



**South Coast
Air Quality Management District**
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

HYBRID STATIONARY SOURCE COMMITTEE MEETING

Committee Members

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

November 15, 2024 ♦ 10:30 a.m.

TELECONFERENCE LOCATIONS

Office of Senator (Ret.) Vanessa Delgado
944 South Greenwood Ave.
Montebello, CA 90640

Lynwood City Hall
Annex Conference Room
11350 Bullis Road
Lynwood, CA 90262

A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, November 15, 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 remote 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 if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

ELECTRONIC PARTICIPATION INFORMATION

(Instructions provided at bottom of the agenda)

Join Zoom Meeting - from PC or Laptop, or Phone

<https://scaqmd.zoom.us/j/94141492308>

Meeting ID: **941 4149 2308** (applies to all)

Teleconference Dial In: +1 669 900 6833

One tap mobile: +16699006833,94141492308#

**Audience will be allowed to provide public comment in person
or through Zoom connection or telephone.**

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

Cleaning the air that we breathe...

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEMS (Items 1-3)

- 1. Update on Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks** (10 mins) Kalam Cheung, PhD
(No Motion Required) Planning and Rules
Staff will provide a summary of Proposed Rule 1159.1 which establishes NOx Manager
emission limits and other requirements for facilities with nitric acid tanks.
(Written Material Attached)
- 2. Update on Proposed Amended Regulation XXX – Title V Permits** (10 mins) Michael Morris
(No Motion Required) Planning and Rules
Staff will provide a summary of amendments to Regulation XXX rules that will Manager
remove the emergency affirmative defense and certain greenhouse gas
provisions to be consistent with U.S. EPA’s Title V operating permit program
regulations and a decision made by the U.S. Supreme Court on U.S. EPA’s
Greenhouse Gas Tailoring Rule, respectively.
(Written Material Attached)
- 3. Annual Permitting Update for Implementation of Rule 1109.1 - Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations** (10 mins) Bhaskar Chandan
(No Motion Required) Senior Engineering
Staff will provide an annual update of permitting activities associated with the Manager
implementation of Rule 1109.1.
(Written Material Attached)

WRITTEN REPORTS (Items 4-6)

- 4. Monthly Permitting Enhancement Program (PEP) Update** Jason Aspell
(No Motion Required) Deputy Executive
This report is a monthly update of staff’s PEP implementation efforts for the Officer
previous month.
(Written Material Attached)
- 5. Monthly Update of Staff’s Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program** Michael Krause
(No Motion Required) Assistant Deputy
This is a monthly update on staff’s work with U.S. EPA and CARB regarding Executive Officer
New Source Review issues related to the RECLAIM transition.
(Written Material Attached)

**6. Notice of Violation Penalty Summary
(No Motion Required)**

Bayron Gilchrist
General Counsel

This report provides the total penalties settled in October 2024 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.

(Written Material Attached)

OTHER MATTERS

7. Other Business

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

8. Public Comment Period

At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

9. Next Meeting Date: Friday, January 24, 2025 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't 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 Catherine Rodriguez at (909) 396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to crodriguez@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Catherine Rodriguez at (909) 396-2735, or send the request to crodriguez@aqmd.gov.

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.

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.

A countdown timer will be displayed on the screen for each public comment. If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on 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 for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your 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 for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.



Proposed Rule 1159.1

Control of NOx Emissions from Nitric Acid Tanks



Stationary Source Committee

November 15, 2024

Background

- Proposed Rule 1159.1 (PR 1159.1) reduces NOx emissions from nitric acid tanks
 - NOx emissions formed from:
 - Reaction between nitric acid and metal
 - Decomposition of nitric acid at high temperature
 - NOx emissions not a result of combustion
- Landing rule for RECLAIM transition
- Establishes Best Available Retrofit Control Technology (BARCT) requirements



PR 1159.1 Impacted Universe

- Impacted universe: 255 facilities
 - 11 RECLAIM facilities
 - 244 non-RECLAIM facilities
- Estimated 928 number of units
 - Primarily tanks containing solutions with nitric acid



Metal Finishing
– 252 facilities



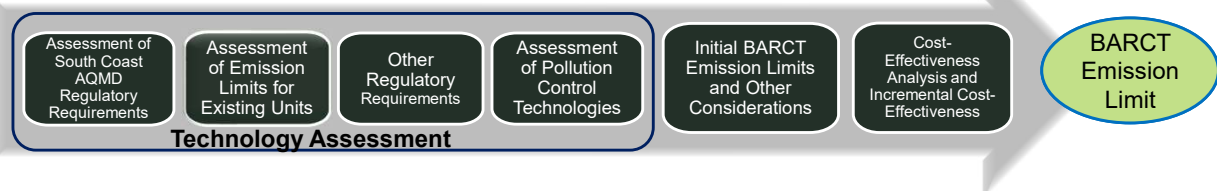
Precious Metal Reclamation
– 2 facilities



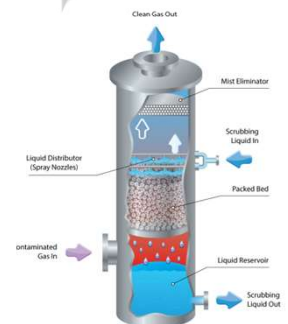
Expanded Graphite Foil
– 1 facility

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BARCT Assessment



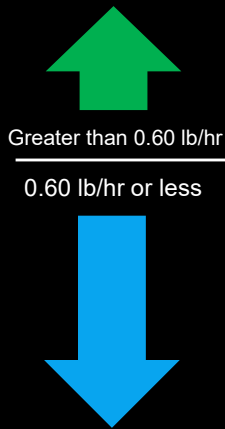
- Facilities with NO_x emissions greater than 0.6 pound per hour (based on cost-effectiveness threshold) are required to meet the following BARCT emission limits:
 - 0.30 pound per hour (represents greater than 93% control efficiency for majority of the facilities evaluated) or
 - 99% control efficiency (requested by a facility as an alternative)



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PR 1159.1 Compliance Pathways

Facility may elect one or more pathways to control NOx emissions (Pathway A) or demonstrate NOx emissions are low (Pathway B or C)



