

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 17

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, June 16, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Mayor Larry McCallon, Chair  
Stationary Source Committee

JA:JW:cr

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### **Committee Members**

Present: Mayor Larry McCallon, Chair  
Councilmember Michael A. Cacciotti, (Board Vice Chair)  
Senator Vanessa Delgado (Ret), (Board Chair)  
Board Member Veronica Padilla-Campos  
Councilmember José Luis Solache

Absent: Supervisor Holly J. Mitchell, Vice Chair

### **Call to Order**

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

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

### **Roll Call**

### **INFORMATIONAL ITEM:**

#### **1. Issue Program Announcement, and Execute Contracts for Paving Project Plan Within the Assembly Bill 617 Community of Eastern Coachella Valley**

Uyen-Uyen Vo, Planning and Rules Manager/Diversity, Equity and Inclusion and Community Air Programs presented an overview of the Assembly Bill 617 (AB 617) Eastern Coachella Valley (ECV) Paving Project Program Announcement and recommended approval for Board consideration in August. For additional details, please refer to the [Webcast](#) beginning at 7:32.

Board Member Padilla-Campos expressed support for encouraging “cool pavement” as part of paving projects. For additional details, please refer to the [Webcast](#) beginning at 11:32.

Board Member Padilla-Campos asked about maintenance requirements and whether the responsibility is on the selected contractor(s) or the property owners. Ms. Vo responded that the selected contractor(s) will be responsible for maintaining the paved properties for five years after paving is completed and after the first five years, the responsibility lies with the property owner. For additional details, please refer to the [Webcast](#) beginning at 11:50.

Chair McCallon asked if South Coast AQMD typically executes contracts for paving or construction. Wayne Nastri, Executive Officer, responded that South Coast AQMD has done paving projects in ECV. Chair McCallon asked if they were for private properties. Mr. Nastri responded that the last one was on private property. For additional details, please refer to the [Webcast](#) beginning at 12:55.

Chair McCallon asked about inspections once the work is complete. Mr. Nastri responded he will get back to the Chair on the details of the approvals by the contractor. Chair McCallon commented about possible jurisdiction conflicts with the County of Riverside and unincorporated areas. Ms. Vo responded that South Coast AQMD is working closely with the cities and County of Riverside and that none of the properties identified are within incorporated areas. Chair McCallon commented that if it is city or county property, they should be involved and not South Coast AQMD. Ms. Vo responded that as a part of the contract, the contractor is responsible for obtaining all appropriate permits. For additional details, please refer to the [Webcast](#) beginning at 13:30.

There were no public comments.

Moved by: Cacciotti; seconded by Delgado, unanimously approved

Ayes: Cacciotti, Delgado, Padilla-Campos, Solache, McCallon

Noes: None

Absent: Mitchell

## **2. Update on Proposed Amended Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations**

Kalam Cheung, Planning and Rules Manager/Planning, Rule Development and Implementation, presented updates to PAR 1405 since the last update to Stationary Source Committee on April 21, 2023. For additional details, please refer to the [Webcast](#) beginning at 16:22.

Vice Chair Cacciotti asked how staff arrived at warehouse size thresholds of 250,000 and 100,000 square feet for fence line monitoring and reporting, respectively. Dr. Cheung responded that the thresholds were determined based on

data collected including facility surveys that provided warehouse size and activities. For additional details, please refer to the [Webcast](#) beginning at 33:25.

Vice Chair Cacciotti also asked about U.S. Food and Drug Administration's (FDA's) position regarding EtO phaseout or other requirements and suggested that staff clarify bimonthly. Mr. Nastri reported that U.S. FDA is actively encouraging alternatives to EtO sterilization. Sarah Rees, Deputy Executive Officer/Planning, Rule Development and Implementation, added that U.S. FDA does not have plans for phaseout EtO. For additional details, please refer to the [Webcast](#) beginning at 34:36.

