciates the opportunity to provide these comments related to PAR 1173. We look forward to continued discussion of this important rulemaking. If you have any questions, please contact me at (310) 808-2146 or via e-mail at ross@wspa.org.

Sincerely,



Cc: Wayne Nastri, Executive Officer, SCAQMD
Sarah Rees, Deputy Executive Officer, SCAQMD
Michael Krause, Assistant Deputy Executive Officer, SCAQMD
Rodolfo Chacon, Program Supervisor, SCAQMD
Areio Soltani, Air Quality Specialist, SCAQMD
Mayor Pro Tem Larry McCallon, Stationary Source Committee Chair
Ron Ketcham, Board Assistant
Debra Mendelsohn, Board Assistant
Supervisor Holly Mitchell, Stationary Source Committee Vice Chair
Lorraine Lundquist, Board Assistant
Patty Senecal, Senior Director, WSPA

Staff Responses to Comment Letter #3

- 3-1) After internal discussion, staff concluded that fin fan plugs meet the definition of a fitting component. However, in an effort to improve clarity, PAR 1173 has been revised to clearly and unambiguously identify fin fans as a type of component and their associated fin fan plugs as subject to leak inspection and repair requirements of PAR 1173. As noted in your comment, because of the nature of fin fans, staff has crafted a unique fin fan repair schedule with consideration for delay of repair.
- 3-2) Rule language has been revised to more closely align with existing rule intent and language.
- 3-3) PAR 1173 has been revised to include delay of repair for certain categories of components in certain situations. Additionally, PAR 1173 updates an existing exemption, that delayed inspections due to safety, to include repairs. See also Response to Comment Letter 1-2.
- 3-4) PAR 1173 has been revised to include a Method 21 pathway for leaks detected using an OGI device.
- 3-5) PAR 1173 has been revised, including in Definitions, to emphasize the nature of OGI inspections of multiple components simultaneously in contrast with the nature of analyzer inspections of individual components.
- 3-6) PAR 1173 has been revised to require electronic notification of inaccessible visible vapors if repair is not complete within seven (7) calendar days. Staff expects almost all inaccessible visible vapors, even accounting for time to safety erect scaffolding or other access equipment, to be eliminated within seven (7) calendar days and in the few extraordinary cases when that is not possible, electronic notification to South Coast AQMD is warranted.
- 3-7) Under the Clean Air Act, South Coast AQMD is obligated in its air quality plans to establish contingency measures in the event of nonattainment or failure to make reasonable further progress towards attainment. In the most recent air quality plan, the 2022 AQMP, South Coast AQMD committed to include contingency measures in rulemaking. The three contingency measures within PAR 1173 all are cost-effective but are not incrementally cost-effective, and therefore are only included as contingency measures.
- 3-8) In an effort to strike obsolete language, this provision was inadvertently removed. Existing rule language is now retained and moved to subdivision (i) *Recordkeeping and Reporting Requirements*.
- 3-9) The language “to the satisfaction of South Coast AQMD personnel” is consistent with phrasing in existing Rule 1173 and is used throughout PAR 1173. Its usage here is to ensure that South Coast AQMD personnel remain the final arbitrator when deciding whether or not to issue a Notice of Violation. For example, if presented with evidence from a Method 21 analyzer that was not within calibration, South Coast AQMD should not accept this less than credible evidence.
- PAR 1173 has been revised to allow for additional time for inaccessible components: one (1) calendar day.
- 3-10) As part of rulemaking, a survey of other air district regulations is performed and a comparative analysis is presented in working group meetings as well as staff reports. BARCT assessments and other analyses were performed on feasible control measures for
-

- consideration in rulemaking projects. Associated conditions are considered but are not mandatory when conducting the BARCT assessment.
- 3-11) In an effort to strike obsolete language, this provision was inadvertently removed. Existing rule language is now retained.
- 3-12) In an effort to strike obsolete language, this provision was inadvertently removed. Existing exemptions are now retained.
- 3-13) PAR 1173 has been updated for clarity. During the interim period, repair must be performed on components exceeding the applicable leak standard in Table 5 – *Interim Leak Standards* according to the repair schedule in Table 6 – *Interim Repair Periods*, found in subdivision (m) *Interim Procedures and Requirements*.
- 3-14) PAR 1173 has been revised to incorporate an email address, Rule1173Reports@aqmd.gov, and also provides for other means of electronic notification when they are developed. Staff also plans to release updated Rule 1173 forms in the near future. In addition, South Coast AQMD is in the process of developing a Rule 1173 web-based submission portal similar to U.S. EPA’s Central Data Exchange (CDX) or CARB’s California Electronic Greenhouse Gas Reporting Tool (Cal e-GGRT).

Comment Letter #4

September 13, 2024

South Coast Air Quality Management District
21865 Copley Dr.
Diamond Bar, CA 91765

Via email: asoltani@aqmd.gov

Re: Comments on Proposed Amendments to Rule 1173

Dear Areio:

California Independent Petroleum Association (CIPA) provides the following comments relating to the proposed amendments to South Coast AQMD (the District) Rule 1173, "Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants."

CIPA is a non-profit, non-partisan trade association representing over 300 independent crude oil and natural gas producers, royalty owners, and service and supply companies operating in California. Our members represent approximately 70% of California's total oil production and 90% of California's natural gas production. Since 1976 the association has kept the political, regulatory, and public policy interests of independent oil and gas producers at the forefront of its agenda. CIPA represents the diverse interests of its membership before the California State Legislature, the United States Congress, and numerous federal, state, and local regulatory agencies. The association is an advocate of free market principles, eliminating duplicative regulation, stimulating recovery of domestic resources and improving the industry's public image.

Benefits to air quality in the South Coast AQMD that are projected from these amendments will be minimal in nature, not having a significant impact on air quality in the LA Basin resulting from increased frequency of inspections and lowering of leak thresholds. Data provided by CIPA members indicates that the total leaks detected from "valves, fittings and other components" represented leaks detected from only 0.18% for all "valves, fittings and other components" inspected during calendar year 2023. These inspections were conducted at typical small oil and gas production facilities, not refineries or chemical plants.

Oil and gas producers in California continue to endure a barrage of regulations from many agencies, making it more expensive and difficult to conduct business. On a cumulative basis these regulations add many dollars to the cost of lifting a barrel of oil out of the ground. The proposed amendments add to this conundrum with a minor increase in air quality. Actual cost and time in complying with the proposed increase in inspection frequency will burden California's small producers even further.

For many small producers it will not be feasible to purchase, maintain and have personnel to support the operation of an OGI camera, thus making it necessary to contract this service with a third party. Contracting for this service and an increased inspection frequency will place a significant financial burden on small oil and gas operators.

Comments

- 4-1)
- 4-2)
- 4-3)
- 4-4)

CIPA's comments are summarized below:

- Increased inspection frequency will financially and operationally burden small oil and gas operators.
- Lowering leak detection thresholds will cause additional liabilities for small producers.
- Cost associated with increased inspections and lower leak detection thresholds will further exacerbate compliance for small oil and gas producers.
- CIPA respectfully requests consideration in maintaining current leak detection thresholds and inspection frequency for small oil and gas producers.

Thank you for this opportunity to comment on the proposed amendments to Rules 1173. CIPA looks forward to your responses and the opportunity to work with SCAQMD in amending the rules to achieve cost effective and practical compliance while improving air quality in the Los Angeles Basin area.

Best regards,



Trent R. Rosenlieb
CIPA LA Basin Project Lead

Staff Responses to Comment Letter #4

- 4-1) Monthly OGI inspection of components was found to be cost-effective for all facilities subject to the rule. As a result, staff is not modifying the OGI inspection frequency in PAR 1173. Staff is sensitive to impacts on small business and performed a detailed Socioeconomic Impact Assessment for PAR 1173. In that assessment, consideration was given to the impacts on small businesses. Staff would also like to note that these small businesses may already be subject to other rules that require OGI inspections such as Rules 463 and 1148.1 and may already have access to OGI devices.
- 4-2) Staff agrees that there are costs associated with the control measures proposed in PAR 1173 to achieve VOC emission reductions. A detailed BARCT assessment was performed and found that the costs to achieve VOC emission reductions meet the cost-effectiveness thresholds set by the South Coast AQMD Governing Board. In addition, while more leaks are expected to be found under self-inspection, these are expected, if properly repaired, to reduce the number of leaks found by South Coast AQMD inspection and in turn reduce enforcement actions.
- 4-3) See Response 4-2.
- 4-4) South Coast AQMD is currently classified as in “extreme nonattainment” with respect to ozone standards, the highest level of noncompliance identified by U.S. EPA and a classification shared with only one other air district in the United States. South Coast AQMD is obligated by federal and state law to make reasonable further progress towards attainment with clean air goals including ozone NAAQS. VOC is one of the chief contributors to ozone formation and thus South Coast AQMD is obligated to reduce VOC emissions, including fugitive VOC emissions from refineries, oil and gas producers, and other facilities subject to Rule 1173. South Coast AQMD will continue to propose lower leak standards whenever it is cost-effective in accordance with South Coast AQMD Governing Board guidelines.

Comment Letter #5



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September 13, 2024

SCAQMD Governing Board
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Areio Soltani
Air Quality Specialist
Via Email: asoltanti@aqmd.gov

Re: Concerns Regarding Proposed Amendments to Rule 1173

Dear Members of the SCAQMD Governing Board,

On behalf of The Termo Company, I am writing to express our concerns regarding the Proposed Amended Rule 1173 and its potential impact on small, family-owned businesses like Termo. After careful review, we believe that the proposed changes would impose significant operational and financial burdens on our operations, without yielding proportional environmental benefits.