Pathway A – Meet 0.30 lb/hr or 99% Control Efficiency

- January 2026 – submit permit application for new or modified air pollution control device
- January 2029 – operate control device that meets performance standard (demonstrated via a source test; periodic source test once every five years)

Pathway B – Demonstrate Uncontrolled Emissions of 0.60 lb/hr or Less through Source Tests

- January 2026 – conduct one-time source test
 - Test at maximum operating conditions and incorporate such conditions into permit(s)

Pathway C – Demonstrate Low Use through Recording Nitric Acid Usage

- January 2026 – perform recordkeeping to demonstrate usages below thresholds
 - Individual unit: 550 gallons per year; and
 - Facility-wide: 1,650 gallons per year

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Emission Reductions and Cost-Effectiveness

- Seven facilities are expected to install control to reduce NOx emissions
 - Other facilities are low usage/low emissions and controls are not required
- Baseline emission from nitric acid units is 1.12 tons of NOx per day
 - A conservative estimate based on reported usage and all nitric acid reacts to form NOx

Proposed Requirement	Cost-Effectiveness	Emissions Reductions (tons per day of NOx)	Implementation Date
Install APCD (7 facilities)	\$37,300/ton	0.11	January 1, 2029

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Socioeconomic Impact Assessment

- Preliminary cost analysis for implementing PR 1159.1 indicates:
 - Average annual cost of ~ \$2.29 million using a 1% real interest rate or ~ \$2.48 million using a 4% real interest rate over 2025-2052
 - Much of cost is projected to be on larger facilities
 - Maintenance of control devices will incur highest annual cost (56%)
 - 34 jobs foregone, annually on average
- Draft Socioeconomic Impact Assessment will be made available at least 30 days prior to the Public Hearing on December 6, 2024 (subject to change)

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California Environmental Quality Act (CEQA) Assessment

- Physical modifications associated with implementing PR 1159.1 may involve installing air pollution control devices at seven facilities and conducting source tests at 21 facilities
- Construction activities are not expected to cause significant adverse environmental impacts
- PR 1159.1 qualifies for an exemption from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption
- A Notice of Exemption from CEQA will be prepared

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Next Steps

- **No key issues identified**
- **Public Hearing**
December 6, 2024





Regulation XXX and Rule 3002 Background

- Title V facilities are major sources which emit the largest quantities of pollutants as determined by meeting and/or surpassing applicable emission thresholds
- Regulation XXX – Title V Permits, encompasses the permitting process and requirements for Title V Facilities
- Rule 3002 – Requirements, establishes provisions for Title V facilities including obtaining a Title V permit and complying with the conditions of the permit, including:
 - **Emergency Affirmative Defense Provisions:** Can be used to mitigate or prevent emission violation penalties during a qualified emergency provided certain conditions are met
 - **Greenhouse Gas Tailoring Rule Provisions:** Allows use of greenhouse gas emissions for Title V permit applicability

Need for Amendments Due to Court Rulings

To be consistent with U.S. EPA and the U.S. Supreme Court: proposed amendments will remove provisions and references relating to the Emergency Affirmative Defense and Greenhouse Gas Tailoring Rule provisions

- After rulings made by the U.S. Court of Appeals, U.S. EPA removed emergency affirmative defense provisions from Title V permit regulations to ensure the authority of courts to assess civil penalties¹
 - August 2025 deadline for South Coast AQMD to remove provisions
- U.S. Supreme Court ruled that U.S. EPA may not treat greenhouse gases as a pollutant for Title V permit applicability²

¹[HTTPS://WWW.FEDERALREGISTER.GOV/D/2023-15067](https://www.federalregister.gov/d/2023-15067)

²[HTTPS://WWW.EPA.GOV/NSR/CLEAN-AIR-ACT-PERMITTING-GREENHOUSE-GASES](https://www.epa.gov/nsr/clean-air-act-permitting-greenhouse-gases)

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Proposed Amendments to Regulation XXX

Rule 3002 Emergency Affirmative Defense Provisions Changes

- Delete subdivision (g) - Emergency Provisions
- Delete reference to subdivision (g) in paragraph (c)(3)

Rule 3002 Greenhouse Gas Tailoring Rule Changes

- Delete paragraphs (a)(3) and (a)(4)

Rule Language Consistency Changes

- Delete references to emergency affirmative defense and Greenhouse Gas Tailoring Rule provisions in four other Regulation XXX rules

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Impact Assessments

Emission Reductions and Cost

- No emission reductions expected
- No additional costs since Title V permits will be updated during periodic permit renewal or revisions

Socioeconomic Impact Assessment

- Not required because the proposed amendments are administrative

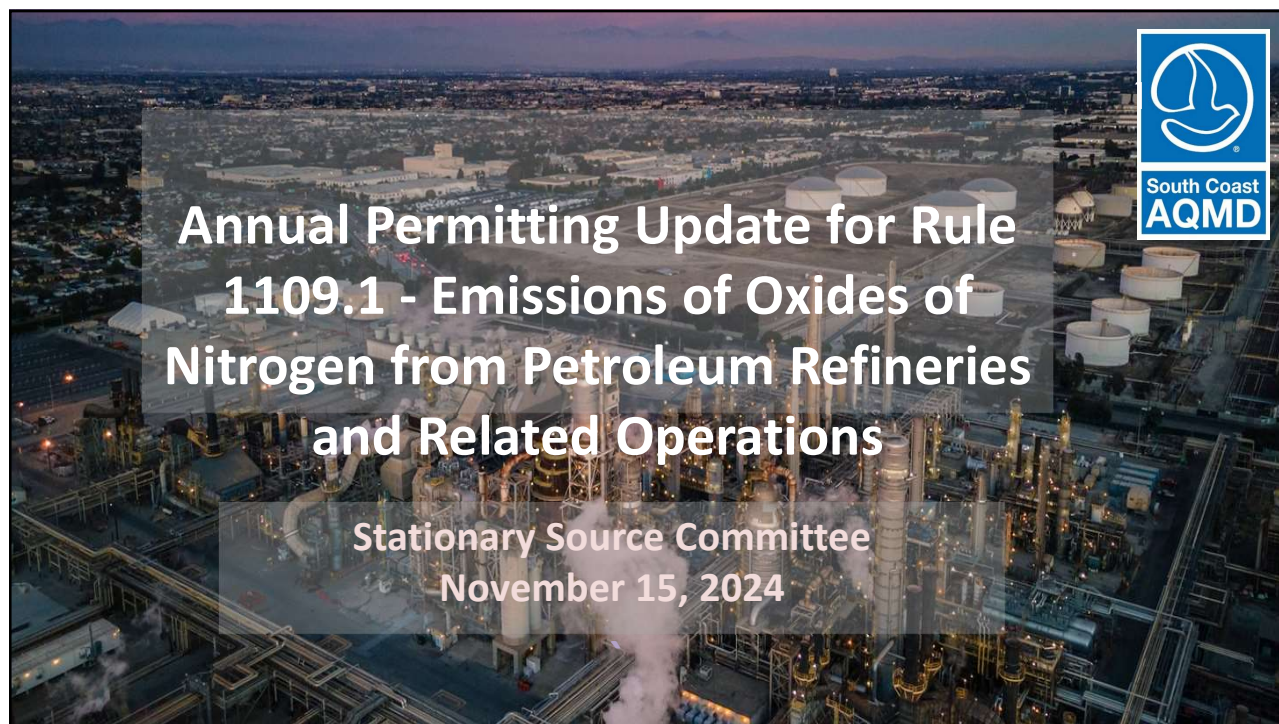
California Environmental Quality Act (CEQA)