Joseph Hower, Ramboll, speaking on behalf of Sterigenics US, LLC, highlighted that EtO is critical for the U.S. healthcare system. Mr. Hower expressed concern that the proposed facility-wide mass emission limit would be difficult to achieve and recommended an annual emission limit that is facility-specific based on EtO throughput. Mr. Hower also commented that Sterigenics is already conducting fenceline monitoring and has projects in place to install additional controls in advance of proposed rule. He recommended that facilities already monitoring should be exempt from monitoring under PAR 1405. For additional details, please refer to the [Webcast](#) beginning at 37:37.

Bobby Patrick, Advanced Medical Technology Association (AdvaMed), expressed concerns regarding medical device availability, reliance on one facility in Illinois as the basis for recent rule updates, the need for a technologically neutral PAR 1405 to rule and reliability of fenceline EtO monitoring, as there are other sources that could contribute to EtO readings. Dr. Cheung explained that in addition to the facility in Illinois, staff looked at source test data from sterilization facilities in South Coast AQMD to establish the proposed performance standards. Jason Low, Deputy Executive Officer/Monitoring and Analysis, responded to concerns regarding fenceline monitoring and explained that fixed fenceline monitoring and mobile platforms have identified sterilization facilities as the sources of elevated EtO levels. Dr. Low also commented that South Coast AQMD is working with CARB regarding potential EtO emissions from vehicles that may be contributing to background levels. For additional details, please refer to the [Webcast](#) beginning at 42:55.

Chair McCallon and Councilmember Solache inquired about EtO background levels in South Coast AQMD. Dr. Low reported the ambient EtO levels at the Central Los Angeles monitoring location were below 0.17 ppb in 2021 and ambient EtO levels at the Rubidoux monitoring location in Riverside County were below 0.14 ppb, which were consistent with ambient EtO levels measured across the nation. For additional details, please refer to the [Webcast](#) beginning at 45:12.

Board Chair Delgado suggested, and Chair McCallon agreed to bring PAR 1405 back to Committee after revised rule language is released. Mr. Nastri proposed to release language in two weeks and return to Committee in August with a Public Hearing in September. Chair McCallon agreed to an August Committee meeting for

PAR 1405. Mr. Nastri also reported that another public meeting is expected in early July. For additional details, please refer to the [Webcast](#) beginning at 47:22.

Councilmember Solache asked if there are other tools other than the mobile platform to identify sources of EtO emissions. Dr. Low explained that the air monitoring strategy includes a combination of upwind and downwind fence-line monitors with meteorological data to exclude other potential sources. For additional details, please refer to the [Webcast](#) beginning at 49:45.

Councilmember Cacciotti expressed concern about ambient EtO background levels and potential sources. Dr. Rees explained that EtO is potentially created from a variety of combustion sources and emphasized that staff is collaborating with CARB. For additional details, please refer to the [Webcast](#) beginning at 55:53.

Chair McCallon recognized and allowed an additional public comment.

Harvey Eder, Public Solar Power Coalition, commented on matters unrelated to PAR 1405. For additional details, please refer to the [Webcast](#) beginning at 58:46.

### **3. Summary of Proposed Amended Rule 1153.1 – Emission of Oxides of Nitrogen from Commercial Food Ovens**

Heather Farr, Planning & Rules Manager/Planning, Rule Development and Implementation, presented an overview of the proposed amendments to Rule 1153.1. For additional details, please refer to the [Webcast](#) beginning at 1:00:10.

Board Member Padilla-Campos voiced support for adjusting the NO<sub>x</sub> cost-effectiveness threshold annually by CPI and appreciated staff responding and listening to the community. For additional details, please refer to the [Webcast](#) beginning at 1:09:39.

Board Chair Delgado expressed appreciation that staff engaged with all stakeholders and inquired about how the cost-effectiveness figures were calculated. Ms. Farr explained that fuel-switching costs of the transition from natural gas to electricity was the main driver of the increased cost-effectiveness figures. For additional details, please refer to the [Webcast](#) beginning at 1:10:02.

