

BOARD MEETING DATE: January 10, 2025

AGENDA NO. 27

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, December 20, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Larry McCallon,  
Committee Chair  
Stationary Source Committee

JA:cr

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### **Committee Members**

Present: Councilmember Larry McCallon, Committee Chair  
Supervisor Holly J. Mitchell, Committee Vice Chair  
Chair Vanessa Delgado  
Vice Chair Michael A. Cacciotti  
Supervisor Curt Hagman  
Board Member Veronica Padilla-Campos

### **Call to Order**

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

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

### **Roll Call**

### **ACTION ITEM:**

- 1. Select Third Party Contractors to Administer Go Zero Pilot Incentive Program**  
Heather Farr, Planning and Rules Manager, Planning, Rule Development and Implementation, provided a summary of proposals submitted for RFP #P2025-01 and recommended third party contractors for implementation the Go Zero Pilot Incentive Program, based on panel review. For additional details please refer to the [Webcast](#) beginning at 2:38.

Committee Chair McCallon asked for clarification of splitting the outreach program (sub-project 5) between two bidders. Ms. Farr explained that the split is based on the larger population in Los Angeles and Orange County compared to Inland Empire. As a result, additional outreach is planned for these areas. For additional details please refer to the [Webcast](#) beginning at 6:40.

Board Member Padilla-Campos suggested that staff conduct a program evaluation before the end of the pilot phase and asked if the Board needs a motion for a six-month evaluation. Ms. Farr responded that staff will monitor the program and can update the committee. For additional details please refer to the [Webcast](#) beginning at 8:12.

Committee Chair McCallon inquired about funding availability and sources for future phases. Executive Officer Wayne Nastri responded that future fundings will be subject to the Board's approval and more information about Go Zero including its funding information can be found on the website as noted on the outreach flyer. For additional details please refer to the [Webcast](#) beginning at 10:51.

Brian Schmidt, Menlo Spark, commented their organization funded a multifamily affordable housing retrofit project in San Mateo County and there are other funded retrofit projects in Northern California suggesting their case study information would be helpful to contractors. For additional details please refer to the [Webcast](#) beginning at 13:42.

Vice Chair Cacciotti asked how many homes Go Zero will incentivize if the Go Zero incentives can be stacked with other incentive programs. Staff responded that several thousand homes can be funded and commented that other programs can be used with Go Zero. For additional details please refer to the [Webcast](#) beginning at 15:30.

Moved by; Hagman seconded by Cacciotti; unanimously approved.

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

Noes: None

Abstain: None

Absent: None

### **INFORMATIONAL ITEM:**

#### **2. Update on 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**

Ms. Farr provided updates on Proposed Amended Rules 1111 and 1121, outreach efforts, most revisions to the proposed amended rules, affordability issues of the proposed amended rules, and staff's recommendation for additional time. For additional details, please refer to the [Webcast](#) beginning at 20:55.

Supervisor Hagman supported the delay, so staff can conduct more outreach and further evaluate implementation costs. Supervisor Hagman also stated personal concerns about costs regarding heating and cooling equipment in his home. For additional details please refer to the [Webcast](#) beginning at 34:31.

Board Member Padilla-Campos asked for clarification of the different compliance dates for homes that have installed conditioning systems within the past ten years. Staff explained that this provision addresses stranded assets for more recently installed air conditioning systems, and allows these homeowners to install of a gas unit. After 2035, this provision would sunset. For additional details please refer to the [Webcast](#) beginning at 35:49.

Vice Chair Cacciotti supported moving the effective dates for both proposed rules to 2029, and requested clarification whether the technology check-ins will be performed as previously planned. Ms. Farr responded, after dates are moved, it may be beneficial to adjust the technology check-ins to align with the later implementation timeline. Ms. Farr also noted that heat pumps are being sold in significant numbers as of 2022 with sales surpassing gas furnaces. For additional details please refer to the [Webcast](#) beginning at 37:12.

