

BOARD MEETING DATE: September 6, 2019

AGENDA NO. 18

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, July 26, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Judith Mitchell, Acting Chair  
Stationary Source Committee

LT:cr

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### **Committee Members**

Present: Senator Vanessa Delgado (Ret.)  
Supervisor Janice Hahn (videoconference)  
Mayor Judith Mitchell (videoconference)

Absent: Council Member Ben Benoit/Chair  
Supervisor V. Manuel Perez  
Supervisor Janice Rutherford

### **Call to Order**

Acting Chair Mitchell called the meeting to order at 10:30 a.m.

### **INFORMATIONAL ITEMS:**

#### **1. Community Emissions Reduction Plans for AB 617 Year 1 Communities**

Philip Fine, Deputy Executive Officer/Planning, Rule Development, and Area Sources, provided introductory comments on the status of the Community Emission Reduction Plans (CERPs) for three AB 617 Year 1 communities, and highlighted the short timeline and large amount of work.

Jo Kay Ghosh, Director of Community Air Programs/Health Effects Officer, presented information on the AB 617 Year 1 community CERPs.

Senator Delgado (Ret.) asked whether the priorities identified by the Community Steering Committee (CSC) would be different if they were prioritized by South Coast AQMD staff.

Wayne Nastri, Executive Officer, responded that the CSC identified the most important sources and shared the same concerns as South Coast AQMD staff. He also noted that a Technical Advisory Group (TAG) was formed to provide technical expertise throughout the development of the plan. Dr. Ghosh added that a presentation on the status of technology provided additional information to inform the CSC's priorities.

Dr. Fine noted that the community priorities aligned well with South Coast AQMD staff in most areas. Mobile sources are the top priority in all communities. Mr. Nastri also conveyed that each of the communities are different.

Supervisor Hahn complimented staff for the work that went into the plan, but expressed that the plan needs concrete actions with quantifiable targets and more detail on how actions are to be implemented.

Senator Delgado (Ret.) asked about funding for actions in the plans. Mr. Nastri responded that there is current funding for program implementation, but separate funds for emission reductions through incentives will be allocated.

Supervisor Hahn requested more specifics on several actions and Mr. Nastri replied that most of the concerns that she expressed have been addressed in the latest version of the CERP, but that some actions suggested by the community cannot be quantified. Dr. Fine emphasized that staff will continue to work with the community if they believe that the goals established in the CERP are not sufficient.

Mayor Mitchell mentioned that the plan is evolving and agrees that the plan needs to include metrics to the extent that they can be quantified. She inquired about the database staff is using for the Automated License Plate Reader (ALPR) system. Mr. Nastri responded that staff will use the Department of Motor Vehicles (DMV) and an out-of-state database.

Mayor Mitchell requested that the CERP include more details, quantify emissions, and specify who will be responsible for these actions. She requested that staff send a link of the new draft CERP to the Committee Members. She recommended that community requests for reductions should be included, even though they may not be able to be achieved now. As an example, she suggested electric trucks may become commercially available by 2021; thus, this should be included in the plan.

Mayor Mitchell discussed the challenges of establishing truck routes as an action and proposed moving idling trucks to a location away from residents. She also suggested continuing to work with CARB.

Mr. Nastri stated that a physical copy of the draft CERP will be provided to each Board Member.

Jesse Marquez, Coalition for a Safe Environment, stated that the community is working in partnership to achieve emission reductions. He stated that all air district obligations are outlined in Appendix C in the CARB Community Air Protection Blueprint. He expressed concern that metrics are not outlined. He also added that a health metric is necessary and at a minimum the Los Angeles County Community Assessment for Public Health Emergency Response (CASPER) should be incorporated.

Kevin Maggay, SoCalGas, commented on the limitations of electric trucks. He encouraged staff to focus on long-range trucks, and to prioritize trucks based on available technology.

Susan Stark, Marathon Petroleum, indicated that new information was provided in the latest version of the CERP. She confirmed with staff that the comment period closes on August 6.

Florence Gharibian, Del Amo Action Committee, stated that there should be more “no truck idling” signage and that truck traffic is making the roads worse. She recommended a focus on technology to reduce particulate matter emissions, and community health surveys. She appreciates the AB 617 process and the improved communication within the communities.

Chris Chavez, Coalition for Clean Air, thanked staff for their hard work. He emphasized the need for emission reduction targets and suggested that state and federal attainment goals should be met. He said that it would be helpful for the community if health outcomes could be assessed. He added that besides incentives, enforcement and rules should be included in the CERPs, along with a strong Memorandum of Understanding (MOU) for Ports.

Analisa Vargas, Communities for a New California, stated that the Coachella Valley is ready to be chosen for Year 2.

Luis Olmedo, Comite Civico del Valle, supported Mr. Marquez’s comments and emphasized supporting community member participation.

**2. Recommend Communities for Year 2 Implementation for Assembly Bill 617**

Dr. Ghosh described the recommendation for communities for Year 2 AB 617 implementation.

