

BOARD MEETING DATE: September 7, 2018

AGENDA NO. 24

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, July 20, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben Benoit, Chair  
Stationary Source Committee

LT:eb

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### **Committee Members**

Present: Mayor Ben Benoit/Chair (videoconference), Dr. Joseph Lyou/Vice Chair, Mayor Pro Tem Judith Mitchell, Supervisor Shawn Nelson (videoconference), Supervisor Janice Rutherford (videoconference) and Supervisor Hilda L. Solis (videoconference)

### **Call to Order**

Chair Benoit called the meeting to order at 10:35 a.m.

### **INFORMATIONAL ITEMS:**

- 1. Update on Proposed Amended Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations**  
Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, presented an update on Proposed Amended Rule (PAR) 1469. Mayor Pro Tem Mitchell asked about the status and timeline for recertification of fume suppressants. Ms. Nakamura responded that staff is working toward conducting emissions testing to determine the level of fume suppressants coming from the tank, and then staff will work with CARB to review available data to decide whether or not to recertify. This analysis will be completed by 2020 and facilities would have until 2021 to add air pollution controls, if chemical fume suppressants are not recertified.

Dr. Lyou stated that air monitoring is important for ensuring regulatory compliance for hexavalent chromium sources and identifying additional sources of hexavalent chromium. Dr. Lyou requested that staff address the monitoring requirements in PAR 1469 and other ongoing monitoring activities conducted by SCAQMD staff. Ms. Nakamura summarized the PAR 1469 requirements pertaining to parameter monitoring and noted that ambient monitoring is not proposed in PAR 1469, however; Proposed Rule 1480 will address ambient air monitoring for this industry and other facilities emitting toxics. Dr. Lyou also inquired about whether there is a commitment from staff to conduct ambient monitoring in communities other than those currently monitored that have potential sources of chrome plating or other metal processing related emissions. Mr. Wayne Nastri, Executive Officer, responded that part of the continued ambient air monitoring efforts will be conducted through the AB 617 process.

Dr. Lyou asked about the enforcement of certain provisions, for example, the requirement to close a door after two hours. Ms. Nakamura, responded that this can be based on observation from compliance staff. Ms. Nakamura also mentioned that the requirement to close doors after a period of time was requested by the Stationary Source Committee. Dr. Lyou requested clarification on changes made since the set hearing. Ms. Nakamura clarified that slides 5 through 7 of the presentation highlighted the changes since the set hearing.

Supervisor Solis inquired about community concerns related to schools and requested that staff provide an overview of how these concerns have been addressed. Ms. Nakamura summarized the changes specific to schools such as the modification to the definition of schools to include early education centers and the addition of a provision that requires facilities within 1,000 feet of a school to close openings that face the school. Supervisor Solis also requested an additional round of community meetings to inform community members about the impacts from these facilities and what the proposed rule will achieve. Staff stated that an additional community meeting could be held in August.

Supervisor Solis also asked staff for ideas on addressing economic impacts to small facilities. Ms. Nakamura added that staff is committed to seeking funding for capital costs to comply with the proposed amended rule but is concerned about the operation and maintenance costs for smaller facilities. Mr. Nastri added that there is potential funding from AB 617 funds.

Wesley Turnbow, Metal Finishing Association of Southern California (MFASC) stated that they have reached a compromise on rule language. Outstanding concerns include the socioeconomic assessment and significant costs to small businesses, leading to loss of jobs and shop closures.

Brian Leiker, MFASC, expressed concern about the costs of PAR 1469 to facilities that could put up to 40 percent of companies out of business, and make it hard for businesses to compete.

Florence Garibian recommended that SCAQMD work with the community and expressed concern about the toxicity of chromium 6.

Curt Coleman, Southern California Air Quality Alliance, thanked staff for addressing Boeing's concerns.

Sam Bell, Metal Surfaces, Inc., requested a de minimis usage for hexavalent chromium containing tanks and requested a delay until OEHHA can re-evaluate the toxicity of hexavalent chromium.

Alan Olick, Brite Plating/General Plating, commented that plating businesses will close due to cost of compliance with the proposed rule provisions and that staff's estimated source test costs do not include the production downtime required while source tests are conducted.

Robina Suwol, California Safe Schools, appreciated that staff revised the definition of school to include early education programs; however, was concerned about the portion of the definition that states "does not include unimproved school property." Ms. Suwol also requested additional community outreach.

Bill LaMarr, California Small Business Alliance, commented about job losses associated with PAR 1469 and the inadequacy of the REMI analysis. Mr. LaMarr also commented that the Abt report recommended that the SCAQMD expand its small business impacts analysis in its socioeconomic assessments. He requested a delay in the public hearing.

Charles Bell, Metal Surfaces Inc, commented that it is premature to take the rule to the Board for consideration in September and recommended that the hearing be extended 30 or 60 days. Financial impacts should be spread out over a shorter time period for the analysis.

Felipe Aguirre, a resident of Maywood, expressed concern about hexavalent chromium platers in the community of Maywood and near schools.

Vince Grana, Cal Electroplating, expressed concerns about additional regulatory impacts to business.

Ed Appleton, Metal Finishing Marketers, stated concerns about complying with requirements that are beyond the control of the facility.

Jane Williams, California Communities Against Toxics, commented that PAR 1469 does not address concerns that were stated early in the rule development process. Hexavalent chromium will be proposed to be banned in Sweden, but will continue to be used locally. Also, a significant number of facilities are within 1,000 feet of a school.

Patrick King, Morrell's, commented that the industry is very concerned about the economic impacts of the rule, especially if fume suppressants can no longer be used because small businesses will be most affected. He asked that the public hearing be delayed.

Dan Zinman, Metals Finishing Association, commented that the industry is concerned about both health impacts and business impacts.

Ms. Nakamura provided the following in response to public comments:

- PAR 1469 does not have a de-minimis level. Adding a de minimis level would be inconsistent with the federal NESHAP and the State Airborne Toxic Control Measure (ATCM)
- There are provisions in PAR 1469 that allow low-use tanks (lower amp-hours) to have fewer requirements such as the source test schedule.
- Staff modified the source test schedule from once every two years to once every three years, and to once every five years and once every seven years for low amp-hour tanks.
- The delay for the State Water Board's rulemaking for establishing hexavalent chromium levels in water was not due to issues with the toxicity of hexavalent chromium. The delay was due to the lack of an economic analysis for the proposed regulation.
- The definition of school was existing rule language. Staff is concerned about a potential noticing issue if the definition of school is modified.
- Staff worked with Stu Sessions, an economist representing the MFASC, on the socioeconomic impact analysis and shared all of the base cost assumptions. Staff and Mr. Sessions were generally in agreement with base cost assumptions. MFASC requested that SCAQMD staff share the detailed cost information, which is being prepared and will be provided.

- The rule has a commitment to evaluate fume suppressants. If recertification does not occur, facilities would be required to use add-on controls.