- Project qualifies for a CEQA exemption

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Next Steps





Rule 1109.1: NO_x Emissions from Petroleum Refineries and Related Operations

- ▶ Adopted November 5, 2021
- ▶ Established Best Available Retrofit Control Technology (BARCT) NO_x emission limits for nearly 300 pieces of combustion equipment
- ▶ Alternative compliance pathways for facilities with six or more pieces of equipment



Rule 1109.1 Applicability

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9 Petroleum Refineries

- Chevron (El Segundo)
- Marathon (Carson)
- Marathon (Wilmington)
- Marathon – Calciner
- Marathon – Sulfur Recovery Plant
- Phillips 66 (Carson)
- Phillips 66 (Wilmington)
- Torrance Refining Company
- Ultramar (Valero)



3 Small Refineries

Asphalt Plants

- Lunday-Thagard DBA World Oil Refining (LTR)
- Valero Wilmington Asphalt Plant

Biodiesel Refinery

- AltAir Paramount



4 Related Operations

Hydrogen Plants

- Air Liquide Large Industries
- Air Products and Chemicals (Carson & Wilmington)

Sulfuric Acid Plant

- Eco Services Operations

About I-Plans, B-Plans, and B-Caps

- ▶ I-Plan provides a phased implementation schedule and establishes Phase targets
- ▶ Five I-Plan Options
- ▶ B-Plan and B-Cap provides options to achieve BARCT in aggregate
 - ▶ B-Plan is BARCT equivalent concentration plan and allows NOx concentration limits equivalent to BARCT in aggregate
 - ▶ B-Cap is BARCT equivalent Mass Cap and requires a NOx emission limit for each unit
 - ▶ B-Cap requires an additional 10% NOx emission reduction
- ▶ Allows refineries to implement projects within turnaround schedules

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I-Plan Options	Refinery	Permit Appl Submittal Deadline		
		Phase I	Phase II	Phase III
Option 1		80%	100%	
B-Plan Rule Limits	Torrance	Jan 1, 2023	Jan 1, 2031	
	LTR			
Option 2		65%	100%	
B-Plan	Chevron	July 1, 2024	Jan 1, 2030	
Option 3		40%	100%	
B-Plan	Ultramar/ Valero	July 1, 2025	July 1, 2029	
Option 4		50%	80%	100%
B-Cap	Marathon	N/A	Jan 1, 2025	Jan 1, 2028
Option 5		50%	70%	100%
Rule Limits	Phillips 66	Jan 1, 2023	Jan 1, 2025	July 1, 2028

Status of I-Plans, B-Plans, and B-Caps

5

Plan Options	Applications Received	Facilities	Status
I-Plan with Rule limits (Options 1 & 5)	5	Phillips 66 (Wilmington and Carson) and LTR	Issued
I-Plan with B-Plan (Options 1, 2 & 3)	8	Torrance Refining Company, Chevron, Ultramar	6 Issued (2 apps for plan revision pending)
I-Plan with B-Cap (Option 4)	8	Marathon Petroleum Corp.	Issued

▶ WCWLB and SELA AB 617 steering committees notified prior to the issuance of the Plans