Comment
5-1)

Economic Burden and Operational Costs

The proposed monthly inspections would introduce significant additional costs. Our estimates indicate that contracting services such as Montrose for all our facilities could cost us around \$135,500 annually. Alternatively, purchasing and maintaining our own Optical Gas Imaging (OGI) camera would require an initial investment of \$70,000, with an additional \$17,600 in recurring costs each year. Additionally, with the recent adoption of Rule 463, which mandates biweekly inspections of tank farms, we are likely to incur further expenses by purchasing an OGI camera to meet these new requirements. While we are prepared to make necessary investments, the efficiency and cost-effectiveness of our operations could be impacted by these changes, potentially diverting resources from other critical areas that also contribute to our overall environmental performance.

Comment
5-2)

Inconsistent Leak Standards Across Agencies

The proposed reduction of leak standards - lowering the threshold for compressors and pumps from 500 ppm to 400 ppm, and for valves and fittings from 500 ppm to 100 ppm - is significantly stricter than those enforced by other regulatory agencies, such as the U.S. Environmental Protection Agency (EPA). Maintaining consistency across different regulatory frameworks is crucial for our operations, as it allows us to apply uniform maintenance and inspection protocols. The current 500 ppm threshold is already stringent and effective, and further reductions would only complicate compliance without offering substantial environmental gains.

Comment
5-3)

Technical and Practical Limitations

The proposed thresholds present significant technical challenges, particularly for valves, fittings, and other components that are not designed to meet such low leak thresholds. For example, achieving leak rates below 400 ppm for equipment like stuffing boxes is nearly impossible due to their design. Retrofitting or replacing these components to comply with a 100 ppm standard is not always feasible due to design limitations and the high costs associated with such upgrades. Achieving and maintaining

THE TERMO COMPANY 3275 Cherry Avenue, Long Beach, CA 90807 562.595.7401
MAIN FAX

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the proposed lower leak rates would require advanced, expensive equipment and more frequent inspections, which would strain resources and increase operational complexities.

Comment
5-4)

Proactive Measures in Place

At Termo, we are committed to maintaining the highest environmental standards. We have equipped our field workers with handheld monitoring devices, enabling them to detect and repair leaks as soon as they are identified. We follow a routine maintenance schedule and conduct both quarterly and periodic LDAR (including the ad hoc use of OGI). This proactive approach demonstrates our commitment to minimizing leaks without the need for stricter regulations.

Comment
5-5)

Successful Compliance Under Current Standards

Our facilities have consistently demonstrated strong compliance with the current Rule 1173. In 2023, our largest facilities maintained exceptionally low leak detection rates, with only 0.08% to 0.12% of inspected components showing leaks. Even with our smaller facilities, we achieved similarly low leak rates. Notably, one of our facilities detected no leaks at all throughout the year.

These results underscore our proactive approach to maintaining and inspecting components, proving that our current protocols effectively minimize leaks. Given our excellent track record, we believe that the proposed stricter rules are unnecessary and could impose undue operational burdens without significantly improving environmental outcomes.

In conclusion, we urge the SCAQMD Governing Board to consider the disproportionate impact these proposed amendments would have on small, family-owned businesses like ours. We are fully committed to environmental stewardship and believe that the current Rule 1173 standards are sufficient to protect air quality without imposing additional hardships on operators who are already complying effectively.

Thank you for your consideration.

Sincerely,



Brenna Junkermier
Regulatory & Environmental Compliance Specialist
The Termo Company

Staff Responses to Comment Letter #5

- 5-1) See Response 4-2. Regarding purchasing of OGI devices, staff prepared a detailed cost-effectiveness analysis as part of the BARCT assessment process and found it to be cost-effective in accordance with South Coast AQMD Governing Board guidelines. In addition, as noted in your comment, other South Coast AQMD rules such as Rules 463 and 1148.1 also require OGI inspection and PAR 1173 was crafted so that the same OGI device may be used to comply with those other rules.
- 5-2) See Response 4-4. Regarding compliance with federal regulations, staff crafted PAR 1173 to ensure stringency with federal regulations to be at least as stringent if not more stringent. Compliance with PAR 1173 should ensure that owners and operators are also complying with federal regulations.
- 5-3) Stuffing boxes, wellheads, and well cellars are subject to Rule 1148.1 which has different leak standards than PAR 1173. Staff is aware that the lower 100 ppm leak standard may pose a challenge to facilities and therefore PAR 1173 retains current leak standards in the interim to allow for a phase-in period of more than one (1) year. PAR also introduces a limited delay of repair for essential components to allow for repair or replacement of components at the next shutdown of the process unit, if needed. Staff is aware of the additional costs associated with monthly OGI inspection and performed a detailed cost-effectiveness analysis in the BARCT assessment and found the proposal to be cost-effective.
- 5-4) Staff appreciates these proactive measures in place and incorporates these types of best management practices into the proposed amended rule.
- 5-5) Existing Rule 1173 contains provisions to relax quarterly Method 21 analyzer inspections to annual analyzer inspections for some categories of components when superior leak performance is demonstrated. PAR 1173 has retained these provisions and the facilities referenced may qualify for these provisions to reduce operational burdens and costs. Also, see Response 4-4.

Comment Letter #6



Ramine Ross
Senior Manager, Southern California Region

September 16, 2024

Michael Morris
Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Via e-mail at: mmorris@aqmd.gov

Re: SCAQMD Proposed Amended Rule 1173, Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants: WSPA Comments on Revised Preliminary Draft Rule Language

Dear Mr. Morris,

Western States Petroleum Association (WSPA) appreciates the opportunity to participate in South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Rule 1173, Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (PAR 1173). The stated purpose of this rulemaking is to revise the current leak standards and leak detection and repair (LDAR) program requirements established in Rule 1173 in response to control measures proposed in the 2022 Air Quality Management Plan (AQMP) and objectives listed in the State Assembly Bill 617 (AB 617) Community Emission Reduction Plan for the Wilmington, Carson, West Long Beach (WCWLB) community.^{1,2}

WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport, and market petroleum, petroleum products, natural gas, renewable fuels, and other energy supplies in five western states including California. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the SCAQMD and thus will be impacted by PAR 1173.

On September 4, 2024, SCAQMD released Revised Preliminary Draft Rule Language.³ WSPA offers the following comments:

Comment
6-1)

1. PAR 1178(c) Definitions

WSPA requests clarification of the definition of an “outage” in (c)(26).

(c)(26): Outage

¹ SCAQMD PAR 1173 Public Workshop. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-par-1173-pw.pdf?sfvrsn=5>

² Community Emissions Reduction Plan, Wilmington, Carson, West Long Beach. Available at: <https://www.aqmd.gov/docs/default-source/ab-617-ab-136/steering-committees/wilmington/cerp/final-cerp-wcwb.pdf?sfvrsn=5>

³ Revised Preliminary Draft Rule Language, Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plant. September 2024. Available at: <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/par-1173/final-revised-pdri-par-1173.pdf?sfvrsn=5>

September 16, 2024

Page 2

WSPA requests that the District provide additional language to clarify what situations qualify as an unscheduled shutdown for "other reasons." As a possible solution, WSPA recommends that SCAQMD include a definition for "Process Unit Shutdown" which mirrors the definition of that term found in 40 CFR 60.481 Subpart VV as follows:⁴

[New Section]

PROCESS UNIT SHUTDOWN means a work practice or operational procedure that stops production from a process unit or part of a process unit during which it is technically feasible to clear process material from a process unit or part of a process unit consistent with safety constraints and during which repairs can be accomplished. The following are not considered process unit shutdowns:

(1) An unscheduled work practice or operational procedure that stops production from a process unit or part of a process unit for less than 24 hours.

(2) An unscheduled work practice or operational procedure that would stop production from a process unit or part of a process unit for a shorter period of time than would be required to clear the process unit or part of the process unit of materials and start up the unit, and would result in greater emissions than delay of repair of leaking components until the next scheduled process unit shutdown.

(3) The use of spare equipment and technically feasible bypassing of equipment without stopping production.⁵

Comment
6-2)

2. PAR 1173(d), South Coast AQMD Inspection Procedures

Section (d)(3) states that the owner or operator of a facility shall be in violation of the rule if SCAQMD personnel detect a component with visible vapors unless, for an inaccessible component, the owner or operator demonstrates compliance with an appropriate analyzer within one calendar day after detection. WSPA requests that up to three (3) calendar days be allowed to conduct an analyzer test on inaccessible components before a Notice of Violation is issued.

As described in PAR 1173(d)(3), a facility can be found in violation of the rule if a component with visible vapors is detected by South Coast AQMD personnel unless the owner or operator can demonstrate that the component is not exceeding the applicable standard using an appropriate analyzer to the satisfaction of South Coast AQMD personnel. However, conducting an analyzer test on inaccessible components may require the setup of additional equipment such as scaffolding. WSPA requests that the District allow a facility up to three days to conduct the analyzer test to allow sufficient time to complete the setup and testing of inaccessible components.

Comment
6-3)

3. PAR 1173(e) Identification Requirements

⁴ 40 CFR Part 60, Subpart VV. Available at: <https://www.ecfr.gov/current/title-40/chapter-I/subchapter-C/part-60/subpart-VV>.

⁵ 40 CFR 60.481 Subpart VV. May 16, 2024. Available at: <https://www.ecfr.gov/current/title-40/chapter-I/subchapter-C/part-60/subpart-VV/section-60.481>. Accessed September 2024.

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WSPA requests that the requirement for all components under repair be conspicuously physically identified with tag that can be easily viewed from a distance to be altered to be less subjective.

PAR1173(e)(5) requires that the owner or operator conspicuously physically identify all components under repair with a tag to be easily viewed from a distance and maintain such components conspicuously tagged until repair is complete. The word "conspicuously" is subjective and does not provide facilities with a clear understanding of what physical identification will be deemed conspicuous. It also may not be possible for a tag to be easily viewed from a distance, and the actual distance is not defined. For example, if a Component under Repair is located on a platform, a person walking through the site at ground level may not be able to view the tag.