Committee Vice Chair Mitchell recognized the outreach efforts staff has done since the October Stationary Source Committee meeting and commented that further delays in the rulemaking need to be justified through actionable efforts and suggested a subcommittee to consider recommendations to address affordability beyond incentives, in order to provide measurable metrics for staff and the public. For additional details please refer to the [Webcast](#) beginning at 38:00.

Chair Vanessa Delgado supported a delay in the rule so staff can reassess affordable technologies. For additional details please refer to the [Webcast](#) beginning at 46:37.

Vice Chair Cacciotti raised concerns about electrical grid reliability and suggested staff work with all utility providers. For additional details please refer to the [Webcast](#) beginning at 49:01.

There were 54 public comments. Many commenters supported the incentives. For additional details please refer to the [Webcast](#) beginning at 54:00

The following commenters supported the rules. They suggested no further delay, important health benefit, the need to adopt the rules to meet ozone standards, technology available now, the need to set market signal, the delaying of rules will not address affordability, concerns will be addressed at technology check-in, and use financing to address affordability concerns.

Fernando Gaytan, Earthjustice  
Suzanne Caflisch, community member  
Wes, community member  
Michelle Kim, community member  
Topher Mathers, community member  
Thomas Kim, community member  
Lillian Liang, community member  
Chris Chavez, Coalition for Clean Air  
Pete Marsh, community member  
Catalina, community member  
Julio Rodriguez, community member  
Michael Rochmes, Climate Reality Los Angeles  
Kim, community member  
Julia May, Communities for a Better Environment  
Jed Holtzman, RMI  
Jim Stewart, Sierra Club  
Jane Williams, California Communities Against Toxics  
Vickie Kirschenbaum, community member  
Al Sattler, community member  
Sam Fishman, SPUR  
David Martinez, Climate Action Campaign  
Kaita Keuchi, community member

The following public members expressed opposition or concern with the proposed amended rules. They suggested to delay the rules in order to address concerns on costs, affordability especially for low-income residents and small businesses, compliance timelines, and grid reliability, and also highlighted the need for alternative fuel, consumer choice, further technology development, more outreach, and more focus on mobile sources.

David Coffaro, Greater Irvine Chamber of Commerce  
Mary Caporale, Boys Republic  
Debra Porada, community member  
Ernest Shaw, Utility Workers of America, Local 43  
Kevin Barker, SoCalGas  
Anne Mallari, We Care  
Alexander Kim, Asian Business Association Orange County  
Bruce Smith, community member  
Peggi Hazlett, Greater Ontario Business Council  
Mike Learakos, Abound Food Care  
Kris Murray, Association of California Cities – Orange County  
Robert Castaneda, Low Income Oversight Board  
Luis Portillo, San Gabriel Valley Economic Partnership  
Peter Whittingham, Los Angeles County Business Federation (Bizfed)

Henry Rogers, Harbor Association of Industry and Commerce; South Bay Association of Chambers of Commerce  
Richard Markuson, Public Heating & Cooling Contractors of America  
Linda, community member  
Clint Olivier, Central Valley Business Federation (Bizfed)  
Mike Lewis, Construction Industry Air Quality Coalition  
Victoria Hernandez, South Orange County Economic Coalition  
Vickie McMurchie, Dana Point Chamber of Commerce  
Bob Shepard, community member  
Hassan Rahim, Aria Cleaners  
Amy Valdivia, Upland Chamber of Commerce  
Tim Hepburn, Mayor, City of La Verne  
Aaron Steinmetz, Upland Chamber of Commerce  
George Boutros, Orange County Business Council  
Elissa Diaz, Los Angeles Area Chamber of Commerce (LAACC)  
Evan Sanford, Redlands Chamber of Commerce  
Jonnae Sylvester, Brea Chamber of Commerce  
Richard Ren, New World International  
Jackie Romero, California Restaurant Association

Committee Chair McCallon recommended staff to reevaluate the cost-effectiveness calculations and affordability of the rules to homeowners. Committee Chair McCallon asked for clarification on the NOx reductions from the proposed rules. In addition, Chair McCallon emphasized the importance of reaching out to all utilities within the South Coast AQMD regarding the proposed rules. For additional details please refer to the [Webcast](#) beginning at 1:54:19.