▶ All Plans are available on South Coast AQMD website

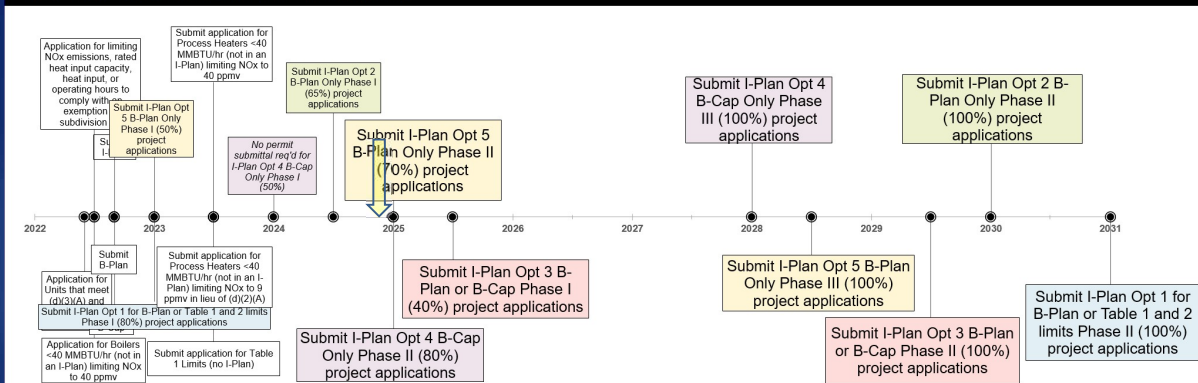


Rule 1109.1 Plans

Overall Timeline of Rule 1109.1 Applications

6

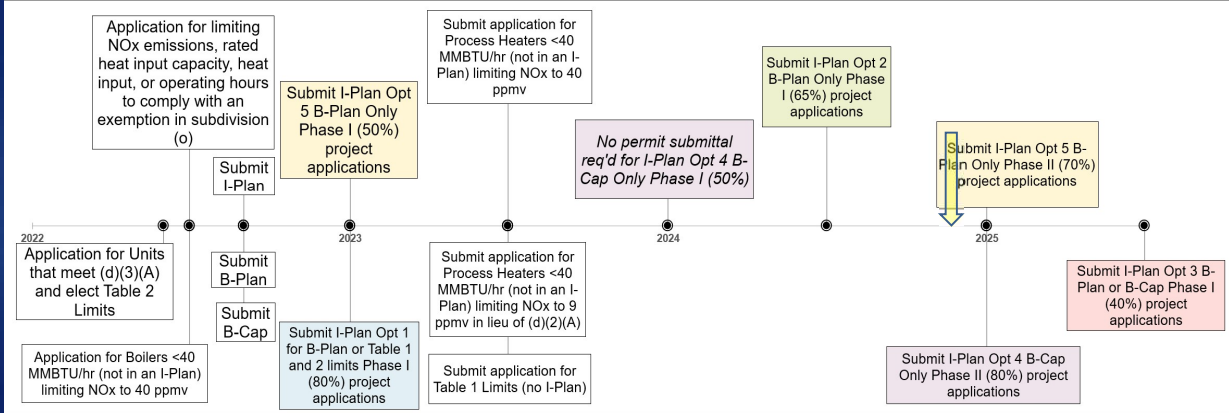
Rule 1109.1 CRITICAL ACTIVITY DEADLINES



Rule 1109.1 Applications Timeline – First 4-Years (2022-2025)

7

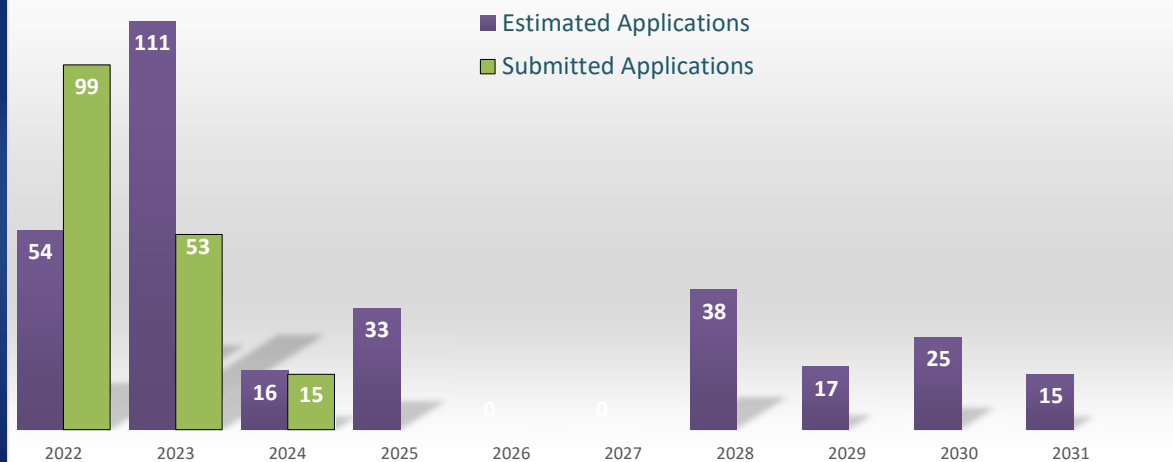
Rule 1109.1 CRITICAL ACTIVITY DEADLINES



Rule 1109.1 Application Count by Year

8

Total No. of Estimated Applications = 309



Permit Application Submittal Summary

Breakdown of submitted applications (cumulative) by type:

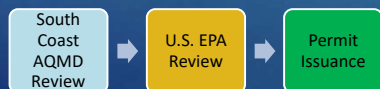
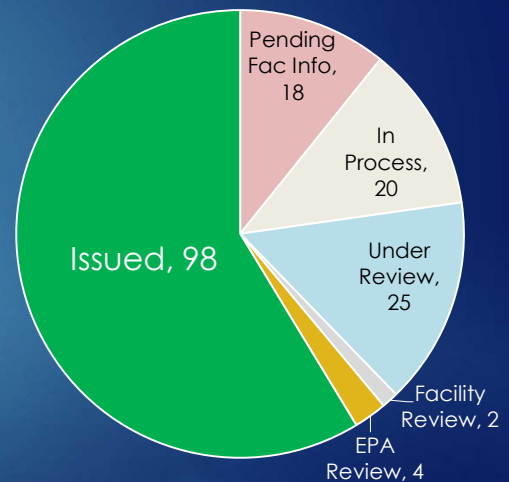
	Q4 2022	Q4 2023	Q4 2024
BARCT Limits	7	21	21
Conditional Limits	37*	29	29
Boilers/Heaters < 40 MMBtu/hr	0	46	46
Exemption Applications	7	7	7
Alternate BARCT Limits	0	9	20
Add Source Test Condition	10	23	23
Plan Applications	11	17	21
<i>B-Plan</i>	3	3	4
<i>B-Cap</i>	1	4	4
<i>I-Plan</i>	7	10	13
Total	72	152	167

*8 of the 37 applications were later reclassified as "Boilers/Heaters <40 MMBtu/hr" that are reflected in Q4-2023 data

Permit Application Processing Summary

▶ Permit application processing status:

	Q4 2022	Q4 2023	Q4 2024
Awaiting Additional Info from Facility	36	0	18
In Process	15	48	20
Under Review	16	37	25
Facility Review	5	8	2
U.S. EPA Review	0	2	4
Issued	0	57	98
Total	72	152	167