Comment
6-4)

4. PAR 1173(f) Self Inspection Requirements

WSPA requests that facilities be allowed to bypass the monthly Optical Gas Imaging (OGI) inspection during months when the quarterly analyzer inspection is completed.

Section (f)(2) requires a monthly OGI inspection for all components. PAR 1173(f)(3) requires a quarterly analyzer inspection for all accessible components and an annual analyzer inspection of all inaccessible components. WSPA proposes that facilities be allowed to bypass the OGI inspection in months when the quarterly Analyzer Inspection is completed.

Comment
6-5)

5. PAR 1173 (g) Leak Standards and Repair Requirements

Section (g) of PAR 1173 outlines the leak standards for each component type, allowance for delay of repair, and requirements for notification and repair of components with visible leaks and visible vapors. WSPA requests that the requirements be updated to provide clarity.

(g)(2): Components other than Fin Fans Exceeding Applicable Standards

PAR 1173(g)(2)(B) states that repair of an essential component must be completed no later than the end of the next Planned Outage or Turnaround. WSPA requests that the delay of repair completion deadline be based on the next turnaround date or process unit shutdown date. An outage is defined as an unscheduled shutdown in PAR 1173(c)(26), therefore a facility cannot anticipate an outage. Without the necessary planning the facility may not have the required parts on site to be able to replace or repair an Essential Component during the unplanned shutdown. It may take longer to safely purge, clean, and clear the equipment for repair. WSPA supports the completion of a delay of repair by a Turnaround, but the completion of a delay of repair by an outage would leave facilities open to a violation due to the inability to complete a repair during an unscheduled event.

Table 3 within this section defines the delay leak standard and total number of delays of repair allowed for essential component types. However, only valves or fittings are included

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in the table. WSPA requests that all essential components, including valves, fittings, pumps, and compressors, be added to this row of the table to clarify that these standards are applicable to all essential components. WSPA also requests that a second row be added to this table for fin fan components.

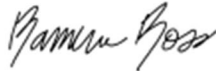
Comment
6-6)

(g)(4): Visible Leaks from an Inaccessible Component other than a Fin Fan

PAR 1173(g)(4) requires that facilities notify SCAQMD of a visible leak from an inaccessible component before the end of the operating shift, not to exceed 12 hours of the detection. WSPA requests that SCAQMD extend the timeline for notification to within 24-hours of the detection of the leak and remove the requirement to notify before the end of the operating shift.

WSPA appreciates the opportunity to provide these comments related to PAR 1173. We look forward to continued discussion of this important rulemaking. If you have any questions, please contact me at (310) 808-2146 or via e-mail at ross@wspa.org.

Sincerely,



Cc: Wayne Natri, Executive Officer, SCAQMD
Sarah Rees, Deputy Executive Officer, SCAQMD
Michael Krause, Assistant Deputy Executive Officer, SCAQMD
Rodolfo Chacon, Program Supervisor, SCAQMD
Areio Soltani, Air Quality Specialist, SCAQMD
Patty Senecal, Senior Director, WSPA

Staff Responses to Comment Letter #6

- 6-1) The intent of the verbiage “other reasons” is to be as inclusive as possible and to not exclude any possible shutdowns of process units within the meaning of “outage”. Staff examined delay of repair provisions in Bay Area AQMD, San Joaquin Valley APCD, and Santa Barbara County APCD rules. In those air districts, delay of repair was limited by time, by one (1) or five (5) years. Staff took a different approach as strict time limits could require facilities to have forced shutdowns to comply with rule requirements and excess emissions associated with shutdown and startup procedures. Instead, PAR 1173 looks to take advantage of unscheduled shutdowns of process units for any reason to perform delayed repair, not just scheduled shutdowns, known as turnaround. After careful review, staff has revised the definition of “outage” to mean an unscheduled shutdown of a process unit of more than 24 hours, consistent with federal regulation 40 CFR 60.481 Subpart VV. In addition, the Staff Report also clarifies that a process unit temporarily held in suspense with a recirculating fluid stream, known as “hot standby mode”, does not meet the definition of an outage.
- 6-2) The structure of PAR 1173 is unique from other South Coast AQMD rules in that compliance and enforcement procedures are elements of rule text. As such, the rule text must allow South Coast AQMD’s Compliance and Enforcement Division to operate an efficient and effective program. After discussion with that division, allowing one (1) calendar day was deemed sufficient to present evidence to South Coast AQMD personnel to not be subject to a Notice of Violation. Staff believes with the use of extension probes, ladders, and lifts, one (1) day is sufficient to access inaccessible components with an analyzer for the purpose of determining VOC leak rate of components with visible vapors. It should be noted that even if a Notice of Violation is issued, facilities still retain their right to due process and may present their own credible evidence during the settlement process of Notices of Violation.
- 6-3) Staff agrees that the verbiage “conspicuously” may be subject to interpretation. As such, PAR 1173 has been updated to more closely align with existing rule language and requires these repair tags to be “larger and of a different color” than other tags to remove ambiguity.
- 6-4) See Response to Comment 4-A.
- 6-5) As noted in Response to Comment 6-1, PAR 1173 has revised the definition of outage to mean an unscheduled shutdown of a process unit lasting more than 24 hours. Staff believes that this will remove the vast majority of unscheduled shutdowns caused by brief interruptions of power or other reasons. Staff also believes, in an effort to reduce fugitive VOC emissions, facilities should take advantage of these longer unscheduled shutdowns to remove ongoing sources of fugitive VOC emissions. Facilities could utilize a best management practice of maintaining onsite spare component parts for components identified and tagged under delay of repair, in the event that an unscheduled shutdown of a process unit lasting more than 24 hours occurs.

Staff has revised Table 3 – *Limited Delay of Repair* to now include a limited number of essential components of type compressor or pump (light liquid), in order to reduce the likelihood of excess emissions associated with shutdown and startup of process units.

Staff did not list component type fin fan (or associated fin fan plugs) in Table 3 – *Limited Delay of Repair* because the table applies to components referenced in paragraph (g)(2). Paragraph (g)(2) states in pertinent part: “For a Component other than a Fin Fan...”.

- 6-6) PAR 1173 has been revised to require reporting of inaccessible visible leaks to South Coast AQMD within 24 hours of detection.

ATTACHMENT H



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 1173 – CONTROL OF VOLATILE ORGANIC COMPOUND LEAKS AND RELEASES FROM COMPONENTS AT PETROLEUM FACILITIES AND CHEMICAL PLANTS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD), as Lead Agency, has prepared a Notice of Exemption pursuant to CEQA Guidelines Section 15062 – Notice of Exemption for the project identified above.

If the proposed project is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The Notice of Exemption will also be electronically filed with the State Clearinghouse of the Governor's Office of Planning and Research for posting on their CEQAnet Web Portal which may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>. In addition, the Notice of Exemption will be electronically posted on the South Coast AQMD's webpage which can be accessed via the following weblink: <http://www.aqmd.gov/nav/about/public-notices/ceqa-notices/notices-of-exemption/noe---year-2024>.

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks for the Counties of Los Angeles, Orange, Riverside and San Bernardino; and Governor’s Office of Planning and Research – State Clearinghouse	From: South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
----------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------

Project Title: Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

Project Location: The proposed project is located within the South Coast Air Quality Management District’s (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Rule 1173 was amended in response to objectives in the Wilmington, Carson, West Long Beach Community Emission Reductions Plan and to implement the 2022 Air Quality Management Plan Control Measure FUG-01: Improved Leak Detection and Repair, both of which are committed to improved leak detection requirements in South Coast AQMD rules. Proposed Amended Rule 1173 (PAR 1173) proposes further reduction of volatile organic compound (VOC) emissions from components by requiring the use of enhanced leak detection technology at greater frequencies and establishing lower leak standards. PAR 1173 also introduces contingency measures to partially satisfy federal Clean Air Act contingency requirements for applicable ozone National Ambient Air Quality Standards in the South Coast AQMD’s jurisdiction. PAR 1173 includes the following provisions that would: 1) make VOC leak standards more stringent for light liquid pumps and compressors as well as valves, fittings, and other devices to reduce baseline VOC emissions associated with those components; 2) require optical gas imaging (OGI) inspections monthly; 3) introduce contingency measures as defined by the federal Clean Air Act; 4) update recordkeeping and reporting requirements; 5) add two new test methods; and 6) formalize inspection requirements and make VOC leak standards more stringent for fin fans. PAR 1173 is expected to reduce VOC emissions by 740.1 tons per year or 2.03 tons per day, which would benefit public health.

Public Agency Approving Project: South Coast Air Quality Management District	Agency Carrying Out Project: South Coast Air Quality Management District
----------------------------------------------------------------------------------------	------------------------------------------------------------------------------------

Exempt Status: CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

Reasons why project is exempt: South Coast AQMD, as Lead Agency, has reviewed the proposed project (PAR 1173) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Since the focus of PAR 1173 is to achieve VOC emission reductions through more stringent VOC leak standards and by requiring frequent OGI inspections, which can be accomplished without physical modifications, it can be seen with certainty that implementation of PAR 1173 would not cause a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

Date When Project Will Be Considered for Approval (subject to change):
South Coast AQMD Governing Board Public Hearing: November 1, 2024

CEQA Contact Person: Farzaneh Khalaj, Ph.D.	Phone Number: (909) 396-3022	Email: fkhalaj@aqmd.gov	Fax: (909) 396-3982
-------------------------------------------------------	----------------------------------------	-------------------------------------------------------------------------	-------------------------------

PAR 1173 Contact Person: Areio Soltani	Phone Number: (909) 396-3318	Email: asoltani2@aqmd.gov	Fax: (909) 396-3982
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Date Received for Filing: _____ **Signature:** (Signed and Dated Upon Board Approval)
Kevin Ni
Program Supervisor, CEQA
Planning, Rule Development, and Implementation

ATTACHMENT I

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Final Socioeconomic Impact Assessment For:
Proposed Amended Rule 1173 – Control of Volatile Organic Compound
Leaks and Releases from Components at Petroleum Facilities and
Chemical Plants**

November 2024

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Erika Chavez – Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Cities of Los Angeles County/Western Region

DONALD P. WAGNER
Supervisor, Third District
County of Orange

EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

On March 17, 1989, the South Coast Air Quality Management District (South Coast AQMD) Governing Board adopted a resolution which requires an analysis of the economic impacts associated with adopting and amending rules and regulations. In addition, Health and Safety Code Section 40440.8 requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which “will significantly affect air quality or emissions limitations.” Lastly, Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or “all feasible measures” requirements relating to emissions of ozone, carbon monoxide (CO), sulfur oxides (SO_x), nitrogen oxides (NO_x), volatile organic compounds (VOC), and their precursors.