Mr. Olmedo noted that the Coachella Valley submitted two nominations and emphasized their community readiness.

Supervisor Hahn mentioned that she recommended Paramount and inquired why it was not included in staff's recommendation. Mr. Nastri stated that Paramount was the genesis of AB 617 and that South Coast AQMD is still actively engaged in that community. He also noted that additional funding was not provided by the legislature for the additional communities.

Senator Delgado (Ret.) supported the recommendations, but asked why Commerce and Bell Gardens were split into two separate communities. Dr. Fine responded that there is a balance between being inclusive and the dilution of limited resources if communities are too large. He also added that Commerce would be mostly covered between Year 1 and 2 and the neighboring communities would also receive benefits from the efforts.

Mayor Mitchell indicated that there are currently 10 AB 617 Year 1 communities throughout the State, but South Coast AQMD has the highest number of communities (three) and each of these communities has both a Community Emissions Reduction Plan and a Community Air Monitoring Plan.

**3. Summary of Proposed Amended Rule 1407 – Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Chromium Metal Melting Operations**

The Committee did not have time to review this item and therefore recommended that it be forwarded to the Board for consideration.

**4. Update on Proposed Amended Rules 1110.2 – Emissions from Gaseous-and Liquid-Fueled Engines, and 1100 – Implementation Schedule for NOx Facilities**

This item was continued to the September 20, 2019 Stationary Source Committee meeting.

**5. Receive and File 2018 Annual Report on AB 2588 Program and Approve Updates to Facility Prioritization Procedure**

The Committee did not have time to review this item and therefore recommended that it be forwarded to the Board for consideration.

**6. Status Report on Regulation XIII – New Source Review**

The Committee did not have time to review this item and therefore recommended that it be forwarded to the Board for consideration.

**WRITTEN REPORTS:**

*The following reports were acknowledged by the Committee.*

- 7. Home Rule Advisory Group – Bi-Monthly Report for May 2019**
- 8. Monthly Update of Staff’s Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition**
- 9. Notice of Violation Penalty Summary**
- 10. Twelve-month and Three-month Rolling Price of 2018 and 2019 Compliance Years RTCs**

**OTHER MATTERS:**

**11. Other Business**

There was no other business.

**12. Public Comment Period**

There were no public comments.

**13. Next Meeting Date**

The next regular Stationary Source Committee meeting is scheduled for Friday, September 20, 2019.

**Adjournment**

The meeting was adjourned at 12:04 p.m.

**Attachments**

1. Attendance Record
2. Home Rule Advisory Group – Bi-Monthly Report for May 2019
3. Monthly Update of Staff’s Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition
4. Draft Notice of Violation Penalty Summary
5. Twelve-month and Three-month Rolling Price of 2018 and 2019 Compliance Years RTCs

## ATTACHMENT 1

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

**Attendance – July 26, 2019**

Senator (Ret.) Vanessa Delgado.....	South Coast AQMD Governing Board
Mayor Judith Mitchell (videoconference) .....	South Coast AQMD Governing Board
Supervisor Janice Hahn (videoconference) .....	South Coast AQMD Governing Board
Andy Silva .....	Board Consultant (Rutherford)
Terry Allen .....	CARB
Chris Chavez .....	Coalition for Clean Air
Florence Gharibian .....	Del Amo Action Committee
Bill LaMarr .....	California Small Business Alliance
Jesse N. Marquez.....	Coalition for a Safe Environment
Bridget McCann .....	Western States Petroleum Association
Daniel McGivney .....	Southern California Gas Company
Kevin Maggay .....	Southern California Gas Company
Max Ochoa .....	Comite Civico del Valle
Luis Olmedo .....	Comite Civico del Valle
David Rothbart .....	Los Angeles County Sanitation Districts
Laura Z. Schmidt .....	CARB
Susan Stark .....	Marathon Petroleum
Peter Whittingham .....	Whittingham Public Affairs Advisors
Tammy Yamasaki.....	Southern California Edison
Derrick Alatorre.....	South Coast AQMD staff
Barbara Baird.....	South Coast AQMD staff
Amir Dejbakhsh.....	South Coast AQMD staff
Marian Coleman .....	South Coast AQMD staff
Philip Fine .....	South Coast AQMD staff
Jo Kay Ghosh .....	South Coast AQMD staff
Bayron Gilchrist .....	South Coast AQMD staff
Jason Low .....	South Coast AQMD staff
Mike Morris.....	South Coast AQMD staff
Matt Miyasato.....	South Coast AQMD staff
Susan Nakamura .....	South Coast AQMD staff
David Ono .....	South Coast AQMD staff
Wayne Nastri .....	South Coast AQMD staff
Sarah Rees.....	South Coast AQMD staff
Laki Tisopulos .....	South Coast AQMD staff
Jill Whynot .....	South Coast AQMD staff
William Wong .....	South Coast AQMD staff