Committee Chair McCallon made a motion to accept staff's recommendation to return to the Stationary Source Committee in February with a 60-day delay to the Board.

Moved by McCallon; seconded by Cacciotti; unanimously approved.

Ayes: Cacciotti, Hagman, McCallon  
Abstain: Mitchell, Padilla-Campos  
Noes: None  
Absent: Delgado

**WRITTEN REPORTS:**

**3. Monthly Permitting Enhancement Program (PEP) Update**

The report was acknowledged by the committee.

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

The report was acknowledged by the committee.

**5. Notice of Violation Penalty Summary**

The report was acknowledged by the committee.

**OTHER MATTERS:**

**6. Other Business**

There was no other business to report.

**7. Public Comment Period**

Pastor Zach emphasized the importance of focusing on vehicle emissions as a critical factor in improving air quality particularly in Southern California. For additional details please refer to the [Webcast](#) beginning at 2:03:35.

Al Sattler stressed the importance for stronger measures to control mobile source pollution and highlighted the importance of federal support. For additional details please refer to the [Webcast](#) beginning at 2:04:55.

**8. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, January 24, 2025.

**Adjournment**

The meeting was adjourned at 12:35 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 –December 20, 2024**

Councilmember Cacciotti .....	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret) .....	South Coast AQMD Board Member
Supervisor Curt Hagman .....	South Coast AQMD Board Member
Councilmember 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
Debra Mendelsohn .....	Board Consultant (McCallon)
Mark Taylor .....	Board Consultant (Rodriguez)
Kevin Barker .....	SoCalGas
George Boutros .....	Orange County Business Council
Suzanne Caflisch .....	community member
Mary Caporale, .....	Boys Republic
Robert Castaneda .....	Low Income Oversight Board
Catalina .....	community member
Chris Chavez .....	Coalition for Clean Air
David Coffaro .....	Greater Irvine Chamber of Commerce
Elissa Diaz .....	LAACC
Sam Fishman .....	SPUR
Fernando Gaytan .....	Earthjustice
Peggi Hazlett .....	Greater Ontario Business Council
Tim Hepburn .....	Mayor, City of La Verne
Victoria Hernandez .....	South Orange County Economic Coalition
Jed Holtzman .....	RMI
Kaita Keuchi .....	community member
Michelle Kim .....	community member
Thomas Kim .....	community member
Kim .....	community member
Alexander Kim .....	Asian Business Association Orange County
Vickie Kirschenbaum .....	community member
Mike Learakos .....	Abound Food Care
Mike Lewis .....	Construction Industry Air Quality Coalition
Lillian Liang .....	community member
Anne Mallari .....	We Care
Richard Markuson .....	Public Heating & Cooling Contractors of America
Pete Marsh .....	community member
David Martinez .....	Climate Action Campaign
Topher Mathers .....	community member
Julia May .....	Communities for a Better Environment
Vickie McMurchie, .....	Dana Point Chamber of Commerce
Linda .....	community member
Kris Murray .....	Association of California Cities Orange County
Clint Olivier .....	Bizfed
Debra Porada .....	community member
Luis Portillo .....	San Gabriel Valley Economic Partnership
Hassan Rahim .....	Aria Cleaners

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**Attendance –December 20, 2024**

Richard Ren .....	New World International
Michael Rochmes .....	Climate Reality Los Angeles
Julio Rodriguez .....	community member
Henry Rogers .....	Harbor Association of Industry and Commerce
Jackie Romero .....	California Restaurant Association
Evan Sanford .....	Redlands Chamber of Commerce
Al Sattler .....	community member
Brian Schmidt .....	Menlo Spark
Ernest Shaw .....	Local 43 Utility Workers of America
Bob Shepard .....	community member
Bruce Smith .....	community member
Aaron Steinmetz .....	Upland Chamber of Commerce
Jim Stewart .....	Sierra Club
Jonnae Sylvester .....	Brea Chamber of Commerce
Amy Valdivia .....	Upland Chamber of Commerce
Wes .....	community member
Peter Whittingham .....	Bizfed
Jane Williams .....	California Communities Against Toxics
Pastor Zach .....	community member