Proposed Amended Rule 1173 (PAR 1173) has been developed to further reduce VOC emissions from components at affected facilities by requiring the use of enhanced leak detection technology at greater frequencies and establishing more stringent ~~lower~~ VOC leak standards. Additionally, PAR 1173 will introduce Ozone Contingency Measures to partially satisfy the federal Clean Air Act contingency requirements for applicable ozone National Ambient Air Quality Standards (NAAQS) in the South Coast AQMD’s jurisdiction. A socioeconomic impact assessment has been conducted accordingly, and the following presents a summary of the analysis and findings.

Key Elements of PAR 1173 PAR 1173 would further reduce fugitive VOC emissions by establishing ~~lower~~ more stringent VOC leak standards for components at affected facilities and by requiring monthly optical gas imaging (OGI) inspections to find and repair VOC leaks from components more quickly.

Affected Facilities and Industries PAR 1173 is applicable to approximately 2.61 million components at 203 facilities located in the South Coast AQMD jurisdiction, with 164 facilities in Los Angeles County, 34 facilities in Orange County, and five facilities in San Bernardino County. According to the North American Industrial Classification System (NAICS), 150 of the 203 facilities are classified under the Oil and Gas Extraction industry (NAICS 211); 23 facilities are classified under the Pipeline Transportation industry (NAICS 486); 12 facilities are classified as Petroleum and Coal Products Manufacturers (NAICS 324); eight facilities are classified under the Wholesale Trade industry (NAICS 42); seven facilities are classified as Chemical Manufacturers (NAICS 325); and three facilities are classified under the Support Activities for Transportation industry (NAICS 488).

A small business analysis was conducted for the facilities affected by PAR 1173. The following table presents the number of affected facilities that qualify as a small business based on varying definitions:

Definition	Number of Facilities
South Coast AQMD Rule 102	17
South Coast AQMD's Small Business Assistance Office	65
U.S. Small Business Administration	117

Assumptions for the Analysis

The key requirements of PAR 1173 that would have cost impacts for the affected facilities include: 1) establishing more stringent ~~lowering~~ VOC leak standards for light liquid pumps and compressors as well as valves, fittings, fin fans, and other components; 2) requiring monthly OGI inspections to detect leaking components; and 3) repairing or replacing detected leaking components.

Approximately 2.61 million components at 203 affected facilities would be subject to the proposed leak standards and OGI inspections required by PAR 1173. The analysis assumed that an additional 61 pump seals or compressor seals and 15,525 fittings, valves, fin fans or other components will require repair or replacement annually to comply with the proposed amendments.

OGI inspections would be required to begin in 2026. Accordingly, the analysis assumed that the annual recurring costs associated with the maintenance of OGI cameras, OGI inspection labor, and the repair or replacement of identified leaking components will also begin in 2026.

Compliance Costs

Over the forecast period from 2026 to 2035, the total present value of the compliance costs is estimated at \$135.73 million and \$112.88 million for a 1 percent and 4 percent discount rate, respectively. The average annual compliance costs of PAR 1173 are estimated to range from \$14.43 million to \$14.47 million for a 1 percent to 4 percent real interest rate, respectively. The following table presents a summary of the average annual compliance costs of PAR 1173 by cost category.

Cost Categories	Average Annual Cost of PAR 1173 (2026 – 2035)	
	1% Real Interest Rate	4% Real Interest Rate
Capital/One-time Costs		
OGI Camera	\$313,610	\$355,647
Recurring Costs		
OGI Camera Maintenance	\$121,850	\$121,850
OGI Inspection Labor	\$2,608,200	\$2,608,200
Fittings, Valves, Fin Fans, and Other Components Replacement Material Cost	\$714,150	\$714,150
Fittings, Valves, Fin Fans, and Other Components Replacement or Repair Labor	\$10,339,650	\$10,339,650
Pump Seals and Compressor Seals Replacement Material Cost	\$10,126	\$10,126
Pump Seals and Compressor Seals Replacement Labor	\$324,520	\$324,520
Total	\$14,432,106	\$14,474,143

Using a 4 percent real interest rate, the analysis indicates that roughly 71% of the annual average compliance cost would result from the labor needed to repair or replace fittings, valves, fin fans, and other components, followed by labor to conduct OGI inspections (18%), replacement material costs of fittings, valves, fin fans, and other components (5%), and OGI camera purchases (3%).

Job Impacts

Direct costs and corresponding revenues of PAR 1173 are used as inputs to the Regional Economic Models, Inc (REMI PI+) model to assess job impacts and secondary/induced impacts for all the industries in the four-county economy on an annual basis from 2026 to 2035.

When the compliance cost is annualized using a 4 percent real interest rate, the REMI analysis forecasts 16 net jobs gained annually in the four-county economy on average over the forecast period, relative to the baseline forecast. The 16 annual jobs gained represent approximately 0.0001 percent of total annual jobs in the four-county area.

The largest job gain is projected to occur in 2026, when OGI cameras are purchased, and component inspections begin. In 2026, PAR 1173 is projected to result in 76 jobs gained relative to the baseline scenario

according to the REMI model simulation.

**Competitiveness
and Price
Impacts**

The overall impact of PAR 1173 on production cost and delivered prices in the region is not expected to be substantial. In the Petroleum and Coal Products Manufacturing Industry (NAICS 324), which bears the majority of the compliance costs associated with PAR 1173, the REMI model projects an average increase of 0.01 percent in relative delivered prices over the forecast period. In addition, the relative cost of production for the Petroleum and Coal Products Manufacturing Industry (NAICS 324) is forecasted to increase by 0.01 percent on average relative to the baseline scenario, suggesting that the impact of the implementation of PAR 1173 on the competitiveness of the Petroleum and Coal Products Manufacturing Industry (NAICS 324) and the rest of the economy is minimal.

INTRODUCTION

Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants applies to refineries, chemical plants, lubricating oil and grease re-refiners, marine terminals, oil and gas production fields, natural gas processing plants and pipeline transfer stations. The purpose of Rule 1173 is to reduce and control volatile organic compound (VOC) emissions from leaking components and releases from atmospheric process pressure relief devices (PRDs). Rule 1173 was adopted in August 1989 and last amended in 2009.

The objective of PAR 1173 is to further reduce VOC emissions from components at affected facilities by requiring the use of enhanced leak detection technology at greater frequencies and establishing ~~lower~~ more stringent leak standards. Specifically, PAR 1173 seeks to establish the following key proposed requirements: 1) more stringent ~~lowering~~ VOC leak standards for fittings, valves, fin fans, and certain other components to reduce baseline VOC emissions associated with those components; 2) more stringent ~~lowering~~ VOC leak standards for pumps (light liquid service) and compressors to reduce baseline VOC emissions associated with those components; 3) requiring monthly OGI inspections to detect leaking components; and 4) reducing the repair period for bringing leaking components into compliance. Additionally, PAR 1173 proposes Ozone Contingency Measures as defined by the federal Clean Air Act (CAA) Section 172(c)(9) as “specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date.” CAA Section 182(c)(9) further requires that ozone nonattainment areas classified as “serious” or worse provide contingency measures to be implemented if the area fails to meet any applicable milestone.¹

Upon implementation, PAR 1173 would affect approximately 2.61 million components at 203 facilities in the South Coast AQMD jurisdiction. The term component is defined as a valve, fitting, pump, compressor, pressure relief device (PRD), fin fan, or other device (diaphragm, Hatch, sight-glass, meter) in VOC service.

LEGISLATIVE MANDATES

The legal mandates directly related to the socioeconomic impact assessment of PAR 1173 include South Coast AQMD Governing Board resolutions and various sections of the Health and Safety Code.

South Coast AQMD Governing Board Resolution

On March 17, 1989, the South Coast AQMD Governing Board adopted a resolution that requires an analysis of the economic impacts associated with adopting and amending rules and regulations that considers all of the following elements:

- Affected industries;
- Range of probable costs;
- Cost-effectiveness of control alternatives; and
- Public health benefits.

¹ For more information and background on the Ozone Contingency Measures PAR 1173 seeks to establish please see Chapter 3 Proposed Amended Rule 1173 Section of Draft Staff Report for PAR 1173, <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1173>. The Final Staff Report is located in Attachment G of the November 1, 2024 Governing Board package for PAR 1173, which upon posting, will be available 72 hours prior to the Governing Board meeting at <https://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

Health and Safety Code Requirements

The state legislature adopted legislation which reinforces and expands the South Coast AQMD Governing Board resolution requiring socioeconomic impact assessments for rule development projects. Health and Safety Code Section 40440.8, which went into effect on January 1, 1991, requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which "will significantly affect air quality or emissions limitations."

To satisfy the requirements in Health and Safety Code Section 40440.8, the scope of the socioeconomic impact assessment should include all of the following information:

- Type of affected industries;
- Impact on employment and the regional economy;
- Range of probable costs, including those to industry;
- Availability and cost-effectiveness of alternatives to the rule;
- Emission reduction potential; and
- Necessity of adopting, amending, or repealing the rule in order to attain state and federal ambient air quality standards.