# South Coast Air Quality Management District

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## **HOME RULE ADVISORY GROUP**

**Wednesday, May 8, 2019**

## **MEETING MINUTES**

### **MEMBERS PRESENT:**

Marc Carrel (Breathe California of Los Angeles County); Mike Carroll (Regulatory Flexibility Group); Curt Coleman (Southern California Air Quality Alliance); Carlo De La Cruz (Sierra Club); Martin Hansberger (Holliday Rock Company); Bill LaMarr (California Small Business Alliance); Bridget McCann (Western States Petroleum Association); Dan McGivney (Southern California Gas); Art Montez (AMA International); David Rothbart (Los Angeles County Sanitation District); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Brian Clerico (CARB); Larry Rubio (Riverside Transit Agency); and Janet Whittick (California Council for Environmental & Economic Balance).

### **MEMBERS ABSENT:**

Ben Benoit, Vice Chair (South Coast AQMD Governing Board Member); Michael Downs (Downs Energy); Jaclyn Ferlita (Air Quality Consultants); Rongsheng Luo (SCAG); and Amy Zimpfer (EPA).

### **OTHER ATTENDEES:**

Dr. David Edwards (CARB) and Rita Loof (RadTech).

The following attendee participated by conference call: John Ungvarsky (EPA).

### **SOUTH COAST AQMD STAFF:**

Jacob Allen (Senior Administrative Secretary); Mark Bassett (Air Quality Specialist); Philip Fine (Deputy Executive Officer); Denise Gailey (Public Affairs Manager); Jill Whynot (Chief Operating Officer); and William Wong (Principal Deputy District Counsel).

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

Ben Benoit, Vice Chair was not available, so the meeting was called to order at 10:00 a.m. and led by Dr. Philip Fine.

### **APPROVAL OF JULY 2018 MEETING MINUTES**

Dr. Fine asked for comments on the January 9, 2019 meeting minutes. Bill La Marr requested additional clarity on the Rules 219 and 222 discussion at the bottom of page two. David Edwards clarified that the regulation is for permitted sources only and remove registered sources. Bridget McCann commented on possible changes to her comments on page eight, and a follow-up email would be sent to Dr. Fine. With these changes, the minutes were approved.

### **EPA AND FEDERAL ACTIVITIES**

John Ungvarsky provided updates on recent U.S. Environmental Protection Agency (EPA) and federal activities.

- Diesel Emissions Reduction Act (DERA) update, with the anticipation of awarded funds in summer or early fall 2019.
- Targeted Air Shed Program.
- Safer Affordable Fuel Efficient (SAFE) rule.
- Cleaner Trucks Initiative.
- Notice of Proposed Rulemaking on the South Coast AQMD 2016 AQMP Ozone Plan.

Discussion

Art Montez asked about the availability of the \$10M through DERA and the timeline. Mr. Ungvarsky indicated that these funds are already allocated through grants and the application window has closed for this year. Mr. Montez further inquired if there are other funds available at the local level for schools or other entities. Mr. Ungvarsky and Dr. Fine indicated that they could provide information on possible future funding opportunities and a contact person at the South Coast AQMD and other funding programs at EPA.

**CARB REGULATORY ACTIVITIES**

Brian Clerico provided updates on proposed and recent regulatory activities.

- Proposed amendments to the Suggested Control Measures for Architectural Coating.
- Proposed Community Air Protection Incentive Funds Guidelines.
- Proposed alternative certification requirements for zero emission power trains.
- Regulation proposed for zero emission airport shuttle buses.
- Vapor recovery certification for above ground storage tanks.

Discussion

Marc Carrel inquired about AB 617 community air grants for Year 2, and when proposals can be submitted. Dr. Fine responded that CARB is working on the solicitation now and should be out in about a month.

Carlo De La Cruz inquired about the potential overlap from a regulation on zero emission airport shuttles and the South Coast AQMD’s indirect source rule with airports, and the impact expectations. Mr. Clerico indicated that this information could be provided.

*Provided by Zorik Pirveysian, South Coast AQMD - New purchases of shuttles buses operating at airports are currently subject to South Coast AQMD Rule 1194, which requires alternative fueled vehicles. CARB’s Zero-emission (ZE) Airport Shuttle Buses regulation, establishes requirements for ZE conversion starting with 33% in 2027 ramping up to 100% in 2035. South Coast AQMD is also currently in the process of developing an MOU with the commercial airports in the Basin. The focus of the MOU is achieving emission reductions above and beyond existing regulations. These regulations and programs are mainly complementary to each other.*

**LEGISLATIVE UPDATE**

Denise Gailey reported on key legislative updates.

At the May 3, 2019 Governing Board meeting, the Governing Board took position on the following bills:

- **Support for AB 836 (Wicks)** to establish a statewide program that would identify ventilation spaces referred to as “clean air centers” – public centers that would be accessible to the public during wildfires and other smoke events. The bill aligns with our goals of protecting public health and builds upon previous work like the IQAir Program which instituted a number of clear air filtration systems for schools.