Chair McCallon cited a comment letter from BizFed and inquired about the new regional health-based methodology used to calculate cost-effectiveness thresholds. Dr. Rees explained that cost-effectiveness thresholds were established in the 2022 AQMP and that the values presented are based on the dollar value of regional health benefits resulting from each ton of NO<sub>x</sub> emissions reduced per day. Chair McCallon asked for further clarification on whether the appropriate methodologies were used to calculate the presented cost-effectiveness values. The screening threshold adopted by the Board is applied to the BARCT analysis which is conducted in accordance with California Health & Safety Code and is consistent with the initial proposal. For additional details, please refer to the [Webcast](#) beginning at 1:11:32.

Chair McCallon reiterated the point in the BizFed comment letter that a cost-effectiveness calculation methodology has not yet been provided. Dr. Rees stated that staff would follow-up with the stakeholder regarding the comment. Chair McCallon requested that staff also follow up with the Committee members regarding the comment. For additional details, please refer to the [Webcast](#) beginning at 1:13:53.

Board Chair Delgado asked if the cost-effectiveness values presented will be confirmed only once zero-emission technology emerges and the proposed technology status update/check-in is conducted. Mr. Krause explained the methodology of the calculation and clarified the technology status update/check-in included in the proposal. Councilmember Solache suggested that staff also evaluate social costs associated with new rule proposals moving forward. For additional details, please refer to the [Webcast](#) beginning at 1:14:58.

Evan Gillespie, Industrious Labs, supported the adjustment of the cost-effectiveness thresholds by CPI, and commented that the forecasted natural gas prices used by South Coast AQMD was too low. For additional details, please refer to the [Webcast](#) beginning at 1:16:36.

Yassi Kavezade, Sierra Club, expressed appreciation for the proposed zero-emission limits and suggested that zero-emission limits be proposed for all equipment categories. For additional details, please refer to the [Webcast](#) beginning at 1:19:54.

Jed Holtzman, Rocky Mountain Institute, expressed appreciation for the inclusion of the proposed zero-emission limits and staff's plans to adjust the cost-effectiveness threshold for inflation each year moving forward. For additional details, please refer to the [Webcast](#) beginning at 1:21:49.

Kim Orbe, Sierra Club, commented that the technology status update/check-in should be more comprehensive and include health impacts of continued use of gas-fired equipment and gas price forecasts. For additional details, please refer to the [Webcast](#) beginning at 1:25:11.

Mr. Eder suggested that staff evaluate photovoltaic solar panel technology and its potential to affect cost-effectiveness values across all established equipment categories. For additional details, please refer to the [Webcast](#) beginning at 1:26:44.

#### **4. Update on Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities**

Michael Morris, Planning & Rules Manager/Planning, Rule Development and Implementation, provided a summary on Proposed Amended Rule 1178. For additional details, please refer to the [Webcast](#) beginning at 1:34:25.

Chair McCallon identified that the Chevron refinery, located in El Segundo, is not located in an AB 617 community and requested that there be an exception to the doming schedule for Chevron. Mr. Nastri replied that staff does not develop rules for specific areas and that all communities should benefit from the protections set forth in the proposed rule. Chair McCallon added Chevron is unique because it supplies a significant amount of fuel to the area. Mr. Nastri replied that South Coast AQMD is in discussions with Chevron and verifying information. Mr. Nastri also stated that other facilities with similar tanks are expected to comply with the proposed doming schedule. In addition, Mr. Nastri stated that South Coast AQMD will consider all comments made, continue to work with Chevron on this issue, and report back to the Stationary Source Committee. For additional details, please refer to the [Webcast](#) beginning at 1:34:25.

Board Member Padilla-Campos sought clarification on what a dome is. Mr. Morris explained that a dome is a permanent aluminum roof that reduces emissions caused by wind effects. For additional details, please refer to the [Webcast](#) beginning at 1:41:29.

Alicia Rivera, Communities for a Better Environment/Wilmington, Carson, West Long Beach Community Steering Committee, commented on the health effects of emissions from storage tanks. For additional details, please refer to the [Webcast](#) beginning at 1:45:55.

Julia May, Communities for a Better Environment, commented on the emissions from storage tanks and the cost-effectiveness analysis of Proposed Amended Rule 1178. Ms. May suggested that the compliance deadline be moved to 2030 and that staff update costs. For additional details, please refer to the [Webcast](#) beginning at 1:44:45.