Jason Aspell .....	South Coast AQMD staff
Cesar Ayala .....	South Coast AQMD staff
Barbara Baird .....	South Coast AQMD staff
Cindy Bustillos .....	South Coast AQMD staff
Heather Farr .....	South Coast AQMD staff
Scott Gallegos .....	South Coast AQMD staff
De Groeneveld .....	South Coast AQMD staff
Sheri Hanizavareh .....	South Coast AQMD staff
Aaron Katzenstein .....	South Coast AQMD staff
Michael Krause .....	South Coast AQMD staff
Howard Lee .....	South Coast AQMD staff
Jason Low .....	South Coast AQMD staff
Terrence Mann .....	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
Sarah Rees .....	South Coast AQMD staff
Catherine Rodriguez .....	South Coast AQMD staff
Alberto Silva .....	South Coast AQMD staff
Lisa Tanaka O'Malley .....	South Coast AQMD staff
Mei Wang .....	South Coast AQMD staff
Jillian Wong .....	South Coast AQMD staff



**Monthly Permitting Enhancement Program (PEP) Update**  
**South Coast AQMD**  
**Stationary Source Committee – December 20, 2024**

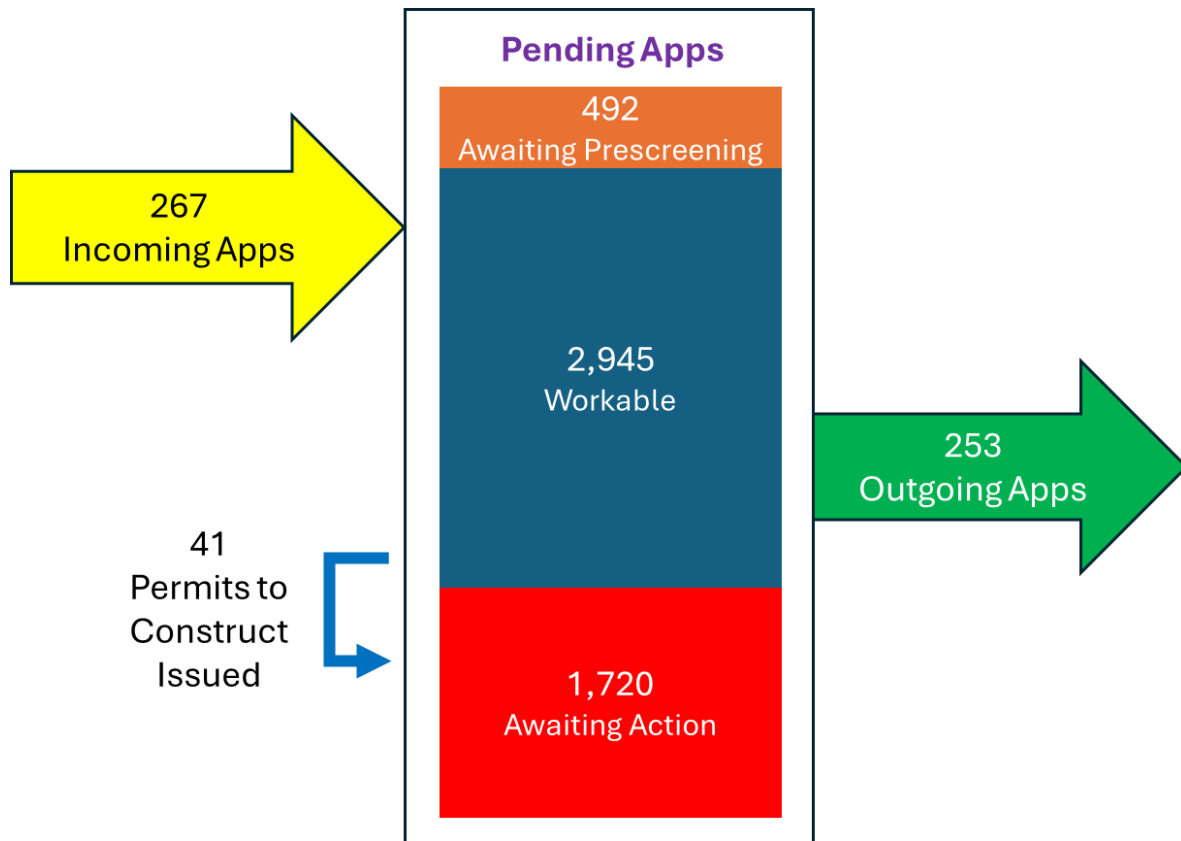
**Background**

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

**Summary**

Pending Permit Application Inventory

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



**Figure 1: Application Processing Workflow – November 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	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024
Additional Information from Facility	220	219	265	286	294	288
CEQA Completion	35	31	32	34	34	34
Completion of Construction	904	935	983	1,015	1,034	1,078
Facility Compliance Resolution	22	36	36	37	36	37
Facility Draft Permit Review	63	59	74	43	56	51
Fee Payment Resolution	3	4	4	6	5	6
Other Agency Review	15	36	45	37	36	46