NOx Emission Reductions by Facility

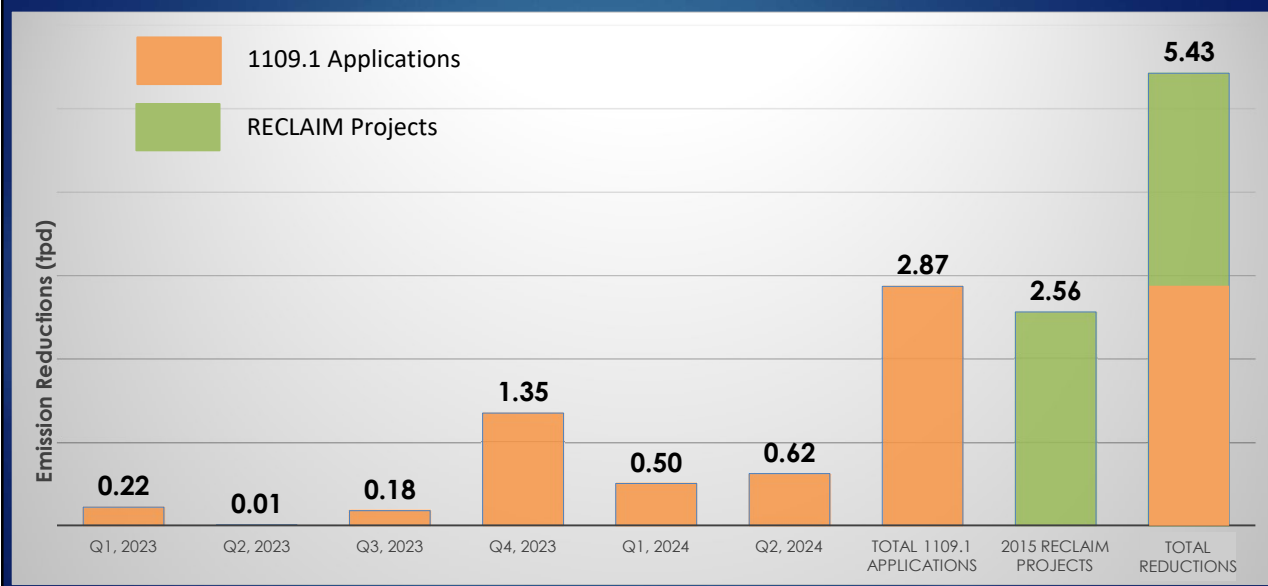
Applications Issued

Facility	NOx Emission Reductions (tpd)
TESORO (800436, 174655, 151798 & 174591)	1.35
LUNDAY-THAGARD (800080)	0.03
CHEVRON (800030)	0.22
ULTRAMAR (800026)	0.00
TORRANCE (181667)	0.62
PHILLIPS 66 (171109 & 171107)	0.66
AIR PRODUCTS (101656 & 3417)**	0.00
Total	2.87

**Air Products Units were already meeting 1109.1 limits and only required a permit limit

Expected NOx Emission Reductions

Applications Issued by Quarter



Streamlining Implementation

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- ▶ Timely processing of Rule 1109.1 applications requires:
 - Complete permit application packages
 - Operators responding quickly to South Coast AQMD requests for additional information
 - Minimizing or eliminating modifications to permit applications (e.g. increase in throughput or firing rate)
 - No modifications that trigger additional regulatory requirements
- ▶ Streamlined permit evaluation and development of templates for applications

Next Steps

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- ▶ Continue processing Rule 1109.1 applications
- ▶ Continue outreach to the refineries to:
 - Communicate mechanisms that can better ensure timely permit processing
 - Focus processing on Rule 1109.1 projects
 - Communicate regulatory requirements and policies
- ▶ Continue to strategically process other projects

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – November 15, 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.