Health and Safety Code Section 40728.5, which went into effect on January 1, 1992, requires the South Coast AQMD Governing Board to: 1) actively consider the socioeconomic impacts of regulations; 2) make a good faith effort to minimize adverse socioeconomic impacts; and 3) include small business impacts. To satisfy the requirements in Health and Safety Code Section 40728.5, the socioeconomic impact assessment should include the following information:

- Type of industries or business affected, including small businesses; and
- Range of probable costs, including costs to industry or business, including small business.

Finally, Health and Safety Code Section 40920.6, which went into effect on January 1, 1996, requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or "all feasible measures" requirements relating to emissions of ozone, carbon monoxide (CO), sulfur oxides (SO_x), nitrogen oxides (NO_x), VOC, and their precursors. A cost-effectiveness analysis was conducted for PAR 1173 and can be found in Chapter 2 of the PAR 1173 Final-Draft Staff Report.²

AFFECTED FACILITIES

The implementation of PAR 1173 would affect approximately 2.61 million components at 203 facilities in the South Coast AQMD jurisdiction, with 164 facilities in Los Angeles County, 34 facilities in Orange County, and five facilities in San Bernardino County. There are no affected facilities in Riverside County.

The majority of the affected facilities are in the Oil and Gas Extraction industry (74 percent), followed by the Pipeline Transportation industry (11 percent), and the Petroleum and Coal

² South Coast AQMD, Draft Staff Report for Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1173>, accessed September 2024. The Final Staff Report is located in Attachment G of the November 1, 2024 Governing Board package for PAR 1173, which upon posting, will be available 72 hours prior to the Governing Board meeting at <https://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

Products Manufacturing industry (6 percent) as presented in Table 1. While the majority of the affected facilities are in the Oil and Gas Extraction industry, most of the components are located at facilities in the Petroleum and Coal Products Manufacturing industry.

Table 1
Affected Facilities by Industry

NAICS	Industry Name	Number of Facilities	Percentage of Facilities
211	Oil and Gas Extraction	150	74%
486	Pipeline Transportation	23	11%
324	Petroleum and Coal Products Manufacturing	12	6%
42	Wholesale Trade	8	4%
325	Chemical Manufacturing	7	3%
488	Support Activities for Transportation	3	1%
Total		203	100%

SMALL BUSINESS

The South Coast AQMD defines a “small business” in Rule 102 for purposes of fees as one which employs 10 or fewer persons and which earns less than \$500,000 in gross annual receipts. The South Coast AQMD also defines “small business” for the purpose of qualifying for access to services from the South Coast AQMD’s Small Business Assistance Office as a business with an annual receipt of \$5 million or less, or with 100 or fewer employees. In addition to the South Coast AQMD’s definition of a small business, the United States (U.S.) Small Business Administration and the federal 1990 Clean Air Act Amendments (1990 CAAA) each have their own definition of a small business.

The 1990 CAAA classifies a business as a “small business stationary source” if it: 1) employs 100 or fewer employees; 2) does not emit more than 10 tons per year of either VOC or NO_x; and 3) is a small business as defined by the U.S. Small Business Administration. Based on firm revenue and employee count, the U.S. Small Business Administration definition of a small business varies by six-digit NAICS codes.³ For example, according to the U.S. Small Business Administration definition, a business with less than 1,250 employees in the sector of Crude Petroleum Extraction (NAICS 211120) is classified as a small business, while a business in the Petroleum Refineries (NAICS 324110) sector is considered a small business with less than 1,500 employees.

South Coast AQMD mostly relies on Dun and Bradstreet data to conduct small business analyses for private companies. In cases where the Dun and Bradstreet data are unavailable or unreliable, other external data sources such as Manta, Hoover, LinkedIn, and company website data will be used. The determination of data reliability is based on data quality confidence codes in the Dun

³ U.S. Small Business Administration, 2023 Small Business Size Standards, <https://www.sba.gov/document/support-table-size-standards>, accessed March 29, 2024.

and Bradstreet data as well as staff’s discretion. Revenue and employee data for publicly owned companies are gathered from Securities and Exchange Commission (SEC) filings. Since subsidiaries under the same parent company are interest-dependent, the revenue and employee data of a facility’s parent company will be used for the determination of its small business status. Staff excluded three government-owned facilities from the small business analysis, resulting in a total of 200 commercially owned facilities for consideration. This exclusion allows the analysis to concentrate specifically on private sector entities, as government-owned facilities operate under different funding structures and would not be considered businesses. Employment and revenue estimates from 2024 Dun and Bradstreet data as well as other external sources are available for 169 facilities.⁴ Note that although the employment and revenue data for some facilities are unknown or missing, the current data used for this small business analysis represent the most thorough and accurate information obtainable as of the publication date of this final draft report. The number of affected facilities that are small businesses based on each of the three definitions is presented in Table 2:

Table 2
Number of Affected Small Business Facilities Based on Various Definitions

Definition	Number of Facilities
South Coast AQMD Rule 102	17
South Coast AQMD's Small Business Assistance Office	65
U.S. Small Business Administration	117

Note that staff was unable to conduct a small business analysis based on the 1990 CAAA definition of a small business as most of the facilities are not required to submit annual emission reports pursuant to South Coast AQMD Rule 222, and therefore, a facility’s small business status under this definition cannot be determined.⁵

⁴ Staff utilized Dun and Bradstreet data, as well as cross-referencing with previous small business assessments for other South Coast AQMD rules to find information on affected facilities revenue, employee count, and parent companies; however, for some facilities this information was unavailable as of the publication date of this final draft report.

⁵ South Coast AQMD, Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/Rule-222.pdf>, accessed April 11, 2024.

COMPLIANCE COST

The key provisions in PAR 1173 that would have cost impacts for the affected facilities include: 1) ~~establishing more stringent~~ ~~lowering~~ VOC leak standards for fittings, valves, fin fans, and other components; 2) ~~establishing more stringent~~ ~~lowering~~ VOC leak standards for pumps (light liquid service) and compressors; 3) requiring monthly OGI inspections to detect leaking components; and 4) repairing or replacing detected leaking components.

PAR 1173 would require one-time investments in OGI cameras. In addition, the affected facilities would also incur recurring operating and maintenance (O&M) costs for OGI cameras, labor costs for OGI inspections, material costs associated with replacement of leaking components, and labor costs for the repair or replacement of leaking components. The compliance costs for PAR 1173 are forecasted for a 10-year period from 2026 to 2035 to annualize costs associated with the purchase of OGI cameras over the 10-year useful life of the cameras.

Costs assumptions for PAR 1173 were obtained from a variety of different sources including industry estimates, vendor quotes, the San Joaquin Valley Air Pollution Control District (APCD) rulemaking of their VOC component rules, and the South Coast AQMD Rules 463 and 1178 development.^{6,7,8} All the costs discussed in this Socioeconomic Impact Assessment are presented in 2023 dollars. The estimation procedure and assumptions for each cost category are discussed in the following sections.

Capital or One-Time Costs

OGI Cameras

PAR 1173 requires monthly OGI inspections to detect leaking components. An OGI camera is defined as an infrared camera with a detector capable of visualizing gases in the 3.2-3.4 micrometer waveband.⁹ This assessment assumes that affected facilities will purchase OGI cameras and that existing employees will perform inspections. Approximately 2.61 million components at 203 facilities would be subject to the OGI monitoring requirement. Staff estimated that an OGI camera operator will be able to inspect 5,000 components per operating day. Staff considers this a conservative estimate, as stakeholders have indicated that inspection of 10,000 components per day is feasible at some larger facilities. Approximately 25 OGI cameras would be needed to implement the monthly OGI inspections at all 203 affected facilities, based on the following calculation.

⁶ San Joaquin Valley APCD, June 2023, Governing Board Meeting Agenda No. 12, Adopt Proposed Amendments to District Leak Detection and Repair Rules 4401, 4409, 4455, 4623, and 4624, https://www.valleyair.org/Board_meetings/GB/agenda_minutes/Agenda/2023/June/final/12.pdf, accessed August 2024.

⁷ South Coast AQMD, June 2024, Governing Board Meeting Agenda No. 25, Rule 463 – Organic Liquid Storage, <http://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2024/2024-Jun7-025.pdf>, accessed August 2024.

⁸ South Coast AQMD, September 2023, Governing Board Meeting Agenda No. 34, Rule 1178 - Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities, <http://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2023/2023-Sep1-034.pdf> accessed September 2024.

⁹ South Coast AQMD, Draft Rule Language for Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1173>, accessed September 2024. The Final Rule Language for PAR 1173 is located in Attachment F of the November 1, 2024 Governing Board package, which upon posting, will be available 72 hours prior to the Governing Board meeting at <https://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

$$25 \text{ Cameras} = \frac{2.61 \text{ Million Components}}{(5,000 \text{ components per operating day} * 21 \text{ operating days per month})}$$

The average purchase price per camera is estimated to be \$120,000 with an anticipated equipment lifetime of 10 years, based on manufacturer quotes and consistent with the Rule 463 rulemaking. The total capital cost attributed to OGI cameras is estimated to be \$3,000,000 for 25 OGI cameras.

In practice, many affected facilities already own OGI cameras due to overlapping OGI inspection requirements related to South Coast AQMD Rules 1178, 463, and 1148.1. Additionally, some facilities may choose to contract with third parties for OGI inspections and forego purchasing cameras. Based on feedback from affected facilities, the rate for contracting third-party OGI inspections is approximately \$0.26 per component, making the total price dependent on the number of components at the affected facility.¹⁰ However, due to the uncertainty regarding which facilities already own cameras or will engage third-party services, this analysis assumes that the purchase of 25 additional cameras will satisfy the OGI inspection requirement associated with PAR 1173.