Other Facility Action	4	10	10	21	21	21
Other South Coast AQMD Review	0	0	0	0	0	0
Public Notice Completion	35	29	23	24	25	20
Source Test Completion	138	142	137	169	169	154

Please see Attachment 1 for more information on these categories.

In November, staff continued to complete applications at a rate higher than the targeted month to month average, raising the overall annual average. Not reflected in Figure 1 are an

additional 173 permits issued through the online permitting system which did not impact the permit application inventory. Staff has automated the permitting process for certain equipment allowing staff to focus their efforts on other permit applications. These 173 permit completions are reflected in Figure 2 below.

Since outgoing applications (green arrow) were less than incoming applications (yellow arrow) this month, the pending application inventory increased slightly. A lower than average number of incoming applications was received in November but was within typical seasonal fluctuations. The annual average production has increased over 15% as compared to this time last year. In addition, since May, the inventory of Workable applications has decreased from 3,088 to 2,945.

The inventory of Awaiting Action applications has recently increased. Most of the Awaiting Action applications have a Completion of Construction status. From March to November, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,078, including 41 Permits to Construct issued in November. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications.

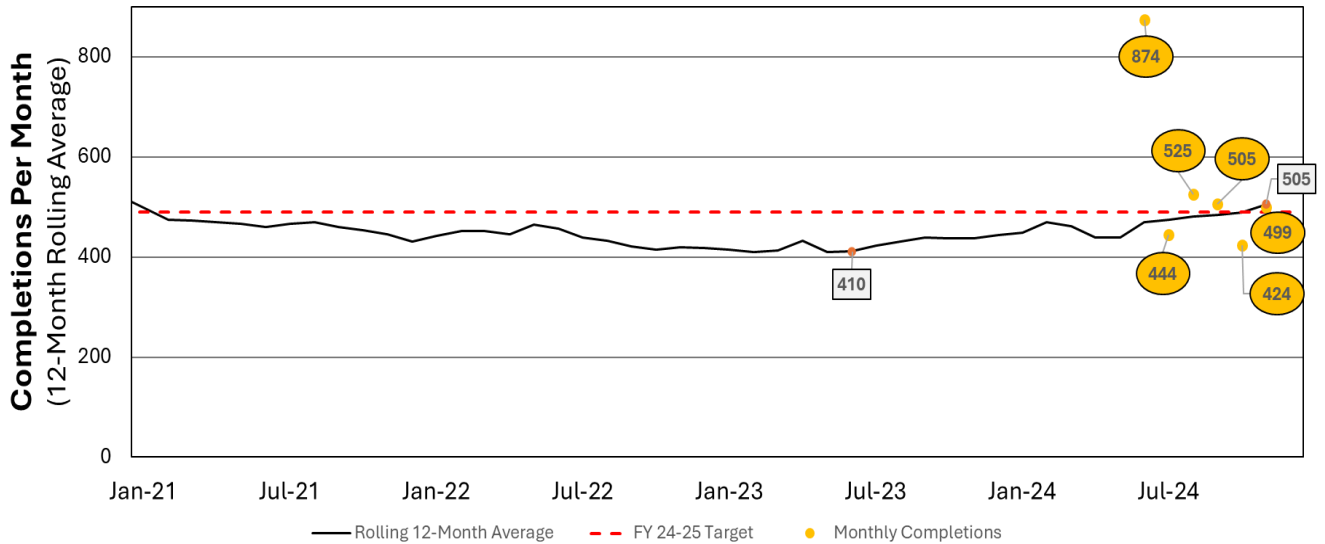
The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending 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.