- **Support with Amendments for AB 1500 (Carillo)** which would expand the authority of a CUPA or local health officer to temporarily suspend the permit and shutdown a facility that poses an imminent or substantial endangerment to public health and safety. The recommended amendments of “not restricting or limit in any way the authority of an air district” will ensure local coordination.
- **Support with Amendments for SB 44 (Skinner)** which would require CARB to develop a strategy for the deployment of medium and heavy-duty vehicles for the purpose of bringing the state into compliance with federal air quality standards and reduce greenhouse gas emissions emission by 40% by 2030, and 80% by 2050.
- **Support on SB 633 (Stern)** which would require OEHHA in coordination with others to develop and implement a monitoring program to collect data on contaminants from the Santa Susana Field Laboratory in Ventura County. Staff will work with author’s office to add South Coast AQMD as a consulting entity, due to the potential for upwind air impacts to the Basin.
- **Support on S 747 (Carper)** to reauthorize the Diesel Emissions Reduction Program for five years, until 2024, at a level of \$100 million. The bill would also reallocate unused state funds to the National Competitive DERA grant program.

Update on SB 732 (Allen)

After receiving feedback from stakeholders, South Coast AQMD asked Senator Ben Allen, the author of SB 732, to pull the legislation to stop the bill from advancing to its committee hearing. South Coast AQMD’s intent in pulling the legislation, was to continue to educate and address concerns expressed by a large number of stakeholders. Despite South Coast AQMD’s request, in a letter dated April 20, 2019, Senator Allen communicated that his intent was to continue to advance the legislation.

South Coast AQMD Executive Officer Wayne Nastri testified in support of the legislation at the April 24, 2019 Senate Governance and Finance committee hearing. The bill passed on a 4-3 vote.

Date	Result	Location	Ayes	Noes	NVR	Motion
04/24/19	(PASS)	Sen Governance and Finance	4	3	0	Do pass as amended, but first amend, and re-refer to the Committee on [Appropriations]
		<b>Ayes:</b> Beall, Hertzberg, McGuire, Wiener				
		<b>Noes:</b> Hurtado, Moorlach, Nielsen				
		<b>No Votes Recorded:</b>				

On May 6, at the request of the South Coast AQMD Board, staff submitted oversight language to the author’s office. Staff also submitted technical amendments for the author’s consideration. The bill will be heard by the Senate Appropriations Committee on Monday, May 13, 2019.

Discussion

Art Montez asked for clarification on which bills would provide funding for clean air initiatives and specifics about the DERA program. Ms. Gailey responded that both SB 44 and S 747 provide funding for these types of programs. Mr. Montez further inquired about which agency disperses the money and how much of this money is allocated. Ms. Gailey responded that CARB is responsible for dispersing the money.

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

William Wong had no updates on the provided April 26, 2019 status report.

## **CARB'S REGULATION FOR THE REPORTING OF CRITERIA AIR POLLUTANTS AND TOXIC AIR CONTAMINANTS**

Dr. Dave Edwards, Assistant Division Chief at CARB, provided a presentation on the previous and ongoing work in developing the Criteria Air Pollutant and Toxic Air Contaminant Emissions Reporting Regulation (or CTR Regulation).

On May 13, CARB released the Notice of Modified Text, which includes all of the proposed updates to the regulation, as well as descriptions of why the changes were incorporated, and other supporting information. The regulation update can be accessed via the CARB home page at: <https://ww2.arb.ca.gov/our-work/programs/criteria-and-toxics-reporting>. Comments regarding the current updates must be submitted by June 7, 2019. A second comment period will likely be initiated during the summer, with the intention of completing the full regulation package and having it be effective by January 2020.

### *Discussion*

Bill LaMarr requested clarification on the comment period extension. Dr. Edwards indicated that it will be for 25 days, even though it is referred to as a 15-day comment period.

David Rothbart expressed concern about the reporting of emission factors. Dr. Edwards responded that they use the mapping tool platform and if inconsistent data is received they would work with the districts to confirm the data, as to not to misinform the public.

Dan McGivney expressed that CARB should have used the method consistency part first and looked at how the air district emissions factors are calculated. He also stated that default values are historically conservative, which will lead to inconsistent data and unnecessary public concern. Janet Whittick commented that it seems like the problems of the past are being repeated and that districts will have the flexibility to develop their own methods, which will lead to inconsistencies. Dr. Edwards responded that a specific method would not be enforced, but there will be bounds on the methods and emission factors that are used. Dr. Fine responded that there will still be variability in the reporting, and the goal is to update outdated emission factors in a timely manner.

Bill La Marr expressed concern about the regulation, the reporting and the related costs for small businesses. He indicated that small businesses could be faced with the options to invest in testing, business relocation or shutdown. He commented there should be de minimis levels, particularly for smaller sources, and indicated that the focus should be on mobile sources. He also expressed concern that CARB will establish a fee similar to the South Coast AQMD toxic fee. Dr. Edwards indicated that they are looking for statewide ways to leverage the data and reduce the impacts on small businesses.