Recurring Costs

OGI Camera Maintenance

OGI cameras would require annual maintenance and calibration to ensure equipment performance. According to feedback from stakeholders, the annual OGI maintenance cost is approximately \$4,874 per camera and is anticipated to begin in 2026 when the OGI cameras are purchased. The total annual cost of OGI camera maintenance is estimated to be \$121,850 for all 25 cameras.

OGI camera maintenance will be performed by affected facilities if they choose to purchase cameras and perform inspections in house. However, affected facilities that choose to contract with third parties will not directly bear this cost.

OGI Inspection Labor

PAR 1173 will require the affected facilities to perform monthly OGI inspections to detect leaks. Following the same methodology as in the Rule 463 rulemaking, this analysis assumes that inspections are conducted by employees of the affected facilities at a wage rate of \$52 per hour. Assuming eight hours per workday, 21 workdays per month, and a total of 25 cameras in operation, this yields a total annual inspection cost of approximately \$2.6 million.

OGI inspection labor will be performed by employees at the affected facilities if they choose to purchase cameras and perform inspections in house. However, affected facilities that choose to contract with third parties will not directly bear this cost.

Material Cost of Replacing Pump Seals and Compressor Seals

This analysis assumes that all pump seals and compressor seals with detected leaks above the thresholds set by PAR 1173 will need to be replaced. Based on leak data reported pursuant to the

¹⁰ It is important to note that the number of components at the affected facilities varies significantly, ranging from as few as one component to as many as 342,965 components. On average, the 203 affected facilities have approximately 11,562 components each. This variation can greatly impact the overall cost of contracting third-party OGI inspections, as facilities with more components will incur higher expenses.

existing Rule 1173, approximately 61 additional pump seals and compressor seals would need to be replaced annually to comply with PAR 1173. Consistent with estimates from the San Joaquin Valley APCD rulemaking, pump seals and compressor seals cost approximately \$166 per unit on average, resulting in a total cost of \$10,126 per year.

Material Cost of Replacing Fittings, Valves, Fin Fans, and Other Components

Fittings, valves, fin fans, and other components with detected leaks above the thresholds set by PAR 1173 will need to be either repaired or replaced. Each year, roughly 15,525 of these components will have leak rates greater than the thresholds based on leak data reported under the existing Rule 1173. Consistent with estimates from industry and the San Joaquin Valley APCD rulemaking, fittings, valves, fin fans, and other components are assumed to cost approximately \$46 per unit on average, resulting in a total cost of \$714,150 per year.

Labor for Pump Seals, Compressor Seals, Fittings, Valves, Fin Fans, and Other Components Replacement or Repair

This analysis assumes that the labor for replacing or repairing components will be performed by employees of the affected facilities at a wage rate of \$133 per hour, consistent with the approach used in the San Joaquin Valley APCD rulemaking and comparable to current Los Angeles County prevailing wage rates. The \$133 per hour wage reflects the highly skilled labor force which is required to replace these components. Pump seals and compressor seals are anticipated to require 40 hours of labor per replacement, and 61 replacements are expected, resulting in a total cost of \$324,520 per year. Fittings, valves, fin fans, and other components are expected to require varying amounts of time depending on the type of component and whether it will require repair or replacement. This analysis assumes that it would take five hours on average to repair or replace these components, resulting in a labor cost of \$666 per leak. For the estimated 15,525 annual leaks, this translates to an annual labor cost of \$10.3 million.

Total Compliance Cost

The total compliance cost includes all the estimated costs over a 10-year forecast period, from 2026 to 2035. For the calculation of the present value of total compliance costs, all the annual compliance costs will be discounted to 2024, the anticipated first year PAR 1173 is adopted.¹¹ The total present value of the compliance costs is estimated at \$135.73 million and \$112.88 million for a 1 percent and 4 percent discount rate, respectively. The average annual compliance costs of PAR 1173 are estimated to range from \$14.43 million to \$14.47 million for a 1 percent to 4 percent real interest rate, respectively.¹² Table 3 presents the estimated present value and average annual compliance cost of PAR 1173 by cost categories.

¹¹ To find the present value of a stream of future payments, a discount rate will be used to reflect the idea that costs borne in the future are worth less than the costs incurred in the present period.

¹² Real interest rate is defined as the nominal interest rate adjusted for inflation, reflecting the true cost of borrowing.

Table 3
Total Present Value and Average Annual Estimated Costs of PAR 1173

Cost Categories	Present Value Worth (2024)		Annual Average (2026-2035)	
	1% Discount Rate	4% Discount Rate	1% Real Interest Rate	4% Real Interest Rate
Capital Costs				
OGI Camera	\$3,335,090	\$2,773,669	\$313,610	\$355,647
Recurring Costs				
OGI Camera Maintenance	\$1,142,652	\$950,301	\$121,850	\$121,850
OGI Inspection Labor	\$24,458,472	\$20,341,191	\$2,608,200	\$2,608,200
Fittings, Valves, Fin Fans, and Other Components Replacement Material Cost	\$6,696,963	\$5,569,612	\$714,150	\$714,150
Fittings, Valves, Fin Fans, and Other Components Replacement or Repair Labor	\$96,960,370	\$80,638,292	\$10,339,650	\$10,339,650
Pump Seals and Compressor Seals Replacement Material Cost	\$94,956	\$78,972	\$10,126	\$10,126
Pump Seals and Compressor Seals Replacement Labor	\$3,043,195	\$2,530,911	\$324,520	\$324,520
Total	\$135,731,699	\$112,882,947	\$14,432,106	\$14,474,143

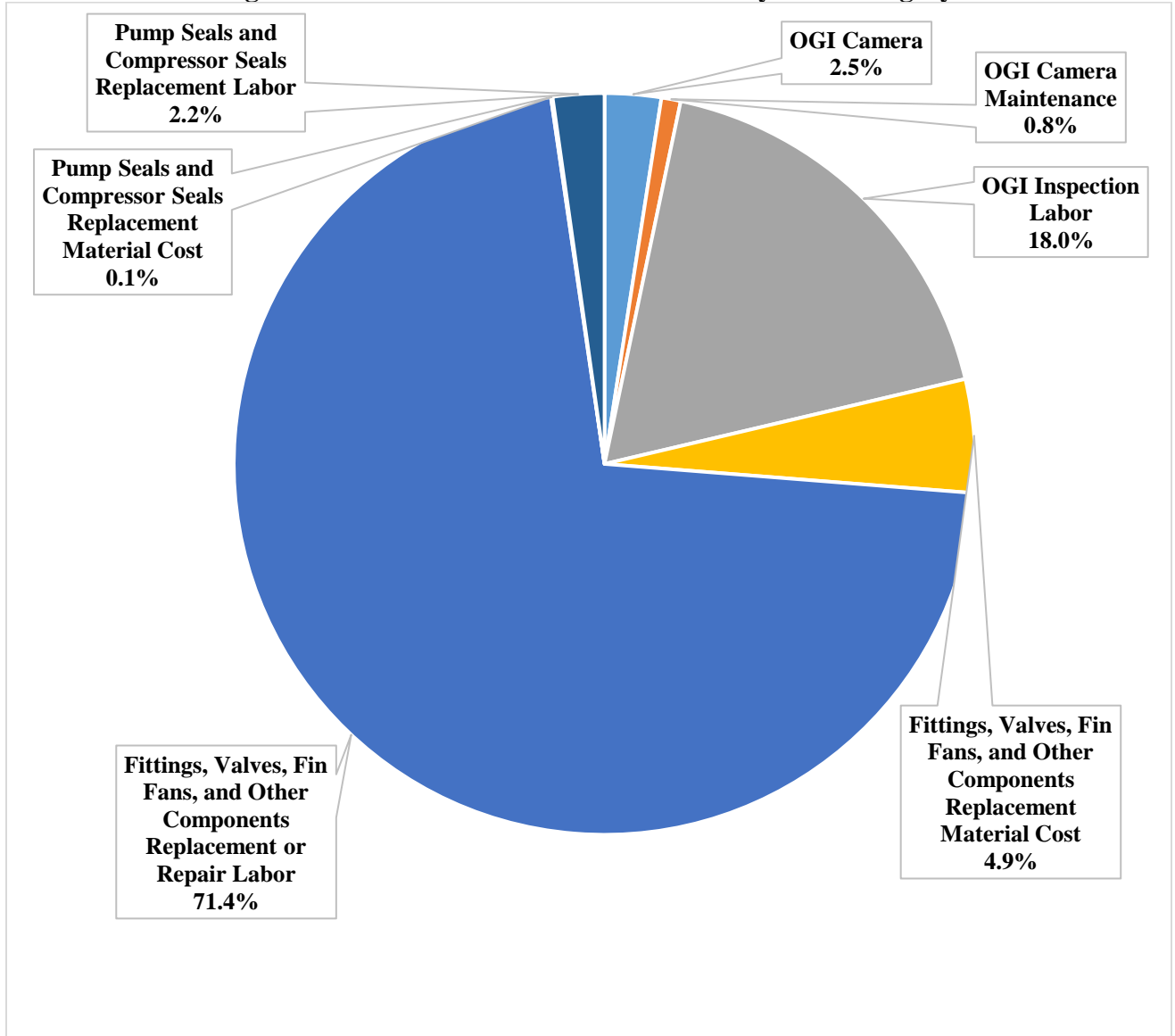
To better assess specific compliance burdens for different industries, Table 4 presents the breakdown of the total average annual compliance costs reported in Table 3 across various industries. The Petroleum and Coal Products Manufacturing sector (NAICS 324) is expected to incur the largest share of the total average annual compliance costs, which is estimated to be \$10.25 million or 71 percent of the total average annual cost. The sectors of Oil and Gas Extraction (NAICS 211) and Pipeline Transportation (NAICS 486) have the second- and third-largest shares of total annual cost, with an estimated total average annual compliance cost of \$2.84 million and \$864 thousand, respectively.