Dr. Phillip Fine, Deputy Executive Officer/Planning Rule Development and Area Sources, commented that currently there is no prohibition against using a perfluorooctane sulfonate (PFOS) alternative chemical fume suppressant. Dr. Fine added that the rule allows the chemical to be phased out unless it can be shown to be safe in this application. Ms. Nakamura commented that banning the chemical fume suppressant would leave the tanks completely uncontrolled. Time is needed to test the chemical fume suppressants and for facilities to install add-on air pollutions, if necessary.

Mayor Pro Tem Mitchell requested that staff address the requests of commenters for additional time to review the socioeconomic assessment. Ms. Nakamura responded that the socioeconomic assessment was released a month before the normal 30-day review period. Ms. Nakamura also stated staff's concerns with delaying the proposed amended rule as this would result in a delay for installation of add-on air pollution controls for facilities that have high chrome emitting tanks, requirements for building enclosures, and periodic source testing.

Mayor Pro Tem Mitchell asked who would be most impacted by PAR 1469, if a phase in period for small businesses was considered. Ms. Nakamura responded that most of the cost for small businesses occur if we cannot certify the chemical fume suppressants because they will need to install add-on controls, and that staff will seek additional funding. Ms. Nakamura commented that staff has reached out to CARB to look at options. Mr. Nastri commented that there is time, if needed, to revisit the requirements.

Dr. Lyou expressed concern about hexavalent chromium and the need to consider alternatives. He added that if facilities use something other than hexavalent chromium then they do not have a PFOS/PFOA (perfluorooctanoic acid) concern. Mr. Nastri responded that staff has met with the Department of Defense (DOD), but DOD said that it would take time to review. Ms. Nakamura commented that in the Board Resolution, staff will include a commitment for a technology assessment of phasing out hexavalent chromium. Ms. Nakamura added that staff has interviewed facilities that have switched to trivalent chromium and it is not an easy process. She also stated that some facilities outsource work to perform the hexavalent chromium plating.

Supervisor Solis commented that the definition of school is not clear. She expressed concern that parks where children go may be located within close proximity to a school, therefore, staff should be careful in how a school is defined. Ms. Nakamura responded that the definition for sensitive receptor includes schools, hospitals, and other land uses. Supervisor Solis asked if the definition of sensitive receptor

includes parks because in some areas children heavily utilize parks. Ms. Nakamura responded that sensitive receptors does not include parks. Supervisor Solis asked if considering parks as a sensitive receptor is something that can be considered. Ms. Nakamura expressed concern that if a substantial change is made to the rule the noticing requirements could be retriggered. Supervisor Solis added that many times school districts utilize parks for school activities and that she is eager to hear from SCAQMD legal counsel.

## **2. Proposed Amendments to Rules 2001 -Applicability and 2002 -Allocations for NO<sub>x</sub> and SO<sub>x</sub>**

Tracy Goss, Manager/ Planning, Rule Development and Area Sources, provided a summary of the proposed amendments which will include an opt-out provision to allow facilities that meet specified criteria to exit RECLAIM. He also summarized provisions that would allow a RECLAIM facility that receives an initial notification to stay in RECLAIM for a limited amount of time while the SCAQMD continues to resolve New Source Review (NSR) and permitting issues associated with transitioning to a command-and-control regulatory structure.

Dr. Lyou commented that with SB 288 (“Protect California Act of 2003”) and NSR, state legislation would have to be involved. Mr. Goss replied that RECLAIM NSR is based on actual emissions and Regulation XIII is based on potential to emit. He further stated that the NSR issues do not involve relaxations but relate to the ability of facilities’ to obtain offsets without exceeding the CEQA thresholds of Rule 1315. Dr. Fine stated that the SCAQMD is delaying the exit of some facilities that would like to stay in RECLAIM for purposes of NSR.

Dr. Lyou inquired about the “limited time” statement and said it appears that this is tied to NSR. He asked what the SCAQMD is expecting U.S. EPA to do and how the District will avoid having a facility remain in RECLAIM forever. Ms. Nakamura explained that as facilities exit RECLAIM they will need offsets for new and modified sources. She also stated that ERCs in the open market are scarce and that there is concern about the exited facilities finding offsets in the open market. One option is to use offsets from the internal bank, but U.S. EPA would have to approve that approach.

Barbara Baird, Chief Deputy Counsel, addressed the question of requiring state law to be amended in order to amend NSR rules. She stated that SB 288 prohibits districts in California from amending their state NSR rules to be less stringent than they were on December 30, 2002. She said that the offset provision is one that can be amended as long as on a programmatic basis it retains equivalency to what it was in place in 2002. SB 288 has other requirements that have to be maintained on a source specific basis but offsets is not one of those requirements. She continued by saying it is less likely that the new proposed amendments would require a change in state law, but at this point it is uncertain if they will. The District will have a better

chance of not requiring a change because it is looking at offsets as opposed to looking at individual requirements. Dr. Laki Tisopulos, Deputy Executive Officer/Engineering and Permitting, commented that the methods for calculating emissions are different for Regulation XIII and RECLAIM. He said that there needs to be a mechanism that translates one program to the other. Wayne Nastri, Executive Officer, commented that the District is asking for a hold on the NSR issue and that U.S. EPA has agreed since options are still being discussed. Mr. Nastri added that if there is concern about the time that a facility will remain in RECLAIM, the District will report back on the progress of the NSR discussions.

Dr. Lyou expressed concerns about large facilities remaining in RECLAIM and not controlling their emissions to a Best Available Retrofit Control Technology (BARCT) level due to delays in transitioning facilities out. Dr. Fine explained that the plan is to continue to move forward and that facilities are still subject to BARCT implementation schedules whether they are in or out of RECLAIM. He added that facilities may want to stay in RECLAIM while NSR is resolved and this would still allow the District to progress with BARCT implementation. Mr. Goss further commented that if a facility remains in RECLAIM and a BARCT rule is adopted, the facility will still have to comply with the adopted applicable BARCT rule. Dr. Fine said that this was done during the power crisis and Ms. Nakamura added that it was done in Rule 2009.

Kahlil Kochiyama, a Torrance resident and student at the University of California, Santa Barbara (UCSB), expressed appreciation for the SCAQMD and encouraged staff to be mindful of communities' health during the rule development process on NOx emissions. He spoke about his experience with asthma and breathing problems as a child and growing up a half-mile from a refinery and inhaling the fumes. While a student at UCSB, he learned about the health impacts of pollutants from refineries that threaten populations. He supports strong regulations.

David Pettit of the Natural Resources Defense Council (NRDC) commented on the NSR issue stating that it is a highly technical issue that brings up a lot of concern. He believes that there is a solution for satisfying environmental communities, staff, and U.S. EPA that will allow the SCAQMD to move forward with the sunset of RECLAIM.

Frances Keeler of Clyde & Co stated that the package was released today and there was not ample time to review the rule language, making it difficult to give input. She would like to have time to review, in order to give input on the proposals.