Art Montez commented that the majority of the communities impacted are communities of color. He inquired if CARB had reached out to these communities, and talked with small business owners on the financial burden. He indicated that the burden should be removed from the small business owners and emphasized the need to balance air quality, business and toxics issues. Dr. Edwards expressed that they consulted with many small business owners, and the feedback reflected that the tracking would not be burdensome. He further indicated that they plan to establish an effective and informative risk analysis, which will identify ideal areas where risk reductions or programs would be most effective.

Bridget McCann commented on the need for transparency and accuracy, and expressed support for the reporting regulation.

David Rothbart inquired if there have been discussions on how much the testing will cost and efficiency. Ambient monitoring should go before a reporting program. Dr. Edwards responded that understanding sources and emission types will allow them to strategically place air monitors to identify ambient concentrations.

Janet Whittick commented that the mapping tool will be very important and inquired if there was consideration for a focus group of different types of users. Dr. Edwards indicated that the 2017 data and mobile emissions will be added to the mapping tool, and other sources will also be considered. He added that before any large changes are made there will be discussions, and a focus group is a good suggestion for the evaluation of data.

## **SUBCOMMITTEE STATUS REPORTS**

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

No report was provided.

### ***B. Small Business Considerations (Bill LaMarr)***

No report was provided.

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

An update was provided on the following items.

- Wilmington/Carson/West Long Beach AB 617 Community Steering Committee meeting, May 9, 2019.
- San Bernardino/Muscoy AB 617 Community Steering Committee meeting, May 16, 2019.
- Boyle Heights/East Los Angeles/West Commerce AB 617 Community Steering Committee meeting, May 23, 2019.
- Draft Community Air Monitoring Plans have been prepared for each of the communities, and are posted on the South Coast AQMD website. Comments are currently being accepted.
- Year-2 community identification meetings are being held in the following communities.
  - Buena Park - May 22, 2019
  - Colton - May 29, 2019

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

An update was provided on the following item.

- On April 18, 2019, CARB released a White Paper on the Technical Feasibility of Lower NOx Standards and Associated Test Procedures for 2022 and Subsequent Model Year for Heavy-Duty and Heavy-Duty Engines.

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

Dr. Philip Fine provided a summary of items on the April and May 2019 meeting agendas.

- Rules 1180 and 1403;
- Updates to Regulation IX and X; and
- RECLAIM Quarterly Report.

## **OTHER BUSINESS**

Art Montez requested an update on the sales related to the CARB Cap-and-Trade Program. Dr. Fine and Mr. Coleman explained that the process is different every year and determined by legislation.

*Dr. Fine indicated that the legislators should have made their determinations by the next Home Rule Advisory Group Meeting and an update can be provided.*

Bill LaMarr inquired if legislation bill authors could be invited to Advisory Group meetings. Dr. Fine indicated that this is something to consider.

**PUBLIC COMMENT**

There were no comments.

**ADJOURNMENT**

The meeting was adjourned at 11:02 am. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on July 10, 2019, and will be held at SCAQMD in Conference Room CC-8.

**South Coast Air Quality Management District  
HOME RULE ADVISORY GROUP – Attendance Record – 2019**

	(Term: 1/1/19 - 1/1/21)	1/9	FEB	3/13	APR	5/8	JUN	7/10	AUG	9/11	OCT	11/13	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>dark</b>		<b>dark</b>		<b>dark</b>		<b>dark</b>
2	<b>Council Member Ben Benoit, Vice Chair</b>	<b>A</b>		<b>A</b>		<b>A</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>A</b>		<b>T</b>		<b>T*</b>							
6	<b>Clerico, Brian (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>X*</b>		<b>A*</b>							
8	<b>Carrel, Marc (Environmental Representative)</b>	<b>T</b>		<b>X</b>		<b>X</b>							
9	<b>Carroll, Mike (Business Representative)</b> <i>Alternate – Robert Wyman</i>	<b>A</b>		<b>A</b>		<b>X</b>							
10	<b>Coleman, Curtis (Business Representative)</b> <i>Alternate – Susan Stark</i>	<b>X</b>		<b>X</b>		<b>X</b>							
11	<b>De La Cruz, Carlo (Environmental Representative)</b>	<b>T</b>		<b>X</b>		<b>X</b>							
12	<b>Keeler, Frances (Business Representative)</b> <i>Alternate – Janet Whittick</i>	<b>T</b>		<b>X*</b>		<b>X*</b>							
13	<b>McCann, Bridget (Business Representative)</b> <i>Alternate – Patty Senecal</i>	<b>A*</b>		<b>X</b>		<b>X</b>							
14	<b>LaMarr, Bill (Business Representative)</b>	<b>X</b>		<b>X</b>		<b>X</b>							
15	<b>McGivney, Dan (Business Representative)</b> <i>Alternate – Lauren Nevitt</i>	<b>A*</b>		<b>X</b>		<b>X</b>							
16	<b>Downs, Michael (Community Representative - McCallon)</b>	<b>A</b>		<b>A</b>		<b>A*</b>							
17	<b>Ferlita, Jaclyn (Community Representative - Lyou)</b>	<b>X</b>		<b>A</b>		<b>A</b>							
18	<b>Hansberger, Martin (Community Representative - Rutherford)</b>	<b>X</b>		<b>X</b>		<b>X</b>							
19	<b>Montez, Art (Community Representative - Lyou)</b>	<b>A</b>		<b>X</b>		<b>X</b>							
20	<b>Rothbart, David (Community Representative - Mitchell)</b>	<b>X</b>		<b>A*</b>		<b>X</b>							
21	<b>Rubio, Larry (Community Representative - Ashley)</b>	<b>A*</b>		<b>A*</b>		<b>A*</b>							
22	<b>Smith, Larry (Community Representative - Benoit)</b>	<b>A</b>		<b>A*</b>									
23	<b>Turner, TyRon (Community Representative - Burke)</b>	<b>A</b>		<b>X</b>		<b>X</b>							