Jan Victor Andasan, Communities for Environment Justice, expressed concern over the implementation schedule and expressed support for a proposed 2030 compliance deadline. For additional details, please refer to the [Webcast](#) beginning at 1:46:25.

Byron Chan, Earthjustice, challenged the cost-effectiveness threshold of \$36,000 and stated that the current cost-effectiveness threshold is based on 2021 dollars and that the costs assumed by staff are based on 2023 dollars. Mr. Chan stated that the current cost-effectiveness analysis results in the rule that does not provide all protections promised to AB 617 communities. Mr. Chan urged staff to update its cost-effectiveness analyses. For additional details, please refer to the [Webcast](#) beginning at 1:47:58.

#### **WRITTEN REPORTS:**

##### **5. Twelve-month and Three-month Rolling Average Price of Compliance Years 2022 and 2023 NO<sub>x</sub> and SO<sub>x</sub> RTCs (April – May 2023)**

The report was acknowledged by the committee.

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

The report was acknowledged by the committee.

**7. Notice of Violation Penalty Summary**

Councilmember Cacciotti asked Chief Deputy Counsel Barbara Baird to explain the near 1-million-dollar settlement with Torrance Refining Company

Ms. Baird explained the violations at the Torrance Refining Company included several, but the most significant violation was of a requirement to conduct a leak detection and repair program for components within the refinery that could leave VOCs and there were multiple number of components that were not inspected for several years. The facility's defense was that they did not have these components in their database, and so missed them. She stated there were no extenuating factors for not having them in the database and that was the basis for the penalty settlement in this case. For additional details, please refer to the [Webcast](#) beginning at 1:49:30.

**OTHER MATTERS:**

**8. Other Business**

There was no other business to report.

**9. Public Comment Period**

There were no public comments to report.

**10. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, August 18, 2023 at 10:30 a.m.

**Adjournment**

The meeting was adjourned at 12:20 p.m.

**Attachments**

1. Attendance Record
2. Twelve-month and Three-month Rolling Average Price of Compliance Years 2022 and 2023 NOx and SOx RTCs (April – May 2023)
3. Monthly Update of Staff’s Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program
4. Notice of Violation Penalty Summary

# ATTACHMENT 1

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

**Attendance – June 16, 2023**

Councilmember Michael A. Cacciotti .....	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret).....	South Coast AQMD Board Member
Mayor Larry McCallon .....	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos .....	South Coast AQMD Board Member
Councilmember José Luis Solache.....	South Coast AQMD Board Member
William Kelly .....	Board Consultant (Cacciotti)
Loraine Lundquist.....	Board Consultant (Mitchell)
Debra Mendelsohn.....	Board Consultant (McCallon)
Andrew Silva.....	Board Consultant (Dawson)
Mark Taylor.....	Board Consultant (Rodriguez)
Mark Abramowitz.....	Community Environmental Services
Jan Victor Andasan.....	Communities for Environmental Justice
Byron Chan .....	Earthjustice
Harvey Eder.....	Public Solar Power Coalition
Evan Gillespie .....	Industrious Labs
Jed Holtzman .....	Rocky Mountain Institute
Joseph Hower .....	Ramboll
Yassi Kavezade .....	Sierra Club
Julia May .....	Communities for a Better Environment
Kim Orbe.....	Sierra Club
Bobby Patrick.....	Advanced Medical Technology Association
Alicia Rivera.....	Communities for a Better Environment
Jason Aspell.....	South Coast AQMD staff
Barbara Baird .....	South Coast AQMD staff
Kalam Cheung .....	South Coast AQMD staff
Heather Farr.....	South Coast AQMD staff
Bayron Gilchrist .....	South Coast AQMD staff
Sheri Hanizavareh.....	South Coast AQMD staff
Anissa Heard-Johnson .....	South Coast AQMD staff
Mark Henninger.....	South Coast AQMD staff
Kathryn Higgins .....	South Coast AQMD staff
Sujata Jain .....	South Coast AQMD staff
Aaron Katzenstein .....	South Coast AQMD staff
Michael Krause.....	South Coast AQMD staff
Jason Low.....	South Coast AQMD staff
Ian MacMillan .....	South Coast AQMD staff
Terrence Mann.....	South Coast AQMD staff
Michael Morris .....	South Coast AQMD staff
Ron Moskowitz .....	South Coast AQMD staff
Susan Nakamura.....	South Coast AQMD staff
Andrea Polidori .....	South Coast AQMD staff
Sarah Rees .....	South Coast AQMD staff
Catherine Rodriguez .....	South Coast AQMD staff
Lisa Tanaka O’Malley .....	South Coast AQMD staff
Uyen-Uyen Vo.....	South Coast AQMD staff
Jillian Wong .....	South Coast AQMD staff
Paul Wright .....	South Coast AQMD staff
Victor Yip.....	South Coast AQMD staff