Mr. Goss replied that the comment period ending on August 23, 2018, following the public workshop, will allow for the District to address comments. Ms. Nakamura explained that staff would typically present to the Stationary Source Committee two months before the public hearing, but because the Board is dark in August, this item

is being presented three months before the public hearing. In addition, the draft preliminary language is being released three months before the public hearing. She added that staff can return to the Stationary Source Committee the month before the public hearing to give stakeholders time to review and comment on the proposed amended rule. She noted that the same applies to Rule 1135, which is also being heard in October. Mayor Pro Tem Mitchell, suggested that the rule be revisited at the September Stationary Source Committee meeting.

**3. Update on the 2016 AQMP Control Measures for Underfired Charbroilers and Commercial Cooking Equipment**

Due to time constraints, this item was deferred to the next Stationary Source Committee meeting.

**4. Summary of Proposed Amended Rule (PAR) 1135 – Emissions of Oxides of Nitrogen from Electric Power Generating Systems**

Due to time constraints, this item was deferred to the next Stationary Source Committee meeting.

**5. Status Report on Reg. XIII – New Source Review**

Due to time constraints, this item was deferred to the next Stationary Source Committee meeting.

**WRITTEN REPORTS:**

**6. Notice of Violation Penalty Summary**

The report was acknowledged by the Committee.

**7. Twelve-month and Three-month Rolling Price of 2017 and 2018 Compliance Years RTCs**

The report was acknowledged by the Committee.

**8. Home Rule Advisory Group – Bi-Monthly Report for May 2018**

The report was acknowledged by the Committee.

**OTHER MATTERS:**

**9. Other Business**

There was no other business.

**10. Public Comment Period**

There were no public comments.



**11. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, August 17, 2018.

**Adjournment**

The meeting was adjourned at 12:00 p.m.

**Attachments**

1. Attendance Record
2. Notice of Violation Penalty Summary
3. Twelve-month and Three-month Rolling Price of 2017 and 2018 Compliance Years RTCs
4. Home Rule Advisory Group – Bi-Monthly Report for May 2018

**ATTACHMENT 1**

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

**Attendance – July 20, 2018**

Mayor Ben Benoit (videoconference) .....	SCAQMD Governing Board
Dr. Joseph Lyou.....	SCAQMD Governing Board
Mayor Pro Tem Judith Mitchell .....	SCAQMD Governing Board
Supervisor Shawn Nelson (videoconference) .....	SCAQMD Governing Board
Supervisor Janice Rutherford (videoconference) .....	SCAQMD Governing Board
Supervisor Hilda L. Solis (videoconference) .....	SCAQMD Governing Board
Ed Appleton.....	Metal Finishing Marketers
Monica Embrey .....	Sierra Club
Vince Grana.....	Cal Electroplating/MFASC
Tom Gross .....	SCE
Pat King .....	Morrell's Electro Plating
Kahlil Kochiyama.....	Community Member
Bill LaMarr.....	CSBA
Rita Loof.....	RadTech
Norberto Mariscal.....	Metal Finishing Marketers
Krishna Nand.....	Environmental Management Professionals
John Podlenski.....	Pod Technologies
Susan Stark .....	Andeavor
Brian Ward .....	AAA Plating/MFASC
Peter Whittingham.....	WPAA
Barbara Baird.....	SCAQMD staff
Marian Coleman .....	SCAQMD staff
Amir Dejbakhsh.....	SCAQMD staff
Philip Fine .....	SCAQMD staff
Bayron Gilchrist .....	SCAQMD staff
Tracy Goss.....	SCAQMD staff
Susan Nakamura.....	SCAQMD staff
Wayne Nastri .....	SCAQMD staff
Laki Tisopulos .....	SCAQMD staff
Jill Whynot .....	SCAQMD staff

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**  
**General Counsel's Office**  
**DRAFT**  
**June 2018 Settlement Penalty Report**

<b><u>Total Penalties</u></b>	
<b>Civil Settlements:</b>	<b>\$3,480,691.50</b>
(*Suspended Penalty amount included in Civil Settlements)	\$10,000.00
<b>Self-Reported Settlements:</b>	<b>\$3,500.00</b>
<b>MSPAP Settlements:</b>	<b>\$7,400.00</b>
<b>Total Cash Settlements:</b>	<b>\$3,491,591.50</b>
<b>Total SEP Value:</b>	<b>\$0.00</b>
<b>Fiscal Year through 6 / 2018 Cash Total:</b>	<b>\$14,221,617.93</b>
<b>Fiscal Year through 6 / 2018 SEP Value Only Total:</b>	<b>\$2,120,000.00</b>

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Civil Settlements</b>						
186522	AMERICAN MEAT COMPANIES	1415.1	6/15/2018	DH	P64840	\$5,500.00
118379	ARROWHEAD REGIONAL MEDICAL CTR	3002	6/13/2018	NAS	P58094	\$5,000.00
132068	BIMBO BAKERIES USA INC	2004(f)(1) 2012 Appen A	6/13/2018	TRB	P60274	\$11,500.00
172638	C&D ZODIAC _ CYPRESS	1147 203 (a) 203 (b)	6/28/2018	NSF	P62803 P60668 P60672	\$2,500.00
800030	CHEVRON PRODUCTS CO.	1173 1176(e)(1)	6/15/2018	TRB	P64615 P64616 P64618	\$80,000.00
800030	CHEVRON PRODUCTS CO.	42400 2004	6/15/2018	TRB	P58236 P58237	\$8,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800030	CHEVRON PRODUCTS CO.	1118 3002(c)(1) 401(b)(1)(A) 41701	6/22/2018	TRB	P60971	\$15,000.00
141424	HOME DEPOT USA INC	1143	6/5/2018	WBW	P60330 P60338	\$2,394,862.50
24647	J. B. I. INC	3002 3003	6/20/2018	ML	P64014	\$400.00
164214	KIBRIYA ENTERPRISES, INC	203 (b) 461(c)(2)(A)	6/14/2018	WBW	P63022	\$400.00
800075	LA CITY, DWP SCATTERGOOD GENERATING STN	2004(f)(1) 2012(e)(2)(B) 203 (b) 3002(c)(1)	6/28/2018	NSF	P60584	\$133,500.00
143723	LOVIN OVEN, LLC	203 (b)	6/13/2018	NSF	P57695	\$300,000.00
185783	MC CARTHY	1113	6/5/2018	BST	P67001	\$1,200.00
185400	MOTHER'S MARKET <i>*Suspended penalty of \$10,000 suspended until June 21, 2019</i>	1415.1	6/13/2018	BST	P64832 P64833 P64834 P64835 P64837	\$60,000.00
52517	REXAM BEVERAGE CAN COMPANY	2004	6/7/2018	BST	P63720	\$1,300.00
139490	RUST-OLEUM CORP	314	6/15/2018	NAS	P60310	\$454,829.00
169882	SAN GABRIEL TRANSIT INC	201 203 (a)	6/26/2018	BST	P60543	\$1,100.00
24240	SERVICE PLATING CO INC	203 (b)	6/8/2018	RFL	P65036	\$1,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
144369	VERIZON WIRELESS	1470 203 (b)	6/13/2018	BST	P65567	\$4,000.00

**Total Civil Settlements: \$3,480,691.50**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
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**Self-Reported Settlements**