<b>Attendance Codes</b>					
<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>

## **July 2019 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition**

At the October 5, 2018 Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command and control regulatory structure. The table below summarizes key activities over the past month.

<b>Item</b>	<b>Discussion</b>
Teleconference with U.S. EPA – June 18, 2019	<ul style="list-style-type: none"><li>• Staff discussed with U.S. EPA calculation methodologies for NSR applicability and amount of offsets required</li><li>• Discussed NSR requirements for secondary pollutants</li></ul>
Adoption of Amendments to Rule 2001 – Applicability, July 12, 2019	<ul style="list-style-type: none"><li>• Board approved amendments to keep facilities in RECLAIM until all rules associated with the transition are approved into the State Implementation Plan</li><li>• RECLAIM facilities will remain subject to Rule 2005 for New Source Review throughout the transition</li></ul>

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
General Counsel's Office**

**June 2019 Settlement Penalty Report  
DRAFT**

<u>Total Penalties</u>	
Civil Settlements:	\$462,200.00
MSPAP Settlements:	\$18,080.00
Hearing Board Settlements:	\$26,000.00
Total Cash Settlements:	\$506,280.00
Total SEP Value:	\$0.00

Fiscal Year through 6 / 2019 Cash Total:	\$7,186,386.49
Fiscal Year through 6 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Civil Settlements</b>						
101656	AIR PRODUCTS AND CHEMICALS, INC.	2004(f)(1) 2005 3002(c)(1)	6/14/2019	NSF	P63375 P63380	\$11,000.00
182157	BAXALTA US INC	3002(c)(1)	6/20/2019	NSF	P66807	\$2,500.00
186599	CEDROS INVESTMENT LLC	1403	6/11/2019	KCM	P66271	\$1,100.00
56940	CITY OF ANAHEIM/COMB TURBINE GEN STATION	2012	6/4/2019	MJR	P60571	\$500.00
109013	EMERALD COURT	203(a) 222	6/12/2019	TRB	P63877	\$1,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800372	EQUILON ENTER. LLC, SHELL OIL PROD. US	2004(f)(1) 3002(c)(1)	6/27/2019	TRB	P65318	\$2,500.00
124838	EXIDE TECHNOLOGIES	3002	6/18/2019	NSF	P63309	\$3,500.00
800089	EXXONMOBIL OIL CORPORATION	3002(c)(1)	6/6/2019	DH	P63406	\$165,000.00
148373	FULLERTON CUSTOM WORKS INC	203	6/6/2019	KCM	P63167	\$5,200.00
187243	JOSEPH FENTON	1403	6/6/2019	KCM	P66277	\$5,400.00
800075	LA CITY, DWP SCATTERGOOD GENERATING STN	2004 2012(c)(3)(A) 3002	6/7/2019	NSF	P64423 P66507	\$3,000.00
181933	NORTH GAS & MINI MART	203 461(c)(2)(B) 41960.2	6/13/2019	MJR	P61279	\$6,000.00
800408	NORTHROP GRUMMAN SYSTEMS	2012	6/27/2019	NSF	P68301	\$5,000.00
171941	Q.E.P. INC.	3002(c)(1)	6/27/2019	NSF	P66766 P66779	\$40,000.00
144835	QUALITY ALUMINUM FORGE A DIV OF GEL IND	1430(d)(2)	6/21/2019	KCM	P63875	\$7,000.00
104512	SOUTHERN CAL REGIONAL RAIL AUTHORITY	203(b)	6/14/2019	KCM	P65064 P66769	\$2,500.00
174655	TESORO REFINING & MARKETING CO, LLC	3002(c)(1)	6/27/2019	NSF	P65602	\$59,000.00



Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800436	TESORO REFINING AND MARKETING CO, LLC	40 CFR 60	6/27/2019	NSF	P60583	\$116,000.00
		1173			P64024	
		1176			P64025	
		1178			P64026	
		2004			P64028	
		3002(c)(1)			P64031	
800436	TESORO REFINING AND MARKETING CO, LLC	3002(c)(1)	6/27/2019	NSF	P64036	\$26,000.00

**Total Civil Settlements: \$462,200.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>MSPAP Settlements</b>						
182900	7-ELEVEN INC #37979	203	6/27/2019	TF	P66371	\$800.00
182901	7-ELEVEN INC #37980	203	6/27/2019	TF	P66372	\$800.00
186339	ADAPTIVE REALTY	1403	6/27/2019	GC	P66266	\$1,600.00
177905	APRO LLC DBA UNITED OIL #120	461(c)(2)(B)	6/27/2019	TF	P67667	\$1,000.00
177905	APRO LLC DBA UNITED OIL #120	461	6/27/2019	TF	P67659	\$1,000.00
180128	ATLANTIC PETROLEUM, INC	203(b)	6/21/2019	TF	P65260	\$800.00
182448	CHEVRON RIVERSIDE RD	461	6/27/2019	GC	P66353	\$440.00
153864	DIVERSIFIED ASPHALT PRODUCTS	203	6/28/2019	GC	P65168	\$640.00
179338	DUNCAN BROTHERS, INC.	3002	6/27/2019	GC	P59698	\$1,000.00
188465	E. STEWART & ASSOCIATES	203	6/27/2019	TF	P68509	\$250.00
119409	GOOSE CREEK GOLF CLUB	203	6/28/2019	GC	P67152	\$1,275.00
154188	MAIN STREET VALERO	461 H&S 41960	6/21/2019	TF	P64950	\$1,600.00
160499	NIETO'S STATION	461	6/21/2019	TF	P64945	\$1,000.00
187193	OCEANWIDE REPAIR	203	6/27/2019	TF	P67656	\$375.00
137487	P & S MOBIL	461 H&S 41960.2	6/27/2019	GC	P68111	\$400.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
187466	PALM SPRINGS INC.	461	6/27/2019	GV	P63231	\$400.00
187466	PALM SPRINGS INC.	203	6/27/2019	GV	P66362	\$400.00
188119	ROD'S TREE SERVICE INC	203	6/27/2019	TF	P65799	\$250.00
187775	RUSSEL COACH COMPANY LLC.	13 CCR 2485	6/21/2019	TF	P66808	\$1,200.00
179045	SILLY MONKEY, INC	13 CCR 2460	6/21/2019	GC	P60694	\$550.00
186767	STOUT ROOF CO	203	6/21/2019	TF	P62758	\$800.00
187709	TREZ COMPANY	403	6/21/2019	TF	P66768	\$1,000.00
123871	VERIZON WIRELESS/SIERRA PEAK #602	203(b)	6/27/2019	TF	P65393	\$500.00

**Total MSPAP Settlements: \$18,080.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Hearing Board Settlements</b>						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	6/18/2019	KCM	5400-4	\$25,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	6/27/2019	TRB	6128-1	\$1,000.00

**Total Hearing Board Settlements: \$26,000.00**

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR JUNE 2019 PENALTY REPORT**

**REGULATION II - PERMITS**

- 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 - Pertains to solid particulate matter emitted from man-made activities
- Rule 461 Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

- Rule 1173 Fugitive Emissions of Volatile Organic Compounds
- Rule 1176 Sumps and Wastewater Separators
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

**REGULATION XIV - TOXICS**

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

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

- Rule 2004 RECLAIM Program Requirements
- Rule 2005 New Source Review for RECLAIM
- 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 for Title V Permits

**CALIFORNIA HEALTH AND SAFETY CODE**

- 41960 Certification of Gasoline Vapor Recovery System
- 41960.2 Gasoline Vapor Recovery

**CALIFORNIA CODE OF REGULATIONS**

- 13 CCR 2460     Portable Equipment Testing Requirements
- 13 CCR 2485     Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor  
                         Vehicle Idling

**CODE OF FEDERAL REGULATIONS**

- 40 CFR 60, QQQ – Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater



# 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 2018 and 2019 NOx and SOx RTCs

July 2019 Quarterly Report to Stationary Source Committee

**Table I**

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)