Table 4
Average Annual Compliance Cost by Industry

Industry Name (NAICS)	Annual Average Cost (2026-2035)	Share of Total Annual Average Cost per Industry
Petroleum and Coal Products Manufacturing (324)	\$10,246,193	71%
Oil and Gas Extraction (211)	\$2,836,598	20%
Pipeline Transportation (486)	\$863,657	6%
Wholesale Trade (42)	\$278,413	2%
Chemical Manufacturing (325)	\$167,360	1%
Support Activities for Transportation (488)	\$81,922	1%
Total	\$14,474,143	100%

Figure 1 presents the estimated average annual compliance costs of PAR 1173 by expense categories. The expense for fittings, valves, fin fans, and other components replacement or repair labor accounts for 71% – the largest share of the average annual compliance cost, followed by labor costs for conducting OGI inspections (18%), the material cost of replacing fittings, valves, fin fans, and other components (5%), and OGI camera purchases (3%).

Figure 1
Average Annual Estimated Costs of PAR 1173 by Cost Category



MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The Regional Economic Models, Inc (REMI) PI+ v3 model was used to assess the socioeconomic impacts of PAR 1173.¹³ The model links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and it is comprised of five interrelated blocks: 1) output and demand; 2) labor and capital; 3) population and labor force; 4) wages, prices, and costs; and 5) market shares.¹⁴

It should be noted that the REMI model is not designed to assess impacts on individual operations. The model was used to assess the impacts of the proposed amended rule on various industries that make up the local economy. Cost impacts on individual operations were assessed outside of the REMI model and were aggregated to the 70-sector NAICS code level to be used as inputs into the REMI model.

Impact of PAR 1173

This assessment is performed relative to a baseline “business as usual” forecast where PAR 1173 would not be implemented. The analysis assumes that the affected facilities would finance the capital and one-time costs described above at a 4 percent interest rate, and that these one-time costs are amortized over the useful life of each piece of equipment.

Direct costs of PAR 1173 are used as inputs to the REMI model which uses this information to assess secondary and induced impacts for all the industries in the four-county economy on an annual basis over the 2026-2035 period. Direct effects of PAR 1173 include the purchase of OGI cameras, labor costs for OGI inspections and replacement or repair of leaking components, and the material costs to replace leaking components as discussed in the previous compliance cost section.

Under the existing Rule 1173, facilities report the number of affected components to South Coast AQMD. This analysis uses the number of components reported by facilities in each industry to proportionally allocate the total costs of PAR 1173 across industries. For example, since 1.9 million of the total 2.61 million components are located at facilities in the Petroleum and Coal Products Manufacturing industry, the analysis assumes this industry incurs roughly 71% of the total cost. Similarly, these costs at the industry level are further allocated across four counties within South Coast AQMD region based on the location of affected facilities.

While the compliance expenditures that are incurred by affected facilities would increase their cost of doing business, the purchase of required equipment and services would increase the sales and subsequent spending of businesses in various sectors, some of which may be located in South Coast AQMD’s jurisdiction. Table 5 lists the 70-sector NAICS codes used in REMI model that would either incur a direct cost or directly benefit from the compliance spending.

¹³ Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Coast Area (70-sector model). Version 3. 2023.

¹⁴ Within each county, producers are made up of 156 private non-farm industries and sectors, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 ages/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

Table 5
Industries Incurring or Benefitting from Compliance Costs

Source of Compliance Cost	REMI Industries Incurring Compliance Cost (NAICS)	REMI Industries Benefitting from Compliance Spending (NAICS)	
OGI Cameras	Oil and Gas Extraction (211) Pipeline Transportation (486) Petroleum and Coal Products Manufacturing (324) Wholesale Trade (42) Chemical Manufacturing (325) Support Activities for Transportation (488)	Computer and Electronic Products Manufacturing (334)	
OGI Camera Maintenance			
OGI Inspection Labor		N/A*	
Fittings, Valves, Fin Fans, and Other Components Replacement or Repair Labor			
Pump Seals and Compressor Seals Replacement Labor			
Fittings, Valves, Fin Fans, and Other Components Replacement Material Cost			Fabricated Metal Product Manufacturing (332)
Pump Seals and Compressor Seals Replacement Material Cost			Machinery Manufacturing (333)

*Labor for OGI inspections, Pump Seals and Compressor Seals Replacement, and Fittings, Valves, Fin Fans, and Other Components Replacement or Repair is modeled as additional compensation in each affected industry, reflecting the assumption that this work would be completed by existing employees of affected facilities working more hours.

Regional Job Impacts

When the compliance cost is annualized using a 4 percent real interest rate, the REMI model projects that there would be 16 jobs gained annually on average over the 2026 – 2035 period, relative to the baseline forecast. The net job gains are likely due to the modeled compensation increases for employees in the affected industries, which will have spillover benefits for the market demand of other industries such as food services and retail, while the incremental costs borne by capital-intensive industries like the petroleum and coal products manufacturing sector have relatively smaller impacts on their employment.

The Oil and Gas Extraction, Pipeline Transportation, and Petroleum and Coal Products Manufacturing industries are forecasted to forego three jobs, one job, and one job, respectively, on average over the forecast period. The net job losses are likely due to these sectors incurring the biggest share of PAR 1173 compliance costs, therefore being the most affected sectors. Table 6

presents the forecasted jobs foregone or added for selected years in the sectors with the largest magnitude of average annual job impacts. The “All Other Industries” row in Table 6 shows the sum of job impacts for all the other industries except the 11 selected industries presented in the table.

Table 6
Projected Job Impacts of PAR 1173 for Selected Industries and Years

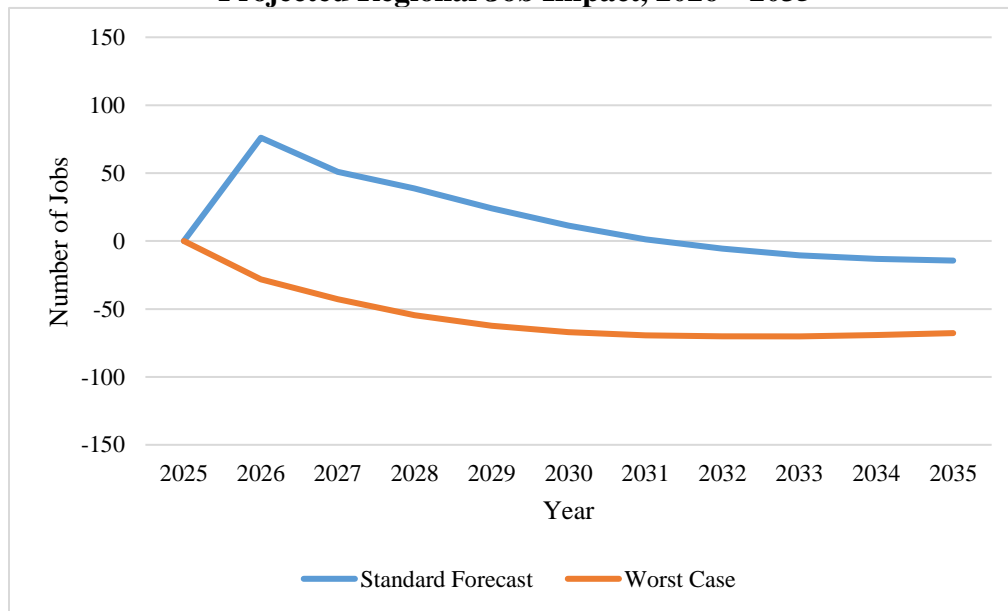
Industry (NAICS)	2026	2030	2035	Annual Average	Baseline Number of Jobs	% of Baseline Jobs
Oil and gas extraction (211)	-1	-4	-4	-3	7,510	-0.043342%
Construction (23)	10	-3	-10	-3	531,695	-0.000474%
Pipeline transportation (486)	0	-1	-2	-1	1,006	-0.133019%
Professional, scientific, and technical services (54)	3	-1	-4	-1	981,069	-0.000108%
Petroleum and coal products manufacturing (324)	0	-1	-1	-1	5,803	-0.012865%
State and Local Government (92)	2	0	-2	0	943,855	-0.000005%
Food services and drinking places (722)	4	2	1	2	727,901	0.000295%
Real estate (531)	6	2	1	2	732,474	0.000332%
Retail trade (44-45)	7	2	1	3	941,011	0.000270%
Personal and laundry services (812)	4	2	2	3	389,013	0.000663%
Ambulatory health care services (621)	9	6	5	6	662,102	0.000921%
All Other Industries	32	7	0	9	6,156,354	0.000146%
All Industries	76	11	-14	16	12,079,792	0.000131%

Note: Totals may not sum due to rounding.

In addition, in 2013, South Coast AQMD contracted with Abt Associates Inc. to review the South Coast AQMD socioeconomic assessments for Air Quality Management Plans and individual rules with the goal of providing recommendations that could enhance South Coast AQMD's socioeconomic analyses. In 2014, Abt Associates Inc. published a report which included a recommendation for South Coast AQMD to enhance socioeconomic analyses by testing major assumptions through conducting a scenario analysis. As such, South Coast AQMD generally includes an alternative worst-case scenario in Socioeconomic Impact Assessments which analyzes a scenario that assumes the affected facilities would purchase all feasible monitoring equipment

and services from providers located outside of the South Coast AQMD’s jurisdiction.¹⁵ This scenario assumes that OGI inspections and replacement/repair labor is done by contractors outside the region, and that all components and OGI cameras are purchased from suppliers outside the region. In simple terms, this alternative worst-case scenario only models the impacts of the costs of compliance with PAR 1173 while excluding the revenues which would benefit equipment and service providers. This hypothetical scenario is designed to test the sensitivity of the embedded assumptions in the REMI model about how compliance costs and revenues would be distributed inside and outside of South Coast AQMD’s jurisdiction. This worst-case scenario would result in an annual average of approximately 60 jobs foregone relative to the baseline scenario. The 60 jobs foregone represent a small portion of the average forecasted baseline jobs in the regional economy at an estimated 0.0005 percent. Figure 2 presents the projected regional job impacts over the 2026 – 2035 period for both the standard and the worst-case forecasts.