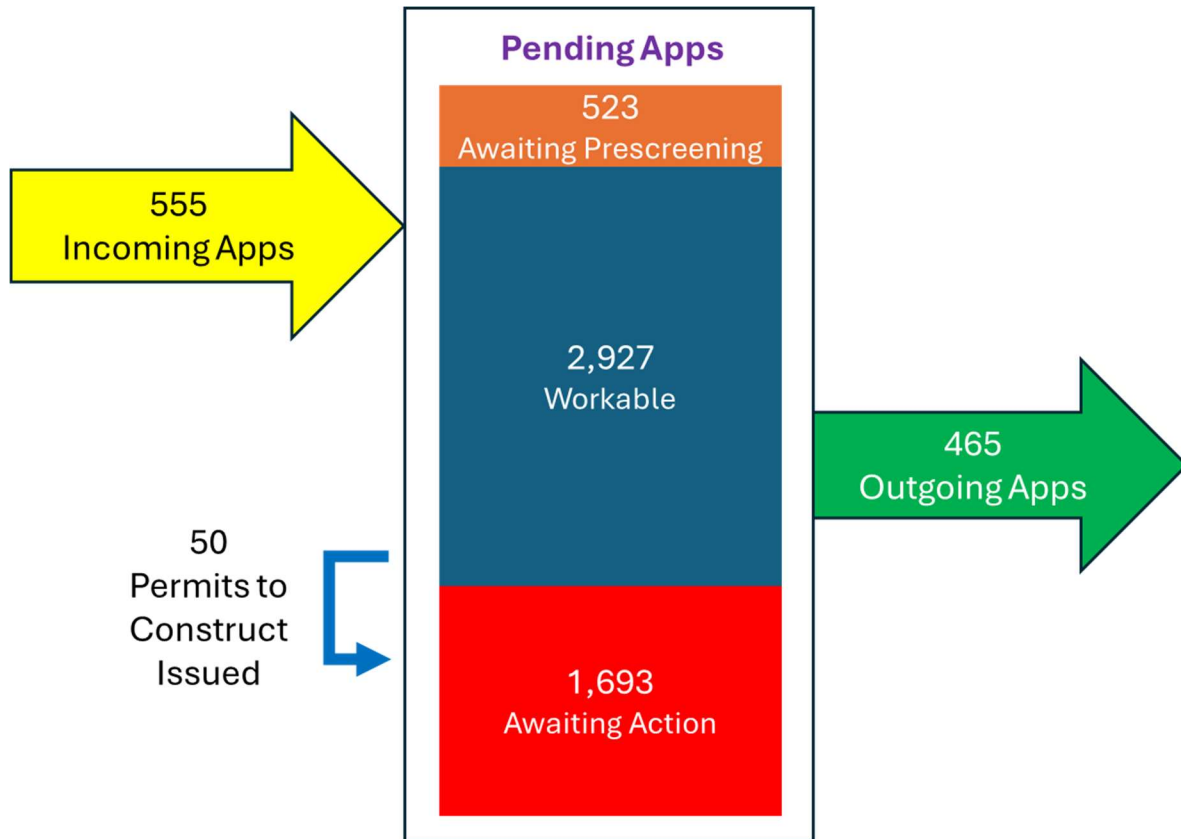


Figure 1: Application Processing Workflow – October 2024

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	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024
Additional Information from Facility	249	220	219	265	286	294
CEQA Completion	34	35	31	32	34	34
Completion of Construction	866	904	935	983	1,015	1,034
Facility Compliance Resolution	22	22	36	36	37	36
Facility Draft Permit Review	86	63	59	74	43	56
Fee Payment Resolution	9	3	4	4	6	5
Other Agency Review	45	15	36	45	37	36
Other Facility Action	7	4	10	10	21	21
Other South Coast AQMD Review	0	0	0	0	0	0
Public Notice Completion	32	35	29	23	24	25
Source Test Completion	120	138	142	137	169	169

Please see Attachment 1 for more information on these categories.

In October, staff continued to complete applications at a rate higher than the targeted month to month average, raising the overall annual average. Since outgoing applications (green

arrow) were less than incoming applications (yellow arrow) this month, the pending application inventory increased. A larger than average number of incoming applications was received in October but were within typical fluctuations, however completions stayed within the typical range. In addition, since May, the inventory of Workable applications has decreased from 3,088 to 2,927.

The inventory of Awaiting Action applications has recently increased. Most of the Awaiting Action applications have a Completion of Construction status. From March to October, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,034, including 50 Permits to Construct issued in October. 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 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 488 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.

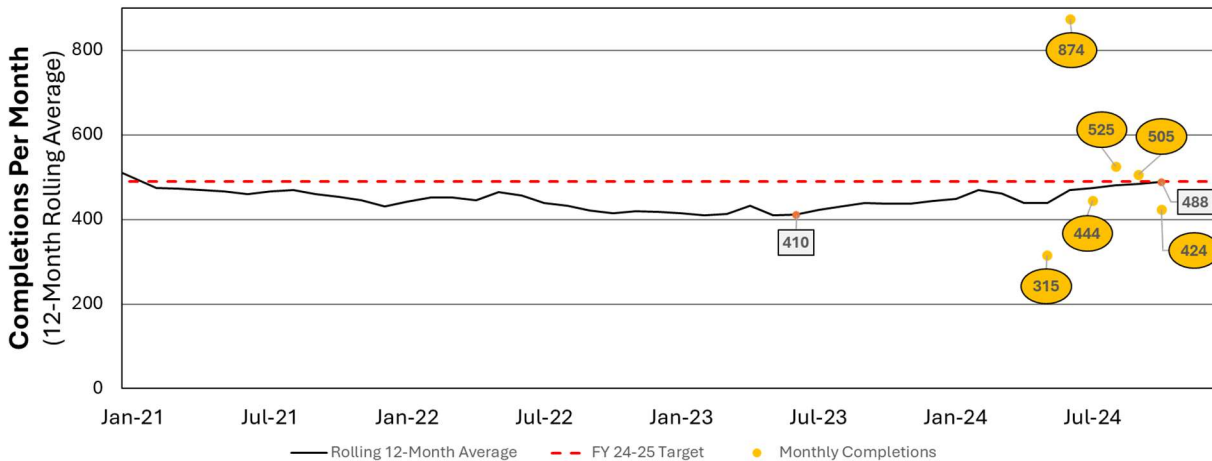


Figure 2: Application Completions - Rolling 12-Month Average and Recent Six Months

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 increased from 9.7% to 10.2% due to a separation. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. There is currently an open recruitment for AQ Engineers, and hiring is targeted for the first quarter of 2025 which will reduce the vacancy rate.

Key Activities in October

- Permitting Working Group held October 25, covering the updated Health Risk Assessment (HRA) Tool and Rule 317.1 Exclusion Plan Process
- Staff released the HRA Tool which is one of the modernization tools developed under PEP. The new HRA is posted on the South Coast AQMD website.

Upcoming Meetings:

- Permit Streamlining Task Force – December 2025.
- Staff is targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. Staff has reached 33% 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.

November 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.

- RECLAIM/NSR Working Group meeting is not planned for November
- 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 (10/01/2024 - 10/31/2024)

Total Penalties

Civil Settlement: \$351,681.00
Hearing Board Settlement: \$2,600.00
MSPAP Settlement: \$227,205.41