134931	ARCONIC GLOBAL FASTENERS & RINGS, INC.		6/27/2018	NAS		\$3,500.00
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**Total Self-Reported Settlements: \$3,500.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>MSPAP Settlements</b>						
154194	ARCO #00117- SRR, LLC	461(c)(3)(Q)	6/27/2018	GC	P70813	\$200.00
143433	C & R CLEANERS	203 (a)	6/13/2018	GC	P65201	\$800.00
177392	CW GOLF PARTNERS	461(c)(3)(Q)	6/22/2018	GC	P71060	\$200.00
168989	H & E EQUIPMENT SERVICES	461(c)(3)(Q)	6/22/2018	TF	P71022	\$200.00
151731	HILALIAN CORP	461(c)(3)(Q)	6/22/2018	TF	P70810	\$200.00
88327	JIFFY LUBE	461(c)(3)(Q)	6/7/2018	TF	P70658	\$200.00
146857	KAM'S AUTOMOTIVE INC	201 203(a)	6/7/2018	GC	P64012	\$800.00
27266	LA CO., DEPT PARKS & RECREATION	203(b) 461 (e) (2)	6/7/2018	TF	P60542	\$800.00
179116	OS OIL, INC.	461(c)(3)(Q)	6/7/2018	TF	P70677	\$200.00
159758	PETRO BRASS	461	6/22/2018	TF	P64995	\$400.00
127841	THE TEECOR GROUP, INC.	1403	6/22/2018	TF	P63083	\$3,400.00
<b>Total MSPAP Settlements:</b>						<b>\$7,400.00</b>

DRAFT  
**DISTRICT'S RULES AND REGULATIONS INDEX  
FOR JUNE 2018 PENALTY REPORT**

**REGULATION II - PERMITS**

Rule 201            Permit to Construct  
Rule 203            Permit to Operate

**REGULATION III - FEES**

Rule 314            Fees for Architectural Coatings

**REGULATION IV - PROHIBITIONS**

Rule 401            Visible Emissions  
Rule 461            Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1113           Architectural Coatings  
Rule 1118           Emissions From Refinery Flares  
Rule 1143           Consumer Paint Thinners & Multi-Purpose Solvents  
Rule 1147           Nox Reductions From Miscellaneous Sources  
Rule 1173           Fugitive Emissions of Volatile Organic Compounds  
Rule 1176           Sumps and Wastewater Separators

**REGULATION XIV - TOXICS**

Rule 1403           Asbestos Emissions from Demolition/Renovation Activities  
Rule 1415.1        Reduction of Refrigerant Emissions from Stationary Refrigeration Systems.  
Rule 1470           Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

**REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004           Requirements  
Rule 2012           Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO<sub>x</sub>) Emissions

**REGULATION XXX TITLE V PERMITS**

Rule 3002           Requirements  
Rule 3003           Applications

**CALIFORNIA HEALTH AND SAFETY CODE**

41701                Violation of General Limitations



42400

Penalties

DRAFT



# South Coast Air Quality Management District

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

## Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2017 and 2018 NOx and SOx RTCs

July 2018 Quarterly Report to Stationary Source Committee

**Table I**

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs  
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price <sup>1</sup> (\$/ton)
Jan-17	Jan-16 to Dec-16	69.7	\$460,621	9	\$6,606
Feb-17	Feb-16 to Jan-17	94.7	\$610,693	11	\$6,446
Mar-17	Mar-16 to Feb-17	82.2	\$573,193	10	\$6,970
Apr-17	Apr-16 to Mar-17	125.3	\$824,493	12	\$6,581
May-17	May-16 to Apr-17	113.8	\$741,828	15	\$6,519
Jun-17	Jun-16 to May-17	113.8	\$741,828	15	\$6,519
Jul-17	Jul-16 to Jun-17	134.4	\$867,079	22	\$6,450
Aug-17	Aug-16 to Jul-17	144.8	\$920,041	29	\$6,355
Sep-17	Sep-16 to Aug-17	150.4	\$955,120	35	\$6,351
Oct-17	Oct-16 to Sep-17	151.2	\$956,005	36	\$6,323
Nov-17	Nov-16 to Oct-17	252.8	\$1,345,772	55	\$5,324
Dec-17	Dec-16 to Nov-17	267.1	\$1,376,674	58	\$5,155
Jan-18	Jan-17 to Dec-17	305.1	\$1,276,006	57	\$4,182
Feb-18	Feb-17 to Jan-18	693.2	\$1,888,755	94	\$2,724
Mar-18	Mar-17 to Feb-18	743.6	\$1,991,269	111	\$2,678
Apr-18	Apr-17 to Mar-18	705.6	\$1,746,469	110	\$2,475
May-18	May-17 to Apr-18	766.5	\$1,993,214	127	\$2,600
Jun-18	Jun-17 to May-18	778.0	\$2,050,015	129	\$2,635
Jul-18	Jul-17 to Jun-18	826.8	\$2,091,914	128	\$2,530

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

**Table II**

Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs  
 (Report to Governing Board if rolling average price greater than \$22,500/ton)

<b>Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTC</b>					
<b>Reporting Month</b>	<b>12-Month Period</b>	<b>Total Volume Traded with Price During Past 12-month (tons)</b>	<b>Total Price of Volume Traded During Past 12-month (\$)</b>	<b>Number of Trades with Price</b>	<b>Rolling Average Price<sup>1</sup> (\$/ton)</b>
Jan-18	Jan-17 to Dec-17	91.6	\$974,592	3	\$10,639
Feb-18	Feb-17 to Jan-18	91.6	\$974,592	3	\$10,639
Mar-18	Mar-17 to Feb-18	100.7	\$1,041,091	4	\$10,337
Apr-18	Apr-17 to Mar-18	51.6	\$497,246	5	\$9,643
May-18	May-17 to Apr-18	56.6	\$527,075	8	\$9,320
Jun-18	Jun-17 to May-18	53.1	\$502,575	7	\$9,473
Jul-18	Jul-17 to Jun-18	72.6	\$625,883	14	\$8,618

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

**Table III**

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs  
 (Report to Governing Board if rolling average price greater than \$35,000/ton)