### 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 six 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 505 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 and can process more complex projects.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate was maintained at 10.2%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. One separation due to a transfer and one hiring are anticipated to occur in December and will maintain the vacancy rate at 10.2%. Hiring of new engineers is targeted for the first quarter of 2025 and the recruitment is in process.

Key Activities

- Staff delayed the effective date of the new Health Risk Assessment module to allow for additional time for facilities to transition to the new tool. The effective date was moved from November 1 to December 1.
- Staff created additional application forms to implement Rule 317.1. Staff is in the process of developing additional resources to assist facilities navigate new Rule 317.1 requirements.
- Staff conducted a Permit Streamlining Task Force (PSTF) meeting on December 10 and presented PEP efforts related to the public notice process. The PSTF also discussed concepts to enhance the Certified Permitting Professional Program under PEP.

Upcoming Meetings:

- Staff will present a PEP update to the Board in first quarter of 2025.
- Staff will conduct either a PSTF or a Permitting Working Group meeting in March 2025
- Staff is targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. Staff has reached 75% of this target.

## 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.

## **December 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.

<b>Item</b>	<b>Discussion</b>
Meeting with U.S. EPA (Region IX) – December 12, 2024	<ul style="list-style-type: none"><li>• Discussed options for the future of NOx RECLAIM and the status of Maricopa County Rule 205 — Emission Offsets Generated by Voluntary Mobile Source Emission Reduction Credits</li></ul>

- RECLAIM/NSR Working Group meeting is not planned for December
- 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 (11/01/2024 - 11/30/2024)**

**Total Penalties**

Civil Settlement: \$620,092.50  
Hearing Board Settlement: \$324,153.80  
MSPAP Settlement: \$112,135.25  
**Total Cash Settlements: \$1,056,381.55**  
**Total SEP Value: \$0.00**

**Fiscal Year through 11/30/2024 Cash Total: \$4,018,442.65**  
**Fiscal Year through 11/30/2024 SEP Value Only Total: \$0.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>Civil</b>						
141383	ACE HARDWARE CORPORATION	1168	11/22/2024	BT	P79801	\$18,200.00
197705	AEROPOSTALE	2305	11/07/2024	JL	O15035	\$20,000.00
201310	BRIDGE POINT CARSON LLC	203, 1148.1, 1173, 1176	11/08/2024	SH	P80709	\$10,500.00
195107	CALNRG OPERATING, LLC	463, 1173	11/14/2024	EC	P79903	\$4,000.00
6616	CHROMAL PLATING CO	1469	11/08/2024	SH	P67517, P78607	\$6,000.00
182561	COLTON POWER LP	2012, 2012 Appendix A	11/08/2024	DH	P78903	\$7,200.00
199903	COOPER LIGHTING SOLUTIONS	2305	11/13/2024	ND	O15051	\$11,000.00
19823	CREE OIL LTD	203	11/08/2024	SH	P74396	\$4,000.00
122691	DEIST	203, 463, 1173	11/21/2024	JL	P75672, P75680, P79651	\$14,400.00
85014	HILL BROTHERS CHEMICAL CO	314, 1113	11/20/2024	JJ	P75751	\$5,000.00
187823	KIRKHILL INC	1100, 2004, 2012, 2305	11/20/2024	JL	O15020, P66938, P78705	\$10,500.00
139799	LITHOGRAPHIX INC	2305, 3002, 3003, 3004	11/14/2024	NS	O15006, P65871, P73805	\$13,463.00
201061	LOWE'S COMPANIES INC	1143	11/20/2024	JL	P74917, P74918, P74919, P74920, P74921, P74922, P74933, P74934	\$293,000.00
2825	MCP FOODS INC	2004, 3002	11/01/2024	MR	P67385, P74613	\$2,418.00
8408	OMNI METAL FINISHING INC	203, 1469	11/07/2024	MR	P74701, P74711, P79553	\$4,231.50