Twelve-Month Rolling Average Price Data for Compliance Year 2018 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-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
Aug-18	Aug-17 to Jul-18	80.0	\$660,279	19	\$8,251
Sep-18	Sep-17 to Aug-18	86.8	\$698,621	28	\$8,050
Oct-18	Oct-17 to Sep-18	104.3	\$759,871	29	\$7,287
Nov-18	Nov-17 to Oct-18	196.3	\$1,069,361	47	\$5,447
Dec-18	Dec-17 to Nov-18	167.5	\$706,811	49	\$4,219
Jan-19	Jan-18 to Dec-18	270.4	\$1,023,944	57	\$3,786
Feb-19	Feb-18 to Jan-19	521.6	\$1,460,268	87	\$2,800
Mar-19	Mar-18 to Feb-19	625.6	\$1,534,266	97	\$2,452
Apr-19	Apr-18 to Mar-19	636.4	\$1,581,537	98	\$2,485
May-19	May-18 to Apr-19	666.4	\$1,695,472	117	\$2,544
Jun-19	Jun-18 to May-19	668.6	\$1,703,114	119	\$2,547
Jul-19	Jul-18 to Jun-19	674.0	\$1,657,307	118	\$2,459

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 2019 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 2019 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-19	Jan-18 to Dec-18	18.2	\$103,000	5	\$5,646
Feb-19	Feb-18 to Jan-19	19.0	\$108,200	6	\$5,682
Mar-19	Mar-18 to Feb-19	19.0	\$108,200	6	\$5,682
Apr-19	Apr-18 to Mar-19	29.6	\$181,921	8	\$6,153
May-19	May-18 to Apr-19	30.2	\$186,852	9	\$6,182
Jun-19	Jun-18 to May-19	31.2	\$195,323	10	\$6,256
Jul-19	Jul-18 to Jun-19	44.3	\$278,708	14	\$6,288

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 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
Aug-18	May-18 to Jul-18	27.0	\$157,704	12	\$5,848
Sep-18	Jun-18 to Aug-18	33.7	\$196,046	21	\$5,813
Oct-18	Jul-18 to Sep-18	31.7	\$133,988	15	\$4,233
Nov-18	Aug-18 to Oct-18	116.3	\$409,081	28	\$3,517
Dec-18	Sep-18 to Nov-18	118.9	\$408,282	22	\$3,435
Jan-19	Oct-18 to Dec-18	204.3	\$664,165	29	\$3,251
Feb-19	Nov-18 to Jan-19	363.4	\$790,999	41	\$2,177
Mar-19	Dec-18 to Feb-19	467.2	\$893,954	49	\$1,914
Apr-19	Jan-19 to Mar-19	375.9	\$630,248	44	\$1,677
May-19	Feb-19 to Apr-19	159.8	\$337,688	36	\$2,113
Jun-19	Mar-19 to May-19	48.8	\$204,832	27	\$4,196
Jul-19	Apr-19 to Jun-19	62.2	\$228,907	30	\$3,681

**Table IV**

Three-Month Rolling Average Price Data for Compliance Year 2019 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 2019 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-19	Oct-18 to Dec-18	18.2	\$102,300	4	\$5,621
Feb-19	Nov-18 to Jan-19	19.0	\$107,500	5	\$5,658
Mar-19	Dec-18 to Feb-19	14.0	\$80,000	4	\$5,714
Apr-19	Jan-19 to Mar-19	11.3	\$78,922	3	\$6,969
May-19	Feb-19 to Apr-19	11.2	\$78,653	3	\$7,034
Jun-19	Mar-19 to May-19	12.2	\$87,123	4	\$7,154
Jul-19	Apr-19 to Jun-19	14.8	\$96,787	6	\$6,560

**Table V**

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
Aug-18	Aug-17 to Jul-18	80.2	\$57,354	5	\$715
Sep-18	Sep-17 to Aug-18	95.2	\$67,854	6	\$713
Oct-18	Oct-17 to Sep-18	163.3	\$135,429	10	\$829
Nov-18	Nov-17 to Oct-18	173.3	\$165,429	11	\$955
Dec-18	Dec-17 to Nov-18	173.3	\$165,429	11	\$955
Jan-19	Jan-18 to Dec-18	173.3	\$165,429	11	\$955
Feb-19	Feb-18 to Jan-19	218.3	\$209,829	14	\$961
Mar-19	Mar-18 to Feb-19	259.7	\$292,629	16	\$1,127
Apr-19	Apr-18 to Mar-19	259.7	\$292,629	16	\$1,127
May-19	May-18 to Apr-19	259.7	\$292,629	16	\$1,127
Jun-19	Jun-18 to May-19	225.4	\$268,655	13	\$1,192
Jul-19	Jul-18 to Jun-19	225.4	\$268,655	13	\$1,192

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 VI**

Twelve-Month Rolling Average Price Data for Compliance Year 2019 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 2019 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-19	Jan-18 to Dec-18	None	-	-	-
Feb-19	Feb-18 to Jan-19	None	-	-	-
Mar-19	Mar-18 to Feb-19	25.0	\$50,000	1	\$2,000
Apr-19	Feb-18 to Jan-20	25.0	\$50,000	1	\$2,000
May-19	May-18 to Apr-19	25.0	\$50,000	1	\$2,000
Jun-19	Jun-18 to May-19	26.4	\$53,376	2	\$2,021
Jul-19	Jul-18 to Jun-19	26.4	\$53,376	2	\$2,021

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.