<b>Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC</b>					
<b>Reporting Month</b>	<b>3-Month Period</b>	<b>Total Volume Traded with Price During Past 3-month (tons)</b>	<b>Total Price of Volume Traded During Past 3-month (\$)</b>	<b>Number of Trades with Price</b>	<b>Rolling Average Price (\$/ton)</b>
Jan-17	Oct-16 to Dec-16	41.1	\$310,586	6	\$7,561
Feb-17	Nov-16 to Jan-17	66.1	\$460,658	8	\$6,971
Mar-17	Dec-16 to Feb-17	65.0	\$452,221	7	\$6,962
Apr-17	Jan-17 to Mar-17	68.1	\$401,372	4	\$5,897
May-17	Feb-17 to Apr-17	46.6	\$272,479	6	\$5,847
Jun-17	Mar-17 to May-17	46.6	\$272,479	6	\$5,847
Jul-17	Apr-17 to Jun-17	24.2	\$146,430	11	\$6,051
Aug-17	May-17 to Jul-17	31.0	\$178,213	14	\$5,753
Sep-17	Jun-17 to Aug-17	36.6	\$213,292	20	\$5,828
Oct-17	Jul-17 to Sep-17	17.9	\$97,616	15	\$5,468
Nov-17	Aug-17 to Oct-17	109.1	\$434,421	27	\$3,981
Dec-17	Sep-17 to Nov-17	118.9	\$438,682	25	\$3,689
Jan-18	Oct-17 to Dec-17	195.0	\$630,587	27	\$3,233
Feb-18	Nov-17 to Jan-18	506.5	\$1,003,641	47	\$1,981
Mar-18	Dec-17 to Feb-18	541.5	\$1,066,815	60	\$1,970
Apr-18	Jan-18 to Mar-18	468.5	\$871,835	57	\$1,861
May-18	Feb-18 to Apr-18	119.8	\$376,939	39	\$3,145
Jun-18	Mar-18 to May-18	81.0	\$331,226	24	\$4,092
Jul-18	Apr-18 to Jun-18	145.5	\$491,876	29	\$3,382

**Table IV**

Three-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs  
(Report to Governing Board if rolling average price greater than \$35,000/ton)

<b>Three-Month Rolling Average Price Data for Compliance Year 2018 NOx RTC</b>					
<b>Reporting Month</b>	<b>3-Month Period</b>	<b>Total Volume Traded with Price During Past 3-month (tons)</b>	<b>Total Price of Volume Traded During Past 3-month (\$)</b>	<b>Number of Trades with Price</b>	<b>Rolling Average Price (\$/ton)</b>
Jan-18	Oct-17 to Dec-17	38.1	\$400,092	1	\$10,500
Feb-18	Nov-17 to Jan-18	38.1	\$400,092	1	\$10,500
Mar-18	Dec-17 to Feb-18	9.1	\$66,499	1	\$7,300
Apr-18	Jan-18 to Mar-18	10.0	\$72,654	3	\$7,295
May-18	Feb-18 to Apr-18	15.0	\$102,483	6	\$6,855
Jun-18	Mar-18 to May-18	5.8	\$35,984	5	\$6,160
Jul-18	Apr-18 to Jun-18	24.6	\$153,137	10	\$6,235

**Table V**

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs  
 (Report to Governing Board if rolling average price after 2018 is less than \$200,000/ton)

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
May-16	May-15 to Apr-16	805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	301.9	\$114,731,605	20	\$380,057
Feb-17	Feb-16 to Jan-17	183.0	\$46,520,577	10	\$254,172
Mar-17	Mar-16 to Feb-17	174.3	\$41,738,077	7	\$239,491
Apr-17	Apr-16 to Mar-17	174.3	\$41,738,077	7	\$239,491
May-17	May-16 to Apr-17	176.8	\$42,113,977	8	\$238,223
Jun-17	Jun-16 to May-17	175.3	\$41,588,977	7	\$237,266
Jul-17	Jul-16 to Jun-17	172.2	\$40,437,201	6	\$234,802
Aug-17	Aug-16 to Jul-17	10.8	\$2,311,624	4	\$213,249
Sep-17	Sep-16 to Aug-17	4.1	\$624,124	3	\$152,598
Oct-17	Oct-16 to Sep-17	4.1	\$624,124	3	\$152,598
Nov-17	Nov-16 to Oct-17	4.1	\$624,124	3	\$152,598
Dec-17	Dec-16 to Nov-17	4.1	\$624,124	3	\$152,598
Jan-18	Jan-17 to Dec-17	31.8	\$1,262,801	6	\$39,673
Feb-18	Feb-17 to Jan-18	58.8	\$1,579,801	9	\$26,853
Mar-18	Mar-17 to Feb-18	58.8	\$1,579,801	9	\$26,853
Apr-18	Apr-17 to Mar-18	58.8	\$1,579,801	9	\$26,853
May-18	May-17 to Apr-18	56.3	\$1,203,901	8	\$21,374
Jun-18	Jun-17 to May-18	57.8	\$1,233,901	9	\$21,339
Jul-18	Jul-17 to Jun-18	56.7	\$1,140,677	8	\$20,103

**Table VI**

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTCs  
(Report to Governing Board if rolling average price greater than \$50,000/ton)

<b>Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTC</b>					
<b>Reporting Month</b>	<b>12-Month Period</b>	<b>Total Volume Traded with Price During Past 12-month (tons)</b>	<b>Total Price of Volume Traded During Past 12-month (\$)</b>	<b>Number of Trades with Price</b>	<b>Rolling Average Price<sup>1</sup> (\$/ton)</b>
Jan-17	Jan-16 to Dec-16	0	0	0	-
Feb-17	Feb-16 to Jan-17	0	0	0	-
Mar-17	Mar-16 to Feb-17	0	0	0	-
Apr-17	Jan-17 to Mar-17	0	0	0	-
May-17	May-16 to Apr-17	0	0	0	-
Jun-17	Jun-16 to May-17	0	0	0	-
Jul-17	Jul-16 to Jun-17	0	0	0	-
Aug-17	Aug-16 to Jul-17	4.0	\$4,400	1	\$1,100
Sep-17	Sep-16 to Aug-17	14.0	\$19,400	2	\$1,386
Oct-17	Oct-16 to Sep-17	14.0	\$19,400	2	\$1,386
Nov-17	Nov-16 to Oct-17	14.0	\$19,400	2	\$1,386
Dec-17	Dec-16 to Nov-17	14.0	\$19,400	2	\$1,386
Jan-18	Jan-17 to Dec-17	14.0	\$19,400	2	\$1,386
Feb-18	Feb-17 to Jan-18	57.0	\$58,742	7	\$1,030
Mar-18	Mar-17 to Feb-18	57.0	\$58,742	7	\$1,030
Apr-18	Apr-17 to Mar-18	57.0	\$58,742	7	\$1,030
May-18	May-17 to Apr-18	57.0	\$58,742	7	\$1,030
Jun-18	Jun-17 to May-18	120.2	\$102,965	10	\$857
Jul-18	Jul-17 to Jun-18	120.2	\$102,965	10	\$857

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

**Table VII**

Twelve-Month Rolling Average Price Data for Compliance Year 2018 SOx RTCs  
(Report to Governing Board if rolling average price greater than \$50,000/ton)

<b>Twelve-Month Rolling Average Price Data for Compliance Year 2018 SOx RTC</b>					
<b>Reporting Month</b>	<b>12-Month Period</b>	<b>Total Volume Traded with Price During Past 12-month (tons)</b>	<b>Total Price of Volume Traded During Past 12-month (\$)</b>	<b>Number of Trades with Price</b>	<b>Rolling Average Price<sup>1</sup> (\$/ton)</b>
Jan-18	Jan-17 to Dec-17	None	-	-	-
Feb-18	Feb-17 to Jan-18	None	-	-	-
Mar-18	Mar-17 to Feb-18	None	-	-	-
Apr-18	Apr-17 to Mar-18	None	-	-	-
May-18	May-17 to Apr-18	None	-	-	-
Jun-18	Jun-17 to May-18	34.2	\$23,974	3	\$700
Jul-18	Jul-17 to Jun-18	34.2	\$23,974	3	\$700

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.