Figure 2
Projected Regional Job Impact, 2026 – 2035



Price Impact and Competitiveness

The impact of PAR 1173 on production costs and delivered prices in the region is not expected to be substantial. In the Petroleum and Coal Products Manufacturing Industry, which bears the majority of compliance costs associated with PAR 1173, the REMI model projects an average increase in relative delivered prices of 0.01 percent over the forecast period. The relative cost of production for the Petroleum and Coal Products Manufacturing Industry is also forecasted to increase by 0.01 percent on average relative to the baseline scenario. The small magnitude of the change in production cost and delivered price suggests that the impact of implementing PAR 1173 on consumers and firms in South Coast AQMD region should be minimal.

¹⁵ Abt Associates Inc., August 2014, Review of the SCAQMD Socioeconomic Assessments, Chapter 6, Section 3, <https://www.aqmd.gov/docs/default-source/Agendas/aqmp/scaqmd-report---review-socioeconomic-assessments.pdf>, accessed April 2, 2024.

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Source: <https://www.hpc-industrial.com>

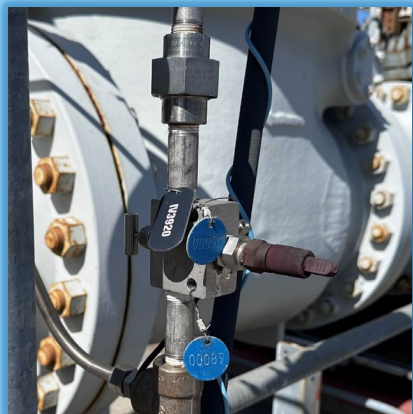


Source: <https://flir.com>

Proposed Amended Rule 1173 - *Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants*

Board Meeting
November 1, 2024

Rule 1173 Background



- Rule 1173 first adopted in 1989
 - Last amended in 2009
- Reduces fugitive volatile organic compound (VOC) emissions from 2.6 million components and points of leakage
 - Applicable to more than 200 refineries, oil and gas production sites, and others
- Rule development initiated to improve leak detection to:
 - Address air quality objectives in the AB 617 Wilmington, Carson, West Long Beach (WCWLB) Community Emissions Reduction Plan (CERP)
 - Partially implement control measure FUG-01 – Improved Leak Detection and Repair from the 2022 Air Quality Management Plan (AQMP)
 - Partially implement Clean Air Act contingency measure requirements for ozone National Ambient Air Quality Standards

Key Amendment – Optical Gas Imaging



- Currently, most components are inspected **quarterly** using a Toxic Vapor Analyzer (TVA)
 - Using a TVA, components are checked one-by-one
- PAR 1173 proposes enhanced leak detection by requiring **monthly** optical gas imaging (OGI)
 - Using OGI, many components can be scanned at once to catch large leaks faster
- Estimated to reduce VOC emissions by **0.54 tons per day**

Key Amendment – Lower Leak Standards

Component Category	Existing Leak Standard (ppm)	Proposed Lower Leak Standard (ppm)	Net VOC Emission Reduction (tons per day)
Valve, Fitting, Other	500 → 100	100	1.38
Fin Fan (formerly fin fan plugs, a type of fitting)	500 → 100	100	0.08
Pump (Light Liquid), Compressor	500 → 400	400	0.03

- Staff completed a Best Available Retrofit Control Technology (BARCT) assessment on existing leak standards
- Net VOC emission reduction includes offsets from delay of repair
- Combined, lower leak standards expected to reduce VOC emissions by **1.49 tons per day (tpd)**

Other Key Amendments



Fin Fan Plugs

- Established individualized category
- Provided specialized repair timeline
- Updated leak standard to 100 ppm



Limited Delay of Repair

- Cap of 0.05% of components until shutdown
- Average shutdown causes 1.09 tons VOC
- At most 0.05 tpd unrealized VOC reduction

Ozone Contingency Measures



Stage 1 CM
Pumps, Compressors



Stage 2 CM
OGI Frequency



Stage 3 CM
Valves, Fittings, Others

- Required by federal Clean Air Act and 2022 AQMP for certain rules
- Contingency measures (CMs) implemented sequentially, in order of increasing total annual cost
 - CM #1 – Reduces leak standard for compressors or pumps in light liquid service from 400 ppm to 300 ppm
 - CM #2 – Increases OGI inspection frequency for components from monthly to every two weeks
 - CM #3 – Reduces leak standard for valves, fittings, or other identified equipment from 100 ppm to 50 ppm
- Effective 60 days after listed final determinations by U.S. EPA of ozone non-attainment or lack of reasonable further progress (RFP)

Cost-Effectiveness and Emission Reductions

Proposed Requirement	Cost-Effectiveness* (\$/ton VOC reduced)	Incremental Cost-Effectiveness* (\$/ton VOC reduced)	VOC Emission Reduction (tons per day)
100 ppm standard (valve, fitting, other)	\$19,700	\$36,100	1.38
Monthly OGI Inspection	\$12,800	\$14,100	0.54
100 ppm standard (fin fan)	\$24,400	\$39,800	0.08
400 ppm standard (LL pump, compressor)	\$27,000	N/A	0.03
Overall	\$18,800	N/A	2.03

* Cost-Effectiveness Threshold per 2022 AQMP: \$40,168/ton VOC

Socioeconomic Impact Assessment

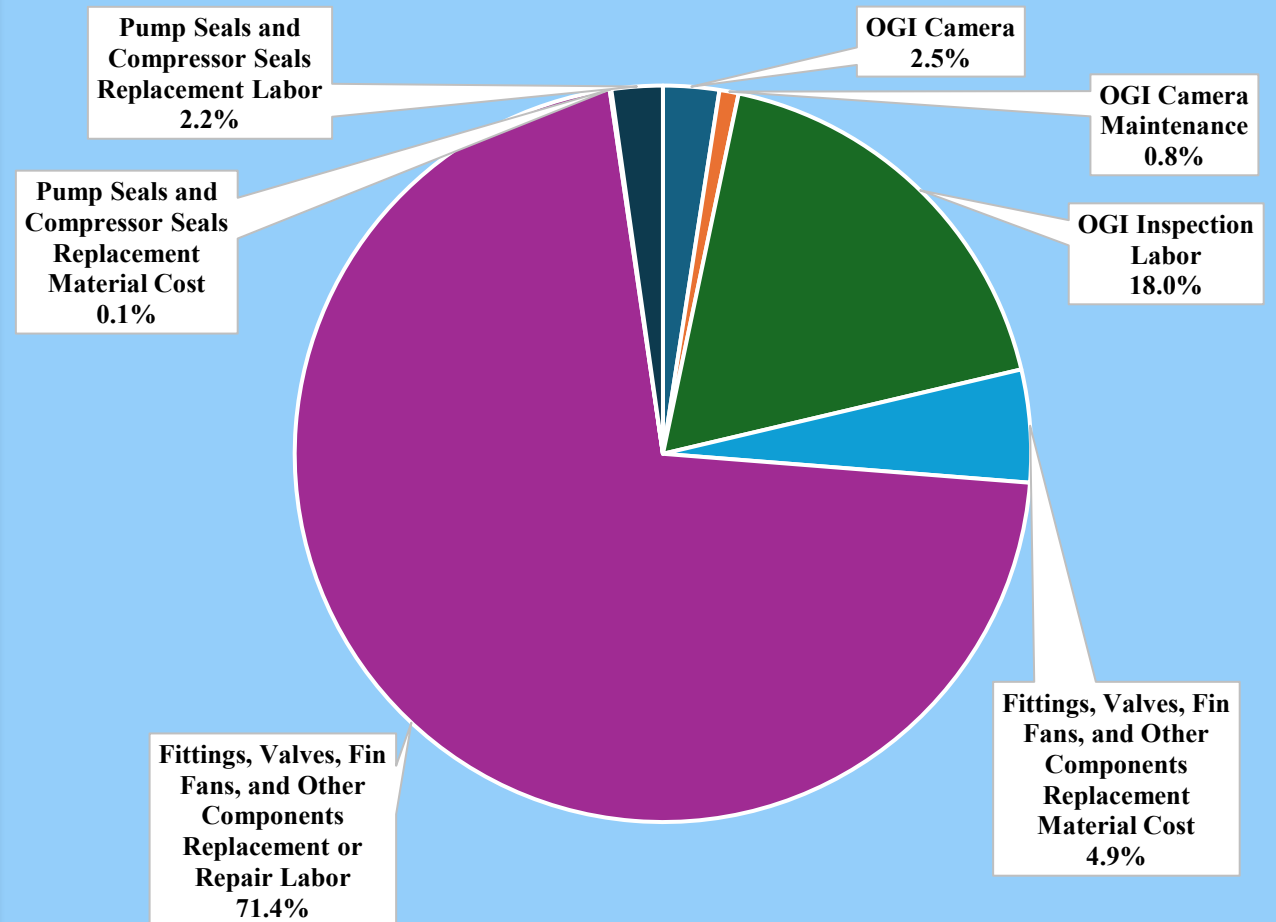
• Compliance Costs

- Average annual cost ranges from \$14.43 million to \$14.47 million using a real interest rate from 1% to 4%, respectively

• Job Impacts

- 16 net jobs gained annually on average from 2026 to 2035

Average Annual Compliance Cost by Category



Staff Recommendation

Adopt Resolution:

- Determining that PAR 1173 is exempt from the requirements of the California Environmental Quality Act
- Amending Rule 1173