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
183564	ONNI TIMES SQUARE LP	203, 2004	11/08/2024	RL	P75626, P78703	\$4,800.00
200617	ONTPDC	2305	11/22/2024	RM	O15059, O15061	\$47,600.00
158855	REDLANDS CITY MUNICIPAL UTILITIES & ENG	203	11/05/2024	NS	P74126, P74127	\$8,700.00
16639	SHULTZ STEEL CO	1430, 2004, 2012, 3002	11/14/2024	MR	P63810, P63822, P63834, P64382, P64395	\$12,090.00
114083	SOLUTIONS UNLIMITED - WILSON'S ART STUDIO	3002	11/15/2024	SH	P73960	\$750.00
191558	SPACE EXPLORATION TECHNOLOGIES	2305	11/07/2024	JL	O15021	\$2,500.00
181667	TORRANCE REFINING COMPANY LLC	221, 463, 1114, 1118, 1178, 2004, 3002, 40 CFR 60, QQQ, 40 CFR 63.670	11/21/2024	DH	P65638	\$84,960.00
181667	TORRANCE REFINING COMPANY LLC	1118, 2004, 3002	11/21/2024	DH	P66724, P74080	\$4,680.00
200289	VEYER	2305	11/07/2024	ND	O15054	\$13,800.00
201692	WIN IT AMERICA INC	2305	11/07/2024	ND	O15083	\$13,800.00
180360	WINDSOR GARDENS CONVALESCENT CENTER	203	11/12/2024	CM	P78716	\$2,500.00
<b>Total Civil Settlements: \$620,092.50</b>						
<b>Hearing Board</b>						
119219	CHIQUITA CANYON LLC	431.1, 3002	11/22/2024	KER/MR	6177-4	\$304,153.80
146536	WALNUT CREEK ENERGY LLC	203, 2004, 3002	11/22/2024	KCM	6230-6	\$20,000.00
<b>Total Hearing Board Settlements: \$324,153.80</b>						
<b>MSPAP</b>						
193990	ARCADIA GOLF COURSE	461	11/15/2024	CR	P73713	\$504.00
174570	ARCO (#42135) TESORO REFINING & MARKETING	461, H&S 41960	11/22/2024	CM	P79604	\$1,286.00
155753	ARCO AM/PM CONTINENTAL OIL	461	11/22/2024	CM	P80571	\$2,568.00
181026	ARCO AM/PM (#42960)	461, H&S 41960.2	11/01/2024	CM	P80961	\$3,706.00
21330	BLUE BANNER CO INC	203	11/01/2024	CM	P79220	\$1,209.00
201462	BLUE BOX OPCO (DBA "INFANTINO")	2305	11/15/2024	CL	O15119	\$5,000.00
180406	BROADWAY MART INC	461	11/01/2024	SW	P80934	\$1,996.20
5023	CAL ST UNIV LONG BEACH EH&S	1146, 1146.1	11/22/2024	CL	P73830	\$16,723.00
23166	CANDLEWOOD COUNTRY CLUB	203, 222, 461	11/22/2024	CL	P74466	\$4,819.00
203666	CRASH MONSTERS GARAGE	203	11/01/2024	CR	P74043	\$857.00
195630	DR HORTON	403	11/15/2024	CM	P74197	\$2,018.00
202279	DRINKPAK	2305	11/22/2024	CL	O15165	\$5,000.00
143630	ELECTRODE TECH INC REID METAL FINISHING	203, 1469	11/22/2024	CL	P65550, P74710	\$3,022.00
162592	GROVE 76 (JC OIL INC)	461	11/22/2024	CL	P70187	\$777.00
113433	HARBER COMPANIES INC	1403	11/22/2024	CL	P74718, P74719	\$7,768.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
48040	HILL'S BOAT SERVICE INC	203	11/01/2024	SW	P79605	\$1,148.55
116539	HITEC METAL FABRICATION CORP	203	11/22/2024	CL	P80269	\$2,018.00
173417	HUNTINGTON HARBOR CAR WASH	203, 461	11/01/2024	CL	P74811, P78775	\$5,151.00