# South Coast Air Quality Management District

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## **HOME RULE ADVISORY GROUP**

**Wednesday, May 9, 2018**

### **MEETING MINUTES**

**CHAIR:** Dr. Joseph Lyou, Governing Board Member

#### **MEMBERS PRESENT:**

Curt Coleman (Southern California Air Quality Alliance); Jaclyn Ferlita (Air Quality Consultants); Nan Harrold (Orange County Waste & Recycling); Bill La Marr (California Small Business Alliance); Bridget McCann (Western States Petroleum Association); Dan McGivney (Southern California Gas); Art Montez (AMA International); Lauren Nevitt (Southern California Gas); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Rongsheng Luo (SCAG); Johnnie Raymond (CARB); Larry Rubio (Riverside Transit Agency) and Amy Zimpfer (EPA).

#### **MEMBERS ABSENT:**

Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy);-Dr. Clark Parker (SCAQMD Governing Board Member); Bill Quinn (California Council for Environmental & Economic Balance); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); Larry Smith (Cal Portland Cement); and Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office).

#### **OTHER ATTENDEES:**

Mark Abramowitz (Board Consultant to Dr. Lyou); Devin Richards (California Council for Environmental & Economic Balance); and Susan Stark (Andeavor).

#### **SCAQMD STAFF:**

Jill Whynot	Chief Operating Officer
Philip Fine	Deputy Executive Officer
William Wong	Principal Deputy District Counsel
Philip Crabbe	Community Relations Manager
Patricia Kwon	Air Quality Specialist
Pedro Piqueras	Air Quality Specialist
Ann Scagliola	Administrative Secretary

#### **OPENING COMMENTS AND SELF-INTRODUCTIONS**

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

#### **APPROVAL OF NOVEMBER 2018 MEETING MINUTES**

Dr. Lyou asked for comments on the January 10, 2018 meeting minutes, after which the minutes were approved.

## **EPA AND FEDERAL ACTIVITIES**

Amy Zimpfer provided an update on recent U.S. Environmental Protection Agency (EPA) and federal activities.

### **SCAQMD Related Actions**

- EPA continues to review the various attainment plans incorporated into the 2016 Air Quality Management Plan (AQMP).
- On April 30, 2018, the EPA Administrator signed a final notice on the second and final round of designations for the 2015 National Ambient Air Quality Standard (NAAQS) for Ozone. The effective date will be 60 days from the publication of the action in the Federal Register.
- On March 9, 2018, the final classification rule was published and it is anticipated that Los Angeles South Coast area will be severe-15 and the Coachella area as moderate.
- EPA anticipates a SIP requirements rule, the framework for State Implementation Plans.
- The National Diesel Emission Reduction Act (DERA) Request for Proposals (RFP) are due by June 12, 2018.
- The Tribal DERA grant RFP opened on June 5, 2018 and will close on September 6, 2018.
- The 2018 Targeted Airshed Grant RFP is not yet announced and it is anticipated that \$40M will be awarded in grant funding nationally.
- The 2017 Targeted Airshed Grant program (closed in October 2017) funded grants were announced on May 2, 2018 and South Coast was awarded two grants that totaled \$6.4M.

### **National Update**

- EPA continues to work on process improvements for the review of State Implementation Plans.

### **Discussion**

Art Montez inquired if EPA is targeting mobile sources. Amy Zimpfer replied that DERA is for diesel vehicles. Art Montez also asked about options available for small urban school districts with very little funding. Ms. Zimpfer encouraged him to inquire with South Coast and CARB for available partnership opportunities. Art Montez further inquired about available funding at the federal level for energy efficient air conditioning upgrades for school district buildings. Ms. Zimpfer indicated that the Department of Energy has programs and that the contact information can be provided. Lauren Nevitt added that Southern California Gas also has many energy efficient programs for industrial equipment, as well as rebates.

Rongsheng Luo inquired about the publication date for the 2015 Ozone Standard SIP requirements. Amy Zimpfer indicated that she could not predict a date.

## **CARB REGULATORY ACTIVITIES**

Johnnie Raymond provided a report on items scheduled to go to CARB's Board in May 2018 and recent regulatory activities.

- Consider approval of the 2016 PM2.5 SIP for Imperial County.
- Proposed amendments to the Consumer Products Regulation and Test Method 310.

### **Additional Activities**

- CARB has conducted Climate Investment Guidelines meetings in the Bay Area, Los Angeles, and San Bernardino, with the final meeting to be held in Sacramento on May 11, 2018. Any input on the funding guidelines can be submitted through their website.
- CARB is holding the SB 1383 dairy and livestock working group meetings in May.

- CARB is embarking on an effort to work with the Natural Resources Agency, California Department of Food and Agriculture, CalEPA and the Strategic Growth Council to provide an implementation plan on carbon sequestration of the natural and working lands. The first meeting will be held on May 18, 2018.

### **LEGISLATIVE UPDATE**

Philip Crabbe provided a recap of the April 2018 Legislative Committee meeting.

#### **Update on Federal Legislative Issues**

SCAQMD's federal legislative consultants reported on the 2018 omnibus spending bill which was passed by the House last month. It was stated that the Diesel Emission Reduction Act (DERA) program received a \$15 million increase (from \$60 to \$75 million) and the Targeted Airshed Grant program received a \$10 million increase (from \$30 to \$40 million) in nationwide funding in FY 2018.

The U.S. EPA determined that the greenhouse gas emission standards for model years 2022 through 2025 for light-duty vehicles should be revised; the U.S. EPA intends to file a Federal Register notice addressing Corporate Average Fuel Economy (CAFE) standards, and this will start a new rulemaking process. This development has implications for the California waiver because under the Clean Air Act, California is currently able to set its own standards. It was also reported that the Senate confirmed Andrew Wheeler as the Deputy Administrator for the U.S. EPA.

President Trump named Heidi King to be the next Administrator for the National Highway Traffic Safety Administration, an agency within the Department of Transportation. However, she will need to go through the confirmation process.

A memorandum from President Trump was issued on April 12, directing the U.S. EPA Administrator to reform the NAAQS program in a way to make it more efficient and cost-effective.

Our federal legislative consultants reported that the President was in the press recently regarding a rescissions package targeting up to \$60 billion from the recently passed omnibus bill. This would potentially slash foreign aid as well as nondiscretionary domestic programs.

The U.S. EPA granted three Southern California tribes approval to implement water and air programs under the Clean Water Act and the Clean Air Act: the Morongo Band of Mission Indians in Riverside, CA, and two tribes from San Diego.

#### **Update on State Legislative Issues**

Our state legislative consultant, gave an update on AB 2548 (Friedman) regarding a commuter benefit program. This bill, which initially made reference to SCAQMD in relation to a commuter benefit program, in terms of joint creation and administration, and conflicted with SCAQMD Rule 2202, has been amended and no longer mentions SCAQMD and does not conflict with SCAQMD rules. SCAQMD staff provided amendments to Assemblywoman Friedman's office that were accepted.