Total Cash Settlements: \$581,486.41

Total SEP Value: \$0.00

Fiscal Year through 10/31/2024 Cash Total: \$2,962,061.10

Fiscal Year through 10/31/2024 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
6842	ANGELUS PLATING WKS	1469	10/15/2024	EC	P77554, P77569	\$1,200.00
176788	BIMBO BAKERIES USA INC	203, 430	10/15/2024	KCM	P75628	\$2,425.00
169553	CIRCLE K STORES INC (#2709479)	461	10/15/2024	EC	P69890, P70189	\$2,100.00
201721	CRANE WORLDWIDE LOGISTICS	2305	10/15/2024	JL	O15025	\$5,000.00
197983	CRICKET TRANSPORTATION	13 CCR 2485	10/22/2024	CL	P76256	\$1,533.00
197841	DISTRIBUTION ALTERNATIVES INC	2305	10/02/2024	JL	O15036, O15037, O15038	\$33,000.00
109659	EXCEL PAVING CO INC	403	10/29/2024	CM	P73712	\$2,800.00
201740	HOME DEPOT	2305	10/23/2024	ND	O15094	\$28,600.00
122690	HUNTER	203, 463	10/04/2024	SH	P74374	\$3,500.00
157611	ICP CONSTRUCTION INC	1168	10/16/2024	ND	P74927	\$4,836.00
201417	KOMAR DISTRIBUTION SERVICES	2305	10/04/2024	RM	O15074	\$5,000.00
186044	LEONARD 1&2 LLC	203, 222, 463, 1148.1, 1173	10/04/2024	RM	P73307, P79652	\$61,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
201065	LX PANTOS	2305	10/15/2024	ND	O15063, O15066, SRV2022-00048, SRV2024-00049	\$58,700.00
198627	METROPOLITAN MANAGEMENT COMPANY	1403, 40 CFR 61.145	10/08/2024	KCM	P76126	\$1,800.00
800408	NORTHROP GRUMMAN SYSTEMS	1146.1, 2004, 2012, 3002	10/15/2024	JL	P68310, P68322, P68670, P68671, P68676, P79454	\$6,500.00
195925	OLYMPUS TERMINALS LLC	462, 1178, 3002	10/11/2024	DH	P74541, P80717	\$16,560.00
195241	PACIFICA SENIOR LIVING MENIFEE	203, 222	10/15/2024	ND	P74193, P75401	\$3,627.00
200483	PHILADELPHIA	2305	10/02/2024	ND	O15057	\$2,500.00
201760	REYES COLA	2305	10/02/2024	ND	O15055	\$2,500.00
800128	SO CAL GAS CO	17 CCR 95669	10/02/2024	JL	P73284, P73347, P74531, P74544, P80656	\$50,400.00
191698	SYNERGY OIL & GAS LLC	203, 1173	10/23/2024	JL	P80724	\$16,300.00
195728	THE HOME DEPOT IRWINDALE CA FDC	2305	10/22/2024	DH	O15024	\$41,800.00
Total Civil Settlements: \$351,681.00						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	10/23/2024	KER	6143-4	\$2,600.00
Total Hearing Board Settlements: \$2,600.00						
MSPAP						
178160	MANSHADI INVESTMENT LLC (DBA "LOS FELIZ C")	461, H&S 41960.2	10/25/2024	VB	P79069	\$4,517.00
177401	19TH STREET AFFORDABLE LP	203	10/11/2024	CR	P77823	\$4,036.00
194554	301 LAKE OFFICE LLC	1146.1, 1415	10/04/2024	VB	P78019	\$2,913.00
197675	7 ELEVEN INC (#43066)	461, H&S 41960.2	10/25/2024	CR	P80917	\$1,437.00
186582	700 SOUTH VERMONT CORP	203, 461, H&S 41960.2	10/11/2024	CL	P80910	\$3,228.00
202108	8234 BLACKBURN LLC	1403	10/04/2024	CL	P75877	\$3,027.00
167441	A & E FUELS INC	461	10/11/2024	CR	P70188	\$1,513.00
147056	A AND B CENTRAL INC (DBA "ANDY'S SHELL")	461	10/25/2024	VB	P80936	\$1,349.00
183967	AAA OIL INC (DBA "CALIFORNIA FUELS & LUBR")	203, 461, 461.1	10/17/2024	CL	P77612	\$4,098.00
111492	AARN INC (DBA "H. TOROSIAN # 2")	461, H&S 41960.2	10/11/2024	VB	P70075	\$6,000.00
83039	AIRPORT ARCO	203, 461	10/17/2024	CR	P74815	\$2,115.00
195637	ALABBASI	403	10/11/2024	CM	P73917	\$4,792.00
183079	AMJ OIL INC	461	10/04/2024	CM	P80558, P80570	\$6,982.00
176756	AMK INVESTMENT PROPERTY LLC	461	10/11/2024	CM	P80949	\$2,018.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
138068	ANGELES NATIONAL GOLF CLUB	203, 461	10/04/2024	CM	P75962	\$529.00
135273	ARCHER DANIELS MIDLAND COMPANY	1146.1	10/11/2024	VB	P74666	\$1,513.00
32847	ARROYO CAR WASH CORP	461	10/25/2024	VB	P80927	\$2,514.00
145743	AZUSA MOBIL MART & CAR WASH	203, 461	10/25/2024	VB	P66027	\$1,209.00
188335	BANDINI TRUCK STOP CENTER INC	461	10/04/2024	CM	P80903	\$3,027.00
203334	BIG D CONSTRUCTION	403	10/04/2024	VB	P79330	\$2,018.00
22568	BRENTWOOD ORIGINALS INC	203	10/17/2024	CM	P69921	\$10,090.00
1824	BUDDY BAR CASTING	203	10/11/2024	CL	P80409	\$1,209.00
171285	C T PROPANE 2	461	10/04/2024	CR	P75452	\$1,813.00
29724	CP CONSTRUCTION CO INC	461	10/11/2024	VB	P78459	\$2,218.00
199702	CA COLLISION	201	10/11/2024	VB	P76549	\$937.00
86101	CAMINO REAL FOODS INC	203, 1146.1	10/04/2024	VB	P74904	\$7,026.00
104307	CHANDLER AGGREGATES INC	203	10/17/2024	CR	P75402	\$807.00
169551	CIRCLE K STORES INC (#2709468)	461	10/04/2024	CM	P80955	\$1,513.00
180137	CLENET CLEANERS	203, 1102	10/04/2024	CL	P78556	\$4,800.00
139763	COMILLA CORP	461	10/04/2024	CL	P70230, P70804, P74825	\$1,663.00
177249	CSDS LIMITED	203, 461	10/04/2024	SW	P79359	\$3,027.00
200827	DANNY NAVARRO REAL ESTATE GROUP	1403	10/17/2024	CM	P78610	\$3,023.00
127393	DECRA ROOFING SYSTEMS INC	1147	10/04/2024	CL	P75404	\$2,277.00
171476	DUARTE UNIVERSAL INC	461	10/25/2024	SW	P80948	\$2,297.00
105761	DUKE SERVICE CENTER	461, H&S 41960	10/04/2024	CM	P74813	\$1,500.00