# South Coast Air Quality Management District

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## Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2022 and 2023 NOx and SOx RTCs (April – May 2023)

June 2023 Report to Stationary Source Committee

**Table I**

Twelve-Month Rolling Average Price Data for Compliance Year 2022 NOx RTCs  
(Report to Governing Board if rolling average price greater than \$22,500/ton)<sup>1</sup>

Twelve-Month Rolling Average Price Data for Compliance Year 2022 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>2</sup> (\$/ton)
Jan-22	Jan-21 to Dec-21	165.4	\$5,473,709	18	\$33,085
Feb-22	Feb-21 to Jan-22	165.4	\$5,473,709	18	\$33,085
Mar-22	Mar-21 to Feb-22	165.4	\$5,473,709	18	\$33,085
Apr-22	Apr-21 to Mar-22	193.6	\$6,611,522	22	\$34,146
May-22	May-21 to Apr-22	194.6	\$6,656,124	24	\$34,198
Jun-22	Jun-21 to May-22	176.4	\$6,227,716	22	\$35,311
Jul-22	Jul-21 to Jun-22	174.8	\$6,373,786	24	\$36,457
Aug-22	Aug-21 to Jul-22	176.3	\$6,434,733	32	\$36,489
Sep-22	Sep-21 to Aug-22	174.6	\$6,443,413	33	\$36,894
Oct-22	Oct-21 to Sep-22	151.8	\$5,960,928	31	\$39,280
Nov-22	Nov-21 to Oct-22	155.6	\$6,005,989	44	\$38,611
Dec-22	Dec-21 to Nov-22	105.6	\$4,005,989	42	\$37,953
Jan-23	Jan-22 to Dec-22	87.8	\$3,238,965	41	\$36,871
Feb-23	Feb-22 to Jan-23	286.8	\$6,212,543	77	\$21,659
Mar-23	Mar-22 to Feb-23	356.0	\$7,298,709	93	\$20,501
Apr-23	Apr-22 to Mar-23	327.8	\$6,160,896	89	\$18,792
May-23	May-22 to Apr-23	353.9	\$6,671,187	106	\$18,852
Jun-23	Jun-22 to May-23	354.2	\$6,679,467	107	\$18,857

**Table II**

Twelve-Month Rolling Average Price Data for Compliance Year 2023 NOx RTCs  
(Report to Governing Board if rolling average price greater than \$22,500/ton)<sup>1</sup>

Twelve-Month Rolling Average Price Data for Compliance Year 2023 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>2</sup> (\$/ton)
Jan-23	Jan-22 to Dec-22	40.8	\$1,954,673	5	\$47,864
Feb-23	Feb-22 to Jan-23	40.9	\$1,956,548	6	\$47,866
Mar-23	Mar-22 to Feb-23	40.9	\$1,956,548	6	\$47,866
Apr-23	Apr-22 to Mar-23	40.9	\$1,956,548	6	\$47,866
May-23	May-22 to Apr-23	60.7	\$2,386,163	10	\$39,311
Jun-23	Jun-22 to May-23	51.7	\$1,468,779	11	\$28,422

**Table III**

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTCs  
(Report to Governing Board if rolling average price greater than \$35,000/ton)<sup>1</sup>