SCAQMD has had multiple meetings in Sacramento about AB 617 implementation funding needs and also the need for funding for incentives in this year's Budget, to mitigate air pollution.

Action Items / Recommend Position on State Bills:

**AB 2091 (Grayson) Fire prevention: prescribed burns** - This bill would require that the word “prevention” be added to the name of the State Board of Forestry and Fire Prevention and Protection; require at least one Board Member to be selected with a background in fire prevention, including prescribed fire; and require the Board to appoint a prescribed fire advisory committee, including a local air district representative.

Overall, this bill could have a positive effect on reducing air pollution within the South Coast by facilitating the use of controlled burns to reduce wildfires and the resulting severe air pollution. Staff recommends amendments to the bill that address an issue that complicates the granting of controlled burn permits at the local level. Current law only allows an air pollution control officer to permit equipment for controlled burns in counties with a population of six million or less. This provision complicates SCAQMD’s ability to issue controlled burn permits for fire hazard mitigation within Los Angeles County, which has a population that far exceeds six million.

Staff proposes an amendment to the bill that would remove the current reference to a county population restriction, so that SCAQMD can have clear authority to issue controlled burn permits within Los Angeles County. *The Legislative Committee adopted staff’s recommended position of SUPPORT WITH AMENDMENTS on this item.*

**AB 2453 (E. Garcia) Air Pollution: schools** - The bill would authorize modernization grants from state school facility bond funds, to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems. It would also provide that schools located in communities with facilities identified under AB 617 as toxic sources may work with air districts to identify school sites for air quality adaptation efforts; and provide that schools located near a facility designated by an air district as a high priority category may be eligible for grants as part of a community emissions reduction program adopted per AB 617. Staff recommended working with the author to identify more effective ways to implement air pollution mitigation efforts on impacted school campuses. Staff also recommends amending the bill to allow “modernization apportionments” to also be used for installation of air filtration systems.

Staff further recommends including a clarification in the bill that it does not limit air districts’ discretion in developing and implementing community emission reduction programs. Finally, staff recommends clarifying what types of grant funding sources would be applicable for funding the air pollution mitigation efforts sought in the bill, since AB 617 does not provide funding for grants as part of a community emission reduction programs. *The Legislative Committee adopted staff’s recommended position of SUPPORT WITH AMENDMENTS on this item.*

**SB 210 (Leyva) State vehicle fleet: near-zero-emission vehicles** - This bill would authorize CARB to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline heavy-duty on-road vehicles with a gross vehicle weight rating of more than 14,000 pounds, including, but not limited to, single-vehicle fleets and other vehicles that are registered in another state and operate in California. This would essentially be a smog check program for heavy duty diesel trucks. This program would require a motor vehicle to pass the test procedures in order to register or operate in the state.

The bill states that the program shall be developed in partnership between affected state agencies, the public, industry, and other stakeholders and is intended to be developed in a way that minimizes

costs to truck owners and fleets; and provides a level playing field for industry through effective enforcement.

The Committee agreed to recommend proposed amendments to the bill that would center on clarifying and potentially changing the “non-gasoline” terminology in the bill to ensure that clean vehicles are not affected by this bill, and to seek to have a portion of the fees generated by the bill’s proposed program to be directed to local air districts to help reduce air pollution. *Overall, the Legislative Committee recommended a position of SUPPORT WITH AMENDMENTS on this bill.*

### **Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives**

After discussion, staff proposed language that would add the following to the federal Legislative goals: “Oppose legislation that conflicts with the District’s attainment goals.” *The Legislative Committee adopted staff’s recommendation to amend the SCAQMD 2018 federal legislative goals and objectives.*

Proposed amendments to the 2018 SCAQMD state legislative goals and objectives were also considered relating to “clean energy” goals. However, the Legislative Committee did not recommend adopting those proposed changes.

### Discussion

Lauren Nevitt inquired if the staff recommended amendments for the Leyva bill seeking to exclude ultra-low NOx engines. Mr. Crabbe indicated that the amendments seek clarity as to what is meant by “non-gasoline” terminology and to ensure that cleaner vehicles are not hindered by the bill.

Bill LaMarr asked if the district has closed down any companies this year, as outlined in AB 1132. Mr. Crabbe replied no. Bill La Marr further inquired if the district plans to enforce acrylamide found in coffee. Dr. Lyou indicated no.

Bridget McCann inquired if AQMD received any feedback from the Governor’s office about the coalition efforts for funding AB 617. Mr. Crabbe indicated that AB 617 implementation funding for air districts was zeroed out in the 2018 Governor’s budget proposal, but a revised budget will be out on May 11th. Dr. Lyou commented that the expectation was that we were not going to have to fight for this money every year. Jill Whynot added that the Governor’s budget included money for CARB and we are making it very clear that we need the sustained funding to implement the program. Dr. Fine commented that we are making some progress.

Art Montez requested clarification on what funding is in jeopardy. Dr. Lyou replied the future funding for AB 617, beyond the initial year.

Lauren Nevitt asked how the AB 617 proposed money for next year will be split. Dr. Fine indicated that it has not been decided.

Bill La Marr inquired about a list of identified cities from a presentation at the last Board meeting. Dr. Lyou indicated that it is a preliminary consideration list for CARB. Dr. Fine added that staff’s final recommended list will be presented to the SCAQMD Board in July for their approval.

### Public Comment

Susan Stark inquired how the potential identified communities would be split for the monitoring or emission reduction plans. Dr. Fine indicated that it is too premature to indicate.

## **UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS**

William Wong had no updates to report.

### Public Comment

Susan Stark inquired about the next steps for the RECLAIM case (Litigation Report - Case 8). William Wong indicated that the SCAQMD is deciding how to proceed with the court decision.

## **ALTERNATIVE TECHNOLOGY INFRASTRUCTURE**

Naveen Berry provided an overview of the electric vehicle supply equipment (EVSE) infrastructure projects in the South Coast, as well as the Home Charger Rebate program. The discussion also included funding opportunities available under California Energy Commission (CEC), CARB, VW Settlement programs, and Southern California Edison's (SCE) charge ready program.

### Discussion

Bill La Marr inquired if DC fast charge (DCFC) stations are located on private property, such as local businesses, or on local government sites. Naveen Berry indicated that it is a combination of both.

Art Montez asked about the general cost to put in a charging station. Naveen Berry replied that costs can vary, due to the level of charger and infrastructure needs. Mr. Montez further inquired how long it takes to recover costs. Naveen Berry indicated that cost recovery would depend on when they are charging and how much charge is needed. Dr. Lyou added that some level 2 residential chargers are a few hundred dollars, depending on the amps.

Tyron Turner asked if there were plans to install Tesla's super chargers at AQMD. Naveen Berry indicated that there are ongoing discussions with Tesla about this.

Bill La Marr inquired about the average installation cost for a charging station. Naveen Berry replied that it varies, due to transformer upgrades and line installations.

Art Montez expressed his concern about the increased regulations for electric vehicles and the unknown implementation costs, especially for the public, businesses and stakeholders. Naveen Berry acknowledged the concerns and indicated that the district continues to work with other agencies to address the ancillary costs and infrastructure funding.