189454	EL SEGUNDO CHEVRON	461	10/25/2024	SW	P80620	\$4,049.91
136202	EPSILON PLASTICS INC	3002	10/11/2024	CL	P75303	\$2,305.00
197223	FONTANA ARCO	201	10/04/2024	CL	P76172	\$971.00
110173	G & M OIL CO LLC (#52)	203, 461	10/17/2024	CM	P80202	\$1,059.00
192082	G&M OIL CO (#177)	461, H&S 41960.2	10/17/2024	CM	P74671	\$1,588.00
154515	GALAXY FIRESTONE 76, GALAXY OIL CO.	461	10/17/2024	VB	P79377	\$1,556.00
178714	GALLERY BUILDERS INC	403	10/04/2024	CM	P79329	\$5,242.00
3153	GOLDEN STATE FOODS CORP	1146	10/25/2024	VB	P73233	\$2,647.00
198942	GRIFFITH COMPANY	403	10/11/2024	VB	P74470	\$1,942.00
194405	GTP TOWERS V LLC	203	10/11/2024	SW	P79214	\$1,009.00
110560	HIDDEN VALLEY GOLF CLUB LLC	203, 461	10/04/2024	VB	P74190	\$7,413.00
134018	INDUSTRIAL CONTAINER SERVICES CA LLC	3002	10/04/2024	CL	P62775, P62780, P63945, P74874, P75982	\$8,463.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
189555	J&P OIL COMPANY INC	461	10/11/2024	VB	P79608	\$1,631.00
151835	JADE RANGE LLC	203	10/11/2024	SW	P80264	\$2,218.00
196071	JB CONTRACTORS INC	403	10/04/2024	CM	P75958	\$1,715.00
193598	JET CENTER	203	10/17/2024	CM	P74140	\$958.00
46581	JUAN'S BODY SHOP	1151	10/04/2024	CL	P74483	\$1,662.00
175454	KALEIDOSCOPE MISSION VIEJO	203	10/25/2024	CR	P80154	\$1,009.00
20197	LAC/USC MEDICAL CENTER	461	10/11/2024	VB	P75981	\$526.00
182655	LHSW, INC DBA ARROYO SHELL	461	10/04/2024	CM	P80921	\$2,418.00
169220	LONG BEACH WILLOW INC	461	10/04/2024	CM	P79363	\$5,984.00
195581	MAGIC WITH 786	461, H&S 41960.2	10/04/2024	CR	P80914	\$1,210.00
175268	MALTY CHEVRON (MALTY INT'L GROUP INC)	203	10/04/2024	CM	P79368	\$1,800.00
195687	MERITAGE HOMES	403	10/17/2024	CM	P73919	\$4,036.00
104004	MICROMETALS INC	3002	10/04/2024	CL	P79212	\$1,209.00
146300	MJM VALLEJO MINI MKT INC (DBA "ARCO #82442")	203	10/25/2024	VB	P74809	\$1,027.00
180105	MY GOODS MARKET (#5706)	461	10/04/2024	CM	P80946	\$2,012.00
177227	NEWPORT BEACH CARWASH	461, H&S 41960.2	10/17/2024	CL	P79354	\$2,561.00
156737	PARAMOUNT OIL INC	461, H&S 41960.2	10/11/2024	VB	P79375	\$1,588.00
162473	PARAMOUNT PICTURES	1403, 40 CFR 61.145	10/17/2024	SW	P78615	\$1,663.50
140552	PERFORMANCE COMPOSITES INC	3002	10/04/2024	VB	P75330	\$4,594.00
8916	PLACENTIA CITY CORPORATE YARD	461	10/04/2024	VB	P69796	\$953.00
199885	QUEVEDO ALEJANDRO	1403	10/25/2024	SW	P79156	\$8,735.00
11301	SAN BERNARDINO CITY MUN WATER DEPT	201, 203	10/11/2024	CR	P72949	\$2,018.00
158341	SHAATH & OUDEH GROUP INC	201	10/04/2024	VB	P73139	\$995.00
182985	SIGNAL HILL PETROLEUM INC	203, 463, 1148.1	10/17/2024	CL	P75685	\$5,598.00
1334	SOC CO PLASTIC COATING CO	1147	10/25/2024	VB	P78910	\$2,772.00
147779	SONDH INVESTMENT INC	461	10/11/2024	CM	P80204	\$1,588.00
194885	SPEEDWAY (# 4514 (USA))	461, H&S 41960.2	10/04/2024	CM	P80908	\$1,513.00
153338	STEWART FAMILY INC (DBA "SAN JUAN SHELL")	461	10/04/2024	CL	P69884	\$1,023.00
187136	STUDIO MANAGEMENT SERVICES INC	222	10/04/2024	CM	P76283	\$4,836.00
180588	SUNSTATE EQUIPMENT CO LLC	203	10/17/2024	VB	P74662	\$1,109.00
204623	TRAN'S GROUP INC	203	10/25/2024	SW	P74877	\$1,009.00
197716	TRIPOINTE HOMES	403	10/04/2024	VB	P79215	\$2,418.00
194122	UP2 (#0257)	461, H&S 41960	10/11/2024	VB	P74814	\$1,513.00
126383	VALLEY BETH SHALOM	1403	10/04/2024	VB	P75264	\$1,816.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
194664	VEER SERVICE PARTNERS INC	461, H&S 41960.2	10/11/2024	CM	P80941	\$4,050.00
139543	WOODSIDE VILLAGE CLEANERS	203, 1102	10/04/2024	CM	P73226	\$1,715.00
86119	YMCA OF METROPOLITAN LA	203	10/04/2024	VB	P75996	\$1,593.00
52142	YOLANDAS PLATING	1426	10/04/2024	CL	P76130	\$850.00
Total MSPAP Settlements: \$227,205.41						

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FOR OCTOBER 2024 PENALTY REPORT**

REGULATION II - PERMITS

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

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust
- Rule 430 Breakdown Provisions
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 461.1 Gasoline Transfer and Dispensing for Mobile Fueling Operations
- Rule 462 Organic Liquid Loading
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1102 Petroleum Solvent Dry Cleaners
- 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 1147 NOx Reductions from Miscellaneous Sources
- 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 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 1426 Emissions from Metal Finishing Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 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

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

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

CALIFORNIA CODE OF REGULATIONS

- 13 CCR 2485 Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling
- 17 CCR 95669 Leak Detection and Repair