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price <sup>2</sup> (\$/ton)
Jan-22	Oct-21 to Dec-21	97.4	\$3,780,324	10	\$38,803
Feb-22	Nov-21 to Jan-22	79.5	\$3,110,524	7	\$39,114
Mar-22	Dec-21 to Feb-22	29.5	\$1,110,524	5	\$37,614
Apr-22	Jan-22 to Mar-22	28.2	\$1,137,813	4	\$40,372
May-22	Feb-22 to Apr-22	29.2	\$1,182,415	6	\$40,506
Jun-22	Mar-22 to May-22	29.2	\$1,182,415	6	\$40,506
Jul-22	Apr-22 to Jun-22	21.3	\$852,942	6	\$40,000
Aug-22	May-22 to Jul-22	24.3	\$962,009	13	\$39,531
Sep-22	Jun-22 to Aug-22	25.1	\$998,189	15	\$39,706
Oct-22	Jul-22 to Sep-22	4.8	\$189,849	11	\$39,359
Nov-22	Aug-22 to Oct-22	22.5	\$751,041	18	\$33,377
Dec-22	Sep-22 to Nov-22	21.7	\$714,861	16	\$32,946
Jan-23	Oct-22 to Dec-22	33.5	\$1,058,361	20	\$31,577
Feb-23	Nov-22 to Jan-23	210.8	\$3,317,078	40	\$15,735
Mar-23	Dec-22 to Feb-23	280.0	\$4,403,244	56	\$15,726
Apr-23	Jan-23 to Mar-23	268.2	\$4,059,744	52	\$15,138
May-23	Feb-23 to Apr-23	96.2	\$1,641,059	35	\$17,053

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price <sup>2</sup> (\$/ton)
Jun-23	Mar-23 to May-23	27.4	\$563,174	20	\$20,562

**Table IV**

Three-Month Rolling Average Price Data for Compliance Year 2023 NOx RTCs  
(Report to Governing Board if rolling average price greater than \$35,000/ton)<sup>1</sup>

Three-Month Rolling Average Price Data for Compliance Year 2023 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price <sup>2</sup> (\$/ton)
Jan-23	Oct-22 to Dec-22	14.4	\$545,813	3	\$38,000
Feb-23	Nov-22 to Jan-23	14.4	\$547,688	4	\$38,031
Mar-23	Dec-22 to Feb-23	14.4	\$547,688	4	\$38,031
Apr-23	Jan-23 to Mar-23	0.04	\$1,875	1	\$50,000
May-23	Feb-23 to Apr-23	19.8	\$429,615	4	\$21,671
Jun-23	Mar-23 to May-23	28.3	\$561,871	6	\$19,857

<sup>1</sup> District Rule 2002 (f)(1)(H) requires that any rolling average price greater than the threshold triggers a report to the Governing Board. The Governing Board determined at the March 3, 2023 meeting that the requirements of Rule 2002 (f)(1)(H) are no longer applicable to the RECLAIM program, therefore this information is provided as a courtesy.

<sup>2</sup> 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 annual RTC price reported in the RECLAIM Annual Audit Report exceeds \$15,000 per ton. The average annual RTC price is reported to the Governing Board in March of each year. The Governing Board determined at the March 3, 2023 meeting that no additional analysis or action was required in response to the price threshold exceedance from the most recent report.

**Table V**

Twelve-Month Rolling Average Price Data for Compliance Year 2022 SOx RTCs  
 (Report to Governing Board if rolling average price greater than \$50,000/ton)<sup>3</sup>

Twelve-Month Rolling Average Price Data for Compliance Year 2022 SOx 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>4</sup> (\$/ton)
Jan-22	Jan-21 to Dec-21	None	-	-	-
Feb-22	Feb-21 to Jan-22	None	-	-	-
Mar-22	Mar-21 to Feb-22	None	-	-	-
Apr-22	Apr-21 to Mar-22	None	-	-	-
May-22	May-21 to Apr-22	None	-	-	-
Jun-22	Jun-21 to May-22	None	-	-	-
Jul-22	Jul-21 to Jun-22	None	-	-	-
Aug-22	Aug-21 to Jul-22	None	-	-	-
Sep-22	Sep-21 to Aug-22	None	-	-	-
Oct-22	Oct-21 to Sep-22	None	-	-	-
Nov-22	Nov-21 to Oct-22	None	-	-	-
Dec-22	Dec-21 to Nov-22	None	-	-	-
Jan-23	Jan-22 to Dec-22	131.5	\$262,908	6	\$2,000
Feb-23	Feb-22 to Jan-23	135.3	\$273,999	8	\$2,025
Mar-23	Mar-22 to Feb-23	135.3	\$273,999	8	\$2,025
Apr-23	Apr-22 to Mar-23	135.3	\$273,999	8	\$2,025
May-23	May-22 to Apr-23	135.3	\$273,999	8	\$2,025
Jun-23	Jun-22 to May-23	135.3	\$273,999	8	\$2,025