198202	JET EDGE INTERNATIONAL	203	11/13/2024	CL	P62785	\$5,802.00
198028	KOIA ANAHEIM FACILITY LLC	203, 1146	11/01/2024	CL	P80266	\$4,231.00
179557	KR HOLLYWOOD LLC	203	11/15/2024	CL	P76507	\$1,386.00
70461	LA CO FIRE STATION (#85)	461	11/08/2024	CM	P73178	\$1,818.00
195683	MATICH CORPORATION	403	11/22/2024	CR	P74143	\$2,018.00
183737	ORANGE COUNTY GLOBAL MEDICAL CENTER	1415.1	11/08/2024	VB	P74915	\$9,368.00
85487	PASADENA AUTO WASH	461, H&S 41960.2	11/08/2024	CR	P80906	\$2,861.00
181537	PDQ RENTALS	461	11/22/2024	SW	P79862	\$3,022.50
194392	RADC ENTERPRISES INC	461, H&S 41960.2	11/15/2024	SW	P80929	\$1,438.00
136643	RIVKAH INC	461	11/15/2024	VB	P80935	\$900.00
179084	RJM MINI MARKET INC	461, H&S 41960.2	11/08/2024	CR	P79376	\$1,030.00
92752	SANTA ANA CITY CORPORATE YARD	461	11/08/2024	CR	P73956, P73957	\$2,218.00
185283	SIXT RENT A CAR	203, 461	11/08/2024	VB	P78416	\$2,342.00
182089	SUNBELT RENTALS PC 632	461	11/01/2024	CL	P71174, P75951	\$554.00
195738	THE HABIT BURGER	222	11/08/2024	CR	P73921	\$1,208.00
8443	WORLD OIL MARKETING CO (#13)	461, H&S 41960.2	11/08/2024	CR	P80938	\$1,513.00
186723	WORLDPAC INC	203	11/01/2024	CL	P75622	\$4,855.00
<b>Total MSPAP Settlements: \$112,135.25</b>						

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

**REGULATION II - PERMITS**

- Rule 203 Permit to Operate
- Rule 221 Plans
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

**REGULATION III - FEES**

- Rule 314 Fees for Architectural Coatings

**REGULATION IV - PROHIBITIONS**

- Rule 403 Fugitive Dust
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 463 Storage of Organic Liquids

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

- Rule 1100 Implementation Schedule for NOx Facilities
- Rule 1113 Architectural Coatings
- Rule 1114 Petroleum Refinery Coking Operations (MCS-01)
- Rule 1118 Emissions from Refinery Flares
- Rule 1143 Consumer Paint Thinners & Multi-Purpose Solvents
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
- 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 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems
- Rule 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR NOVEMBER 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
- Rule 2012
- Appendix A Protocol 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 60, QQQ Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater
- 40 CFR 63.670 Requirements for Flare Control Devices

**CALIFORNIA HEALTH AND SAFETY CODE**

- 41960 Certification of Gasoline Vapor Recovery System
- 41960.2 Gasoline Vapor Recovery
- 42402 Violation of Emission Limitations – Civil Penalty