Dan McGivney inquired if the majority of the electric vehicles have the same type of battery charger. Naveen Berry indicated that except for Tesla, the electric vehicles have a standard charger.

Art Montez inquired if the pricing of the electric vehicles could be a deterrent for minority or low income communities, since it is about what you can afford. Naveen Berry indicated that there are rebates and a federal tax credit available for electric vehicle purchases, which make these vehicles more affordable. Dr. Lyou mentioned the Replace Your Ride Program and Mr. Berry explained the benefits of the program.

*Action Item: Dr. Lyou asked for the statistics for the Replace Your Ride Program to be shared with the Advisory Group.*

Lauren Nevitt asked if the Edison or DWP rebates can be layered with South Coast rebates. Naveen Berry replied no. Dr. Fine indicated that the CARB rebates can be layered.

## **SUBCOMMITTEE STATUS REPORTS**

### ***A. Freight Sustainability (Dan McGivney)***

An update was provided on the following items.

- AQMD indirect source measures
- 2018 Advanced Clean Transportation (ACT) Expo
- Caltrans Freight Mobility Plan
- California Freight Advisory Plan Committee

### ***B. Small Business Considerations (Bill La Marr)***

An update was provided on the following item.

- Proposed Rule 1469 Working Group
- RECLAIM Working Group
  - RECLAIM Transition Seminar

### ***C. Environmental Justice and AB 617 Implementation (Curt Coleman)***

An update was provided on the following items.

- CARB's Draft Community Selection Process - Explainer
- SCAQMD's Update on the AB 617 Community Identification Process: Preliminary List

### ***Discussion***

Dr. Lyou commented that SCAG has established an environmental justice working group, and also noted that the California Public Utilities Commission is establishing an environmental justice advisory group.

### ***D. Climate Change (David Rothbart)***

There was no report.

## **REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE**

Dr. Philip Fine provided a summary of items on the April and May 2018 meeting agendas.

- Proposed Amended Rules 1111, 1146 and 1469
- AB 617 Identification Process

## **OTHER BUSINESS**

Art Montez asked for SCAQMD or CAPCOA to participate in an educational conference in San Francisco to share information about grant opportunities that could benefit schools. Jill Whynot indicated that she would check into this.

Tyron Turner commented on the AQMD's press release the initiation of the Advisory Council to engage young adults and indicated that this is a step in the right direction for outreach and training and to bring awareness to what this agency does. Mr. Turner further asked for an update on outreach to disadvantaged communities. Dr. Lyou agreed and requested that Legislative and Public Affairs be added to the July agenda, for an update on outreach activities.

## **PUBLIC COMMENT**

There were no comments.

## **ADJOURNMENT**

The meeting was adjourned at 11:58 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on July 11, 2018, and will be held at SCAQMD in Conference Room CC-8.

**South Coast Air Quality Management District  
HOME RULE ADVISORY GROUP – Attendance Record – 2018**

	NAME (Term: 1/1/17 - 1/1/2019)	1/10	FEB	3/14	APR	5/9	JUN	7/11	AUG	9/12	OCT	11/14	DEC
	<b>Board/Member, Business &amp; Community Reps, SCAQMD Staff</b>												
1	<b>Dr. Joseph Lyou, Chair</b>	<b>X</b>	<b>dark</b>	<b>X</b>	<b>dark</b>	<b>X</b>	<b>dark</b>		<b>dark</b>		<b>dark</b>		<b>dark</b>
2	<b>Mayor Ben Benoit, Vice Chair</b>												
3	<b>Dr. Clark E. Parker, Sr., Governing Board Member</b>			<b>A</b>		<b>A</b>							
4	<b>Dr. Philip Fine (Agency Member) - SCAQMD</b>	<b>X</b>		<b>X</b>		<b>X</b>							
5	<b>Zimpfer, Amy (Agency Member) - EPA</b> <i>Representing Elizabeth Adams</i>	<b>T</b>		<b>T*</b>		<b>T</b>							
6	<b>Raymond, Johnnie (Agency Member) - CARB</b> <i>Representing Richard Corey</i>	<b>T*</b>		<b>T*</b>		<b>T</b>							
7	<b>Chang, Ping (Agency Member) - SCAG</b> <i>Alternate – Rongsheng Luo</i>	<b>T*</b>		<b>T*</b>		<b>T*</b>							
8	<b>Carroll, Mike (Business Representative)</b> <i>Alternate – Robert Wyman</i>	<b>A</b>		<b>A</b>		<b>A</b>							
9	<b>Coleman, Curtis (Business Representative)</b> <i>Alternate – Susan Stark</i>	<b>X*</b>		<b>X</b>		<b>X</b>							
10	<b>McCann, Bridget (Business Representative)</b> <i>Alternate – Patty Senecal</i>	<b>X*</b>		<b>X</b>		<b>X</b>							
11	<b>La Marr, Bill (Business Representative)</b>	<b>X</b>		<b>X</b>		<b>X</b>							
12	<b>McGivney, Dan (Business Representative)</b> <i>Alternate – Lauren Nevitt</i>	<b>X</b>		<b>X*</b>		<b>X</b>							
13	<b>Roberts, Terry (Environmental Representative)</b>	<b>X</b>		<b>X</b>		<b>A*</b>							
14	<b>Quinn, Bill (Business Representative)</b> <i>Alternate – Janet Whittick</i>	<b>T</b>		<b>T*</b>		<b>T*</b>							
15	<b>Downs, Michael (Community Representative - McCallon)</b>	<b>A</b>		<b>A</b>		<b>A*</b>							
16	<b>Ferlita, Jaclyn (Community Representative - Lyou)</b>	<b>A</b>		<b>A</b>		<b>X</b>							
17	<b>Harrold, Nan (Community Representative - Nelson)</b>	<b>X</b>		<b>A*</b>		<b>X</b>							
18	<b>Montez, Art (Community Representative - Lyou)</b>	<b>A</b>		<b>A</b>		<b>X</b>							
19	<b>Rothbart, David (Community Representative - Mitchell)</b>	<b>X</b>		<b>A*</b>		<b>A*</b>							
20	<b>Rubio, Larry (Community Representative - Ashley)</b>	<b>A*</b>		<b>T</b>		<b>T</b>							
21	<b>Smith, Larry (Community Representative - Benoit)</b>	<b>X</b>		<b>X</b>		<b>A</b>							
22	<b>Pawling Torres, Kristen (Community Representative - Kuehl)</b>	<b>A</b>		<b>X</b>		<b>A</b>							
23	<b>Turner, TyRon (Community Representative - Burke)</b>	<b>A</b>		<b>X</b>		<b>X</b>							

Attendance Codes					
<b>X</b>	<b>Present</b>	<b>T</b>	<b>Teleconference</b>	<b>A</b>	<b>Absence</b>
<b>X*</b>	<b>Alternate in Attendance</b>	<b>T*</b>	<b>Alternate Teleconference Participation</b>	<b>A*</b>	<b>Absence Excused</b>