**Table VI**

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx RTCs  
 (Report to Governing Board if rolling average price greater than \$50,000/ton)<sup>3</sup>

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx 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>4</sup> (\$/ton)
Jan-23	Jan-22 to Dec-22	None	-	-	-
Feb-23	Feb-22 to Jan-23	None	-	-	-
Mar-23	Mar-22 to Feb-23	None	-	-	-
Apr-23	Apr-22 to Mar-23	None	-	-	-

<b>Twelve-Month Rolling Average Price Data for Compliance Year 2023 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>4</sup> (\$/ton)</b>
May-23	May-22 to Apr-23	None	-	-	-
Jun-23	Jun-22 to May-23	None	-	-	-

<sup>3</sup> Pursuant to District Rule 2002(f)(1)(Q), the requirement to report 12-month rolling average SOx RTC price ended February 1, 2020. This table is provided as a courtesy.

<sup>4</sup> 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 annual RTC price reported in the RECLAIM Annual Audit Report exceeds \$15,000 per ton. The average annual RTC price is reported to the Governing Board in March of each year.

## **June 2023 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition**

At the October 5, 2018 Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. The table below summarizes key activities with U.S. EPA and California Air Resources Board (CARB) since the last report.

<b>Item</b>	<b>Discussion</b>
Video Conference with CARB – May 31, 2023	<ul style="list-style-type: none"><li>• Discussed potential SB 288 exemptions to address offset availability post-RECLAIM</li></ul>

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

**Settlement Penalty Report (05/01/2023 - 05/31/2023)**

Total Penalties

Civil Settlement: \$1,271,767.00  
Hearing Board Settlement: \$3,500.00  
MSPAP Settlement: \$2,807.00

**Total Cash Settlements: \$1,278,074.00**

**Fiscal Year through 05/31/2023 Cash Total: \$5,980,442.31**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>Civil</b>						
47084	ADVANCE PAPER BOX, CO.	1415, 3002	5/17/2023	JL	P69571, P73657, P73818	\$8,400.00
187165	ALTAIR PARAMOUNT, LLC	40 CFR 60,QQQ, 401, 1118, 1173, 1176, 1178, 3002, 41701	05/26/2023	BT	P65086, P65087, P65088, P65089, P65091, P65099, P65100, P65642, P67811, P67812, P67821, P67827, P67844, P67845, P67846, P68971, P74082	\$125,000.00
177658	BURNS ENVIRONMENTAL SERVICES	40 CFR 61.145, 1403	05/26/2023	BT	P69438, P69812, P74447, P74448, P74557, P74558, P74563, P76203, P76207, P76222	\$46,000.00
800022	CALNEV PIPE LINE, LLC	463, 1178, 3002	05/25/2023	MR	P63266, P73311, P74055	\$3,500.00
191119	E&B NATURAL RESOURCES MANAGEMENT CORP	203, 430, 1148.1, 1173	05/10/2023	JL	P73327, P73334	\$9,098.50
192295	EMPIRE EXCHANGE, INC	1403	05/05/2023	RM	P74302	\$3,100.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
191989	EVOQUA WATER TECHNOLOGIES, LLC	203	05/24/2023	JL	P73309	\$5,000.00
157363	INTERNATIONAL PAPER CO	1100, 1146, 2004	05/23/2023	KCM	P70002	\$45,673.00
191446	KINGDOM BUILDERS PROPERTIES, LLC	1403	05/11/2023	RM	P74307	\$3,700.00
800234	LOMA LINDA UNIV	3002	05/11/2023	RL	P74132, P74651, P75204	\$5,500.00
800080	LUNDAY-THAGARD COMPANY	40 CFR QQQ, 218.1, 463, 1173, 1178, 2004, 2011, 2011 Appendix A, 3002,	05/05/2023	MR	P61515, P64023, P64027, P64030, P64032, P65085, P65097, P65098, P65396, P66926, P66933, P66940, P67803, P74061, P74062, P74064, P74073, P74074, P74075, P74081, P74085, P74086, P78704	\$115,500.00
193110	MISS HAIRCUT OF WESTCHESTER	40 CFR 61.145, 1403	05/19/2023	RM	P74223	\$500.00
42630	PRAXAIR, INC.	2004, 2012	05/26/2023	BT	P67377, P67384, P67400, P74624	\$11,100.00
139446	PROJECT NAVIGATOR/ASCON LANDFILL SITE RP	221, 1166	05/26/2023	EC	P69170	\$3,750.00
191463	REFLECTIONS AUTO BODY	109	05/17/2023	GV	P69587	\$1,500.00
800128	SO CAL GAS CO	17 CCR 95669	05/17/2023	JL	P74502, P74503, P74509	\$28,104.00
5973	SOCAL GAS CO	17 CCR 95669, 3002	05/17/2023	JL	P73265, P73267, P73276	\$48,596.50
181667	TORRANCE REFINING COMPANY LLC	3002	05/04/2023	DH	P68206	\$736,845.00
21872	TROJAN BATTERY COMPANY, LLC	203, 221, 1420.2	05/25/2023	BT	P69815, P69823	\$70,900.00
<b>Total Civil Settlements : \$1,271,767.00</b>						
<b>Hearing Board</b>						
112573	FREUND BAKING COMPANY	1153.1	05/10/2023	JL	6226-1	\$1,500.00
112573	FREUND BAKING COMPANY	1153.1	05/24/2023	JL	6226-1	\$2,000.00
<b>Total Hearing Board Settlements : \$3,500.00</b>						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>MSPAP</b>						
196096	CALTRANS	403	05/26/2023	GV	P68788	\$2,807.00
<b>Total MSPAP Settlements : \$2,807.00</b>						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR MAY 2023 PENALTY REPORT**

**REGULATION I - GENERAL PROVISIONS**

Rule 109            Recordkeeping for Volatile Organic Compound Emissions

**REGULATION II - PERMITS**

Rule 203            Permit to Operate

Rule 218.1        Continuous Emission Monitoring Performance Specifications

Rule 221            Plans

**REGULATION IV - PROHIBITIONS**

Rule 401            Visible Emissions

Rule 403            Fugitive Dust. Pertains to solid particulate matter emitted from man-made activities.

Rule 430            Breakdown Provisions

Rule 463            Storage of Organic Liquids

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1100          Implementation Schedule for NO<sub>x</sub> Facilities

Rule 1118          Emissions from Refinery Flares

Rule 1146          Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1148.1        Oil and Gas Production Wells

Rule 1153.1        Emissions of Oxides of Nitrogen from Commercial Food Ovens

Rule 1166          Volatile Organic Compound Emissions from Decontamination of Soil

Rule 1173          Fugitive Emissions of Volatile Organic Compounds

Rule 1176          Sumps and Wastewater Separators

Rule 1178          Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

**REGULATION XIV - TOXICS**

Rule 1403          Asbestos Emissions from Demolition/Renovation Activities

Rule 1415          Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems

Rule 1420.2        Emission Standards for Lead from Metal Melting Facilities

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

- Rule 2004 Requirements
- Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) Emissions
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

**REGULATION XXX- TITLE V PERMITS**

- Rule 3002 Requirements

**CODE OF FEDERAL REGULATIONS**

- 40 CFR 60, QQQ Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater
- 40 CFR 61.145 Standard for Demolition and Renovation

**CALIFORNIA HEALTH AND SAFETY CODE**

- 41701 Restricted Discharges

**CALIFORNIA CODE OF REGULATIONS**

- 17 CCR 95669 Air Resources Board – Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities