



South Coast Air Quality Management District

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

A G E N D A

HYBRID GOVERNING BOARD MEETING August 4, 2023

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, August 4, 2023 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates, and details on how to participate at: <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

<p>Electronic Participation Information (Instructions provided at the bottom of the agenda)</p>	<p>Join Zoom Meeting - from PC, Laptop or Phone https://scaqmd.zoom.us/j/93128605044 Meeting ID: 931 2860 5044 (applies to all) Teleconference Dial In +1 669 900 6833 or +1 253 215 8782 One tap mobile +16699006833,,93128605044# or +12532158782,,93128605044#</p> <p>Spanish Language Only Audience (telephone) Número Telefónico para la Audiencia que Habla Español Teleconference Dial In/Numero para llamar: +1 669 900 6833 Meeting ID/Identificación de la reunión: 932 0955 9643 One tap mobile: +16699006833,,93209559643#</p>
<p>Public Comment Will Still Be Taken</p>	<p>Audience will be allowed to provide public comment in person and through Zoom connection or telephone. Phone controls for participants: The following commands can be used on your phone's dial pad while in meeting: *6 (Toggle mute/unmute); *9 - Raise hand</p>
<p>Questions About an Agenda Item</p>	<ul style="list-style-type: none">▪ The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.▪ In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.
<p>Meeting Procedures</p>	<ul style="list-style-type: none">▪ The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, <u>any item</u> may be considered in <u>any order</u>.▪ After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at South Coast AQMD's Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765 or web page at www.aqmd.gov

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov. Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cob@aqmd.gov.

A webcast of the meeting is available for viewing at:

<http://www.aqmd.gov/home/news-events/webcast>

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Opening Comments: Vanessa Delgado, Chair
Other Board Members
Wayne Nastri, Executive Officer

Staff/Phone (909) 396-

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3) The public may comment on any subject within the South Coast AQMD’s authority that does not appear on the agenda, during the Public Comment Period. Each speaker addressing non-agenda items may be limited to a total of (3) minutes.

CONSENT AND BOARD CALENDAR (Items 1 through 19)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. 20

Items 1 through 4 – Action Items/No Fiscal Impact

- | | |
|---|--------------------|
| 1. Approve Minutes of June 2, 2023 | Thomas/3268 |
| 2. Set Public Hearings September 1, 2023 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations: | Nastri/3131 |
| 2A. Certify Final Environmental Assessment for Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities; and Amend Rule 1178 | Krause/2706 |

Proposed Amended Rule 1178 will establish enhanced leak detection and repair requirements and more stringent control requirements on tanks that store crude oil, additional seals for internal floating roof tanks, and a higher control efficiency requirement for emission control systems. The proposed amended rule will also include provisions for true vapor pressure testing and will update reporting and recordkeeping requirements. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities, and 2) Amending Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities. (Reviewed: Stationary Source Committee, June 16, 2023)

- 2B. Determine That Proposed Amended Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, Is Exempt From CEQA; and Amend Rule 1111

Krause/2706

Rule 1111 establishes a NOx emission limit of 14 ng/J for residential and commercial gas furnaces. Proposed Amended Rule 1111 will extend the mitigation fee alternative compliance option end date from September 30, 2023 to September 30, 2025 for mobile home furnaces. This action is to adopt the Resolution: 1) Determining that the proposed amendment to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces. (To Be Reviewed: Stationary Source Committee, August 18, 2023)

3. Approve Appointment by South Coast Air Quality Management District Building Corporation of Jill Whynot to Building Corporation's Board of Directors

Jain/28/04

A vacancy exists on the Board of Directors of the South Coast Air Quality Management District Building Corporation, as a result of the death of Raymond Robinson. The Building Corporation's bylaws require that its appointment of a member to its Board of Directors be approved by South Coast AQMD's Governing Board. This action is to approve the appointment of Jill Whynot to the Building Corporation's Board of Directors. (No Committee Review)

4. Special Meeting of Health Effects of Air Pollution Foundation

Gilchrist/3459

This item is to approve the appointment of Supervisor Curt Hagman as a Director of the Health Effects of Air Pollution Foundation. (No Committee Review)

Items 5 and 6 – Budget/Fiscal Impact

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

Higgins/3309

Through community-led incentives budgeting workshops in early 2021, the Assembly Bill 617 Eastern Coachella Valley (ECV) Community Steering Committee prioritized \$4.57 million in Community Air Protection Program incentive

funding for Paving Projects within the ECV community. These actions are to: 1) issue a Program Announcement in an amount up to \$4.57 million from the Community Air Protection AB 134 Fund (77) to solicit paving project applications from applicants for the Paving Project Program and to execute contracts to implement paving projects in the ECV Community through the Paving Project Program; 2) reimburse the General Fund for administrative costs of up to \$279,667 from the Community Air Protection AB 134 Fund (77); and 3) transfer and appropriate up to \$25,000 from the Community Air Protection AB 134 Fund (77) into the Diversity, Equity and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account for administrative costs to implement the Paving Project Plan. (Reviewed: Stationary Source Committee, June 16, 2023)

6. Approve Fund Transfer for Miscellaneous and Direct Expenditures Costs in FY 2023-24 as Approved by MSRC

McCallon

Every year the MSRC adopts an Administrative Budget which includes transfer of funds to the South Coast AQMD Budget to cover administrative expenses. At this time, the MSRC seeks Board approval of the fund transfer as part of the FYs 2021-24 Work Program. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, June 16, 2023, Recommended for Approval)

Items 7 through 12 – Information Only/Receive and File

7. Legislative, Public Affairs and Media Report

Alatorre/3122

This report highlights the May and June 2023 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

8. Hearing Board Report

Verdugo-Peralta

This reports the actions taken by the Hearing Board during the period of May 1 through June 30, 2023. (No Committee Review)

9. Civil Filings and Civil Penalties Report

Gilchrist/3459

This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from May 1, 2023 through May 31, 2023. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, June 16, 2023)

10. Lead Agency Projects and Environmental Documents Received

Krause /2706

This report provides a listing of CEQA documents received by South Coast AQMD between May 1, 2023 and June 30, 2023, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, June 16, 2023 for the May 1 to May 31, 2023 portion of the report; the June 1 to June 30, 2023 portion of the report had no committee review)

11. Rule and Control Measure Forecast

Rees/2856

This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2023. (No Committee Review)

12. Status Report on Major Ongoing and Upcoming Projects for Information Management

Moskowitz/3329

Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, June 9, 2023)

Items 13 through 19 -- Reports for Committees and CARB

Note: The June 16, 2023 meeting of the Technology Committee was cancelled. The next regular meeting of the Technology Committee is August 18, 2023.

13. Administrative Committee (Receive & File)

Chair: Delgado

Nastri/3131

14. Investment Oversight (Receive & File)

Chair: Cacciotti

Jain/2804

15. Legislative Committee Chair: Cacciotti **Alatorre/3122**
Receive and file; and take the following actions
as recommended:

Agenda Item	Recommendation
AB 985 (Arambula) San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system	Oppose
SB 310 (Dodd) Prescribed fire: civil liability: cultural burns	Oppose unless Amended
SB 410 (Becker) Powering Up Californians Act	Support
SB 537 (Becker) Open meetings: multijurisdictional, cross-county agencies: teleconferences	Support

16. Mobile Source Committee (Receive & File) Chair: Kracov **Rees/2856**
17. Stationary Source Committee (Receive & File) Chair: McCallon **Aspell/2491**
18. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Rep: Hagman **Katzenstein/2219**
19. California Air Resources Board Monthly Report (Receive & File) Board Rep: Kracov **Thomas/3286**
20. Items Deferred from Consent and Board Calendar

STAFF PRESENTATION/BOARD DISCUSSION/RECEIVE AND FILE

21. Workplan for Permitting Enhancement Program (Presentation In Lieu of Board Letter) **Aspell/2491**

Staff will present the Workplan to implement the Permitting Enhancement Program, which is one of the Chair's priorities. Based on feedback received from the Board at the May 5, 2023 meeting, this Workplan will provide a comprehensive look at the current permit application inventory, identify challenges to timely permit issuance, set division-wide goals to address the timely processing of incoming applications and the aged applications, provide solutions and request resources needed to overcome current and future permit processing challenges. (No Committee Review)

PUBLIC HEARINGS

22. Determine That Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens, Is Exempt from CEQA; and Amend Rule 1153.1

Krause/2706

Proposed Amended Rule 1153.1 applies to RECLAIM and non-RECLAIM facilities and is being amended to update the NOx emission limits to reflect BARCT and to establish future effective dates for zero-emission limits for certain categories of commercial food ovens. The proposed amendments also update and clarify rule provisions and the rule structure and includes an alternative compliance schedule plan for zero-emission limits. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens. (Reviewed: Stationary Source Committee, June 16, 2023)

23. Determine That Proposed Amended Rule 2202 – On-Road Motor Vehicle Options, Is Exempt from CEQA; and Amend Rule 2202

MacMillan/3244

Proposed Amended Rule 2202 requires limited additional reporting of worksites with more than 250 employees to collect information that would be used to inform a potential second future amendment to Rule 2202. Proposed Amended Rule 2202 also includes administrative updates and updates to the implementation guidance. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 2202 – On-Road Motor Vehicle Options is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 2202. (Reviewed: Mobile Source Committee, May 19, 2023, Reviewed)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION -- (No Written Material)

Gilchrist/3459

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The actions are:

- In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, SCAQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No.4861;
- SCAQMD, et al. v. EPA, United States Court of Appeals, D.C. Circuit, Case No. 19-1241 (consolidated with Union of Concerned Scientists v. NHTSA, No. 19-1230);
- SCAQMD, et al. v. NHTSA, EPA, et al., United States Court of Appeals, D.C. Circuit, Filed May 28, 2020;
- Natural Resources Defense Council, et al. v. City of Los Angeles, et al., San Diego Superior Court, Case No. 37-2021-00023385-CU-TT-CTL (China Shipping Case) (transferred from Los Angeles Superior Court, Case No. 20STCP02985); Fourth District Court of Appeal, Division One, No. D080902;
- California Trucking Association v. South Coast Air Quality Management; the Governing Board of the South Coast Air Quality Management District; and Does 1 through 25, inclusive, U.S. District Court for the Central District of California, Case No. 2:21-cv-06341;
- In the Matter of SCAQMD v. Baker Commodities, SCAQMD Hearing Board Case No. 6223-1 (Order for Abatement); Baker Commodities, Inc. v. South Coast Air Quality Management District Hearing Board; South Coast Air Quality Management District; South Coast Air Quality Management District Hearing Board Members: Cynthia Verdugo-Peralta, Robert Pearman, Micah Ali, and Allan Bernstein, DPM MBA, in their official capacities only; and 100 Does and Roes, Los Angeles County Superior Court, Case No. 22STCP03597; and
- South Coast Air Quality Management District v. EPA, U.S. District Court for the Central District of California, Case No. 2:23-cv-02646.

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (three cases).

- Center for Biological Diversity and Center for Environmental Health v. Michael S. Regan, in his official capacity as Administrator, United States Environmental Protection Agency, U.S. District Court for the Northern District of California, Case No. 4:23-cv-00148 (PM 2.5)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the SCAQMD (two cases).

CONFERENCE WITH LABOR NEGOTIATORS

It is also necessary to recess to closed session pursuant to Government Code section 54957.6 to confer with labor negotiators:

- Agency Designated Representative: A. John Olvera, Deputy Executive Officer – Administrative & Human Resources;
- Employee Organization(s): Teamsters Local 911, and South Coast AQMD Professional Employees Association; and
- Unrepresented Employees: Designated Deputies and Management and Confidential employees.

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so in person or remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the “Raise Hand” at the bottom of the screen, or if participating via Dial-in/Telephone Press *9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and website, <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD's authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to cob@aqmd.gov, on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

ACRONYMS

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| AQ-SPEC = Air Quality Sensor Performance Evaluation Center | NATTS =National Air Toxics Trends Station |
| AQIP = Air Quality Investment Program | NESHAPS = National Emission Standards for Hazardous Air Pollutants |
| AQMP = Air Quality Management Plan | NGV = Natural Gas Vehicle |
| AVR = Average Vehicle Ridership | NOx = Oxides of Nitrogen |
| BACT = Best Available Control Technology | NSPS = New Source Performance Standards |
| BARCT = Best Available Retrofit Control Technology | NSR = New Source Review |
| Cal/EPA = California Environmental Protection Agency | OEHHA = Office of Environmental Health Hazard Assessment |
| CARB = California Air Resources Board | PAMS = Photochemical Assessment Monitoring Stations |
| CEMS = Continuous Emissions Monitoring Systems | PEV = Plug-In Electric Vehicle |
| CEC = California Energy Commission | PHEV = Plug-In Hybrid Electric Vehicle |
| CEQA = California Environmental Quality Act | PM10 = Particulate Matter ≤ 10 microns |
| CE-CERT =College of Engineering-Center for Environmental Research and Technology | PM2.5 = Particulate Matter ≤ 2.5 microns |
| CNG = Compressed Natural Gas | RECLAIM=Regional Clean Air Incentives Market |
| CO = Carbon Monoxide | RFP = Request for Proposals |
| DOE = Department of Energy | RFQ = Request for Quotations |
| EV = Electric Vehicle | RFQQ=Request for Qualifications and Quotations |
| EV/BEV = Electric Vehicle/Battery Electric Vehicle | SCAG = Southern California Association of Governments |
| FY = Fiscal Year | SIP = State Implementation Plan |
| GHG = Greenhouse Gas | SOx = Oxides of Sulfur |
| HRA = Health Risk Assessment | SOON = Surplus Off-Road Opt-In for NOx |
| LEV = Low Emission Vehicle | SULEV = Super Ultra Low Emission Vehicle |
| LNG = Liquefied Natural Gas | TCM = Transportation Control Measure |
| MATES = Multiple Air Toxics Exposure Study | ULEV = Ultra Low Emission Vehicle |
| MOU = Memorandum of Understanding | U.S. EPA = United States Environmental Protection Agency |
| MSERCs = Mobile Source Emission Reduction Credits | VOC = Volatile Organic Compound |
| MSRC = Mobile Source (Air Pollution Reduction) Review Committee | ZEV = Zero Emission Vehicle |

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

For language interpretation:

Click the interpretation Globe icon at the bottom of the screen

Select the language you want to hear (either English or Spanish)

Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla

Seleccione el idioma que desea escuchar (inglés o español)

Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Directions to provide public comment on ZOOM from a DESKTOP/LAPTOP or SMARTPHONE:

Click on the "Raise Hand" feature at the bottom of the screen.

This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions to provide public comment via TELEPHONE:

Dial *9 on your keypad to signal that you would like to comment.

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same (+1 669 900 6833)
- The meeting ID number is 932-0955-9643
- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:

- El número de llamada es el mismo (+1 669900 6833 o +1 93209559643)
- El número de identificación de la reunión es 932-0955-9643
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the June 2, 2023
Board Meeting.

RECOMMENDED ACTION:
Approve the June 2, 2023 Board Meeting Minutes.

Faye Thomas
Clerk of the Boards

FT

FRIDAY, JUNE 2, 2023

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was conducted in a hybrid format (in person and remotely via videoconferencing and telephone). Members present:

Senator Vanessa Delgado (Ret.), Chair
Senate Rules Committee Appointee

Councilmember Michael A. Cacciotti, Vice Chair
Cities of Los Angeles County – Eastern Region

Supervisor Andrew Do (Left the meeting at 10:15 a.m.)
County of Orange

Supervisor Curt Hagman
County of San Bernardino

Supervisor Holly J. Mitchell
County of Los Angeles

Veronica Padilla-Campos
Speaker of the Assembly Appointee

Supervisor V. Manuel Perez
County of Riverside

Councilmember Nithya Raman
City of Los Angeles

Councilmember Carlos Rodriguez
Cities of Orange County

Councilmember José Luis Solache
Cities of Los Angeles County – Western Region

Absent: Mayor Lock Dawson
Cities of Riverside County

Gideon Kracov
Governor's Appointee

Mayor Larry McCallon
Cities of San Bernardino County

For additional details of the Governing Board Meeting, please refer to the recording of the Webcast at: [Live Webcast \(aqmd.gov\)](http://aqmd.gov)

CALL TO ORDER: Chair Delgado called the meeting to order at 9:06 a.m.

- Pledge of Allegiance: Led by Supervisor Curt Hagman
- Roll Call
- Opening Comments

Executive Officer Wayne Nastri reminded everyone there would be no Board or Committee meetings held in July. He commented that the Chair and Vice Chair would be attending the Summer Internship Program orientation on June 13 and that a breakfast reception for the full Board to meet the interns is scheduled for August 4 prior to the start of the Board meeting. Mr. Nastri then shared a video of staff volunteers participating in a community service event with Habitat for Humanity that was held on May 20 in Orange County, and noted that monitoring equipment and mobile platforms would be on display in the South Coast AQMD parking lot following today's meeting.

Vice Chair Cacciotti shared photos of community events he attended, an electric lawn and garden equipment incentive event at Grant Park in Arcadia and the Pentecost Celebration in Walnut, and the San Gabriel River Bike Trail in Baldwin Park.

Supervisor Perez acknowledged his spouse who supports him in his career choice in public service.

Supervisor Mitchell concurred with Supervisor Perez and extended the acknowledgement to the children who live through the decision of their parents to lead a life of public service. She thanked fellow Board Members and staff for the informative Board Retreat that was held in May, noting that it was an opportunity to share space and have a conversation about issues that are of concern to communities.

Chair Delgado thanked staff and all who helped to make the Board Retreat a success.

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

The Public Comment Period was opened. The following individual addressed the Board.

Anna Christensen, Sierra Club, expressed concerns about air quality levels from firework displays during Fourth of July celebrations and the adverse air quality and health impacts resulting from exposure to fireworks-related emissions. She commented on specific South Coast AQMD rules that exempt permitting requirements for pyrotechnic equipment, suggesting the need to initiate rulemaking to regulate emissions from fireworks. For additional details, please refer to the Webcast beginning at 20:50.

There being no further requests to speak, the Public Comment Period was closed.



CONSENT AND BOARD CALENDAR

Items 1 and 2 – Action Items/No Fiscal Impact

1. Approve Minutes of May 5, 2023 Board Meeting
2. Set Public Hearing August 4, 2023 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:
 - A. Determine That Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens, Is Exempt from CEQA and Amend Rule 1153.1
 - B. Determine That Proposed Amended Rule 2202 – On-Road Motor Vehicle Options, Is Exempt from CEQA and Amend Rule 2202

Items 3 through 13 – Budget/Fiscal Impact

3. Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue Solicitations and Purchase Orders for Laboratory Equipment and One Vehicle
4. Approve Additional Funding for Residential Electric Lawn Mower Rebate Program
5. Adopt Resolution, Recognize Funds for FY 2022-23 Carl Moyer State Reserve, Enhanced Fleet Modernization and Clean Cars 4 All Programs
6. Recognize Revenue, Transfer Funds, and Execute Contract for Development and Demonstration of Medium-Duty Zero-Emission Electric Power Take Off System Work Truck
7. Recognize Revenue, Transfer Funds, Execute and Amend Agreements to Demonstrate Plug-In Hybrid Tugboat, Fuel Cell Trucks, Battery Electric Compactors, and Retrofit Ocean-Going Vessels and Reimburse General Fund
8. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services
9. Authorize Purchase of Oracle PeopleSoft Software and Support
10. Authorize Purchase of OnBase Software Support
11. Establish List of Prequalified Vendors for Automotive Mechanical Repair and Service
12. Execute Contract for Three-Year Service Agreement for South Coast AQMD Access to Online Legal Research Libraries
13. Approve Contract Awards and Modifications as Approved by MSRC

Items 14 through 19 – Information Only/Receive and File

14. Legislative, Public Affairs and Media Report
15. Hearing Board Report
16. Civil Filings and Civil Penalties Report
17. Lead Agency Projects and Environmental Documents Received
18. Rule and Control Measure Forecast

19. Status Report on Major Ongoing and Upcoming Projects for Information Management

Items 20 through 26 – Reports for Committees and CARB

20. Administrative Committee
 21. Legislative Committee
 22. Mobile Source Committee
 23. Stationary Source Committee
 24. Technology Committee
 25. Mobile Source Air Pollution Reduction Review Committee
 26. California Air Resources Board Monthly Report
-
27. Items Deferred from Consent and Board Calendar
Agenda Item Nos. 2 and 4 were pulled for comment or discussion.

Disclosures

Supervisor Hagman reported that he had no financial interest in Agenda Item No. 13 but is required to identify for the record that he is a member of Omnitrans and Regional Council Member for SCAG, which are involved in that item.

Councilmember Raman reported that she had no financial interest in Agenda Item No. 13 but is required to identify for the record that she is a Regional Council Member for SCAG, which is involved in that item.

Supervisor Perez reported that he had no financial interest in Agenda Item No. 5 but is required to identify for the record that he is a Board member of CARB, which is involved in that item.

Supervisor Do reported that he had no financial interest in Agenda Item No. 13 but is required to identify for the record that he is a Transportation Committee Member for SCAG, which is involved in that item.

Councilmember Solache reported that he had no financial interest in Agenda Item No. 13 but is required to identify for the record that he is a Regional Council Member for SCAG, which is involved in that item.



Items Pulled for Comments or Discussion

Agenda Item No. 2A – Set Hearing for Proposed Amended Rule 1153.1

Councilmember Raman thanked staff for their diligent work in bringing the proposed amendments forward that reflect changes to BARCT and establish future dates for zero-emission limits for some categories of commercial food ovens and implementing the rulemaking from the AQMP.

Agenda Item No. 2B – Set Hearing for Proposed Amended Rule 2202

Councilmember Rodriguez expressed concerns with the potential implications to move from the average vehicle ridership approach to vehicle miles travelled, emphasizing the importance of getting comprehensive input from the working group.

Ian MacMillan, Assistant Deputy Executive Officer/Planning, Rule Development, and Implementation, explained that under the new reporting requirements in PAR 2202, information will be collected for future analysis and used to inform future rulemaking. The analysis of the data collected will be discussed with the working group before any change to a vehicle miles travelled compliance metric was proposed in the rule.

Agenda Item No. 4 – Approve Additional Funding for Residential Electric Lawn Mower Rebate Program

Vice Chair Cacciotti commented on the success of in-person electric lawn and garden incentive events that were held years ago and asked whether the in-person format would resume. Aaron Katzenstein, Deputy Executive Officer/Technology Advancement, noted that the in-person events were conducted before online registration was available. Dr. Katzenstein added that the online rebate program has been a more efficient way to administer the program, but staff will consider resuming in-person events in 2024.

The public comment period was opened for Agenda Item Nos. 1-26 and the following individual addressed the Board.

Adrian Martinez, Earthjustice and Right to Zero, concurred with Councilmember Raman’s comments regarding PAR 1153.1 and noted its importance in the implementation of the 2016 and 2022 AQMPs, as well as the transition out of the RECLAIM program. For additional details, please refer to the Webcast beginning at 31:28.

There being no further requests to speak, the public comment period was closed for Agenda Item Nos. 1-26.

Board Action (Items 1–26)

MOVED BY PEREZ, SECONDED BY MITCHELL TO APPROVE AGENDA ITEMS 1 THROUGH 26, AS RECOMMENDED, RECEIVE AND FILE THE COMMITTEE, MSRC, AND CARB REPORTS, APPROVE THE RECOMMENDATIONS ON LEGISLATION AS SET FORTH BELOW, AND:

- 1) ADOPT RESOLUTION NO. 23-15 AND AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT THE TERMS AND CONDITIONS OF THE FY 2022-23 CARL MOYER STATE RESERVE FUNDS AND RECOGNIZE UP TO \$5.6 MILLION IN CARL MOYER STATE RESERVE FUNDS INTO THE VOUCHER INCENTIVE PROGRAM FUND (59);

- 2) RECOGNIZE FROM CARB, UPON RECEIPT, UP TO \$1.4 MILLION IN ENHANCED FLEET MODERNIZATION PROGRAM (EFMP) AND \$40 MILLION IN CLEAN CARS 4 ALL (CC4A) INTO HIGH EMITTERS REPAIR OR SCRAP PROGRAM (HEROS) II SPECIAL REVENUE FUND (56);
3. AUTHORIZE THE EXECUTIVE OFFICER AND/OR DESIGNEE TO APPROVE VOUCHERS AND OTHER ALTERNATIVE MOBILITY OPTIONS FOR THE CONTINUED IMPLEMENTATION OF REPLACE YOUR RIDE (RYR), UNTIL ALL FUNDS ARE EXHAUSTED; AND
4. REIMBURSE THE GENERAL FUND UP TO \$4,140,000 (15 PERCENT OF EFMP AND 20 PERCENT OF CC4A), CONSISTS OF UP TO \$140,000 FROM EFMP AND UP TO \$4,000,000 FROM CC4A, FROM THE HEROS II SPECIAL REVENUE FUND (56) AS AUTHORIZED BY THE GRANT AGREEMENTS FOR ADMINISTRATIVE COSTS NECESSARY TO IMPLEMENT RYR.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Delgado, Do, Hagman, Mitchell, Padilla-Campos, Perez, Raman, and Rodriguez

NOES: None

ABSTAIN: None

ABSENT: Lock Dawson, Kracov, McCallon, and Solache*

*(Councilmember Solache was not in the room when the vote was taken)

Legislation/Agenda Item	Recommendation
AB 557 (Hart) Open meetings: local agencies: teleconferences	Support
AB 953 (Connolly) Coastal resources: voluntary vessel speed reduction and sustainable shipping program	Support
AB 1216 (Muratsuchi) Wastewater treatment plants: monitoring of air pollutants	Support if Amended
AB 1465 (Wicks) Nonvehicular air pollution: civil penalties	Support
SB 674 (Gonzalez) Air pollution: refineries: community air monitoring systems: fence-line monitoring systems	Support if Amended



OTHER BUSINESS

28. Presentation on Monitoring and Analysis Tools for Measuring Air Pollution and Virtual Laboratory Tour

Andrea Polidori, Assistant Deputy Executive Officer/Monitoring & Analysis, gave the staff presentation on current tools and capabilities used to measure air quality in the South Coast Air Basin. Staff demonstrated various field monitoring equipment that were on display in the auditorium and shared a video of the South Coast AQMD laboratory.

Chair Delgado thanked staff for the presentation and virtual video tour and suggested the information be shared with the Summer Interns.

Vice Chair Cacciotti inquired about personal protective equipment and measures taken to ensure the safety of field staff. Mr. Nastri responded that the health and safety of employees is of the utmost importance and gave assurance that field staff use proper clothing and equipment; exercise appropriate safety and health practices; and receive emergency preparedness and response training. For additional details, please refer to the Webcast beginning at 1:12:50.

(Supervisor Do left the meeting at approximately 10:15 a.m.)

Board Member Padilla-Campos commended staff on the virtual video tour and suggested it be used as a recruitment tool. She asked why the Omni samplers are considered a game changer, whether staff works in partnership with utility companies to mount the samplers on utility poles, and if a permit is required from the city where the sampler will be located. For additional details, please refer to the [Webcast](#) beginning at 1:19:49.

Mr. Nastri responded that the Omni samplers were the first time that an agency deployed portable samplers to collect samples and quickly provide ambient air monitoring results to the public. Dr. Polidori acknowledged working with the respective cities to obtain the necessary permits.

Board Member Padilla-Campos asked for clarification on the community monitoring partnership. Mr. Nastri explained that community monitoring is a broad reference to community programs such as Paramount, and community monitoring under AB 617. Dr. Polidori added that Rule 1180 requires a fence-line monitoring program and includes a community air monitoring network to collect real-time emissions data near large refineries. For additional details, please refer to the Webcast beginning 1:22:04.

Supervisor Perez commented on the need to develop strategies to attract the next generation of workers and proposed that employees share their journey and what brought them to work at the South Coast AQMD. For additional details, please refer to the [Webcast](#) beginning at 1:24:25

Supervisor Perez inquired about the deployment of mobile monitors in the Salton Sea area during dust storms. Mr. Nastri responded that there is currently an existing monitoring network around the Salton Sea and Coachella Valley. Mr. Nastri added that South Coast AQMD continues to provide technical assistance, particularly on sensors for Coachella Valley and the Salton Sea. For additional details, please refer to the [Webcast](#) beginning at 1:30:36.

Dr. Polidori added that Eastern Coachella Valley is an AB 617 community. Staff is working to better understand emissions from the Salton Sea. Sensors provide an additional opportunity to get a better understanding of the dust issue in the Salton Sea. For additional details, please refer to the [Webcast](#) beginning at 1:35:39.

Supervisor Perez commented on the significant cost for the monitoring equipment and suggested working with the legislature to encourage policy that would influence the costs for new technologies. Mr. Nastri agreed and highlighted ethylene oxide (EtO) monitoring efforts. For additional details, please refer to the [Webcast](#) beginning at 1:37:03.

Supervisor Mitchell commented on the multiple fellowship programs through the California Legislature and recommended that staff reach out to the science and technology fellows as a resource for a pool of talent. Given the low cost of the Purple Air Sensors, she inquired about their efficacy and accuracy, whether training on how to use them has been rolled out to community-based organizations, and if South Coast AQMD purchases the sensors for those organizations. For additional details, please refer to the [Webcast](#) beginning at 1:41:14.

Dr. Polidori responded that South Coast AQMD has deployed 500 sensors in the community. He added that these sensors are accurate, and the power is with the number of these sensors that have been deployed. For additional details, please refer to the [Webcast](#) beginning at 1:43:45.

Councilmember Solache asked whether data on how often the mobile platforms are deployed around the communities is tracked and whether a community member or group can request to have one deployed in their community. For additional details, please refer to the [Webcast](#) beginning at 1:47:19.

Mr. Nastri explained that it is expensive to operate and maintain the mobile platforms. When the agency receives requests, staff assesses the appropriate monitoring approach to address the specific air quality issue. For additional details, please refer to the [Webcast](#) beginning at 1:48:14.

Councilmember Solache expressed appreciation to staff for sharing their knowledge and expertise to educate the Board about such complex issues. He requested a shortened version of the virtual lab tour to use as a tool to inform his fellow mayors and councilmembers, and cities he represents. For additional details, please refer to the [Webcast](#) beginning at 1:51:08.

Councilmember Rodriguez inquired about the allocation of budgetary resources to address future needs to operate and replace the equipment and asked whether staff has a wish list. For additional details, please refer to the [Webcast](#) beginning at 1:53:49.

Dr. Polidori explained that adding one more mobile platform would allow the agency to better serve the community and the use of drones with sensors. Mr. Nastri added that the mobile platforms are the Lamborghinis of monitoring, and staff would like more. Mr. Nastri also explained that it is important that U.S. EPA certifies these monitoring technologies so they can be used as an enforcement tool. For additional details, please refer to the [Webcast](#) beginning at 1:55:14.

Mayor Pro Tem Rodriguez recommended that staff come back in the future about what resources are needed and how the Board can help to provide those resources to continue and expand the work being done. For additional details, please refer to the Webcast beginning at 1:59:30.

Supervisor Mitchell commented on thinking outside the box to identify future financial resources and suggested involving regulated industries to encourage them to invest in technology that improve the work that they do. She highlighted the importance of the environment to Generation Z and Generation Alpha, noting that the video can be used as an opportunity to show how they can be proactive and work in an area that is a top priority for them. She suggested that the video be shortened and put out in the public domain and used to attract talent. For additional details, please refer to the Webcast beginning at 2:00:17.

Chair Delgado announced the passing of Dr. Allan Bernstein, the Hearing Board Medical Member. A moment of silence was observed in honor of Dr. Bernstein.



CLOSED SESSION

The Board recessed to closed session at 11:11 a.m., pursuant to Government Code sections:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation, which has been initiated formally and to which the SCAQMD is a party. The actions are:

South Coast Air Quality Management District v. EPA, U.S. District Court for the Central District of California, Case No. 2:23-cv-02646

CONFERENCE WITH LABOR NEGOTIATORS

- 54957.6 to confer with labor negotiators.

Agency Designated Representative: A. John Olvera, Deputy Executive Officer – Administrative & Human Resources;

Employee Organization(s): Teamsters Local 911, and South Coast AQMD Professional Employees Association; and

Unrepresented Employees: Designated Deputies and Management and Confidential employees.

Following closed session, Bayron Gilchrist, General Counsel, announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board's office.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:04 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on June 2, 2023.

Respectfully Submitted,

Faye Thomas
Clerk of the Boards

Date Minutes Approved: _____

Vanessa Delgado, Chair

ACRONYMS

AQMP = Air Quality Management Plan
CARB = California Air Resources Board
CEQA = California Environmental Quality Act
FY = Fiscal Year
PAR = Proposed Amended Rule
RECLAIM = REgional CLean Air Incentives Market

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 2

PROPOSAL: Set Public Hearings September 1, 2023 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

A. Certify Final Environmental Assessment for Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities; and Amend Rule 1178

Proposed Amended Rule 1178 will establish enhanced leak detection and repair requirements and more stringent control requirements on tanks that store crude oil, additional seals for internal floating roof tanks, and a higher control efficiency requirement for emission control systems. The proposed amended rule will also include provisions for true vapor pressure testing and will update reporting and recordkeeping requirements. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities, and 2) Amending Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities. (Reviewed: Stationary Source Committee, June 16, 2023)

B. Determine That Proposed Amended Rule 1111 – Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, Is Exempt From CEQA; and Amend Rule 1111

Rule 1111 establishes a NO_x emission limit of 14 ng/J for residential and commercial gas furnaces. Proposed Amended Rule 1111 will extend the mitigation fee alternative compliance option end date from September 30, 2023 to September 30, 2025 for mobile home furnaces. This action is to adopt the Resolution: 1) Determining that the proposed amendment to Rule 1111 – Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1111 – Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces. (To Be Reviewed: Stationary Source Committee, August 18, 2023)

The complete text of the proposed amended rules, staff reports and other supporting documents will be available from the South Coast AQMD's Public Information Center at (909) 396-2001, or Mr. Derrick Alatorre – Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, dalatorre@aqmd.gov and on the Internet (www.aqmd.gov) as of August 2, 2023.

RECOMMENDED ACTIONS:

Set public hearings September 1, 2023 to certify the Final Environmental Assessment for Proposed Amended Rule 1178 and Amend Rule 1178; and determine that Proposed Amended Rule 1111 is exempt from CEQA and Amend Rule 1111.

Wayne Nastri
Executive Officer

FT

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 3

PROPOSAL: Approve Appointment by South Coast Air Quality Management District Building Corporation of Jill Whynot to Building Corporation's Board of Directors

SYNOPSIS: A vacancy exists on the Board of Directors of the South Coast Air Quality Management District Building Corporation, as a result of the death of Raymond Robinson. The Building Corporation's bylaws require that its appointment of a member to its Board of Directors be approved by the South Coast AQMD's Governing Board. This action is to approve the appointment of Jill Whynot to the Building Corporation's Board of Directors.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Approve the South Coast AQMD Building Corporation's appointment of Jill Whynot to its Board of Directors effective immediately.

Wayne Natri
Executive Officer

SJ:gp

Background

The South Coast AQMD Building Corporation (Building Corporation) is a non-profit corporation created pursuant to Internal Revenue Service Code Section 501(c)(4) and provides a means for South Coast AQMD to finance the acquisition and improvement of property to accommodate South Coast AQMD's space needs. The Building Corporation has three director positions. With the passing of Raymond Robinson, a vacancy exists on the Board of Directors. The Building Corporation's bylaws provide that appointments to its Board of Directors be approved by the Board. The Building Corporation recommends, subject to approval of the Board, that Jill Whynot be appointed to the Building Corporation's Board of Directors. Ms. Whynot worked for

South Coast AQMD for 32 years until her retirement in February 2022. She was the Chief Operating Officer for the last 5 years of her employment and has extensive knowledge of South Coast AQMD operations and finances. Ms. Whynot also worked closely with the Executive Officer and Chief Financial Officer and provided significant input regarding the agency's budget and finances.

Proposal

Appoint Jill Whynot to the South Coast AQMD Building Corporation Board of Directors effective immediately.

Resource Impact

No fiscal impact.

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 4

PROPOSAL: Special Meeting of Health Effects of Air Pollution Foundation

SYNOPSIS: This item is to approve the appointment of Supervisor Curt Hagman as a Director of the Health Effects of Air Pollution Foundation.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Approve the appointment of Supervisor Curt Hagman as the Health Effects of Air Pollution Foundation Director, effective immediately.

Wayne Natri
Executive Officer

BTG: RFL

Background

In 2003, the Board established the Brain Tumor and Air Pollution Foundation to fund research into the potential connections between air pollution and brain cancer. In 2004, the Board changed the name to the Brain & Lung Tumor and Air Pollution Foundation and expanded its mission to fund research related to the effects of air pollution on brain tumors and lung cancer. In 2017, the Board changed the name to the Health Effects of Air Pollution Foundation (Foundation) and further expanded the Foundation's mission to support research on the incidence, detection, causes and cures of various health conditions that may be caused or aggravated by air pollution.

The Directors of the Foundation serve at the pleasure of the Board. The Chair of the Board recommends individuals for Board approval to be Directors of the Foundation. Board Chair Vanessa Delgado is recommending Supervisor Curt Hagman as a Foundation Director to replace former Board Chair Ben Benoit.

Proposal

This action is to approve the appointment of Supervisor Curt Hagman as a Foundation Director effective immediately. With this action, the Foundation’s Directors are Chair Vanessa Delgado, Vice Chair Michael Cacciotti and Supervisor Curt Hagman.

Resource Impacts

None.

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 5

PROPOSAL: Issue Program Announcement and Execute Contracts for Paving Project Plan Within Assembly Bill 617 Community of Eastern Coachella Valley

SYNOPSIS: Through community-led incentives budgeting workshops in early 2021, the Assembly Bill 617 Eastern Coachella Valley (ECV) Community Steering Committee prioritized \$4.57 million in Community Air Protection Program incentive funding for Paving Projects within the ECV community. These actions are to: 1) issue a Program Announcement in an amount up to \$4.57 million from the Community Air Protection AB 134 Fund (77) to solicit paving project applications from applicants for the Paving Project Program and to execute contracts to implement paving projects in the ECV Community through the Paving Project Program; 2) reimburse the General Fund for administrative costs of up to \$279,667 from the Community Air Protection AB 134 Fund (77); and 3) transfer and appropriate up to \$25,000 from the Community Air Protection AB 134 Fund (77) into the Diversity, Equity and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account for administrative costs to implement the Paving Project Plan.

COMMITTEE: Stationary Source, June 16, 2023; Recommended for Approval

RECOMMENDED ACTIONS:

1. Upon finalization of Prioritized List of Properties to be Paved, authorize the Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue Program Announcement (PA) in an amount up to \$4.57 million from the Community Air Protection AB 134 Fund (77) to solicit paving project applications from applicants interested in implementing paving projects within the Eastern Coachella Valley (ECV) Community, and based on the results of the PA, authorize the Chair (or by the Chair's designation, the Executive Officer) to execute subsequent contracts with the selected applicant(s) to implement the paving projects within the ECV Community;

2. Reimburse the General Fund up to \$279,667 from the Community Air Protection AB 134 Fund (77) for administrative costs to implement the Paving Project Program; and
3. Transfer and appropriate up to \$25,000 from the Community Air Protection AB 134 Fund (77) into the Diversity, Equity, and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account for administrative costs to implement the Paving Project Plan.

Wayne Natri
Executive Officer

AHJ:KH:UTV:PP:PM:RD

Background

Assembly Bill 617 (AB 617) was signed into state law in July 2017 and focuses on improving air quality and reducing exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 recognizes the disproportionate impacts environmental justice (EJ) communities experience from sources of air pollution near residences and seeks to address these impacts through community-driven actions focused on developing and implementing community emissions reduction plans (CERPs) and community air monitoring plans (CAMPs).

In early 2021, through a community-led incentive budgeting process, the Eastern Coachella Valley (ECV) Community Steering Committee (CSC) prioritized \$4.57 million in Community Air Protection Program (CAPP) incentive funding for implementing paving projects within the ECV community. The CSC is comprised of stakeholders (e.g., residents, businesses, community-based organizations, tribal communities, public agencies, elected officials, schools) with community knowledge that provide input, guidance, and recommendations for development and implementation of the CERP¹ and CAMP². The ECV CERP includes implementing paving projects within the ECV community as an action to reduce emissions from fugitive road dust and off-roading. Since the beginning of engagement with the ECV community, health impacts from unpaved roadways and mobile home and Polanco parks have been a top priority for the community. CSC members expressed that roadway paving projects implemented in the past have improved PM10 levels for residents in the immediate area, but dust impacts from the surrounding desert areas continue to have an impact on their overall PM10 exposures.

¹ <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/final-cerp/final-cerp-july-2021.pdf?sfvrsn=9>

² https://www.aqmd.gov/docs/default-source/ab-617-ab-134/camps/ecv/ecv-camp_11-13-2020_draft.pdf?sfvrsn=4

In October 2022, the CARB approved the Paving Project Plan which allows South Coast AQMD to distribute the CAPP incentive funds to implement selected paving projects within the ECV community. South Coast AQMD submitted amendments to the Paving Project Plan in June 2023.

Proposal

Staff proposes issuing a PA to solicit paving project applications from applicants for paving of unpaved county roadways, parking lots, and mobile home and Polanco parks within the ECV community through the Paving Project Plan. The PA will include a Prioritized List of Properties to be Paved, which is currently under development. The CSC solicitation period to submit properties to be paved closed on July 27, 2023; Attachment 2 includes the ECV CSC Identified List of Properties to be Paved, which will be prioritized to develop the Prioritized List of Properties to be Paved. By mid-August, the Prioritized List of Properties to be Paved will be finalized by a prioritization panel of South Coast AQMD staff members, CSC and/or a subset of CSC members, and may include a subject matter expert from an external agency. The PA will also include Additional Properties Under Consideration, or applicants may submit their own properties to be paved. The scoring criteria in the PA includes preference for conformance to the Prioritized List of Properties to be Paved, as proposed by the Budget Working Team (BWT).

Applicant(s) selected through the PA process will be responsible for implementing the paving projects and maintaining the paved area(s) throughout the Project Life, which is five years after paving completion.

Paving project applications will be due November 17, 2023 at 2:00 pm. Following the results of the PA, staff anticipates the selection of paving project applications and execution of contracts will occur in the first half of 2024. To expedite implementation of the Paving Project Plan, staff is requesting that the Chair (or by the Chair's designation, the Executive Officer) execute contracts with qualified applicant(s) of the PA, based upon recommendations of the selection panel. Staff recommends using \$25,000 from the administrative portions of the Community Air Protection AB 134 Fund (77) for outreach support for implementation of the Paving Project Plan.

Bid Evaluation

Applicant(s) will be selected based on the criteria in the Paving Project Plan and PA, primarily based on their ability to implement paving projects in a cost-effective manner. Multiple applicants may be selected. Paving project applications will be evaluated by a selection panel based on the scoring criteria identified in the Paving Project Plan and PA. The selection panel will be established consisting of two to three South Coast AQMD staff members, two to three CSC and/or subset of CSC members, and potentially one external agency staff member. The selection panel will make recommendations to the Chair (or by the Chair's designation, the Executive Officer) for final selection of applicant(s).

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA will be published in Riverside County's Press Enterprise and Desert Sun newspapers to leverage the most cost-effective method of outreach to the Coachella Valley. The PA will be available in both English and Spanish and South Coast AQMD will work with the CSC and/or a subset of CSC members to identify the most effective approach to conduct outreach and distribute the PA throughout the ECV community.

Additionally, potential applicants may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the PA will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Benefits to South Coast AQMD

Paving of unpaved roadways will reduce emissions of PM10 from these sources within the ECV community and will improve public health. Wind blowing and vehicular activities on unpaved roadways are major sources of fugitive dust, which primarily consists of PM10. Exposure to elevated levels of PM10 can cause various adverse health problems related to the lungs and heart, including premature death in people with heart or lung disease.

Upon distribution of the \$4.57 million allocated for paving projects, PM10 emission reductions are estimated to be up to 1,186 pounds per day, depending on the existing conditions of the properties selected for paving.

Resource Impacts

Up to \$4.57 million from the Community Air Protection AB 134 Fund (77) Year 3 CAPP incentive funds will be used for implementing paving projects within the ECV community, a reimbursement of administrative costs of up to \$279,667, and a transfer of administrative costs into Diversity, Equity and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account of up to \$25,000. Any funds not expended after the budget cycles will be returned to the Community Air Protection AB 134 Fund (77). Sufficient funds are available in Community Air Protection AB 134 Fund (77).

Attachments

1. Program Announcement for Implementation of Paving Projects in the Assembly Bill 617 Community of Eastern Coachella Valley
2. ECV CSC Identified List of Properties to be Paved



Implementation of Paving Projects in the Assembly Bill 617 Community of Eastern Coachella Valley

SOUTH COAST AQMD PROGRAM ANNOUNCEMENT PA#2023-XX

The South Coast Air Quality Management District (South Coast AQMD) is seeking paving project applications from eligible applicants that seek funding for projects to pave unpaved roadways (e.g., mobile home and Polanco parks, public county roads). The primary purpose of this Paving Project Program (Program) is to reduce air pollution from inhalable particulate matter of 10 microns or less (PM10) in the Assembly Bill 617 (AB 617) community of Eastern Coachella Valley (ECV). This will implement the AB 617 ECV Paving Project Plan¹ to help fulfill an action in the AB 617 ECV Community Emissions Reduction Plan (CERP)².

SECTION I: OVERVIEW

South Coast AQMD is soliciting paving project applications for the following purpose according to terms and conditions attached. In this Program Announcement (PA), the words “Applicant” and “Contractor” are used interchangeably.

- WHO:** Eligible applicants that have previous experience implementing road paving projects, and are knowledgeable about federal, state, and local laws and regulations, California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) requirements, and permit requirements relating to implementation of paving projects. The eligible applicants can be the primary applicant or can be hired by public or private entities to implement paving projects. The primary applicant may decide to hire multiple subcontractors to implement paving projects.
- WHAT:** Paving of unpaved roadways (e.g., mobile home and Polanco parks, public county roads) in the AB 617 ECV community boundary.
- HOW:** Submit four (4) complete copies of the paving project application in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words "Program Announcement PA#2023-XX." In addition, submit one (1) electronic copy of the paving project application on a flash drive inside an envelope. All paving project applications must be submitted to:

**Procurement Unit
South Coast Air Quality Management District
21865 Copley Dr.
Diamond Bar, CA 91765-4178**

¹ Paving Project Plan: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/final-ecv-paving-project-plan.pdf?sfvrsn=8>.

² AB 617 ECV Community Emissions Reduction Plan: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steeringcommittees/eastern-coachella-valley/final-cerp/final-cerp-july-2021.pdf?sfvrsn=9>

All paving project applications must be submitted following the requirements in Section III – Paving Project Application Submittal Requirements. Failure to adhere to these requirements may be cause for rejection of the paving project application without evaluation.

WHEN: Solicitation opens mid-August upon finalization of the Prioritized List of Properties to be Paved and closes on November 17, 2023 at 2:00 pm.

GENERAL PROGRAM INFORMATION

Signed into law on July 26, 2017, AB 617³ (Health and Safety Code §44391.2) is a California law that addresses the disproportionate impacts of air pollution in environmental justice (EJ) communities. Since 2018, California Air Resources Board (CARB) has designated six (6) AB 617 communities within South Coast AQMD’s jurisdiction. As directed by the bill, South Coast AQMD worked with each community to develop a CERP under the guidance of their respective Community Steering Committee (CSC). Each CSC is comprised of residents, community-based organizations, schools, public agencies, businesses, and other relevant community stakeholders. Each CSC identifies their top air quality concerns and actions to address them in their respective CERPs.

ECV was designated as a South Coast AQMD AB 617 community in 2019. During the CERP development process, one of the concerns expressed by CSC members was PM10 emitted from unpaved roadways. Wind blowing over and vehicular activities on unpaved roadways are major sources of fugitive dust, which primarily consists of PM10. Exposure to elevated levels of PM10 can cause various adverse health problems related to the lungs and heart, including premature death in people with heart or lung disease.

To address this concern, the ECV CSC identified an action in their CERP to pave unpaved roadways in the AB 617 ECV community. The action, specific to Paving Projects, is outlined below and can be found in Chapter 5d, Table 2, Action A of the ECV CERP:

“Pursue a collaborative partnership with appropriate entities (e.g., homeowners’ associations, mobile home park owners) and the County of Riverside to implement paving projects (e.g., unpaved roads and mobile home parks such as Polanco Parks) by:

- *Working with the CSC to specify a plan, including locations and timelines, for paving projects to reduce fugitive dust*
- *Evaluating the addition of a landscaping component to paving projects, where feasible*
- *Identifying funding opportunities to implement paving projects”*

As part of CERP implementation and to allocate Year 3 Community Air Protection Program (CAPP) Incentive funds, South Coast AQMD conducted community-led incentives budgeting workshops. The ECV CSC allocated \$5.57 million, of which \$4.57 million were prioritized to implement paving projects. The AB 617 ECV Paving Project Plan was developed by South Coast AQMD and the Budget Working Team (BWT), a subset of ECV CSC members, and serves as the mechanism to distribute these CAPP Incentive funds for paving projects in the ECV community. The original AB 617 ECV Paving Project Plan was approved by CARB in October 2022. South Coast AQMD submitted amendments to the Paving Project Plan in July 2023.

³ Assembly Bill 617: https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB617

This PA seeks paving project applicants that propose implementing paving projects at property(ies) listed in Attachment A – Prioritized List of Properties to be Paved. The process used to develop this list is outlined in the AB 617 ECV Paving Project Plan. Attachment B – Additional Properties Under Consideration includes a list of properties that were not prioritized but have been identified by County of Riverside Housing and Workforce Solutions for potential paving. Additional properties will be considered, but priority will be given to applicants that apply to implement paving projects on and follow the order of the Prioritized List of Properties to be Paved.

The following projects are not eligible for funding:

- Routine maintenance and rehabilitation projects;
- paving activities as part of new development projects; and
- paving at private schools⁴.

All paving project applications will be evaluated based on the criteria set forth in Section IV – Paving Project Application Evaluation/Contractor Selection Criteria of this PA. South Coast AQMD will evaluate and verify information submitted by the applicant. Multiple awards may be granted under this PA, subject to the approval of the CSC and/or a subset of the CSC and the South Coast AQMD Governing Board Chair (or by the Chair’s designation, the Executive Officer).

PARTICIPANT ELIGIBILITY

Public and private entities, except private schools, are eligible to apply for and receive funding for paving projects within the ECV community⁵. The applicant(s) shall be able to demonstrate knowledge and experience from past paving projects and be knowledgeable about federal, state, and local laws and regulations, California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) requirements, and permit requirements relating to implementation of paving projects. The eligible applicant(s) can be the primary applicant or can be hired by public or private entities to implement paving projects. The primary applicant may decide to hire multiple subcontractors to implement paving projects. Requirements for applicant(s) are outlined in Section III – Paving Project Application Submittal Requirements.

SECTION II: WORK STATEMENT/SCHEDULE OF DELIVERABLES

WORK STATEMENT

Implementation of paving projects will be conducted in two phases. The selected applicant(s) shall

⁴ Private schools are not eligible for funding. No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State (California Constitution Article 9 § 8). Further, Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI (California Constitution Article 16 § 5).

⁵ South Coast AQMD, ECV Community Boundary: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/community-map-feb-20-2020.pdf?sfvrsn=14>.

perform the work detailed in Phase 1 and Phase 2 and comply with each of the Schedules of Deliverables. Should the selected applicant(s) need a timeline extension for any of the listed deliverables, a written request for extension of the deliverables, including justification for the extension, must be received at least fifteen (15) days prior to the Submission Deadline. Failure to complete deliverables will result in non-payment. The selected applicant(s) will be compensated in accordance with the payment terms outlined in the applicant's Payment Schedule. For each paving project application, a detailed description of major tasks in Phase 1 and Phase 2 and a Schedule of Deliverables for both are outlined below.

PHASE 1 – GATHERING OF DOCUMENTATION

Phase 1 of the paving project will consist of the selected applicant(s) gathering required documentation for each of the properties to be paved. Upon contract execution, the selected applicant(s) will have eighteen (18) weeks to gather the required documentation for each property prior to the commencement of any paving activities. The selected applicant(s) may proceed to Phase 2 after all Phase 1 deliverables (i.e., property documentation) have been approved by South Coast AQMD. Should any property(ies) be deemed ineligible due to failure to provide any of the required documentation, that property will be deprioritized and no longer eligible for funding under this PA. The selected applicant(s) will then have the opportunity to select additional property(ies) on the Prioritized List of Properties to be Paved, as approved by South Coast AQMD. The additional property(ies) will be given additional time to complete Phase 1. For each property to be paved, a detailed description of major tasks and a Schedule of Deliverables are outlined below.

Task 1 — Gathering Required Documentation for Each Property to be Paved

The selected applicant(s), in coordination with South Coast AQMD and relevant land use agencies, will work with each property owner listed in the paving project application to gather required documentation relating to: 1) status of property taxes and compliance with federal, state, and local requirements, 2) obtention of permits to conduct paving activities and status of existing permits for the project site, 3) compliance with California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA), and 4) authority to pave the property from the property owner(s).

PHASE 1 SCHEDULE OF DELIVERABLES:

Actions	Submission Deadline
<ul style="list-style-type: none"> • For each property: <ul style="list-style-type: none"> • Provide documentation demonstrating that property taxes are current and that the property is in compliance with all federal, state, and local requirements (Task 1) • Provide copies of all permits required to complete the paving project and copies of existing permits for the project site, or proof of exemption from permitting requirements (Task 1) • Provide documentation demonstrating compliance with the California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA), or proof of exemption (Task 1) • Provide documentation from the property owner that authorizes applicant to pave the project area (Task 1) 	Within 18 weeks of contract execution
<ul style="list-style-type: none"> • Provide the documentation listed above for each additional property as approved by South Coast AQMD 	Within 12 weeks of South Coast AQMD approval of additional property(ies)

PHASE 2 – PROJECT IMPLEMENTATION

Phase 2 is contingent upon Phase 1 and will consist of paving and maintaining each of the properties identified in the executed contract and any additional property(ies) as approved by South Coast AQMD. Phase 2 includes requirements to meet with South Coast AQMD on a biannual basis and provide biannual status reports.

Task 2 — Initial Meeting with South Coast AQMD and Project Implementation Plan

The selected applicant(s) shall meet with South Coast AQMD at the beginning of Phase 2 to discuss and outline project details. Selected applicant(s) are required to submit in writing a Project Implementation Plan, organized by property, which includes: 1) a step-by-step project completion schedule and project management contacts, 2) an itemized budget of materials and costs, 3) photos of each property prior to paving, and 4) other logistics.

Task 3 — Biannual Meetings and Biannual Status Report

Throughout the Project Completion period, the selected applicant(s) shall hold biannual meetings with South Coast AQMD to discuss progress of project implementation. Selected applicant(s) are required to submit in writing a Biannual Status Report, organized by property, which includes: 1) recent photographs, 2) a discussion on any matters impacting project implementation (e.g., challenges, logistical issues), and 3) records of all quotes and invoices for materials and subcontractors (if applicable).

Task 4 — Maintenance Plan and Project Life

At the end of Project Completion, the selected applicant(s) shall provide pictures of completed paving for each property and submit in writing a Maintenance Plan, which includes: 1) schedule of regular maintenance (e.g., street cleaning) and 2) protocol for as-needed

maintenance (e.g., fixing potholes, lane re-striping). Throughout the Project Life period, the selected applicant(s) shall provide pictures and a description of each property to demonstrate adherence to the Maintenance Plan.

PHASE 2 SCHEDULE OF DELIVERABLES:

Actions	Submission Deadline
<ul style="list-style-type: none"> • Hold initial meeting with South Coast AQMD (Task 2) • Submit Project Implementation Plan to South Coast AQMD (Task 2) 	Within 12 weeks of Phase 1 completion
<ul style="list-style-type: none"> • Hold biannual meetings with South Coast AQMD (Task 3) • Submit Biannual Status Reports to South Coast AQMD (Task 3) 	Biannually throughout the Project Completion period, beginning within 26 weeks of initial meeting per Task 2
<ul style="list-style-type: none"> • Submit pictures of completed paving for each property to South Coast AQMD (Task 4) • Submit Maintenance Plan to South Coast AQMD (Task 4) 	Within 4 weeks of Project Completion
<ul style="list-style-type: none"> • Submit pictures and a description demonstrating adherence to the Maintenance Plan to South Coast AQMD (Task 4) 	Annually throughout the Project Life

SECTION III: PAVING PROJECT APPLICATION SUBMITTAL REQUIREMENTS

The following information is required as part of the paving project application:

- list of properties to be paved, paving cost for each property, and total cost of the project, including a breakdown of all eligible costs, anticipated expenses, and vendor quotes;
- a commitment to provide documentation from the property owner that authorizes applicant to pave the project area;
- a Community Narrative and Support describing the community and population demographics, challenges and impacts living near unpaved roads, how the project will benefit the community, applicant's cultural competency, understanding of the ECV community, and fluency in English and Spanish;
- a commitment to comply with the most current versions of any applicable South Coast AQMD rules, including but not limited to, Rule 402 – Public Nuisance, Rule 403 – Fugitive Dust, and Rule 403.1 – Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources;
- a commitment detailing that all paving activities be conducted and all work performed in conformance with the California Uniform Building Code, CalTrans 2018 Standard Specifications for asphalt and aggregate mixes, and all other applicable federal, state, and local statutes, rules, regulations, and ordinances;
- a commitment to provide documentation demonstrating that all property taxes are current before paving and that the property(ies) is(are) in compliance with all federal, state, and local requirements;
- a commitment to provide copies of all permits required to complete the paving project and

- copies of existing permits for the project site, permit application for property(ies) in the process of obtaining permits, or proof of exemption from permitting requirements;
- a commitment to provide documentation that demonstrates compliance with the California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA), or proof of exemption;
 - a commitment to ensure regular and as-needed maintenance of the paved project area is conducted throughout the Project Life, and to submit and adhere to a Maintenance Plan;
 - a commitment to making all paving project(s) available for inspection, if requested by South Coast AQMD and/or CARB during the Project Life;
 - a Payment Schedule outlining the payment terms in accordance with the Schedules of Deliverables in Section II – Work Statement/Schedule of Deliverables;
 - a narrative describing applicant’s paving experience, including a minimum of two examples for each applicant and/or subcontractor(s) demonstrating successfully implemented paving projects (e.g., photos and past completion reports); examples of paving projects in mobile home and Polanco parks are preferred;
 - a list of personnel (e.g., project manager) who will be implementing the paving project(s) and their contact details;
 - physical address of the applicant’s and/or subcontractor’s office location;
 - document(s) demonstrating conflicts of interest, if any; and
 - additional documents, if needed.

It is the responsibility of the applicant(s) to ensure that all information submitted is accurate and complete. If the applicant(s) hire(s) a subcontractor(s) to implement the paving project, it is the responsibility of the applicant(s) to submit all required information on behalf of the subcontractor(s) and ensure that all information submitted is accurate and complete. Applicant(s) will submit paving project applications based on the requirements laid out in this section.

PROJECT FUNDING PARAMETERS

The funding amount available for the implementation of paving project(s) in the AB 617 ECV community is \$4.57 million in Year 3 CAPP Incentive funds. Multiple paving project applications may be awarded as agreed upon by South Coast AQMD and the CSC and/or a subset of the CSC, depending on the paving project application(s) received, estimated paving project(s) cost(s), and various factors in the selection process.

The timeline to complete a paving project is twelve (12) months; extension of the project completion period is contingent upon South Coast AQMD approval. If the applicant(s) need(s) additional time to complete the paving project, a request for extension shall be submitted along with the paving project application justifying the extension of the project completion period. The applicant(s) need(s) to inform vendors of the time frame of the award process so that they can accurately quote costs based on the anticipated order/purchase date.

Up to 100 percent of eligible project costs will be provided. Additionally, up to ten (10) percent of the awarded grant may be budgeted for non-construction costs, including mobilization, traffic control, and administration. Another five (5) percent may be budgeted for contingency costs (i.e., unforeseen costs such as permitting delays, material acquisition, inflation).

The following costs are eligible for funding:

- Labor and construction (including contracted services);
- Materials, including materials required to comply with South Coast AQMD rules and regulations related to paving projects (e.g., water, shaker/wheel spreading device, cover, etc.); and
- Signs and interpretive aids communicating information about the paving project.

The following costs are ineligible to receive funding:

- All other permits not related solely to paving projects;
- Paving design; and
- Maintenance activities (e.g., pothole repair, lane re-striping, street sweeping).

No purchase orders may be placed, or work performed under this PA until after the date of award approval by the South Coast AQMD Governing Board Chair (or by the Chair's designation, the Executive Officer). Any orders placed or payments made in advance of an executed contract with the South Coast AQMD are done at the risk of the applicant. The South Coast AQMD has no obligation to fund the project until a contract is fully executed by both parties. All project costs shall be clearly indicated in the paving project application. In addition, the applicant(s) shall include any sources of co-funding and the amount of each co-funding source in the paving project application.

PAVING PROJECT APPLICATION SUBMISSION

All paving project applications must be submitted according to specifications set forth herein. Failure to adhere to these specifications may be cause for rejection of the paving project application without evaluation.

Grounds for Rejection:

A paving project application may be immediately rejected if the paving project application:

- does not include correct documentation and other forms required; or
- is not signed by an individual authorized to represent the contractor.

Certifications and Representations

Contained in this PA are six business forms, which must also be completed and submitted with the paving project application.

Methods of Delivery:

All paving project applications are due no later than 2:00 p.m., November 17, 2023, and should be directed to:

Procurement Unit
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 (909) 396-3520

Submittal - Submit four (4) complete copies of the paving project application in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words "Program Announcement PA#2023-XX." In addition, include one electronic version of the paving project application on a flash drive at the time of submittal.

Late paving project applications will not be accepted under any circumstances.

Disposition of Paving Project Applications

The South Coast AQMD reserves the right to reject any or all paving project applications. All responses become the property of the South Coast AQMD. One copy of the paving project application shall be retained for South Coast AQMD files. Additional copies and materials will be returned only if requested and at the applicant's expense.

Modification or Withdrawal

Once submitted, paving project applications cannot be altered without the prior written consent of South Coast AQMD.

SECTION IV: PAVING PROJECT APPLICATION EVALUATION/CONTRACTOR SELECTION CRITERIA

- A. Paving project applications received during the PA solicitation period will be reviewed and scored by a selection panel of two (2) to three (3) South Coast AQMD staff members, and two (2) to three (3) CSC members. Additionally, a subject matter expert from an external agency may be included on the selection panel. Paving project applications received during the PA solicitation period will be scored according to the criteria detailed below, which was informed by input from the BWT. For some criteria, points will be scored on a relative basis. For example, the paving project application that is most cost-effective will receive the highest points available (i.e., 40 points for cost-effectiveness) and all other projects will receive a point value to scale (i.e., less than 40 points).
- B. After all paving project applications received have been reviewed, scored, and ranked by the selection panel, the resulting list of paving project applications will be provided to the CSC and/or a subset of the CSC for their consideration and final approval. The selection panel will provide their recommendation informed by the CSC and/or a subset of the CSC input to the South Coast AQMD Governing Board Chair (or by the Chair's designation, the Executive Officer), for final selection of the paving project application(s) and execution of contract(s).
- C. Each member of the selection panel shall be accorded equal weight in his or her rating of paving project applications. The selection panel members shall evaluate the paving project applications according to the specified criteria and numerical weightings set forth below.

Scoring Criteria for Paving Project Applications

Scoring Criteria	Points Available
Cost-Effectiveness <ul style="list-style-type: none"> • Cost of paving per square feet of area (4 inch asphalt (3/4 inch aggregate) over 6 inch class 2 aggregate base*) • Cost sharing and other available funding 	0 – 40
Applicant’s Qualifications <ul style="list-style-type: none"> • Applicant’s previous experience in paving projects (experience paving mobile home or Polanco parks in ECV is preferred) 	0 – 25
Project Readiness <ul style="list-style-type: none"> • Timeliness and robustness of paving project application⁶ • Community Narrative and Support 	0 – 20
Other Benefits <ul style="list-style-type: none"> • Pre-paving property preparation design (e.g., land compaction) • Flood prevention elements (e.g., retention basin) • Accessibility improvements (e.g., wheelchair ramps, roundabout/hammerhead turnarounds, speed bumps)⁷ • Addition of a landscaping component, “cool pavement,” or other climate resistance measure • Conformance to Prioritized List of Properties to be Paved 	0 – 15
Total Points Available:	100

*Paving project applications must comply with CalTrans 2018 Standard Specifications for asphalt and aggregate mix standards. <https://dot.ca.gov/-/media/dot-media/programs/design/documents/f00203402018stdspecs-a11y.pdf>.

SECTION V: PAYMENT TERMS

For all paving projects, payment will be made in accordance with the payment terms outlined in the applicant’s Payment Schedule in the executed contract.

⁶ Timeliness and robustness of the paving project application refers to the extent the paving project application is developed and ready for implementation. Applications that are complete and include all necessary permissions, documentation, details of paving activities (e.g., timelines, contracting entity), etc. will likely receive full points. South Coast AQMD will work with the CSC and/or a subset of the CSC during the paving project application review period to further define how these criteria will be scored.

⁷ Accessibility may refer to several features that increase the project’s accessibility to community members with disabilities (e.g., wheelchair ramps, designated parking spots, clear signage, detectable warning for visually impaired), school buses (e.g., roundabouts, hammerhead turnarounds), and other benefits that provide improved accessibility to community members. South Coast AQMD will work with the CSC and/or a subset of the CSC during paving project application review period to further define how these criteria will be scored.

SECTION VI: LEGAL UPDATES AND DEFINITIONS

STATEMENT OF COMPLIANCE

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against any employee or applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause is included in all South Coast AQMD contracts.

COMPLIANCE WITH APPLICABLE LAWS

Applicants shall comply with all federal, state, and local laws, ordinances, codes and regulations. If the paving project application is eligible for funding, all grant-funded pavement shall be compliant with all applicable federal, state, and local air quality rules and regulations, and will maintain compliance for the full Contract term.

CONFLICT OF INTEREST

Applicant(s) shall address any potential conflicts of interest with other clients affected by actions performed by the contractor on behalf of the South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such contractors, the South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the paving project application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract.

ECONOMIC SANCTIONS (RUSSIA/UKRAINE)

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. Applicants who are considered eligible for Community Air Protection Program funds under this Program Announcement and received executed contracts from South Coast AQMD, are obligated to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine.

DEFINITIONS

1. **Budget Working Team:** Budget Working Team (BWT) is a subset of the AB 617 ECV Community Steering Committee (CSC).
2. **California Environmental Quality Act:** The California Environmental Quality Act (CEQA) was adopted in 1970 and incorporated in the Public Resources Code §21000-21177. Its basic purposes are to: inform governmental decision makers and the public about the potential significant environmental effects of proposed activities; identify ways that environmental damage can be avoided or significantly reduced; require changes in projects using alternatives or mitigation measures when feasible; and disclose to the public the reasons why a project was approved if significant environmental effects are involved. CEQA applies to projects undertaken, funded or requiring an issuance of a permit by a public agency (Additional details

are available at: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook/frequently-asked-questions>).

3. **Community Emissions Reduction Plan:** Community Emissions Reduction Plan (CERP) is a document that outlines emission and exposure reduction goals and actions identified by the CSC, South Coast AQMD, and CARB to reduce air pollution in Assembly Bill 617 communities and improve public health.
4. **Community Steering Committee:** The Community Steering Committee (CSC) is a diverse group of people who live, work, own businesses, or attend school, within the community. Local public health agencies, regulatory agencies, tribal organizations, and elected officials are represented on the CSC. The CSC guides the development and implementation of the CERP.
5. **National Environmental Policy Act:** The National Environmental Policy Act (NEPA) of 1969 established national policies and goals for the protection of the environment. NEPA directs all federal agencies to give appropriate consideration to the environmental effects of their decision making and to prepare detailed environmental impact statements (EIS) on recommendations or reports on paving project applications for legislation and other major federal actions significantly affecting the quality of the environment. NEPA is divided into two titles. Title I outlines a basic national charter for protection of the environment. Title II establishes the Council of Environmental Quality (CEQ) which monitors the progress made toward achieving NEPA goals, advises the president on environmental issues and provides guidance to other federal agencies on compliance with NEPA (Additional details are available at: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook/frequently-asked-questions>).
6. **Polanco Park:** A Polanco Park is an establishment of Employee Housing Facilities (mobile home park) on agricultural land use within the unincorporated areas of Riverside County. These facilities may house five (5) to twelve (12) employees and their families, and are considered agricultural (farm) uses in appropriate zones, where they are exempt from “Zoning” Permits. (Health & Safety Code Section 17020-17024).
7. **Project Completion:** Project Completion is the period between contract execution and South Coast AQMD receipt of photo documentation of completed grant-funded paved area. Project Completion must follow the schedule included in the executed contract.
8. **Project Life:** Project Life is the time the applicant(s) is required to maintain the completed grant-funded paved area. The Project Life for this grant is five years from the date of Project Completion, which is consistent with the standard duration of CERP implementation. During this time, entities must conduct regular and as-needed maintenance (e.g., fixing potholes, lane re-stripping, street cleaning). Regular and as-needed maintenance may be conducted through professional services or completed by the property owner(s). Additionally, applicant(s) must provide annual photo documentation of maintained project site and make the project site available for inspection upon request by South Coast AQMD and/or CARB. Entity shall conduct maintenance as required by South Coast AQMD and/or CARB from inspections.

9. **Sensitive Receptor:** Sensitive Receptors are children, elderly, asthmatics and others whose are at a heightened risk of negative health outcomes due to exposure to air pollution. The locations where these sensitive receptors congregate are considered sensitive receptor locations. Sensitive Receptor locations may include hospitals, schools, and day care centers, and such other locations as the air district board or California Air Resources Board may determine (California Health and Safety Code § 42705.5(a)(5)).

CONTACT FOR ADDITIONAL INFORMATION

Questions regarding the content or intent of this PA, procedural matters, and/or sample contract can be addressed to:

Robert Dalbeck
Diversity, Equity and Inclusion with Community Air Programs
South Coast AQMD
21865 Copley Drive
Diamond Bar, CA 91765
Phone: (909) 396-2139
E-Mail: rdalbeck@aqmd.gov

Attachment 2

ECV CSC Identified List of Properties to be Paved

69751 Pierce St., Thermal, CA 92274
66700 Martinez Rd., Thermal, CA 92274
88855 Avenue 70, Thermal, CA 92274
88755 Avuenue 58, Thermal, CA 92274
67959 Lincoln St., Mecca, CA 92254
87842 Avenue 66, Thermal, CA 92274
Main Avenue 69, Thermal, CA 92274
Avenue 63, Thermal, CA 92274
62441 Vargas Rd., Thermal, CA 92274
52742 Filmore St., Thermal, CA 92274
88510 Avenue 69, Lot D, Thermal, CA 92274
88510 Avenue 69, Lot B, Thermal, CA 92274
88510 Avenue 69, Lot A, Thermal, CA 92274
79655 Sabrina Ct., Indio, CA 92203
40275 Galindo Ct., Indio, CA 92203
79625 40th Ave, Indio, CA 92203
84155 Ave 56th, Thermal, CA 92274
53600 Filmore St., Thermal, CA 92274
88351 Avenue 58, Thermal, CA 92274
64975 65th Ave, Thermal, CA 92274
84091 Airport Blvd, Thermal, CA 92274
64545 CA-111, Mecca, CA 92254
88455 57th Ave, Thermal, CA 92274
89200 81st Ave, Thermal, CA 92274
59700 Pierce St, Thermal, CA 92274
88100 57th Ave, Thermal, CA 92274
88456 57th Ave, Thermal, CA 92274
89171 64th Ave, Thermal, CA 92274
85701 Middleton St, Thermal, CA 92274

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 6

PROPOSAL: Approve Fund Transfer for Miscellaneous and Direct Expenditures Costs in FY 2023-24 as Approved by MSRC

SYNOPSIS: Every year the MSRC adopts an Administrative Budget which includes transfer of funds to the South Coast AQMD Budget to cover administrative expenses. At this time, the MSRC seeks Board approval of the fund transfer as part of the FYs 2021-24 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, June 15, 2023, Recommended for Approval

RECOMMENDED ACTION:

Recognize \$56,000 in revenue in the General Fund from the AB 2766 Discretionary Fund, Special Fund 23, and appropriate \$56,000 to the FY 2023-24 Technology Advancement Office Budget, Services and Supplies Major Object, to facilitate the payment of MSRC Miscellaneous Direct and Travel Costs, as provided in Table 1 of this letter.

Larry McCallon
Chair, MSRC

AK:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Proposals

At its June 15, 2023 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FY 2023-24 Administrative Budget

Every year the MSRC adopts an Administrative Budget for the upcoming fiscal year to ensure costs remain within the limitation, currently 6.25 percent of its annual AB 2766 revenues. For FY 2023-24, the MSRC adopted an Administrative Budget in the amount of \$882,058, which is \$136,692 below the 6.25 percent cap. Certain administrative expenditures are not directly drawn from the MSRC fund account, but instead from South Coast AQMD’s budget. To cover these expenses, a fund transfer is made to South Coast AQMD (see Table 1 for further details).

Table 1. Estimated FY 2023-24 MSRC Miscellaneous and Direct Expenditures Proposed to be Allocated to South Coast AQMD Technology Advancement Office
FY 2023-24 Budget

	Work Program Code	Account	Amount
Professional & Special Services	44003	67450	\$9,000
Public Notice	44003	67500	\$8,000
Communications	44003	67900	\$5,000
Postage	44003	68060	\$7,500
Office Expense/Supplies	44003	68100	\$12,000
Miscellaneous Expense	44003	69700	\$7,000
Conference-Related Expense	44003	69700	\$5,000
Travel Costs	44003	67800	\$2,500
Total			\$56,000

Resource Impacts

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contract specified herein will be drawn from this fund.

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 7

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the May and June 2023 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

DA:LT:PC:ar

Background

This report summarizes the activities of the Legislative, Public Affairs and Media Office for May and June. The report includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups and Governments.

Major Events (Hosted and Sponsored)

Each year, staff engage in holding and sponsoring several major events throughout South Coast AQMD's four-county jurisdiction to promote, educate, and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality while minimizing economic impacts.

Working with Communities

On May 20, South Coast AQMD partnered with Habitat for Humanity, Orange County to help build two homes in Santa Ana. Volunteers installed siding, painted and participated in other construction activities.

Community Events/Public Meetings

Staff engaged with residents and stakeholders of diverse communities to provide information about the agency, incentive programs, and ways individuals can help reduce air pollution through events and meetings sponsored by South Coast AQMD or in partnership with others. Attendees typically receive information regarding the following:

- Tips on reducing their exposure to smog and its negative health effects;
- How to file a complaint;
- Clean air technologies and their deployment;
- Invitations to or notices of conferences, seminars, workshops, and other public events;
- South Coast AQMD incentive programs;
- Funding/grant opportunities by South Coast AQMD and partner agencies;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

Staff attended and/or provided information and updates at the following May and June events and meetings:

Move LA's Community Conversation

On May 1, staff attended Move LA's Community Conversation, "The Force (Community + Labor) is Strong in LA" to provide information to attendees on South Coast AQMD, regional air quality issues, and how to file a complaint including on the mobile apps.

South Pasadena Chamber of Commerce

On May 10, staff attended the South Pasadena Chamber of Commerce's Legislative Affairs Committee meeting to promote the Commercial Electric Lawn & Garden (eL&G) Equipment Incentive & Exchange program.

Upland Chamber of Commerce

On May 11, staff participated in Upland Chamber of Commerce's Government Affairs Committee meeting to share updates on South Coast AQMD incentive programs including Carl Moyer and the Voucher Incentive Program (VIP).

Spring Community Health Fair

On May 13, staff participated in Dignity Health's Spring Community Health Fair in Northridge. Staff provided information on South Coast AQMD's Mobile App, how to file a complaint, residential lawn and garden incentive program, and Replace Your Ride.

Lake Arrowhead Chamber of Commerce

On May 17, staff participated in the Lake Arrowhead Chamber of Commerce Government Affairs Committee meeting to provide information on the VIP.

Harbor Association of Industry and Commerce

On May 18, staff participated in the Harbor Association of Industry and Commerce's Government Affairs Committee to share information on the Facility Information Detail (F.I.N.D) web tool and other programs.

Asian Americans and Pacific Islanders Heritage Month Resource Fair

On May 19, staff participated in UCLA Medical Center's Asian Americans and Pacific Islanders Heritage Month Resource Fair to provide information and resources, including how to file a complaint, wildfire safety tips and South Coast AQMD's mobile app.

Wilmington Neighborhood Council

On May 19, staff attended the Wilmington Neighborhood Council and announced the upcoming Proposed Amended Rule 1180: Refinery Community and Fenceline Monitoring Working Group meeting.

San Gabriel Valley Economic Partnership

On May 24, staff attended San Gabriel Valley Economic Partnership's Legislative Action Committee meeting to provide update on South Coast AQMD incentive programs such as VIP and eL&G.

Orange County Council of Governments

On May 25, staff attended the Orange County Council of Governments meeting and provided information on the start of smog season and incentive programs.

LA Sanitation and Environment's North Central District Open House

On May 27, staff participated in LA Sanitation and Environment's North Central Open House. Staff shared information on South Coast AQMD, including how to file a complaint, residential and commercial incentive programs, and South Coast AQMD's mobile app.

South Bay Association of Chambers of Commerce

On June 6, staff participated in the South Bay Association of Chambers of Commerce meeting and announced the upcoming Local Government & Small Business Assistance Advisory Group meeting.

San Bernardino County Supervisor Curt Hagman's Open House

On June 7, staff participated in Supervisor Curt Hagman's District Open House. Staff demonstrated a clean air vehicle and electric lawn equipment to attendees. Staff also provided information on commercial and residential incentive programs and how to file a complaint.

San Gabriel Valley Council of Governments

On June 7, staff participated in the San Gabriel Valley Council of Governments' Energy, Environment & Natural Resources Committee meeting to provide updates on Replace Your Ride and VIP programs.

Big Bear Chamber of Commerce

On June 8, staff attended the Government Affairs Committee meeting for the Big Bear Chamber of Commerce to provide updates on VIP and eL&G program.

Los Angeles Sanitation and Environment

On June 10, staff participated in LA Sanitation and Environment's South Los Angeles Open House. Staff shared information on how to file a complaint, South Coast AQMD's mobile app and other programs.

Foothill Extension

On June 14, staff attended a Metro Gold Line Foothill Extension Construction Authority Board meeting and spoke during public comment to provide updates related to transportation including increased incentives for Replace Your Ride and VIP.

South Pasadena Chamber of Commerce

On June 14, staff participated in the Legislative Affairs Committee meeting for South Pasadena Chamber of Commerce. Staff provided information on Replace Your Ride, eL&G and VIP.

Leonard Transportation Center

On June 21, staff participated in the California State University, San Bernardino Leonard Transportation Center student discussion forum. Staff displayed a clean air vehicle and shared information about South Coast AQMD, regional air quality issues and how to file a complaint.

Arcadia Environmental Fair

On June 22, staff participated in the Arcadia Environmental Fair. Staff provided information on South Coast AQMD, VIP, eL&G, Replace Your Ride and how to file a complaint.

Orange County Council of Governments

On June 22, staff participated in the Orange County Council of Governments Executive Board meeting and shared updates regarding three MSRC Micro Transit grants awarded to Orange County cities.

Environmental Justice Update

The following are key environmental justice (EJ) related activities in which staff participated during May and June. These events and meetings involve communities affected disproportionately from adverse air quality impacts.

White House Climate and Environmental Justice Briefing

On May 3, staff participated in the White House Climate and Environmental Justice Briefing. Senior Biden-Harris Administration officials made announcements regarding EJ, clean energy, and climate programs.

Pacoima Community Initiative

On May 5, staff participated in Pacoima Community Initiative's monthly meeting. Staff shared information on the Environmental Justice Advisory Group meeting and South Coast AQMD programs.

Santa Ana EJ Stakeholder Meeting

On May 18, staff participated in the Santa Ana EJ Stakeholder meeting to learn about community environmental priorities.

Girl Scouts of Los Angeles Science, Technology, Math and Engineering (STEAM) Takeover

On June 3, staff participated in the Girl Scouts of Los Angeles STEAM Takeover to present an overview on South Coast AQMD, present curriculum from the Clean Air Program for Elementary Students and Why Healthy Air Matters program. Staff also conducted experiments to illustrate regional air quality issues.

U.S. EPA Region 9's EJ Monthly Community Check-in

On June 6, staff participated in U.S. EPA Region 9's EJ Monthly Community Check-in which focused on the Justice40 initiative and included Q&A with the participants.

Environmental Justice Community Partnership

On June 7, South Coast AQMD staff hosted the last quarterly meeting of the Environmental Justice Community Partnership (EJCP) Advisory Council. Staff presented an update on the implementation of Assembly Bill 617 Community Emission Reduction and Community Air Monitoring Plans. Additionally, an EJCP member presented on the South Los Angeles Project to understand the sources and health impacts of local air pollution.

U.S. EPA Enforcement and Compliance Webinar

On June 13, staff participated in U.S. EPA’s training webinar on how to use their online enforcement and compliance tool. The online search tool provides information on approximately 800,000 regulated facilities nationwide.

U.S. EPA National Environmental Justice Community Engagement

On June 20, staff participated in U.S. EPA’s National EJ Community Engagement meeting. The agenda included a presentation by the Friendship House Association of American Indians and an update on the U.S. EPA Equity Action Plan.

Speakers Bureau/Visitor Services

South Coast AQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals, and health-based organizations. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

There were no presentations in May or June.

Communication Center Statistics

The Communication Center handles calls on South Coast AQMD’s main line, 1-800-CUT-SMOG®, the Spanish line, and after-hours calls to those lines. Total calls received in the month of May and June are summarized below:

Calls to South Coast AQMD’s Main Line and 1-800-CUT-SMOG®	4,351
Calls to South Coast AQMD’s Spanish Line	58
Clean Air Connection	22
Total Calls	4,431

Public Information Center Statistics

The Public Information Center (PIC) handles phone calls and assists individuals who walk-in for general information. Email advisories provided information on upcoming meetings and events, program announcements and alerts on time-sensitive issues. Information for the month of May and June are summarized below:

Calls Received by PIC	99
Calls to Automated System	383
Total Calls	482
Visitor Transactions	275
Email Advisories Sent	87,119

Small Business Assistance

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency’s rule development process. South Coast AQMD works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provided personalized assistance to small businesses over the telephone, at South Coast AQMD headquarters and via virtual on-site consultation, as summarized below for May and June.

- Provided permit application assistance to 421 companies, and
- Processed 174 Air Quality Permit Checklists.

Types of businesses assisted:

Auto Body Shops	Gas Stations	Telecommunication
Construction Firms	Manufacturing Facilities	Centers
Dry Cleaners	Restaurants	Warehouses
Engineering Firms	Retail Facilities	

MEDIA RELATIONS

The Media Office handles all South Coast AQMD outreach and communications with television, radio, newspapers and all other publications, and media operations. The May and June report is listed below:

Major Media Interactions	134
Press Releases	14
News Carousel	8

Major Media Topics:

- **Wildfires & Effects on Air Quality:** Staff participated in an interview with NBC4 on wildfires and their effects on air quality.
- **Commercial Electric Lawn & Garden Equipment:** Staff participated in an interview with KCRW Radio for an in-depth highlight story on the Commercial Electric Lawn and Garden Equipment Program.
- **Air Quality Monitoring System:** Pitched our air quality data to local meteorologists. Working with CBS and ABC on ways to feature our information on their daily weather reports. Working with the stations and contractors on the best way to provide information.
- **Battery Electric Semi-trucks:** Forbes inquired about grants for the purchase of battery electric semi-trucks, including Tesla Semi and Nikola. Response sent to the reporter.
- **Commerce Fire:** CBS reporter inquired about air quality impacts of the Commerce fire. Response sent to reporter.
- **Baker Commodities:** LAist reporter requested an update on Baker Commodities resuming operations. Response sent to reporter.
- **F.I.N.D. Tool:** Voice of OC requested more information on how F.I.N.D. gets data from facilities and if there are efforts underway to improve that process. Response sent to reporter.
- **Torrance Refinery Flare Event:** Press Enterprise inquired about the unplanned flare event at the Torrance Refinery. Response sent to reporter.
- **Impact of Air Pollution:** Newport Coast student provided questions about the impacts of air pollution. Response sent to student.
- **Hexavalent Chromium:** CalMatters inquired about hexavalent chromium at school sites and facilities in the Paramount area. Response sent to reporter.
- **Redspira Sensor:** Reuters (Mexico) inquired about the Redspira air quality sensor and its reliability. Response sent to reporter.
- **Dominguez Channel:** Wired asked for an update on the status of the Dominguez Channel investigation. Response sent to reporter.
- **PM Standards and Federal Implementation Plan (FIP):** U.S. EPA requested a comment on the finding that South Coast failed to submit necessary measures regarding attainment of PM standards and is beginning the clock for a potential FIP for the region. Response sent.
- **Windblown Dust Advisories:** Pitched advisories to local news outlets.
- **Summer Smog Season:** Pitched announcement of start of ozone season to local media outlets.
- **Air Quality During Wildfires:** Staff participated in an interview with Spectrum News 1 on how individuals can protect themselves from bad air quality during wildfires.
- **Proposed Amendments to Rule 1153.1:** Staff participated in an interview with Southern California News Group on the background of the proposed rule to reduce NOx from commercial food ovens.

- **Southern California Weather:** Staff participated in a phone interview with the Los Angeles Times about Southern California air quality following the cooler weather from May and June.
- **Air Quality and Fireworks:** Staff participated in an interview with KTLA about the impact fireworks have on Los Angeles County air quality, the expectations of air quality this year, and what is the reality of the air quality today based on Purple Air monitors.
- **Santa Ana Crematorium:** Voice of OC reporter requested information on South Coast AQMD enforcement actions for air quality violations and information on a crematorium in Santa Ana. Response sent to the reporter.
- **Replace Your Ride Program:** Telemundo News and Telemundo Responde requested interviews to discuss the details of the program. Pre-recorded video responses sent to the reporter in Spanish.
- **Cremation Limits:** Ivy Tech student requested information on daily cremation limits. Response was sent.
- **Air Quality Communications:** Staff participated in an interview with New York Magazine/Curbed on best communication practices when wildfires affect the air quality.
- **Sterigenics:** Surveyor inquired on the curtailment status of the Sterigenics Ontario facility. Response was sent.
- **Arroyo Live Talk show:** Producer at KPAS-TV expressed interest in an interview with a Board Member and a second guest. Working on interview topics.
- **Lobbying Firms:** Reporter at Capitol Weekly inquired why South Coast AQMD employs multiple lobbying firms. Response sent to the reporter.
- **Rendering Plants:** Reporter at LAist inquired about the current number of rendering plants in Vernon that are open since the closing of Farmer John (Clougherty Packing). Reporter also had questions about upcoming legal action involving Baker. Response to first questions sent. Working on follow-up responses.
- **Salton Sea:** A freelance journalist submitted questions on toxins in the Salton Sea, the contribution of agricultural dust PM2.5 and PM10 emissions in the district, and whether we have or will provide access to indoor air purifiers to local residents. Response was sent to journalist.
- **KLM Data:** Meteorologist at CBS2/KCAL requested access to our KLM data for use as wildfire season approaches. Response was provided.
- **Wildfire Season Preparation:** Pitched local news outlets to discuss wildfire preparations, outreach, and the tools South Coast AQMD uses. Spectrum News and ABC expressed interest in an interview and tour of the lab. Staff participated in an interview with ABC on South Coast AQMD wildfire season outreach and monitoring tools.
- **Windblown Dust Advisory:** Pitched advisories to local outlets resulting in media coverage.
- **Ozone Advisory:** Pitched advisories to local outlets resulting in media coverage.

News Releases:

- **May is the Start of Summer Smog Season - Protect Your Health by Knowing Your Air Quality – May 1, 2023 (English and Spanish):** Informed the public of the start of ozone season in Greater Los Angeles.
- **South Coast AQMD Issues Windblown Dust Advisory for the San Geronio Pass and Coachella Valley areas – May 9-10, 2023 (English and Spanish):** Informed the public of a PM10 Dust Advisory and extension caused by high winds in the Coachella Valley.
- **South Coast AQMD Issues Windblown Dust Advisory for the Coachella Valley and Eastern Riverside County – May 31, 2023 (English and Spanish):** Informed the public of a PM10 Dust Advisory caused by high winds in the Coachella Valley and Eastern Riverside County.
- **South Coast AQMD Issues Windblown Dust Advisory for the Coachella Valley – June 16 & 22, 2023 (English and Spanish):** Informed the public of a PM10 Dust Advisory caused by high winds in the Coachella Valley.
- **South Coast AQMD Issues Ozone Advisory Due to Heat Wave – June 30, 2023 (English and Spanish):** Informed residents of hazardous ozone levels due to heat.

Social Media Posts:

- [Windblown Dust Advisory Extension \(5/10\)](#): 5,327 Twitter Impressions
- --RT by @NWSSanDiego, @805weather, @PalmDesertGov
- [AQ Forecast \(5/17\)](#): 1,315 Twitter Impressions
- --RT by @LAFDtalk, @805Weather
- [AQ Forecast \(5/20\)](#): 1,624 Twitter Impressions
- --RT by @LAFDtalk, @805Weather
- [Windblown Dust Advisory \(5/31\)](#): 7,474 Twitter Impressions
- --RT by @WEAre4CleanAir, @NWSSanDiego, @PalmDesertGov, @AirResources
- [AQ Forecast \(6/13\)](#): 1,118 Twitter Impressions
- --RT by @LAFDtalk, @ WEAre4CleanAir
- [Windblown Dust Advisory \(6/16\)](#): 5,435 Twitter Impressions
- --RT by @PalmDesertGov, @NWSSanDiego, @CodeRed001Blue
- [Windblown Dust Advisory \(6/22\)](#): 4,756 Twitter Impressions
- --RT by @WeAre4CleanAir, @AIRNow, @AirResources, @NWSSanDiego
- [AQ Forecast \(6/26\)](#): 4,637 Twitter Impressions
- --RT by @WeAre4CleanAir, @805Weather, @ClimateResolve, @NWSSanDiego

News Carousel:

- **There's still time to apply for funding to help replace heavy-duty vehicles and equipment with cleaner technology! - by May 9, 11:59 p.m. (5/4).** Linked to the Carl Moyer Funding page for further information.
- **Join the Clean Air Team! South Coast AQMD is hiring for Instrument Specialist, Legislative Analyst and Mail Services positions. (5/10).** Linked to current job opportunities.
- **Participate in a Working Group on Control of Emissions from Metal Heating Operations – Thurs., 5/18 (5/17).** Linked to Proposed Rule 1435 page.
- **Keep up with the Latest News from South Coast AQMD (5/24).** Linked to South Coast AQMD Advisor Newsletter.
- **South Coast AQMD partnership assists Schneider to open a large-scale electric truck charging depot in South El Monte through the JETSI project (6/7).** Linked to Schneider's news article.
- **Get a rebate of up to \$250 when swapping your older gas-powered lawn mower with a cordless battery-electric mower. (6/15).** Linked to South Coast AQMD's Electric Lawn Mower Rebate Program.
- **Choose a Low-VOC paint for your summer home projects (6/22).** Linked to Green Painter's Guide webpage.
- **Initial site information reports are due by July 5 for Phase 2 Warehouse Actions and Investments to Reduce Emissions (WAIRE) facilities 150,000 to 250,000 sq. ft. -** Linked to WAIRE Program webpage.

Outreach to Community Groups and Federal, State and Local Governments

Communication was conducted in May and June with elected officials and/or staff from the following state and federal offices:

- U.S. Senator Diane Feinstein
- U.S. Senator Alex Padilla
- U.S. Representative Nanette Barragàn
- U.S. Representative Judy Chu
- U.S. Representative Robert Garcia
- U.S. Representative Grace Napolitano
- U.S. Representative Jay Obernolte
- U.S. Representative Raul Ruiz
- U.S. Representative Adam Schiff
- U.S. Representative Mark Takano
- Senator Bob Archuleta
- Senator Josh Becker
- Senator Lena Gonzalez
- Senator Melissa Hurtado
- Senator Caroline Menjivar
- Senator Josh Newman
- Senator Janet Nguyen
- Senator Anthony Portantino
- Senator Susan Rubio
- Speaker Anthony Rendon
- Senator Nancy Skinner
- Assemblymember Marc Berman
- Assemblymember Lisa Calderon
- Assemblymember Mike Fong
- Assemblymember Eduardo Garcia
- Assemblymember Eloise Gomez Reyes
- Assemblymember Chris Holden
- Assemblymember Tom Lackey
- Assemblymember Al Muratsuchi
- Assemblymember Sharon Quirk-Silva
- Assemblymember Freddie Rodriguez
- Assemblymember Blanca Rubio
- Assemblymember Miguel Santiago
- Assemblymember Avelino Valencia

Outreach was conducted personally and virtually in May and June to communicate with elected officials or staff from the following cities:

Alhambra	Burbank	Downey
Arcadia	Calimesa	Duarte
Artesia	Canyon Lake	Eastvale
Avalon	Carson	El Monte
Azusa	Cerritos	El Segundo
Baldwin Park	Chino	Fontana
Banning	Chino Hills	Gardena
Beaumont	Claremont	Glendale
Bell	Colton	Glendora
Bell Gardens	Commerce	Grand Terrace
Bellflower	Compton	Hawaiian Gardens
Big Bear Lake	Corona	Hawthorne
Bradbury	Covina	Hemet
Brea	Cudahy	Hermosa Beach
Buena Park	Diamond Bar	Highland

Huntington Beach	Monrovia	Santa Ana
Huntington Park	Montclair	San Bernardino
Industry	Montebello	San Dimas
Inglewood	Monterey Park	San Fernando
Irvine	Moreno Valley	San Gabriel
Irwindale	Murrieta	San Jacinto
Jurupa Valley	Newport Beach	San Marino
La Cañada Flintridge	Norco	Santa Ana
La Habra	Norwalk	Santa Clarita
La Habra Heights	Ontario	Santa Fe Springs
La Mirada	Orange	Seal Beach
La Palma	Palos Verdes Estates	Sierra Madre
La Puente	Paramount	Signal Hill
La Verne	Pasadena	South El Monte
Lake Elsinore	Perris	South Gate
Lake Forest	Pico Rivera	South Pasadena
Lakewood	Placentia	Stanton
Lawndale	Pomona	Temecula
Loma Linda	Rancho Cucamonga	Temple City
Lomita	Rancho Palos Verdes	Torrance
Long Beach	Redlands	Upland
Los Angeles	Redondo Beach	Vernon
Lynwood	Rialto	Walnut
Manhattan Beach	Riverside	West Covina
Maywood	Rolling Hills	Wildomar
Menifee	Rolling Hills Estates	Whittier
Mission Viejo	Rosemead	Yucaipa

Staff represented South Coast AQMD in May and June and/or provided updates or a presentation to the following governmental agencies and business organizations:

Alhambra Chamber of Commerce
 Arcadia Chamber of Commerce
 Carson Chamber of Commerce
 Climate Mayors
 County of San Bernardino
 Dignity Health
 DTSC
 El Monte-South El Monte Chamber of Commerce
 El Segundo Chamber of Commerce
 Foothill Transit
 Gardena Valley Chamber of Commerce

Glendora Chamber of Commerce
Harbor Association of Industry and Commerce
Hermosa Beach Chamber of Commerce
Imperial Irrigation District
Independent Special Districts of Orange County
Inglewood Airport Area Chamber of Commerce
Inland Valley Development Agency
Lake Arrowhead Chamber of Commerce
League of California Cities, Los Angeles County Division
Lomita Chamber of Commerce
Los Angeles County Department of Public Health
Los Angeles County Economic Development Corporation
Los Angeles County Sanitation Districts
Manhattan Beach Chamber of Commerce
Metropolitan Water District of Southern California
Mountain Transit
National Park Service
Omnitrans
Ontario International Airport
Orange County Council of Governments
Orange County Hispanic Chamber of Commerce
Orange County Sanitation District
Riverside Transit Agency
San Bernardino County
San Bernardino County Transportation Authority
San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
San Gabriel Valley CARE
San Gabriel Valley Council of Governments
San Gabriel Valley Economic Partnership
San Gabriel Valley Mosquito & Vector Control District
Santa Ana Chamber of Commerce
SCAG
SunLine Transit Agency
Upland Chamber of Commerce
Upper San Gabriel Valley Municipal Water District
Western Riverside Council of Governments

In May and June, staff represented South Coast AQMD and/or provided updates or a presentation to the following community and educational groups and organizations:

Arcadia Unified School District
Baldwin Park Unified School District
Basset Unified School District
California State Polytechnic University, Pomona
California State University, Dominguez Hills
California State University, San Bernardino
Diamond Bar Woman's Club
Grades of Green
Move LA
Mt. San Antonio College
Pasadena City College
Rialto Unified School District
Rim of the World Unified School District
Rio Hondo College
San Gabriel Mountains Community Collaborative
South Bay Parkland Conservancy
The Energy Coalition
Trust for Public Land
University of California, Riverside
University of La Verne
University of Redlands

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 8

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of May 1 through June 30, 2023.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Cynthia Verdugo-Peralta
Hearing Board Chair

ft

Two summaries are attached: **May 2023 Hearing Board Cases, and Rules From Which Variances and Orders for Abatement Were Requested in 2023**. An index of South Coast AQMD Rules is also attached.

The summary for the June 2023 Hearing Board cases was not prepared in time for inclusion and will be submitted next month.

There were no appeals filed during the period of May 1 to June 30, 2023.

Report of May 2023 Hearing Board Cases

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Ameresco Chiquita Energy LLC Case No. 6143-2 (N. Dwyer)	203(b) 431.1(c)(2) 431.1(f)(1)(A) 3002(c)(1)	Petitioner received unexpected test results of elevated concentrations of NMOC. As a result, petitioner is in violation of permit limits.	Not Opposed/Granted	Ex Parte EV granted commencing 5/25/23 and continuing for 30 days or until the IV hearing scheduled for 6/15/23, whichever comes first.	NMOC: 105 lbs/day
2. Ameresco Chiquita Energy LLC Case No. 6143-2 (K. Roberts)	203(b) 431.1(c)(2) 431.1(f)(1)(A) 3002(c)(1)	Petitioner needs more time to achieve compliance after the adjacent landfill stops the reaction occurring that creates elevated landfill gas sulfur concentrations, or can implement a sulfur control technology to reduce sulfur concentrations in landfill gas.	Not Opposed/Granted	RV granted commencing 5/3/23 and continuing through 5/8/24, or until final compliance, whichever comes first.	SOx: 75 lbs/day
3. Chevron Products Company Case No. 831-397 (Consent Calendar)	203(b) 464(b)(1)(A) 464(b)(2) 464(b)(3) 1176(e)(1) 1176(e)(2) 2004(f)(1) 3002(c)(1)	Petitioner will be in violation with listed South Coast AQMD rules but intends to achieve compliance by temporarily removing permanent covers to remove accumulated materials from the No. 3 Separator and replacing with permanent covers.	Not Opposed/Granted	SV granted commencing 5/31/23 and continuing through 7/14/23.	VOC: 20.4 lbs/day

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
4. Chiquita Canyon Landfill Case No. 6177-3 (K. Roberts)	203(b) 431.1(c)(2) 3002(c)(1)	Petitioner needs time to come into compliance by reducing dimethyl sulfide concentrations generated from the landfill, to a level where all control devices can operate, within permitted sulfur emission limits.	Not Opposed/Granted	RV granted commencing 5/3/23 and continuing through 2/8/24, or until final compliance, whichever comes first.	SOx: 200 lbs/day
5. County of San Bernardino Fleet Management Department Case No. 6070-9 (Consent Calendar)	203(b)	Due to unforeseen inclement weather, petitioner lost power from SCE and had to deploy emergency generator. Variance needed until 1/1/24 when the 200-hour annual limit resets.	Not Opposed/Granted	RV granted commencing 5/18/23 and continuing through 12/31/23, the FCD.	NOx: 0.51 lb./hr. CO: 0.19 lb./hr. PM10: 0.03 lb./hr. SOx: 0.001 lb./hr. RHC: 0.03 lb./hr.
6. LARICS MML LMR Case No. 6234-1 (Consent Calendar)	203(b)	Unforeseen power outage caused by extreme weather conditions, resulting in exceedance of 200-hour annual limit. First responder emergency communications are critical.	Not Opposed/Granted	RV granted commencing 5/25/23 and continuing through 12/31/23, the FCD.	NOx: 1.02 lbs./hr. CO: 0.25 lb./hr. PM10: 0.03 lb./hr. SOx: 0.001 lb./hr. RHC: 0.04 lb./hr.
7. South Coast AQMD vs. City of San Bernardino Municipal Water Department Case No. 6124-2 (Consent Calendar)	1196	Respondent owns and operates fleet vehicles, which do not comply with Rule 1196 requirements. Respondent needs time to phase out and purchase compliant vehicles.	Stipulated/Issued	Mod. O/A issued commencing 5/4/23; the Hearing Board shall retain jurisdiction over this matter until 12/15/24.	N/A

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
8. Verizon Wireless Case No. 6139-4 (S. Hanizavareh)	203(b)	Due to unforeseen inclement weather, petitioner lost power and had to deploy emergency generator. Variance needed until 1/1/24 when the 200-hour annual limit resets.	Not Opposed/Granted	RV granted commencing 5/25/23 and continuing through 12/31/23, the FCD.	NOx: 1.5 g/hp-hr. CO: 2.0 g/hp-hr. VOC: 1.5 g/hp-hr.

Acronyms

- CO: Carbon Monoxide
- FCD: Final Compliance Date
- IV: Interim Variance
- Mod: Modification
- N/A: Not Applicable
- NMOC: Non-Methane Organic Compounds
- NOx: Oxides of Nitrogen
- O/A: Order for Abatement
- PM10: Particulate Matter ≤ 10 microns
- RHC: Reactive Hydrocarbons
- RV: Regular Variance
- SOx: Oxides of sulfur
- VOC: Volatile Organic Compound

Rules from which Variances and Orders for Abatement were Requested in 2023

Rules	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Actions
203(b)	2	7	16	4	7								36
218(b)(2)			1										1
218.1(b)(4)(C)			1										1
402	1												1
415(f)				1									1
415(g)				1									1
431.1(c)(2)					3								3
431.1(f)(1)(A)					2								2
461(e)(2)(A)(i)				1									1
463(c)(2)(B)		1											1
464(b)(1)(A)					1								1
464(b)(2)					1								1
464(b)(3)					1								1
1100(e)(2)(A)	1	2											3
1100(e)(2)(B)			2										2
1100(e)(3)(A)			1										1
1110.2		1											1
1146(c)(1)			1										1
1146(c)(1)(I)			1										1
1146(c)(1)(J)	1	2											3
1146(e)(1)			2										2
1150.1													0
1176(e)(1)					1								1
1176(e)(2)					1								1
1178(d)(3)(D)		1											1
1196					1								1
1196(d)(1)													0
1470(c)(4)(A)	1												1
2004(f)(1)		4	3	1	1								9
2012(d)(2)		1											1
3002(c)(1)		5	3	1	4								13

SOUTH COAST AQMD RULES AND REGULATIONS INDEX
2023 HEARING BOARD CASES AS OF MAY 30, 2023

REGULATION II – PERMITS

- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring
- Rule 218.1 Continuous Emission Monitoring Performance Specifications

REGULATION IV – PROHIBITIONS

- Rule 402 Nuisance
- Rule 415 Odors from Rendering Facilities
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 463 Organic Liquid Storage
- Rule 464 Wastewater Separators

REGULATION XI - TOXICS AND OTHER NON-CRITERIA POLLUTANTS

- Rule 1100 Implementation Schedule for NOx Facilities
- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Engines
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1176 VOC Emissions from Wastewater Systems
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities
- Rule 1196 Clean On-Road Heavy-Duty Public Fleet Vehicles

REGULATION XIV - TOXICS AND OTHER NON-CRITERIA POLLUTANTS

- 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 (NOx) Emissions

REGULATION XXX – TITLE V PERMITS

3002 – Requirements

[Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 9

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This report summarizes monthly penalties and legal actions filed by the General Counsel’s Office from May 1 through May 31, 2023. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, June 16, 2023, Reviewed

RECOMMENDED ACTION:
Receive and file.

Bayron T. Gilchrist
General Counsel

BTG:cr

<u>Civil Filings</u>	<u>Violations</u>
1. Anthem Oil Inc. (Anthem Oil Pomona) County of Los Angeles Superior Court – Pomona Case No.: 23PSCV01454; Filed 5.12.23 (ND) NOV Nos. P69628, P69633, and P69641 R. 461 - Gasoline Transfer and Dispensing for Mobile Fueling Operations California Health and Safety Code §41960.2	3 3 Violation

Attachments

May 2023 Penalty Report

Index of South Coast AQMD Rules and Regulations

**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
Civil						
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, H&S 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
Total Civil Settlements : \$1,271,767.00						

Hearing Board

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

Total Hearing Board Settlements : \$3,500.00

MSPAP

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

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
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_x 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
- 41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

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

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 10

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides a listing of CEQA documents received by South Coast AQMD between May 1, 2023 and June 30, 2023, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source Committee, on June 16, 2023 reviewed the May 1 – May 31, 2023 portion of the report; while the June 1 – June 30, 2023 portion has had no committee review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

SR:MK:MM:BR:SW:ET

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, South Coast AQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received during the reporting period from May 1, 2023 to May 31, 2023 is included in Attachment A1. A listing of all documents received during the reporting period from June 1, 2023 and June 30, 2023, is included in Attachment A2. A listing of active projects for which South Coast AQMD staff is continuing to evaluate or prepare comments for the April 2023 reporting period is included as Attachment B. During the period from May 1, 2023 to June 30, 2023, a total of 123 CEQA documents were received and 29 comment letters were sent.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice

Program Enhancements for fiscal year (FY) 2002-03, approved by the Board in October 2002, each attachment notes proposed projects where South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. South Coast AQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact South Coast AQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; and as part of oral comments at South Coast AQMD meetings or other meetings where South Coast AQMD staff is present. The attachments also identify, for each project, the dates of the public comment period and the public hearing date, if applicable. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

In January 2006, the Board approved the Clean Port Initiative Workplan (Workplan). One action item of the Workplan was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In accordance with this action item, Attachments A and B organize the CEQA documents received according to the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the action item relative to mitigation, staff maintains a compilation of mitigation measures presented as a series of tables relative to off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases which are available on the CEQA portion of South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources such a ground support equipment.

Staff focuses on reviewing and preparing comments for proposed projects: 1) where South Coast AQMD is a responsible agency (e.g., when air permits are required); 2) that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement); 3) that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); 4) where environmental justice concerns have been raised; and 5) which a lead or responsible agency has specifically requested South Coast AQMD review. If staff provided written comments to a lead agency, a hyperlink to the "South Coast AQMD Letter" is included in the "Project Description" column which corresponds to a notation in the "Comment Status" column. In addition, if staff testified at a hearing for a proposed project, a notation is also included in the "Comment Status" column. If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period from May 1, 2023 to June 30, 2023, the South Coast AQMD received 123 CEQA documents. In addition, there are 8 CEQA documents for ongoing active projects that either have been reviewed or are still under review which are listed in the Attachment B. The current status of the total 131 documents listed in Attachments A1, A2, and B are summarized as follows:

- 29 comment letters were sent;
- 83 documents were reviewed, but no comments were made;
- 19 documents are currently under review;

(The above statistics are from May 1, 2023 to June 30, 2023 and may not include the most recent “Comment Status” updates in Attachments A1, A2, and B.)

Copies of all comment letters sent to lead agencies are available on the CEQA portion of South Coast AQMD’s website at:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

South Coast AQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, South Coast AQMD periodically acts as lead agency for air permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal for action is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when South Coast AQMD, as lead agency, finds substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if South Coast AQMD determines that the project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are types of CEQA documents which analyze the potential environmental impacts and describe the reasons why a significant adverse effect on the environment will not occur such that the preparation of an EIR is not required.

Attachment C to this report summarizes the active projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, South Coast AQMD is lead agency for three active projects during May 2023 and June 2023.

Attachments

A1. Incoming CEQA Documents Log for May 2023

A2. Incoming CEQA Documents Log for June 2023

B. Ongoing Active Projects for Which South Coast AQMD Has or Is Continuing to Conduct a CEQA Review for April 2023

C. Active South Coast AQMD Lead Agency Projects for May 2023 and June 2023

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<p><i>Warehouse & Distribution Centers</i> LAC230502-10 Sywest Project</p>	<p>The proposed project consists of two potential land use scenarios. The first scenario consists of construction of 153,000 square foot warehouse store, 69,800 square feet of retail uses, and 10,000 square feet of restaurant uses on 24.60 acres. The second scenario is the construction of two warehouse buildings totaling 532,390 square feet on 24.60 acres. The project is located near the northeast corner of Figueroa Street and West Del Amo Boulevard within the designated AB 617 Wilmington, Carson, West Long Beach community. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230502-10.pdf</p> <p align="center">Comment Period: 4/24/2023 - 5/25/2023 Public Hearing: N/A</p>	<p>Notice of Preparation</p>	<p>City of Carson</p>	<p>South Coast AQMD staff commented on 5/25/2023</p>
<p><i>Warehouse & Distribution Centers</i> RVC230502-03 First March Logistics Project</p>	<p>The project consists of construction of two warehouse buildings totaling 559,005 square feet on 27.26 acres. The project is located near the northeast corner of Interstate 215 and Nandina Avenue. Reference RVC211221-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/RVC230502-03.pdf</p> <p align="center">Comment Period: 4/28/2023 - 6/12/2023 Public Hearing: N/A</p>	<p>Draft Environmental Impact Report</p>	<p>City of Perris</p>	<p>South Coast AQMD staff commented on 6/8/2023</p>
<p><i>Warehouse & Distribution Centers</i> RVC230510-03 Development Plan Review 22-00021</p>	<p>The project consists of construction of a 99,990 square foot warehouse on 4.5 acres. The project is located on the northeast corner of Brennan Avenue and Ramona Expressway. Reference RVC220816-02</p> <p align="center">Comment Period: 5/5/2023 - 6/5/2023 Public Hearing: N/A</p>	<p>Notice of Intent to Adopt a Mitigated Negative Declaration</p>	<p>City of Perris</p>	<p>Document reviewed - No comments sent for this document received</p>
<p><i>Warehouse & Distribution Centers</i> RVC230510-05 Duke Warehouse at Patterson Avenue and Nance Street Project</p>	<p>The project consists of construction of a 769,668 square foot warehouse on 35.7 acres. The project is located near the southwest corner of Harley Knox Boulevard and Nevada Avenue. Reference RVC221108-10 and RVC220119-06 Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/december/RVC221108-10.pdf.</p> <p align="center">Comment Period: N/A Public Hearing: 5/17/2023</p>	<p>Response to Comments</p>	<p>City of Perris</p>	<p>Document reviewed - No comments sent for this document received</p>

*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.
- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse & Distribution Centers</i> RVC230510-09 Perris Valley Towne Center	The project consists construction of a 122,027 square foot shopping center and a 848,000 square foot warehouse on 50.65 acres. The project is located at the southeast corner of San Jacinto Avenue and Redlands Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/RVC230510-09.pdf Comment Period: 5/3/2023 - 6/1/2023 Public Hearing: N/A	Site Plan	City of Perris	South Coast AQMD staff commented on 6/1/2023
<i>Warehouse & Distribution Centers</i> RVC230524-03 Plot Plan No. 22-015	The project consists of construction of a 277,578 square foot warehouse on 13.35 acres. The project is located on the southwest corner of Sherman Road and Maples Road. Reference RVC220209-01 Comment Period: 5/15/2023 - 6/5/2023 Public Hearing: 6/14/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
<i>Warehouse & Distribution Centers</i> SBC230502-01 Alliance California Gateway South Building 9 Project	The project consists of construction of a 397,400 square foot warehouse on 18.43 acres. The project is located on the southeast corner of East Norman Road and Lena Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/SBC230502-01.pdf Comment Period: 5/1/2023 - 5/22/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of San Bernardino	South Coast AQMD staff commented on 5/18/2023
<i>Warehouse & Distribution Centers</i> SBC230510-08 301 Tennessee Street Warehouse Project	The project consists of demolition of an existing warehouse and construction of a 197,397 square foot industrial building on 10.98 acres. The project is located on the northwest corner of State Street and Tennessee Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/SBC230510-08.pdf Comment Period: 5/4/2023 - 6/2/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Redlands	South Coast AQMD staff commented on 6/2/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> LAC230519-01 Echelon Studios Project	The project consists of demolition of a 98,352 square foot commercial building and construction of a 510,621 square foot production studio and creative office campus on 5.18 acres. The project is located on the northeast corner of Santa Monica Boulevard and Wilton Place. Comment Period: 5/4/2023- 6/5/2023 Public Hearing: N/A	Notice of Intent to Adopt Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> LAC230524-04 1000 Seward Project	The project consists of demolition of 10,993 square feet of existing structures and construction of a 150,458 square foot office building with subterranean parking on 0.78 acre. The project is located on the northeast corner of North Seward Street and West Romaine Street in the community of Hollywood. Reference LAC220614-01 and LAC201217-03 Comment Period: N/A Public Hearing: 6/13/2023	Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> RVC230504-02 PG Body Shop, Inc.	The project consists of construction of a 5,174 square foot auto repair, paint, and body shop on approximately .72 acres. The project is located near the northwest corner of Mission Boulevard and Vernon Avenue. Comment Period: 5/4/2023- 5/18/2023 Public Hearing: N/A	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> RVC230516-01 Richardson's RV PP2023-0573	The project consists of construction of a 10,143 square foot RV sales and maintenance building on 3.64 acres. The project is located near the southwest corner of East 6th Street and Xenia Avenue. Comment Period: 5/11/2023 - 5/24/2023 Public Hearing: 5/25/2023	Initial Project Consultation	City of Beaumont	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC230502-02 Mel Canyon Debris and Sediment Basin Project	The project consists of the removal of existing vegetation and construction of a debris and sediment catchment basin on 2.82 acres to prevent drainage and flooding issues in Mel Canyon. The project is located on the northeast corner of Brookridge Road and Melcanyon road. Comment Period: 4/26/2023 - 5/26/2023 Public Hearing: 6/19/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Duarte	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230502-07 Scanlon Early Education Center	The proposed project consists of the removal and offsite disposal of lead contaminated soil on 1.75 acres. The project is located on the northwest corner of North Garfield Avenue and Alhambra Road in Alhambra. Comment Period: 5/1/2023 - 5/31/2023 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230502-08 Lakeland Apartment Sites	The proposed project consists of the removal and offsite disposal of lead contaminated soil and volatile organic compounds (VOCs) in soil vapor on 2.98 acres. The project is located on the southwest corner of Laurel Avenue and Lakeland Road. Comment Period: 4/26/2023 - 5/26/2023 Public Hearing: N/A	Other	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230502-09 Chevron Products Company, El Segundo Refinery	The project consists of permit renewal for continued storage and treatment of hazardous waste and continued post-closure care activities in the Landfarm Area. The project is located at 324 West El Segundo Boulevard on the southwest corner of West El Segundo Boulevard and Chevron Driveway in El Segundo. Reference LAC170609-03 Comment Period: 4/27/2023 - 6/16/2023 Public Hearing: 6/7/2023	Permit Renewal	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<p><i>Waste and Water-related</i> LAC230504-03 Los Angeles County 2045 Climate Action Plan</p>	<p>The project consists of assessment of greenhouse gas (GHG) emissions and development of strategies and programs to guide GHG emissions reductions with a planning horizon of 2045. The project encompasses 4,753 square miles and is bounded by Kern County to the north, San Bernardino County to the east, Orange County to the south, and Ventura County and the Pacific Ocean to the west. The project includes four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) South Los Angeles, 3) Southeast Los Angeles, and 4) Wilmington, Carson, West Long Beach.</p> <p align="center">Comment Period: 3/30/2023 - 5/15/2023 Public Hearing: N/A</p>	Draft Program Environmental Impact Report	County of Los Angeles	Document reviewed - No comments sent for this document received
<p><i>Waste and Water-related</i> LAC230524-01 Slauson & Wall Cleanup Project</p>	<p>The project consists of three cleanup alternatives for evaluation in the Draft Response Plan: 1) Soil excavation and off-site disposal, 2) Ground level separation by building an underground parking garage and installation of vapor barriers, and 3) Groundwater monitoring and reducing chemicals using bioremediation and chemical oxidation and extracting impacted groundwater. The project is located near the southeast corner of East Slauson Avenue and Wall Street within the designated AB 617 South Los Angeles community.</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/LAC230524-01.pdf</p> <p align="center">Comment Period: 6/1/2023 - 6/30/2023 Public Hearing: N/A</p>	Other	Department of Toxic Substances Control	South Coast AQMD staff commented on 6/30/2023
<p><i>Waste and Water-related</i> ORC230510-04 Santiago Creek Dam Outlet Tower and Spillway Improvements Project</p>	<p>The project consists of demolition of existing structures and replacement of the Santiago Creek Dam outlet works and spillway facilities to address seismic safety concerns, meet Division of Safety of Dams regulatory requirements, District's operational requirements, and to extend life of facilities. The project is located on the northwest end of Irvine Lake in unincorporated Orange County.</p> <p align="center">Comment Period: 5/4/2023 - 6/5/2023 Public Hearing: 5/16/2023</p>	Notice of Preparation	Irvine Ranch Water District	Document reviewed - No comments sent for this document received
<p><i>Waste and Water-related</i> ORC230510-06 Safety-Kleen Systems, Inc. Santa Ana</p>	<p>The project consists of modifications to an existing hazardous waste facility permit to convert a product tank to a hazardous waste storage tank. The project is located at 2120 South Yale Street near the southwest corner of South Yale Street and West Harvard Street.</p> <p align="center">Comment Period: 5/19/2023 - 7/10/2023 Public Hearing: 6/13/2023</p>	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related ORC230516-03 Ascon Landfill Site	The project consists of pilot testing of odor control technologies to restart remediation at the Ascon Landfill Site. The project is located at 21641 Magnolia Street near the southeast corner of Magnolia Street and Hamilton Avenue in Huntington Beach. Comment Period: N/A Public Hearing: 5/31/2023	Other	Department of Toxic Substances Control	Under review, may submit written comments
Waste and Water-related RVC230502-04 North Cathedral City Regional Stormwater Project	The project consists of construction of a stormwater channel to provide flooding protection for 1) 8,000 acres downstream, 2) the lives and property of Thousand Palms, and 3) Interstate 10 and Union Pacific Railroad tracks. The project is located near the southwest corner of Interstate 10 and Gene Autry Road. Comment Period: 4/26/2023 - 5/26/2023 Public Hearing: 6/27/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	Coachella Valley Water District	Document reviewed - No comments sent for this document received
Utilities LAC230509-01 Port of Long Beach Pier Wind Project Concept	The project consists of construction of a floating offshore wind facility and wind turbines capable of generating 20 megawatts of energy. The project is located near the southeast corner of the Navy Mole and Port of Los Angeles Pier 400 within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: N/A Public Hearing: N/A	Initial Project Consultation	Port of Long Beach	Document reviewed - No comments sent for this document received
Utilities LAC230524-02 Scattergood Generating Stations Units 1 and 2 Green Hydrogen-Ready Modernization Project	The project consists of replacing existing conventional natural gas fired steam boiler generators with a combustion turbine generator and steam turbine generator. The project is located near the northwest corner of Vista Del Mar and West Grand Avenue in Playa del Rey. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/LAC230524-02.pdf Comment Period: 5/15/2023 - 6/30/2023 Public Hearing: 6/6/2023	Notice of Preparation	Los Angeles Department of Water and Power	South Coast AQMD staff commented on 6/20/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Transportation RVC230516-04 Valley Boulevard Widening Project	The project consists of widening the existing Valley Boulevard roadway, which includes raised medians, turn lanes, and addition of seven traffic signals at major intersections. The project is located along the existing Valley Boulevard, a north-south arterial road between Chambers Avenue and Murieta Road. <p style="text-align: center;">Comment Period: 5/12/2023 - 6/12/2023 Public Hearing: 6/14/2023</p>	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
Transportation RVC230516-09 Normandy Road Pedestrian Improvement Project	The project consists of demolition of existing substrate and the construction of pedestrian walkway and trail approximately 1,433 linear feet and 10 feet wide. The project is located on the northside of Normandy Road between Berea Road and La Ladera Road. <p style="text-align: center;">Comment Period: 5/12/2023 - 6/12/2023 Public Hearing: 6/14/2023</p>	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
Institutional (schools, government, etc.) RVC230516-14 Palm Springs Unified School District High School Fields Lighting Project	The project consists of construction of additional field lighting at athletic fields for three of the District's high schools: Palms Springs High School, Desert Hot Springs High School, and Cathedral City High School. <p style="text-align: center;">Comment Period: 5/12/2023 - 6/11/2023 Public Hearing: N/A</p>	Notice of Intent to Adopt a Mitigated Negative Declaration	Palm Springs Unified School District	Document reviewed - No comments sent for this document received
Medical Facility RVC230516-12 University Medical Office Park	The project consists of construction of two medical office buildings totaling 114,700 square feet on approximately 10.5 acres. The project is located on the southwest corner of Gerald Ford Drive and Technology Drive. <p style="text-align: center;">Comment Period: 5/16/2023 - 6/5/2023 Public Hearing: 6/6/2023</p>	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Palm Desert	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Retail RVC230516-10 Northwest Commercial Center	The project consists of construction of a 5,640 square foot fueling station with 8 pumps, a 3,825 square foot convenient store, a 3,850 square foot car wash facility, four restaurants totaling 15,490 square feet, two office building totaling 9,900 square feet, two retail buildings totaling 3,200 square feet, and a 3,775 square foot bank building on 8 acres. The project is located on the northwest corner of Alessandro Boulevard and Lasselle Street. Comment Period: 5/10/2023 - 6/9/2023 Public Hearing: 6/22/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Moreno Valley	Document reviewed - No comments sent for this document received
Retail SBC230502-15 Design Review Application (DRA -008) & Lot Line Adjustment (LLA 23-002)	The project consists of construction of a carwash facility on 1.38 acres. The project is located on the southeast corner of Boulder Avenue and Greenspot Road. Comment Period: 5/2/2023 - 5/10/2023 Public Hearing: N/A	Initial Project Consultation	City of Highland	Document reviewed - No comments sent for this document received
Retail SBC230502-16 Conditional Use Permit (CUP 23-006), Design Review Application (DRA 23-005), and Lot Line Adjustment (LLA 23-001)	The project consists of construction of self-storage facility, onsite parking, and landscaping on 1.6 acres. The project is located near the northwest corner of Greenspot Road and Boulder Avenue. Comment Period: 5/2/2023 - 5/5/2023 Public Hearing: N/A	Initial Project Consultation	City of Highland	Document reviewed - No comments sent for this document received
Retail SBC230516-08 Devore Gas Station and Fast-Food Project	The project consists of construction of a 3,800 square foot convenient store and fueling station with 16 pumps, a 1,500 square foot car wash, and a 2,000 square foot restaurant on 1.4 acres. The project is located on the northeast corner of Devore Road and Cajon Boulevard. Comment Period: 5/16/2023 - 6/15/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	County of San Bernardino	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC230502-05 Olson Foothill Project	The project consists of construction of 56 residential units on 3.05 acres. The project is located on the southeast corner of Foothill Boulevard and North Towne Avenue. Comment Period: 4/26/2023 - 5/25/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Claremont	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> LAC230502-12 Conditional Use Permit Case No. 813, Development Plan Approval Case No. 977, Tentative Tract Map No. 83297	The project consists of construction of 18 affordable residential units on 0.75 acre. The project is located on the northeast corner of Laurel Avenue and Lakeland Road. Comment Period: 5/2/2023 - 5/7/2023 Public Hearing: 5/8/2023	Other	City of Santa Fe Springs	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> LAC230516-02 Normandie Crossing Specific Plan Project	The project consists of removal of existing onsite structures and construction of 403 residential units on 5.3 acres. The project is located on the northwest corner of Normandie Avenue and West 170th Street within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: 5/10/2023 - 6/9/2023 Public Hearing: N/A	Notice of Preparation	City of Gardena	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> LAC230516-06 Salvation Army Permanent Supportive Housing Development Project	The project consists of construction of three-story building with 58 residential units for homeless adults. The project is located at 5600 Rickenbacker Road near the southeast corner of J Street and 3rd Street. Comment Period: 5/12/2023 - 6/11/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Bell	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<p>General Land Use (residential, etc.) RVC230502-11 Specific Plan No. 260 Substantial Conformance No. 4 (SP00260S04), Tentative Tract Map No. 38503 (TTM38503)</p>	<p>The proposed project consists of a subdivision of 9.9 acres for future construction of 37 residential units. The project is located near the northeast corner Matthews Road and Briggs Road in Menifee.</p> <p align="center">Comment Period: 4/17/2023- 5/4/2023 Public Hearing: N/A</p>	Other	Riverside County	Document reviewed - No comments sent for this document received
<p>General Land Use (residential, etc.) RVC230504-01 PLN23-0077 Oak Hills West TTM38652</p>	<p>The project consists of subdivision of 75 acres into 37 lots for future construction of residential units. The project is located near the northwest corner of Boulder Crest Way and Ridgemoor Road.</p> <p align="center">Comment Period: 5/1/2023- 6/1/2023 Public Hearing: N/A</p>	Site Plan	City of Menifee	Document reviewed - No comments sent for this document received
<p>General Land Use (residential, etc.) RVC230510-10 Specific Plan Amendment 22-05380, Development Plan Review 22-00037, Development Plan Review 22-00038, Tentative Parcel Map (PLN22-05379)</p>	<p>The project consists of construction of a 291,098 square foot industrial building, a 45,000 square foot hotel with 85 rooms, and two restaurants totaling 10,000 square feet on 17.64 acres. The project is located southeast corner of Ramona Expressway and Painted Canyon Street.</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/RVC230510-10.pdf</p> <p align="center">Comment Period: 5/3/2023- 6/1/2023 Public Hearing: N/A</p>	Site Plan	City of Perris	South Coast AQMD staff commented on 6/1/2023
<p>General Land Use (residential, etc.) SBC230516-05 City of Fontana Downtown Core Project</p>	<p>The project consists of construction of 10,920 residential units and 3,992,868 square feet of commercial uses on 478 acres. The project is bounded by Foothill Boulevard to the north, Mango Avenue to the east, and Randall Avenue to the south, and Juniper Avenue to the west. Reference SBC221206-02</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/SBC230516-05.pdf</p> <p align="center">Comment Period: 5/10/2023- 6/26/2023 Public Hearing: 6/6/2023</p>	Draft Environmental Impact Report	City of Fontana	South Coast AQMD staff commented on 6/23/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) SBC230516-07 Specific Plan Revision (SPR 23-001), Design Review Application (DRA 23-009), & Tentative Parcel Map (TPM 23-002)	The project consists of construction of 272 unit apartment complex. The project is located near the northwest corner of Boulder Avenue and Webster Street. Comment Period: 5/16/2023 - 5/26/2023 Public Hearing: N/A	Initial Project Consultation	City of Highland	Document reviewed - No comments sent for this document received
Plans and Regulations LAC230502-13 Zoning Code Amendment (ZCA-23-02) Amendment of Title 21 of the municipal Code Regulating Firearms Sales and Dealers	The project consists of an amendment to the Monterey Park Municipal Code, Title 21, on regulating firearms sales and dealers. The project is bounded by Interstate 10 to the north, South San Gabriel to the east, State 60 the south, and Interstate 710 to the west totaling 7.73 square miles. Comment Period: 5/1/2023 - 5/21/2023 Public Hearing: 5/23/2023	Notice of Intent to Adopt a Negative Declaration	City of Monterey Park	Document reviewed - No comments sent for this document received
Plans and Regulations LAC230502-14 Artesia and Aviation Corridors Area Plan Activation and Associated Zoning Text Amendments for Consistency	The project consists of an amendment to the City's Zoning Ordinance to activate actions for future growth and development on 82 acres. The project is bounded by Matthews Avenue to the north, Hawthorne Boulevard to the east, Vanderbilt Lane to the south, and Aviation Boulevard to the west. Comment Period: 4/27/2023 - 5/30/2023 Public Hearing: 6/1/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Redondo Beach	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A1
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations RVC230523-01 Beaumont Pointe PM2022-0012	The project consists of subdivision of 622.5 acres into 24 lots and 81.30 acres for conservation uses. The project is located near the southwest corner of State Route 60 and Jack Rabbit Trail. Comment Period: 5/19/2023 - 5/24/2023 Public Hearing: 5/25/2023	Site Plan	City of Beaumont	Document reviewed - No comments sent for this document received
Plans and Regulations SBC230510-07 Updated Walnut Village Specific Plan Project	The project consists of development of policies, strategies, and regulations to guide existing development and allow for additional development on 53 acres. The project is bounded by State Route 210 to the north, Mango Avenue to the east, Baseline Avenue to the south, and Sierra Avenue to the west. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/SBC230510-07.pdf Comment Period: 5/5/2023 - 6/5/2023 Public Hearing: 6/1/2023	Notice of Preparation	City of Fontana	South Coast AQMD staff commented on 6/5/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A2
INCOMING CEQA DOCUMENTS LOG
June 1, 2023 to June 30, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers LAC230628-12 3880 Mission Project	The project consists of importing 344,000 cubic yards of soil to partially fill in a single-level subterranean parking level and basement areas of a warehouse and office buildings. The project is located at 3880 North Mission Road near the southeast corner of North Mission Road and North Broadway. Comment Period: 6/15/2023 - 7/5/2023 Public Hearing: N/A	Notice of Intent to Adopt Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
Warehouse & Distribution Centers RVC230601-05 Lowe's Distribution Expansion	The project consists of construction of a 200,000 square foot warehouse on 46.9 acres. The project is located on the northeast corner of Nicholas Road and Fourth Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/RVC230601-05.pdf Comment Period: 5/26/2023 - 6/8/2023 Public Hearing: 6/8/2023	Site Plan	City of Beaumont	South Coast AQMD staff commented on 6/8/2023
Warehouse & Distribution Centers RVC230606-02 CUP 22-008 and SDR 22-019	The project consists of construction of 40,000 square foot warehouse and 15,974 square foot manufacturing building on 13.85 acres. The project is located southwest corner of North Santa Fe Street and Oakwood Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/RVC230606-02.pdf Comment Period: 6/6/2023 - 6/14/2023 Public Hearing: 6/15/2023	Site Plan	City of Hemet	South Coast AQMD staff commented on 6/14/2023
Warehouse & Distribution Centers RVC230613-09 Plot Plan No. 220002 (PPT 220002)	The project consists of construction of a 434,823 square foot warehouse on 20.57 acres. The project is located on the southwest corner of Harvill Avenue and Water Street in Mead Valley. Reference RVC220217-03 Comment Period: 6/2/2023 - 7/17/2023 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	County of Riverside	Under review, may submit written comments

*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.

- Project has potential environmental justice concerns due to the nature and/or location of the project.

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A2
INCOMING CEQA DOCUMENTS LOG
June 1, 2023 to June 30, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<p><i>Warehouse & Distribution Centers</i> RVC230622-02 Palmyrita Warehouses (PR-2022-001409)</p>	<p>The project consists of construction of two warehouse buildings totaling 265,758 square feet on 13.60 acres. The project is located near the northeast corner of Palmyrita Avenue and Iowa Avenue.</p> <p align="center">Comment Period: 6/23/2023 - 7/13/2023 Public Hearing: 7/20/2023</p>	<p>Notice of Intent to Adopt a Mitigated Negative Declaration</p>	<p>City of Riverside</p>	<p>Under review, may submit written comments</p>
<p><i>Warehouse & Distribution Centers</i> RVC230628-05 Northern Gateway Logistics Center Project</p>	<p>The project consists of construction of a 398,252 square feet warehouse on 20.17 acres. The project is located near the northeast corner of McLaughlin Road and Evans Road.</p> <p align="center">Comment Period: 6/21/2023 - 7/20/2023 Public Hearing: 6/27/2023</p>	<p>Notice of Preparation</p>	<p>City of Menifee</p>	<p>Under review, may submit written comments</p>
<p><i>Warehouse & Distribution Centers</i> SBC230628-09 5705 Industrial Parkway Project</p>	<p>The project consists of construction of a 105,500 square feet warehouse on approximately 10 acres. The project is located near the southeast corner of Industrial Parkway (Hallmark Parkway) and Palm Avenue.</p> <p align="center">Comment Period: 6/24/2023 - 7/13/2023 Public Hearing: 7/26/2023</p>	<p>Notice of Intent to Adopt Mitigated Negative Declaration</p>	<p>City of San Bernardino</p>	<p>Document reviewed - No comments sent for this document received</p>
<p><i>Airports</i> SBC230613-01 Ontario International Airport South Airport Cargo Center Project#</p>	<p>The project consists of construction of a 345,400 square foot building, a 104,300 square foot parking structure, and a 217,000 square foot truck yard facility with 43 trailer parking spaces. The project also includes modernization of a 2,600,000 square foot aircraft apron with 23 aircraft parking spaces on 97 acres. The project is located near the northwest corner of East Avion Street and Tower Drive in Ontario. Reference SBC230322-02 and SBC211021-02</p> <p align="center">Comment Period: N/A Public Hearing: N/A</p>	<p>Response to Comments</p>	<p>Ontario International Airport Authority</p>	<p>Document reviewed - No comments sent for this document received</p>

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A2
INCOMING CEQA DOCUMENTS LOG
June 1, 2023 to June 30, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Airports</i> SBC230620-01 Ontario International Airport South Airport Cargo Center Project#	The project consists of construction of a 345,400 square foot building, a 104,300 square foot parking structure, and a 217,000 square foot truck yard facility with 43 trailer parking spaces. The project also includes modernization of a 2,600,000 square foot aircraft apron with 23 aircraft parking spaces on 97 acres. The project is located near the northwest corner of East Avion Street and Tower Drive in Ontario. Reference SBC230613-01, SBC230322-02, and SBC211021-02 Staff previously provided a comment letter for the Draft Environmental Impact Report, which can be found at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/april-2023/SBC230322-02.pdf . Comment Period: N/A Public Hearing: 6/22/2023	Notice of Availability of a Final Environmental Impact Report	Ontario International Airport Authority	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> LAC230606-08 Radford Studio Center Project	The project consists of expansion of a film and television production studio from 532,990 square feet to 1,667,010 square feet. The project is located on the northwest corner of Ventura Boulevard and Colfax Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/july-2023/LAC230606-08.pdf Comment Period: 6/6/2023- 7/6/2023 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 7/6/2023
<i>Industrial and Commercial</i> LAC230608-03 1151 N. Las Palmas Avenue Project	The project consists of demolition of an existing 45,000 square foot parking lot and construction of an 80,987 square foot office building on approximately 1.5 acres. The project is located near the southeast corner of Lexington Avenue and North McCadden Place. Comment Period: 6/1/2023- 6/20/2023 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> LAC230613-16 Romaine & Sycamore	The project consists of demolition of three existing buildings totaling 3,535 square feet and construction of a 200,990 square foot commercial building on 2.05 acres. The project located on the southeast corner of Romaine Street and Sycamore Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/july-2023/LAC230613-16.pdf Comment Period: 6/9/2023- 7/10/2023 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 7/7/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A2
INCOMING CEQA DOCUMENTS LOG
June 1, 2023 to June 30, 2023

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> RVC230628-06 Development Plan Review 22-00012	The project consists of construction of an 83,910 square foot industrial building on 4.75 acres. The project is located near the southwest corner of Wilson Avenue and Rider Street. <div style="text-align: center;"> Comment Period: 6/30/2023 - 7/29/2023 Public Hearing: N/A </div>	Notice of Intent to Adopt Mitigated Negative Declaration	City of Perris	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230601-06 Marina del Rey Harbor Federal Maintenance Dredging Program	The project consists of maintenance dredging within the Marina del Rey Harbor to evaluate potential environmental impacts of dredging and nearshore dredged material placement activities. The project is located near the northwest corner of Pacific Avenue and Culver Boulevard in Marina del Rey. <div style="text-align: center;"> Comment Period: 5/31/2023 - 6/30/2023 Public Hearing: N/A </div>	Notice of Preparation of Environmental Assessment	United States Army Corp of Engineers	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230606-03 Quemetco, Inc.	The project consists of a permit modification to install and operate of a compression auger and centrifuge for improving removal of liquids from wrecker material. The project is located at 720 South Seventh Avenue near the northeast corner of South Seventh Avenue and Salt Lake Avenue in the City of Industry. Reference LAC230418-08, LAC220621-11, LAC220301-09, LAC211001-05, LAC210907-04, LAC210907-03, LAC210427-09, LAC210223-04, LAC210114-07, LAC191115-02, and LAC180726-06 <div style="text-align: center;"> Comment Period: 4/10/2023 - 6/12/2023 Public Hearing: 5/9/2023 </div>	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230606-04 Phibro-Tech, Inc. (PTI)	The project consists of renewal of an existing hazardous waste facility permit to continue to store, treat, transfer wastes, and revise the facility cleanup requirements on 4.8 acres. The project is located at 8851 Dice Road near the southwest corner of Dice Road and Burke Street in Santa Fe Springs. Reference LAC220823-12 and LAC190409-04 <div style="text-align: center;"> Comment Period: 6/6/2023 - 7/25/2023 Public Hearing: 7/12/2023 </div>	Draft Permit Renewal	Department of Toxic Substances Control	Under review, may submit written comments

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**ATTACHMENT A2
INCOMING CEQA DOCUMENTS LOG
June 1, 2023 to June 30, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<p><i>Waste and Water-related</i></p> <p>LAC230621-07 United Technologies Corporations Canoga Avenue Site (Formerly Pratt & Whitney-Rocketdyne Site)</p>	<p>The project consists of an update for cleanup activities of chlorinated volatile organic compounds (CVOCs), primarily tetrachloroethene (PCE), and trichloroethene (TCE) on 47 acres at the United Technologies Corporation site. The project is located at 6633 Canoga Avenue on the southwest corner of Canoga Avenue and Vanowen Street in Los Angeles.</p> <p>Reference LAC141210-02</p> <p>Comment Period: N/A Public Hearing: N/A</p>	Community Notice	Los Angeles Regional Water Quality Control Board	Under review, may submit written comments
<p><i>Waste and Water-related</i></p> <p>LAC230628-01 Fremont Elementary School</p>	<p>The project consists of excavation and disposal of 77 cubic yards of soil contaminated with lead, arsenic, and total petroleum hydrocarbons on 3.8 acres. The project is located at 4000 East Fourth Street on the northwest corner of Roswell Avenue and East Vermont Street in Long Beach. Reference LAC220921-10 and LAC220503-02</p> <p>Comment Period: N/A Public Hearing: N/A</p>	Other	Department of Toxic Substances Control	Under review, may submit written comments
<p><i>Waste and Water-related</i></p> <p>LAC230628-07 Stormwater Capture</p>	<p>The project consists of construction of an underground infrastructure to divert stormwater runoff from an existing storm drain. The project is located near the southeast corner of Clark Avenue and Oak Street.</p> <p>Comment Period: 6/23/2023 - 7/24/2023 Public Hearing: 8/14/2023</p>	Notice of Intent to Adopt Mitigated Negative Declaration	City of Bellflower	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A2
INCOMING CEQA DOCUMENTS LOG
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<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related ODP230606-11 San Diego Gas & Electric, Kearny PCB Storage Facility	The project consists of a Final Hazardous Waste Facility Permit to authorize San Diego Gas and Electric to store and transfer hazardous wastes contaminated by polychlorinated biphenyls (PCBs). The project is located at 5488 Overland Avenue near the northwest corner of Overland Avenue and Farnham Street in San Diego. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
Waste and Water-related ODP230608-01 Santa Susana Field Laboratory	The project consists of development of cleanup activities to excavate, remove, and dispose contaminated soil with polycyclic aromatic hydrocarbons, total petroleum hydrocarbons, and dioxins on a 450-acre portion of 2,850 acres. The project is located on the southeast corner of Service Area Road and Woolsey Canyon Road in Ventura County. Reference ODP200724-03, ODP191113-01, ODP181221-07, ODP180904-15, ODP180814-10, ODP170926-03, ODP170915-02, ODP170908-05, ODP170420-07, ODP170405-01, ODP140116-02, ODP131121-02, LAC131018-05, LAC130918-13, LAC110510-12, and ODP100930-02 Comment Period: N/A Public Hearing: N/A	Final Program Environmental Impact Report	Department of Toxic Substances Control	Under review, may submit written comments
Waste and Water-related ODP230613-13 Cabrillo Power II LLC - Miramar Combustion Turbine	The project consists of termination of Corrective Action for mitigating soil contaminated with Total Petroleum Hydrocarbon in the Diesel Range (TPH-D) at the Cabrillo Power II LLC - Miramar Combustion Turbine site. The project is located at 6897 Consolidated Way near the southeast corner of Consolidated Way and Commerce Avenue in San Diego. Comment Period: 6/1/2023- 6/30/2023 Public Hearing: N/A	Other	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
Waste and Water-related ODP230621-09 Otay Ranch Village 3	The project consists of installation of Sub-Slab Ventilation (SSV) with a Vapor Barrier to address soil contaminated with methane and Volatile Organic Compounds (VOCs) on 9.73 acres. The project is located near the northeast corner of Heritage Road and Paseo Cultura in Chula Vista. Comment Period: 6/16/2023 - 7/17/2023 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	Under review, may submit written comments

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**ATTACHMENT A2
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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related ORC230628-10 Sunrise Village	The project consists of two cleanup alternatives to address areas of soil and soil gas contaminated with solvent volatile organic compounds (VOCs): 1) Contaminated soil will be excavated, stockpiled, and transported for disposal at a permitted facility, and 2) Installation of a Vapor Intrusion Mitigation System (VIMS) beneath future residential buildings which can be activated to prevent entry of chemical vapors into the building. The project is located at 1801 North Euclid Street near southwest corner of Rosecrans Avenue and Euclid Street in Fullerton. Comment Period: 6/29/2023 - 7/31/2023 Public Hearing: N/A	Draft Response Plan	Department of Toxic Substances Control	Under review, may submit written comments
Waste and Water-related RVC230608-02 Annexation No. 108 (Project No. AX108)	The project consists of concurrent annexation of 6.91 acres to Rancho Water, Eastern Municipal Water District and the Metropolitan Water District of Southern California. The project is located northeast corner of Fig Street and Adams Avenue in Murrieta. Comment Period: 6/8/2023 - 7/10/2023 Public Hearing: 8/10/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	Rancho California Water District	Document reviewed - No comments sent for this document received
Waste and Water-related SBC230628-02 Lighting Resources, LLC	The project consists of an appeal to the standardized hazardous waste facility permit for Lighting Resources, LLC. The project is located at 805 East Francis Street near the northeast corner of East Francis Street and East Campus Avenue in Ontario. Reference SBC210817-03, SBC210518-10, SBC210323-08, SBC181031-01, and SBC171107-09 Comment Period: N/A Public Hearing: 10/26/2023	Other	Department of Toxic Substances Control	Under review, may submit written comments
Utilities ORC230606-07 AT&T Telecom Gazebo Project	The project consists of construction of a telecommunication facility in a form of an 18-foot tall gazebo on 1.6 acres. The project is located near the southwest corner of San Joaquin Hills Road and El Capitan Trail. Comment Period: 6/5/2023 - 7/5/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Newport Beach	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Transportation LAC230606-01 Santa Monica Pier Bridge Replacement Project	The project consists of construction of a bridge with improved structural stability and enhanced vehicular and pedestrian access to meet seismic standards. The project is located near the southwest corner of Broadway and Ocean Avenue. Reference LAC220921-04, LAC191101-02, and LAC180201-01 Comment Period: N/A Public Hearing: 6/13/2023	Notice of Availability of a Recirculated Final Environmental Impact Report/ Environmental Assessment	City of Santa Monica	Document reviewed - No comments sent for this document received
Transportation LAC230606-09 LA-47 - Vincent Thomas Bridge Deck Replacement (EA 07-39020)	The project consists of removal and replacement of an entire bridge deck and seismic sensors on the Vincent Thomas Bridge. The project is located on State Route 47 (Bridge #53-1471) in Los Angeles within the designated AB 617 Wilmington, Carson, West Long Beach community. Reference LAC230418-09 Comment Period: 4/13/2023 - 7/10/2023 Public Hearing: 4/27/2023	Other	California Department of Transportation	Document reviewed - No comments sent for this document received
Transportation ORC230613-04 I-5 Managed Lanes Project (Red Hill Ave. to OC/LA County Line)	The project consists of improvements to lanes in both directions of Interstate 5 due to degradation and operational deficiencies. The project is located on Interstate 5 extending between Red Hill Avenue (Post Mile 28.9) to the Orange County/Los Angeles County line (Post Mile 44.4). Comment Period: 6/5/2023 - 7/20/2023 Public Hearing: 6/28/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	California Department of Transportation	Document reviewed - No comments sent for this document received

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Transportation</i> RVC230613-07 Skyview Road Pedestrian Bridge Project	The project consists of construction of a 370 foot long and 18 foot wide pedestrian bridge to connect a gap on along Skyview Road over the French Valley Creek. The project is located near the northwest corner of Skyview Road and Algarve Avenue in Winchester. Comment Period: 5/24/2023 - 6/23/2023 Public Hearing: N/A	Notice of Availability to Adopt a Mitigated Negative Declaration	County of Riverside Transportation Department	Document reviewed - No comments sent for this document received
<i>Institutional (schools, government, etc.)</i> LAC230628-08 Teen & Senior Center Projects, General Plan Amendment Case No. GPA 23-02 and Zone Change Case No. ZC 23-02	The project consists of construction of a 12,355 square foot recreational building on 12.7 acres. The project is located near the southeast corner of Clark Avenue and Oak Street. Comment Period: 6/23/2023 - 7/24/2023 Public Hearing: 8/14/2023	Notice of Intent to Adopt Mitigated Negative Declaration	City of Bellflower	Document reviewed - No comments sent for this document received
<i>Institutional (schools, government, etc.)</i> RVC230613-15 Rancho Mirage High School Field Lighting Project	The project consists of construction of 39 lighting poles ranging 50 to 90 feet in height. The project is located at 31001 Rattler Road near the northeast corner of Ramon Road and Da Vall Drive in Rancho Mirage. Reference RVC230329-06 Comment Period: 5/31/2023 - 7/17/2023 Public Hearing: N/A	Notice of Availability of a Draft Supplemental Environmental Impact Report	Palm Springs Unified School District	Document reviewed - No comments sent for this document received
<i>Retail</i> LAC230607-01 Pacific Place Project	The project consists of construction of a 206,756 square foot self-storage building on approximately 14.20 acres. The project is at 3701 Pacific Place near the northwest corner of North Pacific Place and Ambeco Road within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: 6/7/2023 - 7/7/2023 Public Hearing: 6/21/2023	Notice of Preparation	City of Long Beach	Document reviewed - No comments sent for this document received

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC230601-02 6000 Hollywood Boulevard (ENV-2022-6688-EIR)	The project consists of demolition of an existing 31,833 square foot commercial structure and construction of 350 residential units, 158,542 square feet of commercial uses, 18,004 square feet of retail uses, 4,038 square feet of restaurant uses, and 500 square feet of support uses on 3.75 acres. The project is located near the southeast corner of Hollywood Boulevard and North Gower Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/LAC230601-02.pdf Comment Period: 5/30/2023- 6/29/2023 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on 6/29/2023
<i>General Land Use (residential, etc.)</i> LAC230608-04 Del Norte Project	The project consists of construction of four residential units on approximately 0.41 acre. The project is located near the northeast corner of Del Norte Street and Glenalbyn Drive. Comment Period: 6/8/2023- 7/10/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> LAC230613-03 Gayley Towers Redevelopment Project	The project consists of demolition of a 57,075 square foot apartment building and construction of a 112,000 square foot housing building with 187 dormitories on 0.48 acre. The project is located at 565 Gayle Avenue near the northwest corner of Gayley Avenue and Strathmore Drive. Comment Period: 6/8/2023- 7/10/2023 Public Hearing: 6/26/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	Los Angeles County	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> LAC230613-11 Griswold Residential	The project consists of construction of 68 residential units on 9.61 acres. The project is located at 16209 East San Bernardino Road near the northwest corner of East San Bernardino Road and North Hartley Avenue in East Irwindale. Reference LAC220201-09 Comment Period: 6/8/2023- 7/24/2023 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	County of Los Angeles	Document reviewed - No comments sent for this document received

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) LAC230613-17 Tentative Parcel Map (TMP) No. 83846	The project consists of subdivision of two lots totaling 1.92 acres for future construction of four residential units. The project is located on 20326 Fuerte Drive near the southeast corner of Fuerte Drive and Curt Way. Comment Period: 6/5/2023 - 7/10/2023 Public Hearing: N/A	Site Plan	City of Walnut	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) RVC230606-06 Tentative Tract Map 38128 (PLN22-002)	The project consists of subdivision of 28.38 acres for future development of 96 residential units. The project is located on the southwest corner of Byers Road and Troy Lane. Comment Period: 6/2/2023 - 6/21/2023 Public Hearing: 6/28/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) RVC230621-02 Arlington Mixed Use Development Project	The project consists of demolition of an existing 192,139 square foot building and construction of 388 residential units, two commercial building totaling 25,320 square feet, and a 20,320 square foot grocery store on 17.43 acres. The project is located near the northeast corner of Arlington Avenue and Streeter Avenue. Comment Period: 6/15/2023 - 7/14/2023 Public Hearing: 7/12/2023	Notice of Preparation	City of Riverside	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) RVC230621-04 Tentative Tract Map 37450 Garbani South	The project consists of subdivision of 10.27 acres for future development of 33 residential units and construction of a 13,109-square-foot water basin. The project is located on the southwest corner of Garbani Road and Sherman Road. Reference RVC171205-02 Comment Period: 6/15/2023 - 7/5/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> RVC230621-08 Tentative Tract Map 37501-37504 and Tentative Parcel Map 37519	The project consists of subdivision of 79.85 acres for future construction of 309 residential units on 80.63 acres. The project is located near the northeast corner of Kirkwood Drive and Via Del Rio in Corona. <p align="center">Comment Period: 6/8/2023- 6/22/2023 Public Hearing: 6/22/2023</p>	Site Plan	Riverside County	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> RVC230621-10 Noble Creek Vistas - PLAN2023-0972	The project consists of subdivision of 36.7 acres for future development of 131 residential units. The project is located on the southwest corner of Beaumont Avenue and Cougar Way. <p align="center">Comment Period: 6/21/2023- 7/12/2023 Public Hearing: 7/13/2023</p>	Site Plan	City of Beaumont	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> RVC230622-01 Madison Flats - PR-2022-001434	The project consists of construction of 121 residential units on 3.9 acres. The project is located on the southwest corner of Madison Street and Railroad Avenue. <p align="center">Comment Period: 6/23/2023- 7/13/2023 Public Hearing: 7/20/2023</p>	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Riverside	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> RVC230628-11 JD Ranch Residential Project	The project consists of future demolition of existing dairy facilities and power poles and the construction of 68 residential units on 34.38 acres. The project is located near the southwest corner of Bluff Street and Vine Avenue. <p align="center">Comment Period: 6/23/2023- 7/23/2023 Public Hearing: 7/10/2023</p>	Notice of Preparation	City of Norco	Document reviewed - No comments sent for this document received

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) RVC230629-02 8th St Apts CORE PP2023-0557	The project consists of construction of 48 residential units on 1.26 acres. The project is located on southeast corner of 8th Street and Illinois Avenue. Reference RVC230302-03 Comment Period: 6/23/2023 - 7/12/2023 Public Hearing: 7/13/2023	Site Plan	City of Beaumont	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) SBC230616-01 Hosanna Village Apartments	The project consists of construction of 60 residential units on 5.12 acres. The project is located 2971 South La Cadena Drive near the northwest corner of Iowa Avenue and West Main Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/july-2023/SBC230616-01.pdf Comment Period: 6/17/2023 - 7/10/2023 Public Hearing: 7/25/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Colton	South Coast AQMD staff commented on 7/7/2023
General Land Use (residential, etc.) SBC230628-04 Gateway at Grand Terrace Specific Plan	The project consists of construction of 750 residential units, 359,218 square feet of commercial uses, 6.99 acres of roadway improvements, 16.65 acres of drainage facilities, and 9.18 acres of open space on 112 acres. The project is located on the southeast corner of Barton Road and Interstate 215. Reference SBC210209-02 and SBC180426-03 Comment Period: 6/26/2023 - 8/14/2023 Public Hearing: N/A	Draft Environmental Impact Report	City of Grand Terrace	Under review, may submit written comments
Plans and Regulations LAC230601-03 Redondo Beach General Plan, Zoning Code Update and Local Coastal Program Amendment	The project consists of updates to the City's General Plan to assess land use, housing needs, zoning codes, densities, and development standards with a planning horizon of 2050. The project encompasses 6.2 square miles and is bounded by Hermosa Beach, Manhattan Beach, and Hawthorne to the north, Torrance and Lawndale to the east, Palos Verdes Peninsula to the south, and the Pacific Ocean to the west. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/LAC230601-03.pdf Comment Period: 6/1/2023 - 6/30/2023 Public Hearing: 6/8/2023	Notice of Preparation	City of Redondo Beach	South Coast AQMD staff commented on 6/30/2023

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> LAC230606-10 Diamond Bar Town Center Specific Plan	The project consists of construction of 2,055 residential units, a hotel with 150 rooms, 40,000 square feet of public open space, and 415,000 square feet of commercial uses on approximately 45 acres. The project is bounded by State Route 60 to the north, El Vado Road and Torito Lane to the east, Golden Springs Drive to the south, and South Prospectors Road to the west. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/july-2023/LAC230606-10.pdf Comment Period: 6/5/2023 - 7/5/2023 Public Hearing: 6/8/2023	Notice of Preparation	City of Diamond Bar	South Coast AQMD staff commented on 7/5/2023
<i>Plans and Regulations</i> LAC230613-02 Los Angeles County Metro Area Plan	The project consists of development of land use policies and implementation strategies to address affordable housing needs, transportation improvements, air quality, economic development, and environmental justice in the Metro Area Plan. The project encompasses seven unincorporated areas: 1) East Los Angeles, 2) Florence-Firestone, 3) Willowbrook, 4) West Rancho Dominguez-Victoria, 5) East Rancho Dominguez, 6) Walnut Park, and 7) West Athens-Westmont. The project includes four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) Southeast Los Angeles, 3) South Los Angeles, and 4) Wilmington, Carson, West Long Beach. Reference LAC221118-02 and LAC220217-09 Comment Period: 6/12/2023 - 7/28/2023 Public Hearing: 9/13/2023	Recirculated Draft Program Environmental Impact Report	County of Los Angeles	Under review, may submit written comments
<i>Plans and Regulations</i> LAC230613-05 City of Montebello General Plan and Downtown Montebello Specific Plan	The project consists of updates to the City's General Plan and the Downtown Montebello Specific Plan to develop policies, goals, and guidelines for housing, land use, transportation, and economic development elements. The project encompasses 8.37 square miles and is bounded by State Route 60 to the north, Rosemead Boulevard to the east, Interstate 5 to the south, and Commerce to the west. The project is also located in the designated AB 617 East Los Angeles, Boyle Heights, West Commerce community. Comment Period: 6/13/2023 - 7/13/2023 Public Hearing: 6/13/2023	Notice of Preparation	City of Montebello	Under review, may submit written comments
<i>Plans and Regulations</i> LAC230613-08 1450 Artesia Boulevard Specific Plan Project	The project consists of construction of a 268,000 mixed-use development building, which includes 186,000 square feet of self-storage use, 72,000 square feet of warehouse use, and 10,000 square feet of office and retail use. The project is located on the southwest corner of Artesia Boulevard and Normandie Avenue within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: 6/8/2023 - 7/10/2023 Public Hearing: 6/22/2023	Notice of Preparation	City of Gardena	Document reviewed - No comments sent for this document received

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<p><i>Plans and Regulations</i></p> <p>LAC230628-03 One San Pedro Specific Plan</p>	<p>The project consists of demolition of an existing residential building with 478 units and construction of 1,553 residential units, 85,000 square feet of amenities, and 45,000 square feet of retail uses on 21 acres. The project is located at 275 West First Street on the southeast corner of West First Street and North Centre Street in San Pedro. Reference LAC210415-12 and LAC210121-03</p> <p>Comment Period: 6/23/2023 - 8/21/2023 Public Hearing: 6/28/2023</p>	<p>Draft Environmental Impact Report</p>	<p>City of Los Angeles</p>	<p>Under review, may submit written comments</p>
<p><i>Plans and Regulations</i></p> <p>LAC230629-01 Artesia and Aviation Corridors Area Plan Activation and Associated Zoning Text Amendments for Consistency</p>	<p>The project consists of an amendment to the City's Zoning Ordinance to activate actions for future growth and development on 82 acres. The project is bounded by Matthews Avenue to the north, Hawthorne Boulevard to the east, Vanderbilt Lane to the south, and Aviation Boulevard to the west. Reference LAC230502-14</p> <p>Comment Period: 6/23/2023 - 7/23/2023 Public Hearing: 7/20/2023</p>	<p>Notice of Intent to Adopt a Mitigated Negative Declaration</p>	<p>City of Redondo Beach</p>	<p>Document reviewed - No comments sent for this document received</p>
<p><i>Plans and Regulations</i></p> <p>ORC230613-12 2045 Fountain Valley General Plan Update</p>	<p>The project consists of updates to the City's General Plan to develop policies, goals, and strategies to guide future development with a planning horizon of 2045. The project encompasses 9.08 square miles and is bounded by cities of Westminster and Santa Ana to the north, City of Irvine to the east, cities of Costa Mesa and Huntington Beach to the south, and unincorporated areas of Orange County to the west. Reference ORC211116-14</p> <p>Comment Period: 6/9/2023 - 7/24/2023 Public Hearing: N/A</p>	<p>Notice of Availability of a Draft Environmental Impact Report</p>	<p>City of Fountain Valley</p>	<p>Document reviewed - No comments sent for this document received</p>
<p><i>Plans and Regulations</i></p> <p>SBC230613-10 Rich-Haven Specific Plan (PSPA22-001)#</p>	<p>The project consists of construction of 7,194 residential units, 925,000 square feet of commercial uses, and 2,767,148 square feet of industrial uses on 584 acres. The project is located on the southwest corner of Interstate 15 and State Route 60. Reference SBC230301-08 and SBC221018-15</p> <p>Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/april-2023/SBC230301-08.pdf.</p> <p>Comment Period: N/A Public Hearing: 6/20/2023</p>	<p>Notice of Availability of a Final Environmental Impact Report</p>	<p>City of Ontario</p>	<p>Document reviewed - No comments sent for this document received</p>

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> SBC230621-01 Oasis at Glen Helen Parkway	The project consists of construction of two convenience stores and two fueling stations totaling 10,600 square feet, 22,800 square feet of restaurant uses, 45,500 square feet of retail uses, and a 18,000 square foot hotel on 32.2 acres. The project is located on near the northeast corner of Interstate 15 and Glen Helen Parkway. Comment Period: 6/14/2023 - 7/14/2023 Public Hearing: 6/27/2023	Notice of Preparation	San Bernardino County	Under review, may submit written comments
<i>Plans and Regulations</i> SBC230629-03 PL23-0041 (General Plan Amendment)	The project consists of amended to the General Plan Map to change the existing land use designation of 13.35 acres from two residential uses to four and half residential uses. The project is located on the northwest corner of Francis Avenue and Yorba Avenue. Comment Period: N/A Public Hearing: 7/5/2023	Other	City of Chino	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse & Distribution Centers</i> LAC230418-06 Intex Corporate Office and Fulfillment Center	The project consists of construction of a 517,437 square foot warehouse on 26.47 acres. The project is located at 4000 Via Oro Avenue on the northeast corner of West Carson Street and Via Oro Avenue within the designated AB 617 Wilmington, Carson, West Long Beach community. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230418-06.pdf Comment Period: 4/14/2023 - 5/15/2023 Public Hearing: 4/3/2023	Notice of Preparation	City of Long Beach	South Coast AQMD staff commented on 5/12/2023
<i>Warehouse & Distribution Centers</i> LAC230418-11 7400 Slauson Avenue Project	The project consists of demolition of 249,579 square feet of existing structures and construction of a 292,029 square foot warehouse on 13.94 acres. The project is located on the southwest corner of Slauson Avenue and Greenwood Avenue. Reference LAC220412-11 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230418-11.pdf Comment Period: 4/14/2023 - 5/29/2023 Public Hearing: N/A	Notice of Preparation	City of Commerce	South Coast AQMD staff commented on 5/29/2023
<i>Warehouse & Distribution Centers</i> RVC230412-05 Ellis Logistics Center Project - Development Plan Review (DPR) 22-00018	The project consists of construction of a 643,419 square foot warehouse on 34.52 acres. The project is located near the southeast corner of East Ellis Avenue and Case Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/RVC230412-05.pdf Comment Period: 4/7/2023 - 5/8/2023 Public Hearing: 5/3/2023	Notice of Preparation	City of Perris	South Coast AQMD staff commented on 5/10/2023
<i>Warehouse & Distribution Centers</i> SBC230405-03 Sierra Distribution Facility Project	The project consists of construction of a 398,514 square foot warehouse on 18.3 acres. The project is located on the northeast corner of Sierra Avenue and Clubhouse Drive. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/SBC230405-03.pdf Comment Period: 4/3/2023 - 5/3/2023 Public Hearing: 4/19/2023	Notice of Preparation	City of Fontana	South Coast AQMD staff commented on 5/3/2023
<i>Industrial and Commercial</i> LAC230412-07 Shadowbox Studios Project#	The project consists of construction of a 1,285,800 square foot film and television studio campus with 565,400 square feet of workshops, warehouses, and support uses. The project is located near the northeast corner of Railroad Avenue and 13th Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230412-07.pdf Comment Period: 4/6/2023 - 5/22/2023 Public Hearing: N/A	Draft Environmental Impact Report	City of Santa Clarita	South Coast AQMD staff commented on 5/19/2023

*Sorted by Comment Status, followed by Land Use, then County, then date received.
- Project has potential environmental justice concerns due to the nature and/or location of the project.

ATTACHMENT C
ACTIVE SOUTH COAST AQMD LEAD AGENCY
PROJECTS FROM MAY 1, 2023 TO JUNE 30, 2023

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Quemetco is proposing to modify existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke, and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.</p>	<p>Quemetco</p>	<p>Environmental Impact Report (EIR)</p>	<p>The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received.</p> <p>Staff held two community meetings, on November 10, 2021 and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Written comments submitted relative to the Draft EIR and oral comments made at the community meetings, along with responses will be included in the Final EIR which is currently being prepared by the consultant.</p> <p>After the Draft EIR public comment and review period closed, Quemetco submitted additional applications for other permit modifications which are also being evaluated by staff.</p>	<p>Trinity Consultants</p>
<p>Sunshine Canyon Landfill is proposing to modify its South Coast AQMD permits for its active landfill gas collection and control system to accommodate the increased collection of landfill gas. The proposed project will: 1) install two new low emission flares with two additional 300-horsepower electric blowers; and 2) increase the landfill gas flow limit of the existing flares.</p>	<p>Sunshine Canyon Landfill</p>	<p>Subsequent Environmental Impact Report (SEIR)</p>	<p>South Coast AQMD staff reviewed and provided comments on the preliminary air quality analysis, health risk assessment (HRA), and Preliminary Draft SEIR which are currently being addressed by the consultant.</p>	<p>SCS Engineers</p>
<p>Tesoro is proposing to modify its Title V permit to: 1) add gas oil as a commodity that can be stored in three of the six new crude oil storage tanks at the Carson Crude Terminal (previously assessed in the May 2017 Final EIR); and 2) drain, clean and decommission Reservoir 502, a 1.5 million barrel concrete lined, wooden-roof topped reservoir used to store gas oil.</p>	<p>Tesoro Refining & Marketing Company, LLC (Tesoro)</p>	<p>Addendum to the Final Environmental Impact Report (EIR) for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)</p>	<p>The consultant provided a Preliminary Draft Addendum, which is undergoing South Coast AQMD staff review.</p>	<p>Environmental Audit, Inc.</p>

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 11

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2023.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

SLR:MK:IM:AK:ZS

2023 MASTER CALENDAR

The 2023 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for an AQMP, either the 2016 AQMP or 2022 AQMP, when adopted, Toxics, AB 617 (for BARCT) or measures identified in an AB 617 Community Emission Reduction Plan (CERP), SIP to address comments or actions from U.S. EPA for a rule that is in an approved SIP, or Other. Rulemaking efforts that are noted for implementation of the 2016 AQMP or 2022 AQMP when adopted, Toxics, and AB 617 are either statutorily required and/or are needed to address a public health concern. Projected emission reductions will be determined during rulemaking.

The following symbols next to the rule number indicate if the rulemaking will be a potentially significant hearing, will reduce criteria pollutants, or is part of the RECLAIM transition. Symbols have been added to indicate the following:

- * *This rulemaking may have a substantial number of public comments.*
- + *This rulemaking will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*
- # *This rulemaking is part of the transition of RECLAIM to a command-and-control regulatory structure.*

The following table provides a list of changes since the previous Rule Forecast Report.

1111	Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces
Proposed Amended Rule 1111 is being added from TBD to September 2023 to address an upcoming compliance date.	
1405	Control of Ethylene Oxide and Chlorofluorocarbon Emissions from Sterilization or Fumigation Processes
Proposed Amended Rule 1405 is being moved from September to October 2023 to allow additional time for staff to work with stakeholders.	
2306	New Intermodal Rail Yard Indirect Source Rule
Proposed Amended Rule 2306 is being moved from October to December 2023 to evaluate how the California High Speed Rail Authority’s recent announcement about discontinuing pursuit of the proposed Colton rail yard affects the rulemaking.	

2023 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
September		
1111	<p>Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces</p> <p>Proposed Amended Rule 1111 will address an upcoming compliance date for mobile home space heating appliances.</p> <p><i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1178 ⁺	<p>Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities</p> <p>Proposed Amended Rule 1178 will incorporate the use of more advanced early leak detection methods and improve leak detection and repair programs for storage tanks along with potential control technologies to further reduce VOC emissions.</p> <p><i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP/ AB 617 BARCT
October		
1405 [*]	<p>Control of Ethylene Oxide and Chlorofluorocarbon Emissions from Sterilization or Fumigation Processes</p> <p>Amendments needed to address ethylene oxide emissions from sterilization of medical equipment.</p> <p><i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

* Potentially significant hearing

⁺ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

[#] Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
November		
1146.2 ^{# +}	<p>Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters Proposed Amended Rule 1146.2 will update the NOx emission limits to reflect BARCT. Other provisions may be added to facilitate the deployment of zero-emission units regulated under the proposed amended rule. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
1180	<p>Petroleum Refinery and Related Operations Fenceline and Community Air Monitoring Rule 1180 will be amended to consider expanding the target list of compounds to include compounds identified in the OEHHA’s updated priority list published in 2019. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1180.1	<p>Other Refinery Fenceline and Community Monitoring Proposed Rule 1180.1 will establish fenceline and community monitoring requirements for non-petroleum refineries and facilities that are not currently included in Rule 1180 – Refinery Fenceline and Community Air Monitoring. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
December		
1135 ⁺	<p>Emissions of Oxides of Nitrogen from Electricity Generating Facilities Proposed Amended Rule 1135 will modify provisions for electricity generating units at Santa Catalina Island to reflect a revised BARCT assessment. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
2304 ^{*+}	<p>Marine Port Indirect Source Rule Proposed Rule 2304 will establish requirements to reduce emissions from indirect sources related to marine ports. <i>Elaine Shen 909.396.2715; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
2306 ^{*+}	<p>New Intermodal Railyard Indirect Source Rule Proposed Rule 2306 will establish requirements for new intermodal railyards to minimize emissions from indirect sources associated with new railyards. <i>Elaine Shen 909.396.2715; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

TENTATIVE 2024 CALENDAR

Month	Title and Description	Type of Rulemaking
1 st Quarter		
1118* ⁺	<p>Control of Emissions from Refinery Flares Proposed Amended Rule 1118 will seek to incorporate provisions to further reduce flaring at refineries, for clean service flares, and facility thresholds. Other amendments to improve clarity and to remove obsolete provisions. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
1148.1* ⁺	<p>Oil and Gas Production Wells Proposed Amendments to Rule 1148.1 may be needed to further reduce emissions from operations, implement early leak detection, odor minimization plans, and enhanced emissions and chemical reporting from oil and drilling sites. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other/ AB 617 CERP
1159.1 [#]	<p>Control of NOx Emissions from Nitric Acid Tanks Proposed Rule 1159.1 will establish requirements to reduce NOx emissions from nitric acid units that will apply to RECLAIM, former RECLAIM, and non-RECLAIM facilities. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
Regulation XIII* [#]	<p>New Source Review Proposed Amended Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to a command-and-control regulatory structure and to address comments from U.S. EPA. Additional rules under Regulation XIII may be needed to address offsets and other provisions under Regulation XIII. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
Regulation XX* [#]	<p>RECLAIM Proposed Amended Regulation XX will address the transition of RECLAIM facilities to a command-and-control regulatory structure. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

TENTATIVE 2024 CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
2 nd Quarter		
317	<p>Clean Air Act Non-Attainment Fees Proposed amendments may be needed to modify CAA Section 185 fees for non-attainment. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1151	<p>Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Proposed Amended Rule 1151 will provide clarifications of current requirements and amend provisions to address implementation issues. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other/ AB 617 CERP
1173 ⁺	<p>Control of Volatile Organic Compound Leaks and Releases Components at Petroleum Facilities and Chemical Plants Proposed Amended Rule 1173 will further reduce emissions from petroleum and chemical plants by requiring early leak detection approaches. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
1435 [*]	<p>Control of Toxic Air Contaminant Emissions from Metal ing Operations Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
1445 [*]	<p>Control of Toxic Emissions from Laser Arc Cutting Proposed Rule 1445 will establish requirements to reduce hexavalent chromium and other metal toxic air contaminant particulate emissions from laser arc cutting. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined

2023	Title and Description	Type of Rulemaking
102	<p>Definition of Terms Proposed amendments may be needed to update and add definitions, and potentially modify exemptions. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
103	<p>Definition of Geographical Areas Proposed amendments are needed to update geographic areas to be consistent with state and federal references to those geographic areas. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
209	<p>Transfer and Voiding of Permits Proposed amendments may be needed to clarify requirements for change of ownership and permits and the assessment of associated fees. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
223	<p>Emission Reduction Permits for Large Confined Animal Facilities Proposed Amended Rule 223 will seek additional ammonia emission reductions from large, confined animal facilities by lowering the applicability threshold. Proposed amendments will implement BCM-04 in the 2016 AQMP. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
403	<p>Fugitive Dust Proposed Amended Rule 403 will seek to remove outdated provisions and add clarification of existing provisions to enhance compliance. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
403.1	<p>Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources Proposed Amended Rule 403.1 would clarify existing requirements for dust control and remove outdated provisions contained in supporting documents for Rule 403.1. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
407 [#]	<p>Liquid and Gaseous Air Contaminants Proposed Amended Rule 407 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
410	<p>Odors from Transfer Stations and Material Recovery Facilities Proposed Amended Rule 410 will clarify existing provisions. Additional provisions may be needed to address activities associated with diversion of food waste to transfer stations or material recovery facilities. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
425	<p>Odors from Cannabis Processing Proposed Rule 425 will establish requirements for control of odors from cannabis processing. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
430	<p>Breakdown Provisions Amendments to Rule 430 will need to be amended to remove exemptions for facilities that exit the RECLAIM program and update references to CEMS rules. Other amendments may be needed to address current policies from U.S. EPA regarding startup, shutdown, and malfunction requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	RECLAIM/ Other
431.1 [#]	<p>Sulfur Content of Gaseous Fuels Proposed Amended Rule 431.1 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
431.2 [#]	<p>Sulfur Content of Liquid Fuels Proposed Amended Rule 431.2 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
431.3 [#]	<p>Sulfur Content of Fossil Fuels Proposed Amended Rule 431.3 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
444	<p>Open Burning Amendments may be needed to clarify existing provisions. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
445 [*]	<p>Wood Burning Devices Proposed Amended Rule 445 will address additional U.S. EPA requirements for Best Available Control Measures and potentially address ozone contingency measure requirements for the Coachella Valley. Amendments may be needed to revise the penalty structure for violations on No Burn Days during the wood burning season. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
461	<p>Gasoline Transfer and Dispensing Amendments to Rule 461 may be needed to address potential regulatory gaps. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
461.1	<p>Gasoline Transfer and Dispensing for Mobile Fueling Operations Amendments to Rule 461.1 may be needed to address new information or to improve implementation since this is a newly adopted rule. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
462	<p>Organic Liquid Loading Proposed Amended Rule 462 will incorporate the use of advanced techniques to detect fugitive emissions and Facility Vapor Leak. Other amendments may be needed to streamline implementation and add clarity. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
468 [#]	<p>Sulfur Recovery Units Proposed Amended Rule 468 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT
469 [#]	<p>Sulfuric Acid Units Proposed Amended Rule 469 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT
1101 [#]	<p>Secondary Lead Smelters/Sulfur Oxides Proposed Amended Rule 1101 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1102	<p>Dry Cleaners Using Solvent Other Than Perchloroethylene Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 CERP
1105 [#]	<p>Fluid Catalytic Cracking Units SOx Proposed Amended Rule 1105 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
1107	<p>Coating of Metal Parts and Products Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1108	<p>Cutback Asphalt Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1108.1	<p>Emulsified Asphalt Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1110.2* ^{+#}	<p>Emissions from Gaseous- and Liquid-Fueled Engines Proposed amendments will address use of emergency standby engines at essential public services for Public Safety Power Shutoff programs. Proposed amendments may also be needed to incorporate possible comments by U.S. EPA for approval into the SIP and address monitoring provisions for new engines. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
1110.3 ⁺ 1110.2	<p>Emissions from Linear Generators Emissions from Gaseous - and Liquid-Fueled Engines Proposed Rule 1110.3 will establish emission standards and requirements for the linear generators. Rule 1110.2 will need to be amended to remove existing provisions for linear generators. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1110.4 1401 1470	<p>Emissions from Emergency Generators New Source Review of Toxic Air Contaminants Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines Proposed Rule 1110.4 and Proposed Amended Rule 1470 will establish and revise rule provisions to reduce NOx, CO, and PM emissions from emergency generators. Proposed Amended Rule 1401 will remove the exemption for emergency generators and therefore require a demonstration that risk thresholds are not exceeded in order to obtain a permit. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1111	<p>Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces Proposed Amended Rule 1111 will implement the 2022 control measure requiring zero emission residential space heating. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1111.1	<p>Zero-Emission Residential Furnaces Proposed Rule 1111.1 may include provisions to encourage zero emission residential furnaces that goes beyond Rule 1111 for gas-fired furnaces. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1113	<p>Architectural Coatings Proposed amendments may be needed to address delisted compounds and other amendments to improve clarity and to remove obsolete provisions. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1114	<p>Petroleum Refinery Coking Operations Proposed Amended Rule 1114 will seek to add notification requirements when coke particles, liquid and/or gas is ejected from the coke drum during cutting. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1119 [#]	<p>Petroleum Coke Calcining Operations – Oxides of Sulfur Proposed Amended Rule 1119 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1121*	<p>Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters Proposed amendments may be needed to further reduce NOx emissions from water heaters. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1121.1	<p>Zero Emission Residential Water Heaters Proposed Rule 1121.1 may include provisions to encourage zero emission water heaters that goes beyond Rule 1121 for gas-fired water heaters. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1122	<p>Solvent Degreasers Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1124	<p>Aerospace Assembly and Component Manufacturing Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1125	<p>Metal Container, Closure, and Coil Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1126	<p>Magnet Wire Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1128	<p>Paper, Fabric, and Film Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1130	<p>Graphic Arts Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1130.1	<p>Screen Printing Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1133.3	<p>Emission Reductions from Greenwaste Composting Operations Proposed Amended Rule 1133.3 will seek additional VOCs and ammonia emission reductions from greenwaste and foodwaste composting. Proposed amendments will implement BCM-10 in the 2016 AQMP. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1136	<p>Wood Products Coatings Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1138 ⁺	<p>Control of Emissions from Restaurant Operations Proposed Amended Rule 1138 will further reduce emissions from underfired charboilers. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1142	<p>Marine Tank Vessel Operations Proposed Amended Rule 1142 will address VOC and hydrogen sulfide emissions from marine tank vessel operations, applicability, noticing requirements, and provide clarifications. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1143	<p>Consumer Paint Thinners and Multi-Purpose Solvents Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1144	<p>Metalworking Fluids and Direct-Contact Lubricants Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1145	<p>Plastic, Rubber, Leather, and Glass Coatings Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1146	<p>Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters Proposed amendments to Rule 1146 may be needed to incorporate comments from U.S. EPA. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1146.1 [#]	<p>Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters Proposed amendments to Rule 1146.1 may be needed to clarify provisions for industry-specific categories and to incorporate comments from U.S. EPA. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1162	<p>Polyester Resin Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1165	<p>Control of Emissions from Incinerators Proposed Rule 1165 will establish emission standards, source testing, and monitoring, recordkeeping, and reporting requirements for incinerators. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1166	<p>Volatile Organic Compound Emissions from Decontamination of Soil Proposed Amended Rule 1166 will update requirements, specifically concerning notifications and usage of mitigation plans (site specific versus various locations). <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1171	<p>Solvent Cleaning Operations Proposed Amendments to Rule 1171 may be needed to address certain exempt chemicals and compliance issues. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ Other
1174	<p>Control of Volatile Organic Compound Emissions from the Ignition of Barbecue Charcoal Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ Other
1176	<p>VOC Emissions from Wastewater Systems Proposed Amended Rule 1176 will clarify the applicability of the rule to include bulk terminals under definition of “Industrial Facilities,” and streamline and clarify provisions. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other/ AB 617 CERP
1186.1, 1191, 1192, 1193, 1194, 1195, 1196* +	<p>Fleet Rules Proposed amendments to Rules 1186.1, 1191, 1192, 1193, 1194, 1195, 1196 will seek to align South Coast AQMD fleet rules with CARB’s final Advanced Clean Fleets should it be adopted. <i>Vicki White 909.396.3436; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ Other
1403*	<p>Asbestos Emissions from Demolition/Renovation Activities Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, update provisions, notifications, exemptions, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1404	<p>Hexavalent Chromium Emissions from Cooling Towers Amendments may be needed to provide additional clarifications regarding use of process water that is associated with sources that have the potential to contain chromium in cooling towers and address VOC emissions. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ AQMP
1405*	<p>Control of Ethylene Oxide and Chlorofluorocarbon Emissions from Sterilization or Fumigation Processes Amendments to address ethylene oxide emissions from facilities and provisions not considered in earlier amendment. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1411	<p>Recovery or Recycling of Refrigerants from Motor Vehicle Air Conditioners Proposed Amended Rule 1411 seeks amendments to coincide with Section 609 of the Clean Air Act. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1415 1415.1	<p>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems Proposed Amended Rules 1415 and 1415.1 will align requirements with the proposed CARB Refrigerant Management Program and U.S. EPA’s Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Other
1420	<p>Emissions Standard for Lead Proposed Amended Rule 1420 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Other provisions may be needed to address storage and handling requirements, and revise closure requirements. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1420.1	<p>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities Proposed Amendments are needed to update applicable test methods and provide clarifications regarding submittal of a source-test protocol. Additional amendments may be needed to address monitoring and post closure requirements. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1420.2	<p>Emission Standards for Lead from Metal Melting Facilities Proposed Amended Rule 1420.2 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Additional amendments may be needed to address monitoring and post closure requirements. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (Continued)

2023	Title and Description	Type of Rulemaking
1420.3	<p>Emissions Standards for Lead from Firing Ranges Proposed Rule 1420.3 will establish requirements to address lead emissions from firing ranges. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Others
1426.1	<p>Hexavalent Chromium Emissions from Metal Finishing Operations Proposed Rule 1426.1 will reduce hexavalent chromium emissions from heated chromium tanks used at facilities with metal finishing operations that are not subject to Rule 1469. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1430	<p>Control of Emissions from Metal Grinding Operations at Metal Forging Facilities Amendments to Rule 1430 may be needed to further reduce emissions and odors from metal grinding and metal cutting operations at metal forging facilities. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 CERP
1450*	<p>Control of Methylene Chloride Emissions Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1455	<p>Control of Hexavalent Chromium Emissions from Torch Cutting and Welding Proposed Rule 1455 will establish requirements to reduce hexavalent chromium emissions from torch cutting and welding of chromium alloys. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ AB 617 CERP
1466	<p>Control of Particulate Emissions from Soils with Toxic Air Contaminants Amendments may be needed to residential cleanup projects. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1466.1	<p>Control of Particulate Emissions from Demolition of Buildings Proposed Rule 1466.1 will establish requirements to minimize PM emissions during the demolition of buildings that housed equipment and processes with metal toxic air contaminants and pollution control equipment. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2023 To-Be-Determined (*Continued*)

* *Potentially significant hearing*

+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*

Part of the transition of RECLAIM to a command-and-control regulatory structure

2023	Title and Description	Type of Rulemaking
1469	<p>Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations Amendments to Rule 1469 may be needed to address potential changes with the CARB’s Hexavalent Chromium Airborne Toxic Control Measure for Chrome Plating and Chromic Acid Anodizing Operations. <i>Kalam Cheung 909.396.3281; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1470.1	<p>Emissions from Emergency Standby Diesel Fueled Engines Proposed Rule 1470.1 seeks to reduce NOx emissions from emergency standby internal combustion engines (ICEs) by replacing older ICEs and requiring the use of commercially available lower emission fuels, such as renewable diesel. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1472	<p>Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines Proposed Amended Rule 1472 will remove provisions that are no longer applicable, update and streamline provisions to reflect the 2015 Health Risk Assessment Guidelines and assess the need for Compliance Plans. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1901	<p>General Conformity Proposed Amended Rule 1901 will establish a new General Conformity determination process for applicable projects receiving federal funding or approval. <i>TBD; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
2306.1 ^{*+}	<p>Existing Intermodal Railyard Indirect Source Rule Proposed Rule 2306.1 will establish requirements for existing intermodal railyards to minimize emissions from indirect sources associated with these facilities. <i>Elaine Shen 909.396.2715; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
Regulation XX	<p>RECLAIM - Requirements for Oxides of Sulfur (SOx) Emissions Amendments to Regulation XX rules to address SOx requirements at RECLAIM facilities if there is consideration to transition SOx RECLAIM to command-and-control regulatory structure. <i>Michael Morris 909.396.3282; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	RECLAIM/ Other
Regulation XXIII ^{*+}	<p>Facility-Based Mobile Sources Proposed rules within Regulation XXIII would reduce emissions from indirect sources (e.g., facilities that attract mobile sources). <i>Elaine Shen 909.396.2715; CEQA: Barbara Radlein 909.396.2716; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP

2023 To-Be-Determined (Continued)

* Potentially significant hearing

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2023	Title and Description	Type of Rulemaking
Regulation II, III, IV, XIV, XI, XIX, XXIII, XXIV, XXX and XXXV	<p>Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA’s 2015 revised risk assessment guidance, changes from OEHHA to new or revised toxic air contaminants or their risk values, address variance issues, emission limits, technology-forcing emission limits, conflicts with other agency requirements, to abate a substantial endangerment to public health, additional reductions to meet SIP short-term measure commitments, to address issues raised by U.S. EPA or CARB for the SIP or for a rule that was submitted into the SIP, compliance issues that are raised by the Hearing Board. Amendments to existing rules may be needed to address use of materials that contain chemicals of concern. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing, or new rules to implement measures in the 2012, 2016 or 2022 AQMP (upon adoption). This includes measures in the 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption or amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, U.S. EPA’s National Emission Standards for Hazardous Air Pollutants, or to address the lead National Ambient Air Quality Standard. Rule adoption or amendments may be needed to implement AB 617 including but not limited to BARCT rules, Community Emission Reduction Plans prepared pursuant to AB 617, or new or amended rules to abate a public health issue identified through emissions testing or ambient monitoring.</p>	Other/ AQMP/ Toxics/ AB 617 BARCT/ AB 617 CERP

* *Potentially significant hearing*

+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*

Part of the transition of RECLAIM to a command-and-control regulatory structure

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 12

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, June 9, 2023, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

RMM:MAH:XC:dc

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
August 4, 2023 Board Meeting
Status Report on Major Ongoing and Upcoming Projects for
Information Management

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
AQ-SPEC Cloud Platform Phase 2	Integrate separate data systems into the AQ-SPEC cloud-based platform to manage data and build interactive data visualizations and data dashboards for web-based viewing	\$313,350	<ul style="list-style-type: none"> • Project Charter released • Task Order issued, evaluated, and awarded • Project kickoff completed • Requirements gathering completed • Fit Gap and data storage analysis completed • Architecture and functional design completed • Work Plan development for Phase 2 completed • Dashboard designs approved • Discovery Phase completed • Proposal for implementation phase received • System Architecture verified 	<ul style="list-style-type: none"> • System development in progress
PeopleSoft Electronic Requisition	This will allow submittal of requisitions online, tracking multiple levels of approval, electronic archival, pre-encumbrance of budget, and streamlined workflow	\$75,800	<ul style="list-style-type: none"> • Project Charter released • Task Order issued, evaluated, and awarded • Requirements gathering and system design completed • System setup and code development, and User Acceptance Testing for Information Management completed • System setup and code development, and User Acceptance Testing completed for Administrative and Human Resources, and Technology Advancement Office completed 	<ul style="list-style-type: none"> • Deploy to IM and AHR divisions • Training and Integrated User Testing for other divisions

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for staff	\$525,000	<ul style="list-style-type: none"> • Board approved initial Phase 2 funding December 2017 • Board approved remaining Phase 2 funding October 5, 2018 • Completed report outlining recommendations for automation of Permitting Workflow • Developed application submittals and form filing for first nine of 32 400-E forms • Completed application submittals and form filing for 23 types of equipment under Rule 222 for User Testing • Deployed to production of the top three most frequently used Rule 222 forms: Negative Air Machines, Small Boilers and Charbroilers • Deployment to stage of Phase 2 additional 12 400-E-XX forms completed • Deployed to production of three additional Rule 222 forms (Tar Pots, Cooling Towers, and Power Washers) • Deployment to production of eight additional Rule 222 forms (Food Ovens, Storage of Odorants, Equipment Used to Store Aqueous Urea Solutions, Asphalt Day Tanker, Asphalt Pavement Heater, Diesel Fueled Boiler, Micro Turbines, and Portable Diesel Fueled Heater) completed. • Deployment to production of the Emergency Internal Combustion Engine (EICE) application completed. 	<ul style="list-style-type: none"> • Requirements gathering for Phase 3 of the project (final twelve 400-E-XX forms) • Complete User Acceptance Testing and deployment to production of Phase 1 of the project (first ten 400-E-XX forms) • Complete User Acceptance Testing and deployment to production of next set of Rule 222 forms

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Warehouse Indirect Source Rule Online Reporting Portal	Development of online reporting portal for Rule 2305 – Warehouse Indirect Source	\$250,000	<ul style="list-style-type: none"> • Task Order issued • Deployed Phase 1.1 – Warehouse Operations Notification Submittal • Deployed Phase 1.2 – Warehouse Operations Notification Evaluation • Deployed Phase 2 – Early Annual WAIRE Report (EAWR), Initial Site Information Report (ISIR), full Annual WAIRE Report (AWR) • Deployed Phase 3– Final Annual WAIRE Report 	<ul style="list-style-type: none"> • Phase 4 Enhancements
Carl Moyer Program GMS	Development of simplified and streamlined Online Grant Management System (GMS) Portal for Carl Moyer Program	\$116,275	<ul style="list-style-type: none"> • Task Order issued • Phase 1 completed and approved by stakeholder • Solicitation for On-Road projects opened to public • Phase 2 – tasks module enhancement User Acceptance Testing completed • Phase 2 – 30-day Letter User Acceptance Testing for completed • Phase 2 – Clean Air Reporting Log (CARL) Import for Off-Road and On-Road projects User Acceptance Testing completed • Application Status Tracking User Acceptance Testing completed • Evaluation – Messages Module User Acceptance Testing completed • Carl Moyer Program – PA2023-04 opened • Phase 2 – management reports – User Acceptance Testing completed 	<ul style="list-style-type: none"> • Phase 2 – Calculations Module and Inspection Module development in progress • Phase 3 – Planning for Phase 3

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Agenda Tracking System	Develop new Agenda Tracking System for submittal, review and approval of Governing Board meeting agenda items	\$250,000	<ul style="list-style-type: none"> • Project initiation completed • Task order issued • Project planning completed • Vision and Scope completed • Task order issued • Project Kick-off completed 	<ul style="list-style-type: none"> • System Architecture design in progress
PeopleSoft HCM (Human Capital Management) upgrade	Upgrade PeopleSoft HCM product to latest tools and image level to maintain regulatory and functional support	\$180,000	<ul style="list-style-type: none"> • Project initiation completed • Task order issued • System assessment completed • Customization assessment completed • Installation certification completed • Data migration completed 	<ul style="list-style-type: none"> • User Acceptance Testing
Source Test Tracking System (STTS)	Online STSS will keep track of timelines and quantify the number of test protocols and reports received. System will provide an external online portal to submit source testing protocols and reports, track the review process, and provide integration to all other business units. It will also provide an external dashboard to review the status of a submittal.	\$250,000	<ul style="list-style-type: none"> • Project initiation completed • Task Order issued • Project kickoff completed • User requirements gathering for internal users completed • Developed full business process model • Developed screens mock-ups • Reviewed proposed automation with EQUATE Working Group completed • Completed development of all Sprints 1 through 8 • Completed overview of development progress to EQUATE Working Group. • Deploy updated STTS Data Model and move application to stage completed • Internal and external orientation/training for testers completed • Development of all modifications identified by users completed. 	<ul style="list-style-type: none"> • Complete User Acceptance Testing of STTS Portal in stage environment • Complete testing of STTS Portal with regulated community volunteers • Deploy STTS Portal to production

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Compliance System	Develop new Compliance System to help streamline the compliance business process	\$450,000	<ul style="list-style-type: none"> • Project initiation • High level requirement gathering completed • Task order issued 	<ul style="list-style-type: none"> • Detailed requirement gathering
Website Upgrade	Upgrade the Website Content Management System to latest version	\$100,000	<ul style="list-style-type: none"> • Project initiation completed • Task order issued • Initial upgrade completed • Proposal for additional enhancement accepted 	<ul style="list-style-type: none"> • Development of enhancements based on industry best practices
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year	\$150,000	<ul style="list-style-type: none"> • Board approved June 2, 2023 • Contract executed July 31, 2023 	
Oracle PeopleSoft Software Support	Authorize sole source purchase of Oracle PeopleSoft software support and maintenance for the integrated Finance/HR system	\$340,000	<ul style="list-style-type: none"> • Board approved June 2, 2023 	<ul style="list-style-type: none"> • Execute contract August 23, 2023

Projects that have been completed within the last 12 months are shown below.

Completed Projects

Project	Date Completed
Renewal of HP Server Maintenance & Support	April 30, 2023
Purchase of Server and Storage Upgrades	April 30, 2023
Rule 1180 Monitoring Site and Notification Updates	March 30, 2023
WAIRE Program Online Portal – Owner AWR Enhancement	February 22, 2023
Phone System Upgrade	January 28, 2023
Carl Moyer GMS – PA2023-04	January 10, 2023
AB 2766 for reporting year 2021 - 2022	January 3, 2023
WAIRE Program Online Portal – Phase 3	December 31, 2022
Annual Emission Reporting for reporting year 2022	December 31, 2022
Online Application Filing – Eight Additional Rule 222 Forms	December 2, 2022
CLASS Database Software Licensing	November 30, 2022

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 13

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a hybrid meeting on Friday, June 9, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael Cacciotti, Vice Chair
Administrative Committee

SN:cb

Committee Members

Present: Councilmember Michael Cacciotti, Vice Chair
Supervisor Curt Hagman
Supervisor V. Manuel Perez

Absent: Chair Vanessa Delgado, Committee Chair
Board Member Gideon Kracov

Call to Order

Vice Chair Cacciotti called the meeting to order at 10:02 a.m. Supervisor Hagman was appointed by the Committee Chair to serve for this meeting only for the June Administrative Committee meeting to allow the meeting to have a quorum.

For additional details of the Administrative Committee Meeting, please refer to the [Webcast](#).

DISCUSSION ITEMS:

1. **Board Members' Concerns:** There were no concerns to report.

2. **Chair's Report of Approved Travel:** Board Member Kracov travel as the CARB representative was reported.
3. **Report of Approved Out-of-Country Travel:** There was no out-of-country travel reported.
4. **Review August 4, 2023 Governing Board Agenda:** Wayne Nastri, Executive Officer, reported that at the August Board Meeting Proposed Amended Rule 1178 and Proposed Amended Rule 1405 will be set for Public Hearing at the September Board Meeting and that there are two Public Hearings for Proposed Amended Rule 1153.1 and Proposed Amended Rule 2202. For additional information please refer to the [Webcast at 3:55](#).
5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** There were two proposals, so this item has been moved to Action Items.
6. **Update on South Coast AQMD Inclusion, Diversity and Equity Efforts:** Cessa Heard-Johnson, Diversity, Equity & Inclusion Officer, provided an update on agency efforts, seasonal events, cultural displays, upcoming statewide working group, and mentioned Dr. Haunani-Kay Trask for Fabulous Female Friday. For additional information please refer to the [Webcast at 5:48](#).
7. **Pre-Audit Conference (Presenter: Kenneth Pun, Managing Partner):** Sujata Jain, Chief Financial Officer, Deputy Executive Officer, introduced Kenneth Pun, Managing Partner from The Pun Group, which is South Coast AQMD's financial auditing firm. Mr. Pun reported on their timeline and audit process for Fiscal Year 2022-23, which is ending on June 30, 2023.

Vice Chair Cacciotti asked Mr. Pun how many members will be on-site at South Coast AQMD when the audit is performed. Mr. Pun indicated that they anticipate a total of three members on site, including himself. For additional information, please refer to the [Webcast at 12:33](#).

8. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Xin Chen, Information Technology Manager/Information Technology, reported that an enhancement for the Warehouse Actions and Investments to Reduce Emissions Program Online Portal was deployed in time for phase 2 for warehouses to submit their reports starting June 1, 2023. An enhancement to the Carl Moyer Grant Management system was also deployed to improve efficiency and provide better user experience. Information Management, Compliance and Enforcement, and Finance partnered together to complete a U.S. EPA Grant application process. For additional information, please refer to the [Webcast at 18:15](#).

ACTION ITEMS:

5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):**
There were two proposals for Chair Delgado's Board Assistant, Sandra Hernandez: a contract modification for June 1, 2023 to June 30, 2023, and a new contract for Fiscal Year 2023-24.

Supervisor Hagman participated in the meeting and there was a quorum.

Moved by Hagman; seconded by Perez, unanimously approved.

Ayes: Cacciotti, Hagman, Perez

Noes: None

Absent: Delgado, Kracov

WRITTEN REPORT:

There were no written reports.

OTHER MATTERS:

9. **Other Business:** There was no other business to report.
10. **Public Comment:** There was no public comment to report.
11. **Next Meeting Date:** The next regular Administrative Committee meeting is scheduled for Friday, August 11, 2023 at 10:00 a.m.

Adjournment

The meeting was adjourned at 10:21 a.m.

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 14

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee held a hybrid meeting on Friday, June 9, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael A. Cacciotti, Chair
Investment Oversight Committee

SJ:gp

Committee Members

Present: Councilmember Michael Cacciotti, Chair
Supervisor Curt Hagman
Board Member Veronica Padilla-Campos
Councilmember José Luis Solache
Richard Dixon
Jill Whynot

Absent: Patrick Pearce

Call to Order

Chair Michael Cacciotti called the meeting to order at 8:03 a.m.

DISCUSSION ITEMS:

1. *Quarterly Report of Investments:* Staff presented the quarterly investment report and reported that by March 31, 2023, South Coast AQMD's weighted average yield on total investments of \$1,255,413,744.22 from all sources was 3.37 percent. The allocation by investment type was 93 percent in the Los Angeles County Pooled Surplus Investment Fund and 7 percent in the State of California Local Agency Investment Fund and South Coast AQMD's Special Purpose Investments. The one-year Treasury Bill rate as of March 31, 2023 was 4.64 percent.

Chair Cacciotti prompted Ms. Jain to confirm corrections to purchase dates of Special Purpose Investments listed on Page 3 of the Quarterly Report of Investments (Discussion Item # 1). Ms. Jain confirmed that the listed purchase dates of 3/14/2023 and 12/05/2023, should be changed to 2/28/2022 and 12/05/2022, respectively.

2. Cash Flow Forecast: Sujata Jain, Chief Financial Officer, Deputy Executive Officer, reported on the cash flow for the current and next three years. South Coast AQMD limits Special Purpose Investments to 75 percent of the minimum amount of funds available for investment during the Cash Flow Horizon. That limit, which includes all funds such as General, MSRC, Clean Fuels, AB 617 Incentive and Implementation, Carl Moyer, and Volkswagen, is \$318.8 million. Current Special Purpose Investments are below the maximum limit. Ms. Jain explained that staff works with the Los Angeles County Treasurer for investments that will provide additional interest yield.
3. Financial Market Update: Richard Babbe from the consulting firm of PFM Asset Management gave a presentation on economic indicators. Mr. Babbe stated that CPI, one of the key indicators, seemed to be trending down and was about 5.5 percent at the end of the first quarter. The GDP had dropped to approximately 1.1 percent which indicates a potential slowdown in the economy in the next six to twelve months. Despite that, the labor market was still strong with a 3.4 percent unemployment rate, continuing to be at a historic low. Retail sales are not slowing down, however, credit card debt is increasing. Mortgage rates climbed up to about 7 percent which caused home sales to slow down. Most likely the federal fund rate will stay elevated for the near future. The bond and equity market was volatile due to uncertainty surrounding the debt ceiling increase.

Supervisor Hagman inquired if it is beneficial to invest funds versus keeping cash liquid. Mr. Babbe responded that it would depend on the cash needs of the entity. He also stated that getting a 4.5 percent interest rate for a two-year security might be a good investment because inflation might come down over that two-year period to lower than 4.5 percent.

Chair Cacciotti asked Ms. Jain if the South Coast AQMD should invest money to get more yield. Ms. Jain responded that our investment policy requires diversification and, therefore, about forty million dollars is invested in Local Agency Investment Fund and fifty million dollars is invested in Special Purpose Investments. Ms. Jain explained that we can invest more of some restricted funds but we need to ensure that we do not lock those for more than a year if we are going to need the funds for incentives in the near future.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

There were no public comments to report.

6. Next Meeting Date

The next regular meeting of the Investment Oversight Committee is scheduled for September 8, 2023 at 8:00 a.m.

Adjournment

The meeting adjourned at 8:31 a.m.

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BOARD MEETING DATE: August 4, 2023

AGENDA NO. 15

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, June 9, 2023. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
AB 985 (Arambula) – San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system	Oppose
SB 310 (Dodd) – Prescribed fire: civil liability: cultural burns	Oppose unless Amended
SB 410 (Becker) – Powering Up Californians Act	Support
SB 537 (Becker) – Open meetings: multijurisdictional, cross-county agencies: teleconferences	Support

RECOMMENDED ACTION:

Receive and file this report and approve agenda items as specified in this letter.

Michael A. Cacciotti, Chair
Legislative Committee

DJA:LTO:PFC:DPG:ar

Committee Members

Present: Councilmember Michael A. Cacciotti, Chair
Mayor Patricia Lock Dawson
Supervisor Curt Hagman
Supervisor V. Manuel Perez
Councilmember Nithya Raman
Councilmember José Luis Solache

Absent: None

Call to Order

Chair Michael Cacciotti called the meeting to order at 9:00 a.m.

DISCUSSION/ACTION ITEMS:

1. Recommend Position on State Bill:

Philip Crabbe, Senior Public Affairs Manager/Legislative, Public Affairs & Media, presented AB 985 (Arambula) – San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system. This bill would require San Joaquin Valley Air Pollution Control District (SJVAPCD) to revise their New Source Review regulation to specify a time by which existing and future emission reduction credits (ERCs) will expire. The bill would, by January 1, 2027, require CARB to conduct an analysis of SJVAPCD’s ERC banks for certain pollutants. AB 985 would also require CARB to review permits that utilize ERCs in the San Joaquin Valley.

Supervisor Perez inquired about whether there have been discussions with the author or SJVAPCD regarding the bill. Derrick Alatorre, Deputy Executive Officer /Legislative, Public Affairs and Media, replied that staff has discussed the bill with SJVAPCD, CAPCOA and the author’s office. Wayne Natri, Executive Officer, added that the bill would require CARB to redo work that it has already done and would potentially bring permitting to a halt. The bill currently only impacts SJVAPCD but it would set a precedent that could potentially negatively impact South Coast AQMD in the future.

Councilmember Raman inquired as to other possible approaches to address what this bill is seeking. Mr. Natri responded that SJVAPCD has already taken actions to address their ERC banks. South Coast AQMD has also undergone its own audits and its program is strong and robust. Susan Nakamura, Chief Operating Officer, added that our New Source Review rules under Regulation XIII include specific protocols for issuing ERCs that have been approved by CARB and U.S. EPA.

There was no public comment.

For additional information, please refer to the [Webcast](#) beginning at 5:56.

Staff recommended an “OPPOSE” position on this bill.

Moved by: Hagman Second by: Dawson

Ayes: Cacciotti, Dawson, Hagman, Perez, Raman, Solache

Noes: None

Abstain: None

Absent: None

Mr. Crabbe presented SB 310 (Dodd) – Prescribed fire: civil liability: cultural burns. This bill would authorize the California Natural Resources Agency Secretary, with concurrence from the CalEPA Secretary, to enter into agreements with certain California Native American Tribes to waive state and local permitting or regulations for cultural burns, including air district requirements. Staff recommended amendments to the bill that:

- Clarify areas exempted from permitting and regulatory requirements are limited to federal trust land; and
- Require cultural burn practitioners ensure public health and safety is protected by working with local air districts through the permitting process and allowing burn decisions to continue to be made at the local level.

Supervisor Perez inquired about the definition of a cultural burn. Mr. Crabbe provided the definition. Mr. Nastri added that cultural burns are also used for forest management on tribal lands.

Councilmember Raman commented that the proposed amendments would undo much of what the bill is trying to accomplish. Mr. Crabbe responded that the recommended position allows for collaboration with stakeholders and avoids simply opposing the bill. Mr. Nastri added that the current prescribed burn consultation process is effective.

Supervisor Hagman commented that it is important to maintain collaboration with local entities to facilitate prescribed burns.

There was no public comment.

For additional information, please refer to the [Webcast](#) beginning at 14:46.

Staff recommended an “OPPOSE UNLESS AMENDED” position on this bill.

Moved by: Hagman Second by: Perez

Ayes: Cacciotti, Dawson, Hagman, Perez, Solache

Noes: Raman

Abstain: None

Absent: None

Mr. Crabbe presented SB 410 (Becker) – Powering Up Californians Act. This bill would require the Public Utilities Commission to establish by September 30, 2024, target energization time periods for connecting new customers and upgrading the service of existing customers to the electrical grid. This bill also would require

reporting by electrical corporations and authorize specified annual cost-recovery, subject to a cap.

There was no public comment.

For additional information, please refer to the Webcast beginning at 29:39.

Staff recommended a “SUPPORT” position on this bill.

Moved by: Hagman Second by: Solache

Ayes: Cacciotti, Dawson, Hagman, Perez, Raman, Solache

Noes: None

Abstain: None

Absent: None

Denise Peralta Gailey, Public Affairs Manager/Legislative, Public Affairs and Media, presented SB 537 (Becker) – Open meetings: multijurisdictional, cross-county agencies: teleconferences. This bill would allow, until January 1, 2028, a legislative body of a multi-jurisdictional cross-county local agency to teleconference public meetings without having to fully notice and make publicly accessible each teleconference location.

Staff recommended that the 40-mile distance required in the bill be shortened to 20-miles.

There was no public comment.

For additional information, please refer to the Webcast beginning at 31:30.

Staff recommended a “SUPPORT” position on this bill.

Moved by: Solache Second by: Raman

Ayes: Cacciotti, Dawson, Hagman, Perez, Raman, Solache

Noes: None

Abstain: None

Absent: None

DISCUSSION ITEMS:

2. Update and Discussion on Federal Legislative Issues

South Coast AQMD’s federal legislative consultants (Carmen Group, Cassidy & Associates, and Kadash & Associates) provided written reports on key Washington, D.C. issues.

Gary Hoitsma of Carmen Group reported on the Senate Environment, Energy and Technology Committee's June 8, 2023, hearing which examined the federal response to escalating wildfires and evaluated reforms to land management and wildland firefighter recruitment and retention.

Mayor Dawson asked if any decisions were made because of the hearing. Mr. Hoitsma responded that no decisions were made. The discussion focused on increased flexibility and authority for forest management on federal lands.

Chair Cacciotti inquired about two U.S. EPA programs and a new U.S. Department of Transportation program in the Carmen Group report. Lisa Tanaka O'Malley, Assistant Deputy Executive Officer, Legislative, Public Affairs and Media, responded by providing information and an update on the programs.

Jed Dearborn of Cassidy & Associates reported that the President signed the Fiscal Responsibility Act of 2023 into law. Among other provisions, the bill suspends the public debt limit through January 1, 2025, and modifies federal environmental review processes.

Mark Kadesh of Kadesh & Associates added that the debt ceiling agreement also set spending limits for the Fiscal Year 2024 appropriations bills. He also reported that two bills were introduced regarding ocean-going vessel pollution.

There was no public comment.

3. Update and Discussion on State Legislative Issues

South Coast AQMD's state legislative consultants (Resolute, California Advisors, LLC and Joe A. Gonsalves & Son) provided written reports on key issues in Sacramento.

David Quintana of Resolute reported that the Governor released the May Revise Budget. Funding for the AB 617 program remained at \$250 million with the potential for an additional \$50 million should the state of the General Fund Budget improve. Also, Assembly Member Robert Rivas will become the next Speaker of the California State Assembly effective June 30, 2023.

Ross Buckley of California Advisors, LLC added that the Legislative Analyst's Office (LAO) released a report on the Governor's May Revision. The LAO estimates an overall budget shortfall of \$34.5 billion.

Paul Gonsalves of Joe A. Gonsalves & Son reported that the cap-and-trade auction in May raised over \$1.1 billion for the Greenhouse Gas Reduction Fund. The next auction will be held on August 16, 2023.

There was no public comment.

For additional information, please refer to the Webcast beginning at 47:41.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

There was no public comment to report.

6. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, August 11, 2023, at 9:00 a.m.

Adjournment

The meeting adjourned at 9:57 a.m.

Attachments

1. Attendance Record
2. Recommend Position on State Bill
3. Update on Federal Legislative Issues – Written Reports
4. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – June 9, 2023

Councilmember Michael Cacciotti.....South Coast AQMD Board Member
Mayor Patricia Lock Dawson.....South Coast AQMD Board Member
Supervisor Curt Hagman.....South Coast AQMD Board Member
Supervisor V. Manuel Perez.....South Coast AQMD Board Member
Councilmember Nithya Raman.....South Coast AQMD Board Member
Councilmember José Luis Solache.....South Coast AQMD Board Member

Guillermo Gonzalez.....Board Consultant (Perez)
Debra Mendelsohn.....Board Consultant (McCallon)
Uduak-Joe Ntuk.....Board Consultant (Kracov)
Mark Taylor.....Board Consultant (Rodriguez)
Ben Wong.....Board Consultant (Cacciotti)

Ross Buckley.....California Advisors, LLC
Jed Dearborn.....Cassidy & Associates
Paul Gonsalves.....Joe A. Gonsalves & Son
Gary Hoitsma.....Carmen Group, Inc.
Mark Kadesh.....Kadesh & Associates
David Quintana.....Resolute

Sam Emmersen.....Public Member
Annie Hargrove.....Public Member
Thomas Jelenic.....Public Member
Bill La Marr.....Public Member
Erick Martell.....Public Member
Bridget McCann.....Public Member
Jacqueline Moore.....Public Member
Megna Murali.....Public Member
Joanne Smith.....Public Member

Derrick Alatorre.....South Coast AQMD Staff
Debra Ashby.....South Coast AQMD Staff
Jason Aspell.....South Coast AQMD Staff
Barbara Baird.....South Coast AQMD Staff
Cindy Bustillos.....South Coast AQMD Staff
Lara Brown.....South Coast AQMD Staff
Maria Castro.....South Coast AQMD Staff
Maria Corralejo.....South Coast AQMD Staff
Philip Crabbe.....South Coast AQMD Staff
Bayron Gilchrist.....South Coast AQMD Staff
Anissa Cessa Heard-Johnson.....South Coast AQMD Staff
Mark Henninger.....South Coast AQMD Staff
Sujata Jain.....South Coast AQMD Staff
Aaron Katzenstein.....South Coast AQMD Staff
Angela Kim.....South Coast AQMD Staff
Brisa Lopez.....South Coast AQMD Staff
Jason Low.....South Coast AQMD Staff
Terrence Mann.....South Coast AQMD Staff

Ron MoskowitzSouth Coast AQMD Staff
Susan Nakamura.....South Coast AQMD Staff
Wayne Nastri.....South Coast AQMD Staff
Denise Peralta Gailey.....South Coast AQMD Staff
Robert Paud.....South Coast AQMD Staff
Sarah Rees.....South Coast AQMD Staff
Mary Reichert.....South Coast AQMD Staff
Aisha Reyes.....South Coast AQMD Staff
Lisa Tanaka O'MalleySouth Coast AQMD Staff
Faye ThomasSouth Coast AQMD Staff
Elizabeth Vega.....South Coast AQMD Staff
Paul WrightSouth Coast AQMD Staff
Victor Yip.....South Coast AQMD Staff

ATTACHMENT 2A

South Coast Air Quality Management District
Legislative Analysis Summary – AB 985 (Arambula)
Version: As Amended – 5/18/23
Analyst: PC

AB 985 (Arambula)

San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system.

Summary: This bill would require:

- 1) The San Joaquin Valley Air Pollution Control District (San Joaquin District) to revise their New Source Review regulation to specify a time period by which existing and future emission reduction credits (ERCs) will expire; and
- 2) Require CARB to conduct an analysis of the San Joaquin District’s ERC banks for certain pollutants and to complete the analysis by January 1, 2027.

Background: The federal Clean Air Act and state law requires every air district in California to operate a New Source Review program that ensures that all new and modified permitted sources install the cleanest available technology referred to as Best Available Control Technologies (BACT) and that any emissions increase is offset with Emission Reduction Credits called “ERCs.” However, an ERC cannot be used in lieu of meeting BACT. Due to stringent federal requirements, generating ERCs is difficult and requires substantial discounts which has decreased the supply of ERCs overtime. Moreover, although a source can over control to generate an ERC, nearly all ERCs are generated from equipment or facility shutdowns. Establishing an expiration date on existing and future ERCs will accelerate the depletion of ERCs, increasing the price of permitting new and modified sources and potentially resulting in a permit moratorium if the availability of ERCs is eliminated.

Federal law requires a credit to be valued at time-of-use, meaning that if a regulation would have reduced emissions from a source granted a credit, that credit must be discounted when used as an offset to reflect emissions after required controls from the regulation. The value of a credit will always be the same or lower at time-of-use than at time of issuance. The current San Joaquin District credit bank contains nearly 11 million pounds per year of NOx credits when valued at time of issuance, more than 80% of which were generated more than 20 years ago. However, over the years, the San Joaquin District’s regulatory program has become more stringent, and it estimated in 2016 that these NOx credits, when valued at time-of-use, were worth about 18% of the time of issuance value. This reduction in time of issuance value is directly related to the stringency of the San Joaquin District’s regulatory program.

In 2019, the Central Valley Air Quality Coalition (CVAQC) petitioned CARB to conduct a review of the San Joaquin District’s ERC bank. In support of the petition, CVAQC included a report prepared by Earthworks, which questioned the validity of selected older ERCs, the annual federal offset equivalency demonstration, and made a number of recommendations, including that CARB review the ERC program. In June 2020, CARB released its review of the San Joaquin District’s ERC program, which documented a number of issues with the program. For example, in 15 of the 52 ERC projects reviewed, CARB found that the San

Joaquin District granted credits, generated by facility shutdowns, in which emissions ceased more than 180 days before submission of the credit application. In addition, in four of the projects reviewed, CARB determined that it was unclear whether the emission reductions were surplus of every federal, state, or district law, rule, order, permit, or regulation. This benefited the applicant by providing a greater face value to the credit. But, as a result, the San Joaquin District had to find additional reductions to cover the non-surplus credits. The author contends it is likely that a similar analysis of the other major banks for PM10, CO, and SOx may reveal similar errors and should be reviewed.

CARB notes this bill requires a review of the ERC bank that is redundant to its previous review, in which no ERCs were invalidated. It is unclear to CARB what an additional review would provide with respect to the integrity of the program or federal Clean Air Act compliance. CARB notes the San Joaquin District already has a rule to address the banks' failing of an equivalency demonstration. If such a failure occurs, the ERCs must become time-of-use. CARB does not have the authority to require the District to value ERCs at time-of-use. Generally, CARB believes neither CARB nor the District have the authority to invalidate or change a permit based on the bill's retrospective permit analysis.

Status: 5/22/23 - Read second time. Ordered to third reading.

Specific Provisions: Specifically, this bill would:

- 1) Require the San Joaquin District to revise the regulation establishing its ERC system to specify a time period by which existing and future ERC's will expire.
- 2) Provide that this revision of the ERC system is subject to disapproval by CARB within 60 days after adoption by the San Joaquin District.
- 3) Require CARB to conduct an analysis of the San Joaquin District's ERC banks for certain pollutants and to complete the analysis no later than January 1, 2027.
 - a. As part of the analysis, the bill would require CARB to ensure that ERCs are deemed invalid if they were issued in violation of state, local, or district laws, rules, regulations, or procedures in place at the time of original issuance.
 - b. If the invalidation of those credits leads, or would have led, to the San Joaquin District's program failing to meet applicable federal emission reduction requirements, the bill would require current and future credits to be valued at the time of use.
- 4) Require CARB to conduct a stationary source analysis for all permits in the San Joaquin District that use a credit for oxides of nitrogen (NOx), volatile organic compounds (VOCs), or a pollutant for which the invalidation of credits leads, or would have led, to the failure to meet federal requirements.
- 5) Require, upon completion of the analyses, CARB to submit a report to the Legislature that includes a summary of the results of the analyses.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: By establishing an expiration date on existing and future ERCs, this bill would create a scarcity of ERCs in the San Joaquin Valley and make it infeasible to permit a wide range of activities in one of the most underserved regions in the state. The San Joaquin District and other California air quality districts already operate stringent state and federally approved permitting and stationary source regulatory programs. Unlike cap-and-trade style programs, ERCs cannot be used to satisfy or avoid stationary source emission control requirements. Due to stringent federal requirements, generating ERCs is difficult and requires substantial discounts which has decreased the supply of ERCs overtime. Moreover, although a source can over control to generate an ERC, nearly all ERCs are generated from equipment or facility shutdowns. Federal requirements also require that ERCs are generated based on a source’s actual emissions while the amount a source is offset is based on the source’s potential emissions plus an additional 20 percent. Stringent generation, discounting, use, and environmental benefits have resulted in a diminishing supply of ERCs.

Under state and federal New Source Review requirements, all new and modified sources must install BACT. Offset requirements are in addition to BACT. Also, over time, air districts update regulations to reflect Best Available Retrofit Control Technology (BARCT) requirements, thus facilities are required to install lower emitting equipment approved by US E.P.A. as the most stringent in the nation.

If this bill were to apply to South Coast AQMD, it has the potential to have significant impacts to the agency’s permitting program, further diminishing the supply of ERCs to larger sources (greater than 4 tons per year). As the supply of ERCs decreases, the price of these offsets also increases. Permits for new or modified sources would need to be delayed if there are not sufficient ERCs. AB 985 would require CARB and the San Joaquin District to conduct costly analysis of the ERC banks for PM10, CO, and SOx as well as a review of all permits that utilize ERCs in the San Joaquin Valley (estimated at \$6 million annual and ongoing for CARB costs, alone). This requirement does not recognize that ERCs are publicly noticed, and that CARB and US EPA review and approve every ERC prior to their issuance and that the permit review is duplicative of work that CARB and EPA have already done. Additionally, consistent with existing state and federal regulations, the San Joaquin District is already required to constantly re-evaluate, and receive CARB/US EPA approval, for BARCT, Best Available Control Measures (BACM), and Most Stringent Measures (MSM).

AB 985 would impose arbitrary expiration dates on ERCs that would accelerate the depletion of ERCs and would eliminate the limited remaining bank of surplus ERCs. Given the stringency of the existing regulatory program, it is already extremely difficult to generate new ERCs and most ERCs are generated from equipment shutdowns, with heavy discounts. The requirement to expire ERCs would not only eliminate the existing registry of ERCs but would also create strong disincentives for the proactive investment for operators

to modernizing and expanding their operations that are using the cleanest technologies - BACT. Additionally, given the complexity and timing of large capital projects, facilities would face the uncertainty of relying on credits secured early in project design that may be expired when needed during final permitting.

Overall, this bill would set a bad precedent in California for targeting and negatively impacting an air district's ERC system. This could lead to negative impacts on other air districts, including the South Coast AQMD, that could hurt emission reduction efforts and unnecessarily raise air district costs.

Recommended Position: OPPOSE

Support:

Clean Water Action
Coalition for Clean Air
Central Valley Air Quality Coalition
Pesticide Action Network
Central California Environmental Justice Network
Valley Improvement Projects
Leadership Counsel for Justice & Accountability
Mi Familia Vota
Public Health Advocates
Santa Cruz Climate Action Network
Little Manila Rising
Families Advocating for Chemical and Toxics Safety
Ban Single Use Plastic
The Climate Center
350 Humboldt
Elders Climate Action NorCal Chapter
Elders Climate Action SoCal Chapter
California Environmental Voters
Climate Action California

Opposition:

California State Association of Counties
California Air Pollution Control Officers Association
Western States Petroleum Association
San Joaquin Valley Air Pollution Control District
County of Fresno
San Joaquin County Board of Supervisors
Stanislaus County
Madera County

South Coast Air Quality Management District
Legislative Analysis Summary – AB 985 (Arambula)
Version: As Amended – 5/18/23
Analyst: PC

City of Avenal
Merced County
Rural County Representatives of California (RCRC)
Urban Counties of California
Vector Environmental, INC.

ATTACHMENT 2B

AMENDED IN ASSEMBLY MAY 18, 2023

AMENDED IN ASSEMBLY APRIL 10, 2023

AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 985

Introduced by Assembly Member Arambula

February 15, 2023

An act to add Sections 40714 and 40714.2 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 985, as amended, Arambula. San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources.

Existing law requires the board of every air district to establish by regulation a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants be banked prior to use to offset future increases in emissions, except as specified. Existing law requires the state board to develop and adopt a methodology for use by air districts to calculate the value of credits issued for emission reductions from stationary, mobile, indirect, and areawide sources when those credits

are used interchangeably, consistent with certain requirements. Existing law also requires the state board to periodically update the methodology as it applies to future transactions, if necessary.

Existing law provides for the establishment of the San Joaquin Valley Unified Air Pollution Control District vested with the authority to regulate air emissions from stationary sources located in the San Joaquin Valley Air Basin.

This bill would require the district to revise the regulation establishing its emission reduction credit system to ~~require specify a time period by which~~ existing and future emission reduction credits ~~to expire after a specified time period.~~ *will expire.* The bill would provide that this revision of the emission reduction credit system is subject to disapproval by the state board within 60 days after adoption by the district.

This bill would require the state board, except as provided, to conduct an analysis of the San Joaquin Valley Unified Air Pollution Control District's emission reduction credit banks for ~~particulate matter below 10 microns (PM10), carbon monoxide (CO), and oxides of sulfur (SO_x)~~ *certain pollutants* and to complete the analysis no later than January 1, 2027. As part of the analysis, the bill would require the state board to ensure that emission reduction credits are deemed invalid if they were issued in violation of state, local, or district laws, rules, regulations, or procedures in place at the time of original issuance. If the invalidation of those credits leads, or would have led, to the district's program failing to meet applicable federal emission reduction requirements, the bill would require current and future credits to be valued at the time of use. The bill would also require the state board to conduct a stationary source analysis for all permits in the district that use a credit for oxides of nitrogen ~~(NO_x) or (NO_x)~~, volatile organic compounds (VOCs), *or a pollutant for which the invalidation of credits leads, or would have led, to the failure to meet federal requirements*, as provided. The bill would require, upon completion of the analyses, the state board to submit a report to the Legislature that includes a summary of the results of the analyses.

By adding to the duties of the district, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Joaquin Valley Air Basin.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Poor air quality is intimately linked with negative health
4 impacts, including respiratory illness and premature deaths, with
5 recent studies estimating air pollution as the cause of over 100,000
6 premature deaths in the United States in 2011. However, the
7 distribution of premature deaths is not equal.

8 (b) Rural communities, farmworker communities, disadvantaged
9 communities, tribal nations, young people, and those living at or
10 below the poverty level often live adjacent to transportation
11 corridors or commercial and industrial facilities with highly
12 localized and severe pollution levels and are at the highest risk of
13 adverse health outcomes.

14 (c) The United States Environmental Protection Agency is
15 responsible for establishing national ambient air quality standards
16 for a number of criteria pollutants, including oxides of nitrogen
17 ~~(NO_x)~~, (NO_x), volatile organic compounds (VOCs), carbon
18 monoxide (CO), oxides of sulfur ~~(SO_x)~~, (SO_x), and particulate
19 matter below 10 microns (PM10).

20 (d) When facilities voluntarily control emissions to levels
21 beyond current or future regulatory requirements, they earn
22 emission reduction credits that new sources of pollution purchase
23 to offset the pollution resulting from their operations. Unused
24 emission reduction credits are stored by the San Joaquin Valley
25 Unified Air Pollution Control District in banks organized by
26 pollutant.

27 (e) In 2020, the State Air Resources Board discovered errors
28 that invalidated some of the credits within the banks for oxides of
29 nitrogen ~~(NO_x)~~ (NO_x), and volatile organic compounds (VOCs).
30 This caused the San Joaquin Valley Unified Air Pollution Control
31 District to fail the equivalency demonstrations for these two banks
32 and triggered the federal requirement that all credits in these two
33 banks be valued at the time of use.

1 (f) It is likely that a similar analysis of the ~~other three major~~
 2 ~~banks, which are for particulate matter below 10 microns (PM10),~~
 3 ~~carbon monoxide (CO), and oxides of sulfur (SOx), San Joaquin~~
 4 ~~Valley Unified Air Pollution Control District's other emission~~
 5 ~~reduction credit banks will reveal similar errors and should be~~
 6 reviewed.

7 SEC. 2. Section 40714 is added to the Health and Safety Code,
 8 to read:

9 40714. (a) The district shall revise its regulation adopted
 10 pursuant to Section 40709 to ~~require specify a time period by which~~
 11 ~~existing and future emission reduction credits in all banks to expire~~
 12 ~~after a time period that is equal to, or less than, the shortest~~
 13 ~~expiration period in effect as of January 1, 2024, for emission~~
 14 ~~reduction credits issued by any state or any other district. will~~
 15 ~~expire.~~

16 (b) The revision of the system made pursuant to subdivision (a)
 17 shall be subject to disapproval by the state board pursuant to
 18 Chapter 1 (commencing with Section 41500) of Part 4 within 60
 19 days after adoption by the district.

20 (c) For purposes of this section, “district” means the San Joaquin
 21 Valley Unified Air Pollution Control District.

22 SEC. 3. Section 40714.2 is added to the Health and Safety
 23 Code, to read:

24 40714.2. (a) (1) Except as provided in subdivision (c), the
 25 state board, building on the June 2020 report, shall conduct an
 26 analysis of *all of* the district’s emission reduction credit banks ~~for~~
 27 ~~particulate matter below 10 microns (PM10), carbon monoxide~~
 28 ~~(CO), and oxides of sulfur (SOx)~~ established pursuant to Section
 29 ~~40709~~ 40709, *other than the banks for oxides of nitrogen (NO_x)*
 30 *and volatile organic compounds (VOCs)*, to determine if any credits
 31 for those pollutants were issued in violation of state, local, or
 32 district laws, rules, regulations, or procedures in place at the time
 33 of original issuance. The analysis shall be completed no later than
 34 January 1, 2027.

35 (2) *For purposes of the analysis described in paragraph (1),*
 36 *the state board shall use the same statistical sampling methods*
 37 *used in the June 2020 report.*

38 (b) As part of the analysis conducted pursuant to subdivision
 39 (a), the state board shall ensure all of the following:

1 (1) An emission reduction credit issued in violation of state,
2 local, or district laws, rules, regulations, or procedures in place at
3 the time of original issuance shall be deemed invalid.

4 (2) If an emission reduction credit is deemed invalid pursuant
5 to paragraph (1), the credit shall be removed from the bank.

6 (3) If removal of credits from the banks for ~~particulate matter~~
7 ~~below 10 microns (PM10), carbon monoxide (CO), or oxides of~~
8 ~~sulfur (SO_x)~~ *the pollutants analyzed pursuant to subdivision (a)*
9 *leads, or would have led, to failing an equivalency demonstration*
10 *for any of these banks, current and future credits in the bank or*
11 *banks with the failed equivalency demonstration shall be valued*
12 *at the time of use.*

13 (c) The state board is not required to conduct the analysis
14 described in subdivision (a) ~~if it for a particular pollutant if the~~
15 ~~state board~~ *requires the district to value at the time of use all*
16 *current and future emission reduction credits in the banks bank*
17 *established pursuant to Section 40709 for particulate matter below*
18 *10 microns (PM10), carbon monoxide (CO), and oxides of sulfur*
19 *(SO_x). that pollutant.*

20 (d) (1) The state board shall conduct a stationary source
21 analysis for all permits in the district that use a credit for oxides
22 of nitrogen (NO_x) (NO_x), or volatile organic compounds (VOCs).
23 ~~The review shall identify~~ *analysis shall include information on*
24 *the permit issued, including, but not limited to, all of the following:*

25 (1) ~~The amount and source of emissions of oxides of nitrogen~~
26 ~~(NO_x) and volatile organic compounds (VOCs).~~

27 (2) ~~The type of pollution control equipment currently being~~
28 ~~used at each source.~~

29 (3) ~~The emission reduction opportunities at each source,~~
30 ~~including the availability of a retrofit using best available retrofit~~
31 ~~control technology, and the cost.~~

32 (A) *Permit applicant information.*

33 (B) *Facility name and reduction site location information for*
34 *all relevant credits.*

35 (C) *Estimated permitted emissions by type and quantity.*

36 (D) *Any best available control technology, best available retrofit*
37 *control technology, or other emissions control measures identified*
38 *as a requirement of the permit.*

39 (2) *If removal of credits from the banks for the pollutants*
40 *analyzed pursuant to subdivision (a) leads, or would have led, to*

1 *failing an equivalency demonstration pursuant to paragraph (3)*
2 *of subdivision (b), the state board shall conduct a stationary source*
3 *analysis pursuant to paragraph (1) for all permits in the district*
4 *that use a credit for the pollutant with the failed equivalency*
5 *demonstration.*

6 (e) (1) Upon completion of the analyses pursuant to subdivision
7 (a) and subdivision (d), the state board shall submit a report to the
8 Legislature summarizing the results of the analyses.

9 (2) The report to be submitted pursuant to this subdivision shall
10 be submitted in compliance with Section 9795 of the Government
11 Code.

12 (f) For purposes of this section, the following definitions apply:

13 (1) “June 2020 report” means the report published by the state
14 board on June 4, 2020, reviewing the district’s emission reduction
15 credit system.

16 (2) “District” means the San Joaquin Valley Unified Air
17 Pollution Control District.

18 SEC. 4. The Legislature finds and declares that a special statute
19 is necessary and that a general statute cannot be made applicable
20 within the meaning of Section 16 of Article IV of the California
21 Constitution because of the unique need to address air pollution
22 and environmental injustices in the San Joaquin Valley Air Basin.

23 SEC. 5. No reimbursement is required by this act pursuant to
24 Section 6 of Article XIII B of the California Constitution because
25 a local agency or school district has the authority to levy service
26 charges, fees, or assessments sufficient to pay for the program or
27 level of service mandated by this act, within the meaning of Section
28 17556 of the Government Code.

ATTACHMENT 2C

South Coast Air Quality Management District
Legislative Analysis Summary – SB 310 (Dodd)
Version: Amended – 4/12/23
Analyst: DPG/PC

SB 310 (Dodd)

Prescribed fire: civil liability: cultural burns.

Summary: This bill would:

- 1) Authorize the California Natural Resources Agency (CNRA) Secretary, with concurrence of the Secretary of the California Environmental Protection Agency (CalEPA), to enter into agreements with certain California Native American Tribes to waive certain state and local permitting or regulatory requirements for cultural burns, including air district requirements, and
- 2) Expand the definition of burn boss for purposes of the qualified immunity provided for prescribed burning in California.

Background: Cultural burns, also described as prescribed fires, are a highly effective tool in reducing wildfire risk. The air districts recognize this and are supporting its use by implementing programs and engaging in discussions that expand the use of prescribed fire on the state’s natural and working lands. Per CAPCOA, air districts generally approved most requested prescribed burns and through coordination with CalFire, Federal Land Managers, and tribes, are taking steps to streamline the permitting process through outreach and training.

While prescribed fire is a beneficial activity, it must be implemented carefully and judiciously so that its use does not cause adverse impacts on public health or safety. The air districts, in partnership with the California Air Resources Board (CARB), CalFire, Federal Land Managers, tribes, and others work closely to ensure that emissions from prescribed fires do not significantly impact downwind communities. The permitting process considers factors provided by tribal, federal and state land managers which include meteorological conditions, type of vegetation to be treated, estimated emissions, topography, fire suppression techniques and location to the nearest population centers. Proper safeguards must be implemented to avoid adverse health and safety impacts.

Status: 5/18/23 – Passed Senate Appropriations. Read second time. Ordered to third reading.

Specific Provisions: Specifically, this bill would:

- Expand the definition of “burn boss” to match the definition in the Prescribed Fire Liability Pilot Program.
- Redefine “cultural fire practitioner” to mean a person recognized by a California Native American tribe or tribal organization with substantial experience in burning to meet cultural goals or objectives.

- Authorize the CNRA Secretary, only with concurrence of the CalEPA Secretary, to enter into agreements with federally recognized California Native American tribes that waive compliance with specified state and local permitting or regulatory requirements for cultural burns, including air district requirements.
- Require the CNRA Secretary, to convene a cultural burn working group consisting of, but not limited to, the Secretary, the CalEPA Secretary, CARB, the State Water Resources Control Board, the Department of Fish and Wildlife, the Department of Forestry and Fire Protection, the Department of Parks and Recreation, the California Coastal Commission, California Native American tribes, and local governments, with the goal of determining a framework to enable conditions conducive to cultural burning.
- On or before January 1, 2025, the working group shall report to the Legislature on the findings of the workgroup.
- Clarify that it does not provide authorization to enter or burn property without the permission of the landowner.
- Provide that the provisions relating to agreements to waive compliance and the working group shall sunset on January 1, 2029.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: Out of respect for tribal sovereignty and in compliance with the US Constitution, air districts do not require Native American tribes to obtain permits when practicing cultural burns on federally recognized trust lands as defined in 25 USC 2201. Unfortunately, SB 310 would allow cultural burns to be carried out anywhere in the state without regard to the above outlined safety measures. Additionally, there is no standardized system to document tribal membership. Each tribe has its own standards and maintains its own list which is not available for access by state and local governments. As a result, there is no existing system to document who is a “tribal member” for purposes of this legislation.

Further, SB 310 would override local government’s ability to protect public health and safety by shifting authority for making burn decisions to the state. Burn decisions are made using highly localized data often in real time, and without this data, prescribed burn decisions will be based on incomplete knowledge of local conditions which will either slow the ability to implement prescribed fire, or risk jeopardizing public health and safety. CAPCOA is concerned that SB 310 may allow significant expansion of cultural burning without the safeguards described above, resulting in adverse public health impacts and the danger for a cultural burn to escape control.

Recommended Amendments: Consequently, staff recommends that this bill be amended to:

- 1) Clarify that areas exempted from permitting and regulatory requirements are limited to federal trust land as defined in 25 USC 2201 or other appropriate federal code; and
- 2) Require that cultural burn practitioners continue to ensure that public health and safety is protected by working with local air districts through the permitting process and allowing burn decisions to continue to be made at the local level.

Recommended Position: OPPOSE UNLESS AMENDED

SUPPORT:

Karuk Tribe (sponsor)
California Farm Bureau Federation
California Native Plant Society
Defenders of Wildlife
Humboldt Redwood Company
Mendocino Redwood Company
Midpeninsula Regional Open Space District
Pacific Forest Trust
Salmon River Restoration Council
Sierra Forest Legacy
The Watershed Research and Training Center

OPPOSITION:

CAPCOA – (Oppose Unless Amended)

ATTACHMENT 2D

AMENDED IN SENATE APRIL 12, 2023

AMENDED IN SENATE MARCH 30, 2023

SENATE BILL

No. 310

Introduced by Senator Dodd

February 6, 2023

An act to amend Section 3333.8 of the Civil Code, and to amend Sections 4002.4 and 4002.6 of, and to add *and repeal* Article 4.5 (commencing with Section 4505) *to* of Chapter 7 of Part 2 of Division 4 of, the Public Resources Code, relating to fire prevention.

LEGISLATIVE COUNSEL'S DIGEST

SB 310, as amended, Dodd. Prescribed fire: civil liability: cultural burns.

Existing law provides that no person shall be liable for any fire suppression or other costs otherwise recoverable for a prescribed burn if specified conditions are met, including, among others, a burn boss, as certified through a certification program developed by the State Fire Marshal, has reviewed and approved a written prescription for the burn, the burn complies with that written prescription, and either the landowner has provided written permission or the governing body of a Native American tribe has given approval, as provided. Existing law exempts cultural burns conducted by a cultural fire practitioner from those requirements that a person certified as a burn boss review and approve a written prescription and that the burn be conducted in compliance with the written prescription. Existing law defines cultural burn and cultural fire practitioner, as provided.

This bill would revise and recast those provisions by, among other things, expanding the definition of burn boss to also include a person qualified for specified positions through the National Wildfire

Coordinating Group, as provided, and limiting the tribal approval condition to the approval of the governing body of a California Native American tribe. The bill would also revise and recast the definitions of cultural burn and cultural fire practitioner by, among other things, specifying that the definitions only apply to California Native American tribes.

Existing law imposes various permitting requirements and prohibitions related to prescribed burns, as provided.

This bill would authorize the Secretary of the Natural Resources Agency to enter into agreements with *federally recognized* California Native American tribes in support of tribal sovereignty with respect to cultural burning. The bill would provide that, in deference to tribal sovereignty, the secretary may ~~agree~~ *agree, with regard to cultural burning*, that compliance with *specified* state permitting or regulatory requirements ~~relating to burning, as provided~~, is not required. *In order to support those agreements, the bill would also require the secretary to convene a cultural burn working group consisting of state agencies, California Native American tribes, and local governments, with the goal of determining a framework to enable conditions conducive to cultural burning. The bill would require the working group to report its findings to the Legislature on or before January 1, 2025. The bill would repeal these provisions on January 1, 2029.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3333.8 of the Civil Code is amended to
2 read:
3 3333.8. (a) The Legislature finds and declares that in order to
4 meet fuel management goals, the state must rely on private entities
5 to engage in prescribed burning for public benefit.
6 (b) Notwithstanding Sections 13009 and 13009.1 of the Health
7 and Safety Code, no person shall be liable for any fire suppression
8 or other costs otherwise recoverable pursuant to Section 13009 or
9 13009.1 of the Health and Safety Code resulting from a prescribed
10 burn if all of the following conditions are met:
11 (1) The purpose of the burn is for wildland fire hazard reduction,
12 ecological maintenance and restoration, cultural burning,
13 silviculture, or agriculture.

1 (2) A burn boss, as defined in paragraph (1) of subdivision (a)
2 of Section 4500 of the Public Resources Code, has reviewed and
3 approved a written prescription for the burn that includes adequate
4 risk mitigation measures.

5 (3) The burn is conducted in compliance with the written
6 prescription.

7 (4) The burn is authorized pursuant to Chapter 6 (commencing
8 with Section 4411) or Chapter 7 (commencing with Section 4461)
9 of Part 2 of Division 4 of the Public Resources Code.

10 (5) The burner has a landowner's written permission or the
11 approval of the governing body of a California Native American
12 tribe to burn.

13 (6) The burn is conducted in compliance with any air quality
14 permit required pursuant to Article 3 (commencing with Section
15 41850) of Chapter 3 of Part 4 of Division 26 of the Health and
16 Safety Code.

17 (7) Cultural burns conducted by a cultural fire practitioner are
18 exempt from paragraphs (2) and (3).

19 (c) This section shall not be construed to grant immunity from
20 fire suppression or other costs otherwise recoverable pursuant to
21 Section 13009 or 13009.1 of the Health and Safety Code to any
22 person whose conduct constitutes gross negligence.

23 (d) Nothing in this section affects the ability of a private or
24 public entity plaintiff to bring a civil action against any defendant.

25 (e) "Cultural burn" means the intentional application of fire to
26 land by California Native American tribes, tribal organizations,
27 or cultural fire practitioners to achieve cultural goals or objectives,
28 including sustenance, ceremonial activities, biodiversity, or other
29 benefits.

30 (f) "Cultural fire practitioner" means a person recognized by a
31 California Native American tribe or tribal organization with
32 substantial experience in burning to meet cultural goals or
33 objectives, including sustenance, ceremonial activities, biodiversity,
34 or other benefits.

35 SEC. 2. Section 4002.4 of the Public Resources Code is
36 amended to read:

37 4002.4. "Cultural burn" or "cultural burning" means the
38 intentional application of fire to land by California Native
39 American tribes, tribal organizations, or cultural fire practitioners

1 to achieve cultural goals or objectives, including for sustenance,
2 ceremonial activities, biodiversity, or other benefits.

3 SEC. 3. Section 4002.6 of the Public Resources Code is
4 amended to read:

5 4002.6. “Cultural fire practitioner” means a person recognized
6 by a California Native American tribe or tribal organization with
7 substantial experience in burning to meet cultural goals or
8 objectives, including for sustenance, ceremonial activities,
9 biodiversity, or other benefits.

10 SEC. 4. Article 4.5 (commencing with Section 4505) is added
11 to Chapter 7 of Part 2 of Division 4 of the Public Resources Code,
12 to read:

13
14 Article 4.5. Tribal Sovereignty with Respect to Cultural Burning

15
16 4505. (a) The Legislature finds and declares that *federally*
17 *recognized* California Native American tribes retain sovereignty
18 with respect to cultural burning within their ancestral territories.

19 (b) (1) The Secretary of the Natural Resources Agency may
20 enter into agreements with *federally recognized* California Native
21 American tribes in support of tribal sovereignty with respect to
22 cultural burning. In deference to tribal sovereignty, the secretary
23 may ~~agree~~ *agree, with regard to cultural burning*, that compliance
24 with ~~the state permitting or regulatory requirements relating to~~
25 ~~burning is not required. These requirements include, but are not~~
26 ~~limited to, those in Article 3 (commencing with Section 4491) of~~
27 ~~this chapter, chapter and Article 3 (commencing with Section~~
28 ~~41850) of Chapter 3 of Part 4 of Division 26 of the Health and~~
29 ~~Safety Code, and the related restrictions for burning under permit~~
30 ~~in Article 2 (commencing with Section 4421) of Chapter 6 of this~~
31 ~~part. Code is not required.~~

32 (2) *The Secretary of the Natural Resources Agency may enter*
33 *into an agreement with a federally recognized California Native*
34 *American tribe related to Article 3 (commencing with Section*
35 *41850) of Chapter 3 of Part 4 of Division 26 of the Health and*
36 *Safety Code only with the concurrence of the Secretary of the*
37 *California Environmental Protection Agency.*

38 (c) *Nothing in this section provides authorization to enter or*
39 *burn property without the permission of the landowner.*

1 *(d) In order to support the agreements described in subdivision*
2 *(b), the Secretary of the Natural Resources Agency shall convene*
3 *a cultural burn working group consisting of, but not limited to,*
4 *the Secretary of the Natural Resources Agency, the Secretary of*
5 *the California Environmental Protection Agency, the State Air*
6 *Resources Board, the State Water Resources Control Board, the*
7 *Department of Fish and Wildlife, the Department of Forestry and*
8 *Fire Protection, the Department of Parks and Recreation, the*
9 *California Coastal Commission, California Native American tribes,*
10 *and local governments, with the goal of determining a framework*
11 *to enable conditions conducive to cultural burning. On or before*
12 *January 1, 2025, the cultural burn working group shall report to*
13 *the Legislature on the findings of the workgroup, in compliance*
14 *with Section 9795 of the Government Code.*

15 ~~(e)~~

16 *(e) For purposes of this article, “ancestral territory” means the*
17 *area over which a California Native American tribe exercises*
18 *jurisdiction pursuant to its constitution.*

19 *(f) This article shall remain in effect only until January 1, 2029,*
20 *and as of that date is repealed.*

ATTACHMENT 2E

South Coast Air Quality Management District
Legislative Analysis Summary – SB 410 (Becker)
Version: Amended – 5/18/23
Analyst: DPG

SB 410 (Becker) Powering Up Californians Act.

Summary: This bill would require the California Public Utilities Commission (PUC) to establish by September 30, 2024, reasonable average and maximum target energization time periods in order to connect new customers and upgrade the service of existing customers to the electrical grid. This bill also requires reporting by electrical corporations and authorizes specified annual cost-recovery, subject to a cap.

Background: Existing law establishes and vests the PUC with regulatory authority over public utilities, including electrical corporations. It also requires the State Energy Resources Conservation and Development Commission (CEC), in collaboration with CARB, the PUC, and others, to annually gather fleet data for on-road and off-road vehicles in the medium- and heavy-duty sectors and share that data with electrical corporations to inform electrical grid plans. Existing law requires electrical corporations, as part of distribution planning, to consider fleet data to facilitate the readiness of their distribution systems in support of the state’s anticipated level of electric vehicle charging.

Status: 5/25/23 - In Assembly. Read first time. Held at Desk.

Specific Provisions: This bill, on or before September 30, 2024, would require the PUC to:

- 1) Establish reasonable, average and maximum target energization time periods. The targets may vary depending on the complexity and magnitude of the work required and project readiness. The targets may also recognize any factors beyond the electrical corporation’s control.
- 2) Establish requirements for an electrical corporation to report performance which shall include the time between receiving an application for energizing the electrical service, explanations for periods that exceed the target maximum, constraints, and obstacles such as funding limitations, qualified staffing, equipment availability, and any other required information.
- 3) Make all reports publicly available.
- 4) Ensure that electrical corporations have sufficient and timely recovery of costs, including for emergent electrification projects.

This bill would also require electrical corporations to:

- 1) Include, in a rate case application, a detailed analysis of staffing levels required for each job classification.
- 2) Consider including the following in its annual distribution planning process:
 - a. Federal, state, regional, and local air quality and decarbonization standards, plans, and regulations.
 - b. The state’s transportation and building electrification policies.

- c. State agency, local agency, and local government plans and requirements related to transportation and building electrification.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: It is the policy of the state to reach carbon neutrality no later than 2045 and to maintain net negative emissions of greenhouse gases after 2045. To meet those goals, the state’s electrical distribution systems must be substantially upgraded, new customers must promptly connect to the electrical distribution system and existing customers must have their service level promptly upgraded. This bill would require the PUC to improve electrical corporations' ability to be informed of increases needed in distribution system capacity, establish time periods for energization projects, and provide for project cost recovery from ratepayers. It also holds electrical corporations accountable to plan, hire, and build the grid necessary to comply with federal and state law.

This bill is consistent with South Coast AQMD’s clean energy goals and would facilitate the expansion of EV infrastructure needed to increase the use of zero emission vehicles throughout the South Coast region.

Recommended Position: SUPPORT

SUPPORT:

Coalition of California Utility Employees (sponsor)
California State Association of Electrical Workers
City of San Jose
Elders Climate Action, NorCal and SoCal chapters
Rural County Representatives of California (RCRC)
Sonoma Clean Power
Volvo Group North America (Volvo Group)

OPPOSITION:

N/A

ATTACHMENT 2F

AMENDED IN SENATE MAY 18, 2023

AMENDED IN SENATE MAY 2, 2023

AMENDED IN SENATE MARCH 14, 2023

SENATE BILL

No. 410

Introduced by Senator Becker

February 9, 2023

An act to add Article 14 (commencing with Section 930) to Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 410, as amended, Becker. Powering Up Californians Act.

Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law requires the State Energy Resources Conservation and Development Commission, in collaboration with the State Air Resources Board, the PUC, and other relevant stakeholders, to annually gather from state agencies, as provided, specified entities' fleet data for on-road and off-road vehicles in the medium- and heavy-duty sectors and share that data with electrical corporations to help inform electrical grid planning efforts, as specified. Existing law requires electrical corporations, as part of their distribution planning processes, to consider that produced fleet data, and other available data, to facilitate the readiness of their distribution systems to support the state's anticipated level of electric vehicle charging, as specified.

This bill, the Powering Up Californians Act, ~~would require the PUC to establish a working group on or before March 1, 2024, as provided, to, among other things, propose processes that would improve the ability~~

~~of electrical corporations to be informed well in advance of needed increases in distribution system capacity for future housing developments, building electrification, electric vehicle charging infrastructure, and other activities that require increased distribution system capacity. The bill would require the PUC to establish, on or before September 30, 2024, reasonable average and maximum target energization time periods, as defined, and certain reporting requirements so that electrical corporation performance can be tracked and improved, as provided. The bill would require the PUC to require the electrical corporation to take any remedial actions necessary to achieve the PUC's targets and would require all reports to be publicly available, among other reporting requirements.~~

The bill would require, as part of each report and in each general rate case application, each electrical corporation to include a detailed analysis of its current qualified staffing level and future required qualified staffing level for each job classification, as specified, among other requirements related to staffing and apprentice training. ~~The bill would~~ *would, among other requirements placed on electrical corporations,* ~~require each electrical corporation's~~ *an electrical corporation to consider, in its annual evaluation and planning for distribution circuit upgrade needs to consider the transportation and building electrification policies of state law, and state agency, local agency, and local government plans and requirements related to transportation and building electrification. distribution planning process, certain standards, plans, regulations, policies, and requirements.* The bill would require the commission to ensure that electrical corporations have sufficient and timely recovery of costs, as specified. If requested by the electrical corporation, the bill would require the commission to authorize the use of a one-way balancing account mechanism or other mechanism that, among other things, authorizes electrical corporations to track costs for energization projects ~~more frequently than the 4-year general rate case cycle.~~ *that exceed those included in the electrical corporation's annual authorized revenue requirement for energization, as specified.*

Under the Public Utilities Act, a violation of an order, decision, rule, direction, demand, or requirement of the commission is a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 14 (commencing with Section 930) is
2 added to Chapter 4 of Part 1 of Division 1 of the Public Utilities
3 Code, to read:

4
5 Article 14. Powering Up Californians
6

7 930. This act shall be known, and may be cited, as the Powering
8 Up Californians Act.

9 931. For purposes of this article, the following definitions
10 apply:

11 (a) “Electrification” means any new, expanded, or change in
12 use of electricity related to the policies described in Section 933,
13 including, but not limited to, in the industrial, commercial,
14 agricultural, housing, or transportation sectors.

15 (b) “Energization” and “energize” mean connecting new
16 customers to the electrical distribution *or transmission* grid,
17 establishing adequate electrical distribution capacity to provide
18 service for a new customer, or upgrading electrical distribution *or*
19 *transmission* capacity to provide upgraded service to an existing
20 customer. “Energization” and “energize” do not include activities
21 related to connecting electricity supply resources.

22 (c) “Energization time period” means the elapsed time beginning
23 when the electrical corporation receives a substantially complete
24 energization project application and ending when the electric
25 service is installed and energized.

26 932. The Legislature finds and declares all of the following:

27 (a) It is the policy of the state to reach carbon neutrality no later
28 than 2045 and to maintain net negative emissions of greenhouse
29 gases after 2045. To meet these ~~goals~~, *goals and federal, state,*
30 *regional, and local air quality and decarbonization standards,*
31 *plans, and regulations*, projections from the commission and the
32 Energy Commission show the need for a large increase in both the
33 quantity of electricity used and the functions for which electricity
34 will be used.

1 (b) To meet these decarbonization ~~goals~~, *goals and federal,*
2 *state, regional, and local air quality and decarbonization*
3 *standards, plans, and regulations*, the state's electrical distribution
4 systems must be substantially upgraded, new customers must
5 promptly connect to the electrical distribution system and existing
6 customers must have their service level promptly upgraded.

7 (c) There are many reports of large housing developments that
8 are unable to be promptly energized. California has an urgent need
9 to increase its supply of housing, requiring both new electrical
10 distribution capacity and the prompt energization of new housing.

11 (d) There are many reports of individual customers who are
12 unable to have their electrical service promptly upgraded *or*
13 *energized* and ~~electric vehicle~~ charging stations *for light-duty,*
14 *medium-duty, and heavy-duty vehicles and off-road vehicles,*
15 *vessels, trains, and equipment* that are unable to be promptly
16 energized. These delays may inhibit the state's ability to meet its
17 decarbonization ~~goals~~: *goals and federal, state, regional, and local*
18 *air quality and decarbonization standards, plans, and regulations.*

19 (e) To improve the speed at which energization and service
20 upgrades are performed, electrical corporations that distribute
21 electricity must improve their advance planning, engineering, and
22 construction of increased distribution system capacity.

23 (f) Electrifying transportation and buildings may put downward
24 pressure on rates by spreading fixed costs over more kilowatthours
25 of usage.

26 (g) Delays in energization, including service upgrades, are costly
27 both to the customers awaiting service and to other customers
28 deprived of the downward pressure on rates.

29 (h) To carry out the planning, engineering, and construction of
30 electrical distribution systems needed to promptly serve customers,
31 electrical corporations that distribute electricity must recruit, train,
32 and retain an adequately sized, qualified workforce.

33 (i) The commission should establish target deadlines for utilities
34 that distribute electricity to energize new customers and upgrade
35 the service of existing customers.

36 (j) The commission should establish reporting requirements for
37 electrical corporations that distribute electricity to report the extent
38 to which they comply with the target deadlines and the reasons for
39 their noncompliance.

1 933. It is the policy of the state that electrical corporations do
2 all of the following:

3 (a) Upgrade the state’s electrical distribution systems as needed
4 and in time to achieve the state’s decarbonization goals and
5 ~~implement state agency plans to meet those goals: federal, state,~~
6 ~~regional, and local air quality and decarbonization standards,~~
7 ~~plans, and regulations.~~

8 (b) Conduct sufficient advance planning, engineering, and
9 construction of increased distribution system capacity so that
10 customers can be energized without substantial delay.

11 (c) Promptly energize new customers, including by ensuring
12 that new housing, new businesses, and new ~~electric vehicle~~
13 ~~charging stations~~ *charging, including bidirectional charging, for*
14 *light-duty, medium-duty, and heavy-duty vehicles and off-road*
15 *vehicles, vessels, trains, and equipment* can be used without delay
16 caused by a failure of the utility to implement energization projects.

17 (d) Promptly upgrade service when requested by customers.

18 (e) Recruit, train, and retain an adequately sized and qualified
19 workforce to carry out the planning, engineering, and construction
20 of electrical distribution systems needed to promptly serve
21 customers seeking energization and service upgrades without
22 sacrificing other necessary activities of the workforce.

23 ~~934. (a) On or before March 1, 2024, the commission shall~~
24 ~~establish a working group consisting of interested parties, including~~
25 ~~representatives of electrical corporations, labor organizations whose~~
26 ~~members engineer and construct energization projects, developers~~
27 ~~who submit applications for energization, and others with relevant~~
28 ~~expertise and experience to do all of the following:~~

29 ~~(1) Provide advice regarding the development of the~~
30 ~~requirements described in subdivision (b).~~

31 ~~(2) Propose processes that would improve the ability of electrical~~
32 ~~corporations to be informed well in advance of needed increases~~
33 ~~in distribution system capacity for future housing developments,~~
34 ~~building electrification, electric vehicle charging infrastructure,~~
35 ~~and other activities that require increased distribution system~~
36 ~~capacity.~~

37 ~~(3) Explore options and opportunities to reduce energization~~
38 ~~time periods.~~

39 ~~(b)~~

1 934. (a) On or before September 30, 2024, the commission
2 shall do both of the following:

3 (1) Establish reasonable average and maximum target
4 energization time periods. The targets shall ensure that work is
5 completed in a manner that minimizes delay in meeting the date
6 requested by the customer to the greatest extent possible and
7 prioritizes work in a manner consistent with Sections 932 and 933.
8 The targets may vary depending on the complexity and magnitude
9 of the work required and uncertainties regarding the readiness of
10 the customer project needing energization. The targets may also
11 recognize any factors beyond the electrical corporation's control.

12 (2) Establish requirements for ~~a~~ *an* electrical corporation to
13 report to the commission, at least annually, so that electrical
14 corporation performance can be tracked and improved. Electrical
15 corporation reporting shall include the average, median, and
16 standard deviation time between receiving an application for
17 energizing the electrical service, explanations for energization time
18 periods that exceed the target maximum for energization projects,
19 constraints and obstacles to each type of energization such as
20 funding limitations, qualified staffing availability, or equipment
21 availability, and any other information required by the commission.

22 ~~(e)~~

23 (b) If energization time periods exceed the commission's target
24 averages or if the electrical corporation has a substantial number
25 of energization projects that exceed the commission's target
26 maximums, the electrical corporation shall include in its report
27 pursuant to paragraph (2) of subdivision ~~(b)~~ (a) a strategy for
28 meeting the targets in the future.

29 ~~(d)~~

30 (c) Electrical corporations shall report anonymized or averaged
31 data to the extent necessary to prevent identifying individual
32 customers. The commission shall require all reports to be publicly
33 available.

34 ~~(e)~~

35 (d) The commission shall require the electrical corporation to
36 take any remedial actions necessary to achieve the commission's
37 targets.

38 935. (a) As part of each report required pursuant to paragraph
39 (2) of subdivision ~~(b)~~ (a) of Section 934, and in each general rate
40 case application, each electrical corporation shall include a detailed

1 analysis of its current qualified staffing level and future required
2 qualified staffing level for each job classification needed to be
3 consistent with the findings and achieve the policies and
4 requirements of this article.

5 (b) The commission shall require each electrical corporation to
6 have adequate qualified staffing needed to be consistent with the
7 findings and achieve the policies and requirements of this article.

8 (c) For job classifications that have apprentice training
9 requirements, the commission shall require each electrical
10 corporation to maintain a pipeline of apprentices sufficient to meet
11 future qualified staffing needs, subject to any limitations based on
12 safe staffing ratios.

13 936. In addition to the requirements of Section 740.21, the
14 commission shall require ~~each electrical corporation's annual~~
15 ~~evaluation and planning for distribution circuit upgrade needs to~~
16 ~~consider the~~ *an electrical corporation to do both of the following:*

17 (a) *Consider, in its annual distribution planning process, all of*
18 *the following:*

19 (1) *Federal, state, regional, and local air quality and*
20 *decarbonization standards, plans, and regulations.*

21 (2) *The transportation and building electrification policies of*
22 *state law, and state law.*

23 (3) *State agency, local agency, and local government plans and*
24 *requirements related to transportation and building electrification.*

25 (b) *Adopt and implement plans to meet the energization time*
26 *periods established pursuant to paragraph (1) of subdivision (a)*
27 *of Section 934.*

28 937. (a) The commission shall ensure that electrical
29 corporations have sufficient and timely recovery of costs to be
30 consistent with the findings and achieve the policies and
31 requirements of this article, including for emergent electrification
32 projects.

33 (b) If requested by the electrical corporation, the commission
34 shall authorize the use of a one-way balancing account mechanism
35 or other mechanism that does all of the following:

36 (1) ~~Authorizes electrical corporations to track costs for~~
37 ~~energization projects on a more frequent basis than solely the~~
38 ~~four-year general rate case cycle. that exceed those included in the~~
39 *electrical corporation's annual authorized revenue requirement*

1 *for energization, as established in the electrical corporation's*
2 *general rate case.*

3 (2) Requires the commission to establish an annual cap on the
4 amount that each electrical corporation can ~~track~~ *recover* within
5 the ~~account that exceeds those included in the electrical~~
6 ~~corporation's annual authorized revenue requirement for~~
7 ~~energization, as established in the electrical corporation's general~~
8 ~~rate case.~~ *account.*

9 (3) Requires the commission to authorize the recovery of costs
10 tracked within the account *through an annual rate adjustment* if
11 the costs are just and reasonable. *The commission may authorize*
12 *annual recovery of costs subject to refund after it reviews the*
13 *reasonableness of costs in the general rate case or another*
14 *proceeding.*

15 (4) Requires only costs associated with energization to be
16 included in the account.

17 SEC. 2. No reimbursement is required by this act pursuant to
18 Section 6 of Article XIII B of the California Constitution because
19 the only costs that may be incurred by a local agency or school
20 district will be incurred because this act creates a new crime or
21 infraction, eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section 17556 of
23 the Government Code, or changes the definition of a crime within
24 the meaning of Section 6 of Article XIII B of the California
25 Constitution.

ATTACHMENT 2G

South Coast Air Quality Management District
Legislative Analysis Summary – SB 537 (Becker)
Version: As Amended on 4/24/23
Analyst: DPG/PC

SB 537 (Becker)

Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Summary: Allows, until January 1, 2028, a legislative body of a multijurisdictional, cross-county local agency to teleconference public meetings without having to fully notice and make publicly accessible each teleconference location, if at least a quorum of members participate from locations within the agency’s jurisdiction.

Background: Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use teleconferencing (emergency) provisions during a proclaimed state of emergency or public health event. The emergency provisions impose different requirements for notice, agenda, and public participation, as prescribed. Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction.

Status: 5/4/23 – Read second time. Ordered to third reading.

Specific Provisions: Specifically, this bill would until January 1, 2028:

- By an adopted authorizing resolution, allow appointed bodies of a multijurisdictional, cross-county agency to teleconference public meetings without having to fully notice or make publicly accessible every teleconference location, if a quorum of members participate from locations within the agency’s jurisdiction.
- Require a legislative body to provide a record of attendance and number of public comments on its internet website within seven days after a teleconference meeting.
- Require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from where each member will participate via teleconference.
 - The specific room or location within the publicly accessible building from which a member participates via teleconference is not required to be publicly accessible.
- Prohibit a member from participating remotely, unless the remote location is the member’s office or another location in a publicly accessible building and is more than 40 miles from the location of the in-person meeting.
- Define “eligible legislative body” to mean a board, commission, or advisory body of a multijurisdictional cross county agency, the membership of which board, commission, or advisory body is appointed.
- Define “multijurisdictional” to mean a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity.

- Expands the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: Revised Brown Act virtual meeting provisions have enabled local public entities to hold teleconferenced public meetings without the need to make all locations noticed and publicly accessible. The added flexibility has facilitated board members’ and the public’s ability to safely participate in public meetings and resulted in increased participation, while maintaining transparency. This particular bill would benefit South Coast AQMD and the residents living within its jurisdiction, particularly because of how geographically large the South Coast region is.

However, the distance requirement of 40 miles in the bill seems arbitrary and too far and would limit the effectiveness of the bill’s provisions. Thus, staff recommends that this distance be shortened to 20 miles, particularly because traffic conditions, especially in urban areas, can make even that distance extremely burdensome to attend a meeting in person.

Recommended Position: SUPPORT

Support:

Peninsula Clean Energy (Sponsor)
California Association of Councils of Governments (CALCOG)
City of Brisbane
City of Burlingame
City of San Bruno
City of San Carlos
City of San Mateo
League of California Cities
Los Angeles County Sanitation Districts
Menlo Park City Councilmember Betsy Nash
San Diego Community Power
Sonoma Clean Power
South San Francisco
Streets for All
Town of Atherton
Town of Colma

Opposition:

ACLU California Action
Cal Aware
California Broadcasters Association
California News Publishers Association

South Coast Air Quality Management District
Legislative Analysis Summary – SB 537 (Becker)
Version: As Amended on 4/24/23
Analyst: DPG/PC

First Amendment Coalition
Howard Jarvis Taxpayers Association (HJTA)
Leadership Council for Justice and Accountability

ATTACHMENT 2H

AMENDED IN SENATE APRIL 24, 2023

AMENDED IN SENATE MARCH 22, 2023

SENATE BILL

No. 537

Introduced by Senator Becker

February 14, 2023

An act to amend Section 54953 of, and to add *and repeal* Section 54953.4 to, of, the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 537, as amended, Becker. Open meetings:—~~local~~ *multijurisdictional, cross-county* agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements

(emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely.

This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

~~This~~

~~The bill would authorize certain legislative bodies the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require a the legislative body to provide a record of attendance and the number of public comments on its internet website within 7 days after a teleconference meeting, as specified. The bill would define "legislative body" for this purpose to mean a board, commission, or advisory body of a multijurisdictional cross county agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to the act. The bill would also define "multijurisdictional" to mean a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity. require at least a quorum of members of the legislative body to participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from each member will participate via teleconference. The bill would prohibit a~~

member from participating remotely pursuant to these provisions unless the remote location is the member's office or another location in a publicly accessible building and is more than 40 miles from the location of the inperson meeting. The bill would repeal these alternative teleconferencing provisions on January 1, 2028.

~~With respect to the alternative teleconferencing provisions operative until January 1, 2026, the bill would expand the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.~~

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 **SECTION 1.** *Section 54953 of the Government Code, as*
- 2 *amended by Section 1 of Chapter 285 of the Statutes of 2022, is*
- 3 *amended to read:*
- 4 54953. (a) All meetings of the legislative body of a local
- 5 agency shall be open and public, and all persons shall be permitted
- 6 to attend any meeting of the legislative body of a local agency,
- 7 except as otherwise provided in this chapter.
- 8 (b) (1) Notwithstanding any other provision of law, the
- 9 legislative body of a local agency may use teleconferencing for
- 10 the benefit of the public and the legislative body of a local agency

1 in connection with any meeting or proceeding authorized by law.
2 The teleconferenced meeting or proceeding shall comply with all
3 otherwise applicable requirements of this chapter and all otherwise
4 applicable provisions of law relating to a specific type of meeting
5 or proceeding.

6 (2) Teleconferencing, as authorized by this section, may be used
7 for all purposes in connection with any meeting within the subject
8 matter jurisdiction of the legislative body. If the legislative body
9 of a local agency elects to use teleconferencing, the legislative
10 body of a local agency shall comply with all of the following:

11 (A) All votes taken during a teleconferenced meeting shall be
12 by rollcall.

13 (B) The teleconferenced meetings shall be conducted in a
14 manner that protects the statutory and constitutional rights of the
15 parties or the public appearing before the legislative body of a
16 local agency.

17 (C) The legislative body shall give notice of the meeting and
18 post agendas as otherwise required by this chapter.

19 (D) The legislative body shall allow members of the public to
20 access the meeting and the agenda shall provide an opportunity
21 for members of the public to address the legislative body directly
22 pursuant to Section 54954.3.

23 (3) If the legislative body of a local agency elects to use
24 teleconferencing, it shall post agendas at all teleconference
25 locations. Each teleconference location shall be identified in the
26 notice and agenda of the meeting or proceeding, and each
27 teleconference location shall be accessible to the public. During
28 the teleconference, at least a quorum of the members of the
29 legislative body shall participate from locations within the
30 boundaries of the territory over which the local agency exercises
31 jurisdiction, except as provided in subdivisions (d) and (e).

32 (c) (1) No legislative body shall take action by secret ballot,
33 whether preliminary or final.

34 (2) The legislative body of a local agency shall publicly report
35 any action taken and the vote or abstention on that action of each
36 member present for the action.

37 (3) Prior to taking final action, the legislative body shall orally
38 report a summary of a recommendation for a final action on the
39 salaries, salary schedules, or compensation paid in the form of
40 fringe benefits of a local agency executive, as defined in

1 subdivision (d) of Section 3511.1, during the open meeting in
2 which the final action is to be taken. This paragraph shall not affect
3 the public's right under the California Public Records Act (Division
4 10 (commencing with Section 7920.000) of Title 1) to inspect or
5 copy records created or received in the process of developing the
6 recommendation.

7 (d) (1) Notwithstanding the provisions relating to a quorum in
8 paragraph (3) of subdivision (b), if a health authority conducts a
9 teleconference meeting, members who are outside the jurisdiction
10 of the authority may be counted toward the establishment of a
11 quorum when participating in the teleconference if at least 50
12 percent of the number of members that would establish a quorum
13 are present within the boundaries of the territory over which the
14 authority exercises jurisdiction, and the health authority provides
15 a teleconference number, and associated access codes, if any, that
16 allows any person to call in to participate in the meeting and the
17 number and access codes are identified in the notice and agenda
18 of the meeting.

19 (2) Nothing in this subdivision shall be construed as
20 discouraging health authority members from regularly meeting at
21 a common physical site within the jurisdiction of the authority or
22 from using teleconference locations within or near the jurisdiction
23 of the authority. A teleconference meeting for which a quorum is
24 established pursuant to this subdivision shall be subject to all other
25 requirements of this section.

26 (3) For purposes of this subdivision, a health authority means
27 any entity created pursuant to Sections 14018.7, 14087.31,
28 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
29 and Institutions Code, any joint powers authority created pursuant
30 to Article 1 (commencing with Section 6500) of Chapter 5 of
31 Division 7 for the purpose of contracting pursuant to Section
32 14087.3 of the Welfare and Institutions Code, and any advisory
33 committee to a county-sponsored health plan licensed pursuant to
34 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
35 Health and Safety Code if the advisory committee has 12 or more
36 members.

37 (e) (1) The legislative body of a local agency may use
38 teleconferencing without complying with the requirements of
39 paragraph (3) of subdivision (b) if the legislative body complies

1 with the requirements of paragraph (2) of this subdivision in any
2 of the following circumstances:

3 (A) The legislative body holds a meeting during a proclaimed
4 state of emergency, and state or local officials have imposed or
5 recommended measures to promote social distancing.

6 (B) The legislative body holds a meeting during a proclaimed
7 state of emergency for the purpose of determining, by majority
8 vote, whether as a result of the emergency, meeting in person
9 would present imminent risks to the health or safety of attendees.

10 (C) The legislative body holds a meeting during a proclaimed
11 state of emergency and has determined, by majority vote, pursuant
12 to subparagraph (B), that, as a result of the emergency, meeting
13 in person would present imminent risks to the health or safety of
14 attendees.

15 (2) A legislative body that holds a meeting pursuant to this
16 subdivision shall do all of the following:

17 (A) In each instance in which notice of the time of the
18 teleconferenced meeting is otherwise given or the agenda for the
19 meeting is otherwise posted, the legislative body shall also give
20 notice of the means by which members of the public may access
21 the meeting and offer public comment. The agenda shall identify
22 and include an opportunity for all persons to attend via a call-in
23 option or an internet-based service option.

24 (B) In the event of a disruption that prevents the legislative body
25 from broadcasting the meeting to members of the public using the
26 call-in option or internet-based service option, or in the event of
27 a disruption within the local agency's control that prevents
28 members of the public from offering public comments using the
29 call-in option or internet-based service option, the legislative body
30 shall take no further action on items appearing on the meeting
31 agenda until public access to the meeting via the call-in option or
32 internet-based service option is restored. Actions taken on agenda
33 items during a disruption that prevents the legislative body from
34 broadcasting the meeting may be challenged pursuant to Section
35 54960.1.

36 (C) The legislative body shall not require public comments to
37 be submitted in advance of the meeting and must provide an
38 opportunity for the public to address the legislative body and offer
39 comment in real time.

1 (D) Notwithstanding Section 54953.3, an individual desiring to
2 provide public comment through the use of an internet website, or
3 other online platform, not under the control of the local legislative
4 body, that requires registration to log in to a teleconference may
5 be required to register as required by the third-party internet
6 website or online platform to participate.

7 (E) (i) A legislative body that provides a timed public comment
8 period for each agenda item shall not close the public comment
9 period for the agenda item, or the opportunity to register, pursuant
10 to subparagraph (F), to provide public comment until that timed
11 public comment period has elapsed.

12 (ii) A legislative body that does not provide a timed public
13 comment period, but takes public comment separately on each
14 agenda item, shall allow a reasonable amount of time per agenda
15 item to allow public members the opportunity to provide public
16 comment, including time for members of the public to register
17 pursuant to subparagraph (F), or otherwise be recognized for the
18 purpose of providing public comment.

19 (iii) A legislative body that provides a timed general public
20 comment period that does not correspond to a specific agenda item
21 shall not close the public comment period or the opportunity to
22 register, pursuant to subparagraph (F), until the timed general
23 public comment period has elapsed.

24 (3) If a state of emergency remains active, or state or local
25 officials have imposed or recommended measures to promote
26 social distancing, in order to continue to teleconference without
27 compliance with paragraph (3) of subdivision (b), the legislative
28 body shall, not later than 30 days after teleconferencing for the
29 first time pursuant to subparagraph (A), (B), or (C) of paragraph
30 (1), and every 30 days thereafter, make the following findings by
31 majority vote:

32 (A) The legislative body has reconsidered the circumstances of
33 the state of emergency.

34 (B) Any of the following circumstances exist:

35 (i) The state of emergency continues to directly impact the
36 ability of the members to meet safely in person.

37 (ii) State or local officials continue to impose or recommend
38 measures to promote social distancing.

1 (4) This subdivision shall not be construed to require the
2 legislative body to provide a physical location from which the
3 public may attend or comment.

4 (f) (1) The legislative body of a local agency may use
5 teleconferencing without complying with paragraph (3) of
6 subdivision (b) if, during the teleconference meeting, at least a
7 quorum of the members of the legislative body participates in
8 person from a singular physical location clearly identified on the
9 agenda, which location shall be open to the public and situated
10 within the boundaries of the territory over which the local agency
11 exercises jurisdiction and the legislative body complies with all
12 of the following:

13 (A) The legislative body shall provide at least one of the
14 following as a means by which the public may remotely hear and
15 visually observe the meeting, and remotely address the legislative
16 body:

17 (i) A two-way audiovisual platform.

18 (ii) A two-way telephonic service and a live webcasting of the
19 meeting.

20 (B) In each instance in which notice of the time of the
21 teleconferenced meeting is otherwise given or the agenda for the
22 meeting is otherwise posted, the legislative body shall also give
23 notice of the means by which members of the public may access
24 the meeting and offer public comment.

25 (C) The agenda shall identify and include an opportunity for all
26 persons to attend and address the legislative body directly pursuant
27 to Section 54954.3 via a call-in option, via an internet-based service
28 option, and at the in-person location of the meeting.

29 (D) In the event of a disruption that prevents the legislative body
30 from broadcasting the meeting to members of the public using the
31 call-in option or internet-based service option, or in the event of
32 a disruption within the local agency's control that prevents
33 members of the public from offering public comments using the
34 call-in option or internet-based service option, the legislative body
35 shall take no further action on items appearing on the meeting
36 agenda until public access to the meeting via the call-in option or
37 internet-based service option is restored. Actions taken on agenda
38 items during a disruption that prevents the legislative body from
39 broadcasting the meeting may be challenged pursuant to Section
40 54960.1.

1 (E) The legislative body shall not require public comments to
2 be submitted in advance of the meeting and must provide an
3 opportunity for the public to address the legislative body and offer
4 comment in real time.

5 (F) Notwithstanding Section 54953.3, an individual desiring to
6 provide public comment through the use of an internet website, or
7 other online platform, not under the control of the local legislative
8 body, that requires registration to log in to a teleconference may
9 be required to register as required by the third-party internet
10 website or online platform to participate.

11 (2) A member of the legislative body shall only participate in
12 the meeting remotely pursuant to this subdivision, if all of the
13 following requirements are met:

14 (A) One of the following circumstances applies:

15 (i) The member notifies the legislative body at the earliest
16 opportunity possible, including at the start of a regular meeting,
17 of their need to participate remotely for just cause, including a
18 general description of the circumstances relating to their need to
19 appear remotely at the given meeting. The provisions of this clause
20 shall not be used by any member of the legislative body for more
21 than two meetings per calendar year.

22 (ii) The member requests the legislative body to allow them to
23 participate in the meeting remotely due to emergency circumstances
24 and the legislative body takes action to approve the request. The
25 legislative body shall request a general description of the
26 circumstances relating to their need to appear remotely at the given
27 meeting. A general description of an item generally need not exceed
28 20 words and shall not require the member to disclose any medical
29 diagnosis or disability, or any personal medical information that
30 is already exempt under existing law, such as the Confidentiality
31 of Medical Information Act (Chapter 1 (commencing with Section
32 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes
33 of this clause, the following requirements apply:

34 (I) A member shall make a request to participate remotely at a
35 meeting pursuant to this clause as soon as possible. The member
36 shall make a separate request for each meeting in which they seek
37 to participate remotely.

38 (II) The legislative body may take action on a request to
39 participate remotely at the earliest opportunity. If the request does
40 not allow sufficient time to place proposed action on such a request

1 on the posted agenda for the meeting for which the request is made,
2 the legislative body may take action at the beginning of the meeting
3 in accordance with paragraph (4) of subdivision (b) of Section
4 54954.2.

5 (B) The member shall publicly disclose at the meeting before
6 any action is taken, whether any other individuals 18 years of age
7 or older are present in the room at the remote location with the
8 member, and the general nature of the member's relationship with
9 any such individuals.

10 (C) The member shall participate through both audio and visual
11 technology.

12 (3) The provisions of this subdivision shall not serve as a means
13 for any member of a legislative body to participate in meetings of
14 the legislative body solely by teleconference from a remote location
15 for a period of more than three consecutive months or 20 percent
16 of the regular meetings for the local agency within a calendar year,
17 or more than two meetings if the legislative body regularly meets
18 fewer than 10 times per calendar year.

19 (g) The legislative body shall have and implement a procedure
20 for receiving and swiftly resolving requests for reasonable
21 accommodation for individuals with disabilities, consistent with
22 the federal Americans with Disabilities Act of 1990 (42 U.S.C.
23 Sec. 12132), and resolving any doubt in favor of accessibility. In
24 each instance in which notice of the time of the meeting is
25 otherwise given or the agenda for the meeting is otherwise posted,
26 the legislative body shall also give notice of the procedure for
27 receiving and resolving requests for accommodation.

28 (h) The legislative body shall conduct meetings subject to this
29 chapter consistent with applicable civil rights and
30 nondiscrimination laws.

31 (i) (1) Nothing in this section shall prohibit a legislative body
32 from providing the public with additional teleconference locations.

33 (2) Nothing in this section shall prohibit a legislative body from
34 providing members of the public with additional physical locations
35 in which the public may observe and address the legislative body
36 by electronic means.

37 (j) For the purposes of this section, the following definitions
38 shall apply:

1 (1) “Emergency circumstances” means a physical or family
2 medical emergency that prevents a member from attending in
3 person.

4 (2) “Just cause” means any of the following:

5 (A) A childcare or caregiving need of a child, parent,
6 grandparent, grandchild, sibling, spouse, or domestic partner that
7 requires them to participate remotely. “Child,” “parent,”
8 “grandparent,” “grandchild,” and “sibling” have the same meaning
9 as those terms do in Section 12945.2.

10 (B) A contagious illness that prevents a member from attending
11 in person.

12 (C) A need related to a physical or mental disability as defined
13 in Sections 12926 and 12926.1 not otherwise accommodated by
14 subdivision (g).

15 (D) Travel while on official business of the legislative body or
16 another state or local agency.

17 (E) *An immunocompromised child, parent, grandparent,*
18 *grandchild, sibling, spouse, or domestic partner that requires them*
19 *to participate remotely.*

20 (3) “Remote location” means a location from which a member
21 of a legislative body participates in a meeting pursuant to
22 subdivision (f), other than any physical meeting location designated
23 in the notice of the meeting. Remote locations need not be
24 accessible to the public.

25 (4) “Remote participation” means participation in a meeting by
26 teleconference at a location other than any physical meeting
27 location designated in the notice of the meeting. Watching or
28 listening to a meeting via webcasting or another similar electronic
29 medium that does not permit members to interactively hear,
30 discuss, or deliberate on matters, does not constitute remote
31 participation.

32 (5) “State of emergency” means a state of emergency proclaimed
33 pursuant to Section 8625 of the California Emergency Services
34 Act (Article 1 (commencing with Section 8550) of Chapter 7 of
35 Division 1 of Title 2).

36 (6) “Teleconference” means a meeting of a legislative body,
37 the members of which are in different locations, connected by
38 electronic means, through either audio or video, or both.

39 (7) “Two-way audiovisual platform” means an online platform
40 that provides participants with the ability to participate in a meeting

1 via both an interactive video conference and a two-way telephonic
2 function.

3 (8) “Two-way telephonic service” means a telephone service
4 that does not require internet access, is not provided as part of a
5 two-way audiovisual platform, and allows participants to dial a
6 telephone number to listen and verbally participate.

7 (9) “Webcasting” means a streaming video broadcast online or
8 on television, using streaming media technology to distribute a
9 single content source to many simultaneous listeners and viewers.

10 (k) This section shall remain in effect only until January 1, 2024,
11 and as of that date is repealed.

12 ~~SECTION 1.~~

13 *SEC. 2.* Section 54953 of the Government Code, as amended
14 by Section 2 of Chapter 285 of the Statutes of 2022, is amended
15 to read:

16 54953. (a) All meetings of the legislative body of a local
17 agency shall be open and public, and all persons shall be permitted
18 to attend any meeting of the legislative body of a local agency,
19 except as otherwise provided in this chapter.

20 (b) (1) Notwithstanding any other provision of law, the
21 legislative body of a local agency may use teleconferencing for
22 the benefit of the public and the legislative body of a local agency
23 in connection with any meeting or proceeding authorized by law.
24 The teleconferenced meeting or proceeding shall comply with all
25 otherwise applicable requirements of this chapter and all otherwise
26 applicable provisions of law relating to a specific type of meeting
27 or proceeding.

28 (2) Teleconferencing, as authorized by this section, may be used
29 for all purposes in connection with any meeting within the subject
30 matter jurisdiction of the legislative body. If the legislative body
31 of a local agency elects to use teleconferencing, the legislative
32 body of a local agency shall comply with all of the following:

33 (A) All votes taken during a teleconferenced meeting shall be
34 by rollcall.

35 (B) The teleconferenced meetings shall be conducted in a
36 manner that protects the statutory and constitutional rights of the
37 parties or the public appearing before the legislative body of a
38 local agency.

39 (C) The legislative body shall give notice of the meeting and
40 post agendas as otherwise required by this chapter.

1 (D) The legislative body shall allow members of the public to
2 access the meeting and the agenda shall provide an opportunity
3 for members of the public to address the legislative body directly
4 pursuant to Section 54954.3.

5 (3) If the legislative body of a local agency elects to use
6 teleconferencing, it shall post agendas at all teleconference
7 locations. Each teleconference location shall be identified in the
8 notice and agenda of the meeting or proceeding, and each
9 teleconference location shall be accessible to the public. During
10 the teleconference, at least a quorum of the members of the
11 legislative body shall participate from locations within the
12 boundaries of the territory over which the local agency exercises
13 jurisdiction, except as provided in subdivision (d).

14 (c) (1) No legislative body shall take action by secret ballot,
15 whether preliminary or final.

16 (2) The legislative body of a local agency shall publicly report
17 any action taken and the vote or abstention on that action of each
18 member present for the action.

19 (3) Prior to taking final action, the legislative body shall orally
20 report a summary of a recommendation for a final action on the
21 salaries, salary schedules, or compensation paid in the form of
22 fringe benefits of a local agency executive, as defined in
23 subdivision (d) of Section 3511.1, during the open meeting in
24 which the final action is to be taken. This paragraph shall not affect
25 the public's right under the California Public Records Act (Division
26 10 (commencing with Section 7920.000) of Title 1) to inspect or
27 copy records created or received in the process of developing the
28 recommendation.

29 (d) (1) Notwithstanding the provisions relating to a quorum in
30 paragraph (3) of subdivision (b), if a health authority conducts a
31 teleconference meeting, members who are outside the jurisdiction
32 of the authority may be counted toward the establishment of a
33 quorum when participating in the teleconference if at least 50
34 percent of the number of members that would establish a quorum
35 are present within the boundaries of the territory over which the
36 authority exercises jurisdiction, and the health authority provides
37 a teleconference number, and associated access codes, if any, that
38 allows any person to call in to participate in the meeting and the
39 number and access codes are identified in the notice and agenda
40 of the meeting.

1 (2) Nothing in this subdivision shall be construed as
2 discouraging health authority members from regularly meeting at
3 a common physical site within the jurisdiction of the authority or
4 from using teleconference locations within or near the jurisdiction
5 of the authority. A teleconference meeting for which a quorum is
6 established pursuant to this subdivision shall be subject to all other
7 requirements of this section.

8 (3) For purposes of this subdivision, a health authority means
9 any entity created pursuant to Sections 14018.7, 14087.31,
10 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
11 and Institutions Code, any joint powers authority created pursuant
12 to Article 1 (commencing with Section 6500) of Chapter 5 of
13 Division 7 for the purpose of contracting pursuant to Section
14 14087.3 of the Welfare and Institutions Code, and any advisory
15 committee to a county-sponsored health plan licensed pursuant to
16 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
17 Health and Safety Code if the advisory committee has 12 or more
18 members.

19 (e) (1) The legislative body of a local agency may use
20 teleconferencing without complying with paragraph (3) of
21 subdivision (b) if, during the teleconference meeting, at least a
22 quorum of the members of the legislative body participates in
23 person from a singular physical location clearly identified on the
24 agenda, which location shall be open to the public and situated
25 within the boundaries of the territory over which the local agency
26 exercises jurisdiction and the legislative body complies with all
27 of the following:

28 (A) The legislative body shall provide at least one of the
29 following as a means by which the public may remotely hear and
30 visually observe the meeting, and remotely address the legislative
31 body:

32 (i) A two-way audiovisual platform.

33 (ii) A two-way telephonic service and a live webcasting of the
34 meeting.

35 (B) In each instance in which notice of the time of the
36 teleconferenced meeting is otherwise given or the agenda for the
37 meeting is otherwise posted, the legislative body shall also give
38 notice of the means by which members of the public may access
39 the meeting and offer public comment.

1 (C) The agenda shall identify and include an opportunity for all
2 persons to attend and address the legislative body directly pursuant
3 to Section 54954.3 via a call-in option, via an internet-based service
4 option, and at the in-person location of the meeting.

5 (D) In the event of a disruption that prevents the legislative body
6 from broadcasting the meeting to members of the public using the
7 call-in option or internet-based service option, or in the event of
8 a disruption within the local agency's control that prevents
9 members of the public from offering public comments using the
10 call-in option or internet-based service option, the legislative body
11 shall take no further action on items appearing on the meeting
12 agenda until public access to the meeting via the call-in option or
13 internet-based service option is restored. Actions taken on agenda
14 items during a disruption that prevents the legislative body from
15 broadcasting the meeting may be challenged pursuant to Section
16 54960.1.

17 (E) The legislative body shall not require public comments to
18 be submitted in advance of the meeting and must provide an
19 opportunity for the public to address the legislative body and offer
20 comment in real time.

21 (F) Notwithstanding Section 54953.3, an individual desiring to
22 provide public comment through the use of an internet website, or
23 other online platform, not under the control of the local legislative
24 body, that requires registration to log in to a teleconference may
25 be required to register as required by the third-party internet
26 website or online platform to participate.

27 (2) A member of the legislative body shall only participate in
28 the meeting remotely pursuant to this subdivision, if all of the
29 following requirements are met:

30 (A) One of the following circumstances applies:

31 (i) The member notifies the legislative body at the earliest
32 opportunity possible, including at the start of a regular meeting,
33 of their need to participate remotely for just cause, including a
34 general description of the circumstances relating to their need to
35 appear remotely at the given meeting. The provisions of this clause
36 shall not be used by any member of the legislative body for more
37 than two meetings per calendar year.

38 (ii) The member requests the legislative body to allow them to
39 participate in the meeting remotely due to emergency circumstances
40 and the legislative body takes action to approve the request. The

1 legislative body shall request a general description of the
2 circumstances relating to their need to appear remotely at the given
3 meeting. A general description of an item generally need not exceed
4 20 words and shall not require the member to disclose any medical
5 diagnosis or disability, or any personal medical information that
6 is already exempt under existing law, such as the Confidentiality
7 of Medical Information Act (Chapter 1 (commencing with Section
8 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes
9 of this clause, the following requirements apply:

10 (I) A member shall make a request to participate remotely at a
11 meeting pursuant to this clause as soon as possible. The member
12 shall make a separate request for each meeting in which they seek
13 to participate remotely.

14 (II) The legislative body may take action on a request to
15 participate remotely at the earliest opportunity. If the request does
16 not allow sufficient time to place proposed action on such a request
17 on the posted agenda for the meeting for which the request is made,
18 the legislative body may take action at the beginning of the meeting
19 in accordance with paragraph (4) of subdivision (b) of Section
20 54954.2.

21 (B) The member shall publicly disclose at the meeting before
22 any action is taken whether any other individuals 18 years of age
23 or older are present in the room at the remote location with the
24 member, and the general nature of the member's relationship with
25 any such individuals.

26 (C) The member shall participate through both audio and visual
27 technology.

28 (3) The provisions of this subdivision shall not serve as a means
29 for any member of a legislative body to participate in meetings of
30 the legislative body solely by teleconference from a remote location
31 for a period of more than three consecutive months or 20 percent
32 of the regular meetings for the local agency within a calendar year,
33 or more than two meetings if the legislative body regularly meets
34 fewer than 10 times per calendar year.

35 (f) The legislative body shall have and implement a procedure
36 for receiving and swiftly resolving requests for reasonable
37 accommodation for individuals with disabilities, consistent with
38 the federal Americans with Disabilities Act of 1990 (42 U.S.C.
39 Sec. 12132), and resolving any doubt in favor of accessibility. In
40 each instance in which notice of the time of the meeting is

1 otherwise given or the agenda for the meeting is otherwise posted,
2 the legislative body shall also give notice of the procedure for
3 receiving and resolving requests for accommodation.

4 (g) The legislative body shall conduct meetings subject to this
5 chapter consistent with applicable civil rights and
6 nondiscrimination laws.

7 (h) (1) Nothing in this section shall prohibit a legislative body
8 from providing the public with additional teleconference locations.

9 (2) Nothing in this section shall prohibit a legislative body from
10 providing members of the public with additional physical locations
11 in which the public may observe and address the legislative body
12 by electronic means.

13 (i) For the purposes of this section, the following definitions
14 shall apply:

15 (1) “Emergency circumstances” means a physical or family
16 medical emergency that prevents a member from attending in
17 person.

18 (2) “Just cause” means any of the following:

19 (A) A childcare or caregiving need of a child, parent,
20 grandparent, grandchild, sibling, spouse, or domestic partner that
21 requires them to participate remotely. “Child,” “parent,”
22 “grandparent,” “grandchild,” and “sibling” have the same meaning
23 as those terms do in Section 12945.2.

24 (B) A contagious illness that prevents a member from attending
25 in person.

26 (C) A need related to a physical or mental disability as defined
27 in Sections 12926 and 12926.1 not otherwise accommodated by
28 subdivision (f).

29 (D) Travel while on official business of the legislative body or
30 another state or local agency.

31 (E) An immunocompromised child, parent, grandparent,
32 grandchild, sibling, spouse, or domestic partner that requires them
33 to participate remotely.

34 (3) “Remote location” means a location from which a member
35 of a legislative body participates in a meeting pursuant to
36 subdivision (e), other than any physical meeting location designated
37 in the notice of the meeting. Remote locations need not be
38 accessible to the public.

39 (4) “Remote participation” means participation in a meeting by
40 teleconference at a location other than any physical meeting

1 location designated in the notice of the meeting. Watching or
 2 listening to a meeting via webcasting or another similar electronic
 3 medium that does not permit members to interactively hear,
 4 discuss, or deliberate on matters, does not constitute remote
 5 participation.

6 (5) “Teleconference” means a meeting of a legislative body,
 7 the members of which are in different locations, connected by
 8 electronic means, through either audio or video, or both.

9 (6) “Two-way audiovisual platform” means an online platform
 10 that provides participants with the ability to participate in a meeting
 11 via both an interactive video conference and a two-way telephonic
 12 function.

13 (7) “Two-way telephonic service” means a telephone service
 14 that does not require internet access, is not provided as part of a
 15 two-way audiovisual platform, and allows participants to dial a
 16 telephone number to listen and verbally participate.

17 (8) “Webcasting” means a streaming video broadcast online or
 18 on television, using streaming media technology to distribute a
 19 single content source to many simultaneous listeners and viewers.

20 (j) This section shall become operative January 1, 2024, shall
 21 remain in effect only until January 1, 2026, and as of that date is
 22 repealed.

23 ~~SEC. 2.~~

24 SEC. 3. Section 54953.4 is added to the Government Code, to
 25 read:

26 54953.4. (a) ~~(1)~~ *For purposes of this section, the following*
 27 *definitions apply:*

28 (1) *“Eligible legislative body” means a board, commission, or*
 29 *advisory body of a multijurisdictional, cross-county agency, the*
 30 *membership of which board, commission, or advisory body is*
 31 *appointed and which board, commission, or advisory body is*
 32 *otherwise subject to this chapter.*

33 (2) *“Multijurisdictional” means a legislative body that includes*
 34 *representatives from more than one county, city, city and county,*
 35 *special district, or a joint powers entity formed pursuant to Article*
 36 *1 (commencing with Section 6500) of Chapter 5 of Division 7 of*
 37 *Title 1.*

38 (b) *An eligible legislative body included in subdivision (c) may*
 39 *use teleconferencing without complying with paragraph (3) of*

1 subdivision (b) of Section 54953 if the legislative body complies
2 with ~~paragraph (2)~~ of this section.

3 (c) *An eligible legislative body shall not use teleconferencing*
4 *pursuant to this section unless the eligible legislative body has*
5 *adopted a resolution that authorizes the eligible legislative body*
6 *to use teleconferencing at a regular meeting in open session.*

7 ~~(2) A~~

8 (d) *An eligible legislative body that holds a meeting pursuant*
9 *to this ~~subdivision shall do~~ section shall comply with all of the*
10 *following:*

11 ~~(A)~~

12 (1) *In each instance in which notice and posting of the time or*
13 *agenda of the teleconferenced meeting is otherwise given or the*
14 *agenda for the meeting is otherwise posted, meeting, the eligible*
15 *legislative body shall also give notice of include the means by*
16 *which members of the public may access the meeting and offer*
17 *public comment. The agenda shall identify and include an*
18 *opportunity for all persons to attend via a call-in option or an*
19 *internet-based service option.*

20 ~~(B)~~

21 (2) *In the event of a disruption that prevents the eligible*
22 *legislative body from broadcasting the meeting to members of the*
23 *public using the call-in option or internet-based service option, or*
24 *in the event of a disruption within the local agency's eligible*
25 *legislative body's control that prevents members of the public from*
26 *offering public comments using the call-in option or internet-based*
27 *service option, the eligible legislative body shall take no further*
28 *action on items appearing on the meeting agenda until public access*
29 *to the meeting via the call-in option or internet-based service option*
30 *is restored. Actions taken on agenda items during a disruption that*
31 *prevents the eligible legislative body from broadcasting the meeting*
32 *may be challenged pursuant to Section 54960.1.*

33 ~~(C)~~

34 (3) *The eligible legislative body shall not require public*
35 *comments to be submitted in advance of the meeting and shall*
36 *provide an opportunity for the public to address the legislative*
37 *body and offer comment in real time.*

38 ~~(D) Notwithstanding Section 54953.3, an individual desiring to~~
39 ~~provide public comment through the use of an internet website, or~~
40 ~~other online platform, not under the control of the legislative body,~~

1 that requires registration to log in to a teleconference may be
 2 required to register as required by the third-party internet website
 3 or online platform to participate.

4 ~~(E) (i) A~~

5 (4) (A) If an eligible legislative body that provides a timed
 6 public comment period for each agenda ~~item~~ item, the eligible
 7 legislative body shall not close the public comment period for the
 8 agenda item, or the opportunity to register, pursuant to
 9 ~~subparagraph (D)~~, subdivision (f), to provide public comment until
 10 that timed public comment period has elapsed.

11 ~~(ii) A~~

12 (B) If an eligible legislative body that does not provide a timed
 13 public comment period, but takes public comment separately on
 14 each agenda item, the eligible legislative body shall allow a
 15 reasonable amount of time per agenda item to allow public
 16 members the opportunity to provide public comment, including
 17 time for members of the public to register pursuant to ~~subparagraph~~
 18 ~~(D)~~, or otherwise be recognized for the purpose of providing public
 19 comment. subdivision (f).

20 ~~(iii) A~~

21 (C) If an eligible legislative body that provides a timed general
 22 public comment period that does not correspond to a specific
 23 agenda ~~item~~ item, the eligible legislative body shall not close the
 24 public comment period or the opportunity to register, pursuant to
 25 ~~subparagraph (D)~~, subdivision (f), until the timed general public
 26 comment period has elapsed.

27 ~~(F)~~

28 (5) Except as provided in Section 54953.3, ~~a~~ an eligible
 29 legislative ~~body~~ body, within seven days of holding a teleconference
 30 meeting, shall provide ~~a~~ both of the following on its internet
 31 website:

32 (A) A record of attendance of both community ~~members,~~
 33 ~~members and members of the eligible legislative body seven days~~
 34 ~~after a teleconference meeting on its internet website. The~~
 35 ~~legislative body shall also note on its website the body.~~

36 (B) The number of public comments in the ~~previous meeting~~
 37 ~~within seven days. meeting.~~

38 (6) (A) At least a quorum of the members of the eligible
 39 legislative body shall participate from locations within the

1 *boundaries of the territory over which the local agency exercises*
2 *jurisdiction.*

3 *(B) The eligible legislative body shall identify each member of*
4 *the eligible legislative body who plans to participate remotely in*
5 *the agenda and shall include the address of the publicly accessible*
6 *building from where they will participate via teleconference. The*
7 *specific room or location within the publicly accessible building*
8 *from which a member participates via teleconference is not*
9 *required to be publicly accessible.*

10 ~~(3) This subdivision shall not be construed to require the~~

11 ~~(7) The eligible legislative body to shall provide a physical~~
12 ~~location from which the public may attend or comment.~~

13 ~~(b)~~

14 ~~(8) The eligible legislative body shall comply with all other~~
15 ~~requirements of Section 54953. 54953 except paragraph (3) of~~
16 ~~subdivision (b) of that section.~~

17 ~~(e) As used in this section, “legislative body” means a board,~~
18 ~~commission, or advisory body of a multijurisdictional, cross-county~~
19 ~~agency, the membership of which board, commission, or advisory~~
20 ~~body is appointed and which board, commission, or advisory body~~
21 ~~is otherwise subject to this chapter. As used in this subdivision,~~
22 ~~“multijurisdictional” means a legislative body that includes~~
23 ~~representatives from more than one county, city, city and county,~~
24 ~~special district, or a joint powers entity formed pursuant to Article~~
25 ~~1 (commencing with Section 6500) of Chapter 5 of Division 7 of~~
26 ~~Title 1.~~

27 ~~(e) A member of the eligible legislative body shall not participate~~
28 ~~in a meeting remotely pursuant to this section unless they meet~~
29 ~~both of the following requirements:~~

30 ~~(1) The location from which the member participates is more~~
31 ~~than 40 miles from the location of the inperson meeting.~~

32 ~~(2) The member participates from their office or another~~
33 ~~location in a publicly accessible building.~~

34 ~~(f) Notwithstanding Section 54953.3, an individual desiring to~~
35 ~~provide public comment through the use of a third-party internet~~
36 ~~website or other online platform during a meeting held pursuant~~
37 ~~to this section may be required to register to log in to the~~
38 ~~teleconference if both of the following conditions are met:~~

39 ~~(1) The internet website or online platform requires that~~
40 ~~registration.~~

1 (2) *The decision to require registration is not under the control*
2 *of the legislative body.*

3 (g) *This section shall remain in effect only until January 1, 2028,*
4 *and as of that date is repealed.*

5 ~~SEC. 3.~~

6 *SEC. 4.* The Legislature finds and declares that Sections ~~1 and~~
7 ~~2~~ 1, 2, and 3 of this act, which amend Section 54953 of, and add
8 Section 54953.4 to, the Government Code, impose a limitation on
9 the public's right of access to the meetings of public bodies or the
10 writings of public officials and agencies within the meaning of
11 Section 3 of Article I of the California Constitution. Pursuant to
12 that constitutional provision, the Legislature makes the following
13 findings to demonstrate the interest protected by this limitation
14 and the need for protecting that interest:

15 Permitting remote participation for just cause due to a member's
16 immunocompromised family member, as well as extending the
17 operation of teleconferencing for legislative bodies of
18 multijurisdictional, ~~cross-county~~ *cross-county* agencies with
19 appointed membership, will further increase public participation,
20 increase the pool of people who are able to serve on these bodies,
21 *including those that would otherwise have to travel long distances*
22 *to attend meetings in person*, and protect the health and safety of
23 the public.

24 ~~SEC. 4.~~

25 *SEC. 5.* The Legislature finds and declares that Sections ~~1 and~~
26 ~~2~~ 1, 2, and 3 of this act, which amend Section 54953 of, and add
27 Section 54953.4 to, the Government Code, further, within the
28 meaning of paragraph (7) of subdivision (b) of Section 3 of Article
29 I of the California Constitution, the purposes of that constitutional
30 section as it relates to the right of public access to the meetings of
31 local public bodies or the writings of local public officials and
32 local agencies. Pursuant to paragraph (7) of subdivision (b) of
33 Section 3 of Article I of the California Constitution, the Legislature
34 makes the following findings:

35 Permitting remote participation for just cause due to a member's
36 immunocompromised family member, as well as extending the
37 operation of teleconferencing for legislative bodies of
38 multijurisdictional, ~~cross-county~~ *cross-county* agencies with
39 appointed membership, will further increase public participation,
40 increase the pool of people who are able to serve on these bodies,

1 *including those that would otherwise have to travel long distances*
2 *to attend meetings in person, and protect the health and safety of*
3 *the public.*

4 ~~SEC. 5.~~

5 SEC. 6. This act is an urgency statute necessary for the
6 immediate preservation of the public peace, health, or safety within
7 the meaning of Article IV of the California Constitution and shall
8 go into immediate effect. The facts constituting the necessity are:
9 Virtual meetings have allowed much easier access to appointed
10 bodies of local agencies with far more members of the public
11 participating in each meeting. This has created greater equity in
12 the process and fostered the health of our democracy. In-person
13 meetings may jeopardize the health and safety of vulnerable
14 citizens due to ongoing risks of illnesses.

ATTACHMENT 3A



Carmen Group
I N C O R P O R A T E D

To: South Coast AQMD Legislative Committee
From: Carmen Group
Date: May 25, 2023
Re: Federal Update -- Executive Branch

Department of Transportation

Truck Emissions at Ports Grant Program Funds Available: In April, the Federal Highway Administration (FHWA) announced the availability of \$160 million for the first round of the new Reduction of Truck Emissions at Port Facilities (RTEPF) discretionary grant program, authorized under the Bipartisan Infrastructure Law. The funding will focus on projects that reduce emissions from idling trucks at ports which negatively impact air quality for port workers and surrounding communities. Carmen Group contacted RTEPF staff and attended the agency's virtual webinar about the program on May 18. Applications due June 26, 2023.

Advanced Transportation Technology Grants Announced: In May, the FHWA announced more than \$52 million in grants for eight states from the Advanced Transportation Technology and Innovation (ATTAIN) program, authorized under the Bipartisan Infrastructure Law. These grants will fund technology-based solutions that improve highway or transit systems with expanded eligibility for projects in communities that have previously lacked investments and areas of persistent poverty. One of the eight grant projects is located in California: Caltrans received \$7.7 million to deploy its "Southern California Mobility Wallet" project for open-loop payments technology to offer seamless payment to highway and transit services for Los Angeles County residents, including in areas of persistent poverty and disadvantaged communities.

Environmental Protection Agency

EPA Proposes New Emissions Standards for Power Plants: In May, the Environmental Protection Agency proposed new greenhouse gas emissions standards for fossil-fuel fired power plants. According to news reports, the White House leaned heavily on the EPA to make the proposed standards more stringent than originally contemplated, in part by extending their coverage from new plants to existing power plants. The new proposed rule is the third iteration of EPA's attempt to upgrade New Source Performance Standards for coal and natural gas fired stationary combustion turbines, transcending separate and different rulemakings in the Obama and Trump Administrations that were both buried in litigation before they could be fully put into effect. The Supreme Court last summer essentially struck down the EPA's Clean Power Plan which was originally

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proposed in 2015, and now the EPA’s latest new proposed rule is likely to have to navigate a similar legal gauntlet before it can be finalized and implemented.

EPA Seeks Input on New Clean Ports and Clean Trucks Programs: In May, the EPA announced planned future investments in two new programs funded under the Inflation Reduction Act and requests public input on the potential technologies involved. This includes the new Clean Ports Program which will invest \$3 billion in technologies to “reduce harmful air and climate pollutants at U.S. ports and create a zero-emission shipping future” and the new Clean Heavy-Duty Vehicle Program which will invest \$1 billion to “reduce vehicle emissions and better protect the health of the people living and working near ports, schools, and other truck routes.” The Agency’s Request for Information (RFI) seeks input on zero-emission trucks and port equipment as well as their associated charging and fueling infrastructure requirements. Responses due June 5, 2023.

EPA Releases Annual Air Report: In May, the EPA released its annual interactive report tracking America’s progress in controlling air pollution. “Our Nation’s Air: Trends Through 2022” provides information about the health and environmental impacts of air pollution, trends in air quality and emissions data; efforts to improve visibility at national parks; and community-level impacts of air toxics emissions reported for 2020. The report includes interactive graphics and detailed information by pollutant, geographic location and year. [Our Nation's Air: Trends Through 2022](#)

Department of Energy

DOE/DOT Funds Available to Enhance EV Charging Network: In May, the EPA/DOT Joint Office announced a \$51 million Ride and Drive funding opportunity (aligned with the President’s Justice40 Initiative) to accelerate the electrification of the nation’s transportation sector and spur related private sector investments. The funding opportunity seeks ways to increase the reliability of chargers, advance new business models for electrified shared mobility and services, and to increase opportunities for underserved communities. Concept papers due June 16, 2023. Full applications due July 28, 2023. In addition, the DOE/DOT Office announced the launch of the National Charging Experience (ChargeX) Consortium to collaborate with organizations representing the EV charging industry on usability and accessibility issues.

DOE/VTO Funding Availability to Improve EV Charging Infrastructure: In May, the Department of Energy’s Vehicle Technologies Office (VTO) announced the availability of \$99.5 million to support projects to reduce soft costs to improve EV charging infrastructure in underserved communities. Concept papers due June 26, 2023. Full applications due August 11, 2023.

Outreach: Contacts included staff at the Federal Highway Administration overseeing the Reduction of Truck Emissions at Port Facilities (RTEPF) grant program.

###

ATTACHMENT 3B



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: May 25, 2023
Re: May Report

HOUSE/SENATE

Congress

The House is in session this week, and out next week. The Senate is out this week, and in session next week. Both chambers are out Friday, May 26 through Monday, May 29 for Memorial Day recess.

With less than a week remaining before the U.S. could default on the national debt, President Biden and Speaker Kevin McCarthy (R-CA-20) are spending the week negotiating in order to avoid a default. These meetings follow talks last week between White House officials and House GOP negotiators. Meanwhile, some Democrats are floating the idea of President Biden invoking the 14th Amendment to address the debt limit. However, there are doubts from President Biden and Treasury Secretary Janet Yellen regarding the timeline of this method, and possible legal challenges.

On the Floor this week, the House is considering a variety of legislation, including two bills out of the House Financial Services Committee. One aims to [prevent the financing of illegal synthetic drugs](#), and the [other](#) would require the Treasury Secretary to publish a report on the United States' exposure to China's financial sector. There are also three bills heading to the House floor from the House Veterans' Affairs Committee that focus on expanding access to healthcare, education, and other benefits for veterans.

EPA

In early May, the Biden-Harris Administration [announced](#) \$4 billion in funding for clean port upgrades and clean heavy-duty vehicles, with the goal of improving air quality. The EPA presented its initial steps and is seeking public input to inform the development of two new programs, the Clean Ports Program (\$3 billion) and the Clean Heavy-Duty Vehicle Program (\$1

billion). The Clean Ports Program will build on EPA's current Port Initiative and aims to revitalize port infrastructure and invest in zero-emission port equipment and technology that improves air quality. The Clean Heavy-Duty Vehicle Program funds the replacement of heavy-duty commercial vehicles with zero-emission vehicles and the corresponding needed infrastructure and workforce development. The Request for Information for the Clean Ports Program can be found [here](#).

On May 17, the EPA [announced](#) a proposed rule which would require safe management of coal ash dumped in federally unregulated areas, including inactive power plants with surface impoundments and historical coal ash disposal areas at power plants with regulated coal ash units. EPA will be accepting public comment through July 17, 2023, and more information can be found [here](#).

The EPA is also [inviting](#) small entities to serve as Small Entity Representatives for a Small Business Advocacy Review Panel, focusing on the agency's development of a rule regarding imposing and collecting charges for methane emissions from certain facilities which report to the Greenhouse Gas Reporting Program. Self-nominations can be submitted [here](#) and must be received by June 1.

On May 23, EPA released their annual report on air pollution. The report showed overall continued reductions in air pollution. It shows that between 1970 and 2022 the combined emissions of the six common pollutants dropped by 78 percent. Emissions continue to decline from 1990 levels, driven by federal and state implementation of regulations. The report also shows a decrease in unhealthy air quality days, established by the Air Quality Index.

The full report can be found here: ["Our Nation's Air: Trends Through 2022"](#)

Cassidy and Associates support in May:

- Secured key meetings with the Biden Administration for Executive staff
- Worked with South Coast AQMD staff to strategize on DC outreach
- Provided an overview of COVID funding recessions in play for debt ceiling deal
- Advised staff on DOT funding programs (MEGA and RAISE)
- Continued to monitor and report on activities in Congress and the Administration that impact South Coast AQMD

IMPORTANT LEGISLATIVE DATES

Summer 2023:

The nation is expected to hit its debt limit.

June 30, 2023:

Pause on student loan payments and interest schedule to expire.

September 30, 2023:

FY 2023 appropriations expire.

September 30, 2023:

The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries; the bill is reauthorized on a five-year cycle.

September 30, 2023:

Deadline for the Federal Aviation Administration reauthorization.

September 30, 2023:

National Flood Insurance Program reauthorization deadline.

AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions [here](#). Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They include: Health and Human Services ([HHS](#)), Centers of Medicare and Medicaid ([CMS](#)), Food and Drug Administration ([FDA](#)), Department of Education ([DoED](#)), Department of Agriculture ([USDA](#)), Small Business Administration ([SBA](#)), Department of Labor ([DOL](#)), Department of Homeland Security ([DHS](#)), Department of State ([DOS](#)), Department of Veterans Affairs ([VA](#)), Environmental Protection Agency ([EPA](#)), Department

of the Interior ([DOI](#)), Department of Energy ([DOE](#)), Department of Commerce ([DOC](#)), Department of Justice ([DOJ](#)), Department of Housing and Urban Development ([HUD](#)), Department of the Treasury ([USDT](#)), Office of the Director of National Intelligence ([ODNI](#)), and U.S. Election Assistance Commission ([EAC](#)).

Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – darcie.johnston@hhs.gov)

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3103 / Cell – 202-893-2941 / Email – Cherie.short@hq.dhs.gov)

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – killionw@state.gov)

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 / Email – sean.poole@dot.gov)

ATTACHMENT 3C

KADESH & ASSOCIATES

South Coast AQMD Report for the June 2023
Legislative Meeting covering May 2023
Kadesh & Associates

The White House and Speaker McCarthy's leadership team tell reporters and their respective caucuses that they're making progress on a deal to raise the debt ceiling and cut spending by the June deadline. However, other than the negotiators themselves, it is not clear that anyone in Washington has visibility into what is on the table, and members of Congress on the left and on the right are laying out their red lines, which is making Capitol Hill increasingly tense.

On the right, the Freedom Caucus and others have questioned the accuracy of the June 1 "X Date" – the projected date when the Treasury Department will not be able to make all necessary payments – and have called for Speaker McCarthy to seek increased cuts, a border bill, and the entirety of the House-passed provisions that were attached to last month's debt limit bill (including blocking student loan forgiveness and changing permitting rules). On the left, the Progressive Caucus and others have opposed permitting proposals and have begun to express frustration that the White House has not more forcefully and publicly framed the argument so that voters know the stakes of the negotiations. In both chambers, the final vote will need to be bipartisan in order to reach the necessary majority thresholds.

The Senate was out of session the week of May 22, and the House left D.C. on Thursday for the Memorial Day week recess. If, and when, a final deal is made, both Senators and House Members have been told they should be ready to return to DC to vote.

The House narrowly approved a resolution in May to undo the EPA's clean truck rule, using the procedures of the Congressional Review Act; the Senate had approved it 50-49. President Biden will veto the resolution, and neither chamber will have enough votes to overturn it.

The regular appropriations process is on pause until the debt ceiling negotiations conclude. House Appropriations Chair Granger postponed markups on four FY24 spending bills (Agriculture, Military Construction-Veterans, Homeland Security, and the Legislative branch) that were scheduled for late May. Presumably, if budget cuts are included in a final debt limit deal, those topline budget numbers will allow the markups to move forward with more clarity.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on whole-of-government efforts to address air quality through BIL and IRA funding programs.

Contacts:

Contacts included staff and Members throughout the CA delegation, especially new members of the delegation, authors of priority legislation, Senate offices, and members of key committees. We have also been in touch with administration staff.

###

South Coast Air Quality Management District Legislative and Regulatory Update – May 2023

❖ Important Upcoming Dates

June 2 – House of Origin Deadline
June 15 – Budget Bill Must be Passed by Midnight

❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana, and Alfredo Arredondo continued their representation of South Coast AQMD before the State’s Legislative and the Executive branch. Selected highlights of our recent advocacy include:

- Provided key updates regarding the availability of funding for key priorities of South Coast in the State Budget.
- Set and attended meetings with legislative offices in support of sponsored legislation.

❖ SB 563 Independent Districts Legislation. On May 18th, the Senate Appropriations committee held their Suspense File hearing.

- **SB 563 was Held by the Committee. The bill is no longer moving forward this year.**

❖ \$4 Billion in Revenue for the GGRF Raised at auction in 2022-2023 Fiscal Year.

On May 25th, CARB released the auction results for the fourth Cap-And-Trade Auction of the 2022-2023 Fiscal Year. A total of \$1.107 billion was raised for the Greenhouse Gas Reduction Fund (GGRF), adding to the nearly \$3 billion already raised in prior auctions during the fiscal year.

❖ EV Adoption Brings Cleaner Air to California but Mostly in Wealthy Communities

BY SHARON UDASIN - 05/03/23 2:00 PM ET

The adoption of electric vehicles (EVs) might be helping curb pollution in California’s wealthier neighborhoods, but such improvements may be occurring at the expense of disadvantaged communities, a new analysis has found.

Although widespread EV adoption is likely leading to an overall decrease of greenhouse gas emissions, the reduction may be redistributing such pollutants from the vehicles themselves to electric generating units, according to the study, published Wednesday in PLOS Climate.

“Emissions may decrease in some locations and increase in others, with implications for equity,” wrote the authors of the study, led by researchers at the University of California, Berkeley.

To investigate this hypothesis, the authors analyzed the effects of California’s Clean Vehicle Rebate Project from 2010–2021, which has offered rebates from \$1,000 to \$7,500 for the purchase or lease of eligible zero-emissions vehicles.

They found that the project reduced total statewide emissions of carbon dioxide, nitrous oxides and sulfur dioxide, but that it increased accumulation of fine particulate matter (PM 2.5).

The shift to cleaner cars could be causing an overall boost in PM 2.5 emissions because vehicle electrification only minimally reduces the release of particulate matter, according to the study.

At the same time, the authors explained, as power production facilities work to meet rising energy demands, they may end up emitting increasing quantities of PM 2.5.

In their decadelong analysis, the authors observed not only a rise in PM 2.5 levels, but also that “changes in air pollution are not distributed equally.”

Their results showed that net reductions of primary PM 2.5, nitrous oxide and sulfur dioxide emissions disproportionately occurred in the wealthiest communities.

Among the public health threats associated with increased exposure to air pollutants are elevated cancer risk, cardiovascular disease, respiratory illness, diabetes and diminished school performance among affected children, according to the study.

If the current socioeconomic and demographic distribution of EV rebates remains unchanged, the researchers warned that these inequities will remain — persisting even if the state achieves its goal of 1.5 million zero-emission vehicles by 2025.

The authors expressed hope that their findings could “help policymakers avoid exacerbating the inequitable distribution of environmental burdens in the pursuit of greenhouse gas emissions reductions.” “Increased uptake of electric vehicles in communities facing the highest air pollution exposure, along with accelerated clean energy generation, could ameliorate associated environmental inequities,” they concluded.

<https://thehill.com/policy/equilibrium-sustainability/3986012-ev-adoption-brings-cleaner-air-to-california-but-mostly-in-wealthy-communities/>

Study: <https://journals.plos.org/climate/article?id=10.1371/journal.pclm.0000183>

❖ **Governor Releases Proposed Permitting Reform:**

STANISLAUS COUNTY – At the site of a future solar farm in the Central Valley, Governor Gavin Newsom today announced the state’s most ambitious permitting and project review reforms in a half-century to build California’s clean energy future while creating thousands of good jobs. The measures will facilitate and streamline project approval and completion to maximize California’s share of federal infrastructure dollars and expedite the implementation of projects that meet the state’s ambitious economic, climate, and social goals.

Through unprecedented investments over the past two state budgets, as well as funding from the federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA), California will invest up to \$180 billion over the next decade in clean infrastructure, which will create 400,000 good jobs while helping meet the state’s climate goals. By streamlining permitting, cutting red tape, and allowing state agencies to use new types of contracts, these proposals will maximize taxpayer dollars and accelerate timelines of projects throughout the state, while ensuring appropriate environmental review and community engagement.

Today’s announcement follows Thursday’s [report](#) urging permitting reform from Infrastructure Advisor to California, former Los Angeles Mayor Antonio Villaraigosa, and California Forward.

Together, these proposals could:

- Cut project timelines by more than three years
- Save businesses and state and local governments hundreds of millions of dollars
- Reduce paperwork by hundreds of thousands pages

Also today, Governor Newsom signed an [executive order](#) to stand up a strike team to accelerate clean infrastructure projects across the state by implementing an all-of-government strategy for planning and development.

The legislative package and executive order will:

- **Speed Up Construction:** Current construction procurement processes drive delays and increase project costs. The Governor’s proposals include methods to offer a streamlined process for project delivery to reduce project timeframes and costs.
- **Expedite Court Review:** Legal challenges often tie up projects even after they’ve successfully gone through environmental review. These proposals would authorize expedited judicial review to avoid long delays on the back end and advance projects without reducing the environmental and government transparency benefits of CEQA.
- **Streamline Permitting:** Makes various changes to California law to accelerate permitting for certain projects, reducing delays and project costs.
- **Address cumbersome CEQA processes across the board:** Streamlines procedures around document retention and review.
- **Maximize Federal Dollars:** Establish a Green Bank Financing Program within the Climate Catalyst Fund so that the state can leverage federal dollars for climate projects that cut pollution, with an emphasis on projects that benefit low-income and disadvantaged communities.

What Governor Newsom said: “The only way to achieve California’s world-leading climate goals is to build, build, build – faster. This proposal is the most ambitious effort to cut red tape and streamline regulations in half a century. It’s time to make the most out of taxpayer dollars and deliver results while creating hundreds of thousands of good jobs. Not since the Pat Brown era have we had the opportunity to invest in and rebuild this state to create the clean future Californians deserve.”

The Governor visited the future site of Proxima Solar Farm in Patterson to unveil the legislation. The facility, which broke ground in August 2022 and is expected to be operational as early as December, could power 60,000 homes in the surrounding region and is capable of generating up to 210 megawatts of clean, renewable energy and 177 megawatts of battery energy storage. NextEra Energy expects the project to create 300 construction jobs and generate \$35 million in local revenue.

Some examples of projects that could be streamlined include:

- Hundreds of solar, wind, and battery storage projects
- Transit and regional rail construction
- Clean transportation, including maintenance and bridge projects
- Water storage projects funded by Proposition 1
- Delta Conveyance Project
- Semiconductor fabrication plants
- Wildlife crossings along the I-15 corridor

The legislation builds on the Administration’s efforts to reform the California Environmental Quality Act (CEQA) to better serve the needs of today while also preserving the state’s historic commitment to protecting the environment. It also complements actions the Governor and the Legislature have taken to streamline state laws to maximize housing production, with 20 CEQA reform bills signed into law in recent years.

Trailer Bills Released by Governor’s Office:

Administrative Record Reform

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/953>

Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/954>

CEQA Judicial Streamlining

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/955>

Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/956>

IRA Green Financing

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/957>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/958>

Accelerating Environmental Mitigation for Transportation

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/959>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/960>

NEPA Assignment for Rail Projects

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/961>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/962>

Direct Contracting Authority for I-15 Wildlife Crossings

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/963>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/964>

Job Order Contracting

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/965>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/966>

Progressive Design Build Authority for DWR and CalTrans

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/967>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/969>

Fully Protected Species Reclassification

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/970>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/971>

Delta Reform Act Streamlining

Language: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/972>
Fact Sheet: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/973>



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
June 9, 2023, Legislative Committee Hearing

Legislative Update

June 2nd marks the House of Origin deadline which means legislation needs to be out of the house in which it was introduced in. The two weeks before the deadline will have several lengthy floor sessions in both houses to pass the hundreds of bills before each chamber. Once they have passed this first deadline the bills will swap houses and begin their policy hearings starting in early June. This traditionally represents the half-way point for the Legislative year.

May 18th was the Appropriations Suspense hearing in both the Senate and the Assembly. Most bills with a cost to the State are referred to the “suspense list” in each house. In total, both committees heard nearly 1200 bills between the two houses. However, when the dust settled 861 bills were passed out of their respective committees. Given California’s budget shortfall, there were some expectations that bills with significant costs would not be passed by the Appropriations Committees. The Senate committee approved 326 measures, or 78%, and the Assembly approved 535 measures, or 71% of the bills before them.

Budget Update

On May 12th, Governor Gavin Newsom submitted his revised 2023-24 State Budget proposal to the Legislature. The “May Revise” calls for \$306.5 billion in spending – \$224.1 billion from the state’s General Fund, \$79.5 billion from special funds, and \$2.9 billion from bonds. California has built up its reserve accounts over the past few years and the May Revise includes \$37.2 billion in total budget reserves. These include \$22.3 billion from the Budget Stabilization Account (Rainy Day Fund) and \$10.7 billion from the Public School System Stabilization Account.

Since the release of the Governor's January Budget proposal, monthly revenue shortfalls have steadily continued, which has contributed to the May Revision General Fund revenue estimate shortfall of \$8.4 billion (before transfers and adjustments). The additional budget shortfall at the May Revision, after transfers and adjustments, is estimated to be \$9.3 billion. When combined with, and accounting for slight adjustments to the \$22.5 billion shortfall identified in the January proposal, California is now facing a \$31.5 billion budget problem.

The Governor did note that his budget still does not project a recession. However, should a moderate recession occur, revenue declines below the May Revision forecast could be significant. Based on a moderate recession scenario in fiscal year 2023-24, revenues could decrease by \$40 billion alone, largely driven by losses in personal income tax.

The independent Legislative Analyst's Office released their analysis of the Governor's May Revision and they forecast the budget problem to be higher at \$34.5 billion. Additionally, they find it *Very Unlikely the State Will Be Able to Afford the May Revision Spending Levels*. Under their estimates, the State faces operating deficits throughout the multiyear window, meaning revenues would need to come in above their projections for the budget to be balanced. While the revenues required to balance the budget are optimistic, but plausible, in the budget window, they are improbable in the out-years. For example, to eliminate the operating deficit in 2024-25, revenues would need to be roughly \$30 billion higher than their forecast. The LAO's analysis suggests that level of revenue is very unlikely—there is less than a one-in-six chance the State can afford the May Revision spending level across the five-year period. This means that, if the Legislature adopts the Governor's May Revision proposals, the State very likely will face more budget problems over the next few years.

The Governor's revised budget opens what is expected to be an intense month of negotiations with the Legislature. Notably, it is the first time Governor Newsom and many lawmakers have confronted a financial shortfall. They must reach a budget agreement by the start of the new fiscal year on July 1st. The Legislature must pass a balanced budget bill by midnight on June 15th of each year.

ATTACHMENT 4C



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-3766

916 441-0597 · FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District
FROM: Anthony, Jason & Paul Gonsalves
SUBJECT: Legislative Update – May 2023
DATE: Thursday, May 25, 2023

During the month of May, the Legislature’s focus was on two things; the Governor’s May revision to the state budget and moving their 2,745 bills out of policy and fiscal committees. In January, the Governor’s proposed budget identified a \$22.5 billion budget deficit that ballooned to \$31.5 billion in his May Revise. Simultaneously, the Legislature had until May 12th to move all bills out of policy committee and until May 19th to move all bills out of the fiscal committee. The Legislature has until June 2nd to move all bills out of their house of origin and until June 15th to adopt a state budget.

The following will provide you with updates of interest to the District:

GOVERNOR’S MAY REVISE

On May 12, 2023, Governor Newsom released his May revision to his proposed budget plan that attempts to maintain investments in our biggest challenges while preparing for continued economic uncertainty. The Governor’s budget proposal closes a projected \$31.5 billion budget shortfall while protecting key investments that including education, health care, housing and homelessness, public safety, and climate action.

Following two years of unprecedented growth, revenues have fallen short of monthly estimates since the 2022 Budget Act was enacted last June. California has planned for this potential shortfall, with the Governor and Legislature paying down the state’s prior debts, building unprecedented reserves and prioritizing one-time investments.

Despite the growing shortfall, California’s overall budget is now expected to be \$306 billion, including special funds, which is less than a 1% decline from a record \$308 billion in the current fiscal year. Although the May revision does not forecast a recession, it does recognize increased risks to the budget that could significantly change the state’s fiscal stability in the near term. Taking this into account, the May revision proposes \$37.2 billion in total budgetary reserves, including \$22.3 billion in the Budget Stabilization Account.

Governor Newsom proposes to close the deficit by shifting an additional \$3.3 billion in existing commitments out of the general fund, including paying for \$1.1 billion in climate spending and \$1.1 billion in college student housing projects with bonds, and pulling back another \$1 billion in unused money from programs such as middle-class tax refunds and utility bill support for low-income residents.

Under the governor's proposal, the state would also borrow \$1.2 billion from special funds and increase by \$2.5 billion a tax on managed care health plans to address the spending gap. The rainy day funds would remain largely untouched, except for a \$450 million withdrawal from one reserve account.

California's fiscal picture has worsened since January, when finance officials projected the state would face a deficit of \$22.5 billion. Newsom called it a "modest shortfall" and proposed to delay billions of dollars in spending commitments, reverse recent steps to shore up the state's fiscal health and shift around funding sources to limit program cuts.

Monthly tax revenues came in billions of dollars below forecasts this spring, and fears of a recession continue to loom, which Governor Newsom said could reduce state revenues by tens of billions of dollars even in the mildest scenario. Adding to the unpredictability, most Californians don't have to file their income taxes until October because of the intense damage and disruption from winter storms. Officials estimate that \$42 billion in payments will be delayed until the new deadline.

As previously mentioned, the Governor's May revision proposed paying for \$1.1 billion in climate spending with bonds. The Governor said that if a future Climate Bond isn't approved, it could mean the shift of an additional \$1.1 billion from climate resilience programs, including water recycling, the Salton Sea restoration and the statewide parks program. The May revision doesn't discuss details of the bond, including its amount, but the Governor said the climate programs remain a high priority, and his proposal does maintain funding for programs such as wildfire and forest resilience, coastal resilience and extreme heat programs.

The governor's updated budget proposal kicks off a month of negotiations with the Legislature, which must pass a budget by June 15 to get paid, though some items may remain unresolved after the July 1 start of the fiscal year. Legislative leaders have been largely optimistic about the budget situation, noting that the deficit is less drastic than during the last recession more than a decade ago and arguing that they have plenty of fiscal tools at their disposal to avoid deep spending cuts. Last month, Senate Democrats pitched increasing taxes on large corporations and suspending a major business tax credit to raise new funds, an idea that Governor Newsom quickly rejected.

SENATE BUDGET PROPOSAL

Prior to the Governor's May Revision, Senate Leaders released their budget plan, entitled "Protect Our Progress," that, they said, would close the State's deficit while maintaining last year's new spending. Their plan proposes to accomplish this by borrowing money from the State's rainy day funds and raising corporate income taxes by more than \$7 billion. Spending advocates immediately praised the Senate's budget framework saying the plan acknowledges

that the projected budget shortfall will never be solved by putting more burden on those who are struggling, but by asking California corporations to chip in more of their vast wealth. However, business groups denounced the proposed corporate tax increase saying that now is not the time to test California's ability to withstand the impact of an economic downturn or a recession by placing our economic success at risk.

More importantly, Governor Newsom immediately rejected the tax increase and the Senate's plan didn't have an endorsement from Assembly leaders. In January, Assembly Speaker Anthony Rendon, a Democrat from Lakewood, said he would prefer to tap the state's rainy-day reserves if the deficit widened.

It remains to be seen if the Legislature and Governor will agree on deeper spending cuts, new taxes, dipping into the reserves, or a combination of all three.

GOVERNOR'S CLEAN ENERGY PLAN

On May 19, 2023, Governor Newsom announced a proposal that would streamline projects to construction across the state in an attempt to accelerate the building of clean infrastructure so California can reach its climate goals while creating hundreds of thousands of jobs.

Governor Newsom's proposed plan would be the most ambitious permitting and project review reforms the State has seen in a half-century. The measures would facilitate and streamline project approval and completion to maximize California's share of federal infrastructure dollars and expedite the implementation of projects that meet the state's economic, climate, and social goals.

With the investments over the past two state budgets, as well as funding from the federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA), California will invest up to \$180 billion over the next decade in clean infrastructure, which could create 400,000 jobs while helping meet the state's climate goals. By streamlining permitting, cutting red tape, and allowing state agencies to use new types of contracts, these proposals could maximize taxpayer dollars and accelerate timelines of projects throughout the state, while ensuring appropriate environmental review and community engagement.

Additionally, Governor Newsom signed an executive order to create a strike team to accelerate clean infrastructure projects across the state by implementing an all-of-government strategy for planning and development. The legislative package and executive order will:

- **Speed Up Construction:** Current construction procurement processes drive delays and increase project costs. The Governor's proposals include methods to offer a streamlined process for project delivery to reduce project timeframes and costs.
- **Expedite Court Review:** Legal challenges often tie up projects even after they've successfully gone through environmental review. These proposals would authorize expedited judicial review to avoid long delays on the back end and advance projects without reducing the environmental and government transparency benefits of CEQA.
- **Streamline Permitting:** Makes various changes to California law to accelerate permitting for certain projects, reducing delays and project costs.

- Address cumbersome CEQA processes across the board: Streamlines procedures around document retention and review.
- Maximize Federal Dollars: Establish a Green Bank Financing Program within the Climate Catalyst Fund so that the State can leverage federal dollars for climate projects that cut pollution, with an emphasis on projects that benefit low-income and disadvantaged communities.

Some examples of projects that could be streamlined include:

- Hundreds of solar, wind, and battery storage projects
- Transit and regional rail construction
- Clean transportation, including maintenance and bridge projects
- Water storage projects funded by Proposition 1
- Delta Conveyance Project
- Semiconductor fabrication plants
- Wildlife crossings along the I-15 corridor

CA Climate Projects

California has released the annual report for California Climate Investments, which in 2022 implemented nearly 19,500 new projects through \$1.3 billion in funding, with \$933 million directly benefiting disadvantaged communities and low-income communities and households.

In 2022, California Climate Investments, which are funded by Cap-and-Trade proceeds, implemented \$1.3 billion in projects throughout the State to cut pollution, create jobs, get people into ZEVs, conserve and restore land, improve public health, and more.

In 2022, 74% of investments, almost \$1 billion, supported communities and households facing greater economic and environmental challenges. The 2022 investments are expected to cut 10.4 million metric tons of pollution over the course of the projects.

The State has invested more than \$9.3 billion under this program statewide since 2014, which has:

- Planted more than 20 million trees in urban and wildland areas
- Conserved or restored 891,000 acres of land
- Funded 10,300 affordable housing units
- Implemented 1,060 projects expanding or creating new transit services
- Supported employment opportunities with over 21,300 jobs
- Issued more than 427,500 rebates for zero-emission or plug-in hybrid vehicles

2023 LEGISLATIVE DEADLINES

May 5 - Last day for policy committees to hear and report to the Floor nonfiscal bills introduced in their house

May 12 - Last day for policy committees to meet prior to June 5

May 19 - Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 5

May 30-June 2 - Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees

June 2 - Last day for each house to pass bills introduced in that house

June 5 - Committee meetings may resume

June 15 - Budget Bill must be passed by midnight

July 14 - Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed

August 14 - Legislature reconvenes from Summer Recess

September 1 - Last day for fiscal committees to meet and report bills

September 5-14 - Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees

September 8 - Last day to amend on the Floor

September 14 - Last day for each house to pass bills. Interim Recess begins upon adjournment

 [Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 16

REPORT: Mobile Source Committee

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

RECOMMENDED ACTION:
Receive and file.

Gideon Kracov, Chair
Mobile Source Committee

SLR:ja

Committee Members

Present: Board Member Gideon Kracov/Chair
Mayor Larry McCallon
Councilmember Nithya Raman
Councilmember Carlos Rodriguez

Absent: Supervisor Holly J. Mitchell
Supervisor V. Manuel Perez

Call to Order

Chair Kracov called the meeting to order at 9:00 a.m.

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

ROLL CALL

INFORMATIONAL ITEMS (Item 1):

1. Update on Ports Indirect Source Rule

Ian MacMillan, Assistant Deputy Executive Officer/Planning/Rule Development and Implementation, provided a status update on Proposed Rule 2304 – Indirect Source Rule for Commercial Marine Ports (Ports ISR).

Chair Kracov requested clarification on staff's proposed approach to address container terminals before non-container terminals. Mr. MacMillan responded that container terminals account for the majority of NOx emissions associated with port operations and share similar operational profiles that are distinct from non-container terminals. For additional details, please refer to the [Webcast](#) at 25:30.

Councilmember Rodriguez inquired about staff's engagement with the utilities in evaluating the feasibility for the port authorities and container terminal operators to comply with the proposed zero-emission infrastructure requirements. He invited representatives from Southern California Edison (SCE) and Los Angeles Department of Water and Power to speak at a future Committee meeting. He also expressed interest in interim on-site charging solutions like linear generators until sufficient electricity can be obtained from the grid. For more details, please refer to the [Webcast](#) at 44:00.

Fernando Gaytan, Earthjustice, and Yassi Kavezade, Sierra Club, commented on the need to mandate enhanced air monitoring operated by the Ports of Los Angeles and Long Beach (the Ports) and the need for rulemaking for non-container terminals. Ms. Kavezade further noted that the California Energy Commission is committed to significant investment on developing sufficient electrical infrastructure to meet upcoming needs. Mr. Gaytan, Ms. Kavezade, Chris Chavez, Coalition for Clean Air, and Dominique Agnew, Earthjustice, commented on the need for public health to be at the center of rulemaking. Ms. Kavezade urged staff to continue public engagement and raise community awareness of public health implications. For additional details, please refer to the [Webcast](#) at 1:00:00.

Bethmarie Quiambao, SCE, stated that they have continued to engage with South Coast AQMD staff, as well as work with the Port of Long Beach and its terminal operators in identifying power needs and the timing of buildout for future zero-emission infrastructure development. For additional details, please refer to the [Webcast](#) at 1:02:00.

Thomas Jelenić, Pacific Merchant Shipping Association, commented that all port sources would be subject to recently adopted and future CARB regulations, and that the proposed rule would not provide further emission reductions and has potential adverse job impacts. Mr. Jelenić expressed concern that the necessary grid infrastructure upgrades would not be installed in time to meet the emission reduction

needs; consequently, the proposed port- and terminal-wide emissions limits would effectively limit the Ports cargo throughput. For additional details, please refer to the [Webcast](#) at 1:07:00.

Chair Kracov commented that more is needed from the Ports. In addition, the value added by Ports ISR beyond CARB regulations would be to mandate the implementation of the goals set in the Ports own Clean Air Action Plan and its associated measures. He encouraged looking to existing plans from the Ports as a foundation for the Port ISR. Chair Kracov suggested that the Committee visit the port terminals to learn more. Wayne Natri, Executive Officer, responded that staff is looking into potentially holding a committee meeting in the port area, and possible marine terminal site visits. For additional details, please refer to the [Webcast](#) at 1:12:00.

Councilmember Rodriguez requested informational updates before the October Committee meeting. Mr. Natri responded that staff will come back to the Committee in September. Chair Kracov inquired about the next rule working group meeting. Mr. MacMillan responded that it will take place in summer. For additional information, please refer to the [Webcast](#) at 1:22:00.

WRITTEN REPORTS (Items 2-4):

2. Rule 2305 Implementation Status Report: Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program

Chair Kracov inquired when a more comprehensive report on the WAIRE Program, accounting for spring and summer submissions, would be available. Mr. MacMillan responded that the report will be presented during the August Mobile Source Committee Meeting. For additional details, please refer to the [Webcast](#) beginning at 1:25:06.

3. Rule 2202 Activity Report: Rule 2202 Summary Status Report

This item was received and filed.

4. Lead Agency Projects and Environmental Documents Received

This item was received and filed.

OTHER MATTERS:

5. Other Business

There was no other business to report.

6. Public Comment Period

There were no public comments to report.

7. Next Meeting Date

The next regular Mobile Source Committee meeting is scheduled for Friday, August 18, 2023 at 9:00 a.m.

Adjournment

The meeting adjourned at 10:24 a.m.

Attachments

1. Attendance Record
2. Rule 2305 Implementation Status Report – Written Report
3. Rule 2202 Activity Report – Written Report
4. Monthly Report on Environmental Justice Initiatives: CEQA Document Commenting Update – Written Report

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE COMMITTEE MEETING
Attendance – June 16, 2023**

Board Member Gideon Kracov South Coast AQMD Board Member
Mayor Larry McCallon South Coast AQMD Board Member
Councilmember Nithya Raman South Coast AQMD Board Member
Mayor Carlos Rodriguez South Coast AQMD Board Member

Guillermo Gonzales Board Consultant (Perez)
Jackson Guze Board Consultant (Raman)
Loraine Lundquist Board Consultant (Mitchell)
Laura Muraida Board Consultant (Mitchell)
Debra Mendelsohn Board Consultant (McCallon)
Uduak-Joe Ntuk Board Consultant (Kracov)
Destiny Rodriguez Board Consultant (Kracov)
Mark Taylor Board Consultant (Rodriguez)
Andrew Silva Board Consultant (Lock Dawson)

Dominique Agnew Earthjustice
Morgan Caswell Port of Long Beach
Chris Chavez Coalition for Clean Air
Fernando Gaytan Earthjustice
Jacob Goldberg Port of Long Beach
Ali Hahm Natural Resources Defense Council
Thomas Jelenic Pacific Merchant Shipping Association
Yassi Kavezade Sierra Club
Bill La Marr California Small Business Alliance
Sudhir Lay City of Long Beach
Jacqueline Moore Pacific Merchant Shipping Association
Teresa Pisano Port of Los Angeles
Bethmarie Quiambao, Southern California Edison
Patty Senecal Western States Petroleum Association
Daniela Simunovic California Air Resources Board
Peter Whittingham Whittingham Public Affairs Advisors

Derrick Alatorre South Coast AQMD Staff
Jacob Allen South Coast AQMD Staff
Debra Ashby South Coast AQMD Staff
Jason Aspell South Coast AQMD Staff
Barbara Baird South Coast AQMD Staff
Laurence Brown South Coast AQMD Staff
Cindy Bustillos South Coast AQMD Staff
Maria Castro South Coast AQMD Staff
Anissa Heard-Johnson South Coast AQMD Staff
Mark Henninger South Coast AQMD Staff

Daniel Hernandez South Coast AQMD Staff
Aaron Katzenstein South Coast AQMD Staff
Angela Kim South Coast AQMD Staff
Jason Low South Coast AQMD Staff
Ian MacMillan South Coast AQMD Staff
Terrence Mann..... South Coast AQMD Staff
Ron Moskowitz South Coast AQMD Staff
Susan Nakamura South Coast AQMD Staff
Wayne Nastri South Coast AQMD Staff
Lisa Tanaka O'Malley South Coast AQMD Staff
Sarah Rees South Coast AQMD Staff
Elaine Shen South Coast AQMD Staff
Nicole Silva South Coast AQMD Staff
Xian-Liang Tian South Coast AQMD Staff
Mei Wang South Coast AQMD Staff
Sam Wang South Coast AQMD Staff
Jessica Wei South Coast AQMD Staff
Paul Wright South Coast AQMD Staff
Victor Yip..... South Coast AQMD Staff



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

Rule 2305 Implementation Status Report:
Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program

May 1, 2023 to May 31, 2023

1. Implementation and Outreach Activities:

Activity	Since Last Report	Since Rule Adoption
Calls and Emails to WAIRE Program Hotline (909-396-3140) and Helpdesk (waire-program@aqmd.gov)	158	3,936
Views of Compliance Training Videos (outside of webinars)	88	5,216
Emails Sent with Information About WAIRE Program Resources	9	~42,025
Visits to www.aqmd.gov/waire	1,729	~36,889
Presentations to Stakeholders	0	142

2. Highlights of Recent Implementation Activities

Phase 1 warehouse operators (including those with greater than or equal to 250,000 square feet) were required to submit their first Annual WAIRE Report (AWR) by March 2nd, 2023, which includes the actions and/or investments they completed in the 2022 compliance period. As of May 31st, 506 warehouse operators filed an AWR.¹ Of these, 36 warehouse operators still need to submit the required fees (including mitigation fees, as applicable). Phase 1 warehouse operators were anticipated to have a total WAIRE Points Compliance Obligation of about 61,000 points. The 506 operators who submitted an AWR reported that they earned about 229,371 points through WAIRE menu items, which exceeds the total WAIRE Points that were anticipated to be earned by the Phase 1 warehouse operators. Operators reported approximately \$9.3 million in WAIRE Points were earned through mitigation fees, of which about \$7.6 million in mitigation fees were paid by May 31st, 2023.

Rule 2305 allows warehouse operators to earn WAIRE Points for "early" actions completed prior to their first compliance period. In addition, warehouse facility owners may voluntarily submit an early action AWR to earn WAIRE Points can be transferred to operators at their site. As of May 31st, 18 warehouse operators and warehouse facility owners have filed Early Action AWRs, which report a total earning of about 7,437 WAIRE Points.

¹ Staff has begun auditing these reports. Some of these reports may have been filed to bank points for future compliance periods. Information on these audits will be provided in future monthly reports and/or the annual report.

Staff is continuing to follow-up with those warehouse operators who have not yet paid the required fees for their AWR submittal and will continue to reach out to Phase 1 warehouse operators who have not yet reported to ensure they comply with the rule. These efforts included conducting virtual consultation sessions with various stakeholders and providing technical support, as needed. Ongoing WAIRE Program implementation also included reviewing and verifying information in the Warehouse Operations Notifications (WONs) submitted by warehouse facility owners.

Staff continued with in-person site visits, which focused on the AB 617 designated community of South East Los Angeles (SELA) during this report period. Staff visited 12 warehouse buildings in the SELA community to disseminate Rule 2305 program information, collect contact information for warehouse owners/operators, advise onsite personnel of Rule 2305 requirements, and provide technical assistance. Staff previously visited warehouses in the communities of East Los Angeles, Boyle Heights, West Commerce, San Bernardino, Muscoy, Wilmington, Carson, West Long Beach, and South Los Angeles.

Staff has also received 6 Public Records Acts Requests (PRR) in May requesting information on Rule 2305. Staff is responding to these requests and is also continuing to develop a process for putting WAIRE Program data onto the South Coast AQMD website (including FIND). A follow-up working group meeting will be held in the summer to discuss a potential proposed approach.

The Warehouse Indirect Source Rule provides the option of proposing a Custom WAIRE Plan for actions that are not currently on the WAIRE Menu. Staff received 8 Custom WAIRE Plan applications for the 2023 compliance period and is currently evaluating their potential for earning WAIRE Points. All Custom WAIRE Plan proposals will be available for public review 30 days prior to any potential approval.

Anticipated Activities in June

- Continue to conduct outreach to Phase 1 and Phase 2 warehouse operators to advise of Rule 2305 requirements.
- Make referrals to the Office of Compliance and Enforcement to conduct enforcement action, if applicable.
- Continue with in-person site visits to collect warehouse contact information, share information on rule requirements, and provide technical assistance, as needed.
- Continue to review and verify submitted information and analyze data submitted through R2305 reports (e.g., WONs, ISIRs, AWRs, early action AWRs).
- Continue to audit reports submitted by warehouse owners and operators in response to the Public Records Acts Requests.
- Review Custom WAIRE Plan applications submitted for the 2023 compliance period.
- Continue to develop an approach for addressing business confidentiality concerns and making WAIRE Program data publicly accessible via the online F.I.N.D. tool on the South Coast AQMD website.
- Continue to enhance WAIRE POP to support improved functionality (e.g., program administration, and an amendment process for submitted reports).



South Coast Air Quality Management District

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Rule 2202 Summary Status Report Activity for January 1, 2023 – May 31, 2023

Employee Commute Reduction Program (ECRP)	
# of Submittals:	127

Emission Reduction Strategies (ERS)	
# of Submittals:	42

Air Quality Investment Program (AQIP) Exclusively		
County	# of Facilities	\$ Amount
Los Angeles	30	\$ 96,419
Orange	1	\$ 4,439
Riverside	1	\$ 4,907
San Bernardino	0	\$ 0
TOTAL:	32	\$ 105,765

ECRP w/AQIP Combination		
County	# of Facilities	\$ Amount
Los Angeles	0	\$ 0
Orange	0	\$ 0
Riverside	0	\$ 0
San Bernardino	0	\$ 0
TOTAL:	0	\$ 0

Total Active Sites as of May 31, 2023

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP ¹	AQIP ²	ERS ³				
521	8	71	600	103	646	1,349
38.62%	0.59%	5.26%	44.47%	7.64%	47.89%	100% ⁴

Total Peak Window Employees as of May 31, 2023

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP ¹	AQIP ²	ERS ³				
369,895	2,973	11,006	383,874	13,943	277,972	675,789
54.73%	0.44%	1.63%	56.80%	2.07%	41.13%	100% ⁴

- Notes:**
1. ECRP Compliance Option.
 2. ECRP Offset (combines ECRP w/AQIP). AQIP funds are used to supplement the ECRP AVR survey shortfall.
 3. ERS with Employee Survey to get Trip Reduction credits. Emission/Trip Reduction Strategies are used to supplement the ECRP AVR survey shortfall.
 4. Totals may vary slightly due to rounding.

BOARD MEETING DATE: August 4, 2023

AGENDA NO.

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides a listing of CEQA documents received by South Coast AQMD between May 1, 2023 and May 31, 2023, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, June 16, 2023, Reviewed

RECOMMENDED ACTION:

Receive and file.

Wayne Nasti
Executive Officer

SR:MK:MM:BR:SW:ET

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, South Coast AQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received during the reporting period May 1, 2023 to May 31, 2023 is included in Attachment A. A total of 55 CEQA documents were received during this reporting period and 10 comment letters were sent. A list of active projects for which South Coast AQMD staff is continuing to evaluate or prepare comments for the March 2023 and April 2023 reporting period is included as Attachment B.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for fiscal year (FY) 2002-03, approved by the Board in October 2002, each attachment notes proposed projects where South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. South

Coast AQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact South Coast AQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; and as part of oral comments at South Coast AQMD meetings or other meetings where South Coast AQMD staff is present. The attachments also identify, for each project, the dates of the public comment period and the public hearing date, if applicable. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

In January 2006, the Board approved the Clean Port Initiative Workplan (Workplan). One action item of the Workplan was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In accordance with this action item, Attachments A and B organize the CEQA documents received according to the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the action item relative to mitigation, staff maintains a compilation of mitigation measures presented as a series of tables relative to off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases which are available on the CEQA portion of South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources such as ground support equipment.

Staff focuses on reviewing and preparing comments for proposed projects: 1) where South Coast AQMD is a responsible agency (e.g., when air permits are required); 2) that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement); 3) that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); 4) where environmental justice concerns have been raised; and 5) which a lead or responsible agency has specifically requested South Coast AQMD review. If staff provided written comments to a lead agency, a hyperlink to the "South Coast AQMD Letter" is included in the "Project Description" column which corresponds to a notation in the "Comment Status" column. In addition, if staff testified at a hearing for a proposed project, a notation is also included in the "Comment Status" column. If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period of May 1, 2023 to May 31, 2023, South Coast AQMD received 55 CEQA documents which are listed in the Attachment A. In addition, there are 12 CEQA documents for ongoing active projects that either have been reviewed or are still under review which are listed in the Attachment B. The current status of the total 67 documents listed in Attachments A and B are summarized as follows:

- 10 comment letters were sent;
- 39 documents were reviewed, but no comments were made;
- 18 documents are currently under review.

(The above statistics are from May 1, 2023 to May 31, 2023 and may not include the most recent “Comment Status” updates in Attachments A and B.)

Copies of all comment letters sent to lead agencies are available on the CEQA portion of South Coast AQMD’s website at:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

South Coast AQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, South Coast AQMD periodically acts as lead agency for air permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal for action is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when South Coast AQMD, as lead agency, finds substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if South Coast AQMD determines that the project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are types of CEQA documents which analyze the potential environmental impacts and describe the reasons why a significant adverse effect on the environment will not occur such that the preparation of an EIR is not required.

Attachment C to this report summarizes the active projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, South Coast AQMD is lead agency for three active projects during May 2023.

Attachments

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which South Coast AQMD Has or Is Continuing to Conduct a CEQA Review
- C. Active South Coast AQMD Lead Agency Projects

ATTACHMENT A*
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers LAC230502-10 Sywest Project	The proposed project consists of two potential land use scenarios. The first scenario consists of construction of a 153,000 square foot warehouse store, 69,800 square feet of retail uses, and 10,000 square feet of restaurant uses on 24.60 acres. The second scenario is the construction of two warehouse buildings totaling 532,390 square feet on 24.60 acres. The project is located near the northeast corner of Figueroa Street and West Del Amo Boulevard within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230502-10.pdf Comment Period: 4/24/2023 - 5/25/2023 Public Hearing: N/A	Notice of Preparation	City of Carson	South Coast AQMD staff commented on 5/25/2023
Warehouse & Distribution Centers RVC230502-03 First March Logistics Project	The project consists of construction of two warehouse buildings totaling 559,005 square feet on 27.26 acres. The project is located near the northeast corner of Interstate 215 and Nandina Avenue. Reference RVC211221-03 Comment Period: 4/28/2023 - 6/12/2023 Public Hearing: N/A	Draft Environmental Impact Report	City of Perris	** Under review, may submit written comments
Warehouse & Distribution Centers RVC230510-03 Development Plan Review 22-00021	The project consists of construction of a 99,990 square foot warehouse on 4.5 acres. The project is located on the northeast corner of Brennan Avenue and Ramona Expressway. Reference RVC220816-02 Comment Period: 5/5/2023 - 6/5/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Perris	Document reviewed - No comments sent for this document received
Warehouse & Distribution Centers RVC230510-05 Duke Warehouse at Patterson Avenue and Nance Street Project	The project consists of construction of a 769,668 square foot warehouse on 35.7 acres. The project is located near the southwest corner of Harley Knox Boulevard and Nevada Avenue. Reference RVC221108-10 and RVC220119-06 Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/december/RVC221108-10.pdf Comment Period: N/A Public Hearing: 5/17/2023	Response to Comments	City of Perris	Document reviewed - No comments sent for this document received

*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.
- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

A-1

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers RVC230510-09 Perris Valley Towne Center	The project consists of construction of a 122,027 square foot shopping center and a 848,000 square foot warehouse on 50.65 acres. The project is located at the southeast corner of San Jacinto Avenue and Redlands Avenue. Comment Period: 5/3/2023 - 6/1/2023 Public Hearing: N/A	Site Plan	City of Perris	** Under review, may submit written comments
Warehouse & Distribution Centers RVC230524-03 Plot Plan No. 22-015	The project consists of construction of a 277,578 square foot warehouse on 13.35 acres. The project is located on the southwest corner of Sherman Road and Maples Road. Reference RVC220209-01 Comment Period: 5/15/2023 - 6/5/2023 Public Hearing: 6/14/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	** Under review, may submit written comments
Warehouse & Distribution Centers SBC230502-01 Alliance California Gateway South Building 9 Project	The project consists of construction of a 397,400 square foot warehouse on 18.43 acres. The project is located on the southeast corner of East Norman Road and Lena Road. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/SBC230502-01.pdf Comment Period: 5/1/2023 - 5/22/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of San Bernardino	South Coast AQMD staff commented on 5/18/2023
Warehouse & Distribution Centers SBC230510-08 301 Tennessee Street Warehouse Project	The project consists of demolition of an existing warehouse and construction of a 197,397 square foot industrial building on 10.98 acres. The project is located on the northwest corner of State Street and Tennessee Street. Comment Period: 5/4/2023 - 6/2/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Redlands	** Under review, may submit written comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

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**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse & Distribution Centers</i> SBC230516-15 436 West Rialto Avenue Warehouse	The project consists of construction of a 287,780 square foot warehouse on 13.83 acres. The project is located on the northeast corner of Rialto Avenue and Lilac Avenue. Comment Period: 5/15/2023 - 6/13/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Rialto	** Under review, may submit written comments
<i>Warehouse & Distribution Centers</i> SBC230524-06 Airport Gateway Specific Plan#	The project consists of construction of 10,597,178 square feet of business park uses, a 75,000 square foot hotel with 150 rooms, 7,802,541 square feet of warehouse uses, 142,792 square feet of commercial uses, and 209.65 acres of road improvements on 679 acres. The project is located on the northeast corner of Interstate 10 and Tippecanoe Avenue in the cities of San Bernardino and Highland. Reference SBC221213-08 and SBC220621-09 Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/february-2023/SBC221213-08.pdf . Comment Period: N/A Public Hearing: N/A	Response to Comments	Inland Valley Development Agency	** Under review, may submit written comments
<i>Industrial and Commercial</i> LAC230516-11 Figueroa Street Business Park Project	The project consists of construction of three business buildings totaling 313,266 square feet on 14.42 acres. The project is located near the southeast corner of Del Amo Boulevard and Figueroa Street within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: 5/11/2023 - 6/9/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Carson	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> LAC230519-01 Echelon Studios Project	The project consists of demolition of a 98,352 square foot commercial building and construction of a 510,621 square foot production studio and creative office campus on 5.18 acres. The project is located on the northeast corner of Santa Monica Boulevard and Wilton Place. Comment Period: 5/4/2023 - 6/5/2023 Public Hearing: N/A	Notice of Intent to Adopt Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> RVC230504-02 PG Body Shop, Inc.	The project consists of construction of a 5,174 square foot auto repair, paint, and body shop on approximately .72 acres. The project is located near the northwest corner of Mission Boulevard and Vernon Avenue. Comment Period: 5/4/2023 - 5/18/2023 Public Hearing: N/A	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> RVC230516-01 Richardson's RV PP2023-0573	The project consists of construction of a 10,143 square foot recreational vehicle (RV) sales and maintenance building on 3.64 acres. The project is located near the southwest corner of East 6th Street and Xenia Avenue. Comment Period: 5/11/2023 - 5/24/2023 Public Hearing: 5/25/2023	Initial Project Consultation	City of Beaumont	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> RVC230516-12 University Medical Office Park	The project consists of construction of two medical office buildings totaling 114,700 square feet on approximately 10.5 acres. The project is located on the southwest corner of Gerald Ford Drive and Technology Drive. Comment Period: 5/16/2023 - 6/5/2023 Public Hearing: 6/6/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Palm Desert	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230502-02 Mel Canyon Debris and Sediment Basin Project	The project consists of the removal of existing vegetation and construction of a debris and sediment catchment basin on 2.82 acres to prevent drainage and flooding issues in Mel Canyon. The project is located on the northeast corner of Brookridge Road and Melcanyon road. Comment Period: 4/26/2023 - 5/26/2023 Public Hearing: 6/19/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Duarte	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC230502-07 Scanlon Early Education Center	The project consists of the removal and offsite disposal of lead contaminated soil on 1.75 acres. The project is located on the northwest corner of North Garfield Avenue and Alhambra Road in Alhambra. Comment Period: 5/1/2023 - 5/31/2023 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230502-08 Lakeland Apartment Sites	The project consists of the removal and offsite disposal of lead contaminated soil and volatile organic compound (VOC) emissions in soil vapor on 2.98 acres. The project is located on the southwest corner of Laurel Avenue and Lakeland Road. Comment Period: 4/26/2023 - 5/26/2023 Public Hearing: N/A	Other	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230502-09 Chevron Products Company, El Segundo Refinery	The project consists of permit renewal for continued storage and treatment of hazardous waste and continued post-closure care activities in the Landfarm Area. The project is located at 324 West El Segundo Boulevard on the southwest corner of West El Segundo Boulevard and Chevron Driveway in El Segundo. Reference LAC170609-03 Comment Period: 4/27/2023 - 6/16/2023 Public Hearing: 6/7/2023	Permit Renewal	Department of Toxic Substances Control	** Under review, may submit written comments
<i>Waste and Water-related</i> LAC230504-03 Los Angeles County 2045 Climate Action Plan	The project consists of assessment of greenhouse gas (GHG) emissions and development of strategies and programs to guide GHG emissions reductions with a planning horizon of 2045. The project encompasses 4,753 square miles and is bounded by Kern County to the north, San Bernardino County to the east, Orange County to the south, and Ventura County and the Pacific Ocean to the west. The project includes four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) South Los Angeles, 3) Southeast Los Angeles, and 4) Wilmington, Carson, West Long Beach. Comment Period: 3/30/2023 - 5/15/2023 Public Hearing: N/A	Draft Program Environmental Impact Report	County of Los Angeles	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

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**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC230510-02 Comprehensive Plastics Reduction Program	The project consists of measures to reduce or eliminate the production and use of single-use plastic products and to reduce the environmental and human health impacts of single-use products. The project has a citywide applicability and is bounded by Santa Clarita to the north, Pasadena to the east, Long Beach and the Pacific Ocean to the south, and Thousand Oaks and the Pacific Ocean to the west. The project includes four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) South Los Angeles, 3) Southeast Los Angeles, and 4) Wilmington, Carson, West Long Beach. Comment Period: 5/1/2023 - 5/30/2023 Public Hearing: 5/10/2023	Notice of Preparation	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC230524-01 Slauson & Wall Cleanup Project	The project consists of three cleanup alternatives for evaluation in the Draft Response Plan: 1) soil excavation and off-site disposal, 2) ground level separation by building an underground parking garage and installation of vapor barriers, and 3) groundwater monitoring and reducing chemicals using bioremediation and chemical oxidation and extracting impacted groundwater. The project is located near the southeast corner of East Slauson Avenue and Wall Street within the designated AB 617 South Los Angeles community. Comment Period: 6/1/2023 - 6/30/2023 Public Hearing: N/A	Other	Department of Toxic Substances Control	** Under review, may submit written comments
<i>Waste and Water-related</i> ORC230510-04 Santiago Creek Dam Outlet Tower and Spillway Improvements Project	The project consists of demolition of existing structures and replacement of the Santiago Creek Dam outlet works and spillway facilities to address seismic safety concerns, meet Division of Safety of Dams regulatory requirements, Irvine Ranch Water District's operational requirements, and to extend life of facilities. The project is located on the northwest end of Irvine Lake in unincorporated Orange County. Comment Period: 5/4/2023 - 6/5/2023 Public Hearing: 5/16/2023	Notice of Preparation	Irvine Ranch Water District	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> ORC230510-06 Safety-Kleen Systems, Inc. Santa Ana	The project consists of modifications to an existing hazardous waste facility permit to convert a product tank to a hazardous waste storage tank. The project is located at 2120 South Yale Street near the southwest corner of South Yale Street and West Harvard Street. Comment Period: 5/19/2023 - 7/10/2023 Public Hearing: 6/13/2023	Permit Modification	Department of Toxic Substances Control	** Under review, may submit written comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

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**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Waste and Water-related ORC230516-03 Ascon Landfill Site	The project consists of pilot testing of odor control technologies to restart remediation at the Ascon Landfill Site. The project is located at 21641 Magnolia Street near the southeast corner of Magnolia Street and Hamilton Avenue in Huntington Beach. Comment Period: N/A Public Hearing: 5/31/2023	Other	Department of Toxic Substances Control	** Under review, may submit written comments
Waste and Water-related RVC230502-04 North Cathedral City Regional Stormwater Project	The project consists of construction of a stormwater channel to provide flooding protection for: 1) 8,000 acres downstream; 2) the lives and property of Thousand Palms; and 3) Interstate 10 and Union Pacific Railroad tracks. The project is located near the southwest corner of Interstate 10 and Gene Autry Road. Comment Period: 4/26/2023 - 5/26/2023 Public Hearing: 6/27/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	Coachella Valley Water District	Document reviewed - No comments sent for this document received
Utilities LAC230509-01 Port of Long Beach Pier Wind Project Concept	The project consists of construction of a floating offshore wind facility and wind turbines capable of generating 20 megawatts of energy. The project is located near the southeast corner of the Navy Mole and Port of Los Angeles Pier 400 within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: N/A Public Hearing: N/A	Initial Project Consultation	Port of Long Beach	Document reviewed - No comments sent for this document received
Utilities LAC230524-02 Scattergood Generating Stations Units 1 and 2 Green Hydrogen-Ready Modernization Project	The project consists of replacing existing conventional natural gas fired steam boiler generators with a combustion turbine generator and steam turbine generator. The project is located near the northwest corner of Vista Del Mar and West Grand Avenue in Playa del Rey. Comment Period: 5/15/2023 - 6/14/2023 Public Hearing: 6/6/2023	Notice of Preparation	Los Angeles Department of Water and Power	** Under review, may submit written comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

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**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Transportation RVC230516-04 Valley Boulevard Widening Project	The project consists of widening the existing Valley Boulevard roadway, which includes raised medians, turn lanes, and addition of seven traffic signals at major intersections. The project is located along the existing Valley Boulevard, a north-south arterial road between Chambers Avenue and Murieta Road. Comment Period: 5/12/2023 - 6/12/2023 Public Hearing: 6/14/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
Transportation RVC230516-09 Normandy Road Pedestrian Improvement Project	The project consists of demolition of existing substrate and the construction of pedestrian walkway and trail approximately 1,433 linear feet and 10 feet wide. The project is located on the northside of Normandy Road between Berea Road and La Ladera Road. Comment Period: 5/12/2023 - 6/12/2023 Public Hearing: 6/14/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent for this document received
Institutional (schools, government, etc.) RVC230516-14 Palm Springs Unified School District High School Fields Lighting Project	The project consists of construction of additional field lighting at athletic fields for three of Palm Springs Unified School District's high schools: Palms Springs High School, Desert Hot Springs High School, and Cathedral City High School. Comment Period: 5/12/2023 - 6/11/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	Palm Springs Unified School District	Document reviewed - No comments sent for this document received
Retail LAC230524-04 1000 Seward Project	The project consists of demolition of 10,993 square feet of existing structures and construction of a 150,458 square foot office building with subterranean parking on 0.78 acre. The project is located on the northeast corner of North Seward Street and West Romaine Street in Hollywood. Reference LAC220614-01 and LAC201217-03 Comment Period: N/A Public Hearing: 6/13/2023	Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

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**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Retail RVC230516-10 Northwest Commercial Center	The project consists of construction of a 5,640 square foot fueling station with eight pumps, a 3,825 square foot convenience store, a 3,850 square foot car wash facility, four restaurants totaling 15,490 square feet, two office building totaling 9,900 square feet, two retail buildings totaling 3,200 square feet, and a 3,775 square foot bank building on eight acres. The project is located on the northwest corner of Alessandro Boulevard and Lasselle Street. Comment Period: 5/10/2023- 6/9/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Moreno Valley	Document reviewed - No comments sent for this document received
Retail SBC230502-15 Design Review Application (DRA -008) & Lot Line Adjustment (LLA 23-002)	The project consists of construction of a carwash facility on 1.38 acres. The project is located on the southeast corner of Boulder Avenue and Greenspot Road. Comment Period: 5/2/2023- 5/10/2023 Public Hearing: N/A	Initial Project Consultation	City of Highland	Document reviewed - No comments sent for this document received
Retail SBC230502-16 Conditional Use Permit (CUP 23-006), Design Review Application (DRA 23-005), and Lot Line Adjustment (LLA 23-001)	The project consists of construction of a self-storage facility, onsite parking, and landscaping on 1.6 acres. The project is located near the northwest corner of Greenspot Road and Boulder Avenue. Comment Period: 5/2/2023- 5/5/2023 Public Hearing: N/A	Initial Project Consultation	City of Highland	Document reviewed - No comments sent for this document received
Retail SBC230516-08 Devore Gas Station and Fast-Food Project	The project consists of construction of a 3,800 square foot convenience store and fueling station with 16 pumps, a 1,500 square foot car wash, and a 2,000 square foot restaurant on 1.4 acres. The project is located on the northeast corner of Devore Road and Cajon Boulevard. Comment Period: 5/16/2023- 6/15/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	County of San Bernardino	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) LAC230502-05 Olson Foothill Project	The project consists of construction of 56 residential units on 3.05 acres. The project is located on the southeast corner of Foothill Boulevard and North Towne Avenue. Comment Period: 4/26/2023- 5/25/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Claremont	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) LAC230502-12 Conditional Use Permit Case No. 813, Development Plan Approval Case No. 977, Tentative Tract Map No. 83297	The project consists of construction of 18 affordable residential units on 0.75 acre. The project is located on the northeast corner of Laurel Avenue and Lakeland Road. Comment Period: 5/2/2023- 5/7/2023 Public Hearing: 5/8/2023	Other	City of Santa Fe Springs	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) LAC230516-02 Normandie Crossing Specific Plan Project	The project consists of removal of existing onsite structures and construction of 403 residential units on 5.3 acres. The project is located on the northwest corner of Normandie Avenue and West 170th Street within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Period: 5/10/2023- 6/9/2023 Public Hearing: N/A	Notice of Preparation	City of Gardena	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) LAC230516-06 Salvation Army Permanent Supportive Housing Development Project	The project consists of construction of a three-story building with 58 residential units for homeless adults. The project is located at 5600 Rickenbacker Road near the southeast corner of J Street and 3rd Street. Comment Period: 5/12/2023- 6/11/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Bell	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) LAC230516-13 Wilshire and Cloverdale Project	The project consists of construction of 419 residential units for extremely low-income households and 2,645 square foot of restaurant use on approximately 9.65 acres. The project is located on the southeast corner of Wilshire Boulevard and Cloverdale Avenue. Comment Period: 5/16/2023- 6/15/2023 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) LAC230519-02 7222 Tyrone Avenue Project	The project consists of demolition of an existing residential unit and construction of a 9,600 square foot eight-unit apartment building on 0.15 acre. The project is located at 7222 North Tyrone Avenue near the northeast corner of Tyrone Avenue and Sherman Way. Comment Period: 5/18/2023- 6/7/2023 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) LAC230524-05 Title 14, Section 15082(a) of the California Code of Regulations	The project consists of a 1,952 square foot residential unit on 1.02 acres. The project is located at 3577 Canyon Crest Road near the northwest corner of Canyon Crest Road and Florecita Drive in Altadena. Comment Period: 5/23/2023- 6/26/2023 Public Hearing: N/A	Notice of Preparation	Los Angeles County	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) RVC230502-06 Pre-Application Review No. 230029 (PAR230029)	The project consists of construction of 151 residential units on 19.42 acres. The project is located on the southeast corner of Auld Road and Pourroy Road. Comment Period: 4/26/2023- 5/11/2023 Public Hearing: 5/11/2023	Initial Project Consultation	Riverside County	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) RVC230502-11 Specific Plan No. 260 Substantial Conformance No. 4 (SP00260504), Tentative Tract Map No. 38503 (TTM38503)	The proposed project consists of a subdivision of 9.9 acres for future construction of 37 residential units. The project is located near the northeast corner Matthews Road and Briggs Road in Menifee. Comment Period: 4/17/2023- 5/4/2023 Public Hearing: N/A	Other	Riverside County	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) RVC230504-01 PLN23-0077 Oak Hills West TTM38652	The project consists of subdivision of 75 acres into 37 lots for future construction of residential units. The project is located near the northwest corner of Boulder Crest Way and Ridgemoor Road. Comment Period: 5/1/2023- 6/1/2023 Public Hearing: N/A	Site Plan	City of Menifee	Document reviewed - No comments sent for this document received
General Land Use (residential, etc.) RVC230510-10 Specific Plan Amendment 22-05380, Development Plan Review 22-00037, Development Plan Review 22-00038, Tentative Parcel Map (PLN22-05379)	The project consists of construction of a 291,098 square foot industrial building, a 45,000 square foot hotel with 85 rooms, and two restaurants totaling 10,000 square feet on 17.64 acres. The project is located on the southeast corner of Ramona Expressway and Painted Canyon Street. Comment Period: 5/3/2023- 6/1/2023 Public Hearing: N/A	Site Plan	City of Perris	** Under review, may submit written comments
General Land Use (residential, etc.) SBC230516-05 City of Fontana Downtown Core Project	The project consists of construction of 10,920 residential units and 3,992,868 square feet of commercial uses on 478 acres. The project is bounded by Foothill Boulevard to the north, Mango Avenue to the east, Randall Avenue to the south, and Juniper Avenue to the west. Reference SBC221206-02 Comment Period: 5/10/2023- 6/26/2023 Public Hearing: 6/6/2023	Draft Environmental Impact Report	City of Fontana	** Under review, may submit written comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) SBC230516-07 Specific Plan Revision (SPR 23-001), Design Review Application (DRA 23-009), & Tentative Parcel Map (TPM 23-002)	The project consists of construction of a 272-unit apartment complex. The project is located near the northwest corner of Boulder Avenue and Webster Street. Comment Period: 5/16/2023 - 5/26/2023 Public Hearing: N/A	Initial Project Consultation	City of Highland	Document reviewed - No comments sent for this document received
Plans and Regulations LAC230502-13 Zoning Code Amendment (ZCA-23-02) Amendment of Title 21 of the municipal Code Regulating Firearms Sales and Dealers	The project consists of an amendment to the Monterey Park Municipal Code, Title 21, on regulating firearms sales and dealers. The project is bounded by Interstate 10 to the north, South San Gabriel to the east, State 60 to the south, and Interstate 710 to the west totaling 7.73 square miles. Comment Period: 5/1/2023 - 5/21/2023 Public Hearing: 5/23/2023	Notice of Intent to Adopt a Negative Declaration	City of Monterey Park	Document reviewed - No comments sent for this document received
Plans and Regulations LAC230502-14 Artesia and Aviation Corridors Area Plan Activation and Associated Zoning Text Amendments for Consistency	The project consists of an amendment to the City's Zoning Ordinance to activate actions for future growth and development on 82 acres. The project is bounded by Matthews Avenue to the north, Hawthorne Boulevard to the east, Vanderbilt Lane to the south, and Aviation Boulevard to the west. Comment Period: 4/27/2023 - 5/30/2023 Public Hearing: 6/1/2023	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Redondo Beach	Document reviewed - No comments sent for this document received
Plans and Regulations LAC230510-01 La Verne General Plan and Zoning Ordinance Update Environmental Impact Report	The project consists of the Community's General Plan and an update to the Zoning Ordinance to develop policies, goals, and guidelines for housing, land use, transportation, and economic development elements with a planning horizon of 2045. The project encompasses 8.56 square miles and is bounded by unincorporated areas of Los Angeles to the north, Claremont to the east, and Pomona to the south, and San Dimas west. Comment Period: 4/6/2023 - 5/8/2023 Public Hearing: 4/19/2023	Notice of Preparation	City of La Verne	Document reviewed - No comments sent for this document received

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
May 1, 2023 to May 31, 2023**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations LAC230519-03 Al Fresco Ordinance	The project consists of amendments to Al Fresco Ordinance which provide new zoning regulations that provide restaurants outdoor dining operations. The project has a citywide applicability and is bounded by Santa Clarita to the north, Pasadena to the east, Long Beach and the Pacific Ocean to the south, and Thousand Oaks and the Pacific Ocean to the west. The project includes four designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) South Los Angeles, 3) Southeast Los Angeles, and 4) Wilmington, Carson, West Long Beach. Comment Period: 5/18/2023 - 6/19/2023 Public Hearing: N/A	Other	City of Los Angeles	Document reviewed - No comments sent for this document received
Plans and Regulations RVC230523-01 Beaumont Pointe PM2022-0012	The project consists of subdivision of 622.5 acres into 24 lots and 81.30 acres for conservation uses. The project is located near the southwest corner of State Route 60 and Jack Rabbit Trail. Comment Period: 5/19/2023 - 5/24/2023 Public Hearing: 5/25/2023	Site Plan	City of Beaumont	Document reviewed - No comments sent for this document received
Plans and Regulations SBC230510-07 Updated Walnut Village Specific Plan Project	The project consists of development of policies, strategies, and regulations to guide existing development and allow for additional development on 53 acres. The project is bounded by State Route 210 to the north, Mango Avenue to the east, Baseline Avenue to the south, and Sierra Avenue to the west. Comment Period: 5/5/2023 - 6/5/2023 Public Hearing: 6/1/2023	Notice of Preparation	City of Fontana	** Under review, may submit written comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting
This report excludes documents that do not require review.

ATTACHMENT B*
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC230308-09 Rho-Chem LLC	The project consists of the response to the hazardous waste facility's opposition to "unacceptable" compliance tier assignments for 2021 and 2022. The project is located at 425 Isis Avenue near the southwest corner of Isis Avenue and West Manchester Boulevard in Inglewood. Reference LAC191002-01, LAC190716-05 and LAC130716-06 Comment Period: 3/9/2023 - 6/22/2023 Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	**Under review, may submit written comments
<i>Waste and Water-related</i> LAC230316-04 Former Teledyne Cast Parts (Consolidated Foundries, Inc.) - 4200 West Valley Boulevard	The project consists of demolishing an existing building for site redevelopment and abandonment of three onsite groundwater wells to conduct soil vapor sampling for VOC emission impacts. The project is located near the northeast corner of Valley Boulevard and Faure Avenue in Pomona. Comment Period: N/A Public Hearing: N/A	Initial Project Consultation	Los Angeles Regional Water Quality Control Board	**Under review, may submit written comments
<i>Waste and Water-related</i> LAC230322-08 Berg Metals Investigation	The project consists of an investigation extension of soil contaminated with lead, copper, antimony, and zinc on 10.6 acres. The project is located at 2652 Long Beach Avenue near the southeast corner of Long Beach Avenue and East 24th Street in Los Angeles within the designated AB 617 South Los Angeles community. Reference LAC210114-02 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control	**Under review, may submit written comments
<i>Waste and Water-related</i> SBC230322-09 Pacific Gas & Electric Company, Topock Compressor Station	The project consists of updated progress in the reduction of hexavalent chromium and other contaminants in groundwater and soil for the Pacific Gas and Electric Company Topock Compressor Station and adjacent land. The project is located near the southwest corner of Interstate 40 and the Colorado River. Reference LAC140627-01 Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control	**Under review, may submit written comments
<i>Warehouse & Distribution Centers</i> LAC230412-07 Shadowbox Studios Project#	The project consists of construction of a 1,285,800 square foot film and television studio campus with 565,400 square feet of workshops, warehouses, and support uses. The project is located near the northeast corner of Railroad Avenue and 13th Street. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230412-07.pdf Comment Period: 4/6/2023 - 5/22/2023 Public Hearing: N/A	Draft Environmental Impact Report	City of Santa Clarita	South Coast AQMD staff commented on 5/19/2023

*Sorted by Comment Status, followed by Land Use, then County, then date received.

- Project has potential environmental justice concerns due to the nature and/or location of the project.

** Disposition may change prior to Governing Board Meeting

B-1

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse & Distribution Centers</i> LAC230418-06 Intex Corporate Office and Fulfillment Center	The project consists of construction of a 517,437 square foot warehouse on 26.47 acres. The project is located at 4000 Via Oro Avenue on the northeast corner of West Carson Street and Via Oro Avenue within the designated AB 617 Wilmington, Carson, West Long Beach community. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230418-06.pdf Comment Period: 4/14/2023 - 5/15/2023 Public Hearing: 4/3/2023	Notice of Preparation	City of Long Beach	South Coast AQMD staff commented on 5/12/2023
<i>Warehouse & Distribution Centers</i> LAC230418-11 7400 Slauson Avenue Project	The project consists of demolition of 249,579 square feet of existing structures and construction of a 292,029 square foot warehouse on 13.94 acres. The project is located on the southwest corner of Slauson Avenue and Greenwood Avenue. Reference LAC220412-11 Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230418-11.pdf Comment Period: 4/14/2023 - 5/29/2023 Public Hearing: N/A	Notice of Preparation	City of Commerce	South Coast AQMD staff commented on 5/29/2023
<i>Warehouse & Distribution Centers</i> RVC230412-05 Ellis Logistics Center Project - Development Plan Review (DPR) 22-00018	The project consists of construction of a 643,419 square foot warehouse on 34.52 acres. The project is located near the southeast corner of East Ellis Avenue and Case Road. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/RVC230412-05.pdf Comment Period: 4/7/2023 - 5/8/2023 Public Hearing: 5/3/2023	Notice of Preparation	City of Perris	South Coast AQMD staff commented on 5/10/2023
<i>Warehouse & Distribution Centers</i> SBC230405-03 Sierra Distribution Facility Project	The project consists of construction of a 398,514 square foot warehouse on 18.3 acres. The project is located on the northeast corner of Sierra Avenue and Clubhouse Drive. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/SBC230405-03.pdf Comment Period: 4/3/2023 - 5/3/2023 Public Hearing: 4/19/2023	Notice of Preparation	City of Fontana	South Coast AQMD staff commented on 5/3/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project.

** Disposition may change prior to Governing Board Meeting

B-2

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC230405-12 Taylor Yard Parcel G1	The project consists of four cleanup alternatives for evaluation in the Removal Action Workplan: 1) No action done, which leaves the Site's conditions unchanged and cleanup is needed before construction can begin, 2) The contaminated soil would be used to plant crops chosen to remove contaminants from shallow soil, 3) Excavation and relocation of contaminated soil, which requires storage and maintenance for a prolonged period of time, and 4) Excavation and off-site disposal of contaminated soil. The project is located near the northeast corner of State Route 2 and the Los Angeles River in Los Angeles. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230405-12.pdf Comment Period: 4/3/2023 - 5/17/2023 Public Hearing: 4/27/2023	Draft Removal Action Workplan	The Department of Toxic Substances Control	South Coast AQMD staff commented on 5/17/2023
<i>Institutional (schools, government, etc.)</i> LAC230418-07 First Christian Church Site	The proposed project consists of the removal and offsite disposal of contaminated soil with lead on 1.6 acres. The project is located near the northwest corner of West Commonwealth Avenue and South 4h Street in Alhambra. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/LAC230418-07.pdf Comment Period: 4/17/2023 - 5/17/2023 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	South Coast AQMD staff commented on 5/17/2023
<i>Plans and Regulations</i> SBC230412-04 Citrus and Oleander at Santa Ana Avenue Master Case No. 22-053	The project consists of an amendment to the General Plan land use designation and Zone Change request from a Residential Planned Community and Multi-Family Medium/High Residential to a General Industrial on 29.4 acres. The project is located on the northeast corner of Santa Ana Avenue and Oleander Avenue. Comment Letter: http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/may-2023/SBC230412-04.pdf Comment Period: 4/7/2023 - 5/22/2023 Public Hearing: 4/18/2023	Draft Environmental Impact Report	City of Fontana	South Coast AQMD staff commented on 5/11/2023

- Project has potential environmental justice concerns due to the nature and/or location of the project.
** Disposition may change prior to Governing Board Meeting

ATTACHMENT C
ACTIVE SOUTH COAST AQMD LEAD AGENCY
PROJECTS THROUGH MAY 31, 2023

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Quemetco is proposing to modify existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke, and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.</p>	<p>Quemetco</p>	<p>Environmental Impact Report (EIR)</p>	<p>The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received.</p> <p>Staff held two community meetings, on November 10, 2021 and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Written comments submitted relative to the Draft EIR and oral comments made at the community meetings, along with responses will be included in the Final EIR which is currently being prepared by the consultant.</p> <p>After the Draft EIR public comment and review period closed, Quemetco submitted additional applications for other permit modifications which are also being evaluated by staff.</p>	<p>Trinity Consultants</p>
<p>Sunshine Canyon Landfill is proposing to modify its South Coast AQMD permits for its active landfill gas collection and control system to accommodate the increased collection of landfill gas. The proposed project will: 1) install two new low emission flares with two additional 300-horsepower electric blowers; and 2) increase the landfill gas flow limit of the existing flares.</p>	<p>Sunshine Canyon Landfill</p>	<p>Subsequent Environmental Impact Report (SEIR)</p>	<p>South Coast AQMD staff reviewed and provided comments on the preliminary air quality analysis, health risk assessment (HRA), and Preliminary Draft SEIR which are currently being addressed by the consultant.</p>	<p>SCS Engineers</p>
<p>Tesoro is proposing to modify its Title V permit to: 1) add gas oil as a commodity that can be stored in three of the six new crude oil storage tanks at the Carson Crude Terminal (previously assessed in the May 2017 Final EIR); and 2) drain, clean and decommission Reservoir 502, a 1.5 million barrel concrete lined, wooden-roof topped reservoir used to store gas oil.</p>	<p>Tesoro Refining & Marketing Company, LLC (Tesoro)</p>	<p>Addendum to the Final Environmental Impact Report (EIR) for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)</p>	<p>The consultant provided a Preliminary Draft Addendum, which is undergoing South Coast AQMD staff review.</p>	<p>Environmental Audit, Inc.</p>

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

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 Natri, Executive Officer, responded that South Coast AQMD has done paving projects in ECV. Chair McCallon asked if they were for private properties. Mr. Natri 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. Natri 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_x 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_x 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_x and SO_x 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

21865 Copley Drive, Diamond Bar, CA 91765-4178
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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)¹

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 ² (\$/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)¹

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 ² (\$/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)¹

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 ² (\$/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 ² (\$/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)¹

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 ² (\$/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

¹ 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.

² 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)³

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 ⁴ (\$/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)³

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 ⁴ (\$/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	-	-	-

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 Price⁴ (\$/ton)
May-23	May-22 to Apr-23	None	-	-	-
Jun-23	Jun-22 to May-23	None	-	-	-

³ 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.

⁴ 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.

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

**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
Civil						
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
Total Civil Settlements : \$1,271,767.00						
Hearing Board						
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
Total Hearing Board Settlements : \$3,500.00						

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

**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_x 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

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 18

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: The Mobile Source Air Pollution Reduction Review Committee held a hybrid meeting on Thursday, June 15, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Curt Hagman
South Coast AQMD Representative
to MSRC

AK:CR.me

FY 2023-24 Administrative Budget

Every year the MSRC adopts an Administrative Budget for the upcoming fiscal year to ensure costs remain within the limitation, currently 6.25 percent of its annual AB 2766 revenues. For FY 2023-24, the MSRC adopted an Administrative Budget in the amount of \$882,058, which is \$136,692 below the 6.25 percent cap. Certain administrative expenditures are not directly drawn from the MSRC fund account, but instead from South Coast AQMD's budget. To cover these expenses, the MSRC approved a fund transfer to South Coast AQMD (see Table 1 for further details).

Table 1. Estimated FY 2023-24 MSRC Miscellaneous and Direct Expenditures Proposed to be Allocated to South Coast AQMD Technology Advancement Office
FY 2023-24 Budget

	Work Program Code	Account	Amount
Professional & Special Services	44003	67450	\$9,000
Public Notice	44003	67500	\$8,000
Communications	44003	67900	\$5,000
Postage	44003	68060	\$7,500
Office Expense/Supplies	44003	68100	\$12,000
Miscellaneous Expense	44003	69700	\$7,000
Conference-Related Expense	44003	69700	\$5,000
Travel Costs	44003	67800	\$2,500
Total			\$56,000

Contract Modification Requests

The MSRC considered one contract modification request and took the following action:

- City of Pico Rivera, Contract #18067 to install electric vehicle charging infrastructure, approval of eighteen month no-cost term extension, contingent on this being the final extension.

Contracts Administrator’s Report

The MSRC AB 2766 Contracts Administrator’s report provides a written status report on all open contracts from FY 2010-11 to the present. The Contracts Administrator’s Report for April 27 through May 24, 2023 is attached (*Attachment 1*).

Attachment

April 27 through May 24, 2023 Contracts Administrator’s Report

MSRC Agenda Item No. 2

DATE: June 15, 2023

FROM: Cynthia Ravenstein

SUBJECT: AB 2766 Contracts Administrator’s Report

SYNOPSIS: This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from April 27 to May 24, 2023.

RECOMMENDATION: Receive and file report

WORK PROGRAM IMPACT: None

Contract Execution Status

2021-24 Work Program

On September 2, 2022, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is executed.

On February 3, 2023, the SCAQMD Governing Board approved an award under the Transformative Transportation Strategies & Mobility Solutions Program. This contract is under development.

Work Program Status

Contract Status Reports for Work Program years with open and/or pending contracts are attached.

FY 2011-12 Work Program Contracts

3 contracts are in “Open/Complete” status, having completed all obligations except operations.

FY 2011-12 Invoices Paid

No invoices were paid during this period.

FYs 2012-14 Work Program Contracts

5 contracts from this Work Program year are open, and 11 are in “Open/Complete” status.

FYs 2012-14 Invoices Paid

No invoices were paid during this period.

FYs 2014-16 Work Program Contracts

15 contracts from this Work Program year are open, and 14 are in “Open/Complete” status. 4 contracts closed during this period: City of Culver City, Contract #ML16007 – Purchase 7 Heavy-

duty Natural Gas Vehicles and Install EV Charging Infrastructure; City of El Monte, Contract #ML16083 – Install EV Charging Infrastructure; Nasa Services, Inc., Contract #MS16102 – Construct Limited-Access CNG Station; and Arrow Services, Inc., Contract #MS16103 – Construct Limited-Access CNG Station.

FYs 2014-16 Invoices Paid

No invoices were paid during this period.

FYs 2016-18 Work Program Contracts

57 contracts from this Work Program year are open, and 53 are in “Open/Complete” status. 3 contracts closed during this period: City of Hidden Hills, Contract #ML18019 – Procure 2 Light-duty ZEVs and Install EV Charging Infrastructure; City of Downey, Contract #ML18049 – Install EV Charging Infrastructure; and City of La Canada Flintridge, Contract #ML18138 – Install EV Charging Infrastructure and Bicycle Racks.

FYs 2016-18 Invoices Paid

2 invoices totaling \$315,000.00 were paid during this period.

FYs 2018-21 Work Program Contracts

17 contracts from this Work Program year are open.

FYs 2018-21 Invoices Paid

2 invoices totaling \$439.00 were paid during this period.

Administrative Scope Changes

One administrative scope change was initiated during the period from April 27 to May 24, 2023:

- 4 Gen Logistics, Contract #MS21013 (Deploy 40 Zero Emission Trucks) – Correct geographic restriction language changed in error in previous modification

Attachments

- FY 2011-12 through FYs 2021-24 Contract Status Reports



AB2766 Discretionary Fund Program Invoices

April 27 to May 24, 2023

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2016-2018 Work Program</i>							
5/10/2023	5/12/2023			ML18159	City of Rialto	190209-2	\$90,000.00
4/27/2023	5/12/2023			ML18046	City of Santa Ana - Public Works Agency - Fleet	ML18046-02	\$225,000.00
Total: \$315,000.00							
<i>2018-2021 Work Program</i>							
5/5/2023	5/12/2023	5/18/2023		MS21006	Geographics	23-23247	\$66.00
5/5/2023	5/12/2023	5/18/2023		MS21006	Geographics	23-23246	\$373.00

Total: \$439.00

Total This Period: \$315,439.00



FYs 2011-12 Through 2021-24 AB2766 Contract Status Report

5/25/2023

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
<i>FY 2011-2012 Contracts</i>									
<i>Declined/Cancelled Contracts</i>									
ML12016	City of Cathedral City	1/4/2013	10/3/2019		\$60,000.00	\$0.00	CNG Vehicle & Electric Vehicle Infrastructur	\$60,000.00	No
ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte				\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12044	County of San Bernardino Public Wo				\$250,000.00	\$0.00	Install New CNG Station	\$250,000.00	No
ML12048	City of La Palma	1/4/2013	11/3/2018		\$20,000.00	\$0.00	Two Medium-Duty LPG Vehicles	\$20,000.00	No
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	No
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
ML12090	City of Palm Springs	10/9/2015	10/8/2021	9/8/2025	\$21,163.00	\$0.00	EV Charging Infrastructure	\$21,163.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Access CNG Station	\$100,000.00	No
MS12027	C.V. Ice Company, Inc.	5/17/2013	11/16/2019		\$75,000.00	\$0.00	Purchase 3 Medium-Heavy Duty Vehicles	\$75,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
MS12067	Leatherwood Construction, Inc.	11/8/2013	3/7/2017		\$122,719.00	\$0.00	Retrofit Six Vehicles w/DECS - Showcase III	\$122,719.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No
Total: 13									
<i>Closed Contracts</i>									
ML12013	City of Pasadena	10/19/2012	3/18/2015	9/18/2015	\$200,000.00	\$65,065.00	Electric Vehicle Charging Infrastructure	\$134,935.00	Yes
ML12014	City of Santa Ana - Public Works Ag	11/8/2013	8/7/2020	2/7/2022	\$338,000.00	\$255,977.50	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$82,022.50	Yes
ML12015	City of Fullerton	4/25/2013	11/24/2020	11/24/2021	\$40,000.00	\$40,000.00	HD CNG Vehicle, Expand CNG Station	\$0.00	Yes
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020	11/25/2021	\$950,000.00	\$950,000.00	32 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$16,837.00	EV Charging Infrastructure	\$21,163.00	Yes
ML12020	City of Los Angeles Dept of General	9/27/2012	3/26/2019	3/26/2020	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$40,000.00	Four Medium-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$110,000.00	2 Medium-Duty and Three Heavy-Duty CNG	\$0.00	Yes
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$192,333.00	EV Charging Infrastructure	\$57,667.00	Yes
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	11/3/2015	11/3/2017	\$68,977.00	\$38,742.16	EV Charging Infrastructure	\$30,234.84	Yes
ML12042	City of Chino Hills	1/18/2013	3/17/2017		\$87,500.00	\$87,500.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12043	City of Hemet	6/24/2013	9/23/2019	11/23/2021	\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$3,265.29	EV Charging Infrastructure	\$27,166.71	Yes
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$385,363.00	EV Charging Infrastructure	\$17,037.00	Yes
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$77,385.00	EV Charging Infrastructure	\$0.00	Yes
ML12055	City of Manhattan Beach	3/1/2013	12/31/2018		\$10,000.00	\$10,000.00	One Medium-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
ML12057	City of Coachella	8/28/2013	8/27/2019	1/27/2022	\$57,456.00	\$57,456.00	Purchase One Nat. Gas H.D. Vehicle/Street	\$0.00	Yes
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$5,900.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML12091	City of Bellflower	10/5/2018	10/4/2019	6/30/2022	\$100,000.00	\$49,230.44	EV Charging Infrastructure	\$50,769.56	Yes
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$211,170.00	Clean Fuel Transit Service to Dodger Stadium	\$88,830.00	Yes
MS12002	Orange County Transportation Autho	9/7/2012	4/30/2013		\$342,340.00	\$333,185.13	Express Bus Service to Orange County Fair	\$9,154.87	Yes
MS12003	Orange County Transportation Autho	7/20/2012	2/28/2013		\$234,669.00	\$167,665.12	Implement Metrolink Service to Angel Stadium	\$67,003.88	Yes
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12005	USA Waste of California, Inc.	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12006	Waste Management Collection & Re	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12008	Bonita Unified School District	7/12/2013	12/11/2019	4/11/2021	\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$150,000.00	Construct New Public-Access LNG Station	\$0.00	Yes
MS12010	Murrieta Valley Unified School Distric	4/5/2013	9/4/2019		\$242,786.00	\$242,786.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	5/28/2021	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12012	Rim of the World Unified School Dist	12/20/2012	5/19/2014		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12024	Southern California Gas Company	6/13/2013	12/12/2019	11/12/2020	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12025	Silverado Stages, Inc.	11/2/2012	7/1/2018		\$150,000.00	\$150,000.00	Purchase Six Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$353,048.26	Purchase 23 Medium-Heavy Duty Vehicles	\$146,951.74	Yes
MS12028	Dy-Dee Service of Pasadena, Inc.	12/22/2012	1/21/2019		\$45,000.00	\$40,000.00	Purchase 2 Medium-Duty and 1 Medium-He	\$5,000.00	Yes
MS12029	Community Action Partnership of Or	11/2/2012	11/1/2018		\$25,000.00	\$14,850.00	Purchase 1 Medium-Heavy Duty Vehicle	\$10,150.00	Yes
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$50,000.00	\$32,446.00	Purchase 2 Medium-Heavy Duty Vehicles	\$17,554.00	Yes
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018	6/21/2021	\$148,900.00	\$148,900.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018	5/1/2022	\$133,070.00	\$133,070.00	Purchase 8 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12035	Disneyland Resort	1/4/2013	7/3/2019		\$25,000.00	\$18,900.00	Purchase 1 Medium-Heavy Duty Vehicle	\$6,100.00	Yes
MS12036	Jim & Doug Carter's Automotive/VSP	1/4/2013	11/3/2018		\$50,000.00	\$50,000.00	Purchase 2 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12058	Krisda Inc	4/24/2013	1/23/2019		\$25,000.00	\$25,000.00	Repower One Heavy-Duty Off-Road Vehicle	\$0.00	Yes
MS12059	Orange County Transportation Autho	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	Yes
MS12060	City of Santa Monica	4/4/2014	8/3/2017	8/3/2019	\$500,000.00	\$434,202.57	Implement Westside Bikeshare Program	\$65,797.43	Yes
MS12061	Orange County Transportation Autho	3/14/2014	3/13/2017		\$224,000.00	\$114,240.00	Transit-Oriented Bicycle Sharing Program	\$109,760.00	Yes
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$100,000.00	Install New Limited Access CNG Station	\$0.00	Yes
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$56,443.92	Implement Anaheim Circulator Service	\$70,852.08	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12065	Orange County Transportation Autho	7/27/2013	11/30/2013		\$43,933.00	\$14,832.93	Ducks Express Service to Honda Center	\$29,100.07	Yes
MS12068	Southern California Regional Rail Aut	3/1/2013	9/30/2013		\$57,363.00	\$47,587.10	Implement Metrolink Service to Autoclub Sp	\$9,775.90	Yes
MS12069	City of Irvine	8/11/2013	2/28/2014		\$45,000.00	\$26,649.41	Implement Special Transit Service to Solar	\$18,350.59	Yes
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$21,250.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$100,000.00	Construct New CNG Station	\$0.00	Yes
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$150,000.00	Construct New CNG Station	\$0.00	Yes
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12075	CR&R Incorporated	7/27/2013	1/26/2021	1/26/2022	\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12076	City of Ontario, Housing & Municipal	3/8/2013	4/7/2015		\$75,000.00	\$75,000.00	Maintenance Facilities Modification	\$0.00	Yes
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$73,107.00	Maintenance Facility Modifications - Vernon	\$1,893.00	Yes
MS12080	City of Pasadena	11/8/2013	8/7/2020	2/7/2022	\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$75,000.00	Maintenance Facility Modifications - Santa A	\$0.00	Yes
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021	2/19/2023	\$175,000.00	\$175,000.00	Install New CNG Infrastructure	\$0.00	Yes
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$225,000.00	Purchase 23 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$125,000.00	Implement Rideshare Incentives Program	\$0.00	Yes
MS12088	Orange County Transportation Autho	12/6/2013	3/5/2016		\$125,000.00	\$18,496.50	Implement Rideshare Incentives Program	\$106,503.50	Yes
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$249,136.00	\$105,747.48	Implement Rideshare Incentives Program	\$143,388.52	Yes
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	Yes

Total: 72

Closed/Incomplete Contracts

ML12051	City of Bellflower	2/7/2014	2/6/2016	5/6/2018	\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12079	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Boyle H	\$75,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No

Total: 4

Open/Complete Contracts

ML12018	City of West Covina	10/18/2013	10/17/2020	8/17/2023	\$300,000.00	\$300,000.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020	12/13/2026	\$400,000.00	\$400,000.00	Install New CNG Station	\$0.00	Yes
MS12083	Brea Olinda Unified School District	7/30/2015	2/29/2024		\$59,454.00	\$59,454.00	Install New CNG Infrastructure	\$0.00	Yes

Total: 3

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2012-2014 Contracts

Open Contracts

ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016	9/30/2024	\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14027	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	8/1/2028	\$492,000.00	\$0.00	Construct New CNG Station in Canyon Coun	\$492,000.00	No
MS14057	Los Angeles County MTA	11/7/2014	10/6/2019	10/6/2023	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018	7/4/2023	\$1,250,000.00	\$899,594.08	Implement Various Signal Synchronization P	\$350,405.92	No
MS14072	San Bernardino County Transportatio	3/27/2015	3/26/2018	3/26/2024	\$1,250,000.00	\$1,148,376.17	Implement Various Signal Synchronization P	\$101,623.83	No

Total: 5

Declined/Cancelled Contracts

ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$32,000.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015	1/11/2020	\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14069	City of Beaumont	3/3/2017	3/2/2025		\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valle	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirad	\$75,000.00	No
MS14038	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Fontana	\$75,000.00	No
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS14078	American Honda Motor Co., Inc.	9/4/2015	8/3/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14085	Prologis, L.P.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14086	San Gabriel Valley Towing I				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14091	Serv-Wel Disposal				\$100,000.00	\$0.00	New Limited-Access CNG Infrastructure	\$100,000.00	No

Total: 11

Closed Contracts

ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$25,000.00	Street Sweeping Operations	\$0.00	Yes
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$78,627.00	Bicycle Racks, Bicycle Outreach & Educatio	\$373.00	Yes
ML14012	City of Santa Ana - Public Works Ag	2/13/2015	10/12/2021	10/12/2022	\$41,220.00	\$41,220.00	EV Charging and 1 H.D. CNG Vehicle	\$0.00	Yes
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$56,000.00	EV Charging Infrastructure	\$0.00	Yes
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14016	City of Anaheim	4/3/2015	9/2/2021		\$380,000.00	\$380,000.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$0.00	Yes
ML14019	City of Corona Public Works	12/5/2014	6/4/2020	3/6/2023	\$111,518.00	\$111,517.18	EV Charging, Bicycle Racks, Bicycle Locker	\$0.82	Yes
ML14022	County of Los Angeles Department o	10/2/2015	5/1/2022		\$270,000.00	\$270,000.00	Purchase 9 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14023	County of Los Angeles Department o	10/2/2015	9/1/2017	3/1/2021	\$230,000.00	\$230,000.00	Maintenance Fac. Modifications-Westcheste	\$0.00	Yes
ML14024	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2021	\$230,000.00	\$230,000.00	Maintenance Fac. Modifications-Baldwin Par	\$0.00	Yes
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$126,950.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$71,056.78	Bicycle Trail Improvements	\$19,443.22	Yes
ML14030	County of Los Angeles Internal Servi	1/9/2015	3/8/2018	7/30/2021	\$425,000.00	\$216,898.02	Bicycle Racks, Outreach & Education	\$208,101.98	Yes
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$90,000.00	Purchase 3 H.D. CNG Vehicles	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML14032	City of Rancho Cucamonga	1/9/2015	1/8/2022		\$113,990.00	\$104,350.63	Expansion of Existing CNG Infrac., Bicycle L	\$9,639.37	Yes
ML14033	City of Irvine	7/11/2014	2/10/2021	2/10/2022	\$60,000.00	\$60,000.00	Purchase 2 H.D. CNG Vehicles	\$0.00	Yes
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$56,700.00	EV Charging Stations	\$0.00	Yes
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$101,976.09	One HD Nat Gas Vehicle, EV Charging, Bicy	\$3,023.91	Yes
ML14051	City of Brea	9/5/2014	1/4/2017	7/4/2018	\$450,000.00	\$450,000.00	Installation of Bicycle Trail	\$0.00	Yes
ML14054	City of Torrance	11/14/2014	4/13/2017	7/13/2017	\$350,000.00	\$319,908.80	Upgrade Maintenance Facility	\$30,091.20	Yes
ML14055	City of Highland	10/10/2014	3/9/2018	3/9/2019	\$500,000.00	\$489,385.24	Bicycle Lanes and Outreach	\$10,614.76	Yes
ML14056	City of Redlands	9/5/2014	5/4/2016	5/4/2018	\$125,000.00	\$125,000.00	Bicycle Lanes	\$0.00	Yes
ML14061	City of La Habra	3/11/2016	3/10/2022		\$41,600.00	\$41,270.49	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$329.51	Yes
ML14064	City of Claremont	7/11/2014	7/10/2020	1/10/2021	\$60,000.00	\$60,000.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$10,000.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14070	City of Rancho Cucamonga	9/3/2016	12/2/2018		\$365,245.00	\$326,922.25	Bicycle Trail Improvements	\$38,322.75	Yes
ML14071	City of Manhattan Beach	1/9/2015	11/8/2018		\$22,485.00	\$22,485.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14072	City of Cathedral City	8/13/2014	1/12/2021	7/12/2022	\$41,000.00	\$41,000.00	Install Bicycle Racks & Implement Bicycle E	\$0.00	Yes
ML14094	City of Yucaipa	6/9/2017	6/8/2018		\$84,795.00	\$84,795.00	Installation of Bicycle Lanes	\$0.00	Yes
ML14095	City of South Pasadena	1/10/2019	7/9/2019		\$142,096.00	\$134,182.09	Bicycle Trail Improvements	\$7,913.91	Yes
ML14096	County of Los Angeles Dept of Pub	5/3/2019	12/2/2019	3/2/2020	\$74,186.00	\$74,186.00	San Gabriel BikeTrail Underpass Improveme	\$0.00	Yes
ML14097	County of Los Angeles Internal Servi	9/6/2019	9/5/2020	9/5/2021	\$104,400.00	\$104,400.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS14001	Los Angeles County MTA	3/6/2015	4/30/2015		\$1,216,637.00	\$1,199,512.68	Clean Fuel Transit Service to Dodger Stadiu	\$17,124.32	Yes
MS14002	Orange County Transportation Autho	9/6/2013	4/30/2014		\$576,833.00	\$576,833.00	Clean Fuel Transit Service to Orange Count	\$0.00	Yes
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$184,523.00	Implement Metrolink Service to Angel Stadiu	\$9,712.00	Yes
MS14004	Orange County Transportation Autho	9/24/2013	4/30/2014		\$36,800.00	\$35,485.23	Implement Express Bus Service to Solar De	\$1,314.77	Yes
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$511,520.00	Provide Expanded Shuttle Service to Hollyw	\$3,680.00	Yes
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$189,622.94	Implement Special Metrolink Service to Ang	\$18,897.06	Yes
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$601,187.00	Implement Clean Fuel Bus Service to Orang	\$0.00	Yes
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014	3/31/2015	\$388,000.00	\$388,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS14037	Penske Truck Leasing Co., L.P.	4/7/2017	6/6/2020		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Carson	\$0.00	Yes
MS14039	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Irvine	\$0.00	Yes
MS14040	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Santa An	\$0.00	Yes
MS14041	USA Waste of California, Inc.	9/4/2015	10/3/2021		\$175,000.00	\$175,000.00	Limited-Access CNG Station, Vehicle Maint.	\$0.00	Yes
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$150,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS14044	TIMCO CNG Fund I, LLC	5/2/2014	11/1/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Santa A	\$0.00	Yes
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Inglewoo	\$0.00	Yes
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020	11/14/2021	\$150,000.00	\$150,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14047	Southern California Regional Rail Aut	3/7/2014	9/30/2014		\$49,203.00	\$32,067.04	Special Metrolink Service to Autoclub Speed	\$17,135.96	Yes
MS14048	BusWest	3/14/2014	12/31/2014	5/31/2015	\$940,850.00	\$847,850.00	Alternative Fuel School Bus Incentive Progra	\$93,000.00	Yes
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$78,000.00	Expansion of an Existing CNG Fueling Statio	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14053	Upland Unified School District	1/9/2015	7/8/2021		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14058	Orange County Transportation Autho	11/7/2014	4/6/2016	4/6/2017	\$1,250,000.00	\$1,250,000.00	Implement Various Signal Synchronization P	\$0.00	Yes
MS14073	Anaheim Transportation Network	1/9/2015	4/30/2017		\$221,312.00	\$221,312.00	Anaheim Resort Circulator Service	\$0.00	Yes
MS14074	Midway City Sanitary District	1/9/2015	3/8/2021		\$250,000.00	\$250,000.00	Limited-Access CNG Station & Facility Modif	\$0.00	Yes
MS14077	County Sanitation Districts of L.A. Co	3/6/2015	5/5/2021		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14080	CR&R Incorporated	6/1/2015	8/31/2021	8/31/2022	\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure/Ma	\$0.00	Yes
MS14081	CR&R Incorporated	6/1/2015	5/30/2021		\$175,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure/Ma	\$75,000.00	Yes
MS14084	US Air Conditioning Distributors	5/7/2015	9/6/2021		\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14087	Orange County Transportation Autho	8/14/2015	4/30/2016		\$239,645.00	\$195,377.88	Implement Special Metrolink Service to Ang	\$44,267.12	Yes
MS14088	Southern California Regional Rail Aut	5/7/2015	9/30/2015		\$79,660.00	\$66,351.44	Special Metrolink Service to Autoclub Speed	\$13,308.56	Yes
MS14089	Top Shelf Consulting, LLC	1/18/2017	8/4/2016	3/31/2017	\$200,000.00	\$200,000.00	Enhanced Fleet Modernization Program	\$0.00	Yes
MS14090	City of Monterey Park	5/7/2015	5/6/2021		\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes

Total: 63

Closed/Incomplete Contracts

ML14020	County of Los Angeles Dept of Pub	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14050	City of Yucaipa	7/11/2014	9/10/2015	7/1/2016	\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14060	County of Los Angeles Internal Servi	10/6/2017	1/5/2019		\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016	2/11/2018	\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14093	County of Los Angeles Dept of Pub	8/14/2015	1/13/2019		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
MS14092	West Covina Unified School District	9/3/2016	12/2/2022		\$124,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$124,000.00	No

Total: 6

Open/Complete Contracts

ML14013	City of Los Angeles, Bureau of Sanit	10/7/2016	2/6/2025		\$400,000.00	\$400,000.00	Purchase 14 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14018	City of Los Angeles Dept of General	3/6/2015	9/5/2021	2/5/2026	\$810,000.00	\$810,000.00	Purchase 27 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14025	County of Los Angeles Dept of Publi	10/2/2015	7/1/2018	7/1/2024	\$300,000.00	\$300,000.00	Construct New CNG Station in Malibu	\$0.00	Yes
ML14026	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	5/1/2024	\$300,000.00	\$300,000.00	Construct New CNG Station in Castaic	\$0.00	Yes
ML14062	City of San Fernando	3/27/2015	5/26/2021	10/31/2023	\$325,679.00	\$325,679.00	Expand Existing CNG Fueling Station	\$0.00	Yes
ML14067	City of Duarte	12/4/2015	1/3/2023	6/3/2024	\$60,000.00	\$60,000.00	Purchase Two Electric Buses	\$0.00	Yes
MS14075	Fullerton Joint Union High School Di	7/22/2016	11/21/2023		\$300,000.00	\$293,442.00	Expansion of Existing CNG Infrastructure/Ma	\$6,558.00	Yes
MS14076	Rialto Unified School District	6/17/2015	2/16/2022	6/25/2023	\$225,000.00	\$225,000.00	New Public Access CNG Station	\$0.00	Yes
MS14079	Waste Resources, Inc.	9/14/2016	8/13/2022	10/13/2024	\$100,000.00	\$100,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14082	Grand Central Recycling & Transfer	12/4/2015	3/3/2023	3/3/2024	\$150,000.00	\$150,000.00	Construct New Public Access CNG Station	\$0.00	Yes
MS14083	Hacienda La Puente Unified School	7/10/2015	3/9/2022	6/9/2023	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes

Total: 11

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2014-2016 Contracts

Open Contracts

ML16006	City of Cathedral City	4/27/2016	4/26/2022	4/26/2023	\$25,000.00	\$25,000.00	Bicycle Outreach	\$0.00	No
ML16017	City of Long Beach	2/5/2016	8/4/2023	5/4/2029	\$1,445,400.00	\$1,415,400.00	Purchase 50 Medium-Duty, 17 H.D. Nat. Ga	\$30,000.00	No
ML16022	Los Angeles Department of Water an	5/5/2017	3/4/2024	6/4/2028	\$240,000.00	\$0.00	Purchase 8 H.D. Nat. Gas Vehicles	\$240,000.00	No
ML16025	City of South Pasadena	6/22/2016	4/21/2023	10/21/2024	\$160,000.00	\$0.00	Purchase H.D. Nat. Gas Vehicle, Expand Exi	\$160,000.00	No
ML16039	City of Torrance Transit Department	1/6/2017	9/5/2022	9/5/2024	\$32,000.00	\$0.00	Install Eight Level II EV Chargers	\$32,000.00	No
ML16040	City of Eastvale	1/6/2017	7/5/2022	11/5/2026	\$66,409.00	\$53,908.85	Install EV Charging Infrastructure	\$12,500.15	No
ML16047	City of Fontana	1/6/2017	8/5/2019	8/5/2024	\$500,000.00	\$0.00	Enhance an Existing Class 1 Bikeway	\$500,000.00	No
ML16057	City of Yucaipa	4/27/2016	1/26/2019	1/26/2024	\$380,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$380,000.00	No
ML16075	City of San Fernando	10/27/2016	2/26/2019	8/26/2024	\$354,000.00	\$0.00	Install a Class 1 Bikeway	\$354,000.00	No
ML16077	City of Rialto	5/3/2018	10/2/2021	2/2/2026	\$463,216.00	\$218,708.00	Pedestrian Access Improvements, Bicycle L	\$244,508.00	No
MS16094	Riverside County Transportation Co	1/25/2017	1/24/2022	2/24/2024	\$1,909,241.00	\$0.00	MetroLink First Mile/Last Mile Mobility Strate	\$1,909,241.00	No
MS16110	City of Riverside	10/6/2017	2/5/2025	10/5/2026	\$270,000.00	\$71,250.00	Expansion of Existing CNG Station and Main	\$198,750.00	No
MS16120	Omnitrans	4/7/2017	5/6/2025		\$945,000.00	\$870,000.00	Repower 63 Existing Buses	\$75,000.00	No
MS16121	Long Beach Transit	11/3/2017	4/2/2024	11/30/2028	\$600,000.00	\$570,000.00	Repower 39 and Purchase 1 New Transit Bu	\$30,000.00	No
MS16123	Orange County Transportation Autho	12/7/2018	11/6/2023		\$91,760.00	\$0.00	Install La Habra Union Pacific Bikeway	\$91,760.00	No

Total: 15

Declined/Cancelled Contracts

ML16014	City of Dana Point				\$153,818.00	\$0.00	Extend an Existing Class 1 Bikeway	\$153,818.00	No
ML16065	City of Temple City				\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16067	City of South El Monte				\$73,329.00	\$0.00	Implement an "Open Streets" Event	\$73,329.00	No
ML16074	City of La Verne	7/22/2016	1/21/2023		\$365,000.00	\$0.00	Install CNG Fueling Station	\$365,000.00	No
MS16043	LBA Realty Company LLC				\$100,000.00	\$0.00	Install Limited-Access CNG Station	\$100,000.00	No
MS16080	Riverside County Transportation Co				\$1,200,000.00	\$0.00	Passenger Rail Service for Coachella and St	\$1,200,000.00	No
MS16098	Long Beach Transit				\$198,957.00	\$0.00	Provide Special Bus Service to Stub Hub Ce	\$198,957.00	No
MS16104	City of Perris				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16106	City of Lawndale	3/1/2019	11/30/2025		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16107	Athens Services				\$100,000.00	\$0.00	Construct a Limited-Access CNG Station	\$100,000.00	No
MS16108	VNG 5703 Gage Avenue, LLC				\$150,000.00	\$0.00	Construct Public-Access CNG Station in Bell	\$150,000.00	No
MS16109	Sanitation Districts of Los Angeles C				\$275,000.00	\$0.00	Expansion of an Existing L/CNG Station	\$275,000.00	No
MS16111	VNG 925 Lakeview Avenue, LLC				\$150,000.00	\$0.00	Construct Public Access CNG Station in Pla	\$150,000.00	No

Total: 13

Closed Contracts

ML16007	City of Culver City Transportation De	10/6/2015	4/5/2023		\$246,000.00	\$246,000.00	Purchase 7 H.D. Nat. Gas Vehicles, EV Cha	\$0.00	Yes
ML16009	City of Fountain Valley	10/6/2015	2/5/2018	5/5/2019	\$46,100.00	\$46,100.00	Install EV Charging Infrastructure	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16011	City of Claremont	10/6/2015	6/5/2022		\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16012	City of Carson	1/15/2016	10/14/2022		\$60,000.00	\$60,000.00	Purchase 2 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16015	City of Yorba Linda	3/4/2016	11/3/2017		\$85,000.00	\$85,000.00	Install Bicycle Lanes	\$0.00	Yes
ML16016	City of Los Angeles Dept of General	2/5/2016	12/4/2022		\$630,000.00	\$630,000.00	Purchase 21 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16018	City of Hermosa Beach	10/7/2016	1/6/2023		\$29,520.00	\$23,768.44	Purchase 2 M.D. Nat. Gas Vehicles, Bicycle	\$5,751.56	Yes
ML16019	City of Los Angeles, Dept of General	1/25/2017	3/24/2023		\$102,955.00	\$102,955.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16020	City of Pomona	4/1/2016	2/1/2018	8/1/2018	\$440,000.00	\$440,000.00	Install Road Surface Bicycle Detection System	\$0.00	Yes
ML16023	City of Banning	12/11/2015	12/10/2021		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16024	City of Azusa	4/27/2016	2/26/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16026	City of Downey	5/6/2016	9/5/2017		\$40,000.00	\$40,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16027	City of Whittier	1/8/2016	11/7/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16028	City of Azusa	9/9/2016	4/8/2018		\$25,000.00	\$25,000.00	Enhance Existing Class 1 Bikeway	\$0.00	Yes
ML16031	City of Cathedral City	12/19/2015	2/18/2017		\$25,000.00	\$25,000.00	Street Sweeping in Coachella Valley	\$0.00	Yes
ML16032	City of Azusa	9/9/2016	4/8/2019	4/8/2021	\$474,925.00	\$474,925.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16033	Coachella Valley Association of Gov	4/27/2016	4/26/2018		\$250,000.00	\$250,000.00	Street Sweeping Operations in Coachella Va	\$0.00	Yes
ML16034	City of Riverside	3/11/2016	10/10/2018	7/10/2020	\$500,000.00	\$500,000.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16036	City of Brea	3/4/2016	12/3/2018		\$500,000.00	\$500,000.00	Install a Class 1 Bikeway	\$0.00	Yes
ML16037	City of Rancho Cucamonga	2/5/2016	11/4/2022		\$30,000.00	\$30,000.00	Purchase One Heavy-Duty Natural Gas Vehi	\$0.00	Yes
ML16038	City of Palm Springs	4/1/2016	7/31/2022	9/30/2022	\$170,000.00	\$60,000.00	Install Bicycle Lanes & Purchase 2 Heavy-D	\$110,000.00	Yes
ML16042	City of San Dimas	4/1/2016	12/31/2019	12/31/2021	\$55,000.00	\$55,000.00	Install EV Charging Infrastructure	\$0.00	No
ML16045	City of Anaheim	6/22/2016	8/21/2019		\$275,000.00	\$255,595.08	Maintenance Facility Modifications	\$19,404.92	Yes
ML16049	City of Buena Park	4/1/2016	11/30/2018		\$429,262.00	\$429,262.00	Installation of a Class 1 Bikeway	\$0.00	Yes
ML16050	City of Westminster	5/6/2016	7/5/2020	5/5/2022	\$115,000.00	\$93,925.19	Installation of EV Charging Infrastructure	\$21,074.81	Yes
ML16051	City of South Pasadena	2/12/2016	1/11/2017	12/11/2017	\$320,000.00	\$258,691.25	Implement "Open Streets" Event with Variou	\$61,308.75	Yes
ML16052	City of Rancho Cucamonga	9/3/2016	11/2/2019	3/31/2021	\$315,576.00	\$305,576.00	Install Two Class 1 Bikeways	\$10,000.00	Yes
ML16053	City of Claremont	3/11/2016	7/10/2018	12/10/2020	\$498,750.00	\$498,750.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16054	City of Yucaipa	3/26/2016	7/26/2018	10/25/2019	\$120,000.00	\$120,000.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16055	City of Ontario	5/6/2016	5/5/2022		\$270,000.00	\$270,000.00	Purchase Nine Heavy-Duty Natural-Gas Veh	\$0.00	Yes
ML16056	City of Ontario	3/23/2016	9/22/2020	9/22/2021	\$106,565.00	\$106,565.00	Expansion of an Existing CNG Station	\$0.00	Yes
ML16059	City of Burbank	4/1/2016	2/28/2022		\$180,000.00	\$180,000.00	Purchase 6 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML16060	City of Cudahy	2/5/2016	10/4/2017		\$73,910.00	\$62,480.00	Implement an "Open Streets" Event	\$11,430.00	Yes
ML16061	City of Murrieta	4/27/2016	1/26/2020		\$11,642.00	\$9,398.36	Installation of EV Charging Infrastructure	\$2,243.64	Yes
ML16062	City of Colton	6/3/2016	7/2/2020		\$21,003.82	\$21,003.82	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16063	City of Glendora	3/4/2016	4/3/2022		\$30,000.00	\$30,000.00	Purchase One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16064	County of Orange, OC Parks	2/21/2017	10/20/2018		\$204,073.00	\$157,632.73	Implement "Open Streets" Events with Vario	\$46,440.27	Yes
ML16066	City of Long Beach Public Works	1/13/2017	9/12/2018		\$75,050.00	\$63,763.62	Implement an "Open Streets" Event	\$11,286.38	Yes
ML16068	Riverside County Dept of Public Heal	12/2/2016	8/1/2018		\$171,648.00	\$171,648.00	Implement "Open Streets" Events with Vario	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16069	City of West Covina	3/10/2017	6/9/2021		\$54,199.00	\$54,199.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16071	City of Highland	5/5/2017	1/4/2020	1/4/2023	\$264,500.00	\$264,500.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16072	City of Palm Desert	3/4/2016	1/4/2020	1/3/2022	\$56,000.00	\$56,000.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16073	City of Long Beach Public Works	1/13/2017	7/12/2017		\$50,000.00	\$50,000.00	Implement an "Open Streets" Event	\$0.00	Yes
ML16076	City of San Fernando	2/21/2017	8/20/2021		\$43,993.88	\$43,993.88	Install EV Charging Infrastructure	\$0.00	Yes
ML16078	City of Moreno Valley	5/6/2016	11/5/2017	5/5/2018	\$32,800.00	\$31,604.72	Install Bicycle Infrastructure & Implement Bi	\$1,195.28	Yes
ML16079	City of Yucaipa	4/1/2016	3/31/2020		\$5,000.00	\$5,000.00	Purchase Electric Lawnmower	\$0.00	Yes
ML16083	City of El Monte	4/1/2016	4/30/2021	4/30/2023	\$57,210.00	\$25,375.60	Install EV Charging Infrastructure	\$31,834.40	Yes
ML16122	City of Wildomar	6/8/2018	6/7/2019		\$500,000.00	\$500,000.00	Install Bicycle Lanes	\$0.00	Yes
ML16126	City of Palm Springs	7/31/2019	7/30/2020	10/30/2020	\$22,000.00	\$19,279.82	Install Bicycle Racks, and Implement Bicycle	\$2,720.18	Yes
MS16001	Los Angeles County MTA	4/1/2016	4/30/2017		\$1,350,000.00	\$1,332,039.84	Clean Fuel Transit Service to Dodger Stadiu	\$17,960.16	Yes
MS16002	Orange County Transportation Autho	10/6/2015	5/31/2016		\$722,266.00	\$703,860.99	Clean Fuel Transit Service to Orange Count	\$18,405.01	Yes
MS16003	Special Olympics World Games Los	10/9/2015	12/30/2015		\$380,304.00	\$380,304.00	Low-Emission Transportation Service for Sp	\$0.00	Yes
MS16004	Mineral LLC	9/4/2015	7/3/2017	1/3/2018	\$27,690.00	\$9,300.00	Design, Develop, Host and Maintain MSRC	\$18,390.00	Yes
MS16029	Orange County Transportation Autho	1/12/2018	6/11/2020		\$836,413.00	\$567,501.06	TCM Partnership Program - OC Bikeways	\$268,911.94	Yes
MS16030	Better World Group Advisors	12/19/2015	12/31/2017	12/31/2019	\$271,619.00	\$245,355.43	Programmic Outreach Services to the MSR	\$26,263.57	Yes
MS16081	EDCO Disposal Corporation	3/4/2016	10/3/2022		\$150,000.00	\$150,000.00	Expansion of Existing Public Access CNG St	\$0.00	Yes
MS16084	Transit Systems Unlimited, Inc.	5/6/2016	2/28/2018		\$565,600.00	\$396,930.00	Implement Special Shuttle Service from Uni	\$168,670.00	Yes
MS16085	Southern California Regional Rail Aut	3/11/2016	9/30/2016		\$78,033.00	\$64,285.44	Special MetroLink Service to Autoclub Spee	\$13,747.56	Yes
MS16086	San Bernardino County Transportatio	9/3/2016	10/2/2021		\$800,625.00	\$769,021.95	Freeway Service Patrols	\$31,603.05	Yes
MS16087	Burrtec Waste & Recycling Services,	7/8/2016	3/7/2023		\$100,000.00	\$100,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS16088	Transit Systems Unlimited, Inc.	5/12/2017	1/11/2023		\$17,000.00	\$17,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS16089	Orange County Transportation Autho	7/8/2016	4/30/2017		\$128,500.00	\$128,500.00	Implement Special Bus Service to Angel Sta	\$0.00	Yes
MS16092	San Bernardino County Transportatio	2/3/2017	1/2/2019		\$242,937.00	\$242,016.53	Implement a Series of "Open Streets" Event	\$920.47	Yes
MS16093	Orange County Transportation Autho	9/3/2016	3/2/2018	9/2/2018	\$1,553,657.00	\$1,499,575.85	Implement a Mobile Ticketing System	\$54,081.15	Yes
MS16095	Orange County Transportation Autho	7/22/2016	5/31/2017		\$694,645.00	\$672,864.35	Implement Special Bus Service to Orange C	\$21,780.65	Yes
MS16096	San Bernardino County Transportatio	10/27/2016	12/26/2019	6/30/2021	\$450,000.00	\$450,000.00	EV Charging Infrastructure	\$0.00	Yes
MS16097	Walnut Valley Unified School District	10/7/2016	11/6/2022		\$250,000.00	\$250,000.00	Expand CNG Station & Modify Maintenance	\$0.00	Yes
MS16099	Foothill Transit	3/3/2017	3/31/2017		\$50,000.00	\$50,000.00	Provide Special Bus Service to the Los Ange	\$0.00	Yes
MS16100	Southern California Regional Rail Aut	5/5/2017	9/30/2017		\$80,455.00	\$66,169.43	Provide Metrolink Service to Autoclub Speed	\$14,285.57	Yes
MS16102	Nasa Services, Inc.	2/21/2017	4/20/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16103	Arrow Services, Inc.	2/3/2017	4/2/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16116	Riverside Transit Agency	3/3/2017	1/2/2023		\$10,000.00	\$9,793.00	Purchase One Transit Bus	\$207.00	Yes
MS16119	Omnitrans	4/21/2017	8/20/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS16124	Riverside County Transportation Co	12/14/2018	12/14/2019	5/14/2020	\$253,239.00	\$246,856.41	Extended Freeway Service Patrols	\$6,382.59	Yes
MS16125	San Bernardino County Transportatio	9/20/2019	11/19/2020		\$1,000,000.00	\$1,000,000.00	Traffic Signal Synchronization Projects	\$0.00	Yes
MS16127	Los Angeles County MTA	6/29/2021		6/28/2022	\$2,500,000.00	\$2,500,000.00	Expansion of the Willowbrook/Rosa Parks Tr	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 76									
Closed/Incomplete Contracts									
ML16005	City of Palm Springs	3/4/2016	10/3/2017		\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycle	\$40,000.00	No
ML16035	City of Wildomar	4/1/2016	11/1/2017		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
MS16082	Riverside County Transportation Co	9/3/2016	8/2/2018		\$590,759.00	\$337,519.71	Extended Freeway Service Patrols	\$253,239.29	No
MS16090	Los Angeles County MTA	10/27/2016	4/26/2020	10/26/2020	\$2,500,000.00	\$0.00	Expansion of the Willowbrook/Rosa Parks Tr	\$2,500,000.00	No
MS16091	San Bernardino County Transportatio	10/7/2016	11/6/2018		\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No
Total: 5									
Open/Complete Contracts									
ML16008	City of Pomona	9/20/2016	11/19/2022	5/19/2025	\$60,000.00	\$60,000.00	Purchase 3 Medium-Duty and 1 Heavy-Duty	\$0.00	Yes
ML16013	City of Monterey Park	12/4/2015	7/3/2022	7/3/2024	\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16021	City of Santa Clarita	10/7/2016	6/6/2024		\$49,400.00	\$49,399.00	Install EV Charging Infrastructure	\$1.00	Yes
ML16041	City of Moreno Valley	9/3/2016	1/2/2021	4/2/2024	\$20,000.00	\$20,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16046	City of El Monte	4/1/2016	5/31/2021	5/31/2023	\$20,160.00	\$14,637.50	Install EV Charging Infrastructure	\$5,522.50	Yes
ML16058	Los Angeles County Department of P	10/7/2016	4/6/2024		\$371,898.00	\$371,898.00	Purchase 11 H.D. Nat. Gas Vehicles and Ins	\$0.00	Yes
ML16070	City of Beverly Hills	2/21/2017	6/20/2023		\$90,000.00	\$90,000.00	Purchase 3 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS16105	Huntington Beach Union High School	3/3/2017	7/2/2024		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16112	Orange County Transportation Autho	4/14/2017	3/13/2024		\$1,470,000.00	\$1,470,000.00	Repower Up to 98 Transit Buses	\$0.00	Yes
MS16113	Los Angeles County MTA	5/12/2017	4/11/2024		\$1,875,000.00	\$1,875,000.00	Repower Up to 125 Transit Buses	\$0.00	Yes
MS16114	City of Norwalk	3/3/2017	6/2/2024		\$32,170.00	\$32,170.00	Purchase 3 Transit Buses	\$0.00	Yes
MS16115	City of Santa Monica	4/14/2017	7/13/2025		\$450,000.00	\$450,000.00	Repower 30 Transit Buses	\$0.00	Yes
MS16117	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16118	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
Total: 14									
Terminated Contracts									
ML16010	City of Fullerton	10/7/2016	4/6/2023	4/6/2024	\$78,222.00	\$27,896.71	Install EV Charging Stations	\$50,325.29	Yes
ML16048	City of Placentia	3/26/2016	5/25/2021	12/25/2026	\$80,000.00	\$18,655.00	Install EV Charging Infrastructure	\$61,345.00	Yes
Total: 2									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2016-2018 Contracts

Open Contracts

ML18031	City of Diamond Bar	9/7/2018	11/6/2025	11/6/2027	\$58,930.00	\$38,930.00	Install EVSE, Purchase up to 2-LD Vehicles	\$20,000.00	No
ML18036	City of Indian Wells	8/8/2018	5/7/2023	5/7/2026	\$50,000.00	\$0.00	Install EV Charging Stations	\$50,000.00	No
ML18046	City of Santa Ana - Public Works Ag	11/9/2018	7/8/2026		\$385,000.00	\$285,000.00	Purchase 6 Light-Duty ZEVs, 9 Heavy-Duty	\$100,000.00	No
ML18047	City of Whittier	8/8/2018	4/7/2026	1/7/2029	\$113,910.00	\$68,346.00	Purchase 5 Heavy-Duty Near-Zero Emission	\$45,564.00	No
ML18050	City of Irvine	9/7/2018	8/6/2028		\$330,490.00	\$0.00	Purchase 1 Medium/Heavy-Duty ZEV and In	\$330,490.00	No
ML18051	City of Rancho Cucamonga	3/1/2019	10/31/2025	4/30/2027	\$91,500.00	\$72,500.00	Purchase 6 Light-Duty ZEVs, Install 3 Limite	\$19,000.00	No
ML18055	City of Long Beach	11/29/2018	11/28/2026		\$622,220.00	\$302,401.53	Install EV Charging Stations	\$319,818.47	No
ML18057	City of Carson	10/5/2018	7/4/2023	12/15/2026	\$106,250.00	\$50,000.00	Purchase 5 Zero-Emission Vehicles and Infr	\$56,250.00	No
ML18058	City of Perris	10/12/2018	11/11/2024		\$94,624.00	\$0.00	Purchase 1 Medium-Duty ZEV and EV Char	\$94,624.00	No
ML18059	City of Glendale Water & Power	2/1/2019	7/31/2026	1/31/2028	\$260,500.00	\$0.00	Install Electric Vehicle Charging Infrastructur	\$260,500.00	No
ML18060	County of Los Angeles Internal Servi	10/5/2018	8/4/2026	8/4/2028	\$1,367,610.00	\$599,306.31	Purchase 29 Light-Duty Zero Emission Vehi	\$768,303.69	No
ML18063	City of Riverside	6/7/2019	1/6/2027	3/6/2028	\$50,000.00	\$0.00	Expand Existing CNG Station	\$50,000.00	No
ML18064	City of Eastvale	11/29/2018	4/28/2026	4/28/2028	\$80,400.00	\$28,457.43	Purchase 2 Light-Duty, One Medium-Duty, Z	\$51,942.57	No
ML18067	City of Pico Rivera	9/7/2018	11/6/2022	6/6/2026	\$83,500.00	\$0.00	Install EVSE	\$83,500.00	No
ML18068	City of Mission Viejo	7/31/2019	6/30/2027		\$86,940.00	\$10,000.00	Purchase 2 Light-Duty ZEVs & Install EVSE	\$76,940.00	No
ML18069	City of Torrance	3/1/2019	7/31/2027		\$187,400.00	\$100,000.00	Purchase 4 Heavy-Duty Near-Zero Emission	\$87,400.00	No
ML18078	County of Riverside	10/5/2018	10/4/2028		\$375,000.00	\$300,000.00	Purchase 15 Heavy-Duty Vehicles	\$75,000.00	No
ML18082	City of Los Angeles Bureau of Sanita	8/30/2019	8/29/2028	8/29/2029	\$900,000.00	\$0.00	Purchase Medium-Duty Vehicles and EV Ch	\$900,000.00	No
ML18084	City of South El Monte	10/18/2019	9/17/2023	9/17/2024	\$30,000.00	\$0.00	EV Charging Infrastructure	\$30,000.00	No
ML18089	City of Glendora	7/19/2019	4/18/2025	10/18/2028	\$50,760.00	\$0.00	Purchase a medium-duty ZEV	\$50,760.00	No
ML18091	City of Temecula	1/19/2019	7/18/2023		\$141,000.00	\$0.00	Install Sixteen EV Charging Stations	\$141,000.00	No
ML18092	City of South Pasadena	2/1/2019	1/31/2025	4/30/2027	\$50,000.00	\$20,000.00	Procure Two Light-Duty ZEVs and Install EV	\$30,000.00	No
ML18093	City of Monterey Park	2/1/2019	2/28/2026	10/31/2028	\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18094	City of Laguna Woods	7/12/2019	12/11/2024		\$50,000.00	\$0.00	Install Two EV Charging Stations	\$50,000.00	No
ML18101	City of Burbank	2/1/2019	4/30/2024	10/30/2024	\$137,310.00	\$0.00	Install Twenty EV Charging Stations	\$137,310.00	No
ML18129	City of Yucaipa	12/14/2018	3/13/2023	3/13/2026	\$63,097.00	\$0.00	Install Six EV Charging Stations	\$63,097.00	No
ML18132	City of Montclair	4/5/2019	9/4/2023		\$40,000.00	\$0.00	Install Eight EVSEs	\$40,000.00	No
ML18134	City of Los Angeles Dept of General	5/3/2019	5/2/2028		\$290,000.00	\$0.00	Purchase Five Medium-Duty ZEVs	\$290,000.00	No
ML18135	City of Azusa	12/6/2019	12/5/2029		\$55,000.00	\$0.00	Purchase Three Light-Duty ZEVs and One H	\$55,000.00	No
ML18137	City of Wildomar	3/1/2019	5/31/2021	12/1/2022	\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18141	City of Rolling Hills Estates	2/14/2020	1/13/2024	1/13/2025	\$40,000.00	\$10,000.00	Purchase One Light-Duty ZEV and Install Tw	\$30,000.00	No
ML18144	City of Fontana Public Works	10/4/2019	12/3/2023	12/31/2025	\$269,090.00	\$0.00	Install Twelve EVSEs	\$269,090.00	No
ML18145	City of Los Angeles Dept of Transpor	1/10/2020	4/9/2027	4/9/2028	\$1,400,000.00	\$0.00	Provide One Hundred Rebates to Purchaser	\$1,400,000.00	No
ML18146	City of South Gate	3/1/2019	11/30/2023	11/30/2026	\$127,400.00	\$50,000.00	Purchase Five Light-Duty ZEVs and Install T	\$77,400.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18147	City of Palm Springs	1/10/2019	1/9/2024	7/9/2026	\$60,000.00	\$0.00	Install Eighteen EV Charging Stations	\$60,000.00	No
ML18148	City of San Dimas	1/21/2022	5/20/2023		\$50,000.00	\$0.00	Implement Bicycle Detection Measures	\$50,000.00	No
ML18151	County of San Bernardino Departme	8/25/2020	10/24/2029		\$200,000.00	\$150,000.00	Purchase Eight Heavy-Duty Near Zero Emis	\$50,000.00	No
ML18152	County of San Bernardino Flood Con	8/11/2020	10/10/2029		\$108,990.00	\$75,000.00	Purchase Five Heavy-Duty Near Zero Emissi	\$33,990.00	No
ML18159	City of Rialto	12/13/2019	5/12/2024	9/19/2025	\$135,980.00	\$106,597.86	Purchase Nine Light-Duty ZEVs and EV Cha	\$29,382.14	No
ML18163	City of San Clemente	3/8/2019	12/7/2024	12/7/2025	\$85,000.00	\$70,533.75	Purchase Four Light-Duty ZEVs and EV Cha	\$14,466.25	No
ML18166	City of Placentia	2/18/2021	5/17/2027		\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
ML18177	City of San Bernardino	6/7/2019	12/6/2026	12/6/2028	\$279,088.00	\$0.00	Purchase Medium- and Heavy-Duty Evs and	\$279,088.00	No
ML18178	City of La Puente	11/1/2019	11/30/2025	11/30/2028	\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
MS18015	Southern California Association of G	7/13/2018	2/28/2021	11/30/2023	\$2,000,000.00	\$415,803.97	Southern California Future Communities Par	\$1,584,196.03	No
MS18023	Riverside County Transportation Co	6/28/2018	6/27/2021	3/31/2023	\$500,000.00	\$476,793.88	Weekend Freeway Service Patrols	\$23,206.12	No
MS18024	Riverside County Transportation Co	6/28/2018	8/27/2021	8/27/2023	\$1,500,000.00	\$812,660.00	Vanpool Incentive Program	\$687,340.00	No
MS18027	City of Gardena	11/2/2018	9/1/2026	1/1/2028	\$365,000.00	\$0.00	Install New Limited Access CNG, Modify Mai	\$365,000.00	No
MS18029	Irvine Ranch Water District	8/8/2018	10/7/2024	1/7/2029	\$185,000.00	\$0.00	Install New Limited Access CNG Station & T	\$185,000.00	No
MS18065	San Bernardino County Transportatio	3/29/2019	8/28/2023		\$2,000,000.00	\$2,000,000.00	Implement Metrolink Line Fare Discount Pro	\$0.00	No
MS18073	Los Angeles County MTA	1/10/2019	2/9/2026		\$2,000,000.00	\$2,000,000.00	Purchase 40 Zero-Emission Transit Buses	\$0.00	No
MS18106	R.F. Dickson Co., Inc.	7/19/2019	1/18/2026		\$265,000.00	\$250,000.00	Expansion of Existing Infrastructure/Mechani	\$15,000.00	No
MS18108	Capistrano Unified School District	2/1/2019	5/30/2025	9/30/2026	\$111,750.00	\$111,750.00	Expansion of Existing Infrastructure	\$0.00	Yes
MS18110	Mountain View Unified School Distric	2/1/2019	3/31/2025		\$275,000.00	\$61,747.29	Install New Limited-Access CNG Infrastructu	\$213,252.71	No
MS18180	Omnitrans	8/4/2022	8/3/2023		\$83,000.00	\$0.00	Modify Vehicle Maintenance Facility and Trai	\$83,000.00	No
MS18181	San Bernardino County Transportatio	4/10/2023	9/9/2030		\$1,662,000.00	\$0.00	Construct Hydrogen Fueling Station	\$1,662,000.00	No
MS18182	Air Products and Chemicals Inc.	3/8/2023	2/7/2031		\$1,000,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,000,000.00	No
MS18183	Nikola-TA HRS 1, LLC	9/28/2022	1/27/2030		\$1,660,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,660,000.00	No

Total: 57

Declined/Cancelled Contracts

ML18044	City of Malibu	8/8/2018	10/7/2022	10/7/2023	\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18053	City of Paramount	9/7/2018	3/6/2023		\$64,675.00	\$0.00	Install EV Charging Infrastructure	\$64,675.00	No
ML18075	City of Orange				\$25,000.00	\$0.00	One Heavy-Duty Vehicle	\$25,000.00	No
ML18140	City of Bell Gardens	12/14/2018	12/13/2028		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-ZEVs	\$50,000.00	No
ML18149	City of Sierra Madre				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18150	City of South El Monte				\$20,000.00	\$0.00	Implement Bike Share Program	\$20,000.00	No
ML18153	City of Cathedral City	5/3/2019	4/2/2025		\$52,215.00	\$0.00	Install EV Charging Infrastructure	\$52,215.00	No
ML18158	City of Inglewood				\$146,000.00	\$0.00	Purchase 4 Light-Duty Zero Emission, 4 Hea	\$146,000.00	No
ML18164	City of Pomona				\$200,140.00	\$0.00	Purchase Three Heavy-Duty ZEVs	\$200,140.00	No
ML18165	City of Baldwin Park	2/1/2019	1/30/2024		\$49,030.00	\$0.00	Expand CNG Station	\$49,030.00	No
ML18172	City of Huntington Park	3/1/2019	2/28/2025		\$65,450.00	\$0.00	Purchase One Heavy-Duty ZEV	\$65,450.00	No
ML18174	City of Bell	11/22/2019	7/21/2026		\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS18009	Penske Truck Leasing Co., L.P.	8/8/2018	12/7/2020		\$82,500.00	\$0.00	Modify Maintenance Facility & Train Technici	\$82,500.00	No
MS18013	California Energy Commission				\$3,000,000.00	\$0.00	Advise MSRC and Administer Hydrogen Infr	\$3,000,000.00	No
MS18017	City of Banning				\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS18018	City of Norwalk	6/8/2018	9/7/2019		\$75,000.00	\$0.00	Vehicle Maintenance Facility Modifications	\$75,000.00	No
MS18107	Huntington Beach Union High School				\$225,000.00	\$0.00	Expansion of Existing Infrastructure	\$225,000.00	No
MS18109	City of South Gate				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18111	Newport-Mesa Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS18112	Banning Unified School District	11/29/2018	11/28/2024	11/28/2025	\$275,000.00	\$0.00	Install New CNG Infrastructure	\$275,000.00	No
MS18113	City of Torrance				\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS18114	Los Angeles County Department of P	11/15/2019	11/14/2026		\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18116	Los Angeles County Department of P	11/15/2019	11/14/2026		\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18119	LBA Realty Company XI LP				\$100,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$100,000.00	No
MS18121	City of Montebello				\$70,408.00	\$0.00	Expansion of Existing CNG Infrastructure	\$70,408.00	No
MS18175	Regents of the University of Californi	6/7/2019	8/6/2025	8/6/2026	\$1,000,000.00	\$0.00	Expansion of Existing Hydrogen Station	\$1,000,000.00	No
MS18184	Clean Energy				\$1,000,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,000,000.00	No

Total: 27

Closed Contracts

ML18019	City of Hidden Hills	5/3/2018	5/2/2022	5/2/2023	\$49,999.00	\$49,999.00	Purchase Two Light-Duty ZEVs and EVSE	\$0.00	Yes
ML18021	City of Signal Hill	4/6/2018	1/5/2022		\$49,661.00	\$46,079.31	Install EV Charging Stations	\$3,581.69	Yes
ML18022	City of Desert Hot Springs	5/3/2018	1/2/2020	1/2/2021	\$50,000.00	\$50,000.00	Traffic Signal and Synchronization Project	\$0.00	Yes
ML18034	City of Calabasas	6/8/2018	3/7/2022	3/7/2023	\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18035	City of Westlake Village	8/8/2018	11/7/2022		\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18040	City of Agoura Hills	7/13/2018	6/12/2022		\$17,914.00	\$17,914.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18049	City of Downey	7/6/2018	5/5/2023		\$148,260.00	\$148,116.32	Install EV Charging Stations	\$143.68	Yes
ML18052	City of Garden Grove	8/8/2018	10/7/2022		\$53,593.00	\$46,164.28	Purchase 4 L.D. ZEVs and Infrastructure	\$7,428.72	Yes
ML18054	City of La Habra Heights	8/8/2018	4/7/2022		\$9,200.00	\$9,200.00	Purchase 1 L.D. ZEV	\$0.00	Yes
ML18070	City of Lomita	11/29/2018	6/28/2022		\$6,250.00	\$6,250.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
ML18071	City of Chino Hills	9/7/2018	10/6/2022		\$20,000.00	\$20,000.00	Purchase 2 Light-Duty ZEVs	\$0.00	Yes
ML18077	City of Orange	11/2/2018	10/1/2022		\$59,776.00	\$59,776.00	Four Light-Duty ZEV and EV Charging Infr	\$0.00	Yes
ML18086	City of Los Angeles Bureau of Street	2/8/2019	4/7/2023		\$300,000.00	\$300,000.00	Install Sixty EV Charging Stations	\$0.00	Yes
ML18088	City of Big Bear Lake	11/29/2018	8/28/2020	8/28/2021	\$50,000.00	\$50,000.00	Install Bicycle Trail	\$0.00	Yes
ML18097	City of Temple City	11/29/2018	7/28/2022		\$16,000.00	\$12,000.00	Purchase Two Light-Duty ZEVs	\$4,000.00	Yes
ML18126	City of Lomita	12/7/2018	1/6/2020		\$26,500.00	\$13,279.56	Install bicycle racks and lanes	\$13,220.44	Yes
ML18127	City of La Puente	2/1/2019	2/28/2023		\$10,000.00	\$7,113.70	Purchase Light-Duty Zero Emission Vehicle	\$2,886.30	Yes
ML18130	City of Lake Forest	3/1/2019	9/30/2022		\$106,480.00	\$106,480.00	Install Twenty-One EVSEs	\$0.00	Yes
ML18131	City of Los Angeles, Police Departm	5/3/2019	12/2/2022		\$19,294.00	\$19,294.00	Purchase Three Light-Duty ZEVs	\$0.00	Yes
ML18138	City of La Canada Flintridge	2/8/2019	5/7/2023		\$32,589.00	\$32,588.07	Install Four EVSEs and Install Bicycle Racks	\$0.93	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18139	City of Calimesa	8/30/2019	7/29/2020	11/29/2021	\$50,000.00	\$50,000.00	Install Bicycle Lane	\$0.00	Yes
ML18160	City of Irwindale	3/29/2019	12/28/2022		\$14,263.00	\$14,263.00	Purchase Two Light-Duty ZEVs	\$0.00	Yes
ML18173	City of Manhattan Beach	3/29/2019	2/28/2023		\$49,000.00	\$49,000.00	Purchase Two Light-Duty ZEVs and EV Cha	\$0.00	Yes
ML18179	City of Rancho Mirage	8/20/2021	2/19/2022		\$50,000.00	\$50,000.00	Traffic Signal Synchronization	\$0.00	Yes
MS18001	Los Angeles County MTA	6/29/2017	4/30/2018		\$807,945.00	\$652,737.07	Provide Clean Fuel Transit Service to Dodge	\$155,207.93	Yes
MS18002	Southern California Association of G	6/9/2017	11/30/2018	12/30/2021	\$2,500,000.00	\$2,276,272.46	Regional Active Transportation Partnership	\$223,727.54	Yes
MS18003	Geographics	2/21/2017	2/20/2021	6/20/2021	\$72,453.00	\$65,521.32	Design, Host and Maintain MSRC Website	\$6,931.68	Yes
MS18004	Orange County Transportation Autho	8/3/2017	4/30/2019		\$503,272.00	\$456,145.29	Provide Special Rail Service to Angel Stadiu	\$47,126.71	Yes
MS18005	Orange County Transportation Autho	1/5/2018	4/30/2019		\$834,222.00	\$834,222.00	Clean Fuel Bus Service to OC Fair	\$0.00	Yes
MS18006	Anaheim Transportation Network	10/6/2017	2/28/2020		\$219,564.00	\$9,488.22	Implement Anaheim Circulator Service	\$210,075.78	Yes
MS18008	Foothill Transit	1/12/2018	3/31/2019		\$100,000.00	\$99,406.61	Special Transit Service to LA County Fair	\$593.39	Yes
MS18010	Southern California Regional Rail Aut	12/28/2017	7/31/2019		\$351,186.00	\$275,490.61	Implement Special Metrolink Service to Unio	\$75,695.39	Yes
MS18011	Southern California Regional Rail Aut	2/9/2018	6/30/2018		\$239,565.00	\$221,725.12	Special Train Service to Festival of Lights	\$17,839.88	Yes
MS18014	Regents of the University of Californi	10/5/2018	12/4/2019	3/4/2020	\$254,795.00	\$251,455.59	Planning for EV Charging Infrastructure Inve	\$3,339.41	Yes
MS18016	Southern California Regional Rail Aut	1/10/2019	3/31/2019		\$87,764.00	\$73,140.89	Special Train Service to Auto Club Speedwa	\$14,623.11	Yes
MS18025	Los Angeles County MTA	11/29/2018	5/31/2019		\$1,324,560.00	\$961,246.86	Special Bus and Train Service to Dodger Sta	\$363,313.14	Yes
MS18102	Orange County Transportation Autho	10/4/2019	5/31/2020		\$1,146,000.00	\$1,146,000.00	Implement OC Flex Micro-Transit Pilot Proje	\$0.00	Yes
MS18103	Orange County Transportation Autho	2/8/2019	9/7/2020		\$642,000.00	\$613,303.83	Install Hydrogen Detection System	\$28,696.17	Yes
MS18104	Orange County Transportation Autho	2/21/2020	3/31/2021	3/31/2022	\$212,000.00	\$165,235.92	Implement College Pass Transit Fare Subsid	\$46,764.08	Yes
MS18105	Southern California Regional Rail Aut	1/10/2019	6/30/2019		\$252,696.00	\$186,830.04	Special Train Service to the Festival of Light	\$65,865.96	Yes

Total: 40

Closed/Incomplete Contracts

ML18083	City of San Fernando	11/2/2018	11/1/2022		\$20,000.00	\$0.00	Implement Traffic Signal Synchronization	\$20,000.00	No
ML18133	City of Rancho Mirage	12/7/2018	11/6/2020		\$50,000.00	\$0.00	Traffic Signal Synchronization	\$50,000.00	No
ML18167	City of Beverly Hills	3/29/2019	6/28/2025		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emissi	\$50,000.00	No
ML18168	City of Maywood	3/29/2019	11/28/2022		\$7,059.00	\$0.00	Purchase EV Charging Infrastructure	\$7,059.00	No
MS18026	Omnitrans	10/5/2018	1/4/2020		\$83,000.00	\$0.00	Modify Vehicle Maintenance Facility and Trai	\$83,000.00	No
MS18118	City of Beverly Hills	3/29/2019	7/28/2025		\$85,272.00	\$0.00	Expansion of Existing CNG Infrastructure	\$85,272.00	No

Total: 6

Open/Complete Contracts

ML18020	City of Colton	5/3/2018	4/2/2024	4/2/2027	\$67,881.00	\$67,881.00	Purchase One Medium-Duty and One Heavy	\$0.00	Yes
ML18028	City of Artesia	6/28/2018	3/27/2025		\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18030	City of Grand Terrace	6/28/2018	3/27/2022	3/27/2025	\$45,000.00	\$45,000.00	Install EVSE	\$0.00	Yes
ML18032	City of Arcadia	2/1/2019	4/30/2025		\$24,650.00	\$24,650.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18033	City of Duarte	8/8/2018	2/7/2025		\$50,000.00	\$50,000.00	Purchase 1-HD ZEV	\$0.00	Yes
ML18037	City of Westminster	6/28/2018	6/27/2024	12/27/2026	\$120,900.00	\$120,900.00	Install EVSE, Purchase up to 3-LD ZEV & 1-	\$0.00	Yes
ML18038	City of Anaheim	10/5/2018	5/4/2025	5/4/2026	\$151,630.00	\$147,883.27	Purchase 5 Light-Duty ZEVs and Install EVS	\$3,746.73	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18039	City of Redlands	6/28/2018	7/27/2024	1/27/2025	\$63,191.00	\$63,190.33	Purchase 1 Medium/Heavy-Duty ZEV and In	\$0.67	Yes
ML18041	City of West Hollywood	8/8/2018	12/7/2023	6/7/2024	\$50,000.00	\$50,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18042	City of San Fernando	6/28/2018	2/27/2024		\$10,000.00	\$10,000.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
ML18043	City of Yorba Linda	9/7/2018	12/6/2023	12/6/2024	\$87,990.00	\$87,990.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18045	City of Culver City Transportation De	6/28/2018	6/27/2025		\$51,000.00	\$51,000.00	Purchase Eight Near-Zero Vehicles	\$0.00	Yes
ML18048	City of Lynwood	6/28/2018	10/27/2024		\$93,500.00	\$44,505.53	Purchase Up to 3 Medium-Duty Zero-Emissi	\$48,994.47	Yes
ML18056	City of Chino	3/29/2019	9/28/2023		\$103,868.00	\$103,868.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18061	City of Moreno Valley	4/9/2019	2/8/2025		\$25,000.00	\$25,000.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18062	City of Beaumont	8/8/2018	9/7/2024		\$25,000.00	\$25,000.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18072	City of Anaheim	12/18/2018	11/17/2026		\$239,560.00	\$239,560.00	Purchase 9 Light-Duty ZEVs & 2 Med/Hvy-D	\$0.00	Yes
ML18074	City of Buena Park	12/14/2018	6/13/2026		\$107,960.00	\$107,960.00	EV Charging Infrastructure	\$0.00	Yes
ML18076	City of Culver City Transportation De	10/5/2018	10/4/2023		\$1,130.00	\$1,130.00	Purchase Light-Duty ZEV	\$0.00	Yes
ML18079	City of Pasadena	12/7/2018	11/6/2023		\$183,670.00	\$183,670.00	EV Charging Infrastructure	\$0.00	Yes
ML18080	City of Santa Monica	1/10/2019	12/9/2023	9/9/2025	\$44,289.00	\$44,288.92	Install EV Charging Stations	\$0.08	Yes
ML18081	City of Beaumont	10/5/2018	10/4/2022	10/4/2025	\$31,870.00	\$31,870.00	EV Charging Infrastructure	\$0.00	Yes
ML18085	City of Orange	4/12/2019	10/11/2026		\$50,000.00	\$50,000.00	Purchase Two Heavy-Duty Near-Zero Emissi	\$0.00	Yes
ML18087	City of Murrieta	3/29/2019	3/28/2025		\$143,520.00	\$143,520.00	Install Four EV Charging Stations	\$0.00	Yes
ML18090	City of Santa Clarita	5/9/2019	2/8/2023	2/8/2024	\$122,000.00	\$118,978.52	Install Nine EV Charging Stations	\$3,021.48	Yes
ML18095	City of Gardena	11/9/2018	12/8/2024		\$25,000.00	\$25,000.00	Purchase Heavy-Duty Near-ZEV	\$0.00	Yes
ML18096	City of Highland	12/13/2019	8/12/2024		\$10,000.00	\$9,918.84	Purchase Light-Duty Zero Emission Vehicle	\$81.16	Yes
ML18098	City of Redondo Beach	2/1/2019	3/31/2023	3/31/2025	\$89,400.00	\$89,400.00	Install Six EV Charging Stations	\$0.00	Yes
ML18099	City of Laguna Hills	3/1/2019	5/31/2023	9/30/2024	\$32,250.00	\$32,250.00	Install EV Charging Stations	\$0.00	Yes
ML18100	City of Brea	10/29/2020	12/28/2024	12/31/2025	\$56,500.00	\$56,500.00	Install Twenty-Four Level II EV Charging Sta	\$0.00	Yes
ML18128	City of Aliso Viejo	8/30/2019	11/29/2023		\$65,460.00	\$65,389.56	Purchase Two Light-Duty ZEVs and Install S	\$70.44	Yes
ML18136	City of Orange	4/12/2019	8/11/2024		\$40,000.00	\$40,000.00	Purchase Four Light-Duty Zero Emission Ve	\$0.00	Yes
ML18142	City of La Quinta	4/24/2019	2/23/2023	8/23/2023	\$51,780.00	\$51,780.00	Install Two EV Charging Stations	\$0.00	Yes
ML18143	City of La Habra	10/18/2019	9/17/2025	9/17/2027	\$80,700.00	\$80,700.00	Install Two EV Charging Stations	\$0.00	Yes
ML18154	City of Hemet	11/22/2019	9/21/2023	3/21/2024	\$30,000.00	\$30,000.00	Purchase Two Light-Duty ZEVs and EV Cha	\$0.00	Yes
ML18155	City of Claremont	7/31/2019	9/30/2023		\$35,609.00	\$35,608.86	Install EV Charging Infrastructure	\$0.14	Yes
ML18156	City of Covina	2/1/2019	3/31/2023	12/31/2023	\$63,800.00	\$62,713.00	Purchase Four Light-Duty ZEVs and EV Cha	\$1,087.00	Yes
ML18157	City of Los Angeles Bureau of Street	6/21/2019	5/20/2027		\$85,000.00	\$85,000.00	Purchase One Medium-Duty ZEV	\$0.00	Yes
ML18161	City of Indio	5/3/2019	10/2/2025		\$25,000.00	\$25,000.00	Purchase 1 Light-Duty Zero Emission and E	\$0.00	Yes
ML18162	City of Costa Mesa	1/10/2020	7/9/2026		\$148,210.00	\$148,210.00	Purchase Three Light-Duty ZEVs and EV Ch	\$0.00	Yes
ML18169	City of Alhambra	6/14/2019	8/13/2024		\$111,980.00	\$111,980.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18170	City of Laguna Niguel	1/10/2020	8/9/2028		\$75,100.00	\$75,100.00	Purchase One Light-Duty ZEV and EV Char	\$0.00	No
ML18171	City of El Monte	3/1/2019	4/30/2025		\$68,079.00	\$68,077.81	Purchase One Heavy-Duty ZEVs and EV Ch	\$1.19	Yes
ML18176	City of Coachella	3/1/2019	11/30/2024		\$58,020.00	\$58,020.00	Install EV Charging Stations	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS18012	City of Hermosa Beach	2/2/2018	2/1/2024		\$36,000.00	\$36,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS18066	El Dorado National	12/6/2019	2/5/2026		\$100,000.00	\$100,000.00	Install New Limited-Access CNG Station	\$0.00	Yes
MS18115	City of Commerce	6/7/2019	12/6/2025	7/6/2026	\$275,000.00	\$275,000.00	Expansion of Existing L/CNG Infrastructure	\$0.00	No
MS18117	City of San Bernardino	6/7/2019	11/6/2025		\$240,000.00	\$240,000.00	Expansion of Existing CNG Infrastructure/Me	\$0.00	Yes
MS18120	City of Redondo Beach	2/1/2019	9/30/2025		\$275,000.00	\$275,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18122	Universal Waste Systems, Inc.	2/1/2019	3/31/2025	7/31/2027	\$195,000.00	\$195,000.00	Install New Limited Access CNG Infrastructu	\$0.00	Yes
MS18123	City Rent A Bin DBA Serv-Wel Dispo	12/14/2018	2/13/2025		\$200,000.00	\$200,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18124	County Sanitation Districts of Los An	7/31/2019	2/28/2027		\$275,000.00	\$275,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18125	U.S. Venture	5/9/2019	8/8/2025		\$200,000.00	\$200,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes

Total: 53

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2018-2021 Contracts

Open Contracts

MS21002	Better World Group Advisors	11/1/2019	12/31/2022	12/31/2024	\$448,154.00	\$166,956.50	Programmatic Outreach Services	\$281,197.50	No
MS21004	Los Angeles County MTA	1/7/2021	5/31/2023		\$814,822.00	\$0.00	Clean Fuel Bus Service to Dodger Stadium	\$814,822.00	No
MS21005	Southern California Association of G	5/5/2021	1/31/2024	7/31/2025	\$16,751,000.00	\$0.00	Implement Last Mile Goods Movement Progr	\$16,751,000.00	No
MS21006	Geographics	4/1/2021	6/20/2023	6/20/2025	\$20,152.00	\$8,877.75	Hosting & Maintenance of the MSRC Websit	\$11,274.25	No
MS21007	Penske Truck Leasing Co., L.P.	4/1/2022	3/31/2028		\$1,000,000.00	\$0.00	Deploy 5 Zero-Emission Yard Tractors	\$1,000,000.00	No
MS21009	ITS Technologies & Logistics, LLC	7/15/2022	7/14/2028		\$1,686,900.00	\$0.00	Deploy 12 Zero-Emission Yard Tractors	\$1,686,900.00	No
MS21010	MHX, LLC	9/29/2021	1/28/2028		\$569,275.00	\$0.00	Deploy One Zero-Emission Overhead Crane	\$569,275.00	No
MS21011	RDS Logistics Group	1/21/2022	7/20/2028		\$808,500.00	\$0.00	Deploy 3 Zero-Emission Yard Tractors and	\$808,500.00	No
MS21013	4 Gen Logistics	3/27/2022	5/26/2028		\$7,000,000.00	\$0.00	Deploy 40 Zero Emssion Trucks	\$7,000,000.00	No
MS21014	Green Fleet Systems, LLC	8/31/2021	8/30/2027	8/30/2028	\$500,000.00	\$270,000.00	Deploy up to 5 Near Zero Emission Trucks	\$230,000.00	No
MS21015	Premium Transportation Services, In	9/22/2021	5/21/2027		\$1,500,000.00	\$0.00	Deploy up to 15 Near-Zero Emissions Truck	\$1,500,000.00	No
MS21016	Ryder Integrated Logistics, Inc.	12/7/2022	4/6/2029		\$3,169,746.00	\$0.00	Procure Two Integrated Power Centers and	\$3,169,746.00	No
MS21017	MHX, LLC	9/29/2021	9/28/2030		\$1,900,000.00	\$0.00	Deploy up to 10 Zero-Emission Trucks & Infr	\$1,900,000.00	No
MS21018	Pac Anchor Transportation, Inc.	8/17/2021	8/16/2027	8/16/2028	\$2,300,000.00	\$0.00	Deploy up to 23 Near Zero Emission Trucks	\$2,300,000.00	No
MS21019	Volvo Financial Services	3/31/2022	3/30/2030		\$3,930,270.00	\$495,869.15	Lease up to 14 Zero-Emission Trucks and Pr	\$3,434,400.85	No
MS21023	BNSF Railway Company	4/22/2022	4/21/2028	4/21/2029	\$1,313,100.00	\$0.00	Install EV Charging Infrastructure	\$1,313,100.00	No
MS21025	Costco Wholesale	12/9/2022	12/8/2028		\$160,000.00	\$0.00	Install Five EV Charging Units	\$160,000.00	No

Total: 17

Declined/Cancelled Contracts

MS21008	CMA CGM (America) LLC				\$3,000,000.00	\$0.00	Deploy 2 Zero-Emission Rubber Tire Gantry	\$3,000,000.00	No
MS21012	Amazon Logistics, Inc.				\$4,157,710.00	\$0.00	Deploy up to 10 Zero-Emission and 100 Nea	\$4,157,710.00	No
MS21020	Sea-Logix, LLC				\$2,300,000.00	\$0.00	Deploy up to 23 Near-Zero Emssions Trucks	\$2,300,000.00	No
MS21021	CMA CGM (America) LLC				\$1,946,463.00	\$0.00	Deploy up to 13 Near Zero Emission Trucks	\$1,946,463.00	No
MS21022	Orange County Transportation Autho				\$289,054.00	\$0.00	Implement Special Transit Service to the Or	\$289,054.00	No

Total: 5

Closed Contracts

MS21001	Los Angeles County MTA	8/30/2019	7/29/2020		\$613,752.87	\$613,752.87	Implement Special Transit Service to Dodger	\$0.00	Yes
MS21003	Orange County Transportation Autho	7/8/2020	5/31/2021		\$468,298.00	\$241,150.48	Provide Express Bus Service to the Orange	\$227,147.52	Yes

Total: 2

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2021-2024 Contracts

Open Contracts

MS24001	Los Angeles County MTA	1/26/2023	5/31/2028		\$1,200,248.00	\$0.00	Provide Clean Fuel Bus Service to Dodger S	\$1,200,248.00	No
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Total: 1

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 19

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board held a public meeting on June 22, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Gideon Kracov, Member
South Coast AQMD Governing Board

FT

The California Air Resources Board (CARB or Board) held a public meeting on June 22, 2023 in Sacramento, California at the California Environmental Protection Agency Headquarters Building. The key items presented are summarized below.

DISCUSSION ITEMS

23-6-1: Public Meeting to Consider the Proposed Eastern Kern 8-Hour Ozone Plan

The Board adopted the 2023 8-Hour Ozone State Implementation Plan (SIP) for the Eastern Kern Nonattainment Area (2023 Plan). The 2023 Plan was developed by the Eastern Kern Air Pollution Control District to meet the Clean Air Act requirements, and demonstrates attainment by the Severe classification deadline of August 3, 2033. CARB will submit the 2023 Plan to the U.S. Environmental Protection Agency (U.S. EPA) for inclusion in the California SIP.

23-6-2: Public Hearing to Consider Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

The Board adopted amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (Oil and Gas Regulation) which addresses additional U.S. EPA SIP requirements for oil and natural gas sources. The Oil and Gas Regulation

also incorporates the ability to use methane satellite data as those become available. This additional data, in addition to existing leak detection requirements, will reduce methane emissions from oil and natural gas production, processing, transmission, and underground storage. CARB expects to begin obtaining satellite data capable of detecting large methane emission plumes in the coming years as two satellites are planned for launch in 2024 through a consortium in which CARB is a partner.

23-6-3: 2022 Haagen-Smit Clean Air Awards

Since 2001, the Board has annually bestowed the distinguished Haagen-Smit Awards to extraordinary individuals to recognize their exceptional and transformative contributions, widespread impacts, and novel accomplishments related to air quality and climate change. For the year 2022, CARB has selected seven recipients who have made significant contributions in the categories of International Leadership, Policy, Science and Technology, Public Health, and Environmental Justice.

Attachment

CARB June 22, 2023 Meeting Agenda



Public Meeting Agenda

Thursday, June 22, 2023

California Environmental Protection Agency
1001 I Street, Sacramento, California 95814
Byron Sher Auditorium, 2nd Floor

Webcast (Livestream/Watch Only)

Zoom Webinar [Register Here](#)

Phone Number: (669) 900-6833

Webinar ID: 844 9986 7915

The June 22, 2023, meeting of the California Air Resources Board (CARB or Board) will be held at 1001 I Street in Sacramento, with remote participation available to the public and Board members in accordance with [Senate Bill 189](#) (Gov. Code § 11133). This facility is accessible to persons with disabilities and by public transit. For transit information, call (916) 321-BUSS (2877) or visit <http://sacrt.com/>.

To only watch the Board Meeting and not provide verbal comments, please view the [webcast](#). If you do not wish to provide verbal comments, we strongly recommend watching the webcast as this will free up space on the webinar for those who are providing verbal comments. Please do not view the webcast and then switch over to the webinar to comment as the webcast will have a time delay; instead, register to participate via the Zoom webinar.

Public Comment Guidelines and Information

- [In-Person Public Testimony](#)
- [Remote Public Participation](#)

The Board will set a two-minute time limit on verbal comments; however, the amount of time could change at the Chair's discretion.

In-person speakers signed up to comment will be called upon first, followed by public Zoom and phone participants wishing to comment.

The Chair may close speaker sign-ups 30 minutes after the public comment portion of an item has begun.

Spanish interpretation will be available for the June 22 Board Meeting.

- [Agenda de la Reunión Pública](#)
- [Spanish Webcast](#)

Thursday, June 22, 2023 @ 9:00 a.m.

Discussion Items:

The following agenda items may be heard in a different order at the Board Meeting.

Hardcopies of the Public Agenda and Proposed Resolutions (when applicable) will be provided at the meeting; all other documents linked below will only be available upon request.

23-6-1: Public Meeting to Consider the Proposed Eastern Kern 8-Hour Ozone Plan

The Board will consider adopting the 2023 8-Hour Ozone State Implementation Plan for the Eastern Kern Nonattainment Area into the California SIP.

- [More Information](#)
- [Public Meeting Notice](#)
- [Staff Report](#)
- [Item Summary](#)
- [Proposed Resolution](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

23-6-2: Public Hearing to Consider the Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

The Board will consider approving for adoption the Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities which will address additional United States Environmental Protection Agency State Implementation Plan requirements for oil and natural gas sources and require action to inspect and repair emission sources identified by satellite monitoring as those data become available.

- [Formal Rulemaking Page](#)
 - [Public Meeting Notice](#)
 - [Staff Report](#)
- [Item Summary](#)
- [Hearing Presentation](#)
- [Proposed Resolution](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

23-6-3: 2022 Haagen-Smit Clean Air Awards

The Board will present the 2022 Haagen-Smit Clean Air Awards, considered the "Nobel Prize" in air quality achievement. These awards recognize extraordinary individuals who have made transformative contributions toward air quality and/or addressing climate change.

- [More Information](#)

- [Item Summary](#)
- [Meeting Presentation](#)
- [Submit Written Comments](#)
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Closed Session

The Board may hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

Bobby Harris v. Nissan North America, Inc. (U.S. District Court, Central District of California, Case No. 2:20-cv-06021-CJC-GJS.)

California Air Resources Board v. Best Energy Solutions & Technology Corp. Los Angeles Superior Court, Case No. 22STCV32487.

California Air Resources Board v. Daimler AG and Mercedes-Benz USA, LLC. (United States District Court, District of Columbia, Civil Action No. 1:20-cv-2565.)

California Air Resources Board v. Key Disposal, Inc. and John Katangian Los Angeles Superior Court, Case No. BC650014.

California Natural Gas Vehicle Coalition v. California Air Resources Board, et al., Fresno County Superior Court, Case No. 20CECG02250; industry appeal California Court of Appeal, Fifth District, Case No. F084229.

California Trucking Association v. California Air Resources Board, et al. Fresno County Superior Court, Case No. 22CECG00919.

California Trucking Association v. South Coast Air Quality Mgmt. District United States District Court, Central District of California, Case No. 2:21-cv-6341.

Central California Environmental Justice Network, et al. v. Randolph, et al., United States District Court, Eastern District of California, Case No. 2:22-cv-01714-TLN-CKD.

Competitive Enterprise Inst. v. NHTSA, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1145, and consolidated cases *State of California v. Wheeler, et al.*, No. 20-1167, and Nos. 20-1168, 20-1169, 20-1173, 20-1174, 20-1176, and 20-1177.

Environmental Defense Fund, et al., v. Andrew Wheeler, et al., United States Court of Appeals, District of Columbia Circuit, Case No. 20-1360.

Federal Energy Regulatory Commission Order 719, Docket No. RM21-14-000.

Friends of Oceano Dunes, Inc. v. California Air Resources Board, et al. (San Luis Obispo County Superior Court, Case No. 17CV-0576) and *Friends of Oceano Dunes, Inc. v. California Air Resources Board, et al.*, U.S. District Court for the Central District of California, Case No. 2:17-cv-8733.

South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles County Superior Court, Case No. 20STCP02985; transferred to San Diego County Superior Court, Case No. 37-2021-00023385-CU-TT-CTL.

Natural Resources Defense Council v. National Highway Traffic Safety Admin., et al., United States Court of Appeal, District of Columbia Circuit, Case No. 22-1080, consolidated with Nos. 22-1144, 22-1145.

People ex rel. California Air Resources Board v. Noil Energy Group, Inc. & Speedy Fuel, Inc. Los Angeles Superior Court Case Nos. 20STCV30142/20STCV30292.

People ex rel. California Air Resources Board v. Wholesale Harvest Supply, Inc. Mendocino County Superior Court, Case No. 22CV00491.

People v. Southern California Gas Company. (Los Angeles Superior Court, Case No. BC602973.)

Possible litigation challenging U.S. Environmental Protection Agency's grant of waivers of preemption under the Clean Air Act to the California Air Resources Board.

State of California v. Andrew Wheeler et. al., District of Columbia Circuit, Case No. 19-1239, consolidated under No. 19-1230 along with other cases.

State of California v. Andrew Wheeler, et al., United States Court of Appeals, District of Columbia Circuit, Case No. 19-1239.

State of California, et al. v. David Bernhardt, et al., United States District Court, Northern District of California, Case No. 3:18-cv-5712-DMR; United States Court of Appeals, Ninth Circuit, Case No. 20-16793.

State of California, et al. v. United States Environmental Protection Agency, United States Court of Appeals for the District of Columbia Circuit – Case No. 21-1034, consolidated with *California Communities Against Toxics et al. v. EPA*, Case No. 21-1024.

State of California, et al. v. United States Environmental Protection Agency, et al., United States Court of Appeals, District of Columbia Circuit, Case No. 21-1014.

State of California, et al. v. United States Environmental Protection Agency, United States Court of Appeals, District of Columbia Circuit, Case No. 21-1018.

State of Massachusetts v. EPA, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1265.

State of New York, et al. v. United States Environmental Protection Agency, United States Court of Appeals, District of Columbia Circuit, Case No. 21-1026.

State of New York, et al. v. United States Environmental Protection Agency, et al., United States Court of Appeals, District of Columbia Circuit, Case No. 21-1028.

State of New York, et al. v. Andrew Wheeler and the United States Environmental Protection Agency, U.S. District Court, District of Columbia, Case No. 1:18-cv-00773.

State of North Dakota v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1381.

State of North Dakota, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

State of Ohio, et al., v. Environmental Protection Agency, et al., United States Court of Appeals, District of Columbia Circuit, Case No. 22-1081, consolidated with Case Nos. 22-1083, 22-1084, and 22-1085.

State of Texas, et al., v. Environmental Protection Agency, et al. United States Court of Appeals, District of Columbia Circuit, Case No. 22-1031.

State of Wyoming, et al. v. United States Department of the Interior, et al., U.S. District Court, District of Wyoming, Case No. 16-CV-285-SWS; United States Court of Appeals, Tenth Circuit, Case No. 2:16-cv-00285-SWS.

The Two Hundred for Homeownership, et al. v. California Air Resources Board, et al. United States District Court, Eastern District of California, Fresno, Case No. 1:22-cv-01474-ADA-BAM.

The Two Hundred, et al. v. California Air Resources Board, et al., Fresno County Superior Court, Case No. 18CECG1494.

Western States Petroleum Association v. California Air Resources Board, et al., Superior Court of the State of California for the County of Fresno, Case No. 22CECG03603.

Western States Petroleum Association v. California Air Resources Board, Los Angeles County Superior Court, Case No. 20STCP03138x.

W.O. Stinson & Son LTD. v. Western Climate Initiative, Inc., Ontario Canada Superior Court, Case No. CV-20-00083726-0000.

Opportunity for Members of the Board to Comment on Matters of Interest

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

Open Session to Provide an Opportunity for Members of the Public to Address the Board on Subject Matters within the Jurisdiction of the Board

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of two minutes to ensure that everyone has a chance to speak. The public will also have an opportunity to [submit written comments](#) for open session the morning of the Board Meeting.

Other Information

[Submit Comments Electronically the Day of the Board Meeting](#)

[View Submitted Comments](#)

Please Note: PowerPoint presentations to be displayed during public comment at the Board meeting must be electronically submitted via email to the Clerks' Office at cotb@arb.ca.gov no later than noon on the business day prior to the scheduled Board Meeting.

If you have any questions, please contact the Clerks' Office:

1001 I Street, 23rd Floor, Sacramento, California 95814
cotb@arb.ca.gov or (916) 322-5594
CARB Homepage: www.arb.ca.gov

Special Accommodation Request

Consistent with California Government Code section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerks' Office at cotb@arb.ca.gov or at (916) 322-5594 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Acomodación Especial

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alternativo u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor contacte la oficina del Consejo al (916) 322-5594 o por correo electrónico al cotb@arb.ca.gov lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.



Permitting Enhancement Program Work Plan

Board Meeting
August 4, 2023



Permitting Enhancement Program

- April Board meeting, Chair introduced Permitting Enhancement Program (PEP)
- May Board Meeting, staff provided background information and a general outline for PEP Workplan
- Today presenting the Comprehensive PEP Workplan

PEP Workplan Outline

Presented at May Board Meeting



Staffing and Resources



Staff Development and Training



Modernization of Permitting System



Enhance Public Interface and Transparency



Streamlining and Efficiency Improvements

Implementation Timeframe

The following icons are used to provide the estimated implementation timeframe for each action



Action is on going and will continue until it is no longer needed

12m



Completion of action within 12 months

24m



Completion of action between 12 to 24 months

24m+



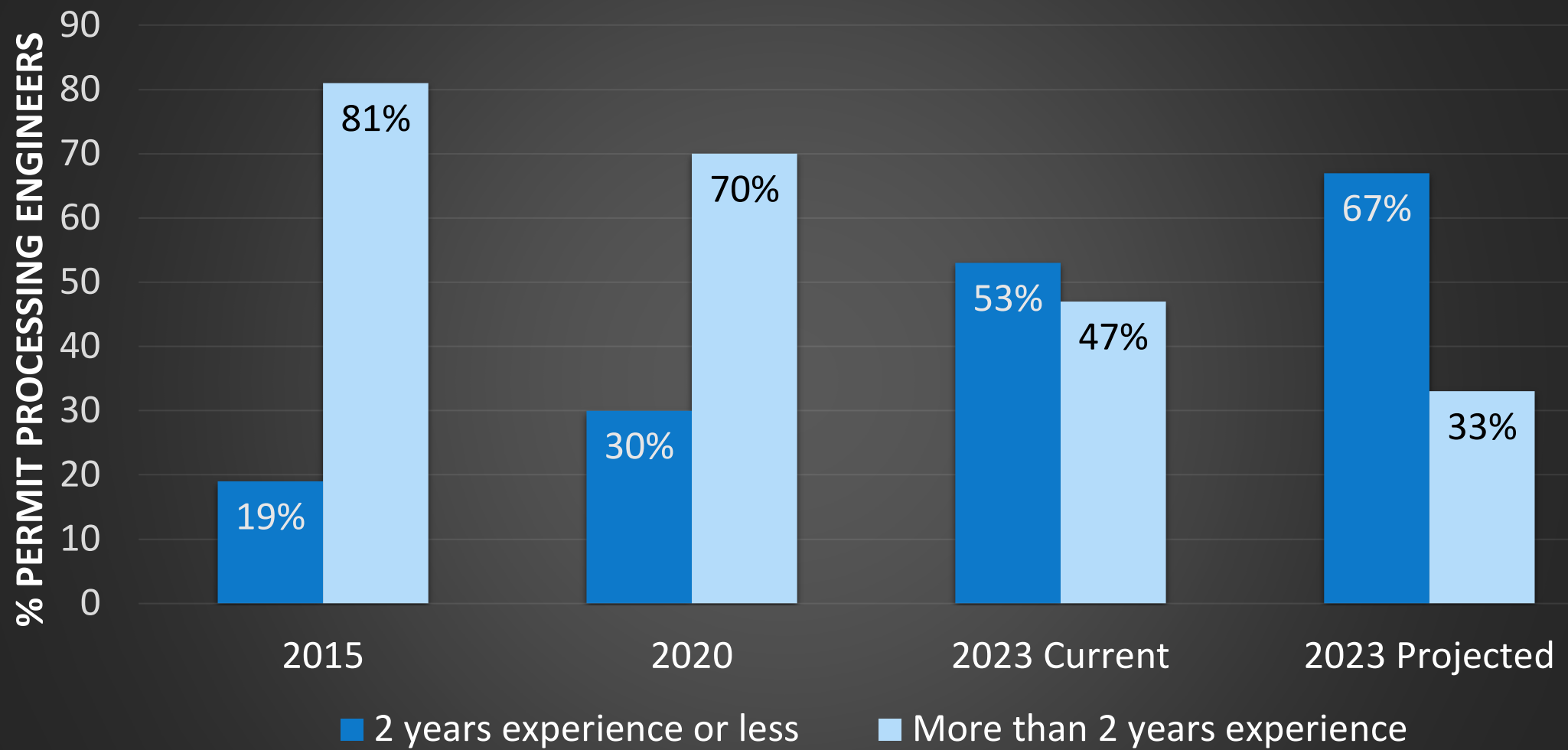
Completion of action between 24 to 36 months (Exception)



Unprecedented
vacancies due to
retirements and
resignations

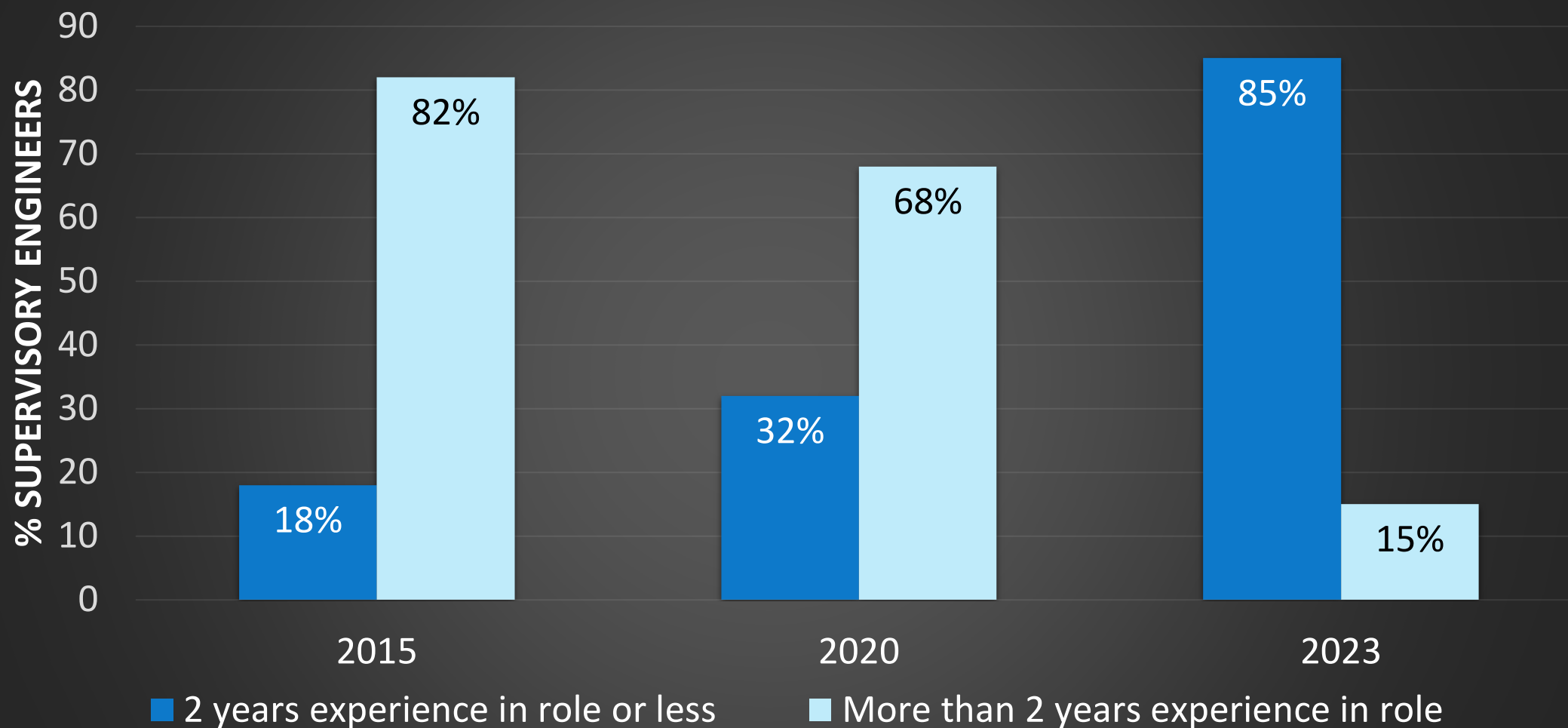


2 out of 3 Processing Engineers Will Have Less Than 2 Years Experience by the End of 2023















Most Supervisory Staff Have Less Than 2 Years in their Current Role





Staffing Actions

-   Achieve and Maintain a Vacancy Rate of 10 percent or Less 
-   Continue Using Retired Employees and Contractors 
-  Continue Implementing Succession Planning for Knowledge Transfer 
-  Redistribution of Resources to Address Bottlenecks 



Having
experienced,
well-trained staff
is critical to
timely permit
processing



Staff Development Actions

12m



Develop and Implement Enhanced Training Programs for all Engineers

IN PROGRESS

24m



Create and Formalize Training Program for Supervisory Engineers

IN PROGRESS

24m



Explore Third Party Technical Training Programs

12m



Continue Developing and Consolidating Standard Operating Procedures (SOP) for Policies

IN PROGRESS



Modernizing permit processing to a paperless online system will increase efficiency and workflow



Modernizing Permit Processing

- Clean Air Support System (CLASS) was primarily developed in the 1990s and is a software system used by all divisions throughout District
- Consists of following software programs directly related to E&P:
 - New Source Review (NSR)
 - Tracks facility emissions
 - Permit Administration and Application Tracking System (PAATS)
 - Application tracking and engineer assignments
 - Permit Processing System (PPS)
 - Permitting fees and permit wording
 - Facility Permit (FP)
 - RECLAIM Facility Permit Administration



Modernization Actions





Efficient Paperless Permit Processing



Online Application Filing

- 18 Forms deployed
- 39 Forms developed
- Will be completed in 2 years



Permit Processing Workflow

- 10 phases
- Phases 1 & 2 in progress; completion by end of 2024
- Phases 3-10: 2+ years to complete



Update & Maintain Permit Processing Software Programs

- Three main permit processing software programs need to be updated
- 2+ years to complete



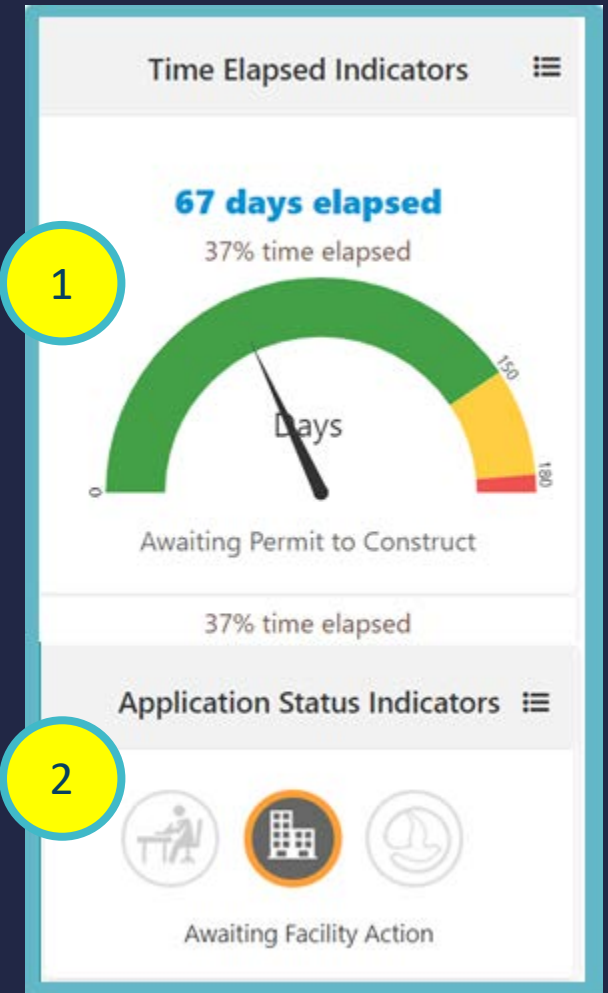
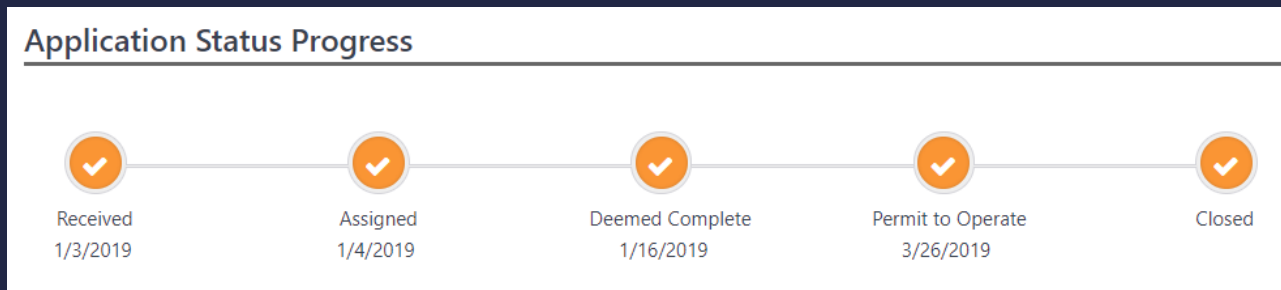
Transparency

Improving website and dashboard capabilities allows transparent communication of permitting application status and expected timeframes



Pending Application Dashboard

- Dashboard provides transparency and application tracking data for pending applications
- Two status indicator types:
 1. Time elapsed indicator
 2. Application status indicators
- Status progress bar:





Identifying Bottlenecks

- Two stage permit process



- Review of Dashboard shows that not all applications are awaiting District:
 - Awaiting District – Supervisor Review/Quality Assurance (14%)
 - Awaiting Facility – Information Requested (8%)
 - Awaiting Facility – Source Testing/Compliance (5%) – Aged Apps
- Dashboard upgrade needed to communicate anticipated application timelines



Transparency Actions

24m



Upgrade Permit Processing Dashboard to Better Communicate Permitting Timelines

12m



Enhance Website by Creating Portals for Communities and Facilities

24m



Post Engineering Policies on Website



New
strategies
required to
optimize
resource
utilization



Third-Party Assessment Initial Recommendations

- 13 recommendations to improve permit process and system
- Key recommendations from Phase 1:
 - Reported permit inventory numbers are artificially inflated and should not include applications less than 180 days or applications where no District action is possible
 - Require resubmittal of permit applications when scope of project changes
 - Deny applications if information or communication not received from facility within 120 days
 - Prioritize training and staff retention
 - Assess E&P salaries and career paths
- Final Third-Party Assessment will be posted on PEP website
 - Upcoming Phase 2 to focus on modernization and workflows



General Overview of Permitting Program

- Two Permitting Programs
 - Non-Title V – Minor Source (~60%)*
 - Title V – Major Source (~40%)*
- Title V - 320 of the largest emitting, complex facilities
 - Longer timelines and enhanced public noticing
 - Permits require U.S. EPA review
 - Triggers additional requirements
 - Requires enhanced evaluations
- Analysis of permit issuance timelines for equipment and both permitting programs

* Snapshot of pending applications as of July 2023



Streamlining





Streamlining Actions



Implement Recommendations from Third-Party Assessment



Submit 70% of new Title V applications to U.S. EPA within 18 months of Deemed Complete Date



Develop work plans to address aged applications



Consolidate Public Notice Functions



Streamlining Actions *(Continued)*

24m



Review and Update Aged Engineering Policies

24m



Develop Document Management System for Engineering Policies and Procedures

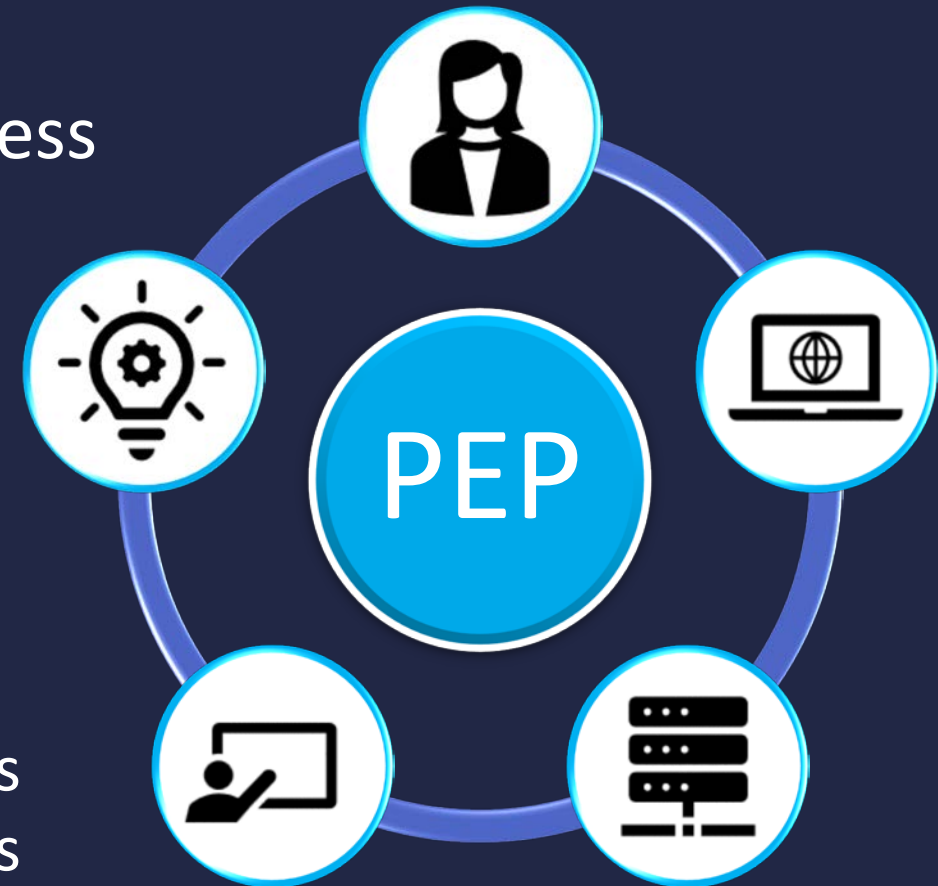
24m



Review CPP Program and Identify Opportunities to Improve Program Efficacy

PEP Summary

- **Highest Priority** - Staffing Actions in progress
- Efficiency goals for new applications
- Work plans to address older applications
- 5 Elements with 21 Enhancement Actions
 - 11 Actions are in Progress
 - 6 Actions are On Going
 - 9 Actions will be completed within 12 months
 - 9 Actions will be completed within 24 months
 - 1 Action related to Permit Processing Modernization will take more than 24 months



Additional Resource Needs

- E&P Needs to Implement PEP
 - Continue using short-term positions for succession planning
 - \$400,000 for retirees (September 2023)
 - Reassess staffing needs annually
- IM Needs for Modernization
 - 2 FTE to develop and maintain modernized permit processing software programs
 - Approximately \$3.2 million for Modernization (FY 24-25 Budget)



Next steps

- Reassess staffing needs and establish maintenance goals to ensure continuous improvement
- Upcoming challenges:
 - Amendments to RECLAIM and NSR
 - Expanded Title V applicability
 - Evolving federal permitting obligations
 - Upcoming rulemaking from past Community investigations
- Report back to SSC in Aug 2024 with updates and future resource needs

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 22

PROPOSAL: Determine That Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens, Is Exempt from CEQA; and Amend Rule 1153.1

SYNOPSIS: Proposed Amended Rule 1153.1 applies to RECLAIM and non-RECLAIM facilities and is being amended to update the NO_x emission limits to reflect BARCT and to establish future effective dates for zero-emission limits for certain categories of commercial food ovens. The proposed amendments also update and clarify rule provisions and the rule structure and includes an alternative compliance schedule plan for zero-emission limits.

COMMITTEE: Stationary Source, June 16, 2023, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens, is exempt from the requirements of the California Environmental Quality Act; and
2. Amending Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens.

Wayne Nastri
Executive Officer

SR:MK:HF:SK:CB

Background

Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Ovens (Rule 1153.1), was adopted on November 7, 2014 and regulates NO_x emissions from commercial food ovens used in industrial, institutional, and commercial operations that are not subject to Regulation XX – Regional Clean Air Incentives Market (RECLAIM). Proposed Amended Rule 1153.1 (PAR 1153.1) is part of a suite of “landing” rules for facilities regulated under RECLAIM that are being adopted to assist in the transition from RECLAIM to a command-and-control regulatory structure. PAR 1153.1 establishes NO_x emission limits, including future zero-emission limits for several categories of

commercial food ovens, based on the Best Available Retrofit Control Technology (BARCT) analysis, which ensures that emissions from all equipment subject to the rule are controlled to achieve the maximum technically feasible, cost-effective emission reductions.

Public Process

PAR 1153.1 was developed through a public process. Staff held eight Working Group Meetings on: July 9, 2021, June 8, 2022, July 27, 2022, August 31, 2022, September 23, 2022, February 2, 2023, March 8, 2023, and June 7, 2023. The meetings included a variety of stakeholders such as affected facilities, industry associations, equipment vendors, public agencies, and environmental and community groups. In additions, staff held two Public Workshops on October 6, 2022 and March 30, 2023. As part of this rule development process, staff also met with individual stakeholders and conducted site visits at facilities subject to his rule.

Proposed Amendments

PAR 1153.1 applies to non-RECLAIM, RECLAIM, and former RECLAIM facilities that operate commercial food ovens with a rated heat input capacity equal to or greater than 325,000 British thermal units (Btu) per hour which are used to prepare food or products for making beverages for human consumption. Commercial food ovens include bakery ovens, cooking ovens, dryers, drying ovens, roasters, smokehouses, and tortilla ovens. PAR 1153.1 establishes NO_x emission limits in two phases. Phase I establishes a NO_x limit of 15 parts per million by volume (ppmv) for tortilla ovens heated solely by infrared burners and a NO_x limit of 30 ppmv for all other commercial food oven categories. Phase II establishes zero-emission limits for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses. In addition, PAR 1153.1 establishes interim NO_x emission limits to prevent backsliding if a facility exits the RECLAIM program before they are required to meet the proposed limits in PAR 1153.1.

The implementation schedule in PAR 1153.1 is based on the burner age and unit age to address units that were recently installed or retrofitted to meet the limits in Rule 1153.1, with a backstop date to prevent delayed implementation. There is also an Alternative Compliance Schedule Plan to address additional time that might be needed for electrical infrastructure upgrades to provide power for electric zero-emission oven(s). An alternative compliance schedule will only be considered if additional time is needed by the utility provider to conduct upgrades which are outside the control of the facility.

Emission Reductions

PAR 1153.1 will affect 218 commercial food ovens across 97 facilities, six of which are RECLAIM facilities, and is expected to reduce NO_x emissions by 0.11 ton per day.

Key Issues

Throughout the rule development process, staff worked with stakeholders to address and resolve key issues. Notable issues that were resolved were: 1) reaching a consensus on

the cost of fuel-switching between natural gas and electricity to be considered as an annual recurring cost for facilities; 2) incorporating revised facility cost estimates into the cost-effectiveness analysis prior to establishing BARCT; and 3) requiring zero-emission limits commercial food oven categories that are cost-effective.

One remaining key issue involves the cost-effective screening threshold that was established in the 2022 AQMP, which takes into consideration the health impacts and overall benefit to society resulting from improved air quality. Staff received a comment that the South Coast AQMD must establish a new methodology for cost-effectiveness that includes a social cost/benefit analysis. Staff acknowledges that the 2022 AQMP introduced a Public Health Benefit Cost-Effectiveness Threshold approach used by U.S. EPA when developing the screening threshold of \$325,000 (\$349,000 adjusted to 2022-dollar year); however, the U.S. EPA guidelines do not apply directly to the BARCT cost-effectiveness analysis. The BARCT cost-effectiveness analysis is conducted in accordance with California Health and Safety Codes section 40920.6 which states:

“cost-effectiveness means the cost, in dollars, of the potential control option divided by emission reduction potential, in tons, of the potential control option.”

This approach is consistent with the direction provide in the 2022 AQMP (page 4-83) as approved by the Governing Board:

“Cost-effectiveness would continue to be evaluated as the cost of controls divided by the tons of NOx reduced.”

The BARCT cost-effectiveness methodology was presented and discussed at several Working Group Meetings during rule development.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PAR 1153.1) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 and is included as Attachment I to this Board letter. If PAR 1153.1 is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor’s Office of Planning and Research.

Socioeconomic Analysis

PAR 1153.1 affects manufacturers and operators of commercial food ovens, roasters, and smokehouses that produce food and beverage products for human consumption. PAR 1153.1 would affect 47 facilities that have units with a rated heat input capacity greater than 325,000 Btu per hour. PAR 1153.1 establishes a compliance schedule in two phases. 4 to 88 percent of the affected businesses may qualify as small businesses based on various small business definitions.

The average annual compliance costs of PAR 1153.1 are estimated to range from \$12.82 million to \$13.50 million, depending on the assumed real interest rate (one to four percent). All the estimated annual costs are expected to be incurred by the Food Manufacturing sector in which the bakery ovens belong. About 83 percent of the total annual compliance cost is attributed to the bakery ovens alone. The recurring costs of bakery ovens (which is mainly the fuel switching costs) are estimated to account for 65 percent of the total annual cost of PAR 1153.1, followed by the bakery ovens one-time capital costs which would be about 18 percent of the total annual cost.

When the compliance cost is annualized using a four percent real interest rate, it is projected that an annual average of 116 net jobs will be foregone from 2024 to 2051. The 116 annual jobs foregone represents less than 0.001 percent of total annual jobs in the four-county area. Food Manufacturing sector would incur the largest share of the average annual jobs foregone as all the assumed compliance costs will be borne by this industry.

AQMP and Legal Mandates

PAR 1153.1 will partially implement CMB-05 – Further NO_x Reductions from RECLAIM Assessment in the 2016 AQMP and will reduce NO_x emissions and facilitate the transition of facilities in the NO_x RECLAIM program to a command-and-control regulatory structure. In addition, PAR 1153.1 will establish NO_x emission reduction targets that require the transition to zero-emission technologies, wherever feasible, as required by the 2022 AQMP. PAR 1153.1 also implements Assembly Bill 617 by establishing BARCT requirements and implements Sections 110, 172, 173, and 182(e) of the federal Clean Air Act and will be submitted to CARB and U.S. EPA for inclusion into the State Implementation Plan.

Resource Impacts

Existing staff resources are adequate to implement the proposed amended rule. PAR 1153.1 includes a staggered implementation schedule based on equipment life which will distribute permit applications over time. In addition, commercial food ovens with zero-emission NO_x limits will not be required to apply for a South Coast AQMD permit to limit NO_x emissions.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Proposed Amended Rule 1153.1
- G. Final Staff Report
- H. Socioeconomic Impact Assessment
- I. Notice of Exemption from CEQA
- J. Board Presentation

ATTACHMENT A
SUMMARY OF PROPOSAL

**Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from
Commercial Food Ovens**

Applicability

- Applies to owners and operators of commercial food ovens that require South Coast AQMD permits and are used to prepare food or products for making beverages for human consumption.
- Commercial food ovens include Bakery Ovens, Cooking Ovens, Tortilla Ovens, Griddle Ovens, Drying Ovens, Smokehouses, Roasters and Dryers.

Emission Limits

- Establishes NO_x emission limits that represent BARCT for each class and category of equipment in two phases:
 - Phase I: 15 ppmv for tortilla ovens heated solely by infrared burners and 30 ppmv for all other commercial food oven categories; and
 - Phase II: zero-emission for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses.

Interim Emission Limits

- Establishes a 102 ppm interim NO_x emission limit if a facility transitions out of RECLAIM before they are required to meet the proposed limits in PAR 1153.1.

Compliance Schedule

- Phase I Emission limits
 - Submit permit application by July 1st of the calendar year when the burner is 7 years of age; and
 - Not operate a commercial food oven that exceeds Phase I limits:
 - 12 months after the Permit to Construct is issued or, if a request for a permit extension is approved, the date included in that permit extension; or
 - When the burner in commercial food oven is 10 years old.
- Phase II Emission Limits, effective on and after January 1, 2027:
 - Decommission the commercial food oven:
 - Once the oven is 25 year or older and the burner is 10 years; or
 - As of January 1, 2036, when the Unit reaches 25 years of age.

Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

Alternate Compliance Schedule

- Additional 24 months allowed for facilities with one or more units subject to Phase II Emission Limit if additional time is needed for a utility to provide the necessary energy to the facility to power the electric zero-emission oven(s).

Source Testing Requirements

- Units subject to Phase I emission limits must conduct simultaneous source tests for NO_x and CO to demonstrate compliance with applicable limits.
- Source testing shall be conducted every five calendar years, but no earlier than 48 months after the previous source test.

Monitoring, Recordkeeping, and Reporting Requirements

- An owner or operator with units subject to Phase II Emission Limits shall report the age of the unit(s) and the anticipated date(s) of replacement to the Executive Officer on or before January 1, 2024.
- An owner or operator with a commercial food oven subject to Phase II emission limits shall contact their utility provider when a unit's age reaches 17 years in service and submit a document with an explanation of the service upgrades and timeframe to complete the required upgrades to the Executive Officer.

Exemptions

- Clarifies that commercial food oven with a rated heat input capacity less than 325,000 Btu/hour are exempt from the rule requirements.
- Previous exemption for commercial food ovens that emit less than one pound of NO_x per day was moved to the requirements subdivision as an alternative NO_x limit.
- Clarifies that owners or operators of a unit electing to comply with the one pound or less of NO_x per day emission limit are exempt from source testing requirements.

ATTACHMENT B
KEY ISSUES AND RESPONSES

**Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from
Commercial Food Ovens**

Throughout the rule development process, staff worked with stakeholders to address and resolve key issues. Notable issues that were resolved were: 1) reaching a consensus on the cost of fuel-switching between natural gas and electricity to be considered as an annual recurring cost for facilities; 2) incorporating revised facility cost estimates into the cost-effectiveness analysis prior to establishing BARCT; and 3) requiring zero-emission limits on commercial food oven categories that are cost-effective.

One remaining key issue involves the cost-effective screening threshold that was established in the 2022 AQMP, which takes into consideration the health impacts and overall benefit to society resulting from improved air quality. Staff received a comment that the South Coast AQMD must establish a new methodology for cost-effectiveness that includes a social cost/benefit analysis. Staff acknowledges that the 2022 AQMP introduced a Public Health Benefit Cost-Effectiveness Threshold approach used by U.S. EPA when developing the screening threshold of \$325,000 (\$349,000 adjusted to 2022-dollar year); however, the U.S. EPA guidelines do not apply directly to the BARCT cost-effectiveness analysis. The BARCT cost-effectiveness analysis is conducted in accordance with California Health and Safety Codes section 40920.6 which states:

“cost-effectiveness means the cost, in dollars, of the potential control option divided by emission reduction potential, in tons, of the potential control option.”

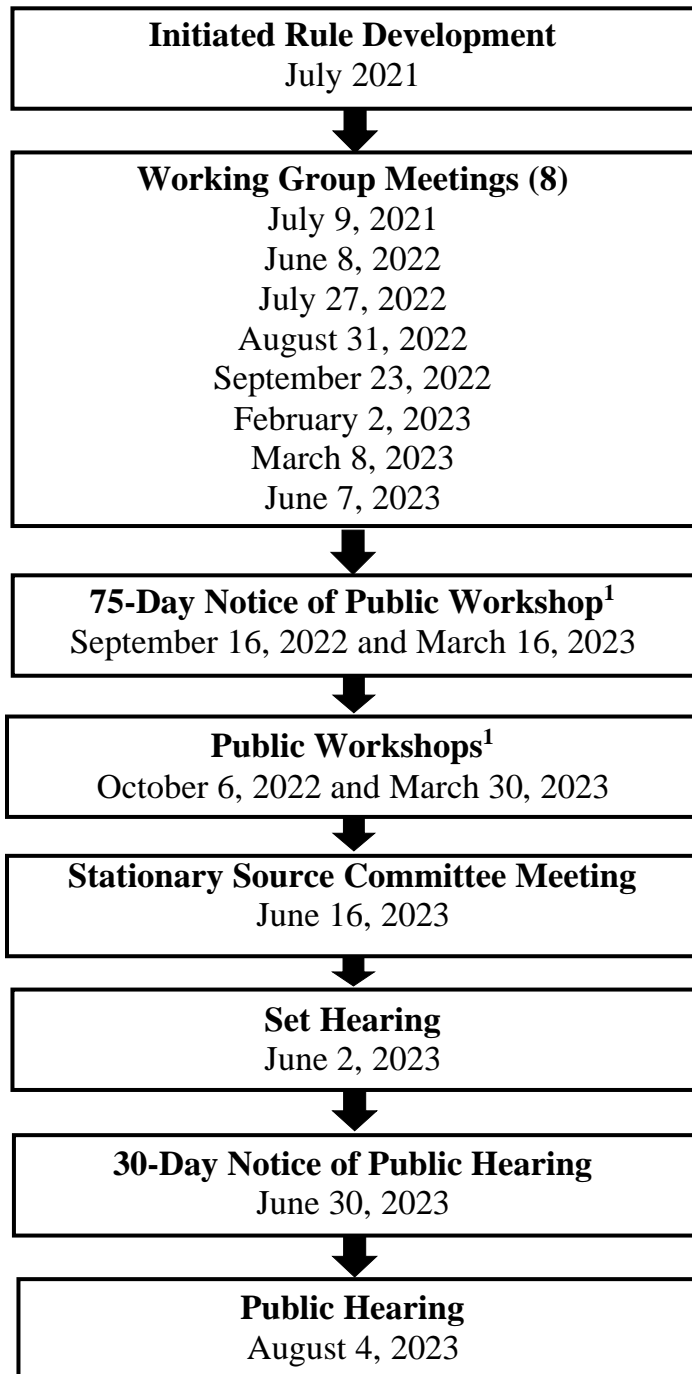
This approach is consistent with the direction provide in the 2022 AQMP (page 4-83) as approved by the Governing Board:

“Cost-effectiveness would continue to be evaluated as the cost of controls divided by the tons of NOx reduced.”

The BARCT cost-effectiveness methodology was presented and discussed at several Working Group Meetings during rule development.

ATTACHMENT C
RULE DEVELOPMENT PROCESS

Proposed Amended Rule 1153.1 –
Emissions of Oxides of Nitrogen from Commercial Food Ovens



Ten (10) months spent in rule development²
Two (2) Public Workshops
One (1) Stationary Source Committee Meeting
Eight (8) Working Group Meetings

- ¹ Upon adoption of the 2022 Air Quality Management Plan (AQMP), staff pivoted rule development to align with the zero-emission goals of the 2022 AQMP.**
- ² Rule development was put on hold for 11 months after Working Group #1 due to staffing resources.**

ATTACHMENT D

KEY CONTACTS LIST

**Proposed Amended Rule 1153.1 –
Emissions of Oxides of Nitrogen from Commercial Food Ovens**

American Bakers Association (ABA)	Sierra Club
AMF Bakery Systems	Snak-King LLC
BABBCO	Southern California Edison (SCE)
Bimbo Bakeries USA	Southern California Gas Company (SoCal Gas)
BizFed (LA County Business Federation)	U.S. Environmental Protection Agency (EPA)
California Air Resources Board (CARB)	WP Bakery Group
California Energy Commission (CEC)	Yorke Engineering, LLC
California Public Utilities Commission (CPUC)	
Earth Justice	
Envera Consulting	
Flynn Burner Corporation	
Frito-Lay	
Gas Technology Institute (GTI)	
George T. Hall Company	
Honeywell Thermal Solutions	
Kroger Manufacturing	
Maurer-Atmos	
Micron Fiber-Tech (MFT)	
Middleby	
Ramboll	
Reading Bakery Systems	
Rocky Mountain Institute (RMI)	
Rondo Heat Energy, Inc.	

ATTACHMENT E

RESOLUTION NO. 23-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board amending Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1153.1 is considered a "project" as defined by CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l), and has conducted a CEQA review and analysis of the proposed project pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that the proposed project is exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that, since physical modifications are anticipated to occur over an extended period of time (e.g. within three years but up to 20 years) with minimal construction impacts, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD staff has prepared a Notice of Exemption for Proposed Amended Rule 1153.1 that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, Proposed Amended Rule 1153.1 and supporting documentation, including but not limited to, the Notice of Exemption, the Final Staff Report, and the Final Socioeconomic Impact Assessment, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Amended Rule 1153.1 since the Notice of Public Hearing was published are clarifications that meet the same air quality objective and are not so substantial as to significantly affect the meaning of Proposed Amended Rule 1153.1 within the meaning of Health and Safety Code Section 40726 because: 1) the addition of the South Coast AQMD permit emission limit to the definition of combustion-based emission limits was for clarification; 2) the change in paragraph (d)(3) from “interim concentration limit” to “interim emission limit” was for consistency; 3) the modification to the compliance schedule in paragraphs (e)(1) and (e)(2) to table format, and the related changes to table numbers and references, was made for clarification and does not change the requirements; 4) the amended compliance date from Table 3 in paragraph (e)(2) “January 1, 2033” to “January 1, 2036” was to correct a typo; 5) the capitalization of the word “Decommission” in paragraphs (e)(2) and (k)(5) and is for consistency, 6) the deletion of “in Table 1” in subparagraph (g)(7)(B)(ii) is for clarification; and 7) the addition of paragraph (l)(2) to exempt owners or operators of commercial food ovens who elect to comply with the one pound or less of NOx per day emission limit was for clarification and: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rules, (c) the changes are consistent with the information contained in the notice of public hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because the proposed project is exempt from CEQA; and

WHEREAS, Proposed Amended Rule 1153.1 will be submitted for inclusion in the State Implementation Plan; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to amend Rule 1153.1 to continue with the transition of facilities in the REgional CLean Air Incentives Market (RECLAIM) program to a command-and-control regulatory structure to meet the commitments of Control Measure CMB-05 of the Final 2016 Air Quality Management Plan (AQMP) and to meet the zero-emission commitments in the 2022 AQMP; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40441, 40702, 40725 through 40728, 40920.6, and 41508, as well as the federal Clean Air Act; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1153.1 is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1153.1 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decision, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1153.1 does not impose the same requirements as any existing state or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in amending Rule 1153.1, references the following statutes which the South Coast AQMD hereby implements, interprets or makes specific: Assembly Bill 617 and Health and Safety Code Sections 39002, 39616, 40001,40406, 40702, 40440(a), 40441, 40702, 40725 through 40728.5, 40920.6, 41508, and federal Clean Air Act Sections 110, 172, and 182(e); and

WHEREAS, Health and Safety Code Section 40727.2 requires the South Coast AQMD to prepare a written analysis of existing federal air pollution control requirements applicable to the same source type being regulated whenever it adopts or amends a rule, and the South Coast AQMD's comparative analysis of Proposed Amended Rule 1153.1 is included in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board finds that staff's proposed control options for Proposed Amended Rule 1153.1 are being adopted because they constitute BARCT, as required by AB 617, and that the other control options did not meet BARCT; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment is consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule adoption; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment is consistent with the provisions of Health and Safety Code Sections 40440.8, 40728.5, and 40920.6; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 1153.1 will result in increased costs to the affected industries, yet such costs are considered to be reasonable, with a total annualized cost as specified in the Final Socioeconomic Impact Assessment; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Final Socioeconomic Impact Assessment, and has made a good faith effort to minimize such impacts; and

WHEREAS, the South Coast AQMD staff conducted two Public Workshops regarding Proposed Amended Rule 1153.1 on October 6, 2022 and March 30, 2023; and

WHEREAS, the Public Hearing has been properly noticed in accordance with the provisions of Health and Safety Code Sections 40725 and 40440.5; and

WHEREAS, the South Coast AQMD Governing Board has held a Public Hearing in accordance with all provisions of state and federal law; and

WHEREAS, the South Coast AQMD Governing Board specifies the Planning and Rules Manager overseeing the rule development for Proposed Amended Rule 1153.1 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

NOW, THEREFORE, BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 1153.1 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. This information was presented to the South Coast AQMD Governing Board, whose members exercised their independent judgement and reviewed, considered, and approved the information therein prior to acting on the proposed project; and

BE IT FURTHER RESOLVED, the South Coast AQMD Governing Board directs staff to conduct a status update/technology check-in and report to the Stationary Source Committee by January 1, 2026: (a) if the zero-emission limits established in Proposed Amended Rule 11531.1 are technically feasible and represent BARCT as defined in the California Health and Safety Code Section 40406, and (b) if zero-emission limits for other Commercial Food Oven categories can be established as BARCT; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 1153.1 as set forth in the attachment, and incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board requests that Proposed Amended Rule 1153.1 be submitted for inclusion in the State Implementation Plan; and

BE IT FURTHER RESOLVED that the Executive Officer is hereby directed to forward a copy of this Resolution, Proposed Amended Rule 1153.1, and supporting documentation, to CARB for approval and subsequent submittal to U.S. EPA for inclusion in the State Implementation Plan.

DATE: _____

CLERK OF THE BOARDS

(Adopted November 7, 2014)(Amended [*Date of Rule Adoption*])

PROPOSED AMENDED RULE 1153.1 EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS

[Rule Index to be included after adoption]

(a) ~~Purpose and Applicability~~

The purpose of this rule is to reduce ~~nitrogen oxide~~Oxides of Nitrogen (NOx) and Carbon Monoxide (CO) emissions from gaseous and liquid fuel-fired ~~combustion equipment~~Commercial Food Ovens as defined in this rule.

(b) Applicability

This rule applies to owners or operators of ~~with in use ovens, Dryers, Smokehouses, and dry roasters with nitrogen oxide (NOx) emissions from fuel combustion~~Units that require South Coast Air Quality Management District (South Coast AQMD) permits and are used to prepare food or products for making beverages for human consumption. ~~As of November 7, 2014, the equipment subject to this rule is no longer subject to SCAQMD Rule 1147 except for the compliance determination option set forth in Rule 1147 (d)(7).~~

(~~b~~c) Definitions

(1) ~~ANNUAL HEAT INPUT~~ means the amount of heat released by fuels burned in a burner or unit during a calendar year, based on the fuel's higher heating value.

(1) ALTERNATIVE COMPLIANCE SCHEDULE PLAN means a compliance plan that allows an owner or operator of a Unit(s) required to meet the Phase II Emission Limits to apply for an alternative compliance schedule if the electrical upgrades required by their utility company will result in a delay in meeting the rule deadlines and are beyond the control of the facility.

(2) BAKERY OVEN means a Commercial Food Oven used to heat, cook, or prepare baked products. Bakery Ovens include, but are not limited to, tunnel ovens, conveyor ovens, tray ovens, and griddle ovens.

(3) COMBUSTION-BASED EMISSION LIMITS means emission limits that rely on technologies that combust gaseous or liquid fuel and include Phase I Emission Limits and South Coast AQMD permit emission limits.

(2) ~~BTU~~ means British thermal unit(s).

(3) ~~COMBUSTION MODIFICATION~~ means replacement of a burner, burners, fuel or combustion air delivery system(s), or burner control system(s).

- (4) COMBUSTION SYSTEM means a specific combination of burner, fuel supply, combustion air supply, and control system components as identified in a permit application to ~~the SCAQMD~~ South Coast AQMD, or in an application for certification pursuant to subdivision (eh) of this rule, or in a SCAQMD-South Coast AQMD permit, if as applicable.
- (5) COMMERCIAL FOOD OVEN means a cooking device used to heat, cook, dry, or prepare food; or products for making beverages; for human consumption that is used as part of a business.
- (6) COOKING OVEN means a Commercial Food Oven used to cook food products including, but ~~is~~ not limited to, meat, fish, poultry, or vegetables. Cooking ovens do not include Bakery Ovens, Tortilla Ovens, Drying Ovens, and Smokehouses.
- (7) DECOMMISSION means to permanently shut down a Unit by removing the fuel, air, electricity, or other utility source connected to it and to inactivate the Unit's applicable South Coast AQMD permit.
- (8) DIRECT-FIRED BAKERY OVEN means a Bakery Oven where the energy or heat source is placed directly inside the baking chamber and the heat transfer is primarily carried out by radiation from the flames, electrical resistance, or hot surface.
- (9) DRYER means a Commercial Food Oven; using either a direct or indirect heat source; to dry food products using a rotating drum. Dryers include spray dryers, which are Commercial Food Oven where liquids or slurry are atomized and dried into powder form by spraying the feed into a heated chamber.
- (10) DRYING OVEN means a Commercial Food Oven used to remove water or moisture to dry food products.
- (5) ~~FOOD OVEN~~ means an oven used to heat, cook, dry, or prepare food or products for making beverages for human consumption.
- (11) ELECTRIC HEATING ELEMENT means any component of a Commercial Food Oven used to transform electrical energy into heat.
- (12) FORMER RECLAIM FACILITY means a facility, or any of its successors, that was in the Regional Clean Air Incentives Market (RECLAIM) program as of January 5, 2018, as established in Regulation XX, that has received a final determination notification, and is no longer in the RECLAIM program.
- (613) GASEOUS FUEL means natural gas; compressed natural gas (CNG); liquefied petroleum gases (LPG), including but not limited to propane and butane; synthetic natural gas (SNG); or other fuel that is a gas at ambient temperature and atmospheric pressure.

- (14) GRIDDLE OVEN means a Commercial Food Oven that uses a moving griddle, which is a flat or grooved metal plate, that is heated between 550°F to 900°F to produce baked products such as, but not limited to, English muffins.
- ~~(715)~~ HEAT INPUT means the higher heating value of the fuel to the burner or UNIT Unit measured as ~~BTU~~Btu per hour.
- ~~(816)~~ HEAT OUTPUT means the enthalpy of the working fluid at the output of a burner or UNITUnit.
- (17) INDIRECT-FIRED BAKERY OVEN means a Bakery Oven that uses heat exchangers connected to the burning zone to indirectly heat the baking chamber, where the product being baked does not contact the combustion gases.
- ~~(818)~~ INFRARED BURNER (IR Burner) means a burner with ceramic, metal fiber, sintered metal, or perforated metal flame-holding surface; with more than 50 percent% of the ~~heat output~~Heat Output as infrared radiation; that is operated in a manner where the zone ~~including and~~ above the flame-holding surface is red and does not produce observable blue or yellow flames in excess of ½ inch (13 mm) in length; and with a ~~RATED HEAT INPUT CAPACITY~~Rated Heat Input Capacity per square foot of flame-holding surface of 100,000 ~~BTU~~Btu per hour or less.
- ~~(10)~~ IN USE UNIT ~~means any UNIT that is demonstrated to the Executive Officer that it was in operation at the current location prior to November 7, 2014.~~
- ~~(419)~~ NO_x EMISSIONS-OXIDES OF NITROGEN (NO_x) EMISSIONS means the sum of nitrogen oxide and nitrogen dioxide ~~in flue gas~~, collectively expressed as nitrogen dioxide.
- (20) PARTS PER MILLION BY VOLUME (ppmv) means, for the purpose of this rule, Parts Per Million by Volume of a pollutant corrected to three percent oxygen on a dry basis at Standard Conditions.
- (21) PHASE I EMISSION LIMITS means the NO_x and CO emission limits specified in Table 1 under the Phase I heading.
- (22) PHASE II EMISSION LIMITS means the NO_x and CO emission limits specified in Table 1 under the Phase II heading, if applicable.
- ~~(12)~~ PROTOCOL ~~means a SCAQMD approved set of test procedures for determining compliance with emission limits for applicable equipment.~~
- ~~(13)~~ RADIANT TUBE HEATING ~~means an indirect heating system with a tube or tubes; with burner(s) that fire(s) within the tube(s); and where heat is transferred by conduction, radiation, and convection from the burner flame and combustion gases to the tube(s) and the heat is then transferred to the process by radiation and~~

~~convection from the heated tube(s) without any direct contact of process materials with burner flames and combustion gasses.~~

- (~~14~~23) RATED HEAT INPUT CAPACITY means the gross ~~HEAT INPUT~~ Heat Input of the combustion ~~UNIT~~ Unit specified on a permanent rating plate attached by the manufacturer to the device. If the ~~UNIT~~ Unit or ~~COMBUSTION SYSTEM~~ Combustion System has been altered or modified such that its gross ~~HEAT INPUT~~ Heat Input is higher or lower than the rated ~~HEAT INPUT~~ Heat Input capacity specified on the original manufacturer's permanent rating plate, the modified gross ~~HEAT INPUT~~ Heat Input shall be considered as the ~~RATED HEAT INPUT CAPACITY~~ Rated Heat Input Capacity.
- (~~24~~) RECLAIM FACILITY means a facility, or any of its successors, that was in the NOx RECLAIM program as of January 5, 2018, as established in Regulation XX and has not exited from the program.
- (~~15~~25) RESPONSIBLE OFFICIAL means:
- (A) For a corporation: a president or vice-president of the corporation in charge of a principal business function or a duly authorized person who performs similar policy-making functions for the corporation;~~or~~
 - (B) For a partnership or sole proprietorship: general partner or proprietor, respectively;
 - (C) For a government agency: a duly authorized person.
- (~~16~~26) ROASTER means ~~an oven~~ a Commercial Food Oven used to dry roast food products that include, but are not limited to, nuts, coffee beans, or other plant seeds. ~~ROASTER~~ Roasters includes ~~coffee roasting units~~ Units with an integrated afterburner which consists of a single burner used as the heat source for the afterburner and Roaster. that is the only heat source, which also provides heat to roast the coffee beans.
- (~~27~~) SMOKEHOUSE means ~~a Commercial Food Oven~~ a Commercial Food Oven in which meat products are cured using smoke and heat.
- (~~28~~) SOURCE TEST PROTOCOL means a South Coast AQMD approved set of test procedures for determining compliance with emission limits for applicable equipment.
- (~~29~~) STANDARD CONDITIONS is as defined by Rule 102 – Definition of Terms.
- (~~17~~30) THERM means 100,000 ~~BTU~~ Btu.
- (~~31~~) TORTILLA OVEN means a Commercial Food Oven used to cook, toast, or bake tortilla chips and other tortilla products.

Rule PAR 1153.1 (Cont.) (~~Adopted November 7, 2014~~)(Amended [Date of Rule Adoption])

(1832) UNIT means any ~~oven, dryer, smoker, or ROASTER~~ Commercial Food Oven, including, but not limited to, Bakery Oven, Cooking Oven, Direct-Fired Bakery Oven, Dryer, Drying Oven, Indirect-Fired Bakery Oven, Roasters, Smokehouse, or Tortilla Ovens requiring a SCAQMD permit and used to prepare food, or products for making beverages, for human consumption.

(ed) Requirements

(1) ~~In accordance with the compliance schedule in Table 2, any person owning or operating an in-use unit~~ An owner or operator of a Unit subject to this rule shall not operate the unit ~~Unit in a manner that exceeds: carbon monoxide (CO) emissions of 800 ppm by volume, referenced to 3% oxygen (O₂), and the applicable nitrogen oxide emission limit specified in Table 1.~~

(A) For a Unit that was installed and in operation before [Date of Rule Adoption]:

(i) Phase I Emission Limits specified in Table 1 pursuant to the compliance schedule in ~~paragraph (e)(1)~~Table 2; and

(ii) Phase II Emission Limits specified in Table 1, if applicable, pursuant to the compliance schedule in ~~paragraph (e)(2)~~Table 3.

(B) For a new Unit that was placed in operation on or after [Date of Rule Adoption]:

(i) Phase I Emission Limits for a Unit that does not have a Phase II Emission Limit; and

(ii) For a Unit with a Phase II Emission Limit, Phase I Emission Limits if a complete permit application is submitted before January 1, 2024, and the Phase II Emission Limit pursuant to the compliance schedule in ~~paragraph (e)(2)~~Table 3.

Table 1—NO_x Emission Limit for In-Use Units

NO_x Emission Limit	
PPM @ 3% O ₂ , dry or Pound/mmBTU heat input	
Process Temperature	
<u>≤ 500° F</u>	<u>> 500° F</u>
40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 1 – NO_x and CO Emission Limits (ppmv)¹

Equipment Categories		Phase I		Phase II	
		NO _x	CO	NO _x	CO
Direct Fired Bakery Ovens	≤3 MMBtu/hr	30	800	0	0
	>3 MMBtu/hr	30	800	N/A	N/A
Indirect-Fired Bakery Ovens		30	800	0	0
Griddle Oven		30	800	N/A	N/A
Tortilla Ovens	Heated solely by IR Burners	15	800	N/A	N/A
	All Other Tortilla Ovens	30	800	N/A	N/A
Cooking Ovens	≤3 MMBtu/hr	30	800	0	0
	>3 MMBtu/hr	30	800	N/A	N/A
Drying Ovens		30	800	N/A	N/A
Smokehouses		30	800	0	0
Dryers		30	800	N/A	N/A
Roasters		30	800	N/A	N/A

¹ Parts per million by volume (ppmv) corrected to three percent oxygen, dry

Table 2— Compliance Schedule Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Ovens used solely for making pita bread manufactured prior to 1999	October 1, 2017	July 1, 2018
Griddle ovens manufactured prior to 1999	October 1, 2017	July 1, 2018

Rule PAR 1153.1 (Cont.) (~~Adopted November 7, 2014~~)(Amended [Date of Rule Adoption])

Ovens heated solely by indirect fired radiant tubes manufactured prior to 2002	October 1, 2021	July 1, 2022
Other unit manufactured prior to 1992	October 1, 2015	July 1, 2016
Other unit manufactured from 1992 through 1998	October 1, 2018	July 1, 2019
Ovens heated solely by indirect fired radiant tubes manufactured after 2001 and any other unit manufactured after 1998	October 1 of the year prior to the compliance date	July 1 of the year the unit is 20 years old

(2) Emission Rate Limits

An owner or operator of a Unit that elects to comply with a NOx emission limit based on pound per million Btu (lb/MMBtu) in lieu of a ppmv limit shall not operate the Unit in a manner that exceeds the following limits, pursuant to the schedule in paragraph (e)(1)Table 2:

(A) 0.036 lb/MMBtu in lieu of the 30 ppmv; or

(B) 0.018 lb/MMBtu in lieu of the 15 ppmv.

(3) Interim ~~Concentration~~ Emission Limits

An owner or operator of a Unit at a Former RECLAIM Facility shall not operate the Unit in a manner that exceeds a 102 ppmv interim NOx ~~concentration~~ emission limit upon the date of becoming a Former RECLAIM Facility until that Unit is required to meet the emission limits in paragraph (d)(1).

(4) One Pound or Less of NOx per Day Emission Limit

In lieu of complying with the Table 1 emission limits, an owner or operator of a Unit may elect to comply with one of the following NOx emission limits and shall maintain records demonstrating compliance pursuant to subdivision (j):

(A) One pound or less of NOx per day averaged over a calendar month pursuant to paragraph (i)(1); or

(B) One pound or less of NOx per day pursuant to paragraph (i)(2).

(5) Decommissioned Unit(s)

In lieu of complying with the Phase I or Phase II Emission Limits, an owner or operator of a Unit may elect to Decommission a Unit pursuant to the schedule in paragraph (e)(5) for a Unit subject to Phase I Emission Limits and pursuant to the schedule in ~~subparagraph (e)(2)(A)~~ Table 3 for a Unit subject to Phase II Emission Limits; by:

(A) Inactivating the applicable South Coast AQMD permit for the Unit to be decommissioned; and

(B) Disconnecting and blinding the fuel line(s) of the Unit to be decommissioned.

~~(2) Unit age shall be based on:~~

~~(A) The original date of manufacture of the unit as determined by:~~

~~(i) Original manufacturer's identification or rating plate permanently fixed to the equipment. If not available, then:~~

~~(ii) Invoice from manufacturer or distributor for purchase of equipment. If not available, then:~~

~~(iii) Information submitted to SCAQMD with prior permit applications for the specific unit sufficient to establish the manufacture date. If not available, then:~~

~~(iv) Unit shall be deemed by SCAQMD to be 20 years old.~~

~~(3) Owners or operators of units shall determine compliance with the emission limit specified in Table 1 pursuant to the provisions of subdivisions (d) or (e) using a SCAQMD approved test protocol. The test protocol shall be submitted to the~~

~~SCAQMD at least 150 days prior to the scheduled test and approved by the SCAQMD Source Testing Division.~~

~~(4) Identification of Units~~

~~(A) Unmodified Units~~

~~The owner or operator shall display the model number and the rated heat input capacity of the unit complying with subdivision (c) on a permanent rating plate. The owner or operator shall also display the SCAQMD certification status on the unit when applicable.~~

~~(B) Modified Units~~

~~The owner or operator of a unit with a combustion modification shall display the modified rated heat input capacity for the unit and individual burners on new permanent supplemental rating plates installed in an accessible location on the unit and every burner. The gross heat input shall be defined by the maximum fuel input corrected for fuel heat content, temperature, and pressure. Gross heat input shall be demonstrated by a calculation based on fuel consumption recorded by an in-line fuel meter. The permanent supplemental rating plates shall include the date the unit and burners were modified and the date any replacement burners were manufactured. The documentation of rated heat input capacity for modified units shall include the name of the company and person modifying the unit, a description of all modifications, the dates the unit was modified, and calculation of rated heat input capacity. The documentation for modified units shall be signed by the highest ranking person modifying the unit.~~

~~(5) The owner or operator shall maintain on site a copy of all documents identifying the unit's rated heat input capacity. The rated heat input capacity shall be identified by a manufacturer's or distributor's manual or invoice and permanent rating plates attached to the unit and individual burners pursuant to paragraph (c)(4).~~

~~(6) On or after November 7, 2014, any person owning or operating An owner or operator of a unit ~~Unit subject to the Combustion-Based Emission Limits~~ subject to this rule shall perform ~~combustion system~~ Combustion System maintenance in accordance with ~~the~~ the manufacturer's schedule and specifications as identified in the manual or other written materials supplied by the manufacturer or distributor. ~~The owner or operator shall maintain on site at the facility where the unit is being operated a copy of the manufacturer's, distributor's, installer's, or maintenance company's written maintenance schedule and instructions and retain a record of the maintenance activity for a period of not less than three years. The~~~~

~~owner or operator shall maintain on site at the facility where the unit is being operated a copy of the SCAQMD certification or SCAQMD approved source test reports, conducted by an independent third party, demonstrating that the specific unit complies with the emission limit. The source test report(s) must identify that the source test was conducted pursuant to a SCAQMD approved protocol. The model and serial numbers of the specified unit shall clearly be indicated on the source test report(s). The owner or operator shall maintain on the unit in an accessible location a permanent or permanent supplemental rating plate. The maintenance instructions, maintenance records, and the source test report(s) or SCAQMD certification shall be made available to the Executive Officer upon request.~~

- (7) ~~Any person owning or operating a unit~~ An owner or operator of a unit ~~subject to this rule that elects to complying required to comply with an~~ Unit subject to this rule that elects to complying required to comply with an ~~pounds per million Btu emission limit pursuant to paragraph (d)(2) in Table 1 expressed as pounds per million BTU~~ pounds per million Btu emission limit pursuant to paragraph (d)(2) in Table 1 expressed as pounds per million BTU ~~shall install and maintain in service a non-resettable, totalizing fuel meter(s) for the fuel(s) supplied to each unit's~~ shall install and maintain in service a non-resettable, totalizing fuel meter(s) for the fuel(s) supplied to each unit's ~~Unit fuel(s) pursuant to paragraph (j)(7) prior to the compliance determination specified in paragraph (e)(3) subdivision (g).~~
- (8) ~~An Owners owner or operators of a unit~~ An Owners owner or operators of a unit ~~with a combustion system~~ with a combustion system ~~Combustion System that operates at only one firing rate, as required by permit condition, that elects to eomplies comply with an emission limit using expressed as pounds per million BTU~~ Combustion System that operates at only one firing rate, as required by permit condition, that elects to eomplies comply with an emission limit using expressed as pounds per million BTU ~~Btu pursuant to paragraph (d)(2) shall install a non-resettable, totalizing time or fuel meter for the fuel(s) supplied to each fuel~~ Btu pursuant to paragraph (d)(2) shall install a non-resettable, totalizing time or fuel meter for the fuel(s) supplied to each fuel ~~Unit pursuant to paragraph (j)(7).~~
- (9) ~~An owner or operator of a Unit subject to Phase II Emission Limits not requiring a South Coast AQMD permit to limit the NOx emission pursuant Rule 1153.1, may be required to obtain a permit to comply with another South Coast AQMD regulation.~~
- (8) ~~Unit fuel and electric use meters that require electric power to operate shall be provided a permanent supply of electric power that cannot be unplugged, switched off, or reset except by the main power supply circuit for the building or the unit's safety shut-off switch. Any person owning or operating a unit subject to this rule shall not shut off electric power to a unit meter unless the unit is not operating or is shut down for safety.~~
- (9) ~~Compliance by Certification~~

~~For units that do not allow adjustment of the fuel and combustion air for the combustion system by the owner or operator, and upon approval by the Executive Officer, an owner or operator may demonstrate compliance with the emission limit and demonstration requirement of this subdivision by certification granted to the manufacturer for any model of unit or specific combustion system sold for use in the SCAQMD. Any unit or combustion system certified pursuant to subdivision (e) shall be deemed in compliance with the emission limit in Table 1 of paragraph (e)(1) and demonstration requirement of paragraph (e)(3) of this subdivision, unless a SCAQMD conducted or required source test shows non-compliance.~~

~~(10) — Alternate Compliance Plan For Multiple Units~~

~~Owners or operators of facilities with three or more in-use units with compliance dates in the same year or two consecutive years may request a delay and phase in of the compliance dates in Table 2 for the affected units. The term of the alternate compliance plan shall be no more than 3 years for 3 or 4 units and no more than 5 years for 5 or more units. At least one unit shall comply with the applicable emission limit by July 1 of the first applicable compliance date specified in Table 2 for the affected units and at least one unit shall comply with the applicable emission limit by July 1 of each year thereafter. The alternate compliance plan shall identify the units included in the plan and commit to a schedule showing when the compliance testing for each unit will be completed and when each unit will demonstrate compliance with the emission limit. All owners or operators of these units shall demonstrate compliance with the applicable emission limit of this rule in accordance with the schedule in the plan and before the end of the term of the alternate compliance plan. The alternate compliance plan submitted pursuant to this paragraph shall include:~~

- ~~(A) — A cover letter submitted to the SCAQMD identifying that the application is for a Rule 1153.1 (e)(10) Alternate Compliance Plan for Multiple Units and signed by the responsible official;~~
- ~~(B) — A completed SCAQMD Form 400A with company name, SCAQMD Facility ID, identification that the application is for a compliance plan (section 7 of form), identification that the request is for a Rule 1153.1 (e)(10) Alternate Compliance Plan for Multiple Units (section 9 of the form), and signature of the responsible official;~~
- ~~(C) — Documentation of the applicable units' permit IDs, equipment descriptions, and heat ratings (BTU/hour), and the proposed alternate compliance schedule;~~
- ~~(D) — Filing fee payment (Rule 306 (e)); and~~

~~(E) — Initial plan evaluation fee payment (Rule 306 (i)(1)).~~

~~(11) — Compliance Plan for Burner Replacement Prior to Rule Adoption~~

~~Notwithstanding the requirements of paragraph (c)(1), units with combustion modifications completed prior to November 7, 2014 that resulted in replacement of 100% of the unit's burners during a one time period of less than 31 consecutive days, shall comply with the applicable emission limit specified in Table 1 of paragraph (c)(1) on either (1) July 1 of the year the modification is ten years old if the unit operates no more than 8 hours per day on all days of operation or (2) July 1 of the year the modification is 5 years old if the unit operates greater than 8 hours on any day. The hours of operation shall be documented by daily recordkeeping starting January 1, 2015 or the date the plan is submitted, whichever is earlier. To qualify for this time extension, the owner/operator must submit an alternate compliance plan to the SCAQMD no later than 90 days after November 7, 2014 with documentation of the purchase, replacement, and identification of each new burner installed. The alternate compliance plan submittal to the SCAQMD shall include:~~

~~(A) — A letter submitted to the SCAQMD stating the application is for a Rule 1153.1 (c)(11) Burner Replacement Prior to Rule Adoption Alternate Compliance Plan; identifying the applicable unit, unit permit ID, dates the emissions test protocol and emissions test results shall be submitted to the SCAQMD, and proposed alternate compliance schedule (5 or 10 years) with beginning and ending dates; and signed by the responsible official;~~

~~(B) — A completed SCAQMD form 400A with company name, identification that application is for an alternate compliance plan (section 7 of form), identification that the request is for the Rule 1153.1 (c)(11) Burner Replacement Prior to Rule Adoption Compliance Plan (section 9 of form), and signature of the responsible official;~~

~~(C) — Documentation of the date of replacement of the burners with invoices for burner purchase, burner installation, and tuning, and a listing of each new burner installed in the unit with each burner's manufacturer, model number, serial number, date of manufacture on burner rating plate or date stamp on burner, and each burner's rated heat input capacity;~~

~~(D) — Documentation of the applicable unit's permit ID, description, and heat rating (BTU/hour);~~

~~(E) — Filing fee payment (Rule 306 (e)); and~~

~~(F) — Initial plan evaluation fee payment (Rule 306 (i)(1)).~~

~~(12) — Owners or operators of units operating with an alternate compliance plan pursuant to paragraph (e)(11) shall install, prior to submittal of the compliance plan application, a non-resettable time meter on the applicable unit and document and maintain records of unit use every day of operation for the duration of the alternate compliance plan.~~

~~(13) — Owners or operators of units operating with an alternate compliance plan pursuant to paragraph (e)(11) that replace more than 50% of the burners identified in the alternate compliance plan more than 365 days before the ending date of the alternate compliance plan shall submit an emissions testing protocol for the applicable unit Unit to the SCAQMD South Coast AQMD within 30 days of the date when more than 50% of the burners are replaced. Owners and operators of these units shall conduct emissions testing and demonstrate compliance with the emission limits in Table 1 of paragraph (e)(1) within 270 days of the date they replace more than 50% of the burners identified in the alternate compliance plan.~~

(e) Compliance Schedule

(1) Phase I Emission Limits

An owner or operator of a Unit that is required to meet the Phase I Emission Limits and does not have an existing permit condition that limits the NO_x and CO emissions to the applicable Phase I Emission Limits shall not operate a Unit that exceeds the Phase I Emission Limits pursuant to the compliance schedule in Table 2.

Table 2: Phase I Emission Limit Compliance Schedule

<u>Burner Age as of [Date of Rule Adoption]</u>	<u>7 Years or Older</u>	<u>Less Than 7 Years</u>
<u>Date to Submit Permit Application to Meet Phase I Emission Limit</u>	<u>On or before July 1, 2024</u>	<u>On or before the July 1st after the end of the calendar year when the Unit's burner age is 7 years</u>
<u>Compliance Date Whichever is Sooner between A and B, if Applicable</u>	<u>(A) 12 months after the date a permit to construct is issued, or if a request for a permit extension pursuant to Rule 205 – Expiration of Permits to Construct (Rule 205) is approved in writing, the date included in the permit extension</u>	
	<u>(B) N/A</u>	<u>(B) When the Unit's Burner Age is 10 Years Old</u>

(A) — For a Unit with a burner that is 7 years or older, as of [Date of Rule Adoption]:

(i) — Submit a complete permit application on or before July 1, 2024, for each Unit to limit the NOx and CO emissions to a level not to exceed the applicable Phase I Emission Limit; and

(ii) — Not operate a Unit that exceeds the applicable Phase I Emission Limit later than 12 months after the date a permit is issued, or the date included in a permit extension, approved in writing, pursuant to Rule 205 – Expiration of Permits to Construct (Rule 205).

(B) — For a Unit with a burner that is less than 7 years old, as of [Date of Rule Adoption]:

(i) — Submit a permit application on or before the July 1st that follows the calendar year when a Unit's burner reaches 7 years of age.

(ii) — Not operate a Unit that exceeds the applicable Phase I Emission Limit later than one of the following dates, whichever occurs first:

(A) — 12 months after the date a permit is issued, or the date included in a permit extension, approved in writing, pursuant to Rule 205; or

(B) — The Unit's burner is 10 years old.

(2) Phase II Emission Limits

Unless an owner or operator has an approved Alternative Compliance Schedule Plan, on and after January 1, 2027, an owner or operator of a Unit required to meet the Phase II Emission Limits shall submit a form to inactivate the permit or, pursuant to paragraph (d)(5), decommission Decommission each Unit that exceeds the applicable Phase II Emission Limit no later than the following and not operate a Unit that exceeds the Phase II Emission Limits pursuant to the compliance schedule in Table 3.

Table 3: Phase II Emission Limit Compliance Schedule Effective January 1, 2027

<u>Unit with a Burner(s) 10 Years or Older</u>		
<u>Unit Age as of January 1, 2027</u>	<u>25 Years or Older</u>	<u>Less Than 25 Years</u>
<u>Compliance Date to Decommission Unit or Submittal Date to Inactivate Permit and Not Operate the Unit</u>	<u>On or before January 1, 2027</u>	<u>On or before the January 1st after the end of the of calendar year when the Unit age is 25 years</u>
<u>Unit with a Burner(s) less than 10 Years Old</u>		
<u>Unit Age as of January 1, 2027</u>	<u>25 Years or Older</u>	<u>Less Than 25 Years</u>
<u>Compliance Date to Decommission Unit, Whichever is Sooner between A and B</u>	<u>(A) On or before January 1st after the end of the of calendar year when the Unit's burner age is 10 years</u>	<u>(A) On or before January 1st after the end of the calendar year when the Unit age is 25 years or older and the Unit's burner age is 10 years or older</u>
	<u>or</u>	<u>or</u>
	<u>(B) As of January 1, 2036</u>	<u>(B) As of January 1, 2036, when the Unit age is 25 years</u>

~~(A) — On or before January 1, 2027, if:~~

~~(i) — The Unit is 25 years or older by January 1, 2027; and~~

~~(ii) — The Unit's burner is 10 years or older by January 1, 2027.~~

~~(B) — For a Unit that is less than 25 years old or has a burner that is less than 10 years old on January 1, 2027, whichever of the following occurs first:~~

~~(i) On or before January 1st after the end of the calendar year when the Unit is 25 years or older, and the Unit's burner is 10 years or older;~~

~~or~~

~~(ii) As of January 1, 2033, when the Unit reaches 25 years of age.~~

(3) Alternative Compliance Schedule Plan

An owner or operator of a Unit that is required to meet a Phase II Emission Limit and the utility company is unable to provide the necessary power to operate the Unit, which will result in a delay in meeting the compliance schedule in ~~paragraph (e)(2)~~Table 3 and is beyond the control of the facility, shall submit an Alternative Compliance Schedule Plan pursuant to the requirements in paragraph (k)(1).

(4) An owner or operator of a Unit that elects to comply with the one pound or less of NOx per day emission limit pursuant to paragraph (d)(4) that fails to demonstrate compliance pursuant to subdivision (i) shall:

(A) Submit a permit application to meet the applicable emission limit within 180 days of failure to demonstrate compliance pursuant to subdivision (i) or exceeding the NOx emission limit pursuant to paragraph (d)(4); and

(B) Not operate a Unit that exceeds the applicable Phase I Emission Limit by one of the following dates, whichever occurs first:

(i) 12 months after the date a permit is issued, or the date included in a permit extension, approved in writing, pursuant to Rule 205; or

(ii) Two years from the date the Unit failed to demonstrate compliance.

(5) An owner or operator that elects to Decommission a Unit pursuant to paragraph (d)(5) in lieu of complying with the Phase I Emission Limits shall Decommission the Unit no later than 30 months after the applicable permit application submittal date pursuant to ~~paragraph (e)(1)~~Table 2.

(6) An owner or operator of a Unit that fails to meet the compliance by certification requirements specified in paragraph (h)(1) shall demonstrate compliance with the applicable Phase I Emission Limit through source test pursuant to subdivision (g) according to the following schedule:

(A) Submit a complete source test protocol within 180 days of failing the compliance demonstration;

(B) Conduct the initial source test within 90 days after receiving written approval of the Source Test Protocol by the Executive Officer; and

(C) Conduct subsequent source tests according to the schedule in paragraph (g)(1).

(7) An owner or operator of a Unit that fails to operate the Unit as specified in the manufacturer's emission certification pursuant to paragraph (h)(1), including specified processes, operating conditions, and temperatures, or in case of an expired certification and the manufacturer does not re-certify the Unit, shall demonstrate compliance with the applicable Phase I Emission Limits through source test pursuant to subdivision (g) according to the following schedule:

(A) Submit a complete source test protocol within 180 days of failing the compliance demonstration;

(B) Conduct the initial source test within 90 days after receiving written approval of the Source Test Protocol by the Executive Officer; and

(C) Conduct subsequent source tests according to the schedule in paragraph (g)(1).

(f) Equipment Age

(1) Burner Age

For all burner age determinations in this rule, an owner or operator of a Unit shall determine the burner age as follows:

(A) Burner age for a Unit equipped with burners of varying ages shall be based on the oldest burner age;

(B) Burner age shall be based on the original date of installation determined by:

(i) Invoice from purchase of burner equipment provided by burner manufacturer;

(ii) Information submitted to South Coast AQMD in previous permit applications for replacement of the specific burner;

(iii) Original Unit manufacturer's identification or rating plate permanently affixed to the Unit; or

(iv) Any other method of determining burner age that can be substantiated through written information as approved by the Executive Officer.

(C) The burner shall be deemed to be 7 years old as of January 1, 2024, for any Unit where the burner age cannot be determined pursuant to subparagraphs (f)(1)(A) and (f)(1)(B).

(2) Unit Age

For all Unit age determinations in this rule, an owner or operator of a Unit shall determine the Unit age as follow:

(A) Unit age shall be based on the original date of installation determined by:

(i) Invoice from purchase of Unit provided by manufacturer;

(ii) Information submitted to South Coast AQMD in previous permit applications for Unit replacement;

(iii) Original Unit manufacturer's identification or rating plate permanently affixed to the Unit; or

(iv) Any other method of determining Unit age that can be substantiated through written information as approved by the Executive Officer.

(B) The Unit shall be deemed to be 25 years old as of January 1, 2024, for any Unit where the Unit age cannot be determined pursuant to subparagraph (f)(2)(A).

(dg) Compliance Determination Source Test Requirements for Units Subject to Combustion-Based Emission Limits

(1) An owner or operator of a Unit(s) subject to Combustion-Based Emission Limits or a South Coast AQMD permit concentration limit shall conduct simultaneous source tests for NOx and CO, averaged over a period of at least 15 consecutive minutes and no more than 60 consecutive minutes, to demonstrate compliance with the applicable Combustion-Based Emission Limit every five calendar years, but no earlier than 48 calendar months after the previous source test.

~~(1) — (1) — All compliance determinations pursuant to paragraphs (c)(1), (c)(3), (c)(9), (c)(10) and this subdivision shall be calculated:~~

~~(A) — Using a SCAQMD approved test protocol averaged over a period of at least 15 and no more than 60 consecutive minutes; and~~

~~(B) — After unit start up.~~

~~Each compliance determination shall be made in the maximum heat input range at which the unit normally operates. An additional compliance determination shall be made using a heat input of less than 35% of the rated heat input capacity.~~

~~For compliance determinations after the initial approved test, the owner or operator is not required to resubmit a protocol for approval if: there is a previously approved protocol and the unit has not been altered in a manner that requires a permit alteration, and rule or permit emission limits have not changed since the previous test.~~

~~(2) — All parts per million emission limits specified in subdivision (c) shall be referenced at 3 percent volume stack gas oxygen on a dry basis.~~

(2) An owner or operator of a Unit shall conduct an initial source test:

(A) For Units installed before [Date of Rule Adoption]:

- (i) No later than 24 months after [Date of Rule Adoption] or, for a RECLAIM facility, no later than 24 months after the date the facility operating the Unit becomes a Former RECLAIM Facility, whichever is later, and establish the date of this source test as the basis for subsequent source testing frequency; or
 - (ii) Use the results of a South Coast AQMD-approved source test conducted between the applicable frequency required in paragraph (g)(1) and [Date of Rule Adoption] and establish the date of this source test as the basis for subsequent source testing frequency. The source test and source test protocol must be representative of the current operation of the equipment, or a new Source Test Protocol will be required to be submitted pursuant to paragraph (g)(3).
 - (B) For Units installed after [Date of Rule Adoption], according to the conditions set forth in the permit to construct and establish the date of this source test as the basis for subsequent source testing frequency unless an extension of time has been approved in writing by the Executive Officer.
- (3) An owner or operator of a Unit required to conduct a source test pursuant to this subdivision shall:
 - (A) Submit a complete Source Test Protocol for approval at least 60 days prior to conducting the initial source test; and
 - (B) Conduct the source test within 90 days after issuance of a written approval of the Source Test Protocol by the Executive Officer.
- (4) Unless requested by the Executive Officer, after the approval of the initial Source Test Protocol pursuant to paragraph (g)(3), an owner or operator of a Unit is not required to resubmit a Source Test Protocol for approval if:
 - (A) The method of operation of the Unit has not been altered in a manner that requires a permit application submittal;
 - (B) The applicable Table 1 emission limit or South Coast AQMD permit emission limit has not changed since the previous source test;
 - (C) There have been no changes in the source test method(s) that is referenced in the approved Source Test Protocol; and
 - (D) The approved Source Test Protocol is representative of the operation and configuration of the Unit.
- (35) An owner or operator of a Unit shall conduct the source test to demonstrate ~~Compliance~~ compliance with the ~~NO_x and CO emission limits of subdivision (e)~~ applicable Combustion-Based Emission Limits and determination ~~determine~~ of

stack-gas oxygen and carbon dioxide concentrations ~~for this rule shall be determined according to the following procedures:~~

(A) Using an independent contractor to conduct testing, which is approved by the Executive Officer under the Laboratory Approval Program for the applicable test methods;

(B) Using a South Coast AQMD approved Source Test Protocol;

(C) At the maximum Heat Input of the Unit normal operating range;

(D) At a Heat Input of less than 35 percent of the Rated Heat Input Capacity;
and

(E) Using at least one of the following applicable test methods:

(A_i) ~~SCAQMD~~ South Coast AQMD Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989);

(B_{ii}) ASTM Method D6522-00 – Standard Test Method for Determination of Nitrogen Oxides, Carbon Monoxide, and Oxygen Concentrations in Emissions from Natural Gas-Fired Reciprocating Engines, Combustion Turbines, Boilers, and Process Heaters Using Portable Analyzers;

(C_{iii}) United States Environmental Protection Agency Conditional Test Method CTM-030 – Determination of Nitrogen Oxides, Carbon Monoxide, and Oxygen Emissions from Natural Gas-Fired Engines, Boilers and Process Heaters Using Portable Analyzers;

(D_{iv}) ~~SCAQMD~~ South Coast AQMD Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989);

(E_v) ~~SCAQMD~~ South Coast AQMD Source Test Method 10.1 – Carbon Monoxide and Carbon Dioxide by Gas Chromatograph/Non-Dispersive Infrared Detector (GC/NDIR) – Oxygen by Gas Chromatograph-Thermal Conductivity (GC/TCD) (March 1989); or

(F_{vi}) Any alternative test method determined approved before the test in writing by the Executive Officers of ~~the SCAQMD~~ South Coast AQMD, ~~and~~ the California Air Resources Board, and ~~by~~ the United States Environmental Protection Agency.

(46) ~~For any~~ An owner or operator who ~~chooses~~ elects to comply with the Table 1 limits using ~~pound per million BTU~~, NO_x emissions in pounds per million BTU-Btu of heat input Heat Input pursuant to paragraph (d)(2), shall be calculated the NO_x

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emissions using procedures in 40 CFR Part 60, Appendix A, Method 19, Sections 2 and 3.

- (5) ~~Records of source tests shall be maintained on site and made available to SCAQMD personnel upon request. Emissions determined to exceed any limits established by this rule through the use of any of the test methods specified in subparagraphs (d)(3)(A) through (d)(3)(F) and paragraph (d)(4) shall constitute a violation of this rule.~~
- (6) ~~All compliance determinations shall be made by SCAQMD or using an independent contractor to conduct testing, which is approved by the Executive Officer under the Laboratory Approval Program for the applicable test methods.~~
- (7) ~~For equipment with two or more units in series or multiple units with a common exhaust, the~~ An owner or operator of equipment with two or more Units in series or multiple Units with a common exhaust, including an afterburner, thermal oxidizer, or vapor incinerator subject to Rule 1147 – NOx Reductions from Miscellaneous Sources (Rule 1147) may elect to demonstrate compliance with the applicable emission limits in Table 1 by one of the following:
- (A) ~~Test each unit~~ Unit separately and demonstrate each ~~unit's~~ Unit's compliance with the applicable emission limit; or
- (B) ~~Test only after the last unit~~ Unit in the series and at the end of a common exhaust for multiple ~~units~~ Units, when all ~~units~~ Units are operating, and demonstrate that the series of ~~units~~ Units meet either:
- (i) ~~The lowest emission limit in Table 1 applicable rule limit to~~ for any of the units in the series; or
- (ii) ~~A heat input~~ Heat Input weighted average of all the applicable emission limits ~~in Table 1~~ using the following calculation. Equation 1 (Eq. 1):

$$\text{Weighted Limit} = \frac{\sum_1^N (EL_X \times Q_X)}{\sum_1^N Q_X} \quad \text{(Eq. 1)}$$

Where:

N = ~~total~~ Total number of ~~units~~ Units or processes

X = ~~each~~ Each individual ~~unit~~ Unit or process

EL_X = ~~emission~~ Emission limit for ~~unit~~ Unit or process X

Q_X = ~~heat input~~ Heat Input for ~~unit~~ Unit or process X during test

(8) Emissions determined to exceed any limit established by this rule using any of the test methods specified in subparagraph (g)(5)(E) shall constitute a violation of this rule.

(h) Compliance by Certification for Units Subject to Phase I Emission Limits

(1) The owner or operator of a Unit subject to Phase I Emission Limits with a Rated Heat Input Capacity of 2 million Btu per hour (MMBtu/hr) or less may elect to demonstrate compliance with the applicable emission limit through a burner manufacturer's emission certification in lieu of a source test by providing the following information with a permit application or with an application to renew a burner emission certification:

(A) Emission certifications, provided by the burner(s) manufacturer or a manufacturer authorized burner(s) distributor, which is signed and dated by the burner manufacturer's Responsible Official, that guarantees the burner(s), fuel and combustion air system, and combustion control system identified in the permit application comply with the applicable NOx emission limit in Table 1 when used for specified processes and operating conditions, and within specified temperature ranges;

(B) The signed and dated emissions certifications separately provided by the manufacturer or manufacturer authorized distributor of the burner(s) addressed to:

(i) The owner or operator of the Unit; and

(ii) Executive Officer or designee;

(C) Any supporting documentation, submitted by the manufacturer or manufacturer authorized distributor of the burner(s) to the Executive Officer or designee, including emission test reports of at least five South Coast AQMD approved emission tests using a South Coast AQMD approved test protocol and methods for five different Units operating the same:

(i) Process;

(ii) Burner;

(iii) Fuel and combustion air system;

(iv) Combustion control system; and

(v) Temperature range;

- (D) The emission test results specified in subparagraph (h)(1)(C) approved by the Executive Officer prior to submittal of the permit application or application to renew a burner emission certification; and
- (E) A contract or purchase order, signed and dated by the Responsible Official representing the owner or operator of the Unit, for purchase of the burner(s), fuel and combustion air system, and combustion control system to be installed in the Unit as identified in the permit application and the signed and dated letter or bid from the burner manufacturer to the owner or operator of the Unit as specified in subparagraph (h)(1)(A).
- (2) The Executive Officer will notify the owner or operator of a Unit in writing whether the manufacturer's emission certification has been approved. The certification will be valid for five years from the date of the written notification of approval and thereafter will expire.
- (3) No later than 60 days prior to the date the manufacturer's emission certification expires pursuant to paragraph (h)(2), the owner or operator of a Unit shall:

 - (A) Submit a new application for a burner manufacturer's emission certification for review by the Executive Officer that includes all the information required in paragraph (h)(1); or
 - (B) Submit a source test protocol and demonstrate compliance by conducting a source test according to the requirements in subdivision (g) and establish the date of that source test as the basis for subsequent source testing frequency, unless an extension of time has been approved in writing by the Executive Officer.
- (4) Any emission test conducted by the Executive Officer for a Unit establishing compliance through certification pursuant to this subdivision that demonstrates the emissions for the Unit exceeds the applicable emission limit allowed in this rule shall constitute a violation.
- (i) Demonstration of one pound or less of NOx per day

 - (1) One Pound or Less of NOx Per Day – Monthly Demonstration
On or before January 1, 2024, an owner or operator of a Unit electing to comply with paragraph (d)(4) by demonstrating that NOx emissions are less than one pound per day averaged over a calendar month shall:

 - (A) Install and maintain a non-resettable totalizing time meter on the Unit pursuant to paragraph (j)(7) and operate the Unit no more than the specified

time per calendar month in Table 24 or as calculated using Equation 2 (Eq. 2); or

$$\text{Monthly Operating Hours} = D \div [R \times (EF \div HHV)] \text{ (Eq. 2)}$$

Where:

D = Number of Days in Calendar Month

R = Rated Heat Input (MMBtu/hr)

EF = Emission Factor for the Unit (lbs NOx/million standard cubic feet (MMScf) natural gas)

HHV = Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)

Table 24 – Less than One Pound per Day, Monthly Operating Limits

Unit Rated Heat Input (Btu/hr)	Monthly Operating Limit (Hours)
≤ 400,000	320
>400,000 to ≤ 800,000	160
> 800,000 to ≤ 1,200,000	100

- (B) Install and maintain a non-resettable totalizing fuel meter pursuant to paragraph (j)(7) corrected to Standard Conditions on the Unit and consume no more than the Therms of fuel per month calculated using Equation 3 (Eq. 3).

$$\text{Monthly Therms of Fuel} = (D \div EF) \times HHV \times 10 \text{ (Eq. 3)}$$

Where:

D = Number of Days in Calendar Month

EF = Emission Factor for the Unit (lbs NOx/MMScf natural gas)

HHV = Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)

10 = Conversion from MMBtu to Therms

- (2) One Pound or Less of NOx Per Day – Daily Demonstration

An owner or operator of a Unit electing to comply with paragraph (d)(4) by demonstrating daily NOx emissions of one pound or less per day shall:

- (A) Install and maintain a non-resettable totalizing time meter on the Unit pursuant to paragraph (j)(7) and operate the Unit no more than the specified time in Table 35; or

Table 35 – Less than One Pound per Day, Daily Operating Limits

Unit Rated Heat Input (Btu/hr)	Daily Operating Limit (Hours)
≤ 400,000	16
>400,000 to ≤ 800,000	8
> 800,000 to ≤ 1,200,000	5

(B) Install and maintain a non-resettable totalizing fuel meter on the Unit pursuant to paragraph (j)(7) and operate the Unit using less than or equal to 7,692 cubic feet per day of natural gas corrected to Standard Conditions and maintain records pursuant to paragraph (j)(8).

~~(e) Certification~~

~~(1) Unit Certification~~

~~For units that do not allow adjustment of the fuel and combustion air for the combustion system by the owner or operator, any manufacturer or distributor that distributes for sale or sells units or combustion systems for use in the SCAQMD may elect to apply to the Executive Officer to certify such units or combustion systems as compliant with subdivision (c).~~

~~(2) Confirmation of Emissions~~

~~Any manufacturer's or distributor's application to the Executive Officer to certify a model of unit or combustion system as compliant with the emission limit and demonstration requirement of subdivision (c) shall obtain confirmation from an independent contractor that is approved by the Executive Officer under the Laboratory Approval Program for the necessary test methods prior to applying for certification that each unit model complies with the applicable requirements of subdivision (c). This confirmation shall be based upon SCAQMD approved emission tests. A SCAQMD approved protocol shall be adhered to during the confirmation testing of all units and combustion systems subject to this rule. Emission testing shall comply with the requirements of paragraphs (d)(1) through (d)(6) except that emission testing shall be conducted at greater than 90% rated heat input capacity and additional emission testing shall be conducted at a heat input of less than 35% of the rated heat input capacity.~~

~~(3) When applying for unit(s) or combustion system(s) certification, the manufacturer or distributor shall submit to the Executive Officer the following:~~

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- ~~(A) — A statement that the model of unit or combustion system is in compliance with subdivision (c). The statement shall be signed and dated by the manufacturer's or distributor's responsible official and shall attest to the accuracy of all statements;~~
- ~~(B) — General Information
 - ~~(i) — Name and address of manufacturer or distributor;~~
 - ~~(ii) — Brand name, if applicable;~~
 - ~~(iii) — Model number(s), as it appears on the unit or combustion system rating plate(s);~~
 - ~~(iv) — List of all combustion system components; and~~
 - ~~(v) — Rated Heat Input Capacity, gross output of burner(s), and number of burners;~~~~
- ~~(C) — A description of each model of unit or combustion system being certified; and~~
- ~~(D) — A source test report verifying compliance with the applicable emission limit in subdivision (e) for each model to be certified. The source test report shall be prepared by the confirming independent contractor and shall contain all of the elements identified in the SCAQMD approved Protocol for each unit tested.~~
- ~~(4) — When applying for unit or combustion system certification, the manufacturer or distributor shall submit the information identified in paragraph (e)(3) no more than ninety (90) days after the date of the source test identified in subparagraph (e)(3)(D) and at least 120 days prior to the date of the proposed sale and installation of any SCAQMD certified unit or combustion system.~~
- ~~(5) — The Executive Officer shall certify a unit or combustion system model or models which complies with the provisions of subdivision (c) and of paragraphs (e)(2), (e)(3), and (e)(4).~~
- ~~(6) — Certification status shall be valid for seven years from the date of approval by the Executive Officer. After the seventh year, recertification shall be required by the Executive Officer according to the requirements of paragraphs (e)(2), (e)(3), and (e)(4).~~
- (j) Monitoring, Recordkeeping, and Reporting Requirements
 - (1) An owner or operator of a certified Unit pursuant to paragraph (h)(1) shall maintain records of Unit installation, operation, maintenance, repair, Combustion System modification, and test records of owners, operators, manufacturers, distributors,

retailers, and installers of Units located in South Coast AQMD, and conduct such tests as deemed necessary to ensure compliance with this rule.

- (2) An owner or operator of a Unit(s) that has an applicable Phase II Emission Limit shall provide the following documentation to the Executive Officer:
 - (A) On or before January 1, 2024, documentation identifying the age of the Unit(s) pursuant to paragraph (f)(2) and anticipated date of replacement; and
 - (B) On or before January 1, 2024, for a Unit that is 17 years or older on [Date of Rule Adoption] or on or before January 1st of the year when a Unit's burner reaches 17 years or older, an official document on company letterhead signed by the responsible party of the utility company that services the facility that includes:
 - (i) An explanation if service upgrades will be required by the utility company to power Unit(s) replacing existing Unit(s) to meet the applicable Phase II Emission Limit(s); and
 - (ii) The estimated timeframe required from the utility company to complete the service upgrades.
- (3) An owner or operator of a Unit shall maintain on site a copy of all documents identifying the Unit's Rated Heat Input Capacity. The Rated Heat Input Capacity shall be identified by a manufacturer's or distributor's manual or invoice and permanent rating plates attached to the Unit and individual burners.
- (4) An owner or operator of a Unit shall display and maintain the model number and Rated Heat Input Capacity of the Unit burner(s) on a permanent rating plate.
- (5) The owner or operator of a Unit that is modified shall:
 - (A) Display the new Rated Heat Input Capacity on a new permanent supplemental rating plate installed in an accessible location on the Unit or burner; and
 - (B) Determine the date of Unit modification pursuant to the burner age determination requirements of subdivision (f).
- (6) An owner or operator of a Unit subject to subdivision (g) shall maintain the following records on site at the facility where the Unit is being operated:
 - (A) A copy of the written maintenance schedule and instructions by the manufacturer, distributor, installer, or maintenance company and retain a record of the maintenance activity;
 - (B) A copy of the South Coast AQMD certification or the South Coast AQMD approved source test reports, conducted by an independent third party.

- demonstrating that the specific Unit complies with the applicable emission limit; and
- (C) Reports of the source test(s) conducted pursuant to a South Coast AQMD approved Source Test Protocol which include the Unit's model and serial numbers.
- (7) An owner or operator of a Unit requiring a non-resettable totalizing fuel meter or non-resettable time meter to comply with any provision in this rule shall:
- (A) On or before January 1, 2024, install and operate a non-resettable totalizing fuel meter or non-resettable time meter, unless a metering system is currently installed, and the fuel meter or time meter is approved in writing by the Executive Officer;
- (B) Each non-resettable totalizing fuel meter or non-resettable time meter shall be equipped with a permanent supply of electric power that cannot be unplugged, switched off, or reset except by the main power supply circuit for the building and associated equipment or the safety shut-off switch;
- (C) Ensure that the continuous electric power to the non-resettable totalizing fuel meter or non-resettable time meter may only be shut off for maintenance or safety; and
- (D) Ensure each non-resettable totalizing fuel meter or non-resettable time meter is calibrated and recalibrate the meter annually thereafter based on the manufacturer's recommended procedures. If the non-resettable totalizing fuel meter or non-resettable time meter was calibrated within one year prior to January 1, 2024, the next calibration shall be conducted within one year of the anniversary date of the prior calibration.
- (8) An owner or operator of a Unit complying with the one pound or less of NOx emission limit pursuant to paragraph (d)(4) as demonstrated pursuant to subdivision (i) shall keep daily records documenting the use of the Unit, including, but not limited to:
- (A) For an owner or operator demonstrating Unit compliance pursuant to subparagraph (i)(2)(A):
- (i) Time records of Unit operation using a unit-specific non-resettable time meter;
- (ii) Daily fuel consumption documented using a non-resettable fuel meter; and
- (iii) Daily process rate.

(B) For an owner or operator demonstrating Unit compliance pursuant to subparagraph (i)(2)(B):

(i) Records documenting fuel gas consumption with a non-resettable fuel meter; and

(ii) Test protocol, calculations, and results of a test of gas pressure to the meter conducted by the local utility or an independent contractor. The documentation of gas pressure to the meter shall include a letter stating that the test was performed using the approved test protocol and the letter shall be signed by the person performing the test.

(9) RECLAIM Facilities must continue to comply with reporting requirements pursuant to Regulation XX until the facility becomes a Former RECLAIM Facility.

(10) Records of source tests pursuant to subdivision (g) and records required pursuant to paragraphs (j)(1), (j)(2), (j)(3), (j)(6), and (j)(7) shall be retained on site for at least five years and made available to the Executive Officer upon request.

~~(f) — Enforcement~~

~~(1) — The Executive Officer may inspect certification records and unit installation, operation, maintenance, repair, combustion system modification, and test records of owners, operators, manufacturers, distributors, retailers, and installers of units located in the SCAQMD, and conduct such tests as are deemed necessary to ensure compliance with this rule. Tests shall include compliance determinations, as specified in paragraphs (d)(1) through (d)(4), (d)(6), and (d)(7).~~

~~(2) — A compliance determination specified under paragraph (f)(1) that finds emissions in excess of those allowed by this rule shall constitute a violation of this rule.~~

(k) Alternative Compliance Schedule Plan

(1) Alternative Compliance Schedule Plan Requirements

An owner or operator of a Unit(s) subject to Phase II Emission Limits may submit an Alternative Compliance Schedule Plan no later than two years prior to the date the Unit is required to comply with the Phase II Emission Limits to request an extension of no longer than two-year from the date the Unit is required to comply with the Phase II Emission Limits. Facilities with multiple Units subject to Phase II Emissions Limits shall submit one Alternative Compliance Plan per facility no later than two years prior to the earliest Phase II compliance date. The Alternative Compliance Schedule Plan shall include the following:

- (A) The unit(s) included in the Alternative Compliance Schedule Plan;
- (B) An official document on company letterhead signed by the responsible party of the utility company that services the facility that includes:
 - (i) An explanation of the service upgrades required by the utility company;
 - (ii) Communications with the utility provider when the service upgrade was requested;
 - (iii) The estimated date the utility company will complete the service upgrades;
 - (iv) Additional information to substantiate that an Alternative Compliance Schedule Plan is necessary; and
 - (v) Documentation which demonstrates that the delays are outside of the control of the owner or operator.

(2) Alternative Compliance Schedule Plan Review and Approval Process

The Executive Officer will notify the owner or operator in writing whether the Alternative Compliance Schedule Plan is approved or disapproved. The Alternative Compliance Schedule Plan shall be approved if the following criteria is met, and they are subject to disapproval if any of the following; applicable criteria are not met:

- (A) The owner or operator submitted a complete Alternative Compliance Schedule Plan at least one year prior to the compliance schedule specified in ~~paragraph (e)(2)~~Table 3; and
- (B) The owner or operator submitted the required documentation from the utility company that includes all the required information in paragraph (k)(1).

(3) Upon receiving approval of an Alternative Compliance Schedule Plan pursuant to paragraph (k)(2), the owner or operator shall Decommission each Unit with a NOx emission limit that exceeds the applicable Phase II Emission Limit within six months of the date specified in clause (k)(1)(B)(iii) in the approved Alternative Compliance Schedule Plan.

(4) Within 45 days of receiving written notification from Executive Officer that the Alternative Compliance Schedule Plan is disapproved, the owner or operator shall correct any deficiencies and re-submit the Alternative Compliance Schedule Plan.

(5) If the owner or operator does not re-submit the Alternative Compliance Plan pursuant to paragraph (k)(4), or upon receiving written notification from the Executive Officer that the Alternative Compliance Schedule Plan re-submitted

pursuant to paragraph (k)(4) is disapproved, the owner or operator shall decommission-Decommission each Unit with a NOx emission limit that exceeds the applicable Phase II Emission Limit pursuant to the compliance schedule in paragraph (e)(2)Table 3.

(6) Modifications to an Approved Alternative Compliance Schedule Plan

An owner or operator that seeks approval to modify an approved Alternative Compliance Schedule Plan shall submit a request in writing to the Executive Officer to modify an approved Alternative Compliance Schedule Plan that includes all the submittal requirements pursuant to paragraph (k)(1).

(7) The Executive Officer will review any modifications to an approved Alternative Compliance Schedule Plan in accordance with the review and approval process pursuant to paragraph (k)(2).

(8) An owner or operator with an approved Alternative Compliance Schedule Plan shall submit written notification detailing the progress of the service upgrades to the Executive Officer 12 months from date the Alternative Compliance Schedule Plan was approved, which shall include:

(A) Actions taken on the service upgrade, signed by the responsible party of the utility company;

(B) Actions to implement the service upgrade yet to be completed; and

(C) Any anticipated changes to the compliance schedule in the approved Alternative Compliance Schedule Plan.

(9) Notification of Pending Approval of an Alternative Compliance Schedule Plan

The Executive Officer will make the proposed Alternative Compliance Schedule Plan or proposed modifications to an approved Alternative Compliance Schedule Plan available to the public on the South Coast AQMD website 30 days prior to approval and update the status of the Alternative Compliance Schedule Plan once the Executive Officers deems it approved or disapproved.

(10) Plan Fees

The review and approval of the following shall be subject to applicable plan fees pursuant to Rule 306 – Plan Fees:

(A) Alternative Compliance Schedule Plan;

(B) Modification of an approved Alternative Compliance Schedule Plan; and

(C) Notification on the increments of progress submitted pursuant to paragraph (k)(8).

(g) Exemptions

- (1) The provisions of this rule shall not apply to the following equipment:
 - (A) Boilers, water heaters, thermal fluid heaters, or process heaters, including, but not limited to those that provide heat to a Unit through a heat exchange system, subject to the following SCAQMD-South Coast AQMD rules:
 - (i) Rules 1146 – Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters;
 - (ii) Rule 1146.1 – Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters;~~or~~
 - (iii) Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; or, including but not limited to those that provide heat to a unit through a heat exchange system;
 - (iv) Rule 1147.
 - (B) Units subject to registration pursuant to ~~SCAQMD-South Coast AQMD~~ Rule 222;
 - ~~(C) Units regulated under Regulation XX;~~
 - ~~(D)~~ Solid fuel-fired combustion equipment;
 - ~~(E)~~ Charbroilers as defined by Rule 1147;
 - ~~(F)~~ Fryers, including fryers used for nut, seed, or other food product oil roasting; ~~and~~
 - ~~(G)~~ Emission control equipment, including but not limited to afterburners, thermal oxidizers, and vapor incinerators as defined by Rule 1147; and
 - ~~(H)~~ Units with a Rated Heat Input Capacity less than 325,000 Btu per hour pursuant to paragraph (j)(4).
- (2) The provisions in subdivision (g) shall not apply to an owner or operator of a Unit electing to comply with the one pound or less of NOx per day emission limit pursuant to paragraph (d)(4), as determined pursuant to subdivision (i).
- ~~(2) The provisions of paragraphs (c)(1) and (c)(3) of this rule shall not apply to units with daily NOx emissions of 1 pound per day or less as documented by determined as follows, whichever is lower:~~
 - ~~(A) A rated heat input capacity of less than 325,000 BTU Btu per hour;~~
 - ~~(B) Compliance with a permit condition that limits NOx emissions to 1 one pound per day or less;~~

~~(C) — Daily recordkeeping of unit operation, an installed unit specific non-resettable time meter, and the following specified rated heat input capacities
A Rated Heat Input Capacities specified per operating the no more than the following specified number of hours every day:~~

~~(i) — Less than or equal to 400,000 BTU Btu per hour and operating less than or equal to 16 hours per day; or~~

~~(ii) — Less than or equal to 800,000 BTU Btu per hour and operating less than or equal to 8 eight hours per day; or~~

~~(iii) — Less than or equal to 1,200,000 BTU Btu per hour and operating less than or equal to 5 five hours per day.~~

~~(D) — Daily recordkeeping of unit use, including but not limited to time records of unit operation using a unit specific non-resettable time meter, daily fuel consumption documented using an non-resettable fuel meter, or daily process rate; or~~

~~(E) — Daily use of natural gas less than or equal to 7,692 cubic feet per day at standard temperature and pressure, documented by daily recordkeeping of fuel gas consumption with a non-resettable fuel meter and a test protocol, calculations, and results of a test of the gas pressure to the meter conducted by the local utility or an independent contractor. The documentation of gas pressure to the meter shall include a letter stating that the test was performed using the included protocol Source Test Protocol and the letter shall be signed by the person performing the test.~~

~~(3) — The provisions of paragraph (c)(3) of this rule shall not apply to units heated solely with infrared burners.~~

~~(h) — Mitigation Fee Compliance Option~~

~~(1) — An owner or operator of a unit may elect to delay the applicable compliance date in Table 2 three years by submitting an alternate compliance plan and paying an emissions mitigation fee to the SCAQMD in lieu of meeting the applicable NOx emissions limit in Table 1.~~

~~(2) — Compliance Demonstration~~

~~An owner or operator of a unit electing to comply with the mitigation fee compliance option shall:~~

~~(A) — Submit an alternate compliance plan and pay the mitigation fee to the Executive Officer at least 150 days prior to the applicable compliance date in Table 2; and~~

Rule PAR 1153.1 (Cont.) (~~Adopted November 7, 2014~~)(Amended [Date of Rule Adoption])

~~(B) — Maintain on site verification of mitigation fee payment and SCAQMD approval of the alternate compliance plan that shall be made available upon request to SCAQMD staff.~~

~~(3) — Plan Submittal~~

~~The alternate compliance plan submitted pursuant to paragraphs (h)(1) and (h)(2) shall include:~~

~~(A) — A cover letter submitted to the SCAQMD identifying that the application is for a Rule 1153.1 (h) Mitigation Fee Compliance Plan, listing the applicable unit(s), and signed by the responsible official;~~

~~(B) — A completed SCAQMD Form 400A with company name, SCAQMD Facility ID, identification that the application is for a compliance plan (section 7 of form), identification that the request is for a Rule 1153.1 (h) Mitigation Fee Compliance Plan (section 9 of the form), and signature of the responsible official;~~

~~(C) — Attached documentation of unit fuel use for previous 3 years, description of weekly operating schedule, unit permit ID, unit heat rating (BTU/hour), and fee calculation;~~

~~(D) — Filing fee payment; and~~

~~(E) — Mitigation fee payment as calculated by Equation 1.~~

Equation 1:

$$MF = R * (3 \text{ years}) * (L_1 - L_0) * (AF) * (k)$$

Where,

MF = Mitigation fee, \$

R = Fee Rate = \$12.50 per pound (\$6.25 per pound for a small business with 10 or fewer employees and gross annual receipts of \$500,000 or less)

L₁ = Default NO_x emission factor: 0.136 lbs of NO_x/mmBTU for gaseous fuels and 0.160 lb/mmBTU for fuel oils

L₀ = Applicable NO_x emissions limit specified in Table 1 in lbs/mmBTU

AF = Annual average fuel usage of unit for previous 5 years, mmsef/yr for natural gas or gallons for liquid fuel

k = unit conversion for cubic feet of natural gas to BTU = 1,050 BTU/sef; 95,500 BTU/gallon for LPG; and 138,700 BTU/gallon for fuel oil

~~(4) — Rule 1147 Mitigation Fee Plan Submittal~~

Rule PAR 1153.1 (Cont.) ~~(Adopted November 7, 2014)~~**(Amended [*Date of Rule Adoption*])**

~~A mitigation fee compliance plan submitted pursuant to SCAQMD Rule 1147 may be used to comply with the requirements of this paragraph so long as the owner/operator of the unit notifies the Executive Officer at least 150 days prior to the applicable compliance date specified in Table 2.~~

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

August 2023

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EXECUTIVE SUMMARY

Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (PAR 1153.1), seeks further emission reduction of oxides of nitrogen (NO_x) in the South Coast air district and is part of a suite of “landing” rules for facilities regulated under the REgional Clean Air Incentives Market (RECLAIM) or under another existing source specific rule. The goal is to conduct a Best Available Retrofit Control Technology (BARCT) analysis to ensure that emissions from all equipment subject to PAR 1153.1 are controlled to achieve the maximum technically feasible, cost-effective emission reductions. Control Measure CMB-05 of the Final 2016 Air Quality Management Plan (AQMP) included a five tons per day (tpd) NO_x emission reduction as soon as feasible but no later than 2025, and the adoption resolution for the 2016 AQMP directed staff to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable. In addition, the 2022 AQMP established NO_x reduction targets that require the transition to zero-emission technologies wherever feasible.

PAR 1153.1 regulates NO_x emissions from commercial food ovens that are used to prepare food or products for making beverages for human consumption and require South Coast AQMD permits. PAR 1153.1 would affect approximately 97 facilities that operate approximately 218 commercial food ovens. Six facilities operating commercial food ovens are currently part of the RECLAIM program. The emissions limits in the latest version of this rule adopted in 2014 ranged from 40 ppmv to 60 ppmv based on the process temperature. After a comprehensive BARCT assessment which included an analysis of technical feasibility and cost-effectiveness, PAR 1153.1 proposes lower limits for all commercial food oven categories. Upon rule adoption, PAR 1153.1 includes a 30 ppmv Phase I NO_x emission limit for commercial food ovens, other than tortilla ovens that fire infrared burners only, which have a 15 ppmv NO_x limit. In addition, PAR 1153.1 includes zero-emission NO_x limits for four oven categories at a future effective date. The zero-emission limit is technology forcing for most categories, meaning there are currently not a lot of commercially available units. The rule establishes a zero-emission limit at a future effective date of January 1, 2027, for categories where staff has identified comparable zero-emission units under Phase II emission limits; these are mostly smaller units with lower energy demand. Units with a zero-emission limit will not require permits to limit the NO_x or CO (Carbon Monoxide) emissions and will not have any source test requirements resulting in time and cost savings for the facilities.

PAR 1153.1 also includes an Alternative Compliance Schedule Plan to address additional time that might be needed for a utility to provide the necessary energy to the facility to power the electric oven(s). An alternative compliance schedule will only be considered for ~~unit~~ upgrades that are outside the control of the facility.

The public process for PAR 1153.1 consisted of eight working group meetings, two public workshops, and multiple meetings with industry stakeholders and technology vendors to obtain feedback. The total NO_x emissions inventory for PAR 1153.1 is approximately 0.26 tpd based on 2019 emissions. Estimated NO_x emission reductions are 0.11 tpd at full implementation.

CHAPTER 1 : BACKGROUND

INTRODUCTION

REGULATORY BACKGROUND

AFFECTED INDUSTRIES

AFFECTED EQUIPMENT

PROPOSED AMENDED RULE 1153.1

PUBLIC PROCESS

INTRODUCTION

The South Coast Air Quality Management District (South Coast AQMD) Governing Board adopted the RECLAIM program in October 1993. The purpose of RECLAIM was to reduce NO_x and Sulfur Oxides (SO_x) emissions through a market-based approach for facilities with NO_x or SO_x emissions greater than or equal to four tons per year. The 2016 Final Air Quality Management Plan (2016 AQMP) included Control Measure CMB-05: Further NO_x Reductions from RECLAIM Assessment (CMB-05) to achieve five tpd of NO_x emission reductions as soon as feasible but no later than 2025. Further, the adopted resolution for the 2016 AQMP directed staff to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable. In addition, the 2022 AQMP established NO_x reduction targets that require the transition to zero-emission technologies wherever feasible.

As facilities transition out of NO_x RECLAIM, a command-and-control rule that includes NO_x emission standards that reflect BARCT is needed. PAR 1153.1 is a “landing” rule for RECLAIM facilities with permitted commercial food ovens and will establish NO_x and CO emissions limits for units subject to the rule at RECLAIM, non-RECLAIM, and former RECLAIM facilities. Staff is proposing zero-emission NO_x limits where technology has been identified as technically feasible and cost-effective.

REGULATORY BACKGROUND

On November 7, 2014, South Coast AQMD adopted Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (Rule 1153.1). Rule 1153.1 is applicable to commercial food ovens not participating in the RECLAIM program (non-RECLAIM) and establishes NO_x and CO limits based on the process temperature.

Table 14-1. Rule 1153.1 NO_x Emission Limits

NO _x Emission Limit for In-Use Units	
NO _x Emission Limit PPMV @ 3% O ₂ , dry or Pound/MMBtu heat input	
Process Temperature	
≤ 500°F	> 500°F
40 ppmv or 0.042 lb/MMBtu	60 ppmv or 0.073 lb/MMBtu

Prior to the adoption of Rule 1153.1, commercial food ovens were regulated under Rule 1147 – NO_x Reductions from Miscellaneous Sources (Rule 1147). In 2014, staff proposed to regulate food ovens, roasters, and smokehouses under a new rule, Proposed Rule 1153.1, which was specific to commercial food ovens. Rule 1153.1 had higher NO_x emissions limits than the corresponding ones in Rule 1147 and delayed compliance dates to address the specific challenges to commercial food ovens. The adoption of Rule 1153.1 allowed commercial food ovens to be placed on a more suitable compliance schedule with achievable emission limitations.

RECLAIM PROGRAM

The RECLAIM program is a market-based program that was adopted in 1993 and applies to facilities with NO_x or SO_x annual emissions greater than or equal to four tons per year. RECLAIM replaced a series of existing and future command-and-control rules and was designed to achieve BARCT in aggregate. At the start of RECLAIM, facilities received an allocation of RECLAIM Trading Credits (RTCs). At the end of each compliance year, facilities were required to hold RTCs that are equal to or greater than their actual annual emissions.

Under RECLAIM, facilities can install pollution control equipment to reduce NO_x emissions or buy or trade RTCs. Any unused RTCs from over control, reduction in throughput, or equipment shutdowns, can be sold or traded. Allocations were based on the facility's reported emission rate since there were no proposed BARCT limits at the time. In response to concerns regarding actual emission reductions and implementation of BARCT under RECLAIM, Control Measure CMB-05 of the 2016 AQMP committed to an assessment of the RECLAIM program to achieve further NO_x emission reductions of five tpd, including actions to transition the program and ensure future equivalency to command-and-control regulations. During the adoption of the 2016 AQMP, the adoption resolution directed staff to modify Control Measure CMB-05 to achieve the five tpd NO_x emission reduction as soon as feasible but no later than 2025, and to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT-level controls as soon as practicable. PAR 1153.1 is needed to transition RECLAIM facilities with commercial bakery ovens to a command-and-control regulatory structure. PAR 1153.1 will apply to corresponding facilities while they are in RECLAIM and after their transition out of RECLAIM when they become a former RECLAIM facility.

AFFECTED INDUSTRIES

PAR 1153.1 affects manufacturers and operators of commercial food ovens, roasters, and smokehouses produce food and beverage products (NAICS 311 and 312). Staff identified 97 facilities with a total of 218 commercial food ovens that are regulated by PAR 1153.1. Six out of 97 facilities are currently in the RECLAIM program and approximately 51 commercial food oven units are currently located at RECLAIM facilities with the remaining 167 units located at non-RECLAIM facilities. A breakdown of unit categories is shown in Figure below.

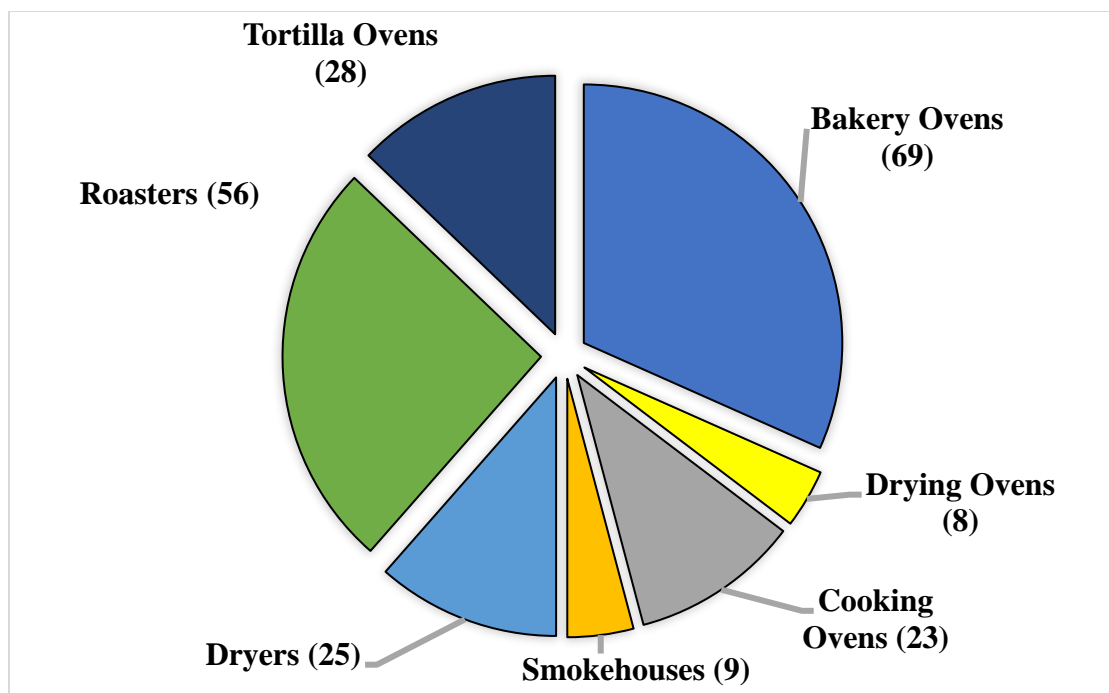


Figure 1-1. Commercial Food Oven Categories Subject to PAR 1153.1

The dryers category includes both spray dryers and rotary type dryers. The roasters category includes both coffee roasters and nut roasters, which are mostly small units with emissions less than or equal to one pound per day of NO_x; as such, they may elect to demonstrate compliance with the rule by limiting their NO_x emissions to one pound of NO_x per day rather than complying with the Table 1 Emission Limits.

PUBLIC PROCESS

PAR 1153.1 was developed through a public process that included a series of Working Group Meetings. The table below summarizes the Working Group Meetings held throughout the development of PAR 1153.1 and provides a summary of the key topics discussed at each of the Working Group Meetings. Staff began the rule development process in the second quarter of 2021 and has conducted eight Working Group Meetings to date. Staff also held individual stakeholder meetings as needed and conducted several site visits to the affected facilities. The Working Group is composed of affected facilities, consultants, equipment vendors, and environmental groups. The purpose of the Working Group Meetings was BARCT assessment and development of the proposed amendments and NO_x limits for PAR 1153.1.

Table 11-2. Summary of Working Group Meetings

Date	Meeting Title	Highlights
July 9, 2021	Working Group Meeting #1	<ul style="list-style-type: none"> • Rule Development Process • RECLAIM background • Rule 1153.1 background • Potential universe • Equipment types and NOx emissions • BARCT analysis overview
June 8, 2022	Working Group Meeting #2	<ul style="list-style-type: none"> • Background and Regulatory commitments • Status of Rule Development • Stakeholder comments • Initiated BARCT Assessment (first three steps) • Emission data evaluation for all equipment
July 27, 2022	Working Group Meeting #3	<ul style="list-style-type: none"> • Follow-up to stakeholder comments from WGM#2 • Baseline emissions • Technology demonstration project and emerging technology • Rondo Energy heat battery system presentation • Continuation of the BARCT Assessment • Presented the results from the fourth step of the technology assessment – “Assessment of Pollution Control Technology” • Proposed initial BARCT limit of 30 ppmv
August 31, 2022	Working Group Meeting #4	<ul style="list-style-type: none"> • Micron Fiber-Tech presented on their metal fiber gas burners and combustion systems • Continued BARCT Assessment and discussed commercial oven categories and burner types • Proposed BARCT limits for categories • Presented cost-effectiveness analysis and Proposed BARCT limits
September 23, 2022	Working Group Meeting #5	<ul style="list-style-type: none"> • Rule language and structure changes overview
September 16, 2022		Released Preliminary Draft Rule and Staff Report
October 6, 2022		Public Workshop
October 21, 2022		Stationary Source Committee
December 2, 2022		Governing Board Approves 2022 AQMP
February 2, 2023	Working Group Meeting #6	<ul style="list-style-type: none"> • 2022 AQMP and updated cost-effectiveness threshold • BARCT re-assessment and revised proposal to include zero-emission NOx limits
March 3, 2023		Released March Pre-Preliminary Draft Rule Language
March 8, 2023	Working Group Meeting #7	<ul style="list-style-type: none"> • Rule language updates • Updated compliance schedule

Date	Meeting Title	Highlights
March 17, 2023		Released Third Preliminary Draft Rule Language and Staff Report
March 30, 2023		Public Workshop
June 2, 2023		Set Hearing
June 2, 2023		Released Fourth Preliminary Draft Rule Language
June 7, 2023	Working Group Meeting #8	<ul style="list-style-type: none"> • Revised cost-effectiveness with consideration of fuel switching costs • Revised zero-emission proposal • Revised Rule Language
June 16, 2023		Stationary Source Committee
August 4, 2023 (subject to change)		Public Hearing

CHAPTER 2 : BARCT ASSESSMENT

BARCT ASSESSMENT

EQUIPMENT CATEGORIES AND PROCESSES

BARCT ASSESSMENT

COST-EFFECTIVENESS AND INCREMENTAL COST-EFFECTIVENESS

BARCT ASSESSMENT

The purpose of a BARCT assessment is to assess available pollution controls to establish emission limits for specific equipment categories consistent with the state law. Under California Health and Safety Code Section 40406, BARCT is defined as:

“An emission limitation that is based on the maximum degree of reduction achievable by each class or category of source, taking into account environmental, energy, and economic impacts.”

The BARCT assessment follows a framework through the rule development process and includes public participation. The figure below shows the overall BARCT assessment approach.

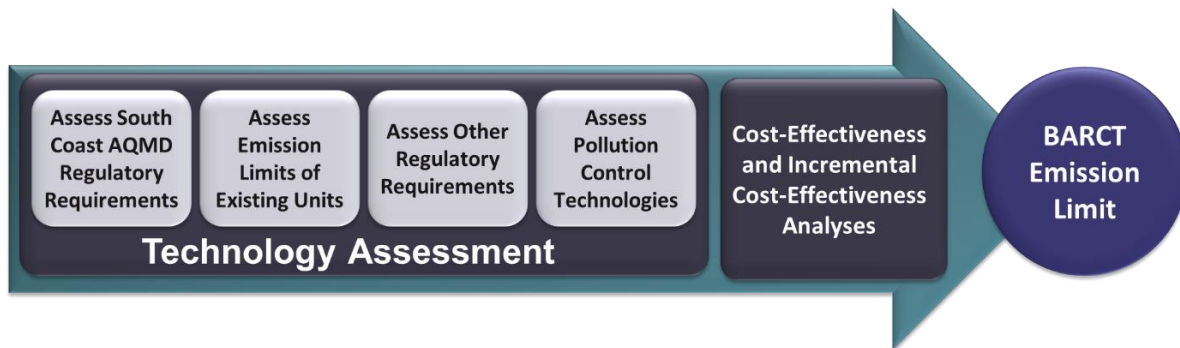


Figure 2-1. BARCT Assessment Approach

Technology Assessment

Staff conducted a thorough technology assessment to evaluate the NO_x control technologies that will achieve the BARCT level for commercial food oven equipment at facilities subject to PAR 1153.1. The technology assessment consists of four steps including the assessment of South Coast AQMD requirements, a complete assessment of emission limits of existing units, review of other regulatory requirements, and an assessment of available pollution control technologies.

Class and Category of Equipment

One of the first steps in the BARCT assessment is to establish the class and category of equipment. Staff collaborated with the stakeholders to establish the class and category by accounting for the type of equipment, burner type, zero-emission units, and other unique operational features of the units. Figure 2-2 lists the category of equipment established for the BARCT assessment of the equipment subject to PAR 1153.1. Based on the BARCT technology assessment, staff initially did not consider categories of equipment by class since the size or maximum rated heat input for most units are less than 12.3 MMBtu/hr, and only four major categories of commercial food oven equipment were identified. However, after meeting with several stakeholders, staff further separated the bakery ovens into three subcategories based on oven type and unit size.

Equipment Categories and Processes

There are two main types of commercial food ovens – continuous tunnel ovens and batch ovens. Continuous tunnel ovens continually take in food items, cook them, and deliver the cooked product to an area where it cools prior to packaging. One subcategory of a continuous type of oven is a conveyORIZED type of oven that is often used for hot dog, hamburger bun, and panned bread production. Batch ovens are manually loaded with take in-food items that are removed when the process is complete. Most bakery and tortilla ovens are conveyor type whereas smokehouse ovens

and roasters are batch operations. Regardless of operation type, most commercial food ovens operate at temperatures less than 700°F with tortilla ovens operating near the higher temperature operating range. Food ovens are designed with a specific type of burner so that the oven can produce specific food products. There are primarily three types of burners used in commercial food ovens: Ribbon burners, infrared burners, and traditional nozzle-mix cone type burner such as a Maxon Ovenpak or Eclipse Winnox. Each cooked product requires a specific taste, texture, appearance, and other specific qualities unique to the product; therefore, food producers require specific oven and burner combinations. Staff evaluated facility permits and identified commercial food ovens that require specific burner characteristics and categorized commercial food ovens into seven main categories with several subcategories as follows.

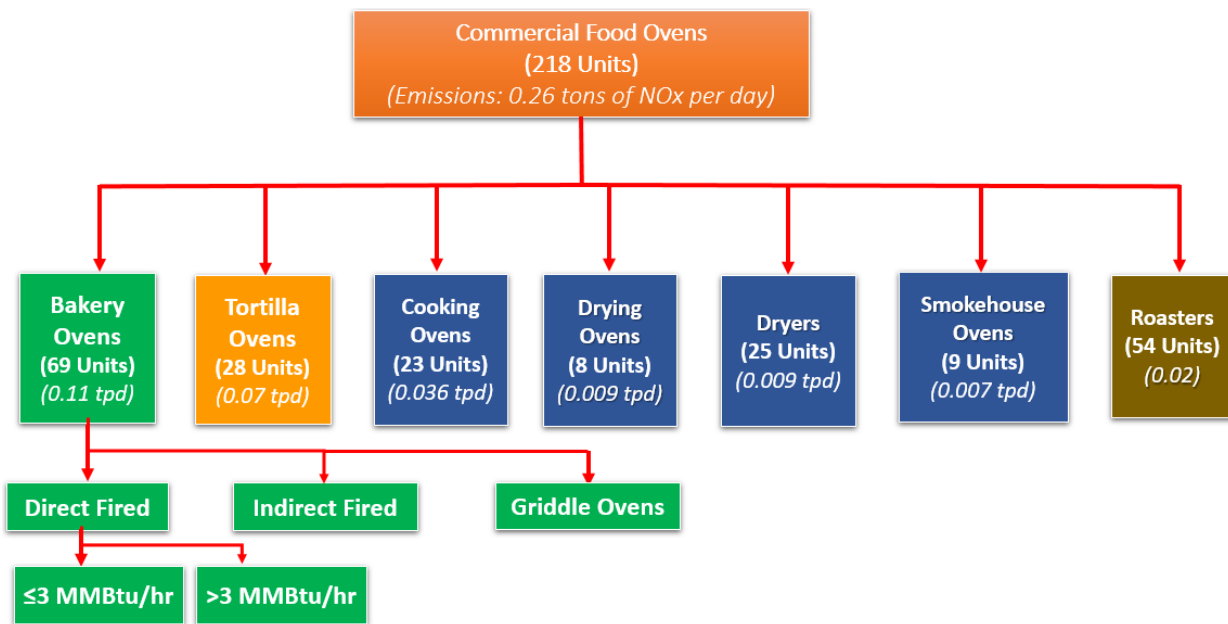


Figure 2-2. Commercial Food Oven Categories

The four categories of commercial food ovens initially identified are bakery ovens, tortilla ovens, other food ovens, and roasters. The other food oven category grouped cooking ovens, drying ovens, spray dryers, dryers, and smokehouses in one category because these ovens have similar heating and burner characteristics. The roasters category uses similar type of burners as the other food oven category, but units in the roasters category differ primarily because they are indirect-fired units where the heat and hot air heats a hotplate or surface in which the product is roasted. Food ovens by design can have multiple burners in a single oven and the number of burners is determined by the type of food product being produced. Depending on size, large conveyor type bakery ovens and tortilla ovens can have from 12 to 181 individual ribbon or infrared burners in a single oven and are often separated into several different heating zones, whereas the other food oven category will have one or two nozzle-mix cone type burners. This difference also results in a difference in burner costs. Based on discussions and meeting with technology vendors and industry stakeholders, ribbon burners and infrared burners typically have a higher cost. To ensure that burner costs and cost-effectiveness is evaluated and captured properly, staff separated the food ovens into the four main categories in which the BARCT assessment will be conducted. The table below summarizes the initial evaluation of commercial food ovens and the various type of burners

used in each category along with considerations gathered from the vendor and industry stakeholder meetings.

Table 22-1. Burner Type used by Commercial Food Oven Categories

Category	Description	Burner Type	Considerations
Bakery and Tortilla Ovens	<ul style="list-style-type: none"> • 97 units in Category • Ovens are Used to cook bakery or tortilla products • Conveyor type or tunnel type • Air heater • 2019 NOx Emissions: 0.18 tpd 	<ul style="list-style-type: none"> • Ribbon Burners • Infrared (IR) Burners • Low NOx Burners (i.e., Maxon OvenPak type Eclipse Winnox) • Mesh fiber burners 	<ul style="list-style-type: none"> • Ribbon Burners, and LNB can achieve 30 ppm_y • IR Burners can achieve 15 ppm_y • Commercially available • AMF offers an electric tunnel oven, but very few real-world installations
Other Food Ovens	<ul style="list-style-type: none"> • 65 units in Category • Spray Dryers • Dryers • Cooking Ovens • Smokehouse Ovens • 2019 NOx Emissions: 0.06 tpd 	<ul style="list-style-type: none"> • Low NOx Burners (i.e., Maxon OvenPak type, Eclipse Winnox) • Mesh fiber burners 	<ul style="list-style-type: none"> • Traditional OvenPak style LNB options available • Two smokehouse ovens are electric, but also uses steam • Some units such as dryers use steam as a heat source
Roasters	<ul style="list-style-type: none"> • 54 units in Category • Coffee Roasters • Nut Roasters • 2019 NOx Emissions: 0.02 tpd 	<ul style="list-style-type: none"> • Low NOx Burners (i.e., Maxon OvenPak type, Eclipse Winnox) • Mesh fiber burners 	<ul style="list-style-type: none"> • Indirect-fired units • Single burner • Most are small units exempted with permit conditions limiting operation

The 2022 AQMP adopted on December 2, 2022, lays a path for improving air quality and meeting federal air pollution standards by striving for zero-emission technologies across all sectors. The 2022 AQMP also establishes a cost-effectiveness screening threshold of \$325,000 (\$349,000 adjusted by CPI to 2022-dollar year) per ton of NOx. Staff re-assessed the BARCT technology assessment with an emphasis on zero-emission technologies for all oven categories to meet the control measure emission targets.

Assessment of South Coast AQMD Regulatory Requirements

Staff reviewed existing South Coast AQMD NOx regulations for commercial bakery ovens and similar equipment. The combustion equipment used for producing food products for human consumption consist of seven main source categories previously discussed (see Figure 2-1). In addition, staff evaluated current South Coast AQMD NOx regulations for other similar combustion equipment to assess potential technology transfer. Since commercial food ovens were originally included in Rule 1147, staff evaluated the current requirements of Rule 1147 and included a review

of existing BACT determinations for food ovens. The following table summarizes the current South Coast AQMD NOx rules that staff evaluated as part of the BARCT technology assessment.

Table 22-2. South Coast AQMD Regulatory Requirements

Regulation/Rule Title	Relevant Unit/Equipment	Emission Limits ppmv at 3% O ₂ , dry
Rule 1153.1 – Emissions from Gaseous- and Liquid-Fueled Engines	Commercial Food Ovens	40 ppmv ($\leq 500^{\circ}\text{F}$) or 60 ppmv ($>500^{\circ}\text{F}$)
Rule 1147 – NO_x Reductions from Miscellaneous Sources	Oven, Dehydrators, Cookers, Roasters	20 ppmv ($\leq 1,200^{\circ}\text{F}$) or 30 ppmv ($>1,200^{\circ}\text{F}$)
Rule 1147.1 – NO_x Reductions from Aggregate Dryers	Aggregate Dryers (dryers, rotary dryers, fluidized bed, rotary kilns)	30 ppmv
Best Available Control Technology (BACT) Guidelines for Food Ovens	Ribbon Burners, Infrared Burners, Other Direct Fired Burners	<ul style="list-style-type: none"> • Ribbon Burners: 30 ppmv ($\leq 500^{\circ}\text{F}$) or 60 ppmv ($>500^{\circ}\text{F}$) • Other Direct Fired Burners: 30 ppmv • Infrared Burners: 30 ppmv

Assess Emission Limits of Existing Units

Assess Emission Limits of Existing Units

To assess emissions of existing units, staff evaluated source test data for various equipment categories to confirm existing limits were achievable. The assessment confirmed the current performance of NO_x control controls for commercial food oven applications. The source test data showed that many units were already performing at or below 30 ppmv with only one unit performing at the 60 ppmv level. Further review of additional permit information, facility survey data, and source test data confirmed that approximately 131 out of the 218 food ovens were already performing below the 30 ppmv level and most units have an existing permit limit of 30 ppmv; 14 of these units were new units which were required to meet Best Available Control Technology (BACT). For the tortilla oven category, staff identified 12 tortilla ovens that recently installed IR burners utilizing metal fiber technology from Micron Fiber-Tech, and all were achieving 15 ppmv or less NO_x measured at 3 percent oxygen. All source test measurements were conducted by a third-party company approved by South Coast AQMD. As a result, staff proposed an additional category for tortilla ovens solely firing IR burners at 15 ppmv NO_x since it is currently achieved-in-practice.

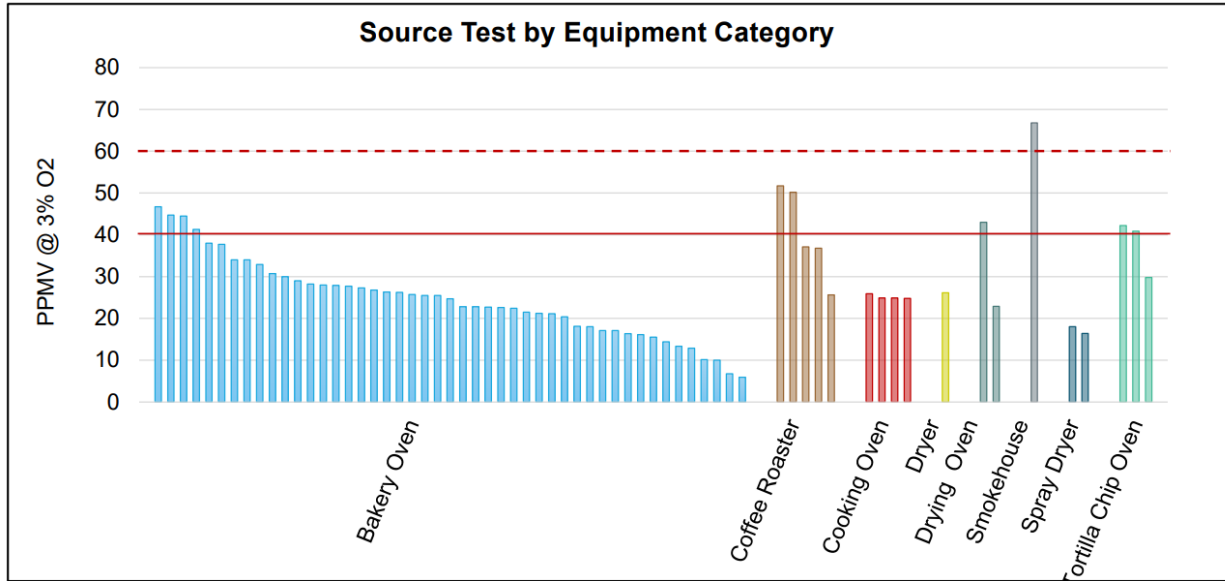


Figure 2-3. Source Test Data for Commercial Food Oven Categories

Assess Other Regulatory Requirements

Other Regulatory Requirements

The next step of the technology assessment is to identify other agencies that regulate the same or similar equipment and compare the regulatory requirements and emissions limits. The purpose of this step is to evaluate if there are applicable emissions limits that should be considered. The table below includes the list of regulations by other agencies which staff reviewed for applicable emissions limits. The specific emission limits and their impact on the BARCT assessment is discussed later in this document for each of the equipment categories.

Table 22-32. Other Regulatory Requirements

Regulatory Entity	Regulation/Rule Title	Relevant Units/Equipment
San Joaquin Valley Air Pollution Control District	Regulation 4309 – Dryers, Dehydrators, and Ovens (Units with a total rated heat input capacity of 5 MMBtu/hr or greater) – <i>Exempts smokehouses, roasting units, and units used to bake or fry food for human consumption</i>	Milk, Cheese, and Dairy Processing <20 MMBtu/hr: 3.5 ppmv (19% O ₂) or ~32 ppmv (3% O ₂)
		Milk, Cheese, and Dairy Processing ≥20 MMBtu/hr: 5.3 ppmv (19% O ₂) or ~49 ppmv (3% O ₂)
		Other processes (dryers, dehydrators, or ovens): 4.3 ppmv (19% O ₂) or ~40 ppmv (3% O ₂)
Ventura County Air Pollution Control District	Rule 74.34 – NO _x Reductions from Miscellaneous Sources (units with total rated heat input capacity of 5 MMBtu/hr or greater)	Ovens, Dryers (besides asphalt, sand, or paper dryer)
		<1,200°F: 30 ppmv or 0.036 lb/MMBtu
		<1,200°F: 60 ppmv or 0.072 lb/MMBtu
Sacramento Metropolitan Air Quality Management District	Rule 419 – NO _x from Miscellaneous Combustion Units (≥ 2MMBtu/hr)	Cooking Units
		< 500°F: 40 ppmv or 0.049 lb/MMBtu
		≥ 500°F: 60 ppmv or 0.073 lb/MMBtu

**Assess
Pollution
Control
Technologies**

Assessment of Pollution Control Technologies

The next step is to research the commercially available emission control technologies and seek information on any emerging emission control technologies. As part of this assessment, staff met with multiple combustion control vendors and distributors each with over 30 years of experience working on NO_x emissions control technologies; some also specialized in tuning and optimizing all burner types to achieve the lowest level of NO_x emissions possible. Staff invited several vendors to present at the Working Group Meetings to address the issue of available and applicable technologies for the purpose of NO_x emission reduction performance and its applicability to commercial food ovens. One of the companies invited was Rondo Energy which offers a unique heat storage battery system that may be potentially transferable to commercial food oven applications. Another company that presented was BABBCO, a manufacturer of several types of tunnel ovens which includes combustion ovens, hybrid ovens, and electric zero-emission ovens.

Staff assessed different pollution control technologies as part of the BARCT assessment. Staff presented and discussed the pollution control technology assessment in Working Group Meetings #3 and #6 which were held on July 27, 2022, and February 2, 2023, respectively. The objective is to identify and evaluate control technologies, approaches, and potential emission reductions. Staff considered the following:

- Commercially available NO_x control technologies
 - Combustion control
 - Post-Combustion Control
- Zero-emission emission technology

The following vendors and manufacturers were contacted for information regarding burner control technologies, post-combustion control technologies, and zero-emission technologies. Each vendor representative has over 25 years of experience with combustion systems and various commercial food oven technology. All provided technical input and cost estimates were included in the BARCT assessment and cost-effectiveness analysis of the staff report.

- AMF Den Boer
- BABBCO
- Flynn Burners
- Honeywell/Maxon
- Maurer-Atmos
- Micron Fiber-Tech
- Peerless
- Reading Bakery Systems
- Umicore
- WP Bakery Group

There are several options for reducing NO_x emissions from commercial food ovens subject to PAR 1153.1. NO_x control techniques can be divided into two control techniques: (1) combustion control and (2) post-combustion control. Combustion control involves retrofit of the existing burners with the latest generation low-NO_x design, whereas post-combustion control involves treatment of the flue gas. The other option is to replace the unit with a zero-emission electric unit, which is the most effective option to reduce NO_x emissions. One manufacturer offers a retrofit option for tunnel-type ovens where the burners are replaced with electric heating elements, but this option may be limited to a few types of ovens. The likely pathway for implementation of zero-emission electric units is to replace the entire combustion unit with a new zero-emission electric unit.

Combustion Control Technology for Food Ovens

For commercial food ovens, the most frequent option to reduce NO_x emissions is by replacing the burner system with newer low-NO_x burner (LNB) technology. In some situations, burners installed within the last 10 years may potentially be tuned and optimized to reduce NO_x formation rather than undergoing a complete burner replacement, which will result in cost savings for the facilities. Combustion controls are techniques that reduce NO_x by modifying the combustion zone through installation of LNBs. This control technique employs air staging or fuel staging techniques

to maximize NO_x reduction. This technique reduces the adiabatic peak flame temperature and is effective at reducing thermal NO_x formation.

Low NO_x Burners Combustion Systems

The current NO_x limit for Rule 1153.1 is between 40 to 60 ppmv corrected to 3 ~~percent~~% O₂. According to the vendor discussions for commercial food oven applications, a lower NO_x limit of 30 ppmv or less is achievable without any issue and is technically feasible in commercial food ovens. Commercial food ovens operate at lower temperatures than most industrial application, and burner vendors will guarantee 30 ppmv NO_x levels up to 1,600°F; therefore, higher NO_x limits for process temperatures over 500°F, as Rule 1153.1 currently allows, is not necessary for commercial food oven applications. One vendor provided a case study for a ribbon burner retrofit in a commercial bakery where their ribbon burners achieved sub-9 ppmv NO_x based on a handheld meter (e.g., diagnostic check) but not demonstrated in a source test conducted by a third-party. Staff reviewed South Coast AQMD's source test data for existing units with similar burners, which confirmed that existing units can perform between 20 to 30 ppmv NO_x. In addition, staff identified 131 commercial food ovens that currently have a NO_x permit limit of 30 ppmv.

Staff held several meetings with combustion system manufacturers and most confirmed that they will guarantee NO_x emissions of a maximum of 30 ppmv up to 1,600°F. Most commercial food ovens regardless of type operate from 130°F to 700°F, which are relatively low temperatures when compared to other industrial processes requiring heat. For this reason, staff believes a high NO_x limit of 60 ppmv is no longer required for commercial food ovens that operate above 500°F.

Based on discussion with vendors, in some instances, ovens with ribbon burners or other types LNBS will only require tuning and regular maintenance to lower NO_x emissions. In other cases, burners will have to be replaced with newer LNB technologies and/or the burner control system will have to be upgraded to the one with lower NO_x emissions. As previously mentioned, commercial food ovens can either be batch or conveyor-type food ovens. Conveyor-type ovens are typically manufactured with ribbon burners, infrared burners, or air heating type burners such as Maxon Ovenpak or Eclipse Winnox burner, which are the most common burners for this application.

Ribbon Burners

Ribbon burners are similar to pipe burners which are long sections of pipes with holes down the entire length of the pipe. Fuel gas and a small amount of air is introduced into the pipe where it mixes and exits through the holes along the length of the pipe where it is lit with a pilot flame. The secondary air is provided by the oven and mixes with the gas. Ribbon burners incorporate a ribbon-type insert along the length of the pipe that allows for better control of the flame. These ribbon inserts are also designed to provide better premixing of the air with fuel for more efficient combustion and control. The newest types of ribbon burners are made in various configurations to help achieve better mixing and distribution of fuel gas in the burner, which helps lower NO_x emissions by reducing peak flame temperature, and they can achieve NO_x emission level of 30 ppmv.

One manufacturer presented a ribbon burner that incorporates a metal fiber mesh across the length of the burner where overall flame temperature is reduced, resulting in lower NO_x emission levels. These types of mesh metal fiber ribbon burners can run in blue flame or radiant mode. According

to the vendor the burner can achieve 9 ppmv or less, but there have been no independent third-party source test data that can validate the performance. The test was primarily done with a handheld meter. However, the vendor has stated that they will provide a vendor performance guarantee of 30 ppmv for the ribbon burners in commercial food oven applications.

Air Heating Burners

Air heating-type burners are traditional nozzle-mix type burners similar to the Maxon OvenPak or Eclipse Winnox burners used in a majority of commercial food oven categories. This type of burner is used in convection ovens where the burner is not in close proximity to the food product being cooked. Air heating burners consists of cylindrical housing projecting into the oven where the burner flame is contained. These burners are typically flanged mounted with the blowers mounted externally. They fire into a small space and the external blowers move the air through the main chamber of the oven. Air heating burners can achieve NOx emission level of 30 ppmv.

One manufacturer presented a low-NOx versions of these types of burners that utilize a metal fiber mesh on the inside cone or sleeve of the burner. The metal fiber mesh aids in lowering the peak flame temperature which lowers overall NOx emissions. According to the vendor the burner can achieve 9 ppmv or less; however, no third-party source data was provided to validate the performance of the burner. The vendor confirmed that they will provide a vendor performance guarantee of 30 ppmv for the burner in commercial food oven applications.

Infrared Burners

Food ovens can also use radiant systems called infrared (IR) burners. Similar to ribbon burners, IR burners have long sections that consist of ceramic or metal fibers across the length which act as a flame holding surface that produce infrared radiation and a red glow. This type of burners can achieve very low NOx emission levels. IR burners are primarily used in tortilla ovens. Based on source test data of existing food ovens, IR burners can achieve 9 ppmv or less in small tortilla ovens with a rated heat input capacity of approximately one MMBtu/hr. Larger tortilla ovens with a rated heat input capacity of approximately 2 MMBtu/hr that solely fire IR burners, generated source test data between 12 to 14.2 ppmv.

Indirect Fired Units

Using the heat generated by a steam boiler or thermal fluid heater can be an efficient and cost-effective method to heat a process. The heat transfer process requires the use of a heat exchanging system (air-to-air heat exchanger) to warm and heat the incoming air that enters the process chamber and heats the food product. These types of units are called indirect fired units since they use the heat generated from another unit's combustion process. In this heating arrangement, there are no NOx emissions being emitted from the commercial food oven and essentially zero-emissions, but NOx emissions are generated from the combustion process of other units regulated by other South Coast AQMD NOx rules. There are several examples of these types of units in bakery ovens, dryers, and smokehouse ovens that are currently in use. One unique example of this heating method is a smokehouse oven that is currently in operation, which uses an electric burner (14.9 kW) and high-pressure steam as the two sources of heat. Some indirect-fired units use LNB as the source of heat, but they typically have small burners with a rated heat input of one MMBtu/hr or less.

Post-Combustion Control Technology for Food Ovens

Post-combustion control technologies are used to treat the flue gas by converting the NO_x to a different chemical form through either chemical reaction or oxidization.

Selective Catalytic Reduction

Selective Catalytic Reduction (SCR) is a post-combustion control technology that is commercially available and used to control NO_x on a variety of NO_x sources. A typical SCR system consist of a reactor where the catalyst is contained, ammonia storage tank, ammonia vaporizer, and ammonia injection system. The technology uses catalyst that consist of a mixture of metals, with vanadium being the primary metal in various proportions. The catalyst selectively reduces the NO_x on the presences of ammonia to nitrogen and water. Minimum operating temperature for SCRs is between 600°F to 900°F which is above the process temperature of most commercial food ovens. To reach optimal reaction temperatures, supplementary firing from additional duct burners would be necessary which will increase NO_x emissions.

LoTOx™ with Wet Gas Scrubber

LoTOx™ stands for “Low Temperature Oxidation” process where ozone is injected into the flue gas stream to oxidize insoluble NO_x compounds into soluble NO_x compounds. These soluble compounds can then be removed by various neutralization reagents (caustic solution, lime, or limestone). LoTOx™ is a low temperature operating system in a range of 140°F–325°F, but the optimal temperature is generally less than 300°F.

The LoTOx™ process requires oxygen supply for ozone generation. Unlike SCR technology which requires ammonia storage, the LoTOx™ technology modulates ozone generation on demand as required by the process. A ratio of NO_x to ozone of about 1.75–2.5 is needed to achieve 90–95 percent% NO_x conversion and reduction. The ozone that does not react with NO_x in the LoTOx™ process is scavenged by sulfite in the scrubber solution. The ozone slip is in a range of zero to three ppmv.

Some advantages of LoTOx™ application in comparison to SCR are as follow:

- LoTOx™ does not require heat input to maintain operational efficiency and enables maximum heat recovery of high temperature combustion gases.
- LoTOx™ can be integrally connected to a wet (or semi-wet) scrubber and become a multi-component air pollution control system that can reduce NO_x, SO_x, and PM in one system whereas SCR is primarily designed to reduce only NO_x.
- There is no ammonia slip, SO₃, and ammonium bisulfate issue associated with LoTOx™ application.

Potential drawbacks with LoTOx™ include:

- A significant amount of water is needed for the process, and it consequently generates waste effluent that requires an effluent treatment system. Thus, a water supply and effluent treatment system must be constructed to accommodate the LoTOx™ system.
- Since the LoTOx™ system requires high electrical power usage and oxygen demand, annual operating costs for the ozone generator could be potentially high.
- Nitrates in wastewater effluent may be a concern for treatment and/or discharge of the wastewater.

Below is a summary of combustion control and post-combustion control.

Table 22-4. NO_x Control Technologies Evaluated and Initial Conclusions

Potential Control Technologies			
Control Type	Key Feature	Considerations	Initial Conclusions
LoTOx™ w/ Wet Gas Scrubber	<ul style="list-style-type: none"> • Low Operating temperature • Multi-pollutant control 	<ul style="list-style-type: none"> • Requires wastewater treatment • Large space requirements • High capital and operating costs 	<ul style="list-style-type: none"> • Not technically feasible due to space requirements • Not cost effective due to low emissions and high costs
Selective Catalytic Reductions (SCR)	<ul style="list-style-type: none"> • High NO_x removal • Required high operating temperatures 	<ul style="list-style-type: none"> • Large space requirements • Hazardous chemical storage • Waste disposal • High capital and operating costs 	<ul style="list-style-type: none"> • Not technically feasible due to temperature and space requirements • Not cost effective due to low emissions and high costs
Low-NO_x Burners (LNB)	<ul style="list-style-type: none"> • Low operating cost • Most ovens can be retrofitted with low-NO_x burners reducing overall costs 	<ul style="list-style-type: none"> • Can have complex designs • May need further fan capacity 	<ul style="list-style-type: none"> • Most feasible option • Several options and burner types available for various applications

Post-combustion control requires significant capital investment, has a high annual operating cost, requires a large footprint, and there are currently no existing installations for commercial food oven applications. SCRs and LoTOx systems can achieve NO_x emission levels of 5 ppmv or less, but both systems are typically employed in large process heater applications that are 30 MMBtu/hr or greater due to the cost versus overall NO_x emission reductions. All commercial food ovens are less than 12.3 MMBtu/hr, and due to high capital and annual operating costs, post-combustion technology was ruled out as a feasible control option for PAR 1153.1 equipment. Vendors' feedback and cost estimates also confirmed staff's conclusion that post-combustion control is not feasible due to the low operating temperatures of commercial food ovens and significant capital investment necessary for low emission reductions. Furthermore, post-combustion control technologies such as selective catalytic reduction (SCR) require high flue gas temperatures which is beyond the operating temperature of most commercial food ovens and may require supplementary firing from additional burners to raise the flue gas temperature to the optimal operating temperature range between 600°F to 800°F. This will potentially add additional capital costs, NO_x emissions, and fuel cost. In addition, post-combustion control requires the use of hazardous chemicals at food manufacturing facilities. Therefore, combustion control technologies such as LNBs and reducing NO_x at the point of formation are the most feasible option to reduce NO_x emissions from commercial food oven applications.

Zero-Emission Technology

Staff met with industry stakeholders and equipment vendors to inquire about commercial availability, price ranges, installation costs, operation maintenance costs, and electrical upgrade costs for zero-emission technology across all established equipment categories. While staff did not identify zero-emission technology suitable for commercial production across all equipment categories, staff will continue to monitor the status and development for those categories. The categories where zero-emission ovens have been identified as technically feasible are shown below.

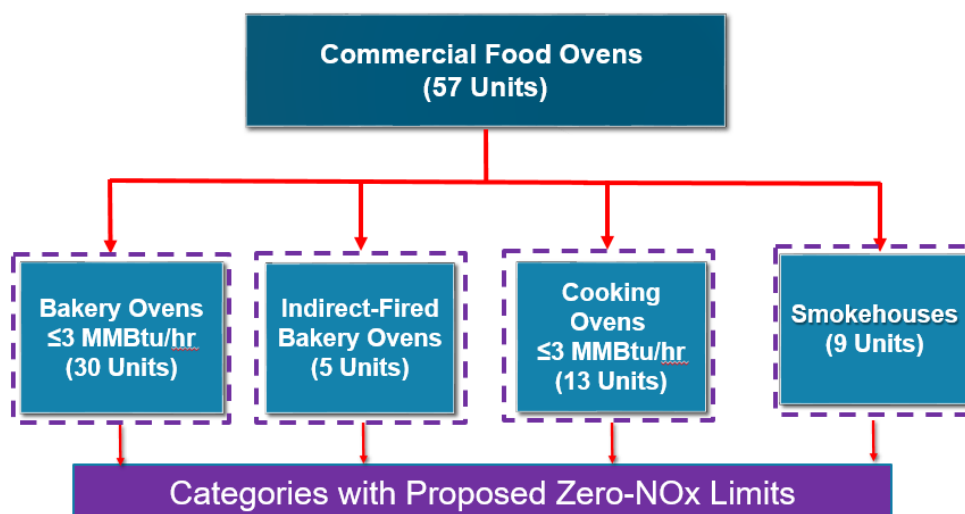


Figure 2-4. Zero-Emission Commercial Food Oven Categories Identified

Several categories of commercial food ovens were identified where zero-emission technology is commercially available. Based on staff's discussions with a vendor of zero-emission ovens and Southern California Edison (SCE) regarding the challenges for zero-emission commercial food ovens, staff further subcategorized commercial bakery ovens based on the oven type and size. The commercial bakery oven category was separated into direct-fired and indirect-fired bakery ovens. Direct-fired bakery ovens will have the energy or heat source inside the baking chamber, and the heat source can be gas burner or electrical heating elements. The heat transfer process is primarily done by radiation from the flames or electrical heating elements. In contrast, an indirect gas-fired bakery oven is also a radiant-type oven but uses exchangers connected to a burning zone that is not within the baking chamber. The baking chamber is indirectly heated by the exchanger, so the baking products do not come in contact with the product of combustion. The direct-fired bakery oven category was further subcategorized based on the unit size: ovens greater than 3 MMBtu/hr and ovens less than or equal to 3 MMBtu/hr. Staff also identified a unique proprietary griddle oven used in English muffin production which has a moving griddle that can either be a flat or grooved metal plate and operates between 550°F to 900°F. The griddle oven will be classified as a subcategory under bakery ovens. SCE advised staff that any commercial bakery oven requiring more than one megawatt (MW) of power would require further evaluation of the electrical grid capacity for the surrounding area of the facility and more than likely require additional time to accommodate necessary upgrades due to the energy requirements. The 3 MMBtu/hr threshold is equivalent to approximately 900 kW electrical energy demand. For the indirect-fired bakery oven category, staff also identified several bakery units operating in the South Coast AQMD that already

operate at zero NO_x emission level; for those units the heat source comes from another process or unit.

The following technologies were explored as part of the BARCT assessment:

- One electric zero-emission tunnel oven is currently in operation and used to produce bread. The oven is a conveyor driven type tunnel oven. The bakery tunnel oven is custom designed by Sellars Manufacturing and its dimensions are 6'-0" W x 85'-0" L x 10'-0" with an electric heater rated at 705 kW (2.4 MMBtu/hr); the max amount of dough processed through this oven is 87,600 lbs/day. This unit was permitted in 2006.
- Two facilities use smokehouse ovens equipped with electric burners that use electricity to supply heat to the process. One facility uses a smokehouse oven manufactured by Friedrich Metal Products, Model FMP-4000-ST (2x2 Tunnel) heated with an electric burner rated at 14.9 kW and high-pressure steam. The unit has dimensions of 10'-10" W x 8'-2.5" L x 8'-4" H. Another facility uses two smokehouse ovens that are electrically heated.
- Electric bakery tunnel and batch oven technology are currently commercially available from BABBCO, WP Bakery Group, and Coastline Equipment, Inc. One of the challenges of this technology is the amount of electricity required to operate these ovens, limited real-world installations, and potential product quality issues that may need to be addressed when transitioning to electric cooking.
- Electric nut and coffee roaster technology currently available from Ozstar Machinery and Bellwether but is limited to small applications that roast approximately 20 pounds per load. The technology is currently not available for commercial size applications which can roast up to 2,000 pounds per load.
- Electric meat cooking ovens and smokehouse technology is currently available and in use manufactured by Friedrich Metal Products and Maurer-Atmos.
- Electric bakery tunnel oven technology is currently available from AMF Den Boer, but there are very few real-world installations. The necessary heat is generated by electrical elements directly above and under the product line. One of the challenges of this technology is the amount of electricity required to operate the oven.
- Hybrid electric-ribbon burner technology is available from Flynn Burners. This new technology is currently in the development phase with no real-world installations yet. This technology may be a potential replacement option for bakery tunnel ovens that utilize ribbon burners. The technology uses a gas ribbon burner and electric heating elements where it can be initially fired on gas, then switch to electric mode under normal baking operations. One of the current challenges is the increased electricity needed to operate the burners. Some bakery tunnel ovens can use up to 181 ribbon burners.
- Hybrid gas/electric tunnel oven is a new bakery oven design offering from BABBCO. This type of oven can operate on both gaseous fuels and electric heating elements as a source of heat. The hybrid oven technology can achieve 30 ppmv NO_x when operating in combustion mode and then transition to electric after initial "cold" start-up which can decrease the overall electrical demand of a fully electric oven. The hybrid oven also gives the operator the flexibility to transition to full electric operation at a later stage.

- Rondo heat battery system was a zero-emission technology evaluated as a potential technology process. The technology is an emerging technology used in other industrial processes as a heat source and consists of a high temperature brick storage system that generates and stores heat from standard electrical input. The bricks store the thermal energy at temperatures up to 2,100°F and an air blower passes air over the brick; the air can then be used to heat a process or generate steam. This technology has not been used in commercial food oven applications.

Several manufacturers offer electric oven options, but they are not widely used at this time. As regulatory agencies and companies who operate large commercial food ovens work to decarbonize and lower emissions, more zero-emission commercial oven installations are anticipated to be developed. Electric ovens are more commonly installed in areas where natural gas supplies are not readily available. An example presented by BABBCO during Working Group Meeting #7 of a large electric commercial oven in Africa. In 2010, BABBCO installed a dual fuel hybrid oven that can operate on electricity or liquid fuels.

BABBCO is also working to commission an electric test oven at their innovation technology facility in Fall 2023. The facility provides the medium for bakery product manufacturers to compare product bake characteristics using gas and electric since one of the major concerns of commercial bakers is a potential adverse impact that application of electric ovens could have on the product quality. A test facility would allow bakers to test bake their specific products and recipes using the electric oven to ensure whether they can produce the same quality products.

One of the concerns raised regarding the use of zero-emission technologies was the electrical requirements necessary to operate commercial electric bakery and cooking equipment. Working with an industry stakeholder who owns and operates two large commercial bakery facilities and several hundred worldwide, staff evaluated and compared the electrical demand necessary to run three electrical ovens at one of their facilities. The stakeholder provided daily electrical consumption for normal day-to-day operations as a baseline for comparison for the one facility. The baseline was compared to the increased electrical demand as listed in the table below.

Table 22-5. Electricity Increase Requirement for Bakery Ovens

Facility	Average Daily Electricity Consumption (kWh)	Average Daily Electricity Consumption w/Electric Ovens (kWh)	Average Daily Electricity Consumption w/Electric Ovens (kWh)
Facility One	37,300 per day	51,400 per day	140% (for 3 Ovens)
Facility Two	9,051 per day	34,300 per day	360% (for 2 Ovens)

Based on the assessment, one facility would require approximately 140 percent more electricity daily and the other facility would require over 360 percent more electricity to operate three ovens. This would require the facility to make significant electrical upgrades to handle the increase in the electrical load. The additional costs for the electrical upgrades at the facility will be taken into consideration in the cost-effectiveness assessment.

As mentioned above, one potential option to address this concern is to transition to hybrid ovens that use a combination of electricity and combustion to mitigate part of the power demand. Hybrid ovens may serve as a bridge to achieving zero-emissions for large commercial bakery ovens.

BABBCO recently introduced a multi-fuel hybrid technology that uses gas and electricity as the source of heat. The “hybrid” design can generate heat from standard fuels such as natural gas and electricity. The hybrid design provides bakers the ability to actively switch from one energy source to another or at a specific stage. BABBCO currently can offer the hybrid three ways: (1) All electric, (2) gas/hydrogen and electric, or 3) gas and electric. The advantage of this technology is that it can reduce the high electrical demand during start-up heating of the bakery oven.

Electric ovens are more energy efficient in terms of using heat or thermal energy due to the ability to maintain even heat across the oven; electric ovens have smaller variations in temperature during the oven cycle. In addition, electric ovens are more efficient because there are no products of combustion in the flue gas which need to be removed. Combusting natural gas creates byproducts such as carbon dioxide, CO, and NO_x, which need to be removed and vented from the heating chamber of the oven. Since generating heat with electric elements does not produce byproducts, venting is not required which minimizes heat losses. Based on discussions with SCE and electric oven manufacturers, the average typical efficiency increase with electric ovens is approximately 20 percent% over that of gas-fired ovens. Staff will reassess this efficiency gain assumption as more electric ovens are developed.

Based on feedback from technology vendors regarding the availability and progress of zero-emission commercial food ovens for most categories, staff believes zero-emission limit is feasible or will be feasible at a future date. The inclusion of a future effective date will allow additional time for the technology to emerge and for facilities to address concerns regarding the product quality. Staff’s conclusion on the technology feasibility is based in part on electric ovens operating in our jurisdiction, for example the electric bakery oven rated at 705 kW that is currently in operation and used to produce bread.

INITIAL BARCT EMISSION LIMIT AND OTHER CONSIDERATIONS

Upon completion of technology assessment, staff recommends an initial BARCT NO_x emission limit established using information gathered from the technology assessment. All provided emission concentration values (i.e., initial and final) in this report have the unit of part per million by volume (ppmv) based on a dry basis. Additionally, staff evaluates other considerations that could affect the emission limits that represent BARCT, including limits for those units operating close to the BARCT NO_x limits. In addition, staff evaluates units that are considered outliers due to low-emissions, low-use, or high cost-effectiveness. Summary of the BARCT assessment and staff’s initial recommendations based on feasibility are shown below in Table 2-6.

Table 22-6. Initial BARCT Recommendation for Proposed Amended Rule 1153.1¹

	Rule 1153.1	Existing Units	Other Regulatory Agencies	Technology Assessment	Initial BARCT Limit
Bakery Ovens	40 and 60 ppmv	0-45ppmv	40 and 60 ppmv	0 to 30 ppmv	30 and 0 ppmv
Tortilla Ovens	40 and 60 ppmv	8.4–52 ppmv	40 and 60 ppmv	0 to 30 ppmv	30 and 0 ppmv
Cooking Ovens	40 and 60 ppmv	25-30 ppmv	40 and 60 ppmv	0 to 30 ppmv	30 and 0 ppmv
Drying Ovens	40 and 60 ppmv	30-40 ppmv	40 and 60 ppmv	0 to 30 ppmv	30 and 0 ppmv
Spray Dryers	40 and 60 ppmv	0-26 ppmv	40 and 60 ppmv	30 ppmv	30 ppmv
Smokehouse Ovens	40 and 60 ppmv	0-52 ppmv	40 and 60 ppmv	0 to 30 ppmv	30 and 0 ppmv
Coffee and Nut Roasters	40 and 60 ppmv	25-37 ppmv	40 and 60 ppmv	0 to 30 ppmv	30 and 0 ppmv

¹Emission limits are corrected to 3% O₂

COST-EFFECTIVENESS AND INCREMENTAL COST EFFECTIVENESS ANALYSIS

South Coast AQMD routinely conducts cost-effectiveness analyses regarding proposed rules and regulations that result in the reduction of criteria pollutants (NO_x, SO_x, VOC, PM, and CO). The analysis is used as a measure of relative effectiveness of a proposal. It is generally used to compare and rank rules, control measures, or alternative means of emissions control relating to the cost of purchasing, installing, and operating control equipment to achieve the projected emission reductions. The major components of the cost-effectiveness analysis are capital and installation costs, operating and maintenance costs, emission reductions, discount rate, and equipment life. The cost-effectiveness analysis for PAR 1153.1 were completed using the discounted cash flow method explained below.

Discounted Cash Flow (DCF)

The DCF method converts all costs, including initial capital investments and costs expected to be incurred in the present and all future years of equipment life, to present value. Conceptually, it is as if calculating the number of funds that would be needed at the beginning of the initial year to finance the initial capital investments and to be set aside to pay off the annual costs as they occur in the future. The fund that is set aside is assumed to be invested and generates a rate of return at the discount rate chosen. The final cost-effective measure is derived by dividing the present value of total costs by the total emissions reduced over the equipment life. The equation below is used

for calculating cost-effectiveness with DCF. The equation was presented in the 2016 AQMP Socioeconomic Report Appendix 2-B (p. 2-B-3).

$$\text{Cost - effectiveness} = \frac{\text{Initial Capital Investments} + (\text{Annual O\&M Costs} \times \text{PVF})}{\text{Annual Emission Reductions} \times \text{Years of Equipment Life}}$$

Where:

$$\text{PVF} = \frac{(1+r)^N - 1}{r * (1+r)^N}$$

Where:

r = real interest rate (discount rate)

N = years of equipment life

Incremental Cost Effectiveness Assessment

California Health and Safety Code Section 40920.6(a)(3) states that an incremental cost-effectiveness assessment should be performed on identified potential control options that meet air quality objectives. To determine the incremental cost-effectiveness, South Coast AQMD calculates the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option. Once the BARCT assessment is complete and NO_x limits are established, staff considers incrementally more stringent options to demonstrate that the NO_x limit represents the “maximum degree of reduction achievable by each class or category” that can be cost-effectively achieved. The equation for incremental cost-effectiveness (I-CE) is below:

$$I-CE \left(\$/\text{tons NO}_x \text{ reduced} \right) = \frac{\text{Incremental Difference in Cost (Present Worth Value)}}{\text{Incremental Difference in Emission Reductions (Lifetime Reductions)}}$$

Cost -Effectiveness Screening Threshold

The South Coast AQMD Governing Board adopted the 2022 AQMP on December 2, 2022, which establishes a new cost-effectiveness screening threshold of \$325,000 per ton of NO_x reduced. The new threshold utilizes a health-based approach and uses a public health monetized benefit value for reducing pollution. This is a similar approach to the one used by CARB and U.S. EPA where the associated costs with a rule are compared to the monetized benefits associated with the resulting emission reductions. The \$325,000 threshold was based on U.S. EPA established monetized benefit value of \$307,636 and 2016 AQMP monetized benefit value of \$342,000 per ton of NO_x reduced. The 2022 AQMP states that the benefits-based screening threshold of \$325,000 would be inflated through time to the dollar-year used in the control measure-specific socioeconomic analysis. The screening threshold will be inflated using the annual California Consumer Price Index (CPI) for consistency with how the benefits-based threshold was inflated to 2021-dollars in the 2022 AQMP and 2022 AQMP socioeconomic report. Using CPI is more appropriate than using the Marshall & Swift Index, because the screening threshold is health-benefits based. The inflation-adjusted screening threshold is not conducted for every rulemaking but rather annually based on the year the costs are brought into analysis. In the case of PAR 1153.1, the cost used in the assessment was based on 2022-dollars and the health-based screening threshold

of \$325,000 was based on 2021-dollars. Below is an example of how the screening cost-effectiveness threshold will be adjusted from 2021-dollars to 2022-dollar year using the CPI for 2022 and 2021.

$$\text{Inflation Adjusted Threshold in 2022} = \text{Threshold in 2021} \times \left(\frac{\text{CPI in 2022}}{\text{CPI in 2021}} \right)$$

$$\text{Inflation Adjusted Threshold in 2022} = \$325,000 \times \left(\frac{319.224}{297.371} \right)$$

$$\text{Inflation Adjusted Threshold in 2022} = \$349,000$$

The adjusted cost-effectiveness screening threshold in 2022-dollars is \$349,000 per ton of NOx reduce which is \$24,000 higher than the \$325,000 threshold in the 2022 AQMP.

Summary of Cost Assumptions

In order to determine cost-effectiveness for the proposed BARCT limits, cost information and estimates for the control equipment were obtained. Staff met with multiple burner manufacturers, oven manufacturers, vendors, distributors, and stakeholders to gather cost data and estimates for various types of burners and ovens. In addition, staff sent out a survey to the facilities to gather equipment data and cost information for recent NOx control projects.

Burner Technology Costs

To estimate the costs of burner technologies, staff evaluated: (1) Ribbon burners; (2) Infrared (IR) burners; and (3) Air heater cone type burners. Based on quotes and cost estimates, ribbon and IR burners are more expensive than air heating cone type burners. Food ovens such as bakery ovens and tortilla ovens can use up to 181 burners in a single oven, so cost can be significantly more than other types of food ovens. The other types of food ovens such as dryers, smokehouses, cooking ovens, and roasters will typically have one or two burners. Overall burner cost depends on size, type, and number of burners. The useful life for the burner control equipment was assumed to be 25 years. Staff also identified several units who have recently retrofitted their units with new burners to meet the existing 40 ppmv or 60 ppmv NOx limits. These facilities will face difficulties with respect to stranded assets. To address the issue of stranded assets, staff is incorporating a compliance schedule that will require facilities to meet the proposed Phase I Emission Limits upon burner replacement or when the burner is 10 years of age.

Ribbon and Infrared Burner Costs

For ribbon and IR burners staff received several budget quotes from two manufacturers for various sizes ranging from 1 to 12 MMBtu/hr. In addition, staff received cost estimates from two facilities for recent ribbon and IR burner projects which ranged from \$300,000 to \$4,200,000. The \$4,200,000 is for an oven replacement. The vendor estimates for ribbon burners were based on 2.5" diameter which is commonly used in food ovens for gentle heating and included mounting plates, igniter, and flame sensors. Installation costs were assumed to be three times the capital cost of the burners due to the necessary support structure to mount the burners. Total installed cost for ribbon and IR burners ranged from \$30,000 to \$226,000.

Air Heater Cone Type Low NOx Burners (LNBs)

For these types of traditional nozzle-mix type LNB, budget quotes were received from vendors and installation costs were assumed to be 50 percent of the burner capital costs. Total installed costs quotes ranged from \$14,000 to \$45,000 and if a unit required multiple burners, the costs was multiplied by the number of burners.

Once staff compiled cost estimates for the types of burners, the next step was to develop a cost-curve based on the cost data to determine budgetary estimates for units where no cost information was available. The cost curve developed will be used in the Rule of Sixth-Tenths, a ratio and proportioning method used to estimate budgetary costs for similar equipment. The cost curve will be used to obtain equation by using a power curve fit of the data.

Rule of Sixth-Tenths or 0.6 Power Factor Rule

This methodology is typically used in an engineering design to obtain budget pricing when there is not enough assets to obtain firm cost numbers for a project which is a major undertaking and requires a complete engineering analysis. The equation for the Rule of Sixth-Tenths is below.

$$C_B = C_A \left(\frac{S_B}{S_A} \right)^N$$

Where:

C_B = approximate cost of equipment having size S_B (MMBtu/hr, ho, scfm, etc.)

C_A = known cost (\$) of equipment having corresponding size S_A (same units as S_B)

S_B/S_A = ratio size factor

N = size size exponent (varies 0.3 to > 1.0, but average is 0.6)

The equation is derived from the budgetary quotes received. The costs are then converted to a dollar per MMBtu/hr by dividing the cost by the size of the burner which is then plotted. Using a power curve fit, the plotted data will give us the equation above where “N” is the size exponent and “ C_A ” is the cost of equipment with corresponding size. The equation can be used to extrapolate cost for units where no budgetary cost is available.

The following cost-curves were obtained from the cost data. One cost curve was generated for ribbon and IR burners and another cost-curve was generated for air heater cone type LNBs.

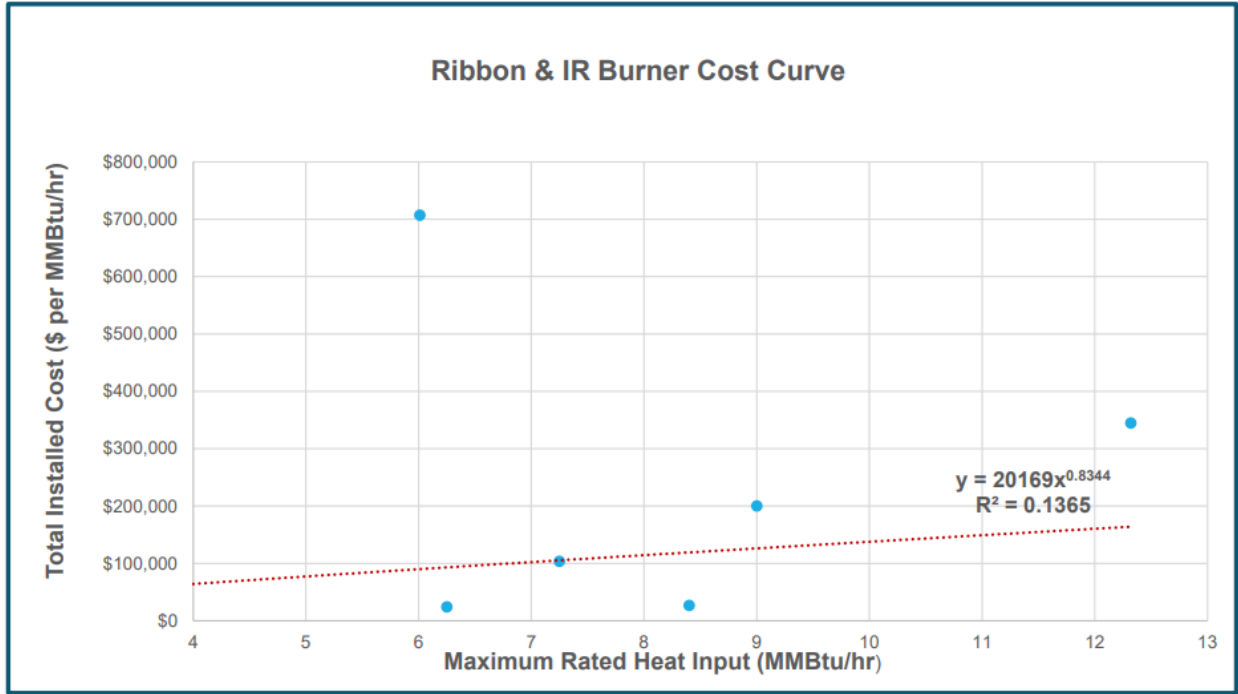


Figure 2-5. Ribbon and IR Burner Cost Curve

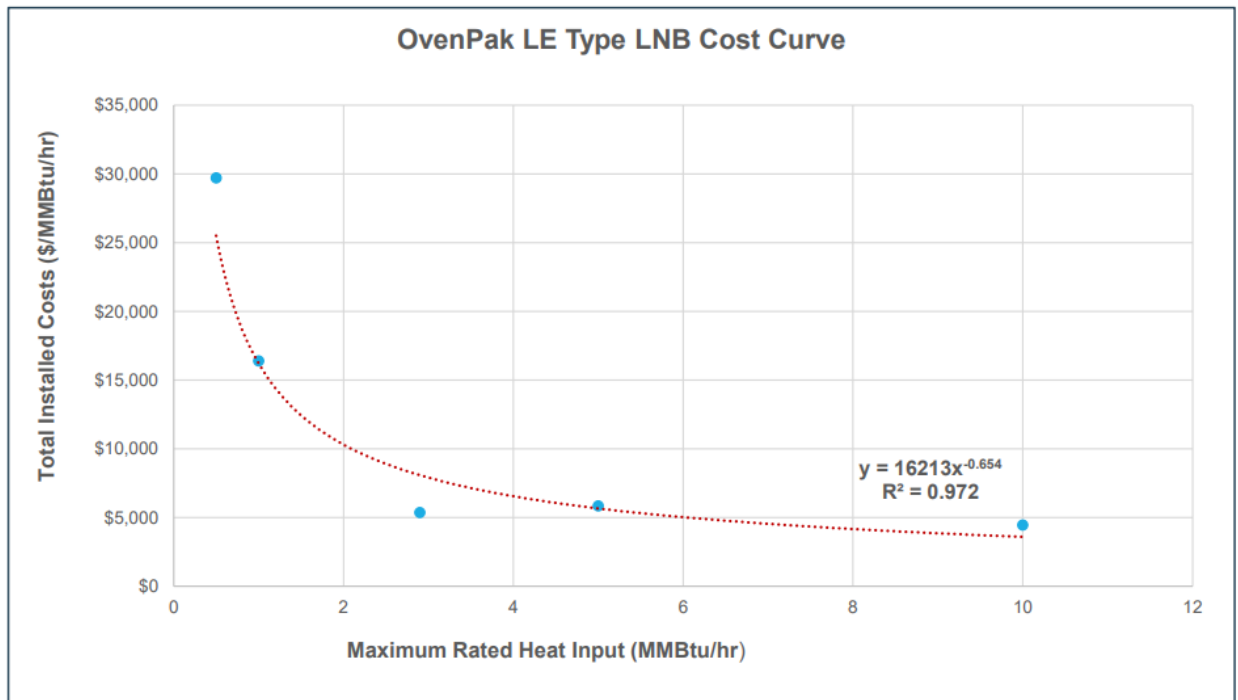


Figure 2-6. OvenPak Type LNB Burner Cost Curve

Burner Operating and Maintenance Cost Assumptions

For annual operating and maintenance costs of burners, staff initially assumed \$2,000 for Ribbon and IR burners and \$1,000 for air heater cone type traditional LNBs. Total annual operation and

maintenance cost which included compliance and source test cost was assumed to be \$4,000 every five years based on the proposed source test schedule. However, the new burners would not require any additional cost compared to the existing burners, so no operational and maintenance costs were considered in the cost-effectiveness calculation. There was some concern from stakeholders about the frequency of component replacement from the use of newer burner control technology and anticipated useful life. Stakeholders commented that burner useful life should be 10 years as opposed to staff's initial proposal of 25 years. This was consistent with the feedback staff received from burner manufacturers and therefore, revised the cost-effectiveness for combustion-based limits to be based on a 10-year equipment life. This resulted in an increase in the cost-effectiveness which is higher than what was presented in Working Group Meeting #4, but overall, the average cost-effectiveness for each category remains below the screening threshold of \$325,000 (\$349,000 adjusted to 2022-dollar year) per ton of NO_x reduced with some categories labeled as "no additional cost" since these units are already meeting the proposed BARCT limit, such as the category for tortilla oven solely firing IR burners.

Electric Oven Cost Assumptions

Staff initially separated food oven categories into four main categories based on combustion characteristics. The categories were bakery ovens, tortilla ovens, roasters, and other food ovens. The other food ovens category consisted of several sub-categories that include cooking ovens, drying ovens, dryers, and smokehouse ovens. For the zero-emission analysis, staff believe it was appropriate to assess these categories individually since zero-emission ovens may not be available for each individual equipment under a single category. Furthermore, it was appropriate to assess the bakery oven category based on subcategories identified.

Some ovens can potentially change or alter their process, so heat is generated by electricity. This method is the most effective in reducing overall emissions and will more than likely require unit replacement. One manufacturer offers a retrofit option for existing combustion tunnel ovens, but due to variation in oven design, the retrofit option may be limited to a few oven types. For most facilities transitioning to zero-emission electric oven technology, installation of a brand-new unit will be the preferred option. In order to estimate the cost for zero-emission electric commercial food ovens, staff identified two main types of commercial food ovens:

- Tunnel Ovens which are large continuous ovens that typically uses a conveyor to move the product through the tunnel. These oven types are primarily used when high volume of product throughput is required. Tunnel ovens are mostly used in large commercial bakeries and due to their size, they have relatively higher equipment costs. Bakery ovens and tortilla ovens will typically fall into this category.
- Batch ovens which consist of rack type or multi deck type ovens. This type of ovens requires manual product input and removal when the cooking or baking process is complete. Batch ovens are typically used for lower product throughput and will have lower equipment costs compared to tunnel ovens. Most cooking ovens, drying ovens, and smokehouse ovens fall within this type of ovens. However, some bakery ovens can also be batch type ovens.

Overall, zero-emission electric oven cost is dependent on type and size measured in rated heat input capacity. Staff used the existing size equivalent in MMBtu/hr to estimate equivalent kW

energy demand for electric ovens. Staff used the equation below to convert between MMBtu/hr to kW equivalent. The zero-emission equipment useful life for both oven types were assumed to be 25 years.

$$kW = \frac{MMBtu}{hr} \times \frac{scf}{1050 Btu} \times 0.293 \frac{kWh}{scf}$$

Staff reached out to several vendors and facilities to gather data for zero-emission electric equipment costs quotes (capital cost) and gas-fired equipment cost. Staff received quotes for the different equipment categories and grouped them accordingly based on whether the units were tunnel type or batch type ovens. The grouping was used to generate a cost curve similar to the rule of sixth-tenths methodology that was used for the low-NOx burners cost estimation. Staff assumed the installation costs to be 25 percent of the estimated capital costs. In addition, staff acknowledges that electrical upgrades will be needed to accommodate the increased electrical demand and estimated the corresponding cost to be 10 percent% of the estimated capital cost. In addition, staff included the cost of utility-side upgrades that the facility may incur. This cost will vary depending on the facilities location and 100 percent of the cost will not be passed on to the facility solely. According to SCE, costs can be allocated, and the facility may only pay a portion of the entire amount. Based on examples provided by SCE, staff assumed the partial cost passed to the facility to be \$2,000 for units rated less than or equal to 3 MMBtu/hr and \$50,000 for units greater than 3 MMBtu/hr. Total installation costs for electric units will include capital cost, installation costs, and utility and electrical upgrades costs. The total installation costs will be used to calculate cost-effectiveness.

Using the rule of sixth-tenths along with the gathered cost data staff generated the two cost-curves shown in the following figures. Quotes from vendors were in kW, and staff converted the kW to MMBtu/hr which was further used to calculate a dollar per MMBtu/hr. Cost curve was generated separately for tunnel ovens and batch ovens. Similarly, staff generated two cost-curves for gas-fired ovens. Generated cost curve allowed staff to estimate the cost for zero-emission units.

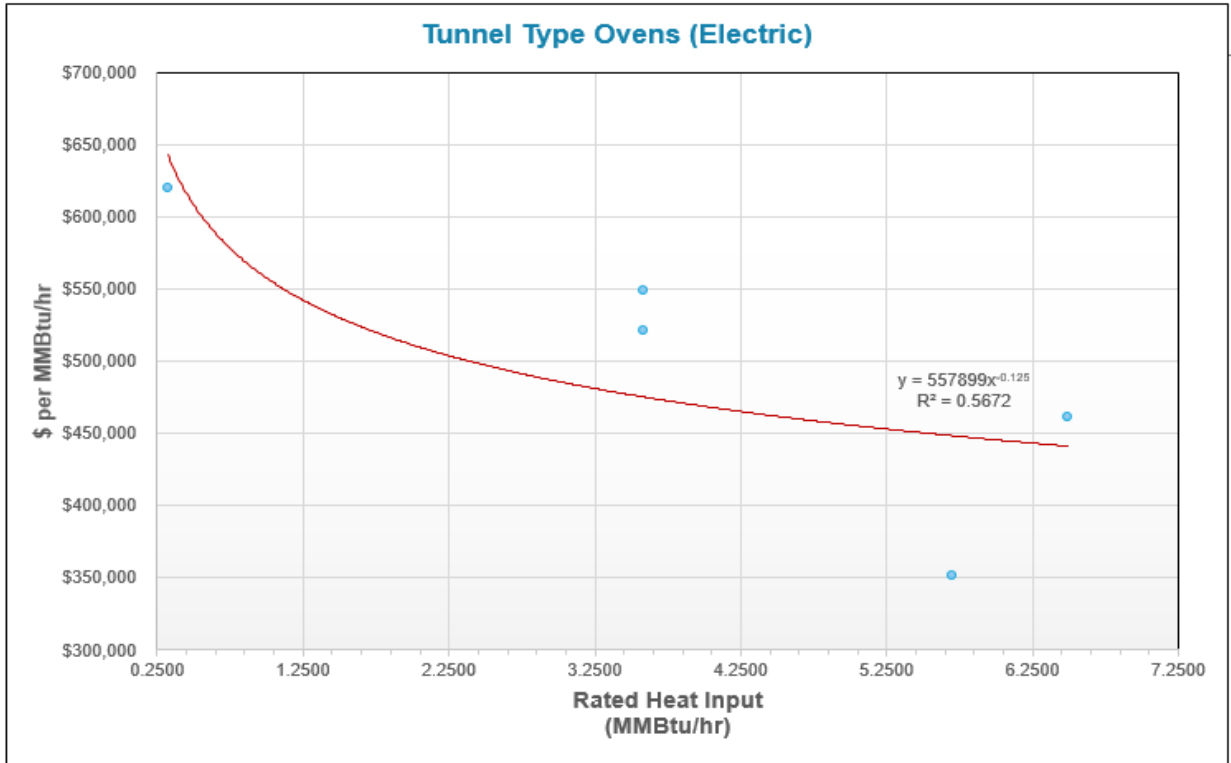


Figure 2-7. Electric Tunnel Oven Cost Curve

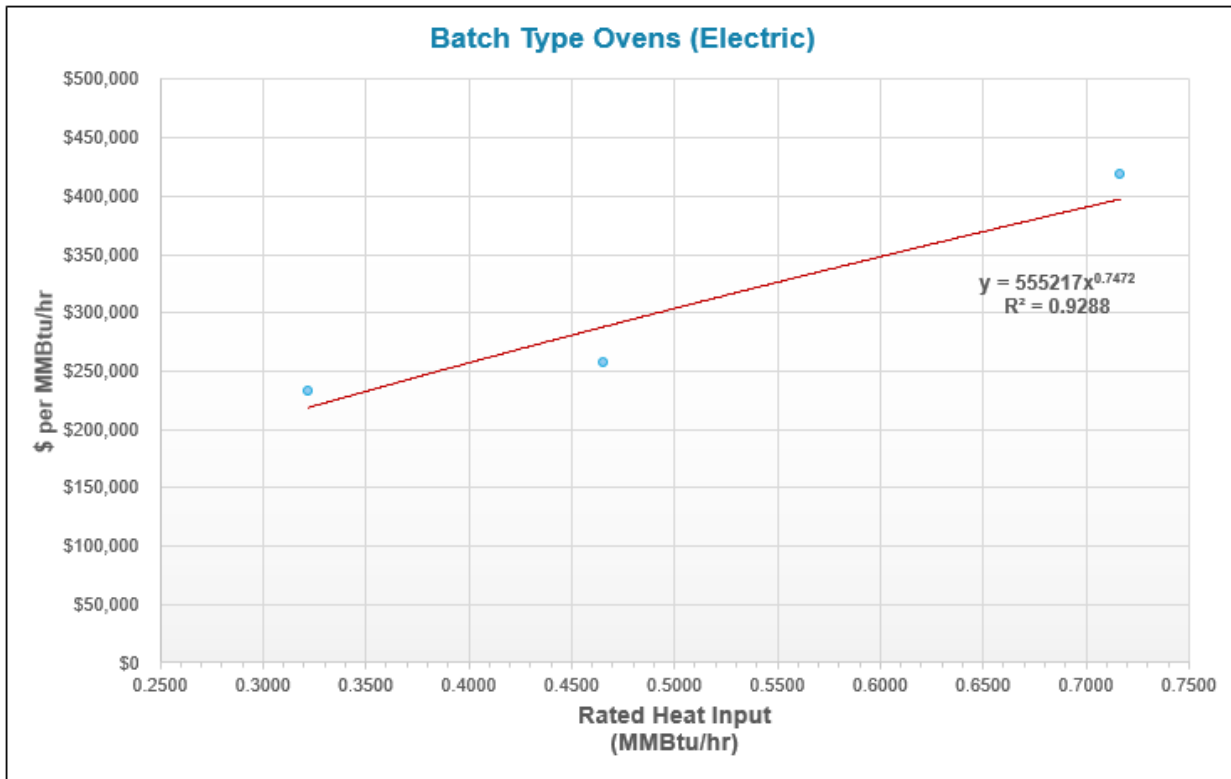


Figure 2-8. Electric Batch Oven Cost Curve

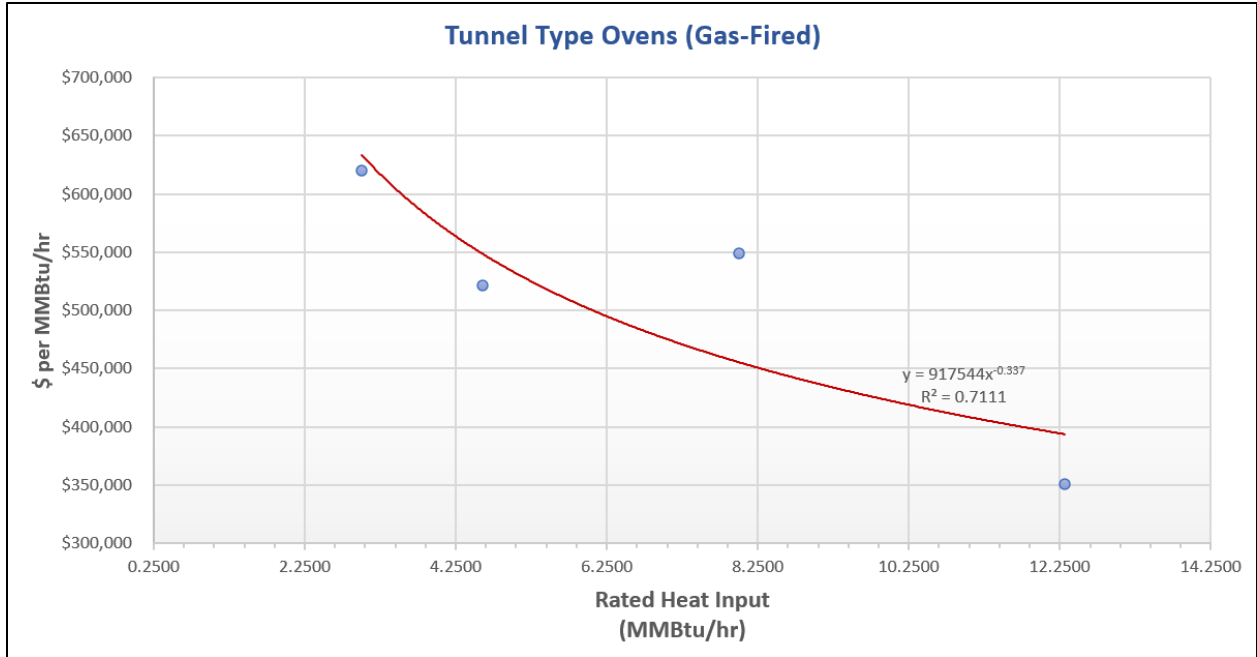


Figure 2-9. Gas-Fired Tunnel Oven Cost Curve

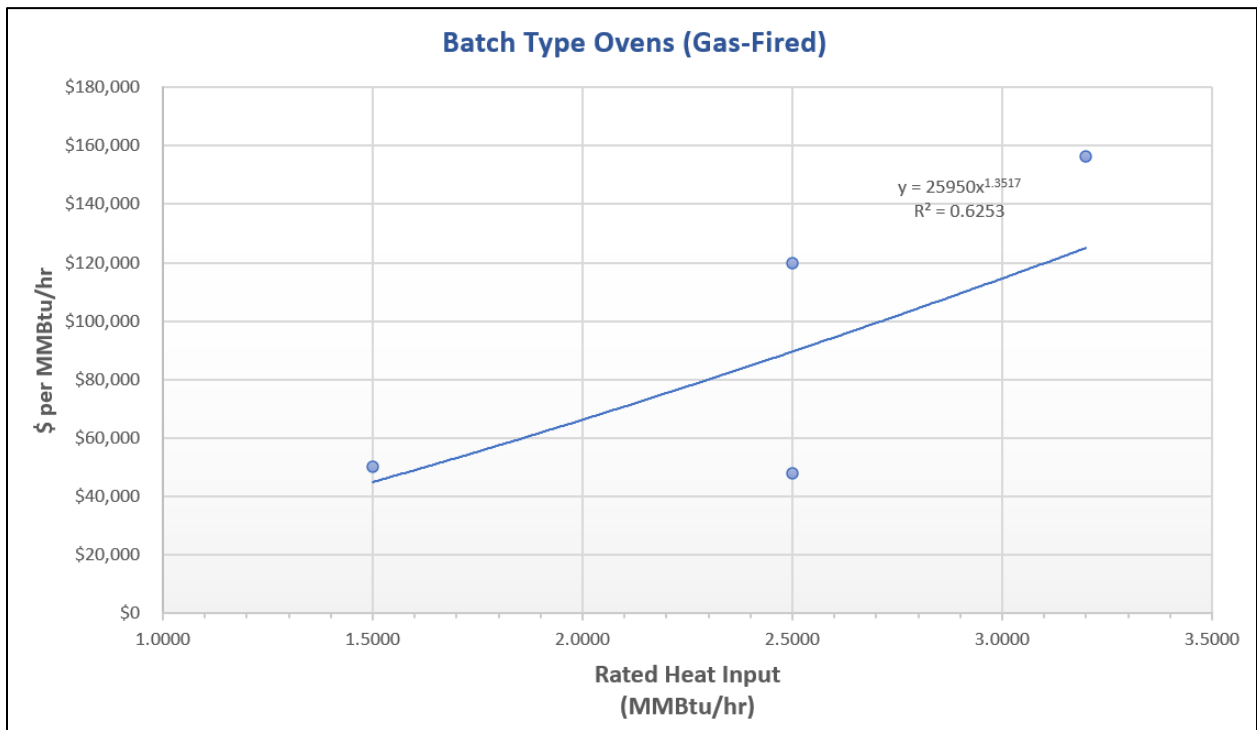


Figure 2-10. Gas-Fired Batch Oven Cost Curve

Fuel Switching Cost Assumptions

Fuel switching costs are the difference between annual electricity costs and annual natural gas costs which are included in the cost-effectiveness calculation as annually recurring operating and maintenance (O&M) costs. There is a significant uncertainty in estimating fuel switching costs as future rates for electricity and natural gas cannot be forecast with certainty. Utility rates are impacted by many parameters, including demand projection, fuel prices, interest rate, and availability. Some factors that contribute to rate fluctuations are difficult to predict, for example, the sharp rise in natural gas rates that occurred in January of 2023. Despite the recent anomaly in natural gas prices, there are some potential market signals of change in natural gas prices. According to the May EIA Short-Term Energy Outlook (STEO), the U.S. benchmark Henry Hub natural gas spot price is expected to increase through 2023 and 2024¹.

Due to the uncertainties in utility rates staff relied on best available data from the California Energy Commission (CEC) and Energy Information Administration (EIA). CEC assesses and forecasts the state's energy systems and trends using models which can be used to predict electricity costs over the course of next 10 years, whereas the EIA collects, analyzes, and disseminates energy information. The information provided by each agency is used to promote policy making, efficient markets, and public understanding of energy and its interaction with the economy and environment. Based on currently available data, electricity is traditionally more expensive than natural gas and can range from five to seven times higher than natural gas. Below is an example of future CEC forecasted rates for both electricity and natural gas cost – natural gas was converted from therms to kWh for comparison purposes.

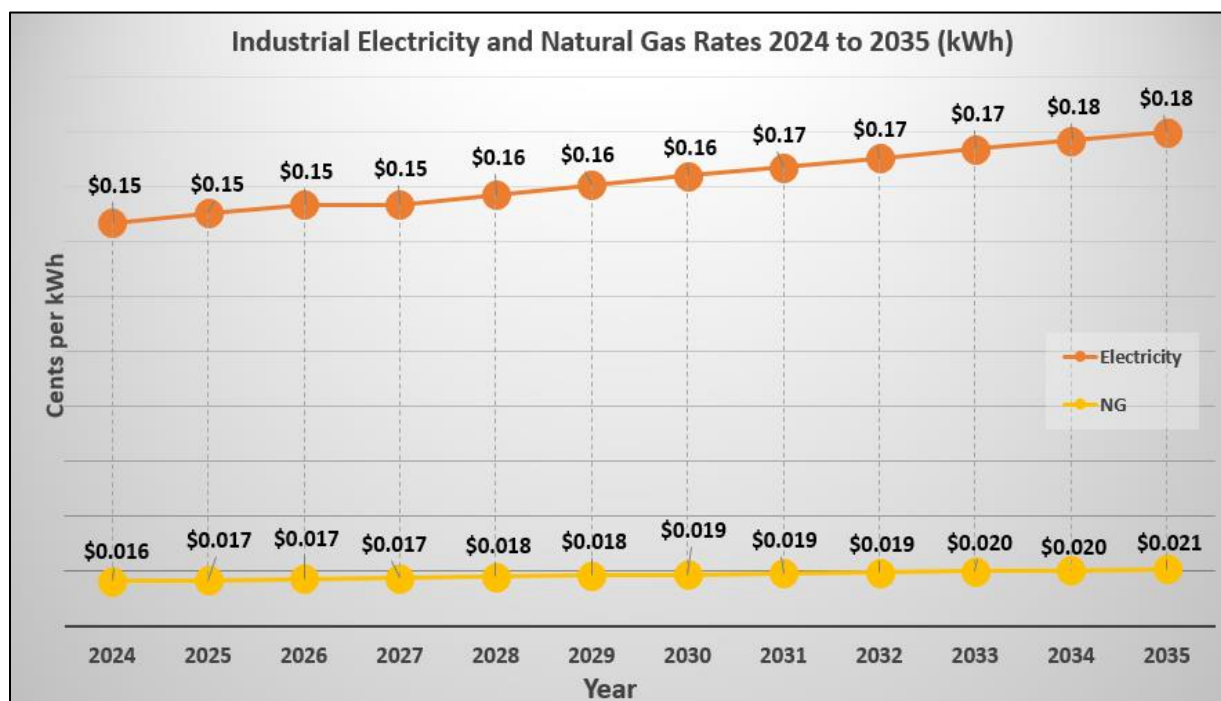


Figure 2-11. 12 Projected Electricity Rates and Natural Gas Rates in kWh

¹[U.S. Energy Information Administration - EIA - Independent Statistics and Analysis](#)

In order to capture a more representative picture of the utility rates and fuel switching costs, staff looked at the recent utility rates using the average recent SoCal Gas natural gas rates for the previous 24 months and most recent industrial electricity rates as reported by EIA. Natural gas rates related to industrial businesses are a tiered structure and dependent upon natural gas usage. The average recent rate for natural gas is 62 cents per therm. Below is a summary of staff's assessment for utility rates:

- Recent rates: 14.82 cents per kWh for electricity and 62 cents per therm for natural gas
- Future forecasted rate (2024 to 2035): 16.29 cents per kWh for electricity and 0.54 cents per therm for natural gas

Staff calculated the cost-effectiveness using each of the rates above and relied on the average of the two-cost-effectiveness numbers to provide a balanced approach. Below is the methodology staff used to calculate the cost-effectiveness:

- **Step One:** Convert MMBtu/hr to kW which will give the instantaneous power demand.
- **Step Two:** Calculate the kWh that unit will use in a year. Multiply the calculated kW in step one by hours of operation per year. Staff assumed 50 percent operation per year, so the calculated kW is multiplied by 4,380 hours (8,760 hours in a year).
- **Step Three:** Calculate the estimated annual electricity costs. Since electricity rates are in kWh, the kWh from step two is multiplied by the electricity rate. Staff used two electricity rates: 14.82 cents per kWh for the recent rates and 16.29 cents per kWh for the projected future rates. The annual electricity costs were then multiplied by 80 percent to account for efficiency gains of the electric unit. This is the annual electricity costs.
- **Step Four:** Calculate estimated annual natural gas costs. Staff converted the calculated kWh in step two into therms since natural gas rates are measured in therms. One kWh is equivalent to 0.034121 therms. This gave the number of therms the unit will use annually. The value in therms is then multiplied by 62 cents per therm for recent rates and 54 cents per therm for future projected rates.
- **Step Five:** Calculate the fuel switching costs which is the difference between the annual electricity costs calculated in step three and the annual natural gas costs calculated in step four. Since staff used two rates for both electricity and natural gas costs, two different fuel switching costs were obtained.
- **Step Six:** Staff used the two fuel switching costs to calculate the present worth value for the unit; one being the most recent rates and the other being the future projected rates.
- **Step Seven:** Staff repeated the present worth value calculations for each unit in each category. Staff had two present worth values for each unit; one for the recent rates and one for the projected rates.
- **Step Eight:** The present worth value was summed for the entire equipment category and then divided by the lifetime emission reductions for the category to calculate cost-effectiveness. Staff ended up with two cost-effectiveness values: recent rates C/E and projected rates C/E. Staff averaged the two to get the final cost-effectiveness number.

Staff will continue to monitor fuel switching costs, utilities costs, regulations that are incentivizing decarbonization, and programs that incentivize voluntary transition to zero-emission standards and help defer some of the costs. A few programs that may impact future fuel costs are:

California Energy Commission's (CEC) Industrial Decarbonization and Improvements to Grid Operations (INDIGO) Program, related under Assembly Bill (AB) 209. This new program is designed to help distribute the \$90 million allocated by the legislature in 2022. The program will contribute to the state's decarbonization efforts by providing opportunities to industries that can benefit the electrical grid, reduce food processing industry, overall grid reliability will increase and potentially decrease electricity cost.

Based on energy rate data evaluated by staff, forecasting energy prices involves a level of uncertainty and the actual rates will differ from the forecasted rates in any given year due to various factors. Staff acknowledges this uncertainty and notes that the methodology used in the analysis for PAR 1153.1 is not precedential. Staff will update the forecasts and cost assumption methodologies for energy rates in future rulemakings, based on the best practices and the latest energy price forecasts including but not limited to the forecasts by the California Emission Commission Integrated Energy Policy Report (IEPR).

PAR 1153.1 Cost Effectiveness

After cost information was obtained through a bottom-up approach which evaluated each unit subject to PAR 1153.1, cost-effectiveness analysis was conducted on a per equipment basis. Baseline emissions for each equipment were calculated using the 2019 Annual Emissions Reporting (AER), if available. For units without AER information, staff used the assumption methodology which is outlined earlier in this section and Figure 2-1.

Initial cost-effectiveness for all commercial food oven categories in PAR 1153.1 were below \$325,000 (\$349,000 adjusted to 2022-dollar year) per ton of NO_x and all categories were cost-effective for both proposed NO_x limit of 30 ppmv and zero ppmv. However, the costs increased significantly when staff incorporated the energy cost the facilities will incur when transitioning from natural gas fired ovens to electric ovens.

A summary of the cost-effectiveness for each category is summarized in the table below.

Table 22-7. Cost-Effectiveness Summary with Fuel Switching Cost

Equipment Categories	Cost-Effectiveness at 30 ppmv	Cost-Effectiveness at 0 ppmv
Direct-Fired Bakery Ovens (≤ 3MMBtu/hr)	\$93,000	\$290,000
Direct-Fired Bakery Ovens (>3 MMBtu/hr)		\$400,000
Griddle Ovens	\$94,000	\$514,000
Indirect-Fired Bakery Ovens	\$0	\$0
Tortilla Ovens	\$29,000	\$400,000
Cooking Ovens (≤ 3MMBtu/hr)	\$0	\$190,000
Cooking Ovens (>3 MMBtu/hr)	\$0	\$560,000
Drying Ovens	\$43,000	\$350,000
Dryers	\$18,000	N/A
Smokehouses	\$43,000	\$60,000
Roasters	\$85,000	\$820,000

Fuel switching cost had a large impact on overall cost-effectiveness for each commercial food oven category which resulted in several categories not being cost-effective for zero-emission technology. To reduce and offset the cost of fuel switching, staff evaluated potential options below:

- Photovoltaic systems or solar systems: Commercial solar array systems are currently used to offset baseline energy demands. Considering the required space, most commercial options are typically installed on roofs or in parking lots. A typical commercial solar panel can provide up to 540 watts of power and typical installation will consist of 70 to 100 panels. Electricity generation is impacted by location and sun intensity throughout the day. In fact, one large commercial bakery is installing a microgrid system that will reduce the facilities baseline energy usage by 25 percent%. The 25 percent% reduction is for the current operation that does not include the use of electric food ovens.
- Fuel cell systems: Fuel cells can either use hydrogen, natural gas, or propane as a fuel source to generate electricity. A typical fuel cell consists of series of “cells” arranged in a stack consisting of a cathode and anode similar to a battery. Passing the fuel through the

anode and oxygen through the cathode along with a catalyst in the middle, generates electricity. Fuels cells can be used in a wide range of applications such as stationary, emergency backup power, and transportation. Combining these systems increases the complexity of managing the energy systems at the facility, but the efficiency in converting energy can be an ideal alternative due to energy savings and reduced emissions.

Staff reached out to several vendors for quotes for each type of system. The cost varied depending on the size of the system and type of fuel used. For a solar array system, staff assumed a baseload of electricity generation based on 100 panels with each panel capable of generating 540 watts. Estimated total installed cost of the system was approximately \$196,000 for a system that can generate approximately 107 MWh electricity annually. Fuel cell systems cost assumptions were calculated based on a dollar per kilowatt basis equivalent to the demand of the electric unit. Installation was estimated to be 4 percent of the calculated capital cost. In addition, the fuel cell option also included an annual recurring O&M cost for the hydrogen or natural gas rate – hydrogen fuel cost rate used is \$6.11 per kilogram and natural gas rate used is 62 cents per therm. The additional annual recurring fuel switching cost ranged from \$200,000 to \$2.5 MM per year. An annual service contract for the fuel system was also included in the recurring cost and ranged from \$49,000 to \$590,000. Below is a summary of the cost-effectiveness values with consideration of offsetting options for categories that were not cost-effective for zero-emission technology.

Table 22-8. Cost-Effectiveness with Options to Offset Electricity Costs

Equipment	Phase II Cost-Effectiveness	Solar Array	Hydrogen Fuel Cells	Natural Gas Fuel Cells
Bakery Ovens (>3 MMBtu/hr)	\$414,000	\$472,000	\$2.4 MM	\$879,000
Tortilla Ovens	\$417,000	\$370,000	\$3 MM	\$756,000
Cooking Ovens (>3 MMBtu/hr)	\$580,000	\$489,000	\$1.7 MM	\$1.4 MM
Drying Ovens	\$359,000	\$372,000	\$1.6 MM	\$753,000
Roasters	\$842,000	\$562,000	\$3.6 MM	\$1.7 MM

The alternative options staff evaluated did not significantly reduce the cost, and in some cases the costs increased due to the additional capital and associated installation costs. Fuel cell costs increased the cost-effectiveness significantly due to the capital and annual recurring cost necessary for the system to operate.



Proposed BARCT Emission Limit

According to California Health and Safety Code Section Sections 40920.6(a)(1) and 40920.6(a)(2), potential controls to meet an air quality objective, which is to assess the BARCT emission limits, must be identified and the cost-effectiveness assessment should be conducted thereafter. The final proposed BARCT emission limit for each class and category is the emission limit that achieves the maximum degree of emission reductions and is determined to be cost-effective. Staff evaluated the cost-effectiveness for the most stringent initial BARCT emission limit. If the most stringent initial BARCT limit is not cost-effective, the next less stringent limit was assessed. The following table summarizes the proposed NO_x limits that represent BARCT, and the applicable CO limits for each class and category.

Table 22-9.-2-10 Proposed NO_x and CO Emission Limits for Commercial Food Ovens (ppmv¹)

Equipment Categories		Phase I ²		Phase II ³	
		NO _x	CO	NO _x	CO
Direct-Fired Bakery Oven	≤3 MMBtu/hr	N/A	800	0	0
	>3 MMBtu/hr	30	800	N/A	N/A
Indirect-Fired Bakery Ovens		30	800	0	0
Griddle Ovens		30	800	N/A	N/A
Tortilla Ovens	Heated solely by IR Burners	15	800	N/A	N/A
	All Other Tortilla Ovens	30	800	N/A	N/A
Cooking Ovens	≤3 MMBtu/hr	30	800	0	0
	>3 MMBtu/hr	30	800	N/A	N/A
Drying Ovens		30	800	N/A	N/A
Smokehouses		30	800	0	0
Dryers		30	800	N/A	N/A
Roasters		30	800	N/A	N/A

¹All NO_x Limits are in ppmv referenced at 3% O₂

²Phase I Emission Limits apply on and after [Date of Adoption]

³Phase II Emission Limits, when applicable, apply on and after January 1, 2027

The combustion-based limits of 30 ppmv and 15 ppmv are referred to as Phase I Emission Limits and are BARCT limits which become effective upon rule adoption. Phase I Emission Limits are commercially available and achievable with current technology. Phase II Emission Limits are zero-emission based BARCT limits that become effective at a future effective date to provide time for the technology to mature. The Phase II Emission Limits is a technology forcing limit, meaning the limits are based on a technology that is not widely available at the time of rule adoption. When the South Coast AQMD adopts technology forcing rules, the limits are given a future implementation date to provide sufficient time for the technology to develop. BARCT limits evolve over time as technology improves or new pollution control technologies emerge; setting future effective emission limits is appropriate and the approach has been used and upheld in the courts. Therefore, future effective dates of January 1, 2027, for Phase II is established which is based on unit age of 25 years and the burner age of 10 years when the unit is replaced.

Staff's proposal that was released after the adoption of the 2022 AQMP included technology forcing zero-emission limits for nearly all commercial food oven categories. The proposal required commercial food ovens that did not have a zero-emission Phase II emission limit, to transition to

zero-emission as a Phase III requirement with a future effective date of January 1, 2030. Phase III emission limits would have required bakery ovens (>3 MMBtu/hr), cooking ovens (>3 MMBtu/hr), tortilla ovens, and roasters category to meet the zero-emission limits after January 1, 2030, upon replacement, e.g., once the unit reaches 25 years of age and the burner is 10 years. For the tortilla and roasters category, technical feasibility was based on small scale electric units used in restaurant applications and coffee shops, and not based on existing large-scale industrial applications. The zero-emission limit was based on the potential of scaling up for these small units for industrial applications. The intent was to send a market signal for zero-emission technology development. To address the technical feasibility concern, staff was including a technology assessment in the rule language. However, with the uncertain technical feasibility, high costs of fuel switching cost, and low emission inventory for these categories, staff revised the proposal to remove the Phase III emission limits.

Commercial food oven technology has continually improved over the past several decades and has become more efficient in terms of energy use and reducing overall emissions. Most of the efficiency gain is a direct result of improved burner control technology and oven design. Burner and oven manufacturers have recognized that environmental regulations are becoming more stringent and as a result, have responded to meet the increasing demand by offering more efficient and cleaner options to food manufacturers. Many countries have a renewed focus on reducing GHG emissions and reducing overall global emissions over the next 50 years by shifting away from fossil fuels. This shift in focus has increased the demand for zero-emission equipment in all sectors including the commercial food and beverage manufacturing sectors. Staff identified several electric commercial food equipment currently in operation and several manufacturers are offering or developing zero-emission commercial food ovens. As zero-emission commercial food oven technology continues to be developed and improved, the technology will become more efficient and economical to operate. Staff will continue to evaluate and monitor the status of the technology for all commercial food oven categories; the technology status update/check-in will be included as part of the resolution and reported back to committee two years prior to the future effective date of Phase II. Since fuel switching costs had a significant impact on the overall cost-effectiveness for each equipment category, staff will also evaluate utility rates to assess the impacts of fuel switching cost. Utility rates tend to fluctuate overtime and are difficult to predict, so an evaluation of utility rates is appropriate at the time of the technology status update/check-in.

CHAPTER 3 : SUMMARY OF PROPOSALS

INTRODUCTION

PROPOSED AMENDED RULE STRUCTURE

PROPOSED AMENDED RULE 1153.1

INTRODUCTION

The main objective of Proposed Amended Rule 1153.1 is to propose NO_x limits that represent BARCT requirements for applicable equipment and to remove the exclusion of RECLAIM facilities. PAR 1153.1 also proposes periodic monitoring requirements, removes outdated rule language, reorganizes the rule structure to be consistent with recently amended or adopted rules, and includes an Alternative Compliance Schedule Plan. The proposed revised rule structure and key provisions are discussed below.

PROPOSED AMENDED RULE STRUCTURE

The proposed amended rule separates the purpose and applicability to be consistent with recently adopted and amended rules and several new subdivisions were added to support the rule requirements. The following figure shows a comparison of rule structure of Rule 1153.1 versus PAR 1153.1.

Rule 1153.1	Proposed Amended Rule 1153.1
(a) Purpose and Applicability	(a) Purpose
(b) Definitions	(b) Applicability
(c) Requirements	(c) Definitions
(d) Compliance Determination	(d) Requirements
(e) Certification	(e) Compliance Schedule
(f) Enforcement	(f) Equipment Age
(g) Exemptions	(g) Source Test Requirements for Units Subject to Combustion Based Emission Limit
(h) Mitigation Fee	(h) Compliance by Certification for Units to Phase I Emission Limits
	(i) Demonstration Of Alternative Emission Limit of One Pound or Less Per Day
	(j) Monitoring, Recordkeeping, and Reporting Requirements
	(k) Alternative Compliance Schedule Plan Requirements
	(l) Exemptions

Figure 3-1. Rule 1153.1 and Proposed Amended Rule Structure Comparison

SUMMARY OF PROPOSED AMENDED RULE 1153.1

The following is a summary of the proposed amendments to Rule 1153.1.

Purpose [Subdivision(a)]

The purpose of this rule is to reduce emissions of Oxides of Nitrogen and Carbon Monoxide from gaseous and liquid fuel-fired Commercial Food Ovens as defined in this rule.

Applicability [Subdivision(b)]

PAR 1153.1 applies to owners or operators of Units that require South Coast Air Quality Management District (SCAQMD) permits and are used to prepare food or products for making beverages for human consumption. Food ovens that are exempt from requiring a permit under Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II are not regulated under PAR 1153.1. Zero-NO_x emission ovens will not require a permit condition that limits the NO_x to zero to comply with Rule 1153.1; however, they may require a permit condition that limits the VOC emissions to comply with Rule 1153 – Commercial Bakery Ovens.

Definitions [Subdivision(c)]

The following are key definitions for PAR 1153.1 which distinguish the new equipment categories identified as part of BARCT assessment as well as additional definitions necessary for the transition of RECLAIM facilities into PAR 1153.1. For all definitions, refer to the draft of PAR 1153.1 released with this staff report.

ALTERNATIVE COMPLIANCE SCHEDULE PLAN in paragraph (c)(1), which means:

“a compliance plan that allows an owner or operator of a Unit(s) required to meet the Phase II Emission Limit to apply for an alternative compliance schedule if the electrical upgrades required by their utility company will result in a delay in meeting the rule deadlines and are beyond the control of the facility.”

BAKERY OVEN in paragraph (c)(2), which means:

“a Commercial Food Oven used to heat, cook, or prepare baked products. Bakery ovens include, but are not limited to, tunnel ovens, conveyor ovens, tray ovens, and griddle ovens.”

COMMBUSTION-BASED EMISSION LIMITS in paragraph (c)(3), which means:

“emission limits that rely on technologies that combust gaseous or liquid fuel and include Phase I Emission Limits and South Coast AQMD permit emission limits.”

COMMERCIAL FOOD OVEN in paragraph (c)(5), which means:

“a cooking device used to heat, cook, dry, or prepare food or products for making beverages for human consumption that is used as part of a business.”

COOKING OVEN in paragraph (c)(6), which means:

“a Commercial Food Oven used to cook food products including, but is not limited to, meat, fish, poultry, or vegetables. Cooking ovens do not include Bakery Ovens, Tortilla Ovens, Drying Ovens, and Smokehouses.”

DECOMMISSION in paragraph (c)(7), which means:

“to permanently shut down a Unit by removing the fuel, air, electricity, or other utility source connected to it and to inactivate the Unit’s applicable South Coast AQMD permit.”

DIRECT-FIRED BAKERY IOVEN in paragraph (c)(8), which means:

“a Bakery Oven where the energy or heat source is placed directly inside the baking chamber and heat transfer is primarily carried out by radiation from the flames, electrical resistance, or hot surface.

DRYER in paragraph (c)(9), which means:

“a Commercial Food Oven, using either a direct or indirect heat source, to dry food products using a rotating drum. Dryers include spray dryers which are a Commercial Food Oven where liquids or a slurry are atomized and dried into powder form by spraying the feed into a heated chamber.”

DRYING OVEN in paragraph (c)(10), which means:

“a Commercial Food Oven used to remove water or moisture to dry food products.”

ELECTRIC HEATING ELEMENT (c)(11), which means:

“any component of a Commercial Food Oven used to transform electrical energy into heat.”

FORMER RECLAIM FACILITY in paragraph (c)(12), which means:

“a facility, or any of its successors, that was in the REgional Clean Air Incentives Market (RECLAIM) program as of January 5, 2018, as established in Regulation XX, that has received a final determination notification, and is no longer in the RECLAIM program.”

GASEOUS FUEL in paragraph (c)(13), which means:

“natural gas; compressed natural gas (CNG); liquefied petroleum gases (LPG), including but not limited to propane and butane; synthetic natural gas (SNG); or other fuel that is a gas at ambient temperature and atmospheric pressure.”

GRIDDLE OVEN in paragraph (c)(14), which means:

“a Commercial Food Oven that uses a moving griddle, which is a flat or grooved metal plate, that is heated between 550°F to 900°F to produce baked products such as, but not limited to, English muffins.”

HEAT INPUT in paragraph (c)(15), which means:

“the higher heating value of the fuel to the burner or Unit measured as Btu per hour.”

HEAT OUTPUT in paragraph (c)(16), which means:

“The enthalpy of the working fluid at the output of a burner or Unit.”

INDIRECT-FIRED UNIT in paragraph (c)(17), which means:

“a Bakery Oven that uses heat exchangers connected to the burning zone to indirectly heat the baking chamber, where the product being baked does not contact the combustion gases.”

INFRARED BURNER (IR Burner) in paragraph (c)(18), which means:

“a burner with ceramic, metal fiber, sintered metal, or perforated metal flame-holding surface; with more than 50 percent of the Heat Output as infrared radiation; that is operated in a manner where the zone above the flame-holding surface is red and does not produce observable blue or yellow flames in excess of ½ inch (13 mm) in length; and with a Rated Heat Input Capacity per square foot of flame-holding surface of 100,000 Btu per hour or less.”

OXIDES OF NITROGEN (NO_x) EMISSIONS in paragraph (c)(19), which means:

“the sum of nitrogen oxide and nitrogen dioxide, collectively expressed as nitrogen dioxide.”

PARTS PER MILLION BY VOLUME (ppmv) in paragraph (c)(20), which means:

“for the purpose of this rule, Parts Per Million By Volume of a pollutant corrected to three percent oxygen on a dry basis at Standard Conditions.”

PHASE I EMISSION LIMITS in paragraph (c)(21), which means:

“the NOx and CO emission limits specified in Table 1.”

PHASE II in paragraph (c)(22), which means:

“the NOx and CO Emission limits specified in Table1, where applicable.”

RATED HEAT INPUT CAPACITY in paragraph (c)(23), which means:

“the gross Heat Input of the combustion Unit specified on a permanent rating plate attached by the manufacturer to the device. If the Unit or Combustion System has been altered or modified such that its gross Heat Input is higher or lower than the rated Heat Input capacity specified on the original manufacturer’s permanent rating plate, the modified gross Heat Input shall be considered as the Rated Heat Input Capacity.”

RECLAIM FACILITY in paragraph (c)(24), which mean

“a facility, or any of its successors, that was in the RECLAIM program as of January 5, 2018, as established in Regulation XX.”

RESPONSIBLE OFFICIAL in paragraph (c)(25), which means:

“(A) For a corporation: a president or vice-president of the corporation in charge of a principal business function or a duly authorized person who performs similar policy-making functions for the corporation;

(B) For a partnership or sole proprietorship: general partner or proprietor, respectively; or

(C) For a government agency: a duly authorized person.”

ROASTERS in paragraph (c)(26), which means:

“a Commercial Food Oven used to dry roast food products that include, but are not limited to, nuts, coffee beans, or other plant seeds. Roasters include Units with an integrated afterburner which consists of a single burner used as the heat source for the afterburner and Roaster.”

SMOKEHOUSE in paragraph (c)(27), which means:

“a Commercial Food Oven in which meat products is cured using smoke and heat.”

SOURCE TEST PROTOCOL in paragraph (c)(28), which means:

“a South Coast AQMD approved set of test procedures for determining compliance with emission limits for applicable equipment.”

STANDARD CONDITIONS in paragraph (c)(29), which means:

“is as defined by Rule 102 – Definition of Terms.”

THERM in paragraph (c)(30), which means:

“100,000 Btu.”

TORTILLA OVEN in paragraph (c)(31) which means:

“a Commercial Food Oven used to cook, toast, or bake tortilla chips and other tortilla products.”

UNIT in paragraph (c)(32), which means:

“any Commercial Food Oven, including, but not limited to, Bakery Oven, Cooking Oven, Direct-Fired Bakery Oven, Dryer, Drying Oven, Indirect-Fired Bakery Oven, Roaster, Smokehouse, or Tortilla Oven used to prepare food or products for making beverages for human consumption.”

Requirements [Subdivision(d)]

Paragraph (d)(1) - PAR 1153.1 BARCT Emission Limit

PAR 1153.1 establishes updated BARCT NO_x emission limits for applicable equipment as shown in the table below. The rule will require an owner or operator of an existing or new unit subject to the rule to not operate the unit in a manner that exceeds the applicable NO_x and CO emission limits, in ppmv corrected to three percent oxygen, on a dry basis, specified in PAR 1153.1 Table 1 according to the compliance schedule in subdivision (e). The emission limits in PAR 1153.1 Table 1 are separated into two Phases. Phase I Emission Limits are combustion-based limits that are effective upon rule adoption. Phase II Emission Limits are zero-emission limits and will take effect on January 1, 2027. The requirements are separated based on whether the unit was installed and in operation prior to the date of rule adoption or whether a unit is placed in operation after rule adoption.

- Subparagraph (d)(1)(A) applies to a unit that is installed and in operation prior to rule adoption. All existing units have to meet the Phase I Emission Limits in accordance with the compliance schedule in Table 2 in paragraph (e)(1). If the unit is subject to the applicable Phase II Emission Limits, the unit will need to meet the Phase II Emission Limits on or after January 1, 2027.
- Subparagraph (d)(1)(B) applies to a unit that is placed in operation on or after rule adoption. If the unit is subject to the Phase I Emission Limit, but does not have an applicable Phase II Emission Limit, the unit will be required to meet the Phase I Emission Limit as soon as it starts operating. If the unit is subject to both Phase I and Phase II Emission Limits, the unit will be allowed to meet the Phase I Emission Limit as soon as it starts operating if a complete permit application is submitted before January 1, 2024. The unit will be required to meet the Phase II Emission Limit pursuant to compliance schedule in Table 3 paragraph (e)(2). However, if a complete permit application is submitted on or after January 1, 2024, the unit will be required to meet the Phase II Emission Limit as soon as it starts operating. The reason for this requirement is to build in additional time for the permit approval process and construction/installation of the new unit.

A complete permit application consists of the required information as defined in Regulation II – List and Criteria identifying Information Required of Applicants Seeking A Permit to Construct From the South Coast Air Quality Management District. A permit application that is submitted by the required date but determined by Engineering and Permitting staff to be incomplete does not meet the requirement.

Table 33-1. PAR 1153.1 – (NO_x and CO Emission Limits (ppmv)¹

Equipment Categories		Phase I		Phase II	
		NO _x	CO	NO _x	CO
Direct Fired Bakery Ovens	≤3 MMBtu/hr	30	800	0	0
	>3 MMBtu/hr	30	800	N/A	N/A
Indirect-Fired Bakery Ovens		30	800	0	0
Griddle Oven		30	800	N/A	N/A
Tortilla Ovens	Heated solely by IR Burners	15	800	N/A	N/A
	All Other Tortilla Ovens	30	800	N/A	N/A
Cooking Ovens	≤3 MMBtu/hr	30	800	0	0
	>3 MMBtu/hr	30	800	N/A	N/A
Drying Ovens		30	800	N/A	N/A
Smokehouses		30	800	0	0
Dryers		30	800	N/A	N/A
Roasters		30	800	N/A	N/A

¹ Parts per million by volume (ppmv) corrected to three percent oxygen, dry

Paragraph (d)(2) – Emission Rate Limits

An owner or operator may also elect to comply with an emission rate equivalent to the applicable limit specified in PAR 1153.1 Table 1. The owner or operator must comply with an emission rate of 0.036 lb/MMBtu in lieu of 30 ppmv or an emission rate of 0.018 lb/MMBtu in lieu of 15 ppmv.

Paragraph (d)(3) - Interim ~~Concentration~~ Emission Limits

Units located at non-RECLAIM facilities are already subject to the existing limits in Rule 1153.1; however, there are six RECLAIM facilities that will transition out of RECLAIM and into a

command-and-control regulatory structure. PAR 1153.1 includes an interim NO_x limit for any Unit that does not have a permitted NO_x limit before the facility exits RECLAIM but is subject to a future NO_x limit in PAR 1153.1. Interim limits ensure an enforceable regulatory limit remains in place to prevent emission backsliding when facilities exit RECLAIM. For PAR 1153.1, RECLAIM units that do not have an existing NO_x concentration limit will be subject to an interim limit of 102 ppmv NO_x, which is equivalent to the RECLAIM default emission factor of 130 lbs/MMScf of natural gas.

Paragraph (d)(4) – One Pound or less of NO_x per Day Emission Limit

Paragraph (d)(4) of PAR 1153.1 provides an owner or operator of a unit two methods to comply with the alternative NO_x emission limit of one pound or less per day through demonstration of a daily level of emission or, the new option of averaging daily NO_x emissions over a calendar month. Both options shall be demonstrated in accordance with subdivision (i). In addition, both methods of compliance will require the owner or operator to install and maintain a unit specific non-resettable totalizing time meter or a unit specific non-resettable totalizing fuel meter in accordance with paragraph (j)(7).

Paragraph (d)(5) – Compliance by Decommissioning the Unit

Paragraph (d)(5) provides the option for an owner or operator of a unit subject to PAR 1153.1 to decommission the unit instead of reducing emissions to comply with the applicable emission limits in PAR 1153.1 Table 1. The provision establishes requirements for decommissioning a unit to comply with Phase I or Phase II Emission Limits. To decommission a unit, the owner or operator must inactivate the permit, and disconnect and blind the fuel lines going to the unit pursuant to schedule in subparagraph (e)(5) for Phase I Emission Limits, or pursuant to the schedule in Table 3 ~~subparagraph (e)(2)(A)~~ for Phase II Emission Limits.

Paragraph (d)(6) – Combustion System Maintenance

Paragraph (d)(6) requires a unit subject to the combustion-based emission limits to conduct combustion system maintenance in accordance with manufacturers schedule and specifications. The owner or operator is also subject to recordkeeping requirement which was originally included in this paragraph in Rule 1153.1. The recordkeeping requirements has been moved to subdivision (i) in PAR 1153.1

Paragraph (d)(7) – Compliance with Pounds Per Million Btu Requirement Prior to Compliance Demonstration

Paragraph (d)(7) requires an owner or operator of a unit electing to comply with the emission rate limits in paragraph (d)(2) expressed as pounds per million Btu to install and maintain a non-resettable totalizing fuel meter pursuant to subparagraph (j)(7) prior to conducting a source test in accordance with subdivision (g).

Paragraph (d)(8) – Compliance with Pounds Per Million Btu for Fuel and Time Meter Requirement

Paragraph (d)(8) requires an owner or operator of a unit that operates at only one firing rate that elects to comply with paragraph (d)(2) expressed as pounds per million Btu to install and maintain a non-resettable totalizing time or fuel meter pursuant to subparagraph (j)(7).

Paragraph (d)(9) – Compliance with another South Coast AQMD Regulation for Exempt Units

Paragraph (d)(9) informs the owner or operator of a unit that is subject to the Phase II Emission Limits pursuant to Rule 1153.1 that the unit may be required to obtain a permit to comply with another South Coast AQMD regulation. For example, some units may also be subject to the permitting requirements for volatile organic compound limits in Rule 1153 – Commercial Bakery Ovens.

Rule 1153.1 Compliance Schedule [Subdivision(e)]

Subdivision (e) provides the compliance schedule for the units subject to the emission limits in subdivision (d).

Paragraph (e)(1) – Compliance Schedule for a Unit that is required to meet the Phase I Emission Limits

Paragraph (e)(1) provides the compliance schedule for units that are required to meet the NOx and CO Phase I Emission Limit in PAR 1153.1 Table 1. Units subject to the Phase I Emission Limits need to submit a permit application to demonstrate compliance with the applicable Phase I Emission Limits in PAR 1153.1 Table 1 when the burner age reaches 7 years of age pursuant to paragraph (f)(1) or when the burners are replaced after rule adoption. There are three scenarios for replacing burners to meet the Phase I Emission Limits:

- (1) When a burner is replaced on or after date of rule adoption, it must meet the Phase I Emission Limits in PAR 1153.1 Table 1.
- (2) When the burner(s) becomes 7 years of age on or after date of rule adoption, the owner or operator shall submit a permit application by July 1, 2024.
- (3) If a burner is not 7 years of age at the time of rule adoption, the owner or operator must submit an application on or before July 1st of the calendar year when the burner age becomes 7 years of age.

Paragraph (e)(1) also establishes dates when the unit shall be in compliance with the Phase I Emission Limits in PAR 1153.1 Table 1. The dates established are dependent on the burners age at time of rule adoption. If the burner is 7 years of age or older, the unit shall be in compliance 12 months after the permit to construct is issued or applicable extension date. If the burner age is 7 years or less, the unit shall be in compliance 12 months after a permit to construct is issued, or the date included in a permit extension, approved in writing, pursuant to Rule 205 – Expiration of Permits to Construct, or when the burner age reaches 10 years, whichever is sooner. Below is an example for units that are not currently complying with a Phase I limit.

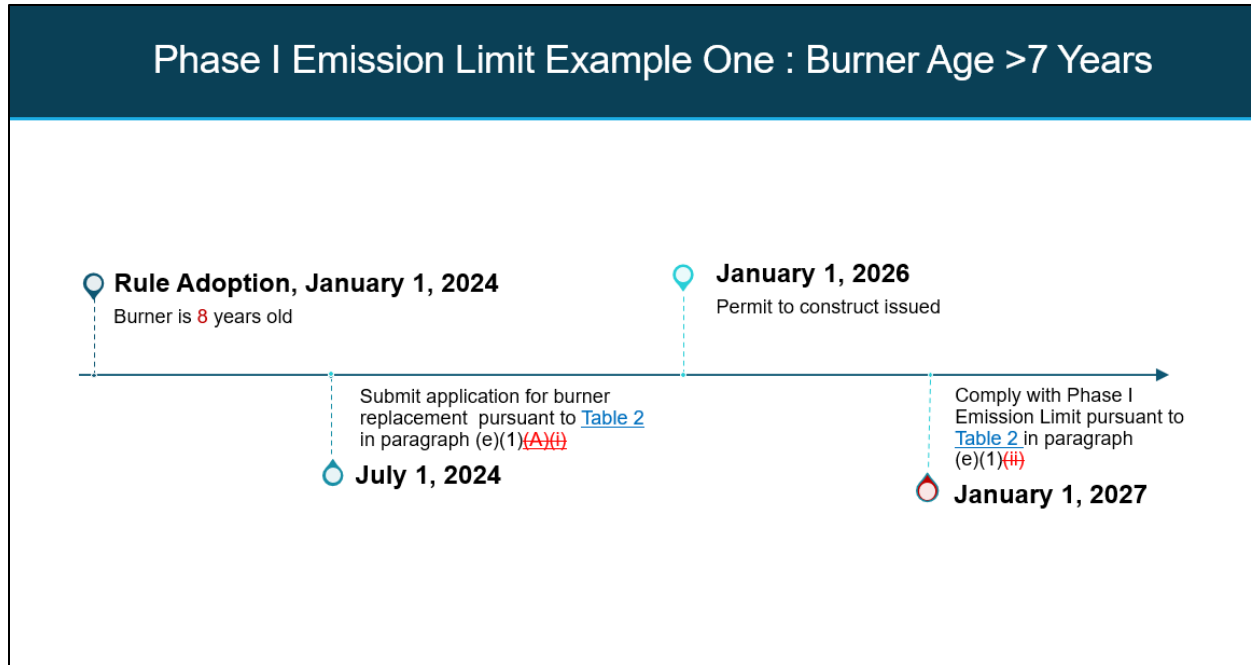


Figure 3-2. Phase I Emission Limit Example One: Burner Age >7 Years

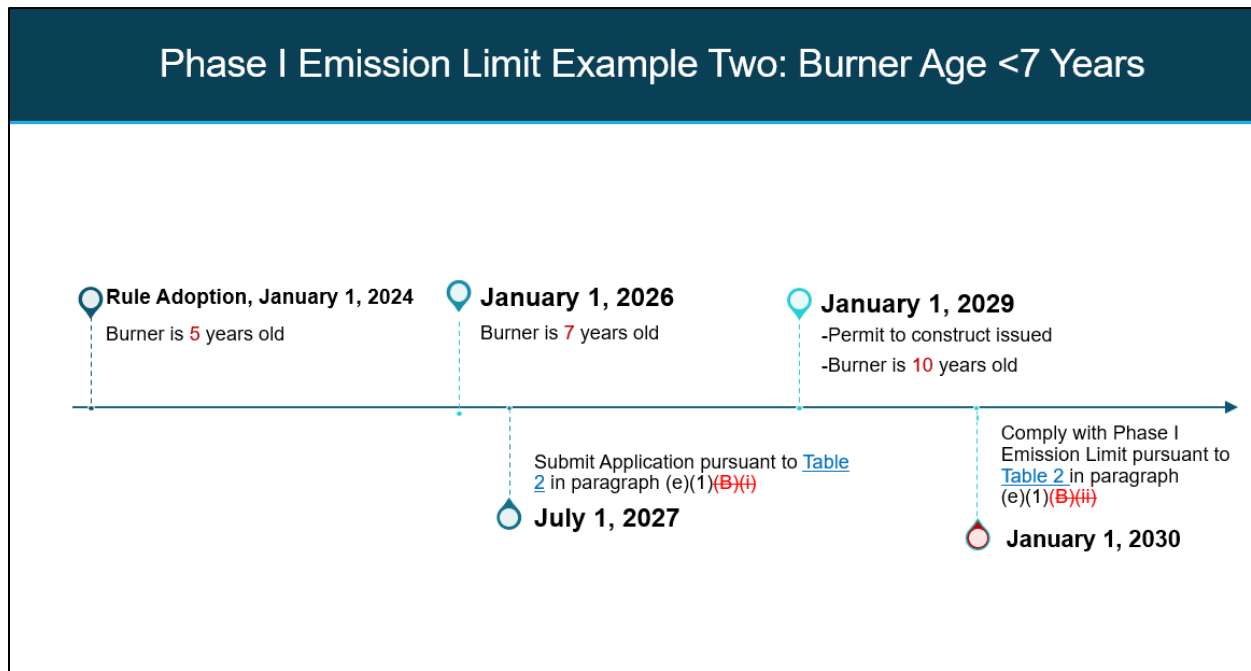


Figure 3-3. Phase I Emission Limit Example Two: Burner Age <7 Years

Paragraph (e)(2) – Compliance Schedule for a Unit that is required to meet the NOx Phase II Emission Limits

Paragraph (e)(2) provides the compliance schedule for units that are required to meet the NOx Phase II Emission Limit in PAR 1153.1 Table 1. Phase II Emission Limits are zero-emission limits for applicable units. Units subject to the requirement must meet the Phase II Emission Limit once the unit becomes 25 years of age as determined pursuant to paragraph (f)(2) and when the burner becomes 10 years of age determined pursuant to paragraph (f)(1) as of January 1, 2027. The owner or operator has two options to meet the Phase II Emission Limit and can either elect to replace the unit with a new zero-emission unit or modify the unit to meet the Phase II Emission Limit. In either case, the owner or operator will need to ~~submit a form to inactivate the permit for the combustion unit or decommission the combustion unit~~ pursuant to paragraph (d)(5) based on the following below:

- For any unit that is 25 years of age or older, and the burner is 10 years of age or older as of January 1, 2027, the owner or operator must decommission the unit ~~or submit a form to inactivate the permit~~ on or before January 1, 2027.
- For any unit that is less than 25 years of age or the burner is less than 10 years of age as of January 1, 2027, the owner or operator must decommission the ~~unit or submit a form to inactivate the permit~~ on or before January 1 after the end of the calendar year when the unit becomes 25 years of age or older. However, ~~if the unit becomes 25 years of age as of January 1, 2033~~2036, the owner or operator is required to decommission the unit ~~or submit a form to inactivate the permit~~ regardless of burner age or unit age.

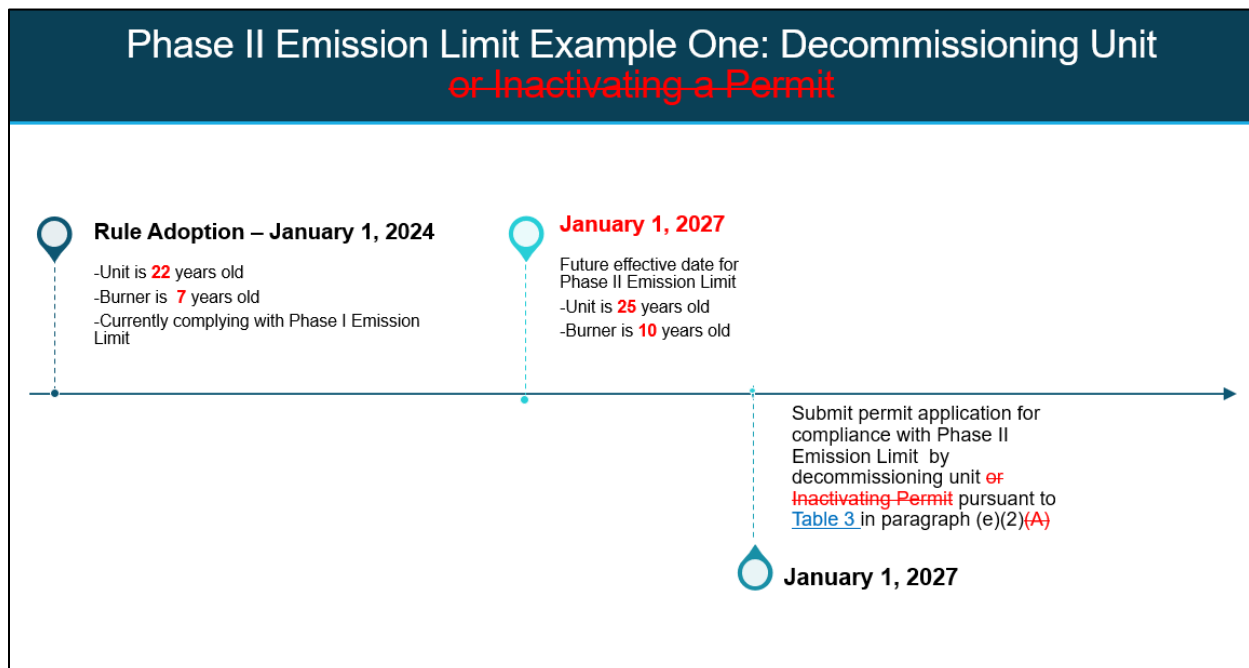


Figure 3-4. Phase II Emission Limit Example: Unit Age is 25 Years of Age and Burner Age is 10 years of Age as of ~~by~~ January 1, 2027

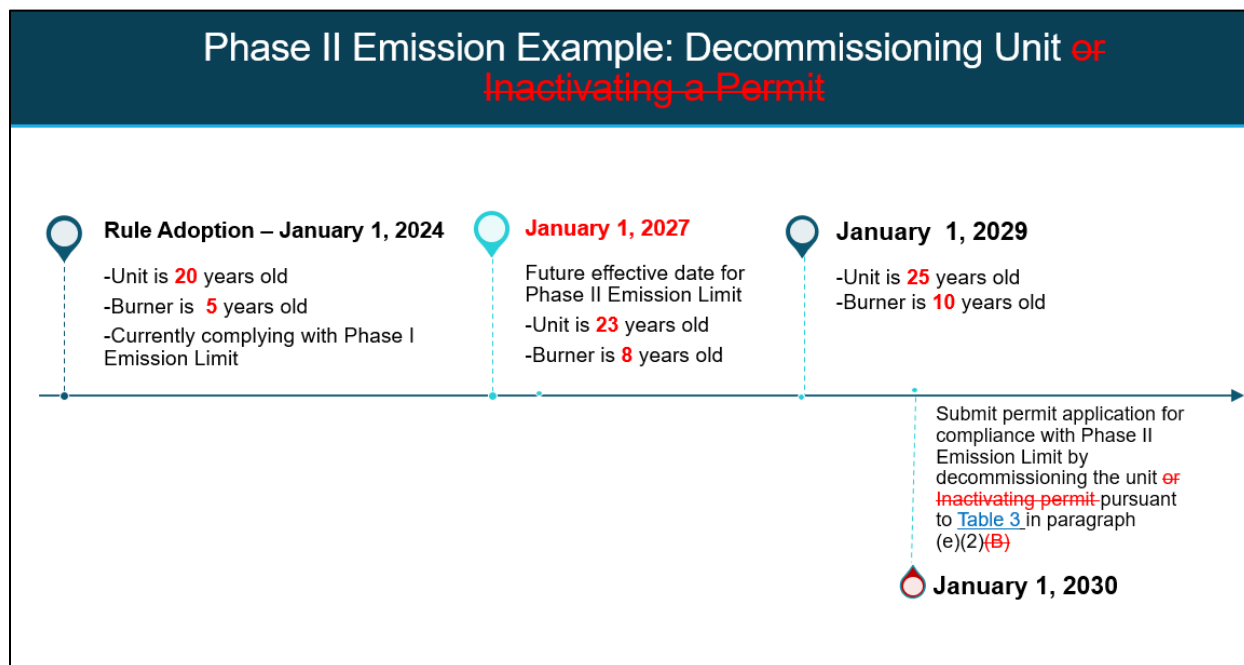


Figure 3-5. Phase II Emission Limit Example: Unit Age is Not 25 Years of Age and Burner Age is Not 10 years of Age As of January 1, 2027

The January 1, 2036, date serves as a backstop date for final compliance with the Phase II Emission Limit to prevent facilities from continually replacing burners and delaying compliance with the Phase II zero-emission requirement. In the version of the rule released June 2, 2023, there was a pathway to submit a permit application to modify an existing permit; however, staff removed that option because even if an existing oven was retrofit to achieve zero-emissions they would have to decommission the unit. The rule defines decommissioning as permanently shut down a Unit by removing the fuel, air, electricity, or other utility source connected to it and to inactivate the Unit's applicable South Coast AQMD permit. The requirements to decommission are:

- (A) Inactivating the applicable South Coast AQMD permit for the Unit to be decommissioned; and
- (B) Disconnecting and blinding the fuel line(s) of the Unit to be decommissioned.

Future zero-emission Units would not require an air quality permit regardless of whether it is a new Unit or a Unit that was retrofitted to meet the zero-emission requirement. If an existing Unit was retrofitted from a gas combustion Unit to an electric Unit, staff would consider the combustion Unit to have been decommissioned as it will no longer be operated using natural gas. South Coast AQMD rules typically include permit submittal dates that are three years earlier than the expected compliance date to allow sufficient time for the permit to be issued and the unit to be retrofitted or installed. The permit submittal date in the June 2, 2023 version of the rule was listed as January 1, 2033, with final compliance date of January 1, 2036; however, staff inadvertently used the January 1, 2033 as the final compliance date in the draft rule instead of the correct date of

January 1, 2036. This concept, along with the January 1, 2036 date, was presented in Working Group Meeting #8 held on June 7, 2023. Please see slide number 62 below.

Compliance Schedule (e)

- Paragraph (e)(2) updated to reflect Alternative Compliance Schedule Plan
- Updated age for permit submittal from 25 years to 22 years to build in time for permit submittal process
- Added a backstop date of January 2036 with permit requirement in 2033 to build in time for permit submittal

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Paragraph (e)(2)

(2) Phase II Emission Limits

Unless an owner or operator has an approved Alternative Compliance Schedule Plan, on and after January 1, 2027, an owner or operator of a Unit required to meet the Phase II Emission Limits shall:

(A) For existing Units that will be retrofitted to meet Phase II Emission Limits and for Units with a Hybrid Oven emission limit pursuant to (d)(3), submit a permit application for each Unit to limit the NOx and CO emissions to a level not to exceed the Phase II Emission Limits:

(i) On or before July 1, 2027, if:

(A) The Unit is 2522 years or older by January 1, 2027, as determined pursuant to paragraph (f)(2); and

(B) The burner is 107 years or older by January 1, 2027, as determined pursuant to paragraph (f)(1); and

(ii) On or before the July 1st after the end of the calendar year when:

(A) The Unit reaches 2522 years of age, as determined pursuant to paragraph (f)(2); and

(B) The burner reaches 107 years of age, as determined pursuant to paragraph (f)(1); and or the end of the calendar year is deemed as December 31, 2032, whichever is earlier.

(B) For Units subject to a subparagraph (e)(2)(A) permit submittal requirement, not operate a Unit that exceeds the applicable Phase II Emission Limit later than one of the following dates, whichever is sooner:

(i) 12 months after the date a permit is issued, or the extension date as approved in writing pursuant to Rule 205 – Expiration of Permits to Construct (Rule 205); or

(ii) On or before January 1, 2036, the date the burner Unit age is 25 years or older, as determined pursuant to paragraph (f)(2), and the burner age is 10 years or older, as determined pursuant to paragraph (f)(1); or

(iii) After January 1, 2036, the date the Unit age is 25 years or older, as determined pursuant to paragraph (f)(2).

Figure 3-6. Phase II Emission Limit, January 1, 2036 Backstop Date Discussion Presented in WGM #8

Paragraph (e)(3) – Alternative Compliance Schedule for Units with a Phase II Emission Limit

Paragraph (e)(3) provides an alternative compliance schedule for the owner or operator of a unit subject to the Phase II Emission Limits where the utility provider cannot provide the necessary power to facility for the unit according to the compliance schedule specified in Table 3 in paragraph (e)(2). The owner or operator must submit an Alternative Compliance Schedule Plan pursuant to the requirements in subdivision (k) to the Executive Officer. Planning staff will review the submitted Alternative Compliance Schedule Plans for completeness and notify the facility regarding any deficiencies. The Executive Officer will notify the facility in writing whether the Alternative Compliance Plan is approved or disapproved.

Paragraph (e)(4) – Compliance Schedule for Units That Fail to Demonstrate Compliance with One Pound or less of NOx per day

Paragraph (e)(4) provides the compliance schedule for owner or operator of units that elects to comply with the limit of one pound or less of NOx per day and fails to demonstrate compliance in accordance with subdivision (i). The owner or operator is required to submit a permit application for the applicable limit in PAR 1153.1 Table 1 within 180 days of the date of the failure and demonstrate compliance with the applicable PAR 1153.1 Table 1 limit within 12 months after the date the permit is issued or the extended date of the issued permit.

Paragraph (e)(5) – Compliance Schedule for Decommissioning of the Unit

Paragraph (e)(5) establishes the compliance schedule for the owner or operator of a unit electing to decommission a unit instead of complying with the applicable emission limits in PAR 1153.1 Table 1. The owner or operator must decommission the unit within 30 months following the permit application submittal deadline pursuant to subdivision (e).

Paragraph (e)(6) – Failure to Meet the Compliance by Manufacturer Certification Requirements

Paragraph (e)(6) outlines that if an owner or operator fails to meet the manufacturer's certification requirements for a unit pursuant to subparagraph (h)(1), the owner or operator must demonstrate compliance with the applicable emission limits through source test pursuant to subdivision (g) and it establishes a schedule to submit and conduct the source test protocol and any subsequent source test.

Paragraph (e)(7) – Failure to Operate Unit as Specified in Manufacturer Certification

Paragraph (e)(7) outlines that if an owner or operator fails to operate a unit as specified in the manufacturer's emission certification or if the certification expires and the manufacturer does not re-certify the unit in accordance with manufacturer's certification, the owner or operator must demonstrate compliance with the applicable emission limits through source test pursuant to subdivision (g) and it establishes a schedule to submit and conduct the source test protocol and any subsequent source test.

Equipment Age [Subdivision(f)]

Subdivision (f) provides guidance to determine the original burner age and the age of applicable equipment. Paragraph (f)(1) provides options for determining original burner's age and Paragraph (f)(2) provides options for determining a unit's age. Owners or operators of unit(s) subject to PAR 1153.1 may choose any of the available options listed in paragraph (f)(1) and (f)(2) to determine original burner age and unit age, including the invoice related to the installation from equipment manufacturer, original manufacturer's identification plate, information submitted to the South Coast AQMD with permit applications, or any other method of determining burner age or unit age that can be substantiated through sufficient written information as approved by the Executive Officer. Burners without the information outlined in subparagraphs (f)(1)(A) and (f)(1)(B) will be deemed 7 years old as of January 1, 2024. Similarly, Unit's without the information outlined in subparagraph (f)(2)(A) and (f)(2)(B) will be deemed 25 years old as of January 1, 2024.

Source Test Requirements for Units Subject to Combustion Based Emission Limits [Subdivision(g)]

Paragraph (g)(1) – Source Test Provisions

Units subject to the Combustion Based NO_x and CO emission limits of PAR 1153.1 or South Coast AQMD permit concentration limit must conduct simultaneous source tests for NO_x and CO to demonstrate compliance with the applicable emission limits. Paragraph (g)(1) also specifies that a source test must be conducted every five calendar years, but no earlier than 48 calendar months after the previous source test.

Paragraph (g)(2) – Initial Source Test Requirements

Units subject to the NO_x and CO emission limits of PAR 1153.1 shall conduct a source test no later than 24 months after rule adoption or 24 months after a facility becomes a former RECLAIM

facility, whichever is later. This initial source test will set the schedule for the subsequent source testing. For new units installed after date of rule adoption, a source test must be conducted according to the conditions established in the permit to construct which will establish the subsequent source testing schedule. The source test must be representative of the current operation of the equipment, or a new source test protocol will be required.

Paragraph (g)(3) – Source Test Protocol Submission for Approval

The owner or operator of units subject to the NO_x and CO emission limits of PAR 1153.1 shall submit a source test protocol for approval 60 days prior to conducting the source test and must conduct the source test 90 days after a written approval. Source test protocols for subsequent testing would not need to be re-evaluated provided that the burner or combustion system tested was not altered to require a new permit.

Paragraph (g)(4) – Source Test Protocol Re-Submittal

Paragraph (g)(4) specifies when the owner or operator must resubmit a source test protocol after the approval of the initial protocol.

Paragraph (g)(5) – Source Test Procedure and Methods to Demonstrate Compliance

Paragraph (g)(5) specifies the procedure how a source test shall be conducted to demonstrate compliance with the limits in PAR 1153.1 and lists the approved methods for conducting a source test. Paragraph (g)(5) specifies the operating parameters a unit must operate at when conducting a source test. A unit's compliance determination source test shall be conducted using two source tests: (1) source test where the unit is operated at the maximum rated heat input the unit normally operates at, and (2) second source test at less than 35 percent% of the rated heat input of the unit.

Paragraph (g)(6) – Pounds Per Million Btu per hour of Heat Input Compliance

Paragraph (g)(6) specifies the procedure and test methods for an owner or operator electing to comply with the Table 1 NO_x emission limit in pounds per million Btu.

Paragraph (g)(7) – Source Test Compliance for Multiple Unit in Series

Paragraph (g)(7) outlines a method for determining compliance for multiple units in series. Some commercial food ovens subjected to PAR 1153.1 are equipped with afterburners, thermal oxidizers, or vapor incinerators downstream of the unit which are subject to Rule 1147. The provision was expanded to include those downstream units subject to Rule 1147 and provide an option for demonstrating compliance, ~~since the emission limits for units~~ Units subject to Rule 1147 may have a different emission limit from units subject to PAR 1153.1. The “applicable limits” means Table 1 limits in PAR 1153.1 for units subject to PAR 1153.1 and the emission limits in Rule 1147 for units subject to Rule 1147.

Paragraph (g)(8) – Emissions determined to Exceed an Emission Limit

Paragraph (g)(8) states that any unit that is determined to exceed an established emission limit through the use of specified test methods constitutes a violation of the rule.

Compliance by Certification for Units Subject to Phase I Emission Limits [Subdivision(h)]

Subdivision (h) outlines the procedure and requirements that an owner or operator of a unit subject to the Phase I Emission Limits with a rated heat input capacity of 2MMBtu/hr or less must follow

to demonstrate compliance with an applicable emission limit through the burner manufacturer's emission certification in lieu of conducting a source test pursuant to subdivision (g).

Paragraph (h)(1) – Demonstrate Compliance with Manufacturer Certification

Paragraph (h)(1) establishes the requirements and procedure to obtain a manufacturer's emission certification for a unit in lieu of compliance demonstration through source testing pursuant to subdivision (g). The emissions certification must be signed by the burner manufacturer or distributor's responsible official that guarantees the compliance of the burner(s), fuel and combustion air system, and combustion control system identified in the submitted South Coast AQMD application with the applicable NOx emission limit in PAR 1153.1 Table 1. The following submissions are required when an owner or operator is electing to comply with subdivision (h):

- (1) A guarantee showing that it complies with the applicable NOx emission limit in PAR 1153.1 Table 1 when used for the specified process, operating conditions, and within a specified temperature range.
- (2) A separate signed and dated emission certification addressing owner or operator of the unit and the designee at the facility.
- (3) Supporting documentation which must include emission test reports of at least five South Coast AQMD approved emission tests using South Coast AQMD approved test protocol and methods for five different units operating the same process, burner, fuel and combustion air system, combustion control system, and temperature range.
- (4) Approved emissions test results (Number 3) by South Coast AQMD prior to submittal of a permit application or application to renew a burner emission certification.
- (5) A contract or purchase order, signed, and dated by the responsible official of the owner or operator of the unit as identified in the permit application and signed, and the dated letter or bid from burner manufacturer to the owner or operator of the unit.

Paragraph (h)(2) – Notification of Manufacturer's Emission Certification Approval

Paragraph (h)(2) establishes that the Executive Officer will notify the owner or operator of a Unit in writing whether the manufacturer's emission certification has been approved. The certification will be valid for five years from the date of the written notification of approval and thereafter will expire.

Paragraph (h)(3) – Manufacturer's Emission Certification Expiration

Paragraph (h)(3) establishes the timeline to renew the manufacturer's emission certification. No later than 60 days prior to the date the manufacturer's emission certification expires, the owner or operator of a Unit shall do one of two following options:

- (1) Submit a new application for a burner manufacturer's emission certification to be reviewed by the Executive Officer and include all the information required in paragraph (h)(1).
- (2) Submit a source test protocol and demonstrate compliance by conducting a source test according to the requirements in subdivision (g) and establish the date of that source test as the basis for subsequent source testing frequency, unless an extension of time has been approved in writing by the Executive Officer.

Paragraph (h)(4) – Failure to Demonstrate Manufacturer Certification Requirements

Paragraph (h)(4) establishes that any compliance determination conducted by the South Coast AQMD on a unit complying with subdivision (h) that is in excess of those in the rule shall be considered a violation.

Demonstration of Alternative Emission Limit of One Pound or Less Per Day [Subdivision(i)]

Subdivision (i) establishes demonstration methods in which an owner or operator can demonstrate meeting NOx emissions limit of one pound per day pursuant to paragraph (d)(4). The demonstration methods require the owner or operator to install and maintain a unit specific non-resettable totalizing time meter for hourly limit, or a unit specific non-resettable totalizing fuel meter for fuel or therm limit and maintain records pursuant to paragraph (j)(8).

Paragraph (i)(1) – One Pound Per Day Demonstration Averaged Over a Calendar Month

Facilities electing to comply with the one pound of NOx per day averaged over a calendar month shall demonstrate compliance in accordance with paragraph (i)(1) and can either demonstrate compliance with the maximum monthly operating limits specified in PAR 1153.1 Table 2 (Table 3-2 of staff report). The maximum monthly operating hours in PAR 1153.1 Table 2 are based on the operating hours specified in PAR 1153.1 Table 3 (Table 3-3 of staff report) which is the daily operating hours and calculated assuming a five day per week operation multiplied by four weeks. The provision is to provide operating flexibility for some units.

Table 33-2. PAR 1153.1 – Less than One Pound per Day Monthly Operating Limits

Unit Rated Heat Input (Btu/hr)	Monthly Operating Limit (Hours)
≤ 400,000	320
>400,000 to ≤ 800,000	160
> 800,000 to ≤ 1,200,000	100

Facilities may also choose to monitor emissions either by calculating monthly operating hours with a unit specific factor in lb NOx/MMscf of natural gas in accordance with equation 1 or calculate monthly fuel usage expressed in therms with a unit specific emission factor in lb NOx/MMscf natural gas in accordance with equation 2.

<u>Equation #1</u>	<u>Equation #2</u>
$\text{Monthly Operating Hours} = D \div [R \times (EF \div HHV)]$ <p>Where,</p> <p>D= Number of Days in Calendar Month R= Rated Heat Input (MMBtu/hr), EF= Emission Factor for the Units (lbs NOx MMScf natural gas), HHV= Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)</p>	$\text{Monthly Therms of Fuel} = (D \div EF) \times HHV \times 10$ <p>Where,</p> <p>D= Number of Days in Calendar Month EF= Emission Factor for the Units (lbs NOx MMScf natural gas), HHV= Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf) 10= Conversion to/from MMBtu to Therms</p>

Figure 3-37. PAR 1153.1 Equation 1 and Equation 2

An owner or operator of a unit electing to comply with the one pound or less of NO_x per day through calculating monthly maximum usage with equation 1 or 2 in PAR 1153.1 shall determine the emission factor using a South Coast AQMD approved method (e.g., source test) or use the default unit emission factor of 130 lb/MMscf of natural gas.

Paragraph (i)(2) – One Pound Per Day or Less Daily Demonstration

Facilities electing to comply with the one pound or less of NO_x per day using daily averages shall demonstrate compliance in accordance with paragraph (i)(2) and can either demonstrate compliance through one of the two following ways:

- (1) Maintain a permit condition limiting the operating hour based on rated heat input in Btu/hr pursuant to PAR 1153.1 Table 3.

Table 33-3. PAR 1153.1– Less than One Pound per Day Daily Operating Limits

Unit Rated Heat Input (Btu/hr)	Monthly Operating Limit (Hours)
≤ 400,000	16
>400,000 to ≤ 800,000	8
> 800,000 to ≤ 1,200,000	5

- (2) Maintain a permit condition limiting the daily natural gas usage to 7,692 cubic feet per day or less.

The owner or operator of the unit will be required to install and monitor the unit with a unit specific non-resettable totalizing time meter or unit specific non-resettable totalizing fuel meter depending on the chosen approach.

Monitoring, Recordkeeping, and Reporting Requirements [Subdivision(j)]

Subdivision (j) outlines the monitoring, reporting, and recordkeeping requirements including source tests, maintenance, and records for determination of compliance with applicable Rule 1153.1 emission limit. Records must be kept for a minimum of five years and made available to the Executive Office upon request.

Paragraph (j)(1) – Compliance by Manufacturer Certification Recordkeeping

Paragraph (j)(1) requires an owner or operator that elects to comply with compliance by manufacturer's certification to maintain records and documentation for the unit. Also Requires the owner or operator to conduct tests to ensure compliance with PAR 1153.1. If the owner or operator fails to conduct testing of the certified unit, any compliance test that has to be conducted by South Coast AQMD shall be considered a violation.

Paragraph (j)(2) – Phase II Emission Limit Reporting Requirements Prior to Effective Date

Paragraph (j)(2) requires an owner or operator with units subject to the Phase II Emission Limits to report to the Executive Officer the age of the unit and anticipated date of replacement. Furthermore, the provision also requires the owner or operator to reach out to the utility provider

when the unit's age reaches 17 years of age pursuant to paragraph (f)(2) and submit a document with an explanation of the service upgrades and timeframe to complete the service upgrades. This is to ensure that there are no delays and to prevent any issues with complying with the Phase II Emission Limits. The documents submitted to the Executive Office must also be maintained on site for at least five years which will ensure the information is available due to potential staff turnover at the facility.

Paragraph (j)(3) – Rated Heat Input Capacity Labeling and Documentation Requirements

Paragraph (j)(3) outlines documentation requirements of the units rated heat input capacity.

Paragraph (j)(4) and (j)(5) – Labeling Requirements

Paragraph (j)(4), and (j)(5) outlines unit labeling requirements including units that have been modified from the original burner configuration or specifications.

Paragraph (j)(6) – Recordkeeping Requirements for Maintenance and Source Test

Paragraph (j)(6) outlines the recordkeeping requirements of maintenance and source test for the unit.

Paragraph (j)(7) – Non-Resetable Totalizing Fuel Meter Requirements and Non-Resetable Totalizing Time Meter

Paragraph (j)(7) specifies the requirements that an owner or operator must comply with when required to install and operate a non-resettable totalizing fuel meter and non-resettable totalizing time meter.

Paragraph (j)(8) – Non-Resetable Totalizing Time Meter and Non-Resetable Totalizing Fuel Meter Recordkeeping Requirements for Demonstration of One Pound or Less of NO_x Per Day

Paragraph j(8) specifies the recordkeeping requirements for an owner or operator electing to comply with one pound or less of NO_x per day requirements or compliance by certification requirements which requires non-resettable totalizing meters.

Paragraph (j)(9) – RECLAIM Facility Reporting Requirements

Paragraph (j)(9) specifies that a RECLAIM facility must continue to comply with the reporting requirements until the facility officially exits the RECLAIM program

Paragraph (j)(10) – Source Test and Records Recordkeeping Requirements

Paragraph (j)(10) specifies the recordkeeping requirements that an owner or operator must comply with for source tests and records required.

Alternative Compliance Schedule Plan Requirements [Subdivision(k)]

Subdivision (k) outlines and specifies the requirements, submittal date, review process, approval process, plan modification process, and plan fees for an owner or operator that qualifies for an Alternative Compliance Schedule Plan.

Paragraph (k)(1) – Alternative Compliance Schedule Plan Requirements

Paragraph (k)(1) specifies the timeframe that an owner or operator with a Unit(s) subject to Phase II Emission Limits must refer to for submittal of an Alternative Compliance Schedule Plan. The

provision also specifies the required documents and information that must be submitted as part of submittal.

Paragraph (k)(2) – Alternative Compliance Schedule Plan Review and Approval Process

Paragraph (k)(2) specifies the Alternative Compliance Schedule Plan review and approval process and the criteria that must be met in order for the plan to be approved by the Executive Officer.

Paragraph (k)(3) – Upon Receiving Approval

Paragraph (k)(3) specifies the actions that an owner or operator must take once an Alternative Compliance Schedule Plan is approved as well as the schedule for decommissioning of the unit(s).

Paragraph (k)(4) – Alternative Compliance Schedule Plan Disapproval

Paragraph (k)(4) specifies the timeframe for an owner or operator to correct deficiencies to the plan once a written notification of disapproval from the Executive Officer is received.

Paragraph (k)(5)– Alternative Compliance Schedule Plan Second Disapproval

Paragraph (k)(5) specifies the schedule and actions that an owner or operator of a Unit(s) must take when a second plan disapproval is received. The facility must decommission the unit pursuant to the compliance schedule in Table 3 in paragraph (e)(2) or submit permit application for the Phase II Emission Limit within 60 days of receiving the disapproval.

Paragraph (k)(6) – Modifications to an Approved Alternative Compliance Schedule Plan

Paragraph (k)(6) specifies the requirements that are necessary for an owner or operator that is requesting to modify an approved Alternative Compliance Schedule Plan.

Paragraph (k)(7) – Modifications to an Approved Alternative Compliance Schedule Plan Review

Paragraph (k)(7) specifies that the Executive Officer will review any modifications to an approved Alternative Compliance Schedule Plan in accordance to paragraph (k)(2).

Paragraph (k)(8) – Alternative Compliance Schedule Plan Progress Updates Submittal

Paragraph (k)(8) specifies the requirements that an owner or operator must mee to verify the progress of Alternative Compliance Schedule Plan.

Paragraph (k)(9) – Notification of Pending Approval of an Alternative Compliance Schedule Plan

Paragraph (k)(9) specifies the availability of Alternative Compliance Schedule Plans to the public and any update on status as the Executive Office deems it approved or disapproved.

Paragraph (k)(10) – Plan Fees

Paragraph (k)(10) states that an owner or operator of a facility that submits an Alternative Compliance Schedule Plan or requests to modify an approved Alternative Compliance Schedule Plan will be subject to applicable plan fees pursuant to Rule 306 – Plan Fees.

Exemptions [Subdivision(1)]***Paragraph (1)(1) – Exemptions***

Paragraph (1)(1) has been updated to include equipment regulated under Rule 1147 - NOx Reductions from Miscellaneous Sources and units with a rated heat input capacity less than 325,000 Btu/hr. The definition of afterburner was expanded to include thermal oxidizers, and vapor incinerators as defined by Rule 1147.

The exemption of not requiring units heated solely with infrared burners to demonstrate compliance with PAR 1153.1 Table 1 limits by an approved Source Test protocol was removed.

The demonstration of one pound or less of NOx per day was moved to subdivision (i) as a separate subdivision.

Paragraph (1)(2) – Exemptions

Paragraph (1)(2) exempts an owner or operator of a unit electing to comply with the one pound or less of NOx per day emission limit from source testing requirements pursuant to subdivision (g).

CHAPTER 4 : IMPACT ASSESSMENT

INTRODUCTION

EMISSIONS INVENTORY AND EMISSION REDUCTIONS

COST-EFFECTIVENESS AND INCREMENTAL COST-EFFECTIVENESS

SOCIOECONOMIC ASSESSMENT

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

COMPARATIVE ANALYSIS

INTRODUCTION

Proposed Amended Rule 1153.1 (PAR 1153.1) is expected to impact 202 units located at approximately 97 facilities. Of the estimated 97 facilities, 6 facilities are identified as participants in the RECLAIM program. Rule 1153.1 was initially adopted on November 7, 2014, and established NO_x emission limits for commercial food oven located at non-RECLAIM facilities. It is expected that most of the equipment subject to PAR 1153.1 at non-RECLAIM facilities is already in compliance with emission limits of PAR 1153.1. Approximately 131 units that are currently subject to the existing limits currently have a limit of 30 ppmv, so it is expected that approximately 93 units will be subject to the requirement to submit permit applications once the burner age reaches 25 years and comply with the lower limits when the burner reaches 10 years of age, which staff has identified as the end of the burner's useful life.

EMISSIONS INVENTORY

The total NO_x inventory for the RECLAIM and non-RECLAIM units affected by PAR 1153.1 is estimated to be 0.2 tpd based on the South Coast AQMD annual emissions report (AER) inventory database for compliance year 2019 for permitted units or audited RECLAIM reported emission data. The South Coast AQMD AER program was developed to track emissions of air contaminants from permitted facilities. Facilities with annual emissions exceeding 4 or more tons per year of NO_x, sulfur oxides, volatile organic compounds, specific organics, particulate matter, or emissions of 100 tons per year or more of CO are required to submit an annual emissions report. Facilities could also be required to submit AER if the facility receives a notification from South Coast AQMD or is subject to the AB2588 Program for reporting quadrennial updates to its toxics inventory. For each piece of RECLAIM equipment, the annual activity is estimated using the facility's reported emissions for the compliance year of 2019 and fuel usage is calculated using an emission factor represented by the permit limit specific for each unit.

PAR 1153.1 will impact 97 facilities with commercial food ovens and staff will use 2019 NO_x emissions as the baseline. Six facilities are currently subject to RECLAIM and 91 facilities are non-RECLAIM facilities. The emissions from the six RECLAIM facilities emissions are measured and reported to AER – the emissions are 0.028 tpd. For the 91 non-RECLAIM facilities, only 9 facilities submitted AER NO_x emissions which totaled 0.047 tpd. Only 9 facilities have the criteria pollutants potential to emit (PTE) greater than the AER thresholds of 4 tons per year. In addition, most the non-RECLAIM facilities have small roasters that qualify for the exemption and emit less than one pound per day of NO_x emissions. To estimate emissions for the other 82 facilities, staff evaluated the following information:

- Equipment types and number of food ovens located at facility
- Operational days per week
- Burner size or rated heat input capacity

Staff compared the information to similar equipment categories in the information survey that was sent out to facilities. Staff averaged the emissions information for similar equipment to estimate pounds per day of NO_x emissions. Facilities baseline emission estimates were presented in Working Group Meeting #3, as listed in the following table.

Table 44-1. Facility 2019 Baseline Emission Estimates

Equipment	Burner Size (MMBtu / hr)	Number of Facilities *	Operational Days per Week	NOx Emissions Assumption Per Unit (lbs/day)	NOx Emissions for Category (tons/year)	NOx Emissions Estimate (tons/day)
Roasters	3 or less	38	5	0.9	4.4	0.017
Dryers	3.2 or less	5	7	4.5	4.1	0.011
Smokehouses/ Drying Ovens	5 or less	4	7	4.5	3.3	0.015
Baking & Cooking Ovens	7.2 or less	33	7	5.2	31.2	0.085
Tortilla Ovens	9.8 or less	6	7	2.9	21.9	0.06
Non-RECLAIM with AER	9 Facilities					0.047
					RECLAIM	0.028
					Rule Total	0.26

*Two smokehouse ovens were not included in the emission estimates - one of these ovens is electric, and the other is electric and steam heated

After the table was presented in Working Group Meeting#3, staff identified several more units at the non-RECLAIM facilities with a total estimated NOx emissions of 0.008 tpd and as a result, the baseline NOx emissions increased from 0.192 to 0.26 tpd. The change in the estimated baseline NOx emissions was reflected in Working Group Meeting#8 discussions. Emission reductions were calculated by first summing the total 2019 baseline NOx emissions for all units subject to the rule. Then using the existing concentration limit in ppmv or the emission factor (converted to ppmv) found in equipment permits, the difference between existing permit limits and the proposed concentration limits in PAR 1153.1 was calculated. This difference was then applied to the total 2019 baseline emissions for all units.

COST-EFFECTIVENESS

California Health and Safety Code Section 40920.6 requires a cost-effectiveness analysis when establishing BARCT requirements. The cost-effectiveness of a control technology is measured in terms of the control cost in dollars per ton of air pollutant reduced for each class and category of equipment. The costs for the control technology include purchasing, installation, operating, and maintaining the control technology.

South Coast AQMD typically relies on the Discounted Cash Flow (DCF) method which converts all costs, including initial capital investments and costs expected to be incurred in the present and all future years of equipment life, to a present value. Conceptually, it is as if calculating the amount of funds that would be needed at the beginning of the initial year to finance the initial capital investments but also funds to be set aside to pay off the annual costs as they occur in the future. The fund that is set aside is assumed to be invested and generate a rate of return at the chosen

discount rate. The final cost-effectiveness measure is derived by dividing the present value of total costs by the total emissions reduced over the equipment life of 25 years.

Table 44-2. Cost-Effectiveness

Equipment Categories		Cost-Effectiveness at 30 ppmv	Cost-Effectiveness at 0 ppmv
Bakery Ovens	(≤3 MMBtu/hr)	\$93,000	\$290,000
	(>3 MMBtu/hr)		\$400,000
Indirect-Fired Bakery Ovens		\$0 (Currently achieving)	--
Griddle Ovens		\$94,000	\$514,000
Tortilla Ovens	(IR burners only)	\$29,000	\$400,000
	Ribbon & IR Burners)		
Cooking Ovens	(≤3 MMBtu/hr)	\$0 (Currently achieving)	\$190,000
	(>3 MMBtu/hr)		\$560,000
Drying Ovens		\$22,000	\$350,000
Dryers		\$18,000	--
Smokehouses		\$43,000	\$60,000
Roasters		\$85,000	\$820,000

The cost-effectiveness for four equipment categories (bakery ovens ≤3 MMBtu/hr, Indirect-Fired Bakery Ovens, Cooking ovens ≤3 MMBtu/hr, and Smokehouses) showed to be below the \$325,000 (\$349,000 adjusted to 2022-dollar year) cost-effectiveness threshold established in the 2022 AQMP.

INCREMENTAL COST-EFFECTIVENESS

Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for BARCT rules or emission reduction strategies when there is more than one control option which would achieve the emission reduction objective of the proposed amendments relative to ozone, carbon monoxide, sulfur oxides, oxides of nitrogen, and their precursors. Incremental cost-effectiveness is the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option. Incremental cost-effectiveness was calculated for the transition from 30 ppm_v NO_x control technology to zero-emission technology for four categories of

commercial food ovens where staff determined zero-emission technology is technically feasible. Below is a table summarizing the incremental cost-effectiveness for each category considered in the BARCT Assessment.

Table 44-3. Incremental Cost-Effectiveness

Equipment Categories		Incremental Cost-Effectiveness (30 ppmv to 0 ppmv)
Bakery Ovens	(≤3 MMBtu/hr)	\$291,000
	(>3 MMBtu/hr)	\$763,000
Indirect-Fired Bakery Ovens		N/A
Griddle Ovens		N/A
Tortilla Ovens		\$626,000
Cooking Ovens	(≤3 MMBtu/hr)	\$173,000
	(>3 MMBtu/hr)	\$542,000
Drying Ovens		\$288,000
Dryers		N/A
Smokehouses		\$65,000
Roasters		\$745,000

EMISSION REDUCTIONS

The following table summarizes the estimated emission reductions for PAR 1153.1 by category. The estimated emission reductions are 0.11 tpd at full implementation and will be achieved through burner or unit replacement at the end of useful life.

Table 44-4. Emission Reductions by Commercial Food Oven Category

Equipment Categories		NO _x Emission Reductions at 30 ppmv (tpd)	NO _x Emission Reductions at 0 ppmv (tpd)	NO _x Emission Reduction at Full Implementation
Bakery Ovens	(≤ 3 MMBtu/hr)	0.004	0.06	0.06
	(> 3 MMBtu/hr)	0.0043	N/A	0.0043
Griddle Ovens		0.001	N/A	0.001
Tortilla Ovens	IR burners	N/A	N/A	N/A
	Ribbon/IR	0.015		0.015
Cooking Ovens	(≤ 3 MMBtu/hr)	Currently achieving	0.019	0.019
	(> 3 MMBtu/hr)		N/A	N/A
Drying Ovens		0.001	N/A	0.001
Dryers		0.006	N/A	0.006
Smokehouses		0.001	0.006	0.006
Roasters		0.0002	N/A	0.0002
Total				0.11

ANTICIPATED SCHEDULE FOR EMISSION REDUCTIONS

Phase I emission limits become effective upon rule adoption and will be required at the end of burner useful life with emission reductions of approximately 0.03 tpd. Phase II limits becomes effective January 1, 2027 and will be required at the end of equipment useful life. Staff evaluated facility permits to estimate equipment age for units subject to the Phase II emission limits to estimate the timeline for compliance, emission reductions, and impact on the electrical grid. The following charts summarize the age distribution of equipment subject to the Phase II emission limits as of 2023 and the anticipated timeframe for transition to zero-emission equipment. PAR 1153.1 will achieve ~82 percent% of the emission reductions by 2036 and the remaining 18 percent% will occur by 2043. The remaining 18% percent of units are five years old or less and were installed or retrofit to comply with the 2014 rule adoption. The compliance schedule allows for those units to reach the end of their useful life to address stranded assets. Emissions reductions at full implementation is approximately 0.11 tpd.

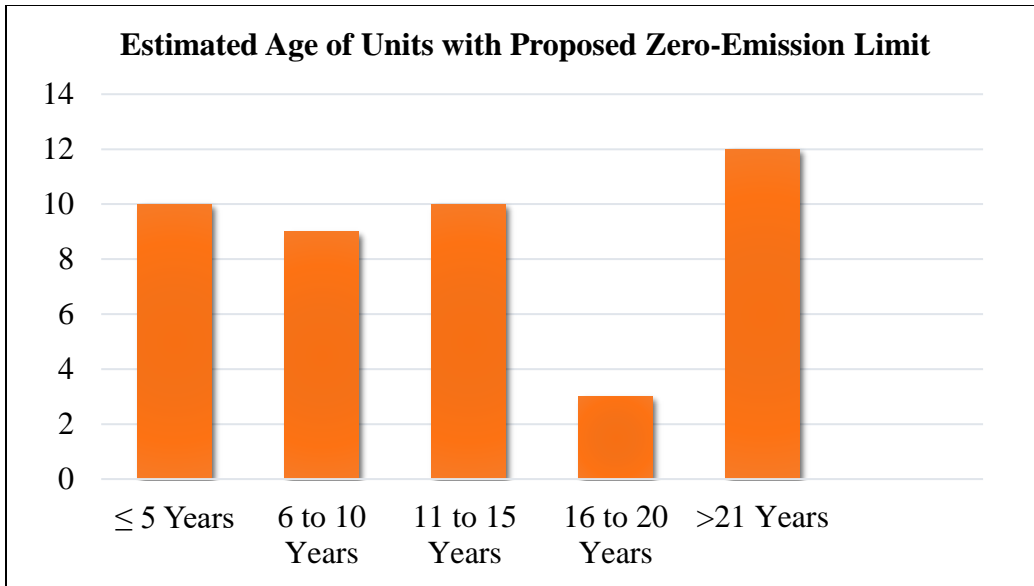


Figure 4-1. Estimated Age of Units Subject Phase II as of 2023

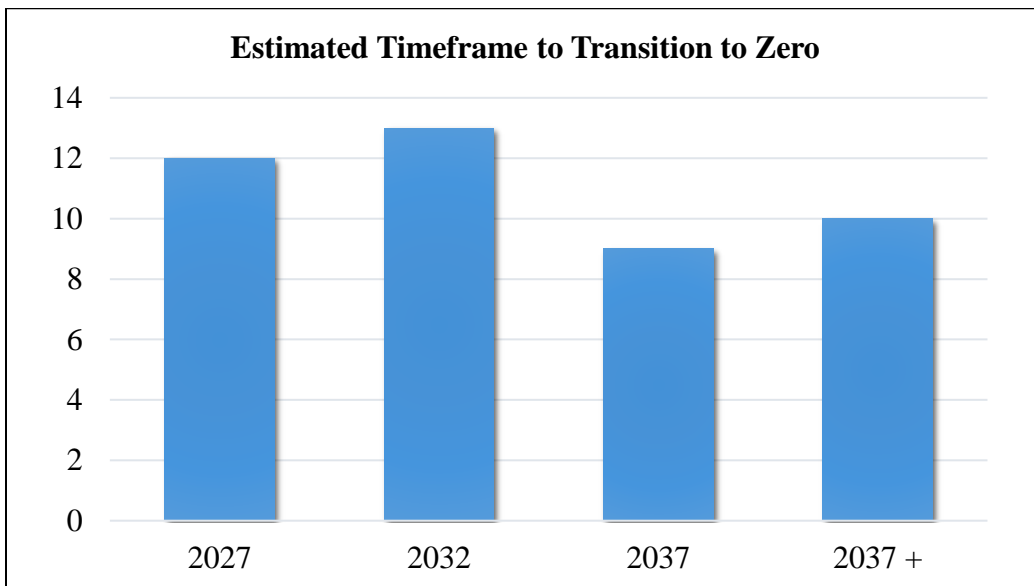


Figure 4-2. Estimated Timeframe Zero-Emission Transition

SOCIOECONOMIC IMPACT ASSESSMENT

The Draft Socioeconomic Impact Assessment for PAR 1153.1 will be released no later than July 5, 2023, for a 30-day public review period.

CALIFORNIA ENVIRONMENTAL QUALITY ACT ANALYSIS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PAR 1153.1) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines

~~Section 15062, and if the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research. Pursuant to the California Environmental Quality Act (CEQA) and the South Coast AQMD's certified regulatory program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(l) and South Coast AQMD Rule 110, South Coast AQMD, as the lead agency, is reviewing the proposed project (PAR 1153.1) to determine if it will result in any potential adverse environmental impacts. Appropriate CEQA documentation will be prepared based on the analysis.~~

DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727

Requirements to Make Findings

California Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing, and in the staff report.

Necessity

Proposed Amended Rule 1153.1 is needed to establish BARCT requirements for facilities that will be transitioning from RECLAIM to a command-and-control regulatory structure and to partially implement the 2022 AQMP by establishing zero-emission NOx limits where feasible.

Authority

The South Coast AQMD Governing Board has authority to adopt amendments to Rule 1153.1 pursuant to the California Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 through 40728, and 41508.

Clarity

Proposed Amended Rule 1153.1 is written or displayed so that its meaning can be easily understood by the persons directly affected by it.

Consistency

Proposed Amended Rule 1153.1 is in harmony with and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

Non-Duplication

Proposed Amended Rule 1153.1 will not impose the same requirements as any existing state or federal regulations. The proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

REFERENCE

In drafting Proposed Amended Rule 1153.1, the following statutes which South Coast AQMD hereby implements, interprets or makes specific are referenced: Health and Safety Code Sections 39002, 40000, 40001, 40702, 40440(a), 40440(b), 40440(c), 40725 through 40728.5, and 41508.

COMPARATIVE ANALYSIS

Under Health and Safety Code Section 40727.2, South Coast AQMD is required to perform a comparative analysis when adopting, amending, or repealing a rule or regulation. The comparative analysis is relative to existing federal requirements, existing or proposed South Coast AQMD rules and air pollution control requirements and guidelines which are applicable to combustion

equipment subject to PAR 1153.1. The comparative analysis for PAR 1153.1 can be found in the following table below.

Staff is not aware of any state or federal requirements regulating air pollution that are applicable to the new or in-use equipment subject to PAR 1153.1.

Table 44-5. Comparative Analysis for PR 1153.1 with South Coast AQMD Rules

Rule Element	PAR 1153.1	RECLAIM	Rule 1147
Applicability	Commercial food ovens including, but not limited to, bakery ovens, griddle ovens, tortilla ovens, drying ovens, smokehouses, dryers, and roasters with NOx emissions that are used to prepare food or products for making beverages for human consumption.	Facilities regulated under the NOx RECLAIM program (SCAQMD Reg. XX)	Ovens, dryers, dehydrators, heaters, kilns, calciners, furnaces, crematories, incinerators, heated pots, cookers, roasters, fryers, closed and open heated tanks and evaporators, distillation units, afterburners, degassing units, vapor incinerators, catalytic or thermal oxidizers, soil and water remediation units and other combustion equipment with nitrogen oxide emissions that require a District permit and are not specifically required to comply with a nitrogen oxide emission limit by other District Regulation XI rules
Requirements	<p>Phase I</p> <ul style="list-style-type: none"> • Directly Fired Bakery Ovens <ul style="list-style-type: none"> ○ ≤ 3 MMBTU – 30 ppmv ○ >3 MMBTU – 30 ppmv • Indirectly-Fired Bakery Ovens – 30 ppmv • Griddle Ovens – 30 ppmv • Tortilla Ovens • Heated solely by IR burners – 15 ppmv • All other Tortilla ovens – 30 ppmv • Cooking Ovens <ul style="list-style-type: none"> ○ ≤ 3 MMBTU – 30 ppmv ○ >3 MMBTU – 30 ppmv • Drying Ovens – 30 ppmv • Smokehouses – 30 ppmv • Dryers – 30 ppmv • Roasters – 30 ppmv <p>Phase II</p> <ul style="list-style-type: none"> • Directly Fired Bakery Ovens ≤ 3 MMBTU – 0 ppmv • Indirectly Fired Bakery Ovens – 0 ppmv • Cooking Ovens ≤ 3 MMBTU – 0 ppmv • Smokehouses – 0 ppmv 	<p>RECLAIM 2005:</p> <ul style="list-style-type: none"> • Boilers and Heaters <20 MMBtu/hr: 12 ppmv • Boilers and Heaters ≥ 20–<40 MMBtu/hr: 9 ppmv • Boilers and Heaters ≥ 40–≤ 110 MMBtu/hr: 25 ppmv • Boilers and Heaters >110 MMBtu/hr: 5 ppmv • Petroleum Refining, Calciner: 30 ppmv • Petroleum Refining, FCCU: 85% reduction for FCCU and CO Boiler <p>RECLAIM 2015:</p> <ul style="list-style-type: none"> • Boilers and Heaters ≥ 40 MMBtu/hr: 2 ppmv @ 3% O₂ • Petroleum Refining, Calciner: 10 ppmv • Petroleum Refining, FCCU: 2 ppmv @ 3% O₂, dry • Refinery Gas Turbines: 2 ppmv @ 15% O₂, dry • Sulfur Recovery Units/Tail Gas Incinerator: 2 ppmv NOx @ 3% O₂, dry 	<ul style="list-style-type: none"> • Calciner and Kiln ($\geq 1200^\circ\text{F}$): 60 ppmv at 3% O₂ or 0.073 lb/MMBTU • Incinerator, Afterburner, Remediation Unit, and Thermal Oxidizer: 60 ppmv or 0.073 lb/MMBTU

Rule Element	PAR 1153.1	RECLAIM	Rule 1147
Reporting	<ul style="list-style-type: none"> • Owner and operator with units subject to Phase II emission limits must report the age of unit and anticipated date of replacement before Phase II emission limits effective date • RECLAIM Facilities must continue to comply with reporting requirements pursuant to Reg XX until facility becomes former RECLAIM Facility 	<ul style="list-style-type: none"> • Daily electronic reporting for major sources • Monthly to quarterly reporting for large sources and process units • Quarterly Certification of Emissions Report and Annual Permit Emissions Program for all units 	None
Monitoring	<ul style="list-style-type: none"> • Install and maintain in service non-resettable, totalizing, fuel meters for each unit's fuel(s) for a unit complying with applicable limit using pounds per million BTU • Owners or operators of units shall determine compliance with the applicable emission limit using a District approved test protocol 	<ul style="list-style-type: none"> • A continuous in-stack NOx monitor for major sources • Source testing once every 3 years for large sources • Source testing once every 5 years for process units 	<ul style="list-style-type: none"> • Owners or operators of units shall determine compliance with the applicable emission limit using a District approved test protocol • Install and maintain in service non-resettable, totalizing, fuel meters for each unit's fuel(s) for a unit complying with applicable limit using pounds per million BTU
Record Keeping	<ul style="list-style-type: none"> • Maintain Source Test and Phase II Emission Limits documentation on site for five years and made available to South Coast AQMD upon request 	<ul style="list-style-type: none"> • Quarterly log for process units • < 15-min. data = min. 48 hours; ≥ 15-min. data = 3 years (5 years if Title V) • Maintenance & emission records, source test reports, RATA reports, audit reports and fuel meter calibration records for Annual Permit Emissions Program = 3 years (5 years if Title V) 	<ul style="list-style-type: none"> • Records of source tests shall be maintained for ten years and made available to District personnel upon request • Maintain on site at the facility where the unit is being operated a copy of the manufacturer's, distributor's, installer's or maintenance company's written maintenance schedule and instructions and retain a record of the maintenance activity for a period of not less than three years • Maintain on site a copy of all documents identifying the unit's rated heat input capacity for as long as the unit is retained on-site

APPENDIX A: COMMENTS AND RESPONSES

PUBLIC WORKSHOP COMMENTS

Staff held a Public Workshop on March 30, 2023, to provide a summary of PAR 1153.1. The following is a summary of the verbal comments received on PAR 1153.1 and staff's responses.

Commenter #1: John Furlong – Yorke Engineering

John Furlong expressed concern regarding potential confusion if the planned technology assessments are not explicitly included in the proposed rule language.

Staff Response to Commentor #1:

Staff responded by explaining that the technology assessments are generally included in the South Coast AQMD resolution and not directly in the rule language. South Coast AQMD resolutions are legally binding documents.

Commenter #2: Scott Weaver – Ramboll

Scott Weaver expressed concern about the speed of the Phase II and Phase III compliance schedule and the commercial availability of zero-emission equipment for various categories. Commenter also expressed concern regarding the cost-effectiveness values presented by staff and additional direct and indirect costs that were not included.

Staff Response to Commentor #2:

Staff responded by pointing out that an Alternate Compliance Schedule Plan is considered in the proposed rule language to address instances where facilities would need more time to comply with Phase II and Phase III emission limits due to electrical upgrade timelines of the public utility. Staff also explained that more time has been given to larger units that would require larger electrical upgrade due to higher electrical demand. Staff did conduct further research into the costs associated with electrification and updated the cost-effectiveness analysis.

Commenter #3: Joseph Steirer – Yorke Engineering

Joseph Steirer expressed concern about whether the rule would be applicable to the units subject to South Coast AQMD Rule 222, the speed of Rule 1153.1 amendment process, and inclusion of the technology assessment in the rule language.

Staff Response to Commentor #3:

Staff clarified that in the current rule proposal, the units subject to Rule 222 would not be subject to the PAR 1153.1 requirements, but those units would be potentially considered to be subject to the proposed rule in the future. Staff amended the rule to clarify that these units would remain exempt in PAR 1153.1 and added the technology assessment requirement to the rule language to address this comment.

Commenter #4: Evan Gillespie – Industrious Labs

Evan Gillespie expressed concern regarding any further delays in the rule amendment especially with the tight deadlines to meet our air quality goals. He also expressed disagreement with some of the accommodations made to industry stakeholders, including the extended compliance schedules.

Staff Response to Commentor #4:

Staff appreciates the comment and initially worked toward maintaining the June Public Hearing date but ultimately, it was delayed to August. The proposed compliance schedule was developed to accommodate the time needed for the zero-emission technology to emerge and for the facilities to adjust their operations. Staff understands the concerns that proposed compliance schedule could lead to further delays and added several hard dates as backstops provisions to trigger unit replacement.

Commenter #5: Jed Holtzman – RMI

Commenter #5 expressed concern regarding potential emission impacts as a result of delayed compliance or transition to zero-emission equipment due to strategically timed replacement of burners.

Staff Response to Commentor #5:

Staff's proposal to allow additional time to for a facility to transition to zero-emission ovens when they replace a burner is to address the issue of a stranded asset. PAR 1153.1 relies on technology forcing limits, meaning the zero-emission technology does not exist today. A facility may not have the option to transition to zero-emission technology before a future effective date. In that case, staff is proposing to allow the burner to reach a ten-year useful life before requiring the oven's replacement. Staff added backstop date of January 2, 2036, to prevent a facility from changing burners to continually delay transitioning to zero-emission technology.

Commenter #6: Mark Abromowitz – CES

Mark Abromowitz expressed concern regarding the delayed implementation timelines due to delayed infrastructure upgrades and requested the inclusion of alternate electricity sources, such as fuel cells, in the assessment to expedite the transition to zero-emission equipment. Commenter expressed additional concern regarding the Alternative Compliance Schedule Plan to be perceived as utility-centric and not technology-neutral, and allowing for an alternative compliance schedule would result in delayed emission reductions that would otherwise be met if the plan was more technologically inclusive.

Staff Response to Commentor #6:

Staff evaluated photovoltaic solar and fuel cell technologies as potential options to offset electricity cost to address Mr. Abromowitz's concern. The costs considerations included capital, installation, annual service contracts, and O&M costs. Upon assessment of solar technologies, staff concluded that the average photovoltaic solar square foot coverage for a commercial application would only provide approximately five to fifteen percent of the electricity needed to run an average sized electric oven, and therefore, it would not significantly offset the fuel-switching costs. Despite the applicability of the 2022 AQMD cost-effectiveness threshold of \$325,000 (\$349,000 adjusted to 2022-dollar year) per ton of NOx reduced, fuel cell would increase costs considerably above the cost-effectiveness threshold for a very small amount of NOx emission reductions. The installation of solar panels did reduce costs for the smaller units; however, they lead to higher costs estimates for the larger units due to high upfront costs. The assessment of using fuel cell technologies as a potential option to offset electricity costs had the highest impact on the increased cost-effectiveness. The significant increase was a result of additional capital and annual recurring fuel cost necessary to operate the systems. Staff's assessment is provided in Chapter 2 of this Staff Report.

COMMENT LETTERS

COMMENT LETTER #1



April 5, 2023

Mr. Sarady Ka
 Program Manager
 South Coast Air Quality Management District (SCAQMD)
 21865 Copley Drive
 Diamond Bar, CA 91765
 Phone: 909) 396-2331
 E-mail: SKa@aqmd.gov

Subject: Comments on SCAQMD Proposed Amended Rule 1153.1

Dear Mr. Ka:

On behalf of Bimbo Bakeries USA, Inc (BBU), Yorke Engineering, LLC (Yorke) has prepared this letter to provide comments on the proposed amendments to South Coast Air Quality Management District (SCAQMD) Rule 1153.1: Emissions of Oxides of Nitrogen (NO_x) from Commercial Food Ovens. This letter also addresses the SCAQMD questions submitted to BBU on 3/21/2023 and 3/28/2023.

We appreciate SCAQMD staff incorporating some of our feedback from the previous working group meeting. However, there are still several comments and points that we would like to provide in this letter. We are also disappointed that the food industry has been singled out for the first ever Zero Emission regulation. The baking sector provides nutritious and low-cost products to our consumers. The related NO_x emissions from baking industry are a fraction of the SCAQMD overall NO_x emissions when compared to other industry's stationary sources and mobiles sources.

Comment
1-1

BBU BACKGROUND

BBU operates two facilities in the SCAQMD with five direct-fired bakery food ovens that would be impacted by Proposed Amended Rule (PAR) 1153.1. One facility, located in Montebello (SCAQMD Facility ID 132068), is a current NO_x Regional Emission Clean Air Incentives Market (RECLAIM) facility, while the other facility, located in Placentia (Facility ID 176788), is a minor source facility. A summary of these five units is provided in Tables 1 and 2.

Table 1: BBU SCAQMD Food Oven Information and PAR 1153.1 Deadlines – Placentia

Equipment Name	Heat Input Rating (MMBtu/hr)	Current NO _x Limit (3% O ₂)	Burner Age	Unit Age ¹	Phase I Deadline (30 ppm NO _x)	Phase II Deadline (0 ppm NO _x) ²
Muffin Line #1	1.95	60 ppm	2017	2000	7/1/2039	7/1/2027
Muffin Line #2	1.95	60 ppm	2017	2000	7/1/2039	7/1/2027

Comment
1-2

¹ All ovens were estimated to be built in the year 2000 or older except Oven #5 at Montebello.

² There is an additional Phase III Compliance Deadline but it does not apply to Placentia facilities, as it only applies to bakery ovens with Heat Input Rating over 3 MMBtu/hr.

Mr. Sarady Ka
 April 5, 2023
 Page 2 of 9

Table 2: BBU SCAQMD Food Oven Information and PAR 1153.1 Deadlines – Montebello

Equipment Name	Heat Input Rating (MMBtu/hr)	Current NO _x Limit (3% O ₂)	Burner Age	Unit Age ¹	Phase I Deadline (30 ppm NO _x)	Phase III Deadline (0 ppm NO _x) ³
Oven #1 ⁴	6.5	30 ppm	2023	2000	Compliant	7/1/2033
Oven #3	6.075	51.4 ppm	2000 ⁵	2000	7/1/2024	7/1/2034 ⁶
Oven #5 (Bun Roll Line)	12.32	30 ppm	2019	2019	Compliant	7/1/2044

BBU CORPORATE BACKGROUND

BBU is a leader in the baking industry, known for its category-leading brands, innovative products, freshness and quality. Our team of 20,000 U.S. associates operates 60 manufacturing locations in the United States. Over 11,000 distribution routes deliver our leading brands such as Arnold®, Artesano®, Ball Park®, Bimbo®, Boboli®, and Brownberry®, Entenmann's®, Little Bites®, Marinela®, Mrs Baird's®, Oroweat®, Sara Lee®, Stroehmann®, and Thomas'®. Bimbo Bakeries USA is part of Mexico's Grupo Bimbo, S.A.B de C.V., the world's largest baking company with operations in 34 countries.

BBU is regarded as one of the leaders in Sustainability for the Food & Beverage Industry.

- Earned USEPA Energy Star Partner of the Year Award for the 6th Year in Row for its company wide commitment to energy management strategy and leadership.
- Earned USEPA ENERGY STAR certification for superior energy efficiency at 18 BBU facilities across the country, sustaining the record for the highest number of certifications in the baking industry.
- Won the USEPA ENERGY STAR Challenge for Industry at two bakeries, Atlanta, GA and Kent, WA. The Atlanta bakery reduced its energy intensity by 11 percent, and the Kent bakery by 18 percent, within three years. This is the Atlanta bakery's third time meeting this goal.
- Received a 2022 USEPA Green Power Leadership Award from the U.S. Environmental Protection Agency (EPA) for outstanding clean energy initiatives and impact on the green power market.
- In 2021, BBU took a step forward in its sustainability efforts by expanding its existing solar and battery storage systems. The company signed an Environmental Services Agreement (ESA) with GreenStruxure to deploy microgrids at all 6 of its California

Comment
1-2 cont.

³ The Phase II deadline will not apply to any Montebello facilities, since all three units will have burners that are less than 10 years old up to the Phase III deadline. If the Phase II deadline would apply, it would require hybrid ovens for all three units as of July 1, 2017.

⁴ Oven #1 currently has a permit limit of 51.4 ppm NO_x at 3% O₂ and is rated at 4.672 MMBtu/hr but is expected to complete a burner modification to be compliant with 30 ppm NO_x by March 31, 2024.

⁵ The burner of Oven #3 is assumed to have been last replaced in the year 2000 or earlier.

⁶ The Phase III deadline for Oven #3 assumes that the burners will be modified with new low NO_x burners by the Phase I compliance deadline, which is July 1, 2024.

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 April 5, 2023
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bakeries. The microgrids, comprised of solar and battery storage systems, will be installed at the Montebello, Placentia, South San Francisco, Sacramento, Oxnard, and San Luis Obispo locations. Together with the existing 1 Megawatt (MW) solar array in Escondido, these microgrids will generate more than 7 MWs of renewable energy. Based on EPA estimates, this is equivalent to removing approximately 14,000 metric tons of CO₂e and about 45 metric tons of NO_x emissions from a natural gas power plant per year.

- Additionally, BBU was awarded a \$1.1 million grant by the California Energy Commission to replace oversized and outdated legacy boilers at its California bakeries with high-efficiency low NO_x boilers. The boiler replacements, which are scheduled for completion in 2023, will not only reduce natural gas usage by 15%, but also significantly decrease NO_x emissions.

BBU USA Oven Operation General Information

BBU operates 139 food ovens in the United States. The oldest active operating oven has been in operation since 1948 (over 70 years), and the most recent oven was installed in 2021. The average current active life of the ovens is over 40 years (1991), with the median age of BBU's ovens currently being 32 years. Aside from the building structure, the oven represents that largest financial asset at a commercial bakery. These ovens cost multi-millions of US dollars. Therefore, there are comprehensive preventative maintenance programs in place at our bakeries to ensure these ovens provide baked products for decades. As provided in Tables 1 and 2, four of the five current food ovens have been operating for over 22 years. Based on the lifespan of the BBU ovens, a 30- or 40-year lifespan might be a better basis for determining the unit life for the ovens for PAR 1153.1 compliance.

BBU ELECTRIC OVEN CHALLENGES

Placentia Muffin Lines

Although the units at Placentia have a lower heat input rating, they have significantly higher operating temperatures, between 550-900°F, depending on which of the three burner zones the muffins are entering on the conveyor cooking process. BBU has a proprietary protected process on the manufacturing of Thomas English Muffins. This includes the direct fired oven design, which is proprietary. Competitors cannot replicate it, which makes it unique/iconic. Most english muffin baking involves ring bake, meaning the dough piece is placed in a pocket/pan shaped in a ring. Thomas muffins are free flowing and baked directly on the steel griddle. Therefore, these ovens require higher temperatures than the other ovens in BBU's fleet and other english muffins lines. Assuming all the other barriers are overcome, such as infrastructure upgrades, utility power supply, increased safety risks, tech availability, etc., the oven's original equipment manufacturer (OEM) and BBU's baking technology personnel are extremely concerned with not being able to replicate this product via current available electric oven technology. The current electric technology would simply not be able to provide the needed British thermal units per pound (BTU/lb) of dough mass for proper baking.

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Montebello Oven Lines

The Montebello direct fired ovens have their own barriers to overcome. Although they operate at lower oven temperatures, typically between 400-500°F, the flexibility of the ovens to manufacture more than 40 different products at varying temperatures, ingredients, and yeast concentrations required BBU technical staff years to perfect those product recipes. Replicating those recipes on electric ovens is a difficult challenge. There is more to baking than just the baking temperature. Heat Transfer is also critical with radiant, conductive, and convection all being important. Time is also an extremely important aspect of baking. Electric ovens create different heated air currents than natural gas ovens, making it difficult and time consuming to modify those recipes for use with different technologies. The Montebello operation utilizes tunnel ovens for bread and a conveyerized oven for buns. BBU is not aware of electric versions being available today that can meet the needed BTU/lb of dough mass and heat transfer at the run rates of these ovens.

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1-3 cont.

SCAQMD RULE 1153.1 PERMIT HISTORY

SCAQMD Rule 1153.1 was initially adopted on September 4, 2014. Food ovens were previously required to comply with the emission limit requirements of Rule 1147 (adopted in 2011). Rule 1147 established standard emission limits for all miscellaneous combustion equipment outside of boilers, engines, and turbines. However, the NO_x limits for food ovens under Rule 1147 were not feasible for food ovens, so the SCAQMD adopted Rule 1153.1 to allow in-use ovens to meet emission limits of 40 parts per million (ppm) NO_x corrected to 3% oxygen (O₂) for food ovens operating 500°F or less and 60 ppm NO_x at 3% O₂ for food ovens operating over 500°F. These limits are the current operating limits for BBU ovens at the Placentia facility.

The Montebello facility was not required to meet these limits, since the Montebello facility is in the RECLAIM program. Facilities in RECLAIM are exempt from many SCAQMD NO_x emission limit rules because emission reductions for these facilities are obtained through a credit trading program. The Montebello facility's air permit still has NO_x emission limits for all permitted combustion equipment, but some limits may be higher than the SCAQMD rule limit that would otherwise apply to the equipment.

In October 2016, as part of the SCAQMD 2016 Air Quality Management Plan (AQMP) control measure CMB-05, and accelerated by Assembly Bill (AB) 617, SCAQMD pushed to end RECLAIM emissions trading program, with impacted facilities beginning a transition for RECLAIM facilities to meeting the same requirements as non-RECLAIM facilities. Consequently, the SCAQMD has been modifying all of its NO_x emissions rules over the last 5 years and creating a few new rules to adopt the same emissions standards for all SCAQMD permitted equipment (previously only required for non-RECLAIM facilities). Many of these rules have already been updated, including the rules for boilers (Rules 1146, 1146.1, and 1146.2) and catalytic oxidizers and fryers (Rule 1147).

In July 2021, the SCAQMD held their first working group meeting for proposed amendments for Rule 1153.1. Over the next 15 months, the SCAQMD held five working group meetings and one public workshop, and they proposed draft rule language during the workshop on October 6, 2022. The draft rule language at that time proposed that the new NO_x emission limit for food ovens would be 30 ppm NO_x at 3% O₂ with up to 22 years after the start of new ovens to meet this lower emission limit.

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In addition to these meetings and workshops, Yorke and BBU staff hosted two SCAQMD site visits, provided cost effectiveness data to SCAQMD staff, and had multiple meetings to discuss the state of technology for food ovens and emphasize BBU's push to be more environmentally sustainable through its entire process.

PAR 1153.1 was initially scheduled to go to the Hearing Board with these revisions in December 2022. However, sometime in November, the December PAR 1153.1 meeting was removed from the calendar without notice. On February 2, 2023, the SCAQMD held its sixth working group meeting on PAR 1153.1 and released a draft presentation a few days earlier on January 27th. In the presentation and as discussed during that working group meeting, the SCAQMD changed the previous proposed limit of 30 ppm NO_x at 3% O₂ for bakery, cooking, drying, and smokehouse ovens and proposed a new Best Available Retrofit Control Technology (BARCT) limit of 0 ppm NO_x. This limit would prohibit NO_x emissions from new and existing ovens, which the SCAQMD deemed to be feasible for this equipment with electric ovens. Yorke and BBU staff shared uneasiness with this new limit during the working group meeting on February 2, 2023.

Yorke and BBU staff held a Zoom meeting on March 6, 2023, to address initial issues with the proposed BARCT requirements in PAR 1153.1 with SCAQMD staff.

The following working group meeting was held on March 8, 2023, and included a presentation by Babbco on the feasibility for implementing electric ovens, as well as several comments with regards to the feasibility for implementing electric ovens, the quick timeline to address limitations with the proposed language is presented to the hearing board on June 2nd, the infrastructure issues and unique challenges with compliance in the food manufacturing industry, and other concerns.

An updated draft staff report and revised PAR 1153.1 rule language was released on Friday, March 17th, addressing some, but not all of the items discussed in the March 8th working group meeting. We understand that if there are no changes to the schedule, the following will be the timeline for PAR 1153.1 approval:

- March 30, 2023: Public Workshop;
- April 21, 2023: Stationary Source Committee Meeting;
- May 5, 2023: Final PAR 1153.1 Staff Report and Rule Language; and
- June 2, 2023: Board Meeting for PAR 1153.1 Approval.

With all the major changes proposed since the February 2nd working group meeting, and considering there was 18 months to review revisions to the rule before the changes posed during the February 2nd working group meeting, we suggest that the SCAQMD provide an additional 3 to 6 months to collect more information and provide more impacted entities an opportunity to voice their troubles with the proposed rule language so that unforeseen and unintended consequences from PAR 1153.1 can be mitigated and minimized.

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COMMENTS AND CONCERNS WITH PAR 1153.1

We appreciate the efforts of the SCAQMD to incorporate comments and feedback with the revisions to PAR 1153.1. However, we still have several comments and perturbances regarding the current PAR 1153.1.

NO_x Cost Effectiveness Analysis

There are several potential issues with the posted NO_x cost effectiveness analysis. First, it would be helpful to see the detailed analysis affected facilities could understand the basis of the costs and emission calculations that went into the analysis. We understand that capital costs were determined based on a 25-year estimated life for an oven, but we are concerned that several costing considerations may have been underestimated or not included. Some of those considerations include:

- Cost for a facility to conduct electrical upgrades to a plant;
- Required increase in power demand, especially during peak demand times;
- Increase in electricity cost for electricity provider to upgrade substations and lines, bringing power to the plant;
- Larger cables required for the additional electric load required for the electric ovens;
- Building infrastructure upgrades required to support larger electric load at the facility while managing the rolling brown outs Southern California has been facing;
- Safety considerations for the electric load; and
- NO_x emissions associated with electricity production on-site or by electricity provider.

In addition, the uniqueness of the ovens operated by BBU makes it difficult to determine the availability and functionality of electric ovens replacing the ribbon burners used currently for baking products at the BBU facilities. BBU would like to be able to provide its own cost effectiveness analysis, but needs additional information from the SCAQMD to accurately conduct such an analysis in line with the cost effectiveness calculations conducted by the SCAQMD.

Electric Oven Availability

BBU has had several conversations with its bakery oven vendors over the last several months, and most of their vendors agree that electric oven availability for their unique products is several years away. Even when that technology is available, it will take BBU's team a couple of years to test and determine what changes are needed to the electric ovens to replicate the quality of the products currently made by their natural gas-fired ovens. It should also be noted that there are space constraints at both Placentia and Montebello. We would anticipate either having to install multiple electric ovens or oversized ovens to be able to meet our run rate. This would pose a challenge due to the limited floor space at both facilities. The entire electric infrastructure would need to be changed with increased sizing of the components due to the electric power demands.

Product Quality and Employee Safety

As mentioned during the March 8th working group meeting, the conversion from natural gas to electric ovens will require significantly higher electric loads than what is currently operated at the facility, including significant higher amperage to provide the necessary power to heat the food at

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cooking temperature for both ovens. This poses significant safety concerns and would require significant safety protocols and training to avoid accidents from electrical mishaps from the high amperage equipment.

Baking is a very delicate process; there are several factors besides baking temperature, ingredients, and yeast content that go into baking high-quality food products. The airflow around the food product, the quality of the heat elements, and the different reactions that take place between gas and electric baking all impact food quality and taste. It is not simple to determine the impact of these parameters, and significant testing will likely be required to convert operation from natural gas baking to electric baking.

Electric is not as responsive as natural gas. Electric ovens will reduce the volume of product that we can produce in the same facility due to a negative impact to the volume/run rates, extended start-up times, extended changeover/cleaning, reduced product mix, and the inability to make up this lost time in our shifts (there's only 24 hours in a day).

The moisture content is very important to the baking process. Natural Gas has a high moisture content, while electric is a dry heat. This could significantly jeopardize the quality, food safety, and shelf life of the baked product.

Electricity Upgrades and Electric Load Availability

We understand that SCAQMD staff has recently spoken to Southern California Edison (SCE) with regards to upgrading the electric infrastructure to support the additional power demand required for food manufacturing facilities to convert from natural gas-fired to electric-fired ovens. Just last year, during peak demand, the State of California allowed diesel generators to run to provide emergency power to the grid. As power demand increases from increased electrical devices and massive conversion of vehicle fleets from fossil to electric fuels, there will likely be more emergency events in the future, requiring the operation of heavily polluting diesel generators in the SCAQMD, which will increase criteria pollutant emissions, including NO_x. With the SCAQMD now also pushing stationary sources to move to electricity usage, there is significant potential of increasing NO_x emissions with an increase of emergency power generation during peak demand. As mentioned in previous meetings, the electric load required for a single large electric oven would be significantly larger than the current electricity demand for the entire facility.

It is important to continue to work toward lower criteria emissions, but relying solely on grid electricity does not equal zero emissions (since most electricity is still generated by natural gas combustion, especially during peak operating times) and makes the SCAQMD more susceptible to high criteria and toxic emissions pollution. We are aware that SCE is working toward addressing these issues. It is likely that San Diego Gas and Electric (SDG&E), which covers southern Orange County, is also addressing these issues. It is much less clear if Los Angeles Department of Water and Power (LADWP) or the smaller SCAQMD-based power entities (Anaheim, Azusa, Banning, Burbank, Colton, Corona, Glendale, Pasadena, Riverside, and Vernon) are addressing power demand issues, which will need to be addressed by all utilities for there to be enough electricity to substitute all commercial food production with electric ovens.

Timeline for Regulatory Review

The SCAQMD has been working on PAR 1153.1 for almost 18 months, with an initial expectation after much discussion with stakeholders of a NO_x limit of 30 ppm for most food ovens. The

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SCAQMD is now giving stakeholders less than 5 months to address the radical changes that now require electric food ovens to utilize BARCT in the future. This is a massive change, and there are many factors involved in converting to all electric equipment that will take time to consider. The public has not seen the detailed NO_x cost effectiveness analysis to address concerns that all the information used in this analysis is accurate. Based on missteps from rushed rulemaking in the past, we suggest that more working group meetings, consultations with stakeholders, and more feedback from all power entities be incorporated into the final rulemaking process. It is more important to get a clear, well-written, achievable PAR 1153.1 than to rush to pass changes that will need to be rewritten again in a few years for items that were not addressed during this current rulemaking cycle.

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 1-10 cont.**

Emission Leakage

With an accelerated timeline for implementing electric ovens without the proper feasibility analysis and considerations for the natural complications with food manufacturing, some facilities may consider it more cost effective to relocate their operations outside the SCAQMD instead of meeting the strict electric oven deadlines currently proposed.

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SUGGESTED ACTIONS

The following actions are suggested or proposed revisions for PAR 1153.1:

- Consider going back to the original plan that was discussed throughout 2022, which was NO_x limits of 30 ppm. Staff could revisit the Zero NO_x provision when technology warranted if the SCAQMD still wants to proceed with Zero NO_x provisions;
- Hold additional stakeholder meetings, provide notification to all impacted facilities so they have an opportunity to comment on the rule, and push the Hearing Board meeting to approve the revised rule language to fourth quarter 2023;
- Include technology assessment language directly in the rule so stakeholders, inspectors, and permitting staff are all aware that technology may not be currently available and extending compliance deadlines accordingly;
- Suggest that bakery ovens operating over 500°F have the same compliance deadline as bakery ovens over 3 MMBtu/hr (July 1, 2030);⁷
- Increase the unit life or remove entirely the proposed rules provision for existing food ovens as they last much longer than the proposed rule, which states 22 and 25 years;
- Speak with additional electricity providers to see if they are working toward upgrading grid load and capacity to handle electricity demand from electric ovens, as well as for statewide requirements for transition from fossil fuel to electric vehicle fleets (which impacts overall electric demand from the grid); and
- Provide additional detail on all the data used for the NO_x cost effectiveness analysis and give guidance so stakeholders can also conduct their own cost effectiveness analysis.

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⁷ There was a reason why higher temperature ovens currently have a higher NO_x emissions limit (60 ppm instead of 40 ppm) under Rule 1153.1, as high temperatures also complicate the baking process, just as high heat input ratings.

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CONCLUSION

This letter summarizes the proposed impact of PAR 1153.1 on BBU's two SCAQMD facilities, comments and concerns on the current regulation, and suggested actions for rulemaking on PAR 1153.1 going forward. Should you have any questions or concerns, please contact me at (949) 248-8490.

Sincerely,



Joseph J. Steirer, P.E.
Senior Engineer
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cc: Michael Krause, South Coast Air Quality Management District
Heather Farr, South Coast Air Quality Management District
Christopher Bradley, South Coast Air Quality Management District
Christopher Wolfe, Bimbo Bakeries USA, Inc.
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Freddy Ugarte, Bimbo Bakeries USA, Inc.
Nick Gysel, Yorke Engineering, LLC
Wendy Fairchild, Yorke Engineering, LLC

*Staff Response to Comment Letter #1:**Response to Comment 1-1:*

Staff appreciates Bimbo Bakeries, USA (BBU) and York Engineering taking the time to meet with staff to discuss their concerns and for submitting the comment letter. Zero-emission regulations are being promulgated in many cities, states, and air districts throughout the country; therefore, the food industry is not being singled out for the first ever zero-emission regulation. In order to demonstrate attainment with the 2015 8-hour ozone National Ambient Air Quality Standards (NAAQS) for the South Coast Air Basin by 2037, the 2022 Air Quality Management Plan (AQMP) was adopted on December 2, 2022, by the South Coast AQMD Governing Board. The 2022 AQMP is a zero-emission focused plan that emphasized zero-emission technologies to meet the control measure goals. Implementation of zero-emission technologies is required **across all industrial sectors wherever feasible** to meet the stringent NAAQS set forth by EPA. The 2022 AQMP focuses on all sectors and not just the food industry, and as a result, staff re-assessed Best Available Retrofit Control Technology (BARCT) to include zero-emission technology for commercial food oven categories as part of the on-going rule development. Furthermore, all future rulemaking will evaluate zero-emission technology for all sectors, not just the food industry.

Response to Comment 1-2:

Staff appreciates Bimbo Bakeries, USA's (BBU) efforts and leadership in achieving sustainability goals for the Food & Beverage Industry. Staff is aware of the awards and progress BBU has made at its facilities across the world and commends BBU for their leadership. Staff understands that the bakery ovens represent a significant investment and are the largest financial assets at a commercial bakery, which is why staff revised the proposal for Phase II to include burner age and oven age as the two criteria triggering oven replacement with zero-emission technology. Staff understands that as part of the maintenance programs at a facility, the burners are often replaced to ensure the ovens are operating effectively and efficiently to achieve lower NOx emissions. Staff revised the proposal to include the additional burner useful life of 10 years to address the potential stranded assets but will retain the 25-year useful life of the ovens.

Staff would also like to point out that the date presented in "Phase I Deadline" in Table 1 of the comment letter for the Placentia facility is not correct and does not align with staff's proposal. The date specified in Table 1 is 7/1/2039 for compliance with the 30 ppmv NOx limit in Phase I. The 30 ppmv NOx is effective upon rule adoption and all units will have to meet this limit, regardless of operating temperature, unless a future emission limit takes effect before a unit is required to comply with the Phase I limit. The units in Table 1 had new burners installed in 2017 and according to the current proposal, that unit will have to meet 30 ppmv once the burners have been in operation for 10 years, e.g., by 2027. However, effective January 1, 2027, Phase II emission limits apply. That unit will not be required to retrofit to 30 ppmv but will be required to submit a permit to retrofit to meet zero-emission level by January 1, 2027, unless additional burner replacements are needed before 2027.

Response to Comment 1-3:

Staff understands and is aware of the uniqueness of the oven located at the Placentia facility and the challenges of the ovens located at the Montebello facility. PAR 1153.1 includes a technology assessment prior to the effective dates of the zero-emission standards. The technology assessment will ensure the technology and electrical infrastructure are on schedule to meet the implementation

deadlines with minimal impacts on recipe or product quality. If necessary, staff will amend the rule to adjust the limits or the compliance schedule.

Response to Comment 1-4:

Other industry stakeholders have raised similar concerns about the rule schedule. Staff has proposed to delay the Public Hearing for PAR 1153.1 from June 2023 to August 2023 to provide additional time for stakeholders to provide feedback.

Response to Comment 1-5:

Staff acknowledges that the cost and installation of a new oven are significant investments for the facility. Staff attempts to estimate cost based on real world information from both manufacturers and facilities, where costs are available. Cost assumption information and the cost-effectiveness analysis was presented at Working Group Meeting #6 held on January 27, 2023, was further updated and presented in the Public Workshop, and is detailed under “Summary of Cost Assumptions” in Chapter 2 of this staff report. Staff outlined the cost data used to estimate total installed cost for electrical ovens and a cost-curve was generated to estimate cost for other ovens based on the oven type. Total installed cost included capital equipment cost, installation costs, electrical upgrades, some utility-side upgrades that facilities may be required to pay, and the difference between the cost to operate on electricity versus natural gas. Staff’s assumption for electrical upgrades is approximately 10 percent of the estimated capital equipment cost and in some instances was nearly \$1.2 million, in line with some cost estimates that facilities have mentioned. Throughout the rulemaking process, staff has always welcomed facility-provided cost information since this cost is representative of the actual cost incurred.

Response to Comment 1-6:

Staff’s zero-emission proposal includes technology-forcing NO_x concentration limits. BARCT emission levels can be technology-forcing, meaning the limits can be based on an emerging technology, provided the NO_x limit is achievable by the future effective compliance date established in the rule. Emerging technology is a technology that can achieve emission reductions but is not widely available at the time the NO_x limit is established and the rule is adopted. When South Coast AQMD adopts rules with technology-forcing emission limits, the limits are given a future implementation date to allow time for the technology to develop. BARCT limits evolve over time as the technology improves or new pollution control technologies emerge; setting future effective emission limits is an approach that has been used and upheld in other rules. For example, South Coast AQMD adopted volatile organic compound (VOC) limits in Rule 1113 – Architectural Coatings in 2002 with a future effective date of July 1, 2006, based on emerging technology (e.g., reformulated coatings). The technology to meet the lower VOC limits was commercially available at the time of rule development but had performance issues that had yet to be overcome. The American Coatings Association sued the South Coast AQMD for adopting technology-forcing BARCT limits, but the South Coast AQMD prevailed in the Supreme Court of California, which upheld the ability to adopt technology-forcing BARCT limits. Furthermore, staff has incorporated a technology assessment that will be conducted prior to the zero-emission effective dates in the rule. The technology assessment will consider the status and availability of zero-emission technology at the time of conducting the assessment as well as the impacts on product quality when transitioning from natural gas-fired ovens to electric ovens. Staff will also be reaching out to the facility to understand the space constraint challenges at each of the facilities.

Response to Comment 1-7:

Staff appreciates the fact that BBU is concerned with the safety and wellbeing of its employees; safety should be the core value at most industrial production facilities due to the inherent hazards associated. Staff acknowledges that the use of electric ovens will result in higher electric loads than what is currently being operated at the facility, but every employee should be trained on the proper safety protocols regardless of the type of equipment being used. Combustion units using natural gas are not free of hazards, the natural gas used can potentially pose a significant safety hazard that can result in explosions and injury if proper procedures and practices are not followed. As with any new equipment being used at the facility, every employee should be properly trained on the correct safety protocols and procedures of operation.

Response to Comment 1-8:

Staff acknowledges the current different baking conditions when using electric equipment compared to gas-fired equipment and has proposed to conduct a future technology status update/technology check-in to evaluate the commercial availability of zero-emission equipment and its product applicability. Staff included the proposed future effective dates to allow time for facilities to adjust recipes for the new equipment, if necessary, to ensure product quality standards upon technology transition. Staff has identified several electric test kitchens that facilities can utilize to experiment with recipes during the time that zero-emission technologies take to fully mature. Staff invited BABBCO to present information to stakeholders about the company's electric equipment and demonstration facility during Working Group Meeting #7. Staff acknowledges that the use of electric ovens can reduce moisture in the combustion chamber. This is due to the lack of combustion in the cooking chamber; one of the by-products of combustion is moisture. The absence of moisture can potentially affect product quality, but there are options for adding moisture into the cooking environment. One option an electric oven manufacturer mentioned was using a steam injection system to minimize impacts on recipe or product quality. The steam used is a method of introducing moisture into the cooking environment. Steam injections in bakery oven operations is already a common practice for combustion-based bakery ovens.

Response to Comment 1-9:

Staff consulted with Southern California Edison (SCE) to understand the potential impacts of electrification and SCE's ability to meet the additional power demand from food manufacturing facilities. Based on their feedback, supplying the additional power is not the limiting factor but rather the ability to bring the power in to a specific location, which may require additional time. The additional power that will be required for PAR 1153.1 will be minimal, as only smaller units will be required to transition to zero-emission technologies, and phased-in over time, as the zero-emission limits will be required upon unit replacement. Regarding the potential increase in NOx emissions from energy generating facilities, South Coast AQMD has regulations that limit NOx emissions from energy generating facilities to address those emissions ([Rule 1135](#) – Emissions of Oxides of Nitrogen from Electricity Generating Facilities).

While it is true that the Governor issued a proclamation suspending certain permitting requirements to allow for greater energy production with the use of back-up power generation during critical times (e.g. extreme heat events, interruption of transmission lines, or other events) that threaten energy supply, the proclamation also provides for mitigation to offset impacts from any additional emissions generated as a result ([Newsom, 2021](#)). SCE is aware of the potential

increase in future demand and is currently working to minimize these emergency events. Furthermore, diesel generators are not the only source of emergency power supply, so the assumption that all additional power will be generated from highly polluting diesel generators is not factual.

Staff understands the power demand from a single large electric oven will be significant for the facility. However, technology is continuing to progress, and efficiency gains of zero-emission technologies will lower electricity demand. As stated, the current proposed compliance schedule is based on when a unit reaches the end of their useful life, so the impacts on the grid will be staggered since not all units are the same age or will be replaced at the same time. Staff also revised the proposal for zero-emission from all categories to only four categories which will lessen the impact on the overall grid. In addition, the proposed rule includes an Alternative Compliance Schedule Plan for facilities that may require more time for their electricity provider to make any infrastructure upgrades to accommodate energy needs. Those facilities with approved Alternative Compliance Schedule Plans will have additional time to comply with the zero-emission limits allowing time for utility companies to complete the necessary service upgrades.

Response to Comment 1-10:

Staff appreciates stakeholder concerns regarding the rule schedule and has delayed the Public Hearing until August 2023 and held additional stakeholder and working group meetings to further discuss the rule concepts. Further, staff has included additional details regarding the NO_x cost-effectiveness calculations in this staff report and presented the results in a working group presentation. Staff has been clear that zero-emission limits are needed to meet the South Coast AQMD's air quality goals. The 2022 AQMP, which was developed over three years and adopted in December 2022, states that the only way to achieve the required NO_x reductions is through extensive use of zero-emission technologies across all stationary and mobile sources. While staff originally proposed a 30-ppmy combustion limit, staff also discussed the emerging zero-emission technology being developed and implemented. Upon adoption of the 2022 AQMP, staff pivoted to proposing technology-forcing limits that leverage the zero-emission technology previously discussed with stakeholders.

Response to Comment 1-11:

It is never the staff's intent to drive businesses out of our jurisdiction. We value our local industry and business and want to work together to improve air quality for all people who live and work within the South Coast AQMD. Staff strives to propose rule requirements that are fair for all stakeholders and that allow businesses to continue to operate in South Coast AQMD.

Response to Comment 1-12:

Staff's responses to the suggested action items are listed below:

- *Suggested Action 1:* Consider returning to original proposal of 30 ppmy NO_x emission limit and revisit zero-emission limits when technology matures.
- *Staff Response:* Staff is following the direction of the 2022 AQMP to propose zero-emission limits wherever feasible; however, in the most recent version, staff revised the proposed emission limits to address the additional costs for operating units on electricity.

That reassessment resulted in some units reverting to the 30 ppmv limit while maintaining the zero-emission limit where it was deemed to be technically feasible and cost-effective. Further, as part of the technology assessment, staff will revisit the feasibility and cost-effectiveness for the categories where zero-emission limits were not established at this time.

- *Suggested Action 2:* Hold additional stakeholder meetings, provide notification to all impacted facilities, and push the Hearing Board meeting to fourth quarter 2023.
- *Staff Response:* Staff agrees that additional working group meetings are needed and held one additional working group meeting and several individual stakeholder meetings since receipt of this comment letter. Staff also discussed the revised proposal and reached out to impacted facilities regarding the latest proposal to the rule amendment. In addition, the Public Hearing was postponed until August 2023, the date is subject to change.

- *Suggested Action #3:* Include technology assessment language direction in the rule.
- *Staff Response:* The status update/technology check-in will be included in the resolution, which is the standard practice for most South Coast AQMD rule development.

- *Suggested Action #4:* Bakery ovens operating over 500 degrees Fahrenheit should have the same compliance deadline as bakery ovens rated over 3 MMBtu/hr.
- *Staff Response:* Based on staff's research, electric ovens have higher operating temperatures, including pizza ovens capable of achieving 900-degree operating temperatures. Staff does not intend to propose emission limits nor compliance deadlines based on operating temperature.

- *Suggested Action #5:* Increase unit life or remove rule provisions for the existing food ovens.
- *Staff Response:* Staff has proposed a useful unit life of 25 years with the potential for an additional 10 years to account for new burner installations. The South Coast AQMD has to meet the 70 parts per billion (ppb) ozone standard by 2037, and all possible emission reductions are needed to meet that goal. Further delaying emission reductions by extending timelines to comply with future emission limits would adversely impact air quality and the risk of South Coast AQMD remaining in nonattainment with respect to the federal ozone standard.

- *Suggested Action #6:* Speak with additional electricity providers to see if they are working toward upgrading grid load and capacity to handle electricity demand from electric ovens, as well as for statewide requirements for transition from fossil fuel to electric vehicle fleets.
- *Staff Response:* The revised proposal is not anticipated to have a significant impact on the grid as it will only require smaller units to electrify and the transition to zero-emission will be gradual. Staff has worked with SCE, who is the major utility provider in the South Coast AQMD and has also reached out to the CEC and smaller municipal electricity providers. Staff will continue to engage and discuss with the utility providers in the future.

- *Suggested Action #7:* Provide additional detail on all the data used for the NOx cost-effectiveness analysis and provide guidance to stakeholders so that they may conduct their own cost-effectiveness analysis.
- *Staff Responses:* Staff has provided additional details regarding the cost-effectiveness analysis and cost assumption under “Summary of Cost Assumptions” in Chapter 2 of the Draft Staff Report as well as during the public meetings.

Comment Letter #2



April 13, 2023

Via e-mail at: mkrause@aqmd.gov

Michael Krause
 Assistant Deputy Executive Officer
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765

Re: SCAQMD Use of New Health Benefit-Based Cost-Effectiveness Threshold for PAR 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens

Dear Mr. Krause,

We are contacting you on behalf of BizFed, the Los Angeles County Business Federation. We are an alliance of over 200 business organizations who represent over 400,000 employers in Los Angeles County, including large and small businesses from a wide range of industries throughout the South Coast Air Basin (SCAB). We are writing to comment on the use of the health benefit-based cost-effectiveness threshold in rule development. Many of the businesses we represent have or will be writing their own individual comment letters that specifically address the impacts to their industries. Our comments address the impacts to the business community as a whole and include overarching concerns of our diverse membership.

SCAQMD is in rule development for Proposed Amended Rule 1153.1 (PAR 1153.1), which appears to be the first rulemaking where SCAQMD is applying the new health benefit-based cost-effectiveness threshold established in the SCAQMD 2022 Air Quality Management Plan (AQMP).¹ BizFed offers the following comments on the use of this threshold.

1. SCAQMD has not established a methodology for conducting cost effectiveness determinations with the cost effectiveness threshold established under the 2022 AQMP. Such a methodology needs to be developed in consultation with stakeholders before using this cost effectiveness threshold for rulemaking purposes.

2-1

Under the 2022 Air Quality Management Plan (AQMP), SCAQMD established a new health benefit-based cost-effectiveness threshold of \$325,000/ton. This threshold is significantly different from the 2016 AQMP thresholds (i.e., \$30,000 per ton of VOC reduced, \$50,000 per ton of NO_x reduced)² in both its value and its economic basis.

The 2016 AQMP cost effectiveness thresholds were strictly tied to facility-level costs (e.g., capital costs, installation costs, operation and maintenance (O&M) costs) divided by facility-level emission reductions.³ The 2022 AQMP health benefit-based cost-effectiveness threshold is different in that it considers projected regional-level public health benefits which might occur from projected improvements to regional air quality. The informational basis presented to AQMP stakeholders suggested that these benefits would include reduced societal costs from reduced hospitalizations, reduced premature mortality, and other improved public health outcomes. Because this cost-effectiveness threshold is based on regional benefits, a number

¹ SCAQMD 2022 AQMP. Available at: <http://www.aqmd.gov/docs/default-source/clean-air-plans/air-quality-management-plans/2022-air-quality-management-plan/final-2022-aqmp/final-2022-aqmp.pdf?sfvrsn=16>.

² SCAQMD 2016 AQMP. Available at: <http://www.aqmd.gov/docs/default-source/clean-air-plans/air-quality-management-plans/2016-air-quality-management-plan/final-2016-aqmp/final2016aqmp.pdf?sfvrsn=15>.

³ Ibid.

of AQMP stakeholders noted that SCAQMD would need to establish a new methodology to ensure that control measure (or rule) costs are also evaluated on a regional basis.⁴ No such methodology was presented in the 2022 AQMP. Cont'd 2-1

With PR1153.1, SCAQMD is now applying the new threshold but has yet to provide stakeholders with a methodology. Rather, it appears that SCAQMD is simply using the old method with the new cost effectiveness threshold. This would be a flawed approach because it mismatches a regional benefit without considering the full costs of the proposed rule.

2. Determining the regional costs for PR1153.1 requires SCAQMD to conduct a socioeconomic analysis as detailed in the USEPA Guidelines for Preparing Economic Analyses. SCAQMD has not conducted such an analysis for the rule. 2-2

A social cost/benefit analysis would require a full socioeconomic analysis. USEPA published Guidelines for Preparing Economic Analyses (Guidelines) to establish a scientific framework for performing economic analyses of environmental regulations and policies.⁵ The Guidelines establish methodology for a benefit-cost analysis (BCA) and state that in conducting a BCA, the correct measure to use is the social cost, where:

Social cost represents the total burden that a regulation will impose on the economy. It is defined as the sum of all opportunity costs incurred as a result of a regulation where an opportunity cost is the value lost to society of any goods and services that will not be produced and consumed as a result of a regulation.

Per the guidelines, a Partial Equilibrium Analysis (PEA) is appropriate for estimation of societal cost when a regulation is limited to a single sector or a small number of sectors. SCAQMD typically does not conduct a full socioeconomic analysis, such as that required by a PEA, for a single rulemaking. However, in order to match the societal cost with societal benefit, a PEA must be performed.

Per the Guidelines, costs include:⁶

- Explicit and implicit costs, where explicit costs are those for which an explicit monetary payment is made, and an implicit cost is a cost for which a monetary value does not exist, such as the value of current output lost or reduced flexibility of response to changes in market conditions.
- Direct and indirect costs, where direct costs are those costs that fall directly on the regulated entity, and indirect costs are costs incurred in related markets or experienced by consumers or government agencies not under the scope of the regulation. For example, a change in the price of a good this could impact the rest of the economy, causing prices to rise or fall in other sectors and ultimately affect consumers income.
- Private sector and public sector costs, where private sector costs include the cost borne by households and facilities, and public sector costs are those borne by government entities.

The Guidelines provide additional detail on types of costs, as follows:

⁴ SCAQMD Mobile Source Committee Meeting, September 16, 2022. Available at: <http://www.aqmd.gov/home/news-events/webcast/live-webcast?ms=zSMKn4miXuk>

⁵ US EPA Guidelines for Preparing Economic Analyses. Available at: <https://www.epa.gov/environmental-economics/guidelines-preparing-economic-analyses>.

⁶ Ibid.

- Incremental costs, determined by subtracting the total cost of environmental regulations and policies already in place from the total cost after a new regulation or policy has been imposed.
- Capital costs, which include cost of installation or retrofit of structures or equipment and include the primary equipment, installation, and startup
- Operation and maintenance (O&M) costs, which are annual expenditures on salaries and wages, energy inputs, materials and supplies, purchased services, and maintenance of equipment associated with pollutant abatement.
- Industry costs, which include the effects of actual or expected market reactions, including plant closures, reduced industry output, or the passing on of costs directly to consumers.
- Transaction costs, which are those incurred in making an economic exchange beyond the cost of production of a good or service.
- Government Regulatory Costs, such as those borne by government entities in the course of researching, enacting, and enforcing a policy
- Transitional costs, which may include cost of training workers in the use of new air pollution control equipment.
- Distributional costs, which relate to how certain entities or societal groups are impacted by the imposition of a policy or regulation.

Cont'd
2-2

SCAQMD is obligated to include all social costs in evaluation of the cost of a rule, including the traditional costs typically used to establish control cost (i.e. capital, O&M, and additional utility usage), as well as other, not previously evaluated costs (i.e. industry costs, transaction costs, and distributional cost, among others). Without this evaluation, the true cost of the rulemaking is unknown. The costs captured in the US EPA Guidelines acknowledge that the imposition of an environmental regulation could have significant effects in markets beyond those that are directly subject to the regulation. SCAQMD is obligated to substantiate that there are no broader market effects. However, even without market effects, SCAQMD needs to include all societal costs, as delineated in the Guidelines.

3. Besides failing to consider societal costs, the cost analysis presented for PR1153.1 fails to account for the full range of facility-level costs. 2-3

SCAQMD is currently in the rule development process for PAR 1153.1. This is the first rulemaking in which Staff is referencing the new health benefit-based cost-effectiveness threshold established in the 2022 AQMP. SCAQMD has suggested that the Health and Safety Code only requires staff to evaluate the cost of the potential control option, and thus have only included direct facility costs, such as cost for equipment (capital and installation), O&M costs, and electrical upgrades and infrastructure at the facility).⁷ In estimating the cost-effectiveness of the control options, SCAQMD must follow the US EPA Guidelines. BizFed expects these costs would reasonably include:

- Direct Costs:
 - Capital cost of proposed equipment
 - Installation cost
 - O&M cost
 - Cost of stranded assets resulting from early retirement of equipment
 - Training Cost

⁷ PAR1153.1 WGM #7. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/par-1153-wgm7-presentation.pdf?sfvrsn=18>.

- o Electrical upgrades and infrastructure at the facility
- o Electrical utility service upgrades directly related to the requirement for installation of control, including:
 - Meter upgrades
 - Distribution infrastructure upgrades including transformers and substations
- Indirect costs:
 - o Potential cost of plant closures and resultant job loss
 - o Cost of reduced industry output
 - o Cost of rule development, and associated adoption and EPA approval
 - o Other regional grid upgrades that may be needed to support electrification

Cont'd
2-3

It should be noted that the costs for the electrical utility service upgrades described above are typically directly borne by the facility requiring the infrastructure upgrades to meet its increase electrical demand.⁸

The EPA Guidelines delineate the challenges in estimation of costs, including estimation of cost over time, and difficulties in developing numeric values for social cost. The EPA Guidelines note:⁹

"Most regulations cause permanent changes in production and consumption activities, leading to permanent (ongoing) social costs."

Districts must therefore carefully consider the time horizon for calculating the producer and consumer adjustments from a new regulation. For example, SCAQMD has proposed a phased-in approach for implementation of Rule 1153.1 based on age of equipment. When questioned during a recent working group meeting, Staff stated that they have not evaluated the current age of equipment in the universe being impacted by PAR1153.1 (reported as 202 units in total). By not completing such an evaluation, SCAQMD risks causing a potentially large number of units with identical and/or near-term compliance deadlines. This has impacts both for equipment availability, infrastructure readiness, and availability of energy. It appears that none of these factors has been considered under PAR1153.1.

The US EPA Guidelines also note that for social cost analysis, it is difficult to represent:¹⁰

- Irreversible environmental impacts
- Substantial changes in economic opportunities for segments of the population
- Social costs that span very long time horizons
- Socioeconomic effects on populations, and
- Effects on large-scale ecosystems.

The US EPA Guidelines also note the uncertainties that can be introduced by economic models, and state that these uncertainties should be carefully evaluated and reported. All of these items must be taken into account when developing a rule that relies on a social health benefit-based cost-effectiveness threshold.

⁸ California electric utility tariff rules. Example: [Southern California Edison Rule 16 \(Service Extensions\), Section E \(Allowances and Payments by Applicant\)](#).

⁹ US EPA Guidelines for Preparing Economic Analyses. Available at: <https://www.epa.gov/environmental-economics/guidelines-preparing-economic-analyses>.

¹⁰ Ibid.

In order to align with the BCA, SCAQMD should be considering all costs associated with implementation of the proposed rule (e.g., PR1153.1) and the broader context in which the rule will be applied. SCAQMD's 2022 AQMP and the California Air Resources Board's (CARB) State Implementation Plan¹¹ plot a transition towards zero emission technologies across a variety of sectors spanning both stationary and mobile sources. These actions will clearly have a cumulative impact on the state's electric grid infrastructure that needs to be taken into consideration for the benefit-cost analysis of proposed regulations.

Cont'd
2-3

The immediate impacts and challenges of broad-based electrification policies are only now beginning to be understood. At a recent CARB infrastructure-focused workgroup, electric utilities and fleet operators operating in the SCAB ~~South Coast Air Basin~~ discussed potential timelines and costs for grid infrastructure upgrades necessitated by another electrification mandate.¹² The timelines discussed at that meeting ranged from 2-3 years for small system upgrades (e.g., increases in cable or conductor size) up to 7 or more years for larger projects (e.g., projects needing new or upgraded substations).¹³ In one presented example, a fleet operator needing 10 megawatts (MW) of new charging capacity faced electric utility infrastructure costs ranging from a minimum of \$300,000 for a 10 MW connection (assuming availability at the local substation) to as much as \$25 million for full dual 66 KV lines, transformers, and a dedicated substation.¹⁴ So the direct costs of an technology electrification mandate can be significant. Furthermore, the piecemealing of electrification mandates across a variety of rules can cause an understatement of the costs to be borne by individual facilities. This would be economically inefficient and could result in higher facility expenses for the combined control measures.

2-4

The SCAB ~~South Coast Air Basin~~ is home to a significant number of facilities that will be competing for limited grid (i.e., transmission and distribution) capacity as this transition gets underway. A capacity analysis from the California Energy Commission's (CEC's) EDGE model recently demonstrated that a majority of the electric grid in the SCAB ~~South Coast Air Basin~~ is presently unable to accommodate additional load without any thermal or voltage violations. According to CEC, significant upgrades will be necessary to meet rising electrical demand.¹⁵

SCAQMD recently presented the impacts of the potential increase in energy demand from PAR 1153.1. SCAQMD presented a 90 MW increase in power demand as a result of PR1153.1. Assuming a conservative 50% capacity factor, that would translate to roughly 400 GWh of new energy demand just for PR1153.1. Given the number of control measures in the 2022 AQMP that rely on equipment electrification, there will be significant impacts to the grid.

In their benefit-cost analysis, SCAQMD must consider not only the costs associated with the transition to zero emission technology under the proposed regulation, but also the costs for grid infrastructure upgrades that will be borne by businesses, ratepayers, and public entities alike as conflicting demands for limited electric capacity increase under CARB's and SCAQMD's proposed suite of regulations.

The District has made significant strides in air reductions during the past 30 years, despite a significant population increase, and it should be proud of its accomplishments. Those reductions were accomplished in collaboration with many stakeholders, in particular the

2-5

¹¹ 2022 State Implementation Plan. CARB. 2022. Available at: https://ww2.arb.ca.gov/sites/default/files/2022-08/2022_State_SIP_Strategy.pdf

¹² CARB Transit Infrastructure Work Group Meeting, January 31, 2023. Available at: https://ww2.arb.ca.gov/sites/default/files/2023-02/transitinfrastructure_wkgmtg_1.31.23_full%20presentation.pdf

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Final Environmental Analysis for the Advanced Clean Cars II Regulation. CARB. 2022. Available at: <https://ww2.arb.ca.gov/sites/default/files/harcu/regact/2022/accii/acciifinalea.docx>

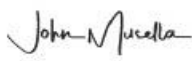
business community. We respect that SCAQMD is placed in a uniquely challenging situation to demonstrate attainment of the 2015 ozone NAAQS, and the business community stands ready to help the District achieve all practicable reductions as soon as possible.

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2-5

We look forward to continuing our work with the District to see progress made in a way that is equitable and lasting.

Thank you for your consideration of our letter. If you have any questions, please contact BizFed's Director of Policy and Advocacy Sarah Wiltfong at sarah.wiltfong@bizfed.org.

Sincerely,



John Musella
BizFed Chair



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO



David Englin
BizFed President

Cc: Wayne Nastri, SCAQMD
Sarah Rees, SCAQMD
Healthier Farr, SCAQMD
Sarady Ka, SCAQMD
Chris Bradley, SCAQMD

BizFed Association Members

<p>7-11 Franchise Owners Association for SoCal Action Apartment Association Alhambra Chamber American Beverage Association Antelope Valley Chamber formerly Lancaster Chamber of Commerce Apartment Association of Greater Los Angeles Apartment Association, CA Southern Cities, Inc. Arcadia Association of Realtors AREAA North Los Angeles SFV SCV Armenian Trade & Labor Association Arts District Los Angeles Associated Builders & Contractors SoCal (ABC SoCal) Association of Club Executives Association of Independent Commercial Producers AV Edge California Azusa Chamber Beverly Hills Bar Association Beverly Hills Chamber BioCom Black Business Association BNI4SUCCESS Bowling Centers of SoCal Boyle Heights Chamber of Commerce Building Industry Association - LA/Ventura Counties Building Industry Association of Southern California Building Industry Association- Baldyview Building Owners & Managers Association of Greater Los Angeles Burbank Association of Realtors Burbank Chamber of Commerce Business and Industry Council for Emergency Planning and Preparedness Business Resource Group CABIA California Business and Industrial Alliance Calabasas Chamber of Commerce CalAsian Chamber CalChamber California Apartment Association- Los Angeles California Asphalt Pavement Association California Bankers Association California Business Properties California Business Roundtable California Cannabis Industry Association California Cleaners Association California Contract Cities Association California Fashion Association California Gaming Association California Grocers Association California Hispanic Chamber California Hotel & Lodging Association California Independent Oil Marketers Association (CIOMA) California Independent Petroleum Association California Life Sciences Association California Manufacturers & Technology Association California Metals Coalition California Natural Gas Producers Association California Restaurant Association California Retailers Association California Self Storage Association California Small Business Alliance California Society of CPAs - Los Angeles Chapter California Trucking Association+ Carson Chamber of Commerce Carson Dominguez Employers Alliance Central City Association Century City Chamber of Commerce Cerritos Regional Chamber of Commerce Chatsworth Porter Ranch Chamber of Commerce Citrus Valley Association of Realtors Claremont Chamber of Commerce Commercial Industrial Council/Chamber of Commerce Compton Chamber of Commerce Construction Industry Air Quality Coalition Construction Industry Coalition on Water Quality Council on Infil Builders</p>	<p>Crenshaw Chamber of Commerce Culver City Chamber of Commerce Downey Association of REALTORS Downey Chamber of Commerce Downtown Alhambra Business Association Downtown Center Business Improvement District Downtown Long Beach Alliance El Monte/South El Monte Chamber El Segundo Chamber of Commerce Employers Group Encino Chamber of Commerce Energy Independence Now EIN Engineering Contractor's Association FastLink DTLA Filipino American Chamber of Commerce Friends of Hollywood Central Park FuturePorts Gardena Valley Chamber Gateway to LA Glendale Association of Realtors Glendale Chamber Glendora Chamber Greater Antelope Valley AOR Greater Bakersfield Chamber of Commerce Greater Lakewood Chamber of Commerce Greater Leimert Park Crenshaw Corridor BID Greater Los Angeles African American Chamber Greater Los Angeles Association of Realtors Greater Los Angeles New Car Dealers Association Greater San Fernando Valley Chamber Harbor Association of Industry and Commerce Harbor Trucking Association Historic Core BID of Downtown Los Angeles Hollywood Chamber Hong Kong Trade Development Council Hospital Association of Southern California Hotel Association of Los Angeles Huntington Park Area Chamber of Commerce ICBWA- International Cannabis Women Business Association Independent Cities Association Industrial Environmental Association Industry Business Council Inglewood Board of Real Estate Inland Empire Economic Partnership International Franchise Association Irwindale Chamber of Commerce Kombucha Brewers International La Cañada Flintridge Chamber LA Coalition LA Fashion District BID LA South Chamber of Commerce Larchmont Boulevard Association Latin Business Association Latino Food Industry Association Latino Restaurant Association LAX Coastal Area Chamber League of California Cities Long Beach Area Chamber Long Beach Economic Partnership Los Angeles Area Chamber Los Angeles Economic Development Center Los Angeles Gateway Chamber of Commerce Los Angeles Latino Chamber Los Angeles LGBTQ Chamber of Commerce Los Angeles Parking Association Los Angeles World Affairs Council/Town Hall Los Angeles MADIA Malibu Chamber of Commerce Manhattan Beach Chamber of Commerce Marketplace Industry Association Monrovia Chamber Motion Picture Association of America, Inc. MoveLA MultiCultural Business Alliance NAIOP Southern California Chapter NAREIT National Association of Minority Contractors National Association of Tobacco Outlets National Association of Women Business Owners</p>	<p>National Association of Women Business Owners - LA National Association of Women Business Owners- California National Federation of Independent Business Owners California National Hookah National Latina Business Women's Association Orange County Business Council Orange County Hispanic Chamber of Commerce Pacific Merchant Shipping Association Panorama City Chamber of Commerce Paramount Chamber of Commerce Pasadena Chamber Pasadena Foothills Association of Realtors PGA PhRMA Pico Rivera Chamber of Commerce Planned Parenthood Affiliates of California Pomona Chamber Rancho Southeast REALTORS ReadyNation California Recording Industry Association of America Regional CAL Black Chamber, SVF Regional Hispanic Chambers San Dimas Chamber of Commerce San Gabriel Chamber of Commerce San Gabriel Valley Economic Partnership San Pedro Peninsula Chamber Santa Clarita Valley Chamber Santa Clarita Valley Economic Development Corp. Santa Monica Chamber of Commerce Sherman Oaks Chamber South Bay Association of Chambers South Bay Association of Realtors South Gate Chamber of Commerce South Pasadena Chamber of Commerce Southern California Contractors Association Southern California Golf Association Southern California Grantmakers Southern California Leadership Council Southern California Minority Suppliers Development Council Inc. Southern California Water Coalition Southland Regional Association of Realtors Sportfishing Association of California Structural Engineers Association of Southern California Sunland/Tujunga Chamber Sunset Strip Business Improvement District Torrance Area Chamber Tri-Counties Association of Realtors United Cannabis Business Association United Chambers - San Fernando Valley & Region United States-Mexico Chamber Unmanned Autonomous Vehicle Systems Association US Green Building Council US Resiliency Council Valley Economic Alliance, The Valley Industry & Commerce Association Venice Chamber of Commerce Vermont Slauson Economic Development Corporation Veterans In Business Vietnamese American Chamber Warner Center Association West Hollywood Chamber West Hollywood Design District West Los Angeles Chamber West San Gabriel Valley Association of Realtors West Valley/Warner Center Chamber Western Electrical Contractors Association Western Manufactured Housing Association Western States Petroleum Association Westside Council of Chambers Whittier Chamber of Commerce Wilmington Chamber Women's Business Enterprise Council World Trade Center</p>
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Staff Response to Comment Letter #2:Response to Comment 2-1:

The 2022 AQMP introduced a Public Health Benefit Cost-Effectiveness Threshold approach that takes into consideration the health impacts and overall benefit to society resulting from improved air quality. Staff used principles of Benefit Cost Analysis to compare monetized benefits to costs and proceed if the benefits outweigh the costs. The approach borrowed some, but not all, of the principles in the U.S. EPA Guidelines for Preparing Economic Analyses (Guidelines), which includes monetized health impacts, such as premature deaths, lost school and workdays, hospital admissions, and respiratory and cardiovascular symptoms, when evaluating the costs associated with regulatory programs. This approach is aligned with the methodologies employed by U.S EPA and CARB in evaluating the costs associated with compliance with regulatory programs. By incorporating health considerations and assessing the societal advantages, this approach ensures a comprehensive evaluation of the costs and benefits associated with air quality improvements. The established screening threshold of \$325,000 (\$349,000 adjusted to 2022-dollar year) is equivalent to the monetized benefits associated with a ton of NO_x. This screening threshold is used as a guideline to conduct a comprehensive cost-effectiveness analysis when establishing BARCT standards during rulemaking. The U.S. EPA Guidelines does not apply to a BARCT cost-effectiveness assessment. That cost assessment is based on the California Health and Safety Codes section 40920.6 which states:

- (a) Prior to adopting rules or regulations to meet the requirement for best available retrofit control technology pursuant to Sections 40918, 40919, 40920, and 40920.5, or for a feasible measure pursuant to Section 40914, districts shall, in addition to other requirements of this division, do all of the following:
 - (1) Identify one or more potential control options which achieves the emission reduction objectives for the regulation.
 - (2) **Review the information developed to assess the cost-effectiveness of the potential control option. For purposes of this paragraph, “cost-effectiveness” means the cost, in dollars, of the potential control option divided by emission reduction potential, in tons, of the potential control option.**

Staff’s cost assessment includes direct and indirect costs that facilities will incur to install NO_x controls used to comply with the regulation but does not consider the regional-level monetized health impacts. Staff provided additional in-depth details to stakeholders regarding the methodologies used to determine cost-effectiveness during multiple Working Group Meetings (WGM), including WGM#8. This approach is consistent with the 2022 AQMP which states (page 4-83) [emphasis added]:

Based on these analyses, Option 2 would use a screening threshold of \$325,000 per ton (2021 dollars) when evaluating the cost-effectiveness of proposed rules (\$325,000 [sic] is the mid-point between the estimates from the 2016 AQMP and Table 4-17). **Cost-effectiveness would continue to be evaluated as the cost of controls divided by the tons of NO_x reduced.**

Staff’s cost-effectiveness assessment is consistent with the direction provided in the 2022 AQMP as approved by the Governing Board.

Further cost impacts can be found in a socioeconomic analysis conducted by the South Coast AQMD Socioeconomic team, which will be available to the public no later than July 5, 2023. That document provides a more in-depth analysis than the BARCT cost-effectiveness assessment and includes an examination of regional job losses and price increases.

Response to Comment 2-2:

A full socioeconomic analysis has been conducted by the socioeconomic team and is being made available to the public no later than July 5, 2023. Staff has also conducted a socioeconomic analysis as part of this staff report which included direct and indirect costs that will be incurred to meet the proposed emission limits including capital costs, installation cost, fuel switching costs, costs for electrical panel upgrades, and costs that the utility companies might charge to the facility to make upgrades to the electrical circuit in the region where the facility is located. Many of the social costs cited in the comment 2-2 are speculative; therefore, staff would not be able to set a monetary value to them with any certainty. It is standard practice not to monetize highly uncertain and/or speculative costs *or* benefits.

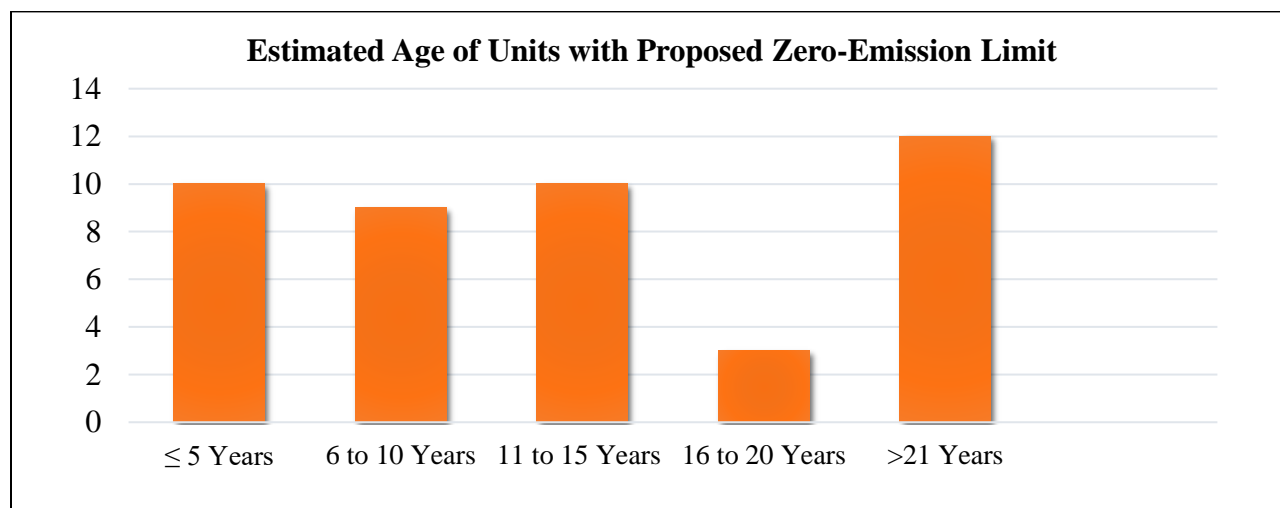
South Coast AQMD has a well-established methodology that has been used since the adoption of a cost threshold as part of the 2012 AQMP. As required by the Health and Safety Code, staff takes into consideration the cost of the control option which includes both direct and indirect costs the facility will incur to meet the proposed NO_x limits. That analysis does not include regional costs as detailed in the U.S. EPA Guidelines for Preparing Economic Analyses (Guidelines) even though some of that methodology was borrowed to support the policy decision to establish the 2022 AQMP screening threshold.

The original 2012 cost threshold was established with the purpose of guiding rule development in response to costly control measures necessary to fulfill State Implementation Program obligations and establishing BARCT emission standards. As with the current cost screening threshold, it was not considered as an absolute cap; any BARCT emission standard with a cost exceeding the threshold would trigger an additional public process. The 2012 cost threshold was established at \$22,500 per ton of NO_x reduction. With the adoption of the 2016 AQMP, the threshold was increased to \$50,000 per ton of NO_x reduced, which was based on inflation and costs for control measures. For the 2022 AQMP, staff initially proposed to conduct a similar approach to increase the threshold to account for inflation; however, several Board Members were concerned that the threshold was too low to achieve the NO_x emission reductions necessary in the South Coast AQMD and the high cost of health impacts from air pollution. Based on that direction, staff developed an alternative proposal that considered public health benefits based on nationwide U.S. EPA studies and the 2016 AQMP. Staff provided an in-depth analysis of the cost-effectiveness threshold which included concepts from the U.S. EPA Guidelines. The U.S. EPA Guidelines are designed to assist analysts in the economic analysis of environmental policies, but they are not required to be used for South Coast AQMD rule cost-effectiveness analyses, nor do they provide a rigid methodology for all policy assessments. While staff used the U.S. EPA Guidelines to establish the new screening cost-effectiveness threshold, the California Health and Safety Code is more appropriate to estimate the cost-effectiveness of BARCT emission limits.

Response to Comment 2-3:

Staff revised the cost-effectiveness to account for the full range of facility-level costs to implement the rule requirements, which includes the costs of capital equipment, facility-level electrical upgrades, utility-side electrical upgrades, and infrastructure related to the requirement of zero-emission equipment. In addition, staff revised the cost-effectiveness analysis to include fuel switching costs associated with the transition from natural gas to electricity. To address the issue of stranded assets, staff incorporated a requirement for unit age and burner age and is based upon unit replacement into the compliance schedule for Phase II. A unit will need to be 25 years of age and the burner will need to be 10 years of age before it is required to meet the Phase II requirements. This requirement, which is based on equipment life, addresses the concerns a facility may have regarding stranded assets due to recently replacing or upgrading burners to meet the limits of the 2014 rule amendments.

Staff has conducted an analysis regarding the age of the units, impacts of the rule, and infrastructure readiness, which is summarized in Chapter 4 of this staff report. The chart below is from Chapter 4 and demonstrates that the transition to zero-emissions, which will be based on unit age, will be gradual.



Please see response to comment 2-2 regarding use of the U.S. EPA Guidelines.

Response to Comment 2-4:

Staff acknowledges the time required for electrical grid upgrades to meet the potential increased demand for zero-emission equipment. The amount of energy required will not impose a significant change to demand on the grid. The updated rule proposal does not require all categories to meet the zero-emission requirement and only establishes zero-emission limits for the smaller units. Assuming the 50 percent capacity factor per year for operations as assumed in the comment letter, the electricity demand is calculated to be 75 MWh and not 400 MWh as mentioned due to the staff's revised proposal. Staff's revised proposal will only require four categories to comply with zero-emission requirement, which represents 0.06 ~~percent~~% of the overall estimated power usage in South Coast AQMD region. Furthermore, staff's proposed compliance schedule is based on the equipment age and unit replacement date; this will allow for a gradual phased-in approach alleviating potential significant impacts on the grid. Staff also acknowledges that utility-side upgrades may be beyond the facility's control; therefore, staff has also included an Alternate Compliance Schedule Plan for facilities where the utility provider cannot provide the necessary upgrades in a timely manner.

The California Energy Commission (CEC) conducts assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. The assessment and findings are presented in the CEC Integrated Energy Policy Report (IEPR) which is adopted every two years and updated every other year. The latest CEC Integrated Energy Policy Report was released in 2022. One of the area the report evaluates is the energy demand forecast which considers the economic and energy impacts from zero-emission regulations that are expected to be adopted at the local, regional, and statewide level. IEPR forecast considers multiple parameters including factors such as: population growth, climate impacts, electrification standards, EV adoption, battery storage, and renewable energy. IEPR estimates energy demand in California is expected to grow at a rate of 1.8 ~~percent~~% annually from 290,000 GWh to approximately 360,000 GWh by 2035. In summary, the state is aware of the increase the demand and is planning accordingly to meet the projected demands.

Response to Comment 2-5:

Staff appreciates the feedback and values the participation of all stakeholders in the rule amendment process. Staff will continue to include all interested parties in the process.

Comment Letter #3



April 13, 2023

By Electronic Submission: SKa@aqmd.gov

Mr. Sarady Ka
 Program Manager
 South Coast Air Quality Management District (SCAQMD)
 21865 Copley Drive
 Diamond Bar, CA 91765

Subject: Comments on SCAQMD Proposed Amended Rule 1153.1

Dear Mr. Ka,

The American Bakers Association (ABA) appreciates the opportunity to comment on the proposed amendments to South Coast Air Quality Management District (SCAQMD) Rule 1153.1: *Emissions of Oxides of Nitrogen (NOx) from Commercial Food Ovens*.

ABA is the voice of the baking industry. The baking sector provides nutritious and low-cost products to consumers while also helping to support national feeding programs. Serving its members from global wholesale baking companies and suppliers to baking industry entrepreneurs, ABA is the only bakery-specific national and state trade association, delivering results on priorities affecting the companies that feed the world. Since 1897, ABA has worked to build the talent pool of skilled workers with specialized training programs, and forge industry alignment by establishing a more receptive environment to grow the baking industry. ABA's membership has grown to represent more than 300 companies with a combined 1000+ facilities. The commercial baking sector provides over 86,000 jobs in the state of California along with \$4.46 billion in wages and \$5.53 billion in tax revenues.

ABA is concerned that the food industry has been prematurely singled out for the first ever sector-based Zero-Emissions regulation in California, yet there is no zero-emissions baking oven technology currently available. The baking sector's NOx emissions footprint represents a small fraction of NOx emissions when compared to other industrial stationary sources and mobile sources in the SCAQMD. ABA's member commercial bakeries are open to adopting electric oven technology when it is truly available, but the transition should be mandated only when feasible and in a stepwise manner from natural gas to hybrid ovens to full electric ovens, as California has done with electric vehicles. We understand that SCAQMD has continued an open dialogue with impacted stakeholders and we appreciate the ongoing dialogue with the regulated community. Our concerns are discussed below.

BACKGROUND

Commercial Baking Sector Ovens

Commercial baking operations in California include facilities that produce 1200 buns per minute and 200 bread loaves per minute. These are not small bakeries with "kitchen" style ovens. Ovens are a significant capital investment for a baking company and with proper maintenance can

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 (202) 898-1164

Comments on SCAQMD Proposed Amended Rule 1153.1
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operate for 30-40 years. PAR 1153.1 would require commercial bakery ovens older than 22 years to be scrapped and switched to net-zero NOx technology (i.e., electric ovens) in 2027. According to the SCAQMD's March 30th presentation, there appear to be some discussions for a phased-in approach based on the type of oven. However, SCAQMD should ensure a thorough step-by-step regulatory transition for commercial ovens from natural gas to hybrid and then to electric, where feasible. Where electric oven technology continues to be infeasible, the agency should provide clear regulatory language on how implementation will be phased in, what criteria will be considered, and who will determine when the rule becomes effective. ABA believes these considerations should be in place prior to the amendments being finalized, rather than considering additional modifications once the rule is updated. The regulated community needs certainty.

Cont'd
 3-2

Infrastructure Needs and Impacts

As recently as this winter, California has had to work through the challenges of increased stress on its electric grid, which typically occur during the summer and fall months. ABA understands that SCAQMD has had conversations with electric utilities regarding necessary upgrades to electric transmission and distribution infrastructure to support the dramatically higher power loads for food manufacturing facilities to convert from natural gas-fired to electric-fired ovens.

3-3

The added electric load for each commercial-scale electric oven could be larger than the present electricity demand for the entire baking facility. In some cases, it is estimated that each bakery will need 5x times more electricity to continue its operations. Each baking facility itself will need significant infrastructure upgrades, including switching from a low voltage to a high voltage facility, which raises worker safety and training concerns. The details of the transition to zero NOx technology needs to be thought through in a step-by-step manner before any rule amendment is adopted. ABA endorses working towards lowering emissions, but we are skeptical that the California electric grid can handle this transition presently, given the electric reliability and availability challenges that the state is experiencing.

TECHNICAL COMMENTS

ABA respectfully provides the following comments on SCAQMD's PAR 1153.1 based on the Working Group Meeting #7 (Mar. 8, 2023) slide presentation.

3-4

A. The Public Participation Process Must Start from SCAQMD's New Zero-Emissions Proposal

First, ABA requests that SCAQMD provide the usual opportunity for public comment and participation for this proposed rule, which was not done here due to the re-writing of the proposed rule in early 2023. It is our understanding that PAR 1153.1 was originally proposed as a rule to limit NOx emissions from existing natural-gas fired ovens to 30 ppm NOx, which would have required low-NOx burners or hybrid gas-electric oven technology (which is in its infancy but beginning to be available commercially). This proposal was discussed with stakeholders for some 18 months. However, only in January 2023 did SCAQMD re-write the proposal to require zero NOx emissions, which as a practical matter is the equivalent of mandating early retirement of natural gas ovens and capital investment in new electric ovens. Stakeholders have not had an opportunity to recalibrate to this entirely different rule proposal. Accordingly, ABA suggests that SCAQMD convene a stakeholder workshop to discuss the possibility of transitioning to electric ovens. The workshop should include representatives from the baking industry (ABA and others),

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owners of baking facilities in the South Coast and California, oven equipment manufacturers, technical experts from the baking industry such as AIB International, and technical experts from the relevant electric utilities, as well as staff and leadership from key agencies such as CARB, CEC and CPUC. Cont'd
3-4

B. Commercial-Scale Electric Ovens Are Not Currently Available and Zero-Emissions Is Not Achievable 3-5

The central requirement of emissions standards is that they be “achievable.” Cal. Health & Safety Code (HSC) § 40406 defines “best available retrofit control technology [BARCT]” as “an emission limitation that is based on the maximum degree of reduction *achievable*, taking into account environmental, energy, and economic impacts by each class or category of source.” SCAQMD’s Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning, at G-2, May 6, 2005, describes BARCT as “[a]n air emission limitation that applies to existing sources and is based on the maximum degree of reduction *achievable*, taking into account environmental, energy, and economic impacts by each class or category of source.” Similarly, HSC § 40405 defines “best available control technology” as “an emission limitation that will *achieve* the lowest achievable emission rate for the source to which it is applied” including “(1) The most stringent emission limitation that is contained in the state implementation plan for the particular class or category of source, unless the owner or operator of the source demonstrates that the limitation is *not achievable*.” An emission standard is not achievable if emissions control technology is not available.¹ In addition, under HSC § 40440.11, in situations where SCAQMD is going beyond federal Clean Air Act standards, it is doubtful that SCAQMD could require baking facilities to switch to an entirely new and unproven technology such as electric ovens, as opposed to adding emissions controls to existing gas-fired oven technology.²

The rulemaking record for PAR 1156.1 shows that electric ovens are not available technology at this time and thus zero emissions are not achievable. Although the baking sector has embraced sustainability and has invested millions in new technology such as low-NOx burners in ovens; low-NOx boilers for steam and electricity, hybrid gas-electric ovens; and solar/storage microgrids; the reality is that electric oven technology at the scale of commercial baking ovens is only in pilot stages and will not be available for 3-5 years. As SCAQMD knows, the sole equipment vendor that it spoke with does not manufacture ovens for all commercial-scale bakeries, but rather

¹ See, e.g., HSC 40440.11(c)(2) (SCAQMD must “[d]etermine that the proposed emission limitation has been met by production equipment, control equipment, or a process that is commercially available for sale, and has achieved the best available control technology in practice on a comparable commercial operation for at least one year, or a period longer than one year if a longer period is reasonably necessary to demonstrate the operating and maintenance reliability, and costs, for an operating cycle of the production or control equipment or process”); *Sierra Club v. EPA*, 479 F.3d 875, 883 (D.C. Cir. 2007) (it is “not feasible” to set an emission standard when “the application of measurement methodology to a particular class of sources is not practicable due to technological and economic limitations”) (citing Clean Air Act § 112).

² HSC § 40440.11 (“Best available control technology; establishment or revision; district considerations and duties; frequency of change (a) In establishing the best available control technology that is more stringent than the lowest achievable emission rate pursuant to federal law for a proposed new or modified source, the south coast district shall consider only *control options or emission limits to be applied to the basic production or process equipment existing* in that source category or a similar source category.”).

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is a niche supplier of specialty ovens which would not work for commercial scale and throughput. SCAQMD must realize that commercial bakeries do not all use the same ovens or vendors and that a “one size fits all” approach is not possible. Different baking facilities have different product lines, each with specific oven types and performance parameters necessary to meet its operational needs. Bakers are willing to adopt electric ovens when that technology is technically and economically available; however, it is indisputable that the electric oven technology is not currently available at commercial scale.

Cont'd
 3-5

ABA encourages SCAQMD to consider the comments submitted by Yorke Engineering LLC, dated April 5, 2023, on behalf of our member Bimbo USA Group which detail the experience of bakers in California, including two major facilities in the South Coast region. These comments emphasize the following critical points, which the SCAQMD must consider in its rulemaking:

1. There are currently no proven, commercial-scale electric ovens available in the baking industry. The only significant manufacturer of electric ovens has indicated that its equipment cannot replace large commercial scale ovens;
2. In some applications, such as english muffin baking, electric oven technology will likely not be able to replicate the baking profile needed for the products even if the technology is scaled;
3. Electric ovens have no track record of performance;
4. Bakers will have to go through an extensive “retooling” period in which scores of baking recipes are tested and adapted to electric ovens. This research and development period might take up to 2-3 years.

Moreover, as discussed above, the electrical infrastructure needed to install electric ovens does not currently exist.

C. The PAR 1153.1 Electric Oven Mandate Can Be Phased In As Technology Becomes Available

3-6

In light of the barriers to adoption evident in the rulemaking record, SCAQMD cannot at this time legally require electric ovens at any facility in California. However, the baking industry wishes to facilitate the transition to lower emissions technology as soon as possible. Accordingly, ABA does not object to SCAQMD promulgating a version of PAR 1156.1 at this time -- provided that zero emissions limits do not become effective at particular facilities until the legally required prerequisites are demonstrated. ABA suggests that the PAR include the following language making effectiveness of the proposed emissions limits contingent on authoritative demonstrations of achievability, as follows:

[PAR 1153.1 proposed text]

“The emissions limits in Rule 1153.1 shall be effective for a facility 24 months after:

(1) a determination by SCAQMD and AIB International, Inc. (or other independent body with technical expertise in the baking industry) that zero-NOx emissions oven equipment with comparable heat input, comparable radiant, conductive, and convection heating properties, and comparable throughput capacity as equipment currently installed at such facility, is commercially available in the U.S. market;

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(2) a determination by the [California Energy Commission] that the electric transmission and distribution grid serving such facility is adequate and ready to serve the electric load required by such facility after conversion to zero-NOx emissions technology;

(3) a determination by SCAQMD that such zero-NOx emissions oven equipment is available at reasonable cost, consistent with the cost-benefit analysis supporting Rule 1153.1; and

(4) a determination by SCAQMD and the California Air Resources Board that, based on cradle-to-grave lifecycle analysis (including supply of electricity on a lifecycle basis), NOx and greenhouse gas emissions from zero-NOx equipment mandated to be installed at such facility will be less than emissions from equipment currently in use at such facility.

Cont'd
 3-6

D. SCAQMD Must Provide its Technical Analysis for Public Review

As flagged in the Yorke Engineering letter, SCAQMD has not yet made its NOx Cost Effectiveness Analysis available for public review and comment. ABA concurs in Yorke Engineering's request that the baking industry should have an opportunity to see SCAQMD's inputs and assumptions and to conduct an independent analysis using actual industry data prior to the rulemaking advancing any further. SCAQMD is required by law to provide this analysis and underlying assumptions and data. Pursuant to Cal. HSC § 40727.2(d), SCAQMD "shall prepare a written analysis" which includes evaluation of "(1) Averaging provisions, units, and any other pertinent provisions associated with emission limits. (2) Operating parameters and work practice requirements. (3) Monitoring, reporting, and recordkeeping requirements, including test methods, format, content, and frequency. (4) Any other element that the district determines warrants review." Subsection (f) requires that "The analysis required by this section shall be provided to the public upon request." Accordingly, there cannot be proper stakeholder engagement until SCAQMD provides copies of its analysis and underlying data.

3-7

ABA is also concerned that SCAQMD's economic analysis omits several critical considerations that are legally required under California law (including CEQA), such as the following:

3-8

1. the economic and environmental costs of forcing the retirement of currently installed ovens which are still within their useful life (which as noted in the Yorke Engineering comments is likely 30-40 years rather than SCAQMD's unsupported assumption of 22 years), including the emissions (and carbon) footprint of retiring in-service equipment, scrapping electrical wiring and components, and the indirect (Scope 3) emissions from the manufacture, materials (including extractive/mining impacts associated with steel and copper components) and shipping of new equipment;
2. the anticipated levels of food waste that would result from testing and trialing baking recipes in order to transition to electric ovens;
3. the effect of PAR 1153.1 on food prices, availability and nutrition (particularly for disadvantaged communities, vulnerable persons and children) due to reduction of production output from California baking facilities affected by the rule;
4. the environmental impacts of leakage of baked goods production to areas outside of California requiring greater transport emissions;
5. the comparative lifecycle emissions profile of electricity used by electric ovens in the applicable electric service area compared to in-use natural gas-fired ovens, considering

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emissions from electric generation, including the use of diesel generators during peak demand and the NOx penalty from electric generation, transmission and conversion losses;

6. electric grid availability, reliability and readiness, including availability of backup power during power curtailments;
7. the economic and environmental costs of diverting renewable electricity for use in electric ovens, including environmental justice implications of denying availability of renewable electricity to rural and disadvantaged communities due to higher costs and demand and the health and environmental impacts on host communities of electric generation facilities whose output will increase as a result of the use of zero-NOx technology at baking facilities.

In short, SCAQMD has not completed its evaluation of the proposed rule, which should be done through a fulsome stakeholder and regulatory agency engagement process. In particular, SCAQMD seems to be making some unfounded assumptions, including in relation to (1) availability of oven technology, (2) the assumption that renewable energy would be used to power electric ovens, and (3) that grid infrastructure is adequate to handle the increased load/demand from electric ovens. SCAQMD should open these issues to more thorough public stakeholder engagement.

E. The NOx Cost Effectiveness Analysis in Incomplete

ABA is unable to locate details regarding the NOx cost effectiveness analysis that is required to be done by SCAQMD. First, ABA is unable to determine the basis of the costs and emission calculations that went into the analysis. We understand that capital costs were determined based on a 25-year estimated life for a commercial bakery oven, but we believe that several costing considerations have been excluded or underestimated. These include:

1. cost for a facility to conduct electrical upgrades to a bakery;
2. required increase in power demand, especially during peak demand times;
3. increase in electricity cost for electricity provider to upgrade substations and lines, bringing power to the plant;
4. cost of larger cables required for the additional electric load required for the electric ovens;
5. building infrastructure upgrades required to support larger electric load at the facility while managing the rolling brown outs Southern California has been facing;
6. worker safety considerations for the electric load; and
7. NOx emissions associated with electricity production on-site or by the electricity provider.

CONCLUSION

The American Bakers Association appreciates the opportunity to provide our comments as the SCAQMD works on Proposed Amended Rule 1153.1. We remain concerned that the pace and details of these proposed changes may not have been thoroughly vetted, particularly with regard to infrastructure needs and the ability to transition to electric ovens. Accordingly, ABA

Cont'd
3-8

3-9

3-10

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recommends a stepwise transition from natural gas to hybrid ovens, and finally to electric ovens when the technology is available. If you have additional questions, please contact [Rasma Zvaners](#).

Cont'd
3-10

Sincerely,

A handwritten signature in black ink, appearing to read "Rasma Zvaners", with a long horizontal flourish extending to the right.

Rasma Zvaners
Vice President Regulatory & Technical Services

Staff Response to Comment Letter #3:Response to Comment 3-1:

Staff's intent is not to single out any one industry. We are seeking to implement zero-emission regulation for every industry where it can be demonstrated to be technically feasible and cost-effective. In order to demonstrate attainment with the 2015 8-hour ozone National Ambient Air Quality Standards (NAAQS) for the South Coast Air Basin by 2037, the 2022 AQMP was adopted on December 2, 2022, by the South Coast AQMD Governing Board. The 2022 AQMP is a zero-emission focused plan and emphasizes the use of zero-emission technologies to achieve the emission reductions needed to meet federal air quality standards. The 2022 AQMP focuses on all sectors and not just the food industry, and as a result, staff re-assessed BARCT to include zero-emission technology for commercial food oven categories as part of the on-going rule development process. Furthermore, all future rulemaking will evaluate zero-emission technology for all sectors not just the food industry.

Response to Comment 3-2:

Staff understands that the universe of ovens regulated by Rule 1153.1 are commercial-sized units and not small kitchen-sized units. However, there are opportunities for technologies to be scaled up from smaller units to larger commercial units as well as opportunities for technology transfer for zero-emission ovens used in other sectors.

With regard to hybrid ovens, staff evaluated hybrid oven technology as a potential step towards zero-emission technology for the larger bakery oven category; however, there were considerably high operating costs for the large units. Staff also considered if including an interim emerging technology, such as a hybrid oven, could ultimately delay the development of emerging zero-emission technology. As a result, staff removed the hybrid requirement from the rule.

Regarding the compliance schedule, the proposed emission limits apply at the end of the unit's useful life, which staff estimated as 25 years, and includes a provision for new burners to also reach the end of a 10-year useful life. The 25-years useful life assumption is based on facility input. Not all commercial food ovens are in service for 30 – 40 years; some companies upgrade or replace their ovens in 15 - 20 years as part of their maintenance schedules. Some facilities see an economic value in replacing rather than maintaining older ovens. This compliance schedule will allow the technology to transition to zero-emission in a phased-in schedule. Further, the proposed rule includes a requirement for staff to conduct a technology assessment to address the possibility that the technology development is slower than anticipated, in which case, the rule may be amended to adjust emission limits or the compliance schedule.

Response to Comment 3-3:

Please see comments 1-7 and 1-9.

Response to Comment 3-4:

The South Coast AQMD's rule development process includes a rigorous public process, including working group meetings, stakeholder presentations, stakeholder meetings, public workshop, and an official public comment period. The rule development did pivot to include zero-emission limits upon the adoption of the 2022 AQMP which raised concerns from the regulated industry. To address stakeholder's concerns, the public hearing was delayed from June until August and staff held two public Working Group Meetings and a Public Workshop with all of the interested parties to seek comments on the proposed rule amendment. In addition, staff meet separately with key

industrial and environmental stakeholders to understand their concerns and met with oven manufacturers to discuss status of zero-emission technology. Stakeholders may provide their comments and reach out to staff at any time throughout that public process.

Response to Comment 3-5:

Staff acknowledges that the zero-emission NO_x limits are technology-forcing emission limits. For a discussion on South Coast AQMD's ability to adopt technology-forcing limits, please see response to comment 1-6.

Response to Comment 3-6:

It is unclear precisely what the commenter is referring to when it states "SCAQMD cannot at this time legally require electric ovens at any facility in California." To the extent the commenter means South Coast AQMD cannot require electric ovens be installed immediately ("at this time"), the rule does not require immediate implementation of zero-emission technologies. If the commenter is referring to the South Coast AQMD's authorization to adopt technology-forcing regulations, please see response to comment 1-6. Staff is proposing emission limits that include technology-forcing zero-emission limits, which will be considered and voted on by the South Coast AQMD Governing Board. The requirements to conduct a BARCT analysis are set forth in the California Health and Safety Code. Our rule development includes a rigorous public process where staff consider comments by the regulated industry, trade groups, other regulatory agencies, and community and environmental groups. While we appreciate the suggested language, the South Coast Governing Board, will determine what emission limits will be established and when those emission limits take effect. The proposed rule language includes a future technology assessment where staff will re-assess the progress of the technology development. That process will also include a public process where stakeholders can provide comments. Staff will present their findings and make recommendations to the Stationary Source Committee, which will provide staff direction on future emission limits and the compliance schedule.

The commenter also suggested a cradle-to-grave lifecycle analysis, which would analyze whether NO_x and greenhouse gas emissions from zero-NO_x equipment would be less than emissions from combustion-based equipment fueled by natural gas currently used at that facility. A cradle-to-grave lifecycle analysis is not a required element of a BARCT assessment; thus, it will not be included as part of this assessment.

Response to Comment 3-7:

Staff outlined the cost data used to estimate total installed cost for electrical ovens and a cost-curve was generated to estimate the cost for other ovens based on the oven type. Total installed cost included capital cost of equipment, installation costs, and electrical upgrades. Staff's assumption for electrical upgrades is approximately 10 percent of the estimated capital cost of equipment, which in some instances was nearly \$1.2 million and is in line with some cost estimates that facilities mentioned. Throughout the rulemaking process, staff has always welcomed facility-provided cost information since this is the most accurate representation of the actual cost incurred. In addition, staff revised some cost assumptions and added costs relative to utility-side upgrades that may be passed on to the facilities, as well as fuel-switching costs that account for the difference between prices of natural gas and electricity. This information is included in Chapter 2 of the staff report, and past and updated cost assumptions were presented during working group meetings.

South Coast AQMD is required to perform a comparative analysis pursuant to Health and Safety Code Section 40727.2 when adopting, amending, or repealing a rule or regulation. The comparative analysis can be found in Chapter 4 of this staff report.

Response to Comment 3-8:

Staff has prepared and released for public review the socioeconomic assessment and California Environmental Quality Act assessment for the proposed rule amendment. Those assessments do not include estimates of food waste for testing new ovens as staff does not agree that ovens installed to meet PAR 1153.1 NO_x limits will result in additional food waste. The compliance schedule is based on unit replacement; installation of any new technology, regardless of whether it is electric or combustion-based, will necessitate product testing that could result in product waste. Similarly, staff does not agree that the NO_x limits will result in food price increases or loss of available nutritional food products for vulnerable populations and has been provided no evidence to support this assertion. The socioeconomic analysis addressed the impacts of PAR1153.1 on delivered price in the Food Manufacturing sector. Based on the REMI model, for the Food Manufacturing sector as a whole, the average cost of production in the sector will increase by 0.069 percent in the South Coast region in 2027 when the biggest impact will happen. Accordingly, the relative delivered price in Food Manufacturing will increase by 0.0448 percent in 2027, which is not significant in economic terms.

The activities to implement the proposed project involve the replacement of equipment or burners at the end of its useful life between years 2023 and 2047. Regarding the comment's disagreement about what equipment age should be used to determine the end of its useful life as described in Point 1, if the equipment is viable and functional, there is nothing in PAR 1153.1 that would prevent the equipment from being sold and relocated for use outside of South Coast AQMD's jurisdiction, rather than being scrapped. If the equipment is no longer functioning, then equipment replacement and electrical wiring would be necessary irrespective of PAR 1153.1. Of course, the type of equipment that would be allowed for replacement would need to comply with the emission limits in PAR 1153.1. Any metal-containing construction debris, especially if comprised of copper and steel, is valuable and can be sent for recycling, rather than disposal.

In addition, Point 1 seeks to attribute the environmental impacts of manufacturing new commercial food ovens to complying with PAR 1153.1. PAR 1153.1 emission limits are based on the end of unit's useful life; therefore, that equipment would already need to be replaced. While there is a disagreement on the definition of useful life, staff's proposal of a 25-year unit life, with the potential of extending that if new burners were installed, aligns staff's assumptions with stakeholder comments. As such, staff does not agree that there will be increased environmental impacts associated with early replacement of equipment still within its useful life.

Relative to the comment about transportation impacts to haul away removed equipment and burners and deliver new equipment and burners, as stated above, those units would be replaced at the end of the Unit's useful life and therefore there would be no additional impact from the emission limits in PAR 1153.1. In addition, the number of units that may be affected by PAR 1153.1 is around 200, and the equipment replacement would be expected to occur over an extended period of 25 years. Thus, on a peak daily basis, the number of trips associated with these activities and the associated emissions would be minimal.

Further, for the same reasons, and due to the wide variations in equipment/burner age, the replacement activities are not expected to overlap in a manner that would cause a significant

adverse effect on the environment. In addition, the replacement of equipment and burners can be accomplished via minimal construction equipment.

Regarding Point 2, bakeries that test out new product lines or test products in newly installed ovens will result in some food waste regardless of whether the new oven is electric or combustion-based. A transition to new electric equipment or new gas-burning equipment would still require product testing and could generate food waste.

Regarding Points 3 and 4, staff was not provided the evidence that there will be a reduction in baked goods output for the region causing other bakeries outside the area to step up their production. Baked goods currently come from within our region, within California, and from other bakeries throughout the U.S. Staff does not anticipate changes to this scenario as a direct result of PAR 1153.1.

Regarding Points 5, 6 and 7, the 2022 AQMP Program Environmental Impact Report (EIR) analyzes the potential increase in demand for natural gas primarily associated with production of electricity in the short term that may result from control measures in the AQMP. Projected increases in renewable energy in the state's overall energy portfolio were also analyzed and taken into consideration in the Program EIR. The CEC and CPUC have also forecasted and anticipate subsequent increases in electricity demand, and utility providers acknowledge the electrical grid infrastructure projects that will be needed to accommodate such an increase in demand.

Further, no direct or indirect physical changes resulting from economic or social effects have been identified. Pursuant to CEQA Guidelines Section 15131(a), "[e]conomic or social effects of a project shall not be treated as significant effects on the environment." CEQA Guidelines Section 15131(b) states further, "[e]conomic or social effects of a project may be used to determine the significance of physical changes caused by the project." Thus, it can be seen with certainty that implementing PAR 1153.1 would not cause a significant adverse effect on the environment, and therefore, it is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

Any potential for the closing or curtailing of affected businesses as a result of PAR 1153.1 is evaluated in the Socioeconomic Impact Assessment.

Response to Comment 3-9:

Staff detailed the cost assumption, the cost-effective methodology, and the results of the cost-effectiveness assessment in working group meetings as well as in the staff report. In addition, staff updated the assessment based on comments received which are included in this staff report and were presented during Working Group Meeting #8. Further information will be provided in the Socioeconomic Analysis. However, staff did not consider emissions generated at electrical generating facilities as those facilities are regulated under different South Coast AQMD regulations. Staff also does not evaluate the energy requirements and emission caused by extracting, refining, and delivering natural gas to facilities including the energy requirements and emissions causes by both fugitive leaks and catastrophic incidents, such as the massive natural gas leak that occurred in 2015 at the Porter Ranch Aliso Canyon Oil Field, as a BARCT assessment does not require a lifecycle analysis. For a discussion on emissions generated from electricity generating facilities, please refer to response to comment 1-9.

Response to Comment 3-10:

Staff acknowledges and understands the stakeholder's concern regarding the pace of the rule development and has extended the rule process by several months. In addition, staff appreciates and has considered the suggestion to include a hybrid option; however, there are more electric oven models available at this time than hybrid models. Including a hybrid requirement might cause unanticipated delays as oven manufacturers would have to shift resources from emerging electric ovens to develop hybrid options that are currently unavailable for most commercial food oven.

Comment Letter #4



April 14, 2023

Michael Krause
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 South Coast AQMD
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Heather Farr
 Planning and Rules Manager
 South Coast AQMD
hfarr@aqmd.gov

Chris Bradley
 Planning, Rule Development and Implementation
cbradley@aqmd.gov

Re: Comments on Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

Dear Mr. Krause, Ms. Farr, and Mr. Bradley,

RMI submits this letter responding to the Air District's call for comments on the Proposed Amendments to Rule 1153.1. RMI is an independent, non-partisan, nonprofit organization of experts across disciplines working to accelerate the clean energy transition and improve lives.

The Air District should be commended for expeditiously applying the 2022 Air Quality Management Plan's zero-emission paradigm to the proposed amendments to Rule 1153.1, and staff have taken vital steps to revise the Best Available Retrofit Control Technology (BARCT) for this sector. The proposed zero-NO_x emission limits in Phases II and III of the rule amendments will deliver important air quality and health benefits to the region, and the Air District should adopt them with the following modification.¹ 4-1

In order to ensure the rule will effectively reduce emissions and not delay achievement of zero-emission BARCT under Phases II/III, the Phase I burner replacement(s) provision will require additional amendment. Specifically, staff should take into consideration any net increase in emissions arising from Phase I-mediated delays in Phase II/III compliance, and the rule's compliance framework should be optimized around minimizing the total remaining lifetime emissions curve from the sector. As the rule amendments are currently composed, installation of zero- NO_x units can easily be pushed back by up to 8-10 years from the installation of a single low-NO_x burner. Examples of these expected negative consequences are illustrated in slides [29 and 32](#) of the Public Workshop presentation. 4-2

¹ RMI has also signed onto the comment letter supporting the rule submitted by Earthjustice and other nonprofits. Please see that letter for additional analysis in support of the rule and suggested revisions to further strengthen the rule.

A minimum burner age of 10 years was added to the proposed Phase II/III compliance schedules in the weeks between Working Group #7 and the Public Workshop, in response to industry concerns that full unit replacement/decommissioning under Phases II/III could be required shortly after low-NO_x burner replacement is required under Phase I. While manufacturers are understandably concerned about avoiding expenditures that will be made obsolete before businesses are able to recoup their full benefits, this issue needs a different solution to avoid undermining the speed of the proposed rule's emission reductions. As currently proposed, the Phase I requirements may perversely result in greater lifetime emissions than would otherwise be achieved without the inclusion of a low-NO_x requirement. In addition, burner replacement could be employed by a regulated entity as an active means of delaying Phase II/III unit replacement.

Cont'd
4-2

Phase I burner replacement would reduce maximum burner emissions by 25-50% from current emission limits in almost all cases² (i.e., 40 ppm to 30 ppm, or 60 ppm to 30 ppm, depending on process temperature). Phase II/III unit replacement, on the other hand, would reduce maximum burner emissions by 100% from current emission limits, with that impact multiplied by the number of burners per unit. Given this analysis, **the Air District should calculate the emissions tradeoffs inherent in Phase I changeouts and concomitant delays in Phase II/III compliance, and the rule's compliance framework should be optimized around minimizing the total remaining lifetime emissions curve from the sector.**

If the agency is uncomfortable requiring a single fossil fuel burner to be upgraded without allowing it to be fired for a full 10 years – *along with many other fossil fuel burners in that unit* – and if the emissions reductions from timely unit replacement under the proposed Phase II/III timelines surpass the net emissions benefits from Phase I (i.e., upgrading N burners to low-NO_x, while delaying Phase II/III unit replacement by Y years as a result), then Phase I requirements should be eliminated from the rule amendments. Setting up a regime that curtails emissions a bit for a few years at the expense of eliminating those emissions entirely will result in greater NO_x emissions from the sector than is necessary and feasible. Given the District's incredibly serious air quality challenges, BARCT must be applied as soon as is feasible, and given the primary and secondary health consequences from these ovens' pollution, the region deserves a rule that minimizes total remaining lifetime emissions from the sector.

4-3

We appreciate your consideration of these comments, and we look forward to working with you toward successful adoption of effective and timely zero-emission BARCT for commercial ovens in the region.

Sincerely,
Jed Holtzman
Senior Associate
RMI

jholtzman@rmi.org

² The only exception would be tortilla ovens heated solely by infrared burners, which will have a Phase I emissions limit of 15 ppm instead.

Staff Response to Comment Letter #4:Response to Comment 4-1:

Staff appreciates all stakeholder feedback and participation in the rule amendment process. While staff had to revise some of the proposed Phase II zero-emission limits and removed the proposed Phase III zero-emission limits due to technical feasibility concerns and high costs, staff is encouraged that the proposed amended rule includes the first zero-emission limits for commercial units in the nation. Further, staff intends to use the status update/technology check-in to revisit the zero-emission technology, the energy efficiency of new electric ovens, and the cost of operating those units with the intent of continuing to pursue zero-emission limits.

Response to Comment 4-2:

Staff appreciates the comment and did include a back-stop date of January 2, 2036, to prevent burner replacement being used as a tool to circumvention future effective emission limits. Stranded assets are a concern when developing rule concepts and evaluating the cost-effectiveness of the rule. If the rule does not allow the equipment to reach the end of useful life, the cost of the stranded assets should be included in the cost-effectiveness assessment. Staff conducted an analysis including the cost of the burners in the cost-effectiveness assessment of the zero-emissions limits to determine whether it would be cost-effective if burners were not allowed to reach a 10-year useful. However, especially due to the impacts of the cost of fuel switching, staff is unable to include the cost of potential stranded assets and the proposal will retain the allowance for the burners to reach a 10-year useful life. It is not anticipated for all facilities to install new burners to delay complying with the emission limits, but the rule will allow ovens to reach a 25-year useful life and burners to reach a 10-year useful or January 2, 2036, whichever is sooner.

Regarding the Phase I emission limits and timeframes to comply, the proposed rule was changed to shorten that timeline from 25-years to 10-years which will result in achieving some emission reductions sooner.

Response to Comment 4-3:

The Phase I combustion-based emission limits were not the main driver for allowing a 10-year burner life allowance in Phase II zero-emission limits. The zero-emission limits are technology-forcing. If a facility needs to replace a burner before the future effective date, e.g., before the zero-emission technology is technically feasible, the facility will likely need to rely on a burner technology. Staff wanted to address those burner installations. The Phase I emission limits will result in some early emission reductions which staff would like to retain.

Comment Letter #5



ENVIRONMENT
& HEALTH

Mr. Michael Krause
Assistant Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Dr.
Diamond Bar, CA 91765

**SCAQMD PROPOSED RULE 1153.1
EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS
COMMENTS ON PROPOSED RULE**

Dear Mr. Krause:

Ramboll appreciates the opportunity to participate in the Working Group Meetings (WGMs) for South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Rule 1153.1 (PAR 1153.1), Emissions of Oxides of Nitrogen from Commercial Food Ovens. This rulemaking is being undertaken to (1) transition facilities in the REgional CLEAN Air Incentives Market (RECLAIM) program for NO_x emissions to a command-and-control structure requiring Best Available Retrofit Control Technology (BARCT) level controls as soon as practicable, as required by Control Measure CMB-05 of the 2016 Air Quality Management Plan¹ (AQMP), and (2) reduce NO_x emissions from existing food ovens at non-RECLAIM facilities. On March 17, 2023, SCAQMD released preliminary draft rule language and a preliminary draft staff report (PDSR) for PAR 1153.1. On behalf of our clients who are directly impacted by PAR 1153.1, Ramboll offers the following comments the PAR 1153.1 rulemaking and the District Staff's associated analysis.^{2,3}

- 1. Ramboll strongly recommends that Governing Board consideration of PAR 1153.1 needs to be delayed to allow District staff sufficient time to complete the required technical analyses and provide stakeholders sufficient time to evaluate the proposed rule. While the PAR 1153.1 rulemaking has been in process since 2021, a significant change in the control strategy was only introduced in February 2023. The required District technical analyses for this significant change are still evolving and incomplete. Stakeholders must be given adequate time to understand the District's proposed ZE technology mandate, the supporting technical rationale, and to provide appropriate comments.**

April 14, 2023

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¹ SCAQMD Final 2016 Air Quality Management Plan, March 2017. Available at: <https://www.aqmd.gov/docs/default-source/clean-air-plans/air-quality-management-plans/2016-air-quality-management-plan/final-2016-aqmp/final2016aqmp.pdf?sfvrsn=15>.

² SCAQMD PAR 1153.1 Preliminary Draft Rule Language. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/preliminary-draft-par-1153-1---march-2023.pdf?sfvrsn=6>.

³ SCAQMD PAR1153.1 Preliminary Draft Staff Report. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/preliminary-draft-staff-report-par-1153-1---march-2023.pdf?sfvrsn=6>.



SCAQMD held Working Group Meetings (WGMs) between July 2021 and September 2022 to allow stakeholders the opportunity to discuss and provide feedback on PAR 1153.1 prior to a public workshop held on October 6, 2022.⁴ At the October 2022 public workshop Staff presented proposed NOx emission limits of 30 ppm for all equipment categories with the exception of tortilla ovens heated solely by infrared burners, which would be subject to a 15 ppm limit.⁵ In the February and March 2023 WGMs, SCAQMD presented an abrupt change in the BARCT approach which would mandate replacement of commercial food ovens for several categories of equipment, by proposing that bakery ovens, cooking ovens, drying ovens, and smokehouse ovens should meet a BARCT limit of 0 ppm using ZE technologies (i.e., electric ovens).^{6,7} Only after the last working group meeting was held in March 2023 did Staff release preliminary draft rule language which added tortilla ovens and roasters to that list, proposing a 0 ppm endpoint.

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Obviously, the most recent preliminary draft rule language is **dramatically different** from the proposal presented to stakeholders in 2022. The new proposal presents electrification mandates for all categories of equipment, including categories for which District staff openly acknowledge **there is no commercially available product**.

In Ramboll's experience, it is highly unusual for the District to release draft rule language with no opportunity for stakeholder discussion or comment. In this case, there have been significant changes impacting operators of tortilla ovens and roasters with no opportunity for the impacted stakeholders to review the technical assessment or make comments. Additionally, the District failed to present cost-effectiveness results for tortilla ovens or roasters in the PDSR. Staff offered cost-effectiveness values for the first time at the Public Workshop held on March 30, 2023, but has not provided stakeholders any information to support those values.

Given these facts, Ramboll strongly recommends that SCAQMD return to the PAR 1153.1 Working Group to allow stakeholders the opportunity to review and comment on the District's proposal.

2. **SCAQMD has not completed the technical analyses required under the California Health & Safety Code (H&SC) for establishing new BARCT limitations. Specifically, the District have failed to demonstrate that the proposed control measures are technically feasible and/or cost effective for each class and category of equipment covered by the rule. SCAQMD must complete the BARCT assessments for each class and category of equipment and revisit the proposed compliance timelines as they directly impact the technical feasibility and cost effectiveness conclusions.**

5-2

The California Health & Safety Code (H&SC) defines BARCT as "an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and

⁴ SCAQMD PAR 1153.1 Rulemaking Schedule and Documents. Available at: <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1153-1>.

⁵ SCAQMD PAR 1153.1 Public Workshop, October 6, 2022. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/par-1153-1-public-workshop-presentation.pdf?sfvrsn=7>.

⁶ PAR 1153.1 WGM #6. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/par-1153-1-wgm-6.pdf?sfvrsn=6>.

⁷ SCAQMD PAR 1153.1 WGM #7. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/par-1153-wgm7-presentation.pdf?sfvrsn=18>.



economic impacts by each class or category of source.”^{8,9} The H&SC defines cost-effectiveness as “the cost, in dollars, or the potential control option divided by the emission reduction potential, in tons, of the potential control option.”¹⁰ If the cost per ton of emissions reduced is less than the established cost-effectiveness threshold, then the control method can be considered to be cost-effective. Cost-effectiveness evaluations need to consider both capital costs (e.g., equipment procurement, shipping, engineering, construction and installation) and operating costs (e.g., utilities, labor, and replacement).

There are significant direct costs related to Phase II and Phase III implementation that Staff have failed to consider over all categories. Additionally, for tortilla ovens and roasters, the zero emission endpoints proposed by PAR 1153.1 would require facilities to comply with emission limits that **the District has not demonstrated to be technically feasible or cost-effective.**

Staff acknowledged the following in WGM 6:¹¹

“Staff did not identify any zero-emission/electric tortilla ovens suitable for commercial production...”

Burner replacement to achieve 15 and 30 ppm is the only feasible option identified at this time” [Emphasis added]

and

“Staff did not identify any large zero-emission commercial roaster for industrial operations...”

Burner replacement to achieve 30 ppm is currently only feasible control option for category” [Emphasis added]

SCAQMD has also stated:¹²

“The Phase II and Phase III Emission Limits are technology forcing limits, meaning the limits are based on technology that is not widely available at the time of rule adoption.” [Emphasis added]

There are currently no known commercially available tortilla ovens or roasters on the market. The compliance schedule presented in the current version of the draft rule could subject certain facilities to Phase III electrification mandates as soon as 2030. That schedule would require R&D, and commercialization of the required technology within less than 6 years’ time.

⁸ California Health & Safety Code §40440. Available at: https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=26.&title=&part=3.&chapter=5.5.&article=4.

⁹ California Health & Safety Code §40406. Available at: https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=40406.&lawCode=HSC#:~:text=40406.,class%20or%20category%20of%20source.

¹⁰ California Health & Safety Code §40920.6. Available at: <https://codes.findlaw.com/ca/health-and-safety-code/hsc-sect-40920-6.html>.

¹¹ SCAQMD PAR 1153.1 WGM #6. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/par-1153-1-wgm-6.pdf?sfvrsn=6>.

¹² SCAQMD PDSR. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/preliminary-draft-staff-report-par-1153-1---march-2023.pdf?sfvrsn=6>.



Ramboll is also concerned that the proposed compliance schedule would not provide sufficient time for other activities necessary to deliver such equipment into a facility. These would include:

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- Project planning, engineering and construction.
- Procurement of additional electrical capacity from the electric utility.
- Electric utility engineering, permitting and construction of any needed electric distribution infrastructure, engineering.
- Permitting and construction of necessary electric systems on the facility's side of the utility meter.

The current draft of PAR 1153.1 contains very prescriptive deadlines for decommissioning of existing (gas-fired) equipment based on oven and burner age and does not provide alternatives for situations where the desired ZE technologies do not become available fast enough to meet the implementation timelines specified under the rule.

Regarding technical feasibility SCAQMD has stated:

*"Follow up discussions with commercial food oven manufacturers and industry stakeholders identified that certain types of ovens may potentially have challenges when attempting to electrify due to the oven format, size, design, and construction. **Staff is continuing to evaluate the technical feasibility for these types of ovens.**"* [Emphasis added]

Implementation of these ZE technical BARCT endpoints (i.e., Phase II and Phase III) would therefore violate SCAQMD's obligations under the H&SC to identify technologies that are technically feasible and cost-effective.

3. **In addition to these problems with the technical feasibility demonstration, Staff have failed to consider significant direct costs related to PAR 1153.1 for most oven categories. SCAQMD is applying the health benefit-based cost-effectiveness threshold established in the 2022 AQMP. That threshold attempts to account regional public health benefits in determining cost effectiveness. In that event, the District must use a cost methodology that considers regional costs as generally outlined in the USEPA Guidelines for Preparing Economic Analyses. The cost-effectiveness analysis should be updated to consider all regional costs, as well as costs borne by the facility for replacement of natural gas fired ovens with electric ovens.**

5-3

With PAR 1153.1, the District is attempting to apply a new health benefit-based cost-effectiveness threshold of \$325,000 per ton of NOx emissions reduced for BARCT rules, as established in the 2022 AQMP.¹³ The health benefit-based cost effectiveness threshold considers projected regional level public health benefits resulting from regional air quality improvements; therefore, costs should also be evaluated on a regional basis. However, SCAQMD has not established an appropriate methodology for calculating regional costs. The USEPA Guidelines for Preparing Economic Analyses (Guidelines) establishes a framework for performing economic analyses of environmental regulations

¹³ SCAQMD 2022 AQMP. Available at: <http://www.aqmd.gov/docs/default-source/clean-air-plans/air-quality-management-plans/2022-air-quality-management-plan/final-2022-aqmp/final-2022-aqmp.pdf?sfvrsn=16>.



and policies.¹⁴ The costs to be included in such analyses include explicit and implicit costs, direct and indirect costs, and private sector and public sector costs.

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5-3

The cost analysis presented by the District for PAR 1153.1 fails to account for most of these costs, and even fails to include all of the direct costs which would be borne by a facility complying with PAR 1153.1. For example, the District has made no attempt to consider electric utility service upgrades that would be necessary to support the mandated replacement of existing natural gas-fueled ovens with new electric ovens. These costs must be considered when assessing the cost-effectiveness for each category, otherwise the cost-effectiveness analysis is defective.

- 4. Many of the existing ovens will need to be retrofit with new burners to meet Phase I emission limits. SCAQMD has stated that the cost-effectiveness analysis for burner replacement uses a 25-year useful life. But under Staff's current proposal, equipment with newly replaced burners would only be allowed to operate a maximum of 10 years before being forced to comply with Phase II or Phase III limits. Therefore, the District's cost-effectiveness analysis for Phase I limits must be revised to assume a 10-year useful life.**

5-4

SCAQMD performed a technology assessment on equipment subject to Rule 1153.1, stating:¹⁵

"Further review of additional permit information, facility survey data, and source test data confirmed that approximately 131 out of the 202 food ovens were already performing below the 30 ppmv level..."

This indicates that 35% of the existing units may need to be retrofit with low NOx burners to meet the proposed Phase I limits. The BARCT cost-effectiveness analysis presented in the preliminary draft staff report states:¹⁶

"The useful for the burner control equipment was assumed to be 25 years"

The compliance deadlines presented in Section (e) of the proposed rule require facilities to submit permit applications to meet Phase II and Phase III emission limits when the burners reach 10 years of age. It is therefore inappropriate to do the cost-effectiveness analysis for burner replacement for all equipment based on a 25-year lifetime. Staff must therefore identify which units would need to be replaced within 10 years of burner replacement and redo the Phase I cost-effectiveness analysis for those units based on a 10-year lifetime.

- 5. SCAQMD must reevaluate their cost-effectiveness analysis to incorporate the significant operational and infrastructure energy costs that would be borne by facilities under Phase II and III. The SCAQMD cost-effectiveness calculations fail to include direct costs related to energy usage in the transition from natural gas fired ovens to electric ovens. Ramboll calculated a revised cost-effectiveness that incorporates the net increase in energy costs, which suggests that none of the categories is considered cost-effective when these costs are considered.**

5-5

As discussed above, there are significant additional infrastructure and utility costs associated with replacement of existing units with electric ovens. Such costs should include electrical upgrades and

¹⁴ US EPA Guidelines for Preparing Economic Analyses. Available at: <https://www.epa.gov/environmental-economics/guidelines-preparing-economic-analyses>.

¹⁵ SCAQMD Preliminary Draft Staff Report. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/preliminary-draft-staff-report-par-1153-1---march-2023.pdf?sfvrsn=6>.

¹⁶ Ibid.



infrastructure at the facility, and electrical utility service upgrades directly related to the requirement for installation of electric equipment. The District must also include increased costs for electricity.

In order to understand how the increased cost of electricity would impact the cost-effectiveness analysis, Ramboll performed a high-level analysis using District cost effectiveness data and publicly available utility cost information using the following methodology:

1. Current SCAQMD-calculated Costs: Ramboll back-calculated the present worth value (PWV) for each PAR 1153.1 category based on the emission reductions and cost effectiveness presented in the Preliminary Draft Staff Report and Public Workshop presentation.
2. Ramboll-calculated power demand and corrected energy usage: Ramboll calculated the additional power demand required for electric oven replacements based on the estimated maximum power demand presented in WGM 7. Due to differences in equipment counts, WGM 7 power demand was scaled based on the equipment counts presented in the Public Workshop presentation relative to counts presented in WGM 7. In cases where an estimated power demand was not presented in WGM 7, Ramboll calculated the power demand based on the equipment ratings presented in WGM 6,¹⁷ the number of units presented in the Public Workshop presentation, and the power demand formula presented in WGM 6, Slide 35. The total PAR 1153.1 power demand was then used to calculate an annual PAR 1153.1 energy usage assuming units operate 50% of the year.
3. Electricity Costs: The rule-wide electricity costs were calculated based on the corrected energy usage in combination with the California – Industrial electricity costs reported by the U.S. Energy Information Administration (EIA).¹⁸
4. Natural Gas Cost Savings: Cost savings (i.e., offsets) for eliminated natural gas usage were calculated based on the average natural gas costs from 2018–2022 as reported by Southern California Gas Company.¹⁹ Estimated power demand was used to calculate the equivalent heat rating using the formula presented in WGM 6, Slide 35 and annualized assuming units operate 50% of the year.
5. Revised Cost-Effectiveness Calculation: Based on the additional costs related to the increased electricity usage and cost reductions associated with the elimination of natural gas, Ramboll added the additional operational costs using SCAQMD's discounted cash flow method. The revised cost-effectiveness was calculated based on the revised cost (including existing capital and O&M costs calculated by SCAQMD, electricity costs, and natural gas cost reductions), and the estimated emission reductions associated with the 0 ppm endpoint.

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5-5

¹⁷ The spray dryer category did not have a power rating presented in WGM 6. Thus, for the purposes of this calculation, Ramboll has assumed that a spray dryer unit operates at 3 MMBTU/hr to quantify energy demand costs.

¹⁸ U.S. EIA 2021 Total Electric Industry- Average Retail Price (cents/kWh). Available at: https://www.eia.gov/electricity/sales_revenue_price/pdf/table4.pdf.

¹⁹ SoCalGas Gas Procurement Prices Monthly Price. Available at: <https://www.socalgas.com/for-your-business/energy-market-services/gas-prices>.



Results of the analysis are presented in Table 1:

Table 1: Updated Cost-Effectiveness Considering Differences in Utility Costs.

PAR 1153.1 Category	Energy Costs (Electricity Costs – Natural Gas Costs) (\$ PWV)	NOx Reductions (tpy)	Existing SCAQMD Capital & O&M Cost (\$ PWV)	Revised Cost-Effectiveness (\$/ton NOx removed)
Bakery Ovens	\$720,000,000	49.3	\$109,000,000	\$672,000
Tortilla Ovens	\$176,000,000	5.8	\$13,100,000	\$1,290,000
Cooking Ovens	\$250,000,000	7.3	\$6,940,000	\$1,410,000
Drying Ovens	\$93,900,000	3.3	\$3,290,000	\$1,180,000
Smokehouse Ovens	\$51,500,000	4.0	\$903,000	\$522,000
Spray Dryers ¹	\$221,000,000	2.2	N/A – No SCAQMD Cost-Effectiveness Presented	\$4,030,000
Roasters	\$452,000,000	4.4	\$20,700,000	\$4,310,000

¹ The revised cost-effectiveness presented for the spray dryer category is based solely on the estimated energy costs, as a SCAQMD cost-effectiveness was not reported for this category.

As shown in Table 1, **none of the categories are below the cost-effectiveness thresholds for Phase II/III** when utility usage costs are included in the calculation. Note that these results only include the cost differences for energy, and do not include infrastructure upgrade costs, such as upgrades to substations, transformers, meters, and switch gear, among other needed upgrades.

Infrastructure upgrades will be substantial. In a recent CARB workgroup meeting, the infrastructure cost for 10 MW of new capacity ranged from \$300,000 (which assumes availability at the local substation) to \$25 million for a new substation, transmission lines, and transformers.²⁰ Such costs for infrastructure upgrades would generally be borne directly by the facility and must be taken into account when estimating cost-effectiveness of the proposed technology.

SCAQMD must therefore reevaluate cost-effectiveness for these equipment categories to include the substantial additional energy and infrastructure costs.

6. Staff must ensure the decommissioning timelines include allowances to continue operating existing natural gas fueled equipment when permitted to use an alternative compliance schedule.

The electrification mandates in PAR 1153.1 will require significant upgrades both to the utility and facility electrical infrastructure. At a recent CARB meeting, a utility noted that anyone requesting projects over 2 MW would have an extended wait period of 5-7 years.²¹ SCAQMD has included the option an Alternative Compliance Schedule Plan to address additional time that might be needed for a utility to provide the necessary energy to the facility to power the electric ovens. However, the rule is very prescriptive on when existing natural gas fueled ovens must be decommissioned based on unit and burner ages. The rule does not include provisions for situations where electrical

²⁰ CARB Transit Infrastructure Work Group Meeting, January 31, 2023. Available at: https://ww2.arb.ca.gov/sites/default/files/2023-02/transitinfrastructure_wkgmtg_1.31.23_full%20presentation.pdf.

²¹ CARB Advanced Clean Fleets (ACF) Infrastructure and Zero-Emission Vehicle (ZEV) Availability Provisions, January 13, 2023.



infrastructure may not yet be available, but equipment has aged beyond the decommissioning compliance timelines.

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5-6

In order to ensure that facilities can still operate within SCAQMD, Staff must ensure these decommissioning timelines include allowances to continue operating existing equipment when permitted to use an alternative compliance schedule.

- 7. **Ramboll recommends that all categories of equipment that have Table 1 limits be defined in Section (c) of the rule. PAR 1153.1 preliminary draft rule language contains Table 1 NOx and CO emission limits for cooking ovens; however, "Cooking Ovens" is not defined in the rule.**

5-7

- 8. **PAR 1153.1 preliminary draft rule language contains Table 1 NOx and CO emission limits for tortilla ovens. Ramboll believes that the numbers presented contain an error and requests that the rule language be updated to reflect the intent of the District for this category.**

5-8

PAR 1153.1 preliminary draft rule language contains Table 1 NOx and CO emission limits for tortilla ovens as follows:

Equipment Categories		Phase I (ppmv)		Phase II (ppmv)		Phase III (ppmv)	
		NOx	CO	NOx	CO	NOx	CO
Tortilla Ovens	Heated Solely by IR Burners	30	800	N/A	N/A	0	0
	All Other Tortilla Ovens	15	800	N/A	N/A	0	0

All PAR 1153.1 WGM presented Phase I proposed NOx emission limits for tortilla ovens heated solely by infrared (IR) burners and all other tortilla ovens of 15 ppmv and 30 ppmv respectively. Ramboll believes the numbers presented in Table 1 of the preliminary draft rule language to be in error and requests that the numbers be updated in the next version of draft rule language

- 9. **The PAR 1153.1 proposed rule language would require a facility complying with Phase III requirements to decommission a unit when the unit and burner reach a certain age, which could result in a requirement for a facility to replace equipment when the burners are less than 10 years of age. Ramboll's understanding from the District is that this is not the intent. Therefore, rule language should be updated as recommended below.**

5-9

PAR 1153.1 Section (e) sets forth the compliance and decommissioning schedules for implementation of the three phases of NOx emission limits. For Phases I and II, SCAQMD proposes that facilities decommission each unit with an emission level that exceeds the applicable limits on or before July 1st that follows the end of the calendar year when the unit or burner reaches a certain age. This would allow a facility to operate a unit beyond a certain age if burners were recently replaced. However, for Phase III, SCAQMD is proposing that facilities decommission each unit with an emission level that exceeds the applicable limits on or before July 1st that follows the end of the calendar year when the unit and burner reach a certain age. This could result in a requirement for a facility to replace equipment when the burners are less than 10 years old. Our understanding from



discussion with SCAQMD is that this was an error in the rule language and not the intent of the District.²² Ramboll recommends that rule language be updated as follows:

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5-9

(e)(3)(C)(ii): For existing Units that will be replaced to meet Phase III Emission Limits, Decommission each Unit with an emission level that exceeds the Phase III Emission Limit pursuant to paragraph (d)(6):

(i) On or before July 1, 2030, if:

(A) The Unit is 25 years or older by January 1, 2030, as determined pursuant to paragraph (f)(2); and

(B) The burner is 10 years or older by January 1, 2030, as determined pursuant to paragraph (f)(1); and

(ii) On or before the July 1st that follows the end of the calendar year when:

(A) The Unit reaches 25 years of age, as determined pursuant to paragraph (f)(2);
~~or~~ and

(B) The burner reaches 10 years of age, as determined pursuant to paragraph (f)(1); and

Ramboll appreciates the opportunity to provide these comments related to PAR 1153.1. As outlined above, there are multiple items requiring further analysis and thorough discussion prior to rule adoption. The District and stakeholders need more time to ensure the necessary changes are incorporated into the rule. Ramboll recommends delay of the rule adoption until these items can be addressed.

We look forward to continued discussion of this important rulemaking. If you have questions regarding these comments, please contact me at (213) 943-6360 or via email at msweaver@ramboll.com.

Regards,

M. Scott Weaver, QEP
Principal & Practice Area Leader, Air and Climate Services

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SW:gw

²² Personal communication between Y. Stutz, Ramboll, and S. Ka, SCAQMD, on April 4, 2023.

*Staff Response to Comment Letter #5:**Response to Comment 5-1:*

Staff understands the concern regarding the timeline and speed of the rule amendment process. The Public Hearing has been delayed until August 2023 and staff has continued to hold meetings with stakeholders and additional working group meetings.

Regarding staff's release of rule language and stakeholder's ability to comment, staff released two version of proposed rule language since the pivot to zero-emission limits and held three public meetings to solicit stakeholder's feedback.

Response to Comment 5-2:

Staff acknowledges that some of the zero-emission limits are based on technology-forcing limits. In the case of tortilla ovens and roasters, staff relied on smaller zero-emission units that could be scaled up to the sizes regulated by this rule over time. Staff has conducted a cost-effectiveness assessment, which was updated based on stakeholders' feedback. At this time, staff has determined that zero-emission limits are not cost-effective for roaster or tortilla ovens but will reassess its applicability in 2025 during the technology assessment for commercial food ovens.

Response to Comment 5-3:

Please see staff's response to comment letter #2 regarding the \$325,000 (\$349,000 adjusted to 2022-dollar year) cost-effectiveness threshold adopted with the 2022 AQMP and the BARCT cost-effectiveness assessment.

Response to Comment 5-4:

Staff appreciates the comment and agrees with the comment and revised the draft rule language to reflect a 10-year useful burner life for Phase I emission limits, which is consistent with the future phase allowance of a 10-year burner life. The revised proposal also aligns with recent feedback from burner manufacturers regarding the expected life of burners that are used in commercial bakery ovens.-

Response to Comment 5-5:

Staff appreciates the feedback and acknowledges that there will be increased costs associated with switching from operating ovens on natural gas versus electricity. Therefore, staff re-evaluated the cost-effectiveness for each established category to include fuel switching costs. Staff does not agree with Ramboll's cost estimates. Electricity costs run approximately three times higher than natural gas cost; however, electric heating is more efficient than using natural gas. The assumption from Ramboll indicate that electricity cost run five times higher than natural gas. While staff disagrees with some of the details of Ramboll's analysis, staff does agree that costs are higher than the original estimates and amended the proposed emission limits to reflect the new cost-effectiveness assessment.

Response to Comment 5-6:

Staff updated the rule language to make it clear that the future effective zero-emission limits and the schedule to decommission existing combustion units, will not be required if the facility has an approved Alternative Compliance Schedule Plan.

Response to Comment 5-7

Staff agreed with the comment and included a definition for Cooking Ovens.

Response to Comment 5-8:

Staff appreciates the stakeholder pointing out this discrepancy and has corrected the proposed rule language.

Response to Comment 5-9:

Staff made correction to the original intend that the future effective limits would be required once the unit and burner reach the end of useful life. In addition, the proposed draft includes back stop dates to ensure the emission reductions will be achieved by January 2, 2036.

Comment Letter #6



April 14, 2023

Michael Krause
 Assistant DEO
 South Coast AQMD
mkrause@aqmd.gov

Heather Farr
 Planning and Rules Manager
 South Coast AQMD
hfarr@aqmd.gov

Re: Proposed Rule 1153.1 Comments

Dear Mr. Krause and Ms. Farr:

On behalf of the undersigned organizations, we submit comments on the proposed amendments to Rule 1153.1. On March 2, 2023, eleven organizations submitted comments, and we incorporate those comments by reference here. First off, we appreciate the workshop that took place this month on this important rule. We encourage swift adoption of this first measure that will apply zero-emission Best Available Retrofit Control Technology (BARCT) standards for stationary sources.

I. Great Urgency Exists to Adopt this Rule.

During the workshop, some speakers requested delays. While some industry stakeholders may not have urgency to achieve emissions reductions, we want to reiterate the need to reduce pollution in the most polluted region of the country. Thus, there is great urgency to move

6-1

forward with this rule no later than the June Governing Board meeting. We are on the precipice of failing to attain the 1997 8-hour ozone standard. In addition, we have the need for additional emissions reductions to achieve the annual PM2.5 standard. Rules like this are critical to achieving emission reductions, in addition to allowing staff to move onto other life-saving rules.

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6-1

Also importantly, this rule is critical to wrapping up the transition away from the harmful RECLAIM program. As implementation of the 2016 AQMP continues, we really appreciate the Governing Board's wise decision to shift the Nitrogen Oxide (NOx) and Sulfur Oxide (SOx) RECLAIM program to a command-and-control system. Ensuring the largest stationary sources in the South Coast Air Basin actually install state-of-the-art and life-saving pollution controls is critical to providing cleaner air to millions of breathers in the region. With only two landing rules left, we are very close to wrapping up this transition.

And wrapping up is critical because we have consistently been critical of the RECLAIM program over the years. Indeed, our concerns have been substantiated as the evidence shows facilities in the RECLAIM program pollute our air more than they would if a command-and-control system was in place. In fact, the South Coast AQMD staff's review of the permit database determined that "well over half of the equipment at RECLAIM facilities is currently **not at BARCT**."¹ AQMD Staff's analysis shows that approximately 60% of the equipment in the RECLAIM program does not meet the Best Available Retrofit Control Technology (BARCT) standard. This means the most ozone-polluted basin in the country operates a pollution control system where more than half of the equipment does not even meet standards that staff has determined are achievable when taking into account costs and technological feasibility. Moving forward quickly to complete the RECLAIM transition – including adoption of this rule – is therefore very important.

II. Commercial cooking is a prime place for electrification.

6-2

This is a perfect category to start advancing zero-emission technologies in the stationary source arena. We particularly appreciate reevaluating BARCT quickly. We encourage future rulemakings in the large combustion and commercial combustion categories to proceed with this speed in the coming years. We also appreciate places where South Coast AQMD identifies that electric technologies are actually cheaper than methane-burning technologies (e.g., smokehouse ovens). Finally, we applaud the inclusion of a zero-emission standard in Phase III for Tortilla Ovens.

III. Baking Facilities are Already Heavily Electrified.

6-3

One of the interesting things about this working group and some of the naysayers of zero-emission technologies is the failure to recognize that these operations are already heavily electrified. The following chart from the 2012 White Paper called *Energy Efficiency Improvement*

¹ SCAQMD, RECLAIM Transition Plan Version 1.0, at p. vi (March 2018), available at <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/regxx/draft-transition-plan-version-1-final.pdf?sfvrsn=6> (emphasis added).

Cont'd
6-3

and Cost Saving Opportunities for the Baking Industry An ENERGY STAR® Guide for Plant and Energy Managers by Eric Masanet, Peter Therkelsen, and Ernst Worrell provides the following chart outlining baking system components for a range of products.²

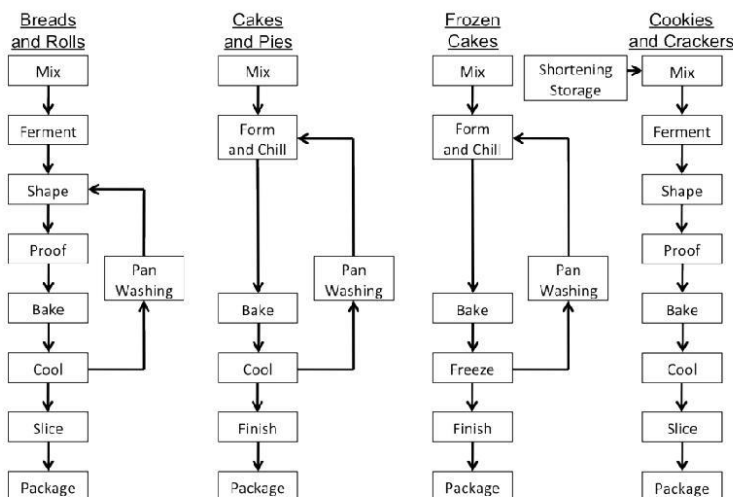


Figure 1. Bakery product production processes

The report recognizes that for “non-frozen products, baking is the largest energy consumer ranging between 26 and 78% of total energy.” Thus, even for energy intensive products like cookies and crackers, there are still electrical components all along the system. Moreover, for frozen products, electrical equipment makes up more than half of the energy use. The following chart³ demonstrates just how intensive making frozen cakes, pies and other pastries is:

Table 5. Frozen cakes, pies, and other pastries (311813) energy requirement per pound of product

BTU/pound of product	Steam	Fuel	Refrigeration	Other Electricity	Percent of Total
Mix	0.0	0.0	0.0	114.5	5%
Form and Chill	108.0	0.0	0.0	0.0	5%
Bake	0.0	555.6	0.0	19.1	26%
Freeze	0.0	0.0	722.1	0.0	32%
Pan Washing	422.0	0.0	0.0	80.2	22%
Finish	0.0	0.0	0.0	114.5	5%
Package	0.0	0.0	0.0	114.5	5%
Total	530.0	555.6	722.1	442.8	1750.5

Source: Adapted from (Sikirica et al. 2003).

This already heavy electric use at these facilities means that rational actors are already looking to ways to reduce energy use. For example, Bimbo bakeries announced in 2022 its plans for an onsite renewable energy microgrid at many facilities, including the Montebello facility in the

² Full paper is available at the following url: <https://www.osti.gov/servlets/purl/1172002>.

³ Eric Masanet, Peter Therkelsen, and Ernst Worrell *Energy Efficiency Improvement and Cost Saving Opportunities for the Baking Industry An ENERGY STAR® Guide for Plant and Energy Managers*, at p. 7.

South Coast Air Basin.⁴ While some of the lobbyists for industry may be myopically looking at this rule as simply switching out methane burning equipment for electric equipment, the rule provides a golden opportunity to couple this shift with energy efficiency and use of clean energy resources like microgrids.

Cont'd
6-3

IV. While grid capacity is an important topic, the small number of pieces of equipment at issue in this rule makes it an inappropriate place for broader discussions about grid capacity.

6-4

The 2022 AQMP process began in October 2019.⁵ After three years of work, the Governing Board adopted the plan in December 2022. After myriad meetings, workshops, and Governing Board discussions, the Board landed on a direction that we must pursue zero emissions. The process even included a robust infrastructure working group. Importantly, the final approval happened in a bipartisan and overwhelming fashion. Nine Board Members voted for the plan, and two Board Members voted against the plan. Two Board Members were absent. Some of the discussion during the February working group meeting seemed to be a re-litigation of this plan, which is not a good use of time.

As a reminder on the grid capacity issue, Michael Carroll from Latham and Watkins, on behalf of the Western States Petroleum Association, proposed a resolution about the concept of grid capacity and having an annual report back to the Mobile Source Committee on this topic. Even though Mr. Carroll ultimately withdrew his resolution request, the Board Chair⁶ stated that the agency would follow through on this desire to discuss grid capacity for zero-emission technologies at the Mobile Source Committee.

We encourage staff to follow the sage advice of then Chair Benoit and have these broader discussions at the Mobile Source Committee. It is not appropriate (and in fact inefficient) to have the broader discussion in each and every rule that is undergoing rulemaking. We agree that understanding additional power needs, infrastructure, and other considerations for this universe of equipment is needed for this rule. But, we do not need meandering debates about the entire grid for the complete conversion of the region to zero emissions during this rulemaking, which covers only a small and discrete universe of equipment. We also note that the analysis staff completed on slide 7 of its Working Group 7 presentation pasted below represents a “worst case” scenario.

⁴ Bimbo Bakeries, *Bimbo Bakeries USA Announces Multi-Site Energy Conservation Plan Through Partnership With Greenstruxture* (March 22, 2022) available at <https://www.bimbobakeriesusa.com/press/2022-03-28/bimbo-bakeries-usa-announces-multi-site-energy-conservation-plan-through>.

⁵ SCAQMD, Final 2022 AQMP, at 9-4.

⁶ SCAQMD, Agenda Item No. 2, January 6, 2023 Governing Board Meeting, available at <http://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2023/2023-ian6-002.pdf?sfvrsn=4>.

Potential Increased Energy Demand from PAR 1153.1

Cont'd
6-4

	2021 Power Usage Gigawatt hours (GWh)
California	277,764 [*]
South Coast AQMD	124,994 [^]
PAR 1153.1	0.09 [*]
Percent Impact	0.00007%

Thus, even with a worst-case scenario analysis, this paltry energy use impact does not merit concerns that this will harm our grid.

V. Future effective date.

6-5

We suggest that the future effective date not be drawn too far out into the future for zero-emission standards. Given that the rule will require the installation of zero-emission technologies at the end of equipment life, we suggest that a pace that could allow complete conversion before the attainment deadline for the 2008 8-hour ozone standard would be an appropriate end date. We remain concerned that some of the dates in the rule will happen way out into the future – even beyond the attainment date for the 2015 ozone standard.

Moreover, we suggest an even swifter conversion schedule for smokehouse ovens, given the cost savings of electric technologies compared to gas.

VI. Alternative Compliance Plans

6-6

Alternative Compliance Plan (ACP) applications should be published on the AQMD website in a clearly disclosed place. In addition, acceptance or rejections of the ACPs should be posted in the same place on the website.

VII. Interim Emissions Limits.

6-7

We support interim emissions limit provisions for RECLAIM facilities.

VIII. One pound or less exemption.

While we do not oppose the 1 lb or less exemption in this rule, we would like to understand the path to get this smaller equipment to zero emissions. Based on an initial analysis, we believe the universe of commercial ovens less than 1 lb may be substantial in the South Coast Air Basin. Given that this equipment could move to zero emissions quickly, it would be good to articulate where these ovens get covered in control measure(s) in the 2022 AQMP.

6-8

IX. Technology check-in.

We support the technology check-in approach outlined in the presentation. We do suggest adding a presentation on tortilla oven technology in 2025, as opposed to just 2028 given that there could be advances in this technology in the next couple of years.

6-9

X. Incentive Program.

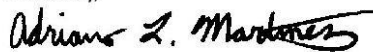
Given that Phase I compliance may mean some entities replace their gas burners with newer burners before 2027, we suggest that the Air District develop a \$5-10 million incentive program to encourage shifts to zero-emission technologies sooner by covering the incremental cost difference between gas technologies and electric technologies. This program should be limited to encourage near-term actors to receive funds, while not allowing incentives for those who wait to install zero-emission equipment.

6-10

XI. Conclusion.

We appreciate your consideration of these comments. We look forward to the passage of this first regulation that sets a zero-emission stationary source standard in the country.

Sincerely,



Adrian Martinez
Fernando Gaytan

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Theral Goolden
West Long Beach Association

*Staff Response to Comment Letter #6:**Response to Comment 6-1:*

Staff appreciates the support, feedback, and participation of all stakeholders in the rule amendment process.

Response to Comment 6-2:

Staff is working to adopt PAR 1153.1 in a timely manner that also allows time for stakeholders to provide necessary feedback. Staff is striving to develop a rule which facilities can comply with and also reduces emissions in South Coast AQMD so the District can meet its air quality standards and protect the health of those who work and live in this region. The Public Hearing has been delayed until August 2023, but staff is working to prevent further delays. This has been a long rule amendment process, which was purposely delayed after the adoption of the 2022 AQMP so staff could seek zero-emission limits for as many categories of commercial food ovens that can be demonstrated to be technically feasible and cost-effective. Staff tries to maintain a reasonable rule development schedules but sometimes deadlines are extended as new information is obtained or targets are changed.

Staff understands the urgency to sunset the RECLAIM program to meet the air quality standards and is working diligently to amend the last two remaining landing rules, Rule 1153.1 and Rule 1159.1, that must be in place before the RECLAIM program can sunset. The original rule schedule was to amend both Rules 1153.1 and 1159.1 no later than December 2022 so the RECLAIM program could sunset. As mentioned in the previous paragraph, this schedule was delayed to allow time for staff to seek more zero-emission technologies. At this time, the RECLAIM program sunset is not being delayed due to PARs 1153.1 and 1159.1 not being amended, yet because staff is working to address some New Source Review concerns.

Regarding the RECLAIM units not meeting BARCT, staff agrees that was the case for many of the units at facilities participating in the RECLAIM program. For the Rule 1153.1 universe, only 5 out of the 97 facilities are participating in the RECLAIM program and only 5 out of 6 units at those facilities are not meeting the proposed 30 ppmv BARCT limit.

Response to Comment 6-3:

Staff agrees that there are opportunities to seek zero-emission limits for the commercial cooking sector. Some commercial cooking equipment can feasibly transition from natural gas fired equipment to electric equipment with zero-emission. However, based on staff's reassessment of cost associated with operating electric units, especially large units like tortilla ovens, some of the zero-emission limits have been removed for now. Staff intends to use the required technology assessment, proposed to be conducted by January 1, 2026, to reassess the state of the technology, potential efficiency enhancements that could diminish the electric operating costs, and re-evaluate fuel switching costs based on changes in natural gas and electricity rates. If any new zero-emission technologies are identified that are technically feasible and cost-effective, staff will recommend amending the rule to include additional zero-emission limits.

Response to Comment 6-4:

Staff agrees with the comment that the electrical grid can support the increased demand from PAR 1153.1; grid capacity should not be a barrier to the industry's transition to zero-emission equipment. Further, investing in energy efficiency and on-site renewable energy options, such as renewable microgrids and rooftop photovoltaic, at the facilities will lessen the impact on the grid and the cost impacts to the facility. As part of the revised cost-effectiveness assessment, staff included a scenario where some of the electricity costs were offset by onsite electricity generation. That scenario demonstrates that cost saving can be achieved when facilities invest in on-site power generation. Staff understands that each facility will have different layouts and ability to install on-site energy generation.

Response to Comment 6-5:

Staff agrees with the comment that discussions of overall grid capacity does not need to be address in this rule amendment but must be part of a broader discussion.

Response to Comment 6-6:

Staff acknowledges stakeholder concerns regarding the compliance timeline. Staff is working to propose a compliance timeline that is fair for all parties involved and also technically feasible. Staff included a backstop deadline of January 2, 2036, to ensure the emission reductions will be achieved before the 2037 deadline for the 8-hour average ozone standard.

Response to Comment 6-7:

Staff agreed with the suggestion and included a rule requirement to post the Alternative Compliance Schedule Plans 30 days prior to pending approval of the plan and update the website to indicate if the plan was approved or disapproved.

Response to Comment 6-8:

Staff appreciates the comment.

Response to Comment 6-9:

Staff appreciates the comment and agrees that units with small emission, such as those currently meeting the one pound or less exemption, could in the aggregate be a large emission source. Staff intends to compile emission data for units exempt from permits under Rule 219, specifically those registering under Rule 222, to estimate the emissions from these smaller units. Smaller units are good candidates for electrification and should be a focus of future emission reductions efforts. While these units were not a specific focus of the 2022 AQMP, control measure MCS-01: Application of all Feasible Measures directs staff to seek all feasible emission reductions. The control measures states that South Coast AQMD will consider adopting and implementing new retrofit technology control standards that are feasible and cost-effective, based on research and development and other information. Staff intends to look at all equipment categories, including those subject to Rule 222, during the anticipated technology assessment.

Response to Comment 6-10:

A technology assessment will be included in the resolution and will be conducted two years prior to the future effective date of January 1, 2027. The results will be reported to the Stationary Source Committee by January 1, 2026, which aligns with the commenters suggestion of conducting the assessment in 2025. Staff will revisit potential zero-emission tortilla oven technology at that time as well as the cost-effectiveness of requiring zero-emission limits.

Response to Comment 6-11:

Staff appreciates the suggestion and is considering if an incentive program can be a useful tool to expedite the transition to zero-emissions in the commercial food cooking sector. However, based on staff's current understanding, the largest barrier may not be the capital costs of the ovens themselves but the ongoing electricity cost to operate the ovens. South Coast AQMD is currently looking to focus the incentive funding on the residential sector to expedite the transition to zero-emission water and space heating with a focus on environmental justice communities.

Comment Letter #7

April 20, 2023

Michael Krause
Assistant Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Dr.
Diamond Bar, CA 91765

Re: Snak-King Comments on SCAQMD Proposed Amended Rule 1153.1 (Emissions of Oxides of Nitrogen from Commercial Food Ovens)

Dear Mr. Krause:

Snak-King LLC manufactures a portfolio of both private label and branded snack food products from our corporate headquarters in City of Industry, CA. The City of Industry manufacturing facility operates under a South Coast Quality Management District (SCAQMD or District) permit to operate (ID# 119596) and we operate a number commercial food ovens which would be impacted by Proposed Amended Rule (PAR) 1153.1.¹

At the City of Industry facility, Snak-King employs 405 team members and produces over 900 different SKUs which are distributed to consumers across southern California and beyond. Our team not only produces and invents snack products based in the latest consumer trends, but we also actively explore ways to leverage manufacturing technology including new offerings for manufacturing equipment. Snak-King is very concerned that the District's latest proposal for PAR 1153.1 has been rushed along and does not reflect the current market condition for commercial food ovens. 7-1

All-electric tortilla (chip) ovens are not commercially available at this time. As Snak-King previously communicated to District staff, tortilla chip manufacturing requires an oven to produce certain unique product features (e.g., texture, crisp, etc.) which at this time have not been demonstrated to be achievable with an all-electric design. Snak King has active relationships with the original equipment manufacturers (OEMs) for this category of commercial food oven and we are unaware of any proprietary research that would suggest an all-electric tortilla chip oven will be commercially available in the reasonably foreseeable term. If an OEM were to engage in development of an electric tortilla chip oven design, Snak-King expects that reaching commercialization would require a minimum of two years after completion of the R&D stage. Given that reality, and the additional time we would need to engineer, permit and construct such a project, we cannot see a scenario where an electric tortilla chip oven product could be available and operational on the timetable presented in the current draft rule (i.e., as soon as 2030).

Snak-King also believes that the District has misunderstood the infrastructure and energy requirements of an all-electric oven mandate. Our current electricity demand for the entire facility totals about 1 megawatt (MW). Our engineering team estimates that electrification of our tortilla chip ovens alone (which as noted, is not technically feasible at this time) would increase 7-2

¹ SCAQMD PAR 1153.1 Rulemaking Schedule and Documents. Available at: <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1153-1>.
C:\Users\mschieldge\AppData\Local\Microsoft\Windows\NetCache\Content.Outlook\PIBFJ4A0\SnakKing_Comments_on_SCAQMD_PAR1153.1_20230414.docx

the raw power demand to about 5 MW; a 400% increase. Such an increase in electricity demand would necessitate significant changes to our physical infrastructure within the facility, including:

Cont'd
7-2

- New and expanded transformers;
- New and expanded switch gear;
- New implementation of peak shaving or regenerative power capabilities;
- Adding a significant amount of new equipment cooling capacity to service the new switch gear; and
- Hiring additional top-tier electricians to our employment base.

The amount of investment and time to deliver this supportive infrastructure would be significant and does not appear to have been considered by the District. Our initial cost estimate for these items is (roughly) \$7 million on top of the costs for the electric oven equipment (which are unknown at this time) and production line reconfigurations.

Snak-King also has concerns with regards to the existing electric utility transmission and distribution lines (T&D) serving the City of Industry facility and their capacity to support a 400% demand increase. We are presently unable to get preliminary utility cost estimates for T&D infrastructure since we lack project-specific engineering design details and lack a commercially available project on which to base such a design. But any reasonable guess would suggest the additional direct costs for a demand increase of that scale will total in the millions of dollars. Snak-King would be required to cover much or all of such costs under electric utility rules.²

7-3

Snak-King understands that the District is required to demonstrate that a Best Available Retrofit Control Technology (BARCT) proposal is both technically feasible and cost effective.^{3,4} Snak-King has examined the evaluation presented in the Draft Staff Report for PAR 1153.1.⁵ Based on our review, **no such evaluation of cost effectiveness** was presented for Phase III endpoints for the tortilla oven category.

7-4

Based on calculations by our technical consultant, we do not believe that the Phase II/III mandates are anywhere near cost effective. Ramboll analyzed Phase II/III cost effectiveness for the Snak-King ovens subject to PAR 1153.1 using cost information from our engineering team in combination with cost information presented in the Draft Staff Report.

1. Cost Estimates for Electric Ovens: Snak-King does not have actual purchase cost data for replacement of its existing commercial food ovens with all-electric ovens. As noted above, there are no commercially available all-electric products for tortilla chips, so this is the best estimate available for such equipment at this time. For this reason, Ramboll derived estimates based on the cost model presented in the Draft Staff Report.
2. Costs for Facility-Owned Electric Infrastructure Upgrades: As noted above, Snak-King estimates that infrastructure upgrades (within our facility) to support a 400% increase in

² See SCE Rule 16 (Service Extensions), Section E (Allowances and Payments by Applicant)

³ California Health & Safety Code §40440. Available at:

https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=26.&title=&part=3.&chapter=5.5.&article=4

⁴ California Health & Safety Code §40406. Available at:

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=40406.&lawCode=HSC#:~:text=40406,class%20or%20category%20of%20source

⁵ SCAQMD PDSR. Available at: <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1153-1/preliminary-draft-staff-report-par-1153-1--march-2023.pdf?sfvrsn=6>.

electric power demand would cost on the order of \$7 million. Ramboll applied these costs to the food ovens on a pro rata basis using nameplate rating.

Cont'd
7-4

3. Power Demand and Energy Usage: Snak-King estimated power demand and energy usage associated with all-electric ovens (if such a product were commercially available).
4. Electricity Costs: Snak-King provided Ramboll an estimate of annual electricity costs for the increased energy usage associated with Phase II/III. These were based on the average electricity rate paid by Snak-King and were not adjusted for future inflation.
5. Natural Gas Cost Savings: Cost savings (i.e., offsets) for eliminated natural gas usage were also provided by Snak-King based on actual baseline natural gas consumption and average natural gas prices. Similar to electricity, this pricing was not adjusted for future inflation.
6. Utility Infrastructure Costs: As noted, Snak-King does not have an estimate of these costs. Ramboll did not include a figure for these, even though we expect them to be considerable (i.e., millions of dollars) given the scale of the demand increase.

Ramboll next estimated the cost effectiveness for the Phase II/III endpoints using SCAQMD's discounted cash flow method. Results of that analysis are presented in Table 1:

7-5

Table 1: Cost-Effectiveness Results

PAR 1153.1 Category	Costs at 0 ppm Endpoint (PWV \$)	Emissions Reduction (tpy)	Cost-Effectiveness (\$/ton NOx removed)
Tortilla Ovens	\$58,400,000	2.2	\$1,079,000
Drying Oven	\$3,600,000	0.2	\$696,000

Converting our tortilla chip ovens from direct-fired gas to electric heat would be a very capital-intensive endeavor with relatively marginal air quality benefits. And as shown here, it is not cost-effective even with an incomplete cost assessment.

If the March version of PAR 1153.1 were to be adopted by your Governing Board, it will result in significant product price increases that will negatively impact our ability to compete with companies not subject to this mandate. Ultimately, consumers will experience accelerated inflation.

7-6

The District has not demonstrated that the current PAR 1153.1 proposal is technically feasible and/or cost effective for each class and category which is the California Health & Safety Code requirement. For this reason, Snak-King respectfully requests that District staff return this matter to the working group and complete the additional study to resolve these informational and technical gaps. Snak-King appreciates the District's consideration of these comments.

7-7

Please call Mark Schieldge at (626) 363-7706 if you have questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark Schieldge". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Mark Schieldge
Chief Operating Officer

cc: Scott Weaver, Ramboll US Consulting, Inc.
Yasmine Stutz, Ramboll US Consulting, Inc.

*Staff Response to Comment Letter #7:**Response to Comment 7-1:*

Staff acknowledges that the zero-emission NOx limits are technology-forcing emission limits. For a discussion on South Coast AQMD's ability to adopt technology-forcing limits, please see response to comment 1-6. Staff has identified restaurant sized electric tortilla ovens and is confident that this technology can be scaled up. There has not been a lot of development of electric commercial food ovens, because there has not been a regulatory push toward zero emissions. Setting future-effective zero-emission limits will provide such regulatory push. The revised proposal has eliminated the future-effective zero-emission limits due to the high cost-effectiveness. This does not mean that staff will not continue to pursue zero-emission limits for tortilla ovens. When the technology assessment is conducted in 2025, staff will revisit tortilla ovens to determine if technologies have emerged that can be demonstrated as cost-effective.

Response to Comment 7-2:

Staff included estimated costs for electrical infrastructure upgrades at the facilities. For large units, those costs were estimated between \$30,000 and \$460,000. Staff appreciates the power and cost estimates and will use those figures in the revised cost-effectiveness assessment.

Response to Comment 7-3:

Staff has been working with the utilities to estimate the cost that facilities would be charged for the upgrades required on the grid to meet the facility's needs. The cost varies facility-by-facility and depends on a number of variables including the load on the local circuit, if transformer and trenching would be required to run new lines. Staff has estimated those costs between \$2000-\$50,000 and applied the cost to all units greater than 1 MW; the utilities indicated that units under 1 MW would not have a significant impact on the grid.

Response to Comment 7-4:

Staff included costs to address each of the six mentioned potential cost impacts to the facility. Most of those cost had been included in the prior cost-effectiveness except for the difference between operating the units on electricity versus natural gas. Based on staff's revised cost-effectiveness assessment, it is not cost-effective for tortilla ovens to transition to zero-emission at this time. Staff will continue to monitor technology advancements, particularly efficiency improvements, to continue to push for zero-emission technologies.

Response to Comment 7-5:

While staff agrees that the cost-effectiveness of converting to zero-emission tortilla ovens is above the \$325,000 (\$349,000 adjusted to 2022-dollar year) per ton of NOx reduced, staff does not agree with the cost estimates provided by Ramboll. Staff also understands that Ramboll was also using assumptions based on the available data provided in the working group meetings and was not conducting the assessment with a complete dataset, so some assumptions were necessary. However, staff does agree that fuel transition cost should be considered since it is an additional recurring cost the facility will incur annually. Staff revised the cost-effectiveness analysis with consideration of fuel switching costs. The following tables summarize the cost estimates from staff's analysis compared to Ramboll assessment.

Table 1: Summary of Staff's Cost-Effectiveness with Fuel Switching Costs

Revised Cost-Effectiveness Summary								
	Number of Units	Number of Units to Zero	Baseline NOx (tpd)	Phase I Limits (ppmv)	Phase I C/E (10-year life)	Phase II Limits (ppmv)	C/E to Zero (Average)	NOx Red (tpd)
Bakery Ovens								
≤3 MMBtu/hr	30	30	0.05	30	\$93,000	0	\$290,000	0.06
>3 MMBtu/hr	32	0	0.06	30		-	\$400,000	0.0043
Griddle Ovens	2	0	0.002	30		-	\$498,000	0.001
Indirect-Fired Ovens	5	5	0	30	Currently Achieving	0	--	--
Tortilla Oven								
IR Burners Only	13	0	0.03	15	\$29,000	--	\$400,000	--
Ribbon and IR Burners	15	0	0.04	30		-	--	0.015
Cooking Ovens								
≤3 MMBtu/hr	13	13	0.04	30	Currently Achieving	0	\$190,000	0.019
>3 MMBtu/hr	10	0		30		--	\$560,000	--
Drying Ovens	8	0	0.009	30	\$22,000	--	\$350,000	0.001
Smokehouses	9	9	0.006		\$43,000	0	\$60,000	0.006
Dryers	25	0	0.009	30	\$18,000	--	-	0.006
Roasters	56	0	0.017	30	\$85,000	--	\$820,000	0.0002
Total	218	57	0.26					0.11

Table 2: Ramboll's Cost-Effectiveness Assessment

PAR 1153.1 Category	Costs at 0 ppm Endpoint (PWV \$)	Emissions Reduction (tpy)	Cost-Effectiveness (\$/ton NOx removed)
Tortilla Ovens	\$58,400,000	2.2	\$1,079,000
Drying Oven	\$3,600,000	0.2	\$696,000

Staff's revised cost-effectiveness is lower than Ramboll's estimates due to the use of a larger timeframe to calculate the average natural gas rate; this resulted in a lower natural gas rate and a larger difference in fuel switching costs. Since this difference in cost is an annual recurring cost, the overall cost-effectiveness value was much higher. Staff used data from the previous two years whereas Ramboll used data from the previous four years. Based on conversations with Southern California Edison and electric oven manufacturers, electric ovens are more efficient. Electric units will typically

require a higher energy demand during start-up which will steadily decline as the oven reaches operating temperature. Furthermore, since there is no combustion taking place, flue gas extraction is significantly reduced resulting in less heat energy loss. Staff considered efficiency gains with electric ovens when compared to natural gas ovens – electric units are approximately 20 percent% more efficient. Ramboll did not consider the efficiency gains of electric units with the transition from natural gas to electricity which also contributed to the large difference in cost-effectiveness for the categories.

Response to Comment 7-6:

The Public Hearing for PAR 1153.1 was delayed until August 2023 (subject to change) and staff has continued holding individual and working group meetings. Staff appreciates the feedback and engagement in the public process.

Comment Letter #8



May 31, 2023

Mr. Sarady Ka
 Program Manager
 South Coast Air Quality Management District (SCAQMD)
 21865 Copley Drive
 Diamond Bar, CA 91765

Subject: Comments on SCAQMD Proposed Amended Rule (PAR) 1153.1

Dear Mr. Ka:

On behalf of United States Bakery Company (USB), I would like to share our concerns regarding the proposed amendment to South Coast Air Quality Management District (SCAQMD) Rule 1153.1: Emissions of Oxides of Nitrogen (NOx) from Commercial Food Ovens.

USB has operated a bakery in Southern California since 2017, providing livable wages, with secure jobs, and baked goods to the community, in the Southern California LA area. Since the inception of the bakery, we have added a donut line that was fully vetted for air quality standards. We have been complying with the 2014 requirements.

SCAQMD Rule 1153.1 was initially adopted on September 4, 2014. Food ovens were previously required to comply with the emission limit requirements of Rule 1147 (adopted in 2011). Rule 1147 established standard emission limits for all miscellaneous combustion equipment outside of boilers, engines, and turbines. However, the NOx limits for food ovens under Rule 1147 were not feasible for food ovens, so the SCAQMD adopted Rule 1153.1 to allow in-use ovens to meet emission limits of 40 parts per million (ppm) NOx corrected to 3% oxygen (O2) for food ovens operating 500°F or less and 60 ppm NOx at 3% O2 for food ovens operating over 500°F.

Our concerns are:

1. Current viable options for replacement and testing have not been available to meet the proposed rule 1153.1, nor has this been vetted to show consistent quality in products served in the community.
2. The ability to continue to provide baked goods and jobs for the community at this location in the event of removing and adding a new oven. This location has 1 oven and would require a significant amount of time to remove and replace, causing employee hardships.

8-1

If you have any questions or concerns, please contact me at (503) 232-2191 x 4232.

Thank you for your consideration,

Mark Park
 Corporate Compliance Manager
 United States Bakery

340 NE 11th Avenue Portland, OR 97232

Staff Response to Comment Letter #8:Response to Comment 8-1:

Staff understands the concerns of industry stakeholders regarding the commercial availability of the technology needed to comply with the proposed emission limits. Staff has identified both burner technology and zero-emission oven technology that is commercially available and would allow facilities to comply with the proposed emission limits. Staff has also identified several electric test kitchens that facilities can utilize to experiment with product recipes during the time that zero-emission technologies take to fully mature. Staff invited BABBCO to present information to stakeholders about the company's electric equipment and demonstration facility during one of the working group meetings. Staff acknowledges that significant cooking chamber moisture differences can affect the product quality and has identified other feasible non-combustion mechanisms of adding moisture in a cooking environment. Staff has proposed future effective dates that would allow facilities enough time to replace and/or retrofit equipment units.

With regard to the timing of replacement, based on the comment letter, the referenced facility is a new facility that presumably has a newly installed oven as of 2017. PAR 1153.1 takes stranded assets into consideration, especially since there were recent emission reductions required in Rule 1153.1. The oven at the facility is rated at 10 MMBtu/hr and therefore would not be subject to Phase II emission limits. The oven at the facility will only be required to comply with the Phase I NOx emission limit under the current proposal and will be required to submit a permit application for the 30 ppm_v NOx limit when the current burner reaches seven years of age in 2024. The proposed limit of 30 ppm_v can be achieved with commercially available burner technology and several manufacturers are willing to provide a performance guarantee of 30 ppm_v.

With regard to the potential job losses that could result from PAR 1153.1, the socio-economic assessment will include an analysis on potential job impacts.

Comment Letter #9

CALIORNIA SAFE SCHOOLS
 COALITION FOR CLEAN AIR
 COALITION FOR A SAFE ENVIRONMENT
 COMMUNITIES FOR A BETTER ENVIRONMENT
 COMMUNITY DREAMS
 INDUSTRIOUS LABS
 EARTHJUSTICE
 EAST YARD COMMUNITIES FOR ENVIRONMENTAL JUSTICE
 ROCKY MOUNTAIN INSTITUTE
 SAN PEDRO & PENINSULA HOMEOWNERS COALITION
 SIERRA CLUB
 WEST LONG BEACH ASSOCIATION

VIA: ELECTRONIC MAIL ONLY

June 1, 2023

Chair Vanessa Delgado &
 Members of the Board of Directors
 Governing Board Chair
 South Coast Air Quality Management District (South Coast AQMD)
 21865 Copley Drive
 Diamond Bar, CA 91765
 Email: cob@aqmd.gov

**RE: Support - Agenda Item 2a: Set Hearing for Proposed Amended Rule 1153.1
(Commercial Ovens)**

Dear Chair Delgado and Members of the Board:

On behalf of the undersigned organizations, we write regarding the set hearing for Proposed Rule 1153.1. This rule is critical for implementing the 2022 Air Quality Management Plan (AQMP) and the 2016 AQMP, in addition to fulfilling the commitments to transition the RECLAIM program. We support moving forward quickly to adoption of this rule by the August Governing Board meeting at the latest. Advancing zero-emissions in the stationary source space is critical to tackling harmful air pollution.

9-1

I. Commercial ovens are a prime place for electrification.

This is a perfect category to start advancing zero-emission technologies in the stationary source arena. We particularly appreciate reevaluating BARCT based on the new imperative articulated in the 2022 AQMP. We encourage future rulemakings in the large combustion and commercial combustion categories to proceed with this speed in the coming years. We also appreciate places

9-2

where South Coast AQMD staff identifies that electric technologies are actually cheaper than methane-burning technologies (e.g., smokehouse ovens).

9-2 Cont.

II. Finalizing this rule is critical to transitioning away from RECLAIM.

As implementation of the 2016 AQMP continues, we really appreciate the Governing Board's wise decision to shift the Nitrogen Oxide (NOx) and Sulfur Oxide (SOx) RECLAIM program to a command-and-control system. Ensuring the largest stationary sources in the South Coast Air Basin actually install state-of-the-art and life-saving pollution controls is critical to providing cleaner air to millions of breathers in the region. With only two landing rules left, the South Coast AQMD is very close to wrapping up this transition.

And wrapping up is crucial. Indeed, the evidence shows facilities in the RECLAIM program pollute our air more than they would if a command-and-control system was in place. In fact, the South Coast AQMD staff's review of the permit database determined that "well over half of the equipment at RECLAIM facilities is currently **not at BARCT**."¹ AQMD Staff's analysis shows that approximately 60% of the equipment in the RECLAIM program does not meet the Best Available Retrofit Control Technology (BARCT) standard. This means the most ozone-polluted basin in the country operates a pollution control system where more than half of the equipment does not even meet standards that staff has determined are achievable when taking into account costs and technological feasibility. Moving forward quickly to complete the RECLAIM transition work is therefore very important.

9-3

We look forward to working together to fully transition the agency away from RECLAIM and implementing the AQMP through rules like Proposed Amended Rule 1153.1.

Sincerely,

Adrian Martinez
Fernando Gaytan
Earthjustice

Robina Suwol
California Safe Schools

Chris Chavez
Coalition for Clean Air

Jesse Marquez
Coalition for a Safe Environment

¹ SCAQMD, RECLAIM Transition Plan Version 1.0, at p. vi (March 2018), available at <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/regxx/draft-transition-plan-version1-final.pdf?sfvrsn=6> (emphasis added).

Bahram Fazeli
Communities for a Better Environment

Ricardo Pulido
Community Dreams

Taylor Thomas
East Yard Communities for Environmental Justice

Evan Gillespie
Industrious Labs

Jed Holtzman
Rocky Mountain Institute

Peter Warren
San Pedro & Peninsula Homeowners Association

Monica Embrey
Sierra Club

Theral Golden
West Long Beach Association

CC: Wayne Nastri, Executive Officer (Email: wnastri@aqmd.gov)
Michael Krause, Assistant Deputy Executive Officer (Email: mkrause@aqmd.gov)

*Staff Response to Comment Letter #9**Response to Comment 9-1:*

Staff appreciates the comment and is working to bring the first South Coast AQMD zero-emission rule to the Governing Board for consideration by August 2023.

Response to Comment 9-2:

Staff appreciates the support and participation of all stakeholders in the rule development process. While this rulemaking process found several of the larger commercial food ovens not to be technically feasible to transition to zero-emission level, staff is positive about its applicability to the categories where zero-emission technology was found to be technically feasible. Staff intends to continue to evaluate zero-emission technology wherever feasible, across all industry sectors, and in the BARCT assessment stages of future rule proposals, as required by the 2022 AQMP.

Response to Comment 9-3:

Please see staff's response to comment 6-1 regarding the RECLAIM program. Staff understands the urgency to sunset the RECLAIM program to meet air quality standards and is working diligently to amend the last two remaining landing rules, Rule 1153.1 and Rule 1159.1, that must be in place before the RECLAIM program can sunset. The original rule schedule was to amend both Rules 1153.1 and 1159.1 no later than December 2022 so the RECLAIM program could sunset. As mentioned in response to comment 6-2, that schedule was delayed to allow time for staff to seek more zero-emission technologies. Staff will work expeditiously to get the last two landing rules adopted.

Comment Letter #10



June 14, 2023

Submitted via email at: mkrause@aqmd.gov

Michael Krause
 Assistant Deputy Executive Officer
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765

RE: SCAQMD Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

Dear Mr. Krause and Members of the SCAQMD Stationary Source Committee:

The California Manufacturers & Technology Association (CMTA) and the organizations listed appreciate the opportunity to comment on the consideration of SCAQMD's proposed amendments to Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens. We appreciate the continued engagement and dialogue with SCAQMD staff throughout the eight working group meetings and public workshops. As the regulated parties to these air quality considerations and others, California industry continues our endeavor to implement air quality improvement technologies, accelerate deployment of air emission controls, and the education of staff on the challenges facing our collective hard-to-electrify industries.

Concerning Proposed Amended Rule 1153.1 (PAR 1153.1), implementation will be challenging. The challenges that exist are not limited to industry but are also beyond our ability to control. The staff presentation correctly identifies several key issues that will continue to define California's challenges of a zero-emission or fully electrified economy.

These issues include:

- The commercial availability and cost-effectiveness of zero-emission technologies.
- Local, regional, and statewide electrical grid impacts from increased energy demands.

The zero-emission or fully electrified option is often presented as the panacea to mitigating the impacts of climate change. This transition is often lauded and compared to California's efforts to scale zero-emission energy development and advance zero-emission transportation. However, the benefits of what California is witnessing in these technologies have followed nearly two decades of research, development, and an influx of federal and state funds to support. As such,

Comment
10-1

1121 L STREET, SUITE 700 SACRAMENTO CA 95814
 916-441-5420 FAX 916-441-5449 WWW.CMTA.NET

industry-wide electrification pathways have been largely ignored, underfunded, and slow to develop.

To inform an appropriate pathway, California law requires that Best Available Retrofit Control Technology (BARCT) rules, like PAR 1153.1, be technically feasible **AND** cost-effective. The most recent version of the proposed regulation is a fair balance that advances the SCAQMD Board's long-term objectives within these obligations. As currently drafted, the technical assessment fairly acknowledges that for some regulated entities operating the commercial food oven categories, no zero-emission option exists in the market. Further, the revised staff analysis also better reflects the costs incurred for electrifying these categories.

Ultimately, the proposal is fair and equitable, given the current state of technology and cost considerations. SCAQMD staff are also proposing a technology assessment to occur in 2026, which would inform further adjustments to the regulation. Evaluating technological feasibility and availability is an appropriate approach that we support.

We appreciate the opportunity to provide these comments for consideration and look forward to continued collaboration on this rulemaking and others that may be considered in the future.

Respectfully,



Robert Spiegel
Senior Policy Director, Government Relations

On behalf of:

California Business Roundtable
California Chamber of Commerce
California League of Food Producers
California Restaurant Association
Industrial Environmental Association

Cc: Catherine Rodriguez, SCAQMD – crodriguez@aqmd.gov

Comment
10-1 cont.

*Staff Response to Comment Letter #10**Response to Comment 10-1:*

Staff appreciates the comment and support for the most recent proposal. Staff's intention is to collaboratively work together with all stakeholders involved to improve air quality for everyone living within the region. Stakeholder feedback is valuable and helps staff develop fair and balanced rule requirements that will help meeting NAAQS attainment requirements set forth by the federal government. Staff conducts extensive research on the current state of commercial scale technology to understand the existing limitations. However, staff is also cognizant that technology is always advancing and moving forward, especially as it gets adopted. As a result, staff believes a status update that includes a technology evaluation at a future date is warranted. When the status update and check-in is conducted in 2025, staff will assess the commercial availability and cost-effectiveness of zero-emission technologies for all established equipment categories and will assess local, regional and statewide grid impacts from the increased electricity demand.

Comment Letter #11



COMMUNITIES
FOR A BETTER
ENVIRONMENT
established 1978

**VIA: ELECTRONIC MAIL**

June 15, 2023

Chair McCallon &
Members of the Stationary Source Committee
South Coast Air Quality Management District (South Coast AQMD)
21865 Copley Dr.
Diamond Bar, CA 91765
crodriguez@aqmd.gov

Re: Agenda Item No. 3 - Proposed Amended Rule 1153.1

Dear Chair McCallon and Members of the Stationary Source Committee:

The undersigned organizations are grateful for the opportunity to provide comments on Proposed Amended Rule 1153.1. This is the first major regulation targeting Nitrogen Oxide (NO_x) emissions after the adoption of the 2022 Air Quality Management Plan (AQMP). As such, it is a critical regulatory proceeding that could set the template for future action. Overall, we are pleased that the South Coast AQMD staff will adopt the nation's first zero-emission standard for a small subset of stationary source categories covered under this rule. Given this is the first of many rules that will include zero-emission standards for stationary sources, it is critical to ensure it sets a good precedent for future rulemakings. For that reason, the points below provide feedback on the most recent iteration of the rule.

I. The Cost-Effectiveness Threshold Must Be Inflated Per the Clear Direction of the Final 2022 AQMP This Board Adopted.

11-1

The 2022 AQMP is abundantly clear in describing how the cost-effectiveness threshold would be applied: "This benefits-based screening threshold would be inflated through time to the dollar year used in a control measure-specific socioeconomic analysis."¹ The socioeconomic analysis for this rulemaking uses 2023 dollars, yet the staff presentation still references the

¹ See 2022 Final AQMP, at 4-83, available at <http://www.aqmd.gov/docs/default-source/clean-air-plans/air-quality-management-plans/2022-air-quality-management-plan/final-2022-aqmp/final-2022-aqmp.pdf?sfvrsn=16>.

“\$325,000 threshold established in 2022 AQMP,” which was established using 2021 dollars.² We want to make sure stakeholders do not get misled that \$325,000 is a fixed benchmark for rules done under this AQMP, no matter the year.

Cont'd
11-1

The Stationary Source Committee will recall that the 2022 AQMP was a compromise. Several organizations advocated to get rid of the cost-effectiveness threshold because it is not required by California law, unduly restricts measures that the South Coast AQMD could consider, and fails to reflect cumulative benefits of technologies in communities overburdened by pollution, amongst other arguments. Some in regulated industry asked that the cost-effectiveness approach from prior air plans remain intact. We do not seek to re-litigate the ultimate compromise that South Coast AQMD staff struck between industrial stakeholders who wanted to keep the old approach to using cost-effectiveness and our effort to let health be the driver of regulations. But, we need regulations to incorporate the compromise struck in the 2022 AQMP.

Adjusting the health-based cost-effectiveness threshold for inflation was included in the AQMP because the value of a dollar goes down every year. If the \$325,000 per ton threshold were frozen in time, the health benefits it represents would decrease every year, because a dollar in 2021 is worth less in 2023 and will become even less in 2024 and beyond. Juxtaposed with the economic data that staff uses for the Best Available Retrofit Control Technology (BARCT) assessment for this rulemaking, which includes data and forecasting well beyond 2021, it is clear this simple recalculation must be done expeditiously.

While it is unclear if this correction would impact BARCT recommendations for these source types, it is undoubtedly important to clarify and reaffirm the approach outlined in the 2022 AQMP for rulemakings moving forward.³

Recommendation:

Ensure rulemakings properly comply with the promises made in the Final 2022 AQMP to adjust cost-effectiveness thresholds through time.

II. The Current Approach of Assuming Natural Gas Will Be Abundant and Cheap for Decades Does Not Comport with Reality.

11-2

On December 1, 2022, the California Public Utilities Commission (CPUC) “adopted a new framework to comprehensively review utility natural gas infrastructure investments in order to help the state transition away from natural gas-fueled technologies and avoid stranded assets

² Stationary Source Committee Meeting 6-16-2023, Agenda Item No. 3, at Slide 8.

³ Moreover, this issue is not just related to this rule. In agenda item 5, which looks at Proposed Rule 1173, the staff presentation uses a \$36,000 cost effectiveness threshold despite clear direction from the 2022 AQMP that the VOC threshold “would be inflated by the consumer price index annually.” Final 2022 AQMP, at 4-83.

in the gas system.”⁴ There is a cognitive dissonance between air quality planning and these proceedings happening at the state level. The current BARCT assessment assumes electricity prices will go up over the next two decades, but natural gas prices are predicted to go down.

Cont'd
11-2

These assumptions arise from South Coast AQMD’s use of the gas and electricity rate projections included in the California Energy Commission’s (CEC) California Energy Demand Update 2022-2035⁵ – which assumes gas demand will remain steady through time despite California’s many policies to reduce fossil fuel use and corresponding greenhouse gas emissions.⁶

The economic assumptions underpinning the analysis that fossil methane will be cheap and abundant ignore many factors. For example, as more and more people and entities leave the gas system, this means fewer and fewer users will have to pay for the fixed infrastructure costs of the gas system. It is not clear why gas prices in the South Coast Air Basin would defy the tenets of economics and remain abundantly cheap for decades to come.

The same year CEC published the document staff is using, the agency published another report, “The Challenge of Retail Gas in California’s Low-Carbon Future,” which does takes

⁴ CPUC Creates New Framework to Advance California’s Transition Away from Natural Gas, Press Release, (December 1, 2022), available at <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-creates-new-framework-to-advance-california-transition-away-from-natural-gas>.

⁵ California Energy Demand Update available at <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2022-integrated-energy-policy-report-update-2>.

⁶ The Environmental Defense Fund (EDF) filed significant comments on the gas assumptions portion of the Integrated Energy Policy Report (IEPR). In particular, EDF pointed out “Currently, the IEPR preliminary model projects stable future gas demand...

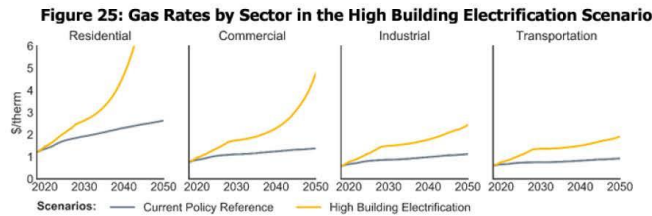
EDF highlights two concerns around these projections. First, stable gas demand is at odds with California’s climate policies aimed at reducing fossil fuel use—including natural gas demand. These state policies include the Senate Bill 32 targets of reducing California’s greenhouse gas emissions by 40% below 1990 levels by 2030, the Assembly Bill 1279 target of reaching net zero by 2045, the California Air Resources Board (CARB) 2022 Scoping plan targets of reducing total fossil fuel consumption by 86% below 2022 levels by 2045, the California Public Utilities Commission (CPUC) decision to eliminate gas extension subsidies, and various local ordinances on gas appliances...

Second, EDF contends that it is unreasonable to assume constant demand beyond a future point in time simply because no existing projections are available. It is true that no future projection can be made with 100% confidence and accuracy; and that confidence will decline further out into the future the projection is made. However, the entire IEPR process has uncertainty of projections baked in, and holding this one element constant is not worthy of the IEPR process. To project *no change* and assume constant future gas demand beyond a certain point, however, would be to overlook existing market trends of electrification and various state policies.”

EDF Comments on Gas Demand Forecasts in IEPR, (May 2, 2023).

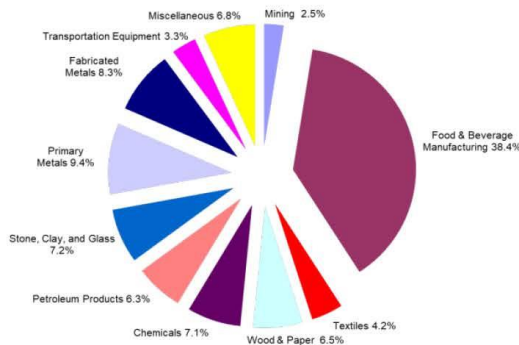
Cont'd
11-2

future demand and future customer base into account, and that work finds that gas rates will increase steadily over time especially as California implements its programs to curb air and climate pollution.⁷ For example, the chart below shows that building electrification at a high level will result in increased rates for industrial facilities.



The context for the assumptions staff uses in the BARCT analysis is important as well. While the South Coast AQMD’s primary regulatory concern is reducing traditional criteria pollutants, there is overwhelming consensus that we must dramatically drive down the use of methane to stave off the worst consequences of climate change. The sector being discussed today – food and beverage manufacturing – is far and away the largest methane-burning non-refining industrial sector in SoCal Gas territory. The chart below⁸ shows that food and beverage manufacturing burns close to 4 times the methane as the next largest sector.

FIGURE 19 INDUSTRIAL GAS DEMAND BY BUSINESS TYPE COMPOSITION OF INDUSTRY (2021)–



⁷ CEC, *The Challenge of Retail Gas in California’s Low Carbon Future*, available at <https://www.energy.ca.gov/sites/default/files/2021-06/CEC-500-2019-055-F.pdf>.

⁸ California Gas & Electric Utilities, 2022 California Gas Report, at 126.

As such, this industry will be a priority target for addressing greenhouse gas emissions moving forward. Moreover, we are disappointed in the regulated industry’s approach to this rulemaking, which appears to note the facilities covered under this rule can be wed to a climate destructive fuel in methane to power their baking operations for decades to come. For example, the American Baking Association recently wrote in commercialbaking.com that “[w]ith proper maintenance, commercial bakery ovens can operate for up to 30-40 years.”⁹ Since the last compliance date for this rule is in 2036, the factual predicate of the ABA’s arguments here is that some commercial ovens in the South Coast Air Basin could be run by burning methane as far out as when the United States celebrates its tricentennial – or 2076.¹⁰ This makes no sense given many of the companies regulated here have significant climate pledges that require deep cuts to their greenhouse gas emissions well before 53 years from today.

Cont'd
11-2

While the lobbyists and lawyers in industry try to center the debate on the electrical grid in the transition to zero-emissions, we encourage the Governing Board to have more information on the perils of remaining a combustion-centric air basin for our stationary and area sources, including the affordability impacts of being the last remaining users of the gas system once it becomes a stranded asset.

Recommendation

Direct staff to provide more frequent updates through this rule & other rulemakings about the work to transition away from gas and the impacts on cost-effectiveness projections.

III. The Technology Assessment Is Unduly Narrow and Should Be Expanded.

11-3

The technology assessment scheduled for one year prior to compliance needs to be a more robust and well-rounded exercise. While the regulated industry would like to focus solely on equipment availability, this unduly myopic approach will not equip future board members to put this rule in context. In particular, staff should add the following topics to this review: 1) an update on health studies articulating impacts to those with prolonged close exposure to burning gas (e.g., bakery workers); 2) an updated analysis of the revised health impacts and associated dollar values attached to those impacts (e.g., a new health benefits cost-effectiveness threshold, represented in 2026 dollars); 3) an update on the gas transition work and a review of the forecasted gas rates moving forward; and 4) an update on additional technologies that could help defray any costs associated with transitioning to electric technologies (e.g. industrial heat pumps).

⁹ Joanie Spencer, *Proposed oven ruling: Sustainability solution or operational setback?*, available at <https://commercialbaking.com/proposed-oven-ruling-sustainability-solution-or-operational-setback/>.

¹⁰ The end date for the rule is 2036, so all equipment must be replaced with the methane burning equipment that meets the standards by that date. The outer projection for the American Baking Association is potentially 40 years for an oven. So, facilities that wait to the end date, could be operating their methane burning equipment until 2076.

Recommendation

Direct staff to expand the technology assessment to include impacts on health of workers, impacts of health from air pollution more broadly, an update on the gas transition work that is proceeding in California, and additional technologies that could help defray any costs associated with transitioning to electric technologies.

Cont'd
11-3**IV. Technology Investments.**

On June 2, 2023, South Coast AQMD staff presented a new version of this proposed rule that changed the prior version of the regulation dramatically. Instead of having zero-emission standards across all categories – even if not for several years – the new rule language only preserves zero-emission standards for four categories, about 25% of the equipment, cutting the proposed emission reductions in half. Zero-emission options for categories like tortilla ovens and larger batch ovens are not being presented to you because the cost-effectiveness exceeded the threshold as presented – even in cases where projected costs were based on very rough and contingent long-term forecasts and/or where projected costs came in very close to the threshold. Given that the proposed rule does not provide a zero-emission market signal for technology development for large categories of equipment, the AQMD should work to find federal and/or state funds to develop a \$15 million program to encourage the development of zero-emission commercial ovens. These monies could come from state or federal funds, such as the Food Production Investment Program at the California Energy Commission.

11-4

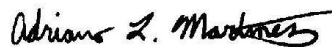
There is a clean air, public health, and climate imperative to develop better incentive programs to push this industry to zero-emission operations. Where the Air District will not pursue life-saving regulations to eliminate combustion, it must work with relevant agencies like the California Energy Commission, the Department of Energy, and other agencies that have identified the food and beverage manufacturing space as a key sector to advance decarbonization and stave off the worst impacts of climate change.

Recommendation

Direct staff to develop a food and beverage zero-emission technology fund by seeking state and federal funds.

We appreciate your consideration of these comments, and we look forward to adoption of this rule to get one step closer to wrapping up the environmental justice nightmare that has been the RECLAIM program.

Sincerely,



Adrian Martinez
Earthjustice

[Additional Signatories Continued on Next Page]

Robina Suwol
California Safe Schools

Ana Gonzalez
Center for Community Action & Environmental Justice (CCA EJ)

Julia May
Communities for a Better Environment

Evan Gillespie
Industrious Labs

Richard Parks
Redeemer Community Partnerships

Jed Holtzman
Rocky Mountain Institute (RMI)

Peter Warren
San Pedro & Peninsula Homeowners Coalition

Monica Embrey
Sierra Club

*Staff Response to Comment Letter #11:**Response to Comment 11-1:*

Staff agrees that the cost-effectiveness screening threshold must be adjusted for inflation each year, as directed by the 2022 AQMP. Please refer to Chapter 2 in the Staff Report for more information regarding cost-effectiveness being adjusted to the appropriate dollar year.

Response to Comment 11-2:

Staff acknowledges and understands the difficulty in forecasting future natural gas prices and will continue to evaluate forecasts and utility data as they continue to be updated. However, Staff does not agree with the forecasted cost numbers provided in the comment letter. Based on energy rate data evaluated by staff, forecasting energy prices involves a level of uncertainty and the actual rates will differ from the forecasted rates in any given year due to various factors. Staff acknowledges this uncertainty and notes that the methodology used in the analysis for PAR 1153.1 is not precedential. Staff will update the forecasts and cost assumption methodologies for energy rates in future rulemakings, based on the best practices and the latest energy price forecasts including but not limited to the California IEPR.

Response to Comment 11-3:

Staff agrees that the status update/technology check-in should be expanded to include an analysis of natural gas price forecasts and additional technologies that may reduce fuel-switching costs.

Response to Comment 11-4:

Staff appreciates the recommendation and will continue to evaluate, monitor, and reach out to the California Energy Commission for any potential funding opportunities

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Final Socioeconomic Impact Assessment For
Proposed Amended Rule 1153.1– Emissions of Oxides of Nitrogen from
Commercial Food Ovens**

August 2023

Deputy Executive Officer

Planning, Rule Development, and Implementation
Sarah L. Rees, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Implementation
Ian MacMillan

Planning and Rules Manager

Planning, Rule Development, and Implementation
I. Elaine Shen, Ph.D.

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Contributors:	Sarady Ka – Program Supervisor Christopher Bradley – Air Quality Specialist Sergio Torres-Callejas – Assistant Air Quality Specialist James McCreary- Air Quality Specialist
Reviewed By:	Heather Farr– Planning and Rules Manager Barbara Baird – Chief Deputy Counsel Mary Reichert – Senior Deputy District Counsel

ATTACHMENT H

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

Chair: VANESSA DELGADO
Senator (Ret.)
Senate Rules Committee Appointee

Vice Chair: MICHAEL A. CACCIOTTI
Council Member, South Pasadena
Cities of Los Angeles County/Eastern Region

MEMBERS:

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Supervisor, First District
County of Orange

CURT HAGMAN
Supervisor, Fourth District
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GIDEON KRACOV
Governor's Appointee

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EXECUTIVE SUMMARY

A socioeconomic analysis has been conducted to assess the impacts of Proposed Amended Rule 1153.1. A summary of the analysis and findings is presented below.

<p>Key Elements of the Proposed Amendments</p>	<p>Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (PAR 1153.1), seeks further emissions reductions of oxides of nitrogen (NOx) in the South Coast Air Basin. PAR 1153.1 would require facilities to lower NOx emissions during two phases. Phase I Emission Limits are combustion-based, which require all equipment categories, with the exception of tortilla ovens fired solely by infrared (IR) burners, to meet a 30 ppmv NOx emission limit. Tortilla ovens in this case must meet a more stringent NOx emission limit of 15 ppmv. Currently, burners meeting these limits are commercially available, cost-effective, and already in-use.</p> <p>Phase II Emission Limits require that after the effective date of January 7, 2027, all smokehouses, bakery ovens, and cooking ovens with a rated heat input capacity less than or equal to 3 million British thermal units per hour (MMBtu/hr) should transition to a zero-emission technology to meet a 0 ppmv NOx emission limit, once the unit turns 25 years old and the burner turns 10 years old. Upon full implementation by 2043, PAR 1153.1 is estimated to reduce NOx emissions by 0.11 tons per day. This reduction will have positive effects on public health and ambient air quality.</p>
<p>Affected Facilities and Industries</p>	<p>PAR 1153.1 affects manufacturers and operators of commercial food ovens, roasters, and smokehouses that produce food and beverage products for human consumption. These facilities mainly belong to food and beverage manufacturing, as classified in the North American Industrial Classification System (NAICS 311 and 312). Staff identified 97 facilities with a total of 218 commercial food ovens that are currently regulated by Rule 1153.1. Six out of 97 facilities are currently in the RECLAIM program.</p> <p>Fifty out of the 97 facilities are small facilities with units that have a rated heat input capacity less than 325,000 Btu per hour and emit less than one pound of NOx per day, which would be exempt from PAR 1153.1 requirements. PAR 1153.1 only affects the remaining 47 facilities that have units with a rated heat input capacity greater than 325,000 Btu per hour. Of these 47 affected facilities, 29 are in Los Angeles County, 9 are in Orange County, 3 are in Riverside County, and the remaining 6 are in San Bernardino County.</p>
<p>Assumptions for the Analysis</p>	<p>PAR 1153.1 establishes a compliance schedule in two phases. The main requirements under Phase I are combustion-based limits and will require affected facilities to install low-NOx burners (LNB) which are needed to achieve the proposed emission limits. For Phase I limits, three different types of LNBs were considered and evaluated. The three types of burners</p>

<p>Assumptions for the Analysis</p>	<p>evaluated are ribbon burners, infrared (IR) burners, and air heater cone type burners, which can achieve the emission limits proposed in Phase I of PAR 1153.1.</p> <p>Staff assumed that 40 units located at the affected facilities would need to install air heater cone type low--NOx burners. Total installed cost is estimated to range from \$12,000 to \$255,000 for each unit. Staff also assumed that 39 units at the affected facilities would install ribbon and/or IR type burners. The total per-unit installed estimated cost range from \$55,000 to \$236,000. In addition, the burner installation costs were assumed to be 50 percent of the capital cost for air heater cone type burners and three times the capital cost for ribbon/IR type burners. Each new burner is assumed to <u>be installed in 2024 and last 10 years</u>and installed in 2024. No additional operation and maintenance (O&M) costs were taken into account as the annual maintenance for the new burners would be equivalent to that of the existing burners being replaced.</p> <p>Meeting the Phase II zero-emission limits of PAR 1153.1 will likely necessitate a complete replacement of the unit at a facility. Retrofitting a gas-fired oven to operate on electricity can be considerably more expensive than purchasing a new electric oven. PAR 1153.1 mandates the adoption of zero-emission technology for smokehouse ovens, indirect-fired bakery ovens, bakery ovens, and cooking ovens rated less than or equal to 3 MMBtu/hr. From January 1, 2027, these four equipment categories must transition to zero-emission technologies when their existing units reach 25 years of age and their burners are used for 10 years or more.</p> <p>For <u>the</u> capital cost of zero-emission electric ovens, staff considered the cost difference between a new electric oven and a new gas-fired oven. In addition, the total installed costs accounted for related expenses such as installation, facility electrical upgrades, and utility-side electrical upgrades. Staff assumed that the installation costs would amount to 25 percent of the estimated capital cost, while facility electrical upgrades would constitute 10 percent of the capital cost, and new units with a rated heat input capacity less than or equal to 3 MMBtu/hr would require an additional \$2,000 for utility-side electrical upgrades, while new units exceeding 3 MMBtu/hr would require an additional \$50,000 for utility-side electrical upgrades.</p> <p>Based on these assumptions, staff estimated that the affected facilities <u>would</u> install 14 electric tunnel ovens, with each unit having a total estimated cost ranging from \$1,300,000 to \$2,000,000. Additionally, staff assumed that the affected facilities would install 38 units of electric batch ovens, each having a total estimated cost between \$375,000 and \$503,000.</p>
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<p>Assumptions for the Analysis (Cont.)</p>	<p>Most of the compliance costs under the Phase II requirements are associated with additional fuel switching costs, which is the difference between the annual electricity costs of the new electric oven and the annual natural gas costs of the gas-fired oven. In estimating the fuel switching costs, staff assumed that electric oven units would be more efficient than its gas-fired counterpart and thus they need 20 percent less of thermal input. This estimate was based on vendor feedback and discussions with a utility provider. Recognizing the substantial uncertainty in forecasting electricity and natural gas rates, staff based fuel switching costs on multiple sources. These sources combine recent rates that capture current volatility in natural gas prices with forecasted rates from the California Energy Commission (CEC). Based on recent electricity rates of the Energy Information Administration (EIA), staff used an average industrial electricity rate of 14.82 cents/kWh for the State of California, while for recent natural gas rates, staff assumed a cost of 62 cents/therm. This latter price is calculated based on the 24-month average natural gas price from May 2021 to May 2023, sourced from the Southern California Gas Company (SoCal Gas).</p> <p>Forecasted electricity rates are based on the California Energy Commission (CEC) 2022 Energy Demand Update for industrial consumers in the Los Angeles Department of Water and Power (LADWP) and Southern California Edison (SCE) planning areas. The average of the two planning areas’ forecasted rates over the 2024-2035 period is the assumed future electricity rate, which is 16.82 cents per kWh. The forecasted natural gas price is based on the CEC forecast for SoCal Gas from the 2021 Integrated Energy Policy Report (IEPR). Staff averaged the SoCal Gas forecast over the 2024-2035 period to calculate the assumed future natural gas rate at 54 cents per therm.</p> <p>Forecasting energy prices involves uncertainty, and actual rates will differ from forecasted rates in any given year. Staff acknowledges this uncertainty and notes that the methodology used in this analysis is not precedential. Staff will continue to update its forecasts and cost assumption methodologies in future rulemakings, based on best practices and the latest energy prices forecasts including but may not be limited to the California IEPR.</p>
<p>Compliance Costs</p>	<p>The average annual compliance costs of PAR 1153.1 are estimated to range from \$12.82 million to \$13.50 million, depending on the real interest rate assumed (1 percent to 4 percent). All the estimated annual costs are expected to be incurred by the food manufacturing sector (NAICS 311) where the bakery ovens belong.</p> <p>The table below presents the summary of the average annual cost of PAR 1153.1 by requirement categories. About 83 percent of the total annual compliance cost is attributed to the bakery ovens alone. The recurring</p>

<p>Compliance Costs (Cont.)</p>	<p>costs of Bakery Ovens (which is mainly the fuel switching costs) are estimated to account for 65 percent of the total annual cost of PAR 1153.1, followed by the bakery ovens one-time capital costs which would be about 18 percent of the total annual cost.</p> <table border="1" data-bbox="597 373 1253 1136"> <thead> <tr> <th colspan="3">Average Annual Compliance Costs (2024-2051)</th> </tr> <tr> <th>Cost Categories</th> <th>1% Real Interest Rate</th> <th>4% Real Interest Rate</th> </tr> </thead> <tbody> <tr> <td colspan="3">One-Time Cost</td> </tr> <tr> <td>Bakery Oven</td> <td>\$1,906,742</td> <td>\$2,455,914</td> </tr> <tr> <td>Cooking Oven</td> <td>\$268,046</td> <td>\$337,081</td> </tr> <tr> <td>Tortilla Oven</td> <td>\$283,625</td> <td>\$321,642</td> </tr> <tr> <td>Drying Oven</td> <td>\$24,582</td> <td>\$27,877</td> </tr> <tr> <td>Roaster</td> <td>\$6,270</td> <td>\$7,338</td> </tr> <tr> <td>Smokehouse</td> <td>\$31,405</td> <td>\$42,996</td> </tr> <tr> <td>Dryer</td> <td>\$4,051</td> <td>\$4,594</td> </tr> <tr> <td colspan="3">Recurring Costs</td> </tr> <tr> <td>Bakery Oven</td> <td>\$8,709,123</td> <td>\$8,709,123</td> </tr> <tr> <td>Cooking Oven</td> <td>\$1,183,496</td> <td>\$1,183,496</td> </tr> <tr> <td>Smokehouse</td> <td>\$406,183</td> <td>\$406,183</td> </tr> <tr> <td>Total</td> <td>\$12,823,523</td> <td>\$13,496,244</td> </tr> </tbody> </table>	Average Annual Compliance Costs (2024-2051)			Cost Categories	1% Real Interest Rate	4% Real Interest Rate	One-Time Cost			Bakery Oven	\$1,906,742	\$2,455,914	Cooking Oven	\$268,046	\$337,081	Tortilla Oven	\$283,625	\$321,642	Drying Oven	\$24,582	\$27,877	Roaster	\$6,270	\$7,338	Smokehouse	\$31,405	\$42,996	Dryer	\$4,051	\$4,594	Recurring Costs			Bakery Oven	\$8,709,123	\$8,709,123	Cooking Oven	\$1,183,496	\$1,183,496	Smokehouse	\$406,183	\$406,183	Total	\$12,823,523	\$13,496,244
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<p>Job Impacts</p>	<p>Direct effects of the proposed project are used as inputs to the REMI model in order for the model to assess secondary/induced impacts for all the industries in the four-county economy on an annual basis and across a user-defined horizon.</p> <p>When the compliance cost is annualized using a 4 percent real interest rate, it is projected that an annual average of 116 net jobs will be foregone from 2024 to 2051. The 116 annual jobs forgone represents less than 0.001 percent of total annual jobs in the four-county area.</p> <p>In 2024, when most of the capital spending for the new burners are anticipated, approximately 64 additional jobs are projected to be created in the regional economy. This positive job impact would have a trickle-down effect on sectors such as construction, miscellaneous professional services, retail, and wholesale trade. Furthermore, the operating and maintenance expenditures associated with the implementation of the project would benefit industries involved in electricity generation, transmission, and distribution (NAICS 2211).</p>																																													

	<p>However, as affected facilities continue to bear the amortized capital expenditures of burners then of electric ovens and as the annual fuel switching costs associated with electric ovens begin to occur from 2027, a gradual reduction in the positive job impacts from earlier years is expected to occur. Consequently, this reduction would lead to jobs forgone in the subsequent years following the initial implementation.</p> <p>Food manufacturing sector (NAICS 311) would incur the largest share of the average annual jobs foregone (52) as all the assumed compliance costs will be borne by this industry.</p>
<p>Competitiveness</p>	<p>The overall impacts of the PAR 1153.1 on the production costs and delivered prices in the region is not expected to be significant. According to the REMI Model, PAR 1153.1 is projected to increase the cost of production of the food manufacturing in the South Coast region by 0.069 percent and increase the relative delivered price of goods provided by 0.045 percent in 2027 when both Phases I and II requirements are effective.</p>

INTRODUCTION

Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (PAR 1153.1), seeks further emission reduction of oxides of nitrogen (NO_x) in the South Coast air district and is part of a suite of “landing” rules for facilities regulated under the REgional Clean Air Incentives Market (RECLAIM) or under another existing source specific rule.

PAR 1153.1 would require facilities to lower NO_x emissions during two phases. Phase I Emission Limits are combustion-based and require all equipment categories, with the exception of tortilla ovens, to meet a 30 part-per-million-by-volume (ppmv) NO_x emission limit. Those tortilla ovens, fired solely by infrared (IR) burners, would need to meet a 15 ppmv NO_x emission limit. Burners meeting these limits are currently commercially available, cost-effective, and in-use.

Phase II Emission Limits require all smokehouses, bakery ovens, and cooking ovens with a rated heat input capacity less than or equal to 3 Million Metric British Thermal Unit per hour (MMBtu/hr) to transition to a zero-emission technology ~~and to submit a permit application to meet a zero ppmv NO_x emission limit~~ once the unit turns 22 years old and the burner turns 7 years old after the future effective date of January 7, 2027. Upon full implementation by 2043, PAR 1153.1 is estimated to reduce NO_x emissions by 0.11 ton per day, which will benefit public health and ambient air quality.

PAR 1153.1 also includes an Alternative Compliance Schedule Plan to address additional time that might be needed if a facility’s utility provider is not able to supply the necessary energy to the facility to power the electric oven(s) and result in a delay in meeting the rule deadlines. An alternative compliance schedule will only be considered for upgrades that are outside the control of the facility.

LEGISLATIVE MANDATES

The legal mandates directly related to the assessment of the proposed rule include South Coast AQMD Governing Board resolutions and various sections of the California Health & Safety Code.

South Coast AQMD Governing Board Resolutions

On March 17, 1989, the South Coast AQMD Governing Board adopted a resolution that calls for an economic analysis of regulatory impacts that includes the following elements:

- Affected industries
- Range of probable costs
- Cost-effectiveness of control alternatives
- Public health benefits

Health and Safety Code Requirements

The state legislature adopted legislation which reinforces and expands the Governing Board resolutions for socioeconomic impact assessments. California Health and Safety Code Section 40440.8, which became effective on January 1, 1991, requires a socioeconomic impact assessment be performed for any proposed rule, rule amendment, or rule repeal which "will significantly affect air quality or emissions limitations."

Specifically, the scope of the socioeconomic impact assessment should include the following:

- Type of affected industries;
- Impact on employment and the regional economy;
- Range of probable costs, including those to industry;
- Availability and cost-effectiveness of alternatives to the rule;
- Emission reduction potential; and
- Necessity of adopting, amending, or repealing the rule in order to attain state and federal ambient air quality standards.

Health and Safety Code Section 40728.5, which became effective on January 1, 1992, requires the South Coast AQMD Governing Board to actively consider the socioeconomic impacts of regulations and make a good faith effort to minimize adverse socioeconomic impacts. It also expands socioeconomic impact assessments to include small business impacts, specifically it includes the following:

- Type of industries or business affected, including small businesses; and
- Range of probable costs, including costs to industry or business, including small business.

Finally, Health and Safety Code Section 40920.6, which became effective on January 1, 1996, requires that incremental cost effectiveness be performed for a proposed rule or amendment that imposes Best Available Retrofit Control Technology (BARCT) or "all feasible measures" requirements relating to ozone, carbon monoxide (CO), oxides of sulfur (SO_x), oxides of nitrogen (NO_x), and their precursors.

AFFECTED FACILITIES

PAR 1153.1 affects manufacturers and operators of commercial food ovens, roasters, and smokehouses that produce food and beverage products. These facilities mainly belong to food and beverage manufacturing, as classified in the North American Industrial Classification System (NAICS 311 and 312). Staff identified 97 facilities with a total of 218 commercial food ovens that are currently regulated by Rule 1153.1. Six out of 97 facilities are currently in the RECLAIM

program.

Out of the 97 facilities, 50 of them are classified as small facilities with units with a rated heated input capacity below 325,000 Btu per hour and emissions of less than one pound of NO_x per day. These small facilities are exempt from the emission limits imposed by PAR 1153.1. Consequently, the regulation applies to the remaining 47 facilities, which have units with a rated heat input capacity exceeding 325,000 Btu per hour. Among these 47 affected facilities, 29 are located in Los Angeles County, 9 in Orange County, 3 in Riverside County, and the remaining 6 in San Bernardino County.

Small Business

South Coast AQMD defines a "small business" in Rule 102 – Definition of Terms for purposes of fees as one which employs 10 or fewer persons and which earns less than \$500,000 in gross annual receipts. South Coast AQMD also defines "small business" for the purpose of qualifying for access to services from the South Coast AQMD's Small Business Assistance Office (SBAO) as a business with an annual receipt of \$5 million or less, or with 100 or fewer employees. In addition to the South Coast AQMD's definitions of a small business, the federal Small Business Administration (SBA) and the federal 1990 Clean Air Act Amendments (1990 CAAA) also provide definitions of a small business.

The 1990 CAAA classifies a business as a "small business stationary source" if it: (1) employs 100 or fewer employees, (2) does not emit more than 10 tons per year of either VOC or NO_x, and (3) is a small business as defined by SBA. In general terms, a small business must have no more than 500 employees for most manufacturing and mining industries.¹ The SBA definitions of small businesses vary by six-digit NAICS codes. More specifically, other snack manufacturing (NAICS 311919) has 750 employees and commercial bakeries (NAICS 311812) has 1,000 employees as the thresholds below which a business is considered as small.

Dun and Bradstreet data on the number of employees and revenues are available for 43 out of 47 affected facilities. Based on this data, there are only two facilities that meet the South Coast AQMD's Rule 102 definition of a small business; however, this number increases to 20 according to the SBAO definition. Based on SBA's definition of a small business, 38 out of the 43 facilities would be classified as small businesses. Under the 1990 CAAA definition, there are 38 facilities meeting the criteria to be considered as small businesses.²

COMPLIANCE COSTS

PAR 1153.1 aims to reduce NO_x emissions from commercial food ovens that are used to prepare food or products for making beverages for consumption. PAR 1153.1 would affect 47 facilities that operate commercial food ovens including tortilla ovens, drying ovens, bakery ovens, cooking

¹ https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf

² Based on facility-level data on NO_x and VOC emissions for calendar year 2022.

ovens, roasters, dryers, and smokehouses. PAR 1153.1 establishes a compliance schedule in two Phases.

Phase I Requirements

For Phase I, emission limits are effective upon rule adoption and are applicable to all equipment categories ~~that do not currently meet the 30 ppmv NO_x limit or 15 ppmv NO_x limit for tortilla ovens solely firing IR burners~~. All commercial food oven categories/subcategories are subject to Phase I emission limits and would need to take compliance actions upon rule adoption if they are currently not meeting the limits.

The main requirements of the proposed amendments under Phase I that have cost impacts for affected facilities would include the installation of new burners to achieve the proposed emission limits. For Phase I limits, three different types of burners were considered and evaluated, including ribbon burners, IR burners, and air heater cone type low NO_x burners, which are guaranteed to comply with the emission limits proposed by PAR 1153.1.

Based on quotations and cost estimates provided by vendors, ribbon burners and IR burners tend to have higher prices per oven than air heating cone type low NO_x burners. This price difference is primarily due to the fact that bakery and tortilla ovens can utilize a larger number of burners per oven, potentially reaching up to 181 burners. The higher number of burners significantly drives up the cost, compared to other food ovens that use the air heating cone type burners which typically have one or two burners. Therefore, the cost of the burners depends on the size, type, and quantity of burners in an oven.

Additionally, staff identified several units that have recently retrofitted their units with new burners to comply with the existing 40 ppmv or 60 ppmv NO_x limits. These facilities may face a challenge with stranded assets. To address this issue, staff proposed a compliance schedule that would require facilities to meet the Phase I emission limits either upon burner replacement or within a maximum burner life of 10 years, based on the age of the burner. This approach aims to address the concerns of stranded assets and provide a reasonable transition period for affected facilities.

Burners One-time Capital Costs

To determine the cost of implementing the BARCT-based NO_x emission limits, staff obtained cost information or estimates of control equipment from various vendors. Ten equipment manufacturers were contacted; meetings were held with several vendors multiple times to gather technical input and cost estimates, which were then used in the BARCT assessment and cost-effectiveness analysis.

To estimate the costs of new burners, staff reached out to several burner manufacturers, including Flynn Burners, Honeywell/Maxon, and Micron Fiber-Tech. Then, each vendor provided cost estimates either during meeting or through email correspondence with staff. All costs mentioned in this section are in 2022 dollars. Thus, in the projection of future compliance costs, these costs

are assumed to remain constant in the foreseeable future, with any increases attributed to inflation.

It is important to note that the estimated costs in this analysis are highly dependent on site-specific factors and business decisions made by the facilities subject to PAR 1153.1. Additionally, staff made every effort in the cost analysis to represent the costs realistically, taking into account various factors that may influence the price a business will pay to implement a control. For each cost item, the estimated cost was based on either an industry average or a reasonable range, taking into account all the available information and data. The procedure and assumptions used for each cost estimate are discussed below.

It was estimated that 40 applicable units at the affected facilities would need to install air heater cone type low- NO_x burners. The total installed cost of burners for each oven is estimated to range from \$12,000 to \$255,000. Additionally, it was assumed that 39 applicable units at the affected facilities would need to install ribbon and/or IR type burners. Based on vendors' price quotes and staff's cost curve analysis included in the Draft Staff Report, the total installed cost for each applicable unit requiring ribbon and/or IR type burners is estimated to range from \$55,000 to \$236,000. As the proposed rule would require replacement of existing burners in an applicable unit based on the age of the oldest burner, staff uses the total cost of the new compliant burners, instead of the cost difference between a new compliant burner and a new but to-be-noncompliant burner, to conservatively approximate the potential compliance costs related to the burner emissions limits.

It was assumed that the burner installation costs would be 50 percent of the capital cost for air heater cone type burners and three times the capital cost for ribbon/IR type burners. Ribbon and IR burner install costs are based on quotes from two manufacturers and recent install costs from two facilities with recent installations of these burners. The higher install cost of these burners is driven by additional support structures required for mounting these burners. Traditional air heater cone burners do not require additional structures according to quotes obtained by staff and have lower install costs as a result. Each new burner is assumed to have a lifespan of 10 years based on vendors' feedback, and the implementation of the burners would occur upon the adoption of PAR 1153.1.

Burners Operating and Maintenance (O&M) Costs

Based on vendor feedback, the annual maintenance associated with the new burner is assumed to be the same as the existing burners that the facility will be replacing; thus, no additional O&M costs were considered.

Phase II Requirements

Effective on January 1, 2027, PAR 1153.1 will require zero-emission technology for smokehouses, indirect-fired bakery ovens, bakery ovens less than or equal to 3 MMBtu/hr, and cooking ovens less than or equal to 3 MMBtu/hr. These four categories are required to transition to zero-emission technologies once their existing units reach 25 years old and their burners reach 10 years old after

the future effective date of January 7, 2027.

Electric Oven One-time Capital Costs

To estimate the capital costs associated with the implementation of zero-emission electric commercial food ovens to meet the Phase II limits, staff identified two main types of ovens: Tunnel Ovens, which are primarily used as bakery and tortilla ovens, and Batch Ovens, which are mainly used as cooking, drying, and smokehouse ovens. In order to estimate the incremental cost of replacing gas-fired units by electric units, staff reached out to vendors such as AMF Den Boer, BABBCO, Maurer-Atmos, Reading Bakery Systems, and WP Bakery Group to gather equipment cost quotes for both electric and gas-fired units.

The cost of zero-emission electric ovens depends on the type and size, typically measured by their maximal instantaneous power demand in kilowatts (kW). The useful life for both types of ovens was assumed to be 25 years based on vendor feedback. By obtaining quotes from vendors and considering the size and type of ovens, staff were able to estimate the capital costs associated with acquiring these zero-emission electric ovens.

The cost estimation for implementing zero-emission electric ovens took into account the incremental cost difference between purchasing a new electric oven and a new gas-fired oven. In addition to the capital cost, various related expenses were also considered, including installation, facility electrical upgrades, and utility-side electrical upgrades.

Staff assumed that the installation cost would amount to 25 percent of the estimated capital cost, while facility electrical upgrades (behind-the-meter) were estimated at 10 percent of the capital cost. Staff also included the cost of utility-side (front-of-meter) upgrades that the facility may incur. According to Southern California Edison (SCE), this cost will vary depending on the facilities location and only part of the cost will be passed on to the facility, with the remainder borne by rate payers. Based on examples provided by SCE, staff assumed the partial cost passed on to the facility to be \$2,000 for units rated less than or equal to 3 MMBtu/hr and \$50,000 for units greater than 3 MMBtu/hr. Therefore, the total installation costs encompass the capital cost, installation cost, facility electrical upgrades, and utility-side electrical upgrades.

It was assumed that the affected facilities would install a total of 14 electric Tunnel Ovens, with each unit estimated to cost between \$1,300,000 and \$2,000,000, based on cost curve analysis conducted by staff. Similarly, it was assumed that the affected facilities would install 38 units of electric Batch Ovens, with each unit estimated to cost between \$375,000 and \$503,000. Please see staff report for further detail regarding the cost estimations per oven.

Electric Oven Operating and Maintenance (O&M) Costs

Operating and maintenance (O&M) cost, is a recurring expenditure that is incurred annually and would include items such as materials, labor, and maintenance costs associated with operations of the new equipment. In the case of electric oven units, the fuel switching costs were the only

additional O&M cost that was considered. This is mainly because the electric ovens are conservatively assumed to have the same O&M costs as their gas-fired counterpart units. Based on vendor feedback, electric ovens do not rely on combustion as the heat source; therefore, combustion system maintenance will not be required, and O&M costs, aside from fuel switching costs, may be significantly reduced as a result.

Incremental Cost of Fuel Switching

The fuel switching cost represents the difference in cost between the annual electricity costs of the new electric oven and the annual cost of the gas-fired oven. Since electricity is generally more expensive than natural gas, the fuel switching cost reflects the increase in utility costs that facilities would incur by transitioning to electric ovens.

Based on conversations with electric oven manufacturers, staff assumed that electric oven units would be more efficient and consume 20 percent less energy compared to their gas-fired counterparts. While electric units will typically require a higher energy demand during start up, electricity use will steadily decline as the oven reaches operating temperature. Furthermore, since there is no combustion taking place, flue gas extraction is significantly reduced resulting in less heat energy loss. However, due to the higher cost of electricity, this efficiency gain may not fully offset the increased energy expenses.

Given the uncertainty in forecasting electricity and natural gas rates, staff incorporated multiple sources of information. These sources include recent rates that capture current volatility in natural gas prices, as well as forecasted rates from the California Energy Commission (CEC). The analysis averages the forecasted rates and recent rates reflective of different scenarios. For more detailed assumptions and analyses regarding fuel switching costs, please refer to the specific section of the staff report (Page 24 to 25 in chapter 2).

Recent Electricity and Natural Gas Rates

Staff used an industrial electricity rate of 14.82 cents/kWh. This rate is based on the average industrial retail electricity price in California during 2021 collected by the Energy Information Administration (EIA).³ The EIA is an agency within the U.S. Department of Energy charged with the collection, analysis, and dissemination of energy-related data. For recent natural gas rates, staff assumed a cost of 62 cents/therm. This price is calculated based on the 24-month average natural gas price from May 2021 to May 2023 sourced from the Southern California Gas Company (SoCal Gas).⁴ Staff used SoCal Gas rates because SCG is the primary gas utility for the affected facilities, while electricity is supplied by a range of different municipal providers which motivated the use of EIA averages for electricity rates.

³ https://www.eia.gov/electricity/sales_revenue_price/pdf/table4.pdf

⁴ <https://www.socalgas.com/for-your-business/energy-market-services/gas-prices>

Forecasted Rates

Forecasted electricity rates are based on the CEC 2022 Energy Demand Update⁵ for industrial consumers in the Los Angeles Department of Water and Power (LADWP) and Southern California Edison (SCE) planning areas. The average of the two planning areas' forecasted rates over the 2024 - 2035 period is the assumed electricity rate of 16.82 cents per kWh. The forecasted natural gas price is based on the CEC forecast for SoCal Gas from the 2021 Integrated Energy Policy Report (IEPR),⁶ Staff averaged the SoCal Gas forecast over the 2024–2035 period to calculate the assumed rate of 54 cents per therm.

Fuel Switching Cost Assumptions and Methodology

Staff first calculated the total annual energy demand for each unit. This is calculated by multiplying the unit's hourly power demand by the number of hours it operates. Staff assumed that facilities run at 50 percent operating capacity, or 4,380 hours per year. Additionally, electric ovens are assumed to require 20 percent less energy input than the existing gas-fired ovens, so the total energy demand for electric units is lower than the total demand for corresponding gas-fired units. Energy demand is then multiplied by the forecasted price per kWh in each year to calculate total annual energy cost for each unit and fuel type. The incremental fuel switching cost is the difference between the estimated annual fuel cost of an electric unit relative to its gas-fired equivalent.

Forecasting energy prices involves uncertainty, and actual rates will differ from forecasted rates in any given year. Staff acknowledges this uncertainty and notes that the methodology used in this analysis is not precedential. Staff will continue to update its forecasts and cost assumption methodologies in future rulemakings, based on best practices and the latest energy prices forecasts including but may not be limited to the California IEPR.

Total Compliance Cost of PAR 1153.1

The total cost would include overall cost over 28 years. As presented in Table 3, the total present worth of compliance cost of the PAR 1153.1 is estimated at \$323.74 and \$211.79 million, respectively, depending on the real interest rate assumed (1 percent to 4 percent).⁷ The average

⁵ <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2022-integrated-energy-policy-report-update-2>

⁶ <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2021-integrated-energy-policy-report>

⁷ In 1987, South Coast AQMD staff began to calculate cost-effectiveness of control measures and rules using the Discounted Cash Flow method with a discount rate of 4 percent. Although not formally documented, the discount rate is based on the 1987 real interest rate on 10-year Treasury Notes and Bonds, which was 3.8 percent. The maturity of 10 years was chosen because a typical control equipment life is 10 years; however, a longer equipment life would not have corresponded to a much higher rate-- the 1987 real interest rate on 30-year Treasury Notes and Bonds was 4.4 percent. Since 1987, the 4 percent discount rate has been used by South Coast AQMD staff for all cost-effectiveness calculations, including BACT analysis, for the purpose of consistency. The incremental cost reported in this assessment was thus annualized using a real interest rate of four percent as the discount rate. As a sensitivity test, a real interest rate of one percent will also be used, which is closer to the prevailing real interest rate.

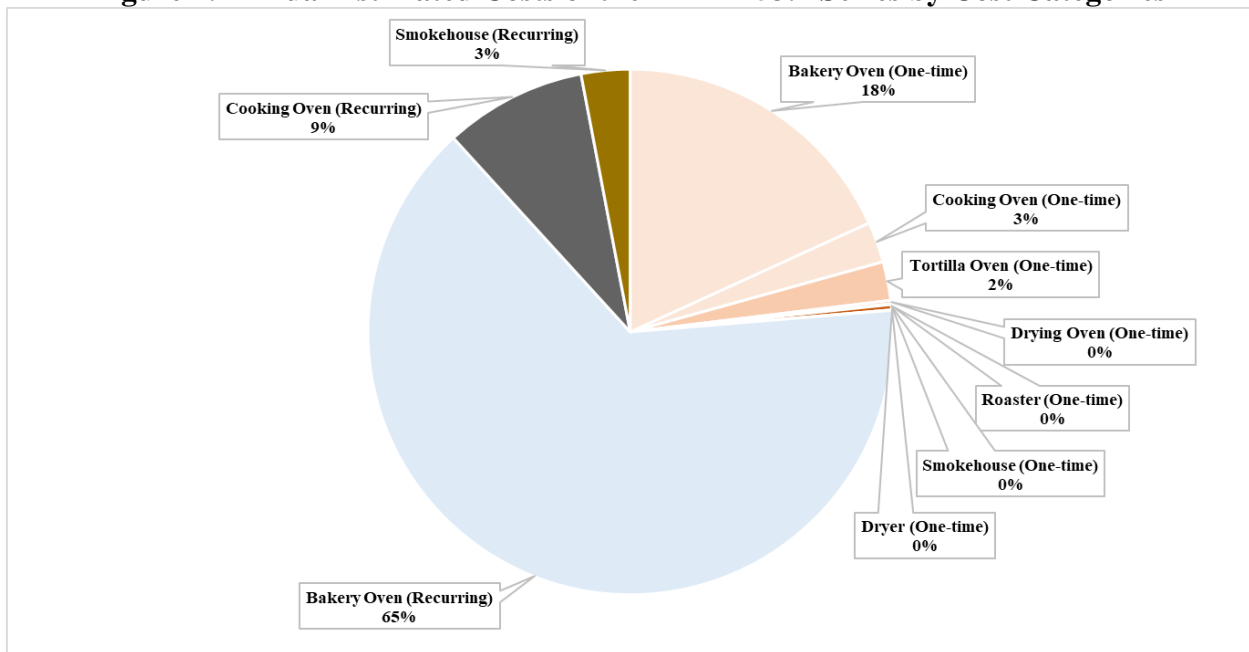
annual compliance costs of PAR 1153.1 are estimated to range from \$12.82 million to \$13.50 million, depending on the real interest rate assumed (1 percent to 4 percent). About 83 percent of the total annual compliance cost is attributed to the bakery ovens alone. All the estimated annual costs are expected to be incurred by the food manufacturing sector (NAICS 311) where most of the bakery ovens belong. Table 1 presents total and average annual compliance cost of the PAR 1153.1 by requirement categories.

Table 1: Total Present Worth and Average Annual Estimated Costs of PAR 1153.1

Present Worth Value (2024)			Annual Average (2024-2051)	
Cost Categories	1% Discount Rate	4% Discount Rate	1% Real Interest Rate	4% Real Interest Rate
One-Time Cost				
Bakery Oven	\$59,072,823	\$39,017,347	\$1,906,742	\$2,455,914
Cooking Oven	\$8,124,118	\$5,403,033	\$268,046	\$337,081
Tortilla Oven	\$7,821,190	\$5,359,541	\$283,625	\$321,642
Drying Oven	\$677,870	\$464,517	\$24,582	\$27,877
Roaster	\$177,932	\$120,803	\$6,270	\$7,338
Smokehouse	\$1,029,356	\$668,789	\$31,405	\$42,996
Dryer	\$111,700	\$76,543	\$4,051	\$4,594
Recurring Costs				
Bakery Oven	\$208,635,138	\$135,862,223	\$8,709,123	\$8,709,123
Cooking Oven	\$28,364,829	\$18,501,103	\$1,183,496	\$1,183,496
Smokehouse	\$9,724,241	\$6,317,993	\$406,183	\$406,183
Total	\$323,739,197	\$211,791,892	\$12,823,523	\$13,496,244

Figure 1 presents the estimated annual compliance costs of the PAR 1153.1 by the cost categories. The bakery ovens recurring costs, which primarily include the fuel switching costs associated with transitioning from gas-fired to electric ovens, account for approximately 65 percent (\$8,709,123) of the total annual cost. This indicates that the ongoing fuel switching expenses are the most significant component of the compliance costs for bakery ovens. Following that, the bakery ovens one-time capital costs contribute around 18 percent of the total annual cost. These capital costs represent the initial investment required for purchasing and installing the new equipment, such as electric ovens or control devices. The remaining percentage of the total annual cost is attributed to the capital costs associated with other equipment affected by PAR 1153.1. This includes the installation of control equipment for different types of food ovens and any other relevant equipment required for compliance.

Figure 1: Annual Estimated Costs of the PAR 1153.1 Series by Cost Categories



MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The Regional Economic Model (REMI, PI+ v3) was used to assess the total socioeconomic impacts of the anticipated policy change (i.e., the proposed rule).^{8,9} The model links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county, it is comprised of five interrelated blocks: (1) output and demand, (2) labor and capital, (3) population and labor force, (4) wages, prices, and costs, and (5) market shares.¹⁰

It should be noted that the REMI model is not designed to assess impacts on individual operations. The model was used to assess the impacts of the proposed project on various industries that make up the local economy. Cost impacts on individual operations were assessed outside of the REMI model and used as inputs into the REMI model.

Impact of Proposed Amendments

The assessment herein is performed relative to a baseline (“business as usual”) where the proposed amendments would not be implemented. It is assumed that the 47 affected facilities would finance the capital and installation costs of control equipment, or more specifically, these one-time costs are assumed to be amortized and incurred over the equipment life. The proposed project is assumed to be the implementation of PAR 1153.1 by the affected facilities, which would create a policy scenario under which the affected facilities would incur an average annual compliance cost of approximately \$13.50 million when costs are annualized using a 4 percent real interest rate, or \$12.82 million when evaluated using a 1 percent real interest rate from year 2024 onwards when all controls are assumed to have been installed.

Direct effects of the proposed project are used as inputs to the REMI model in order for the model to assess secondary and induced impacts for all the industries in the four-county economy on an annual basis and across a user-defined horizon: 2024 (first year when the affected facilities are assumed to incur compliance costs due to PAR 1153.1 implementation) to 2051 (last year that costs associated with operation and maintenance are incurred). Direct effects of the proposed amendments include (1) additional costs that the facilities would incur by installing control equipment, (2) additional fuel switching costs that affected facilities would incur by switching from gas-fired ovens to the electric ovens, (3) additional spending by local contractors and vendors

⁸ Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Coast Area (70-sector model). Version 3. 2023.

⁹ REMI v3 has been updated based on The U.S. Economic Outlook for 2021-2023 from the University of Michigan's Research Seminar in Quantitative Economics (RSQE) release on May 21, 2021, The Long-Term Economic Projections from CBO (supplementing CBO's March 2021 report, The 2021 Long-Term Budget Outlook), and updated BEA data for 2020 (revised on May 27, 2021).

¹⁰ Within each county, producers are made up of 156 private non-farm industries and sectors, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 ages/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

for installation of the new ovens, and (4) additional local utilities services which are needed to meet the proposed requirements.

Whereas all the compliance expenditures and additional operating costs of the new ovens that are incurred by the affected facilities would increase their cost of doing business, the installation of the new ovens and additional spending in the utility sector would increase the spending and sales of businesses in various sectors, most of which are in the South Coast AQMD region. It was assumed that all the new ovens, including the electric ones are produced outside of the region and as such no additional benefits were assumed from production and sales of these new ovens. Table 2 lists the industry sectors modeled in REMI that would either incur cost or benefit from the compliance expenditures. –Construction sector where most of the contractors and new oven installers belong as well as the local utilities are expected to benefit from implementation of the PAR 1153.1.

Table 2: Industries Incurring vs. Benefitting from Compliance Costs/Spending

Type of Food Ovens	REMI Industries Incurring Compliance Costs	REMI Industries Benefitting from Compliance Spending
Bakery Oven	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23) <i>Recurring:</i> Utilities (NAICS 22)
Cooking Oven	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23) <i>Recurring:</i> Utilities (NAICS 22)
Tortilla Oven	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23)
Drying Oven	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23)
Roaster	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23)
Smokehouse	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23) <i>Recurring:</i> Utilities (NAICS 22)
Dryer	Food Manufacturing (NAICS 311)	<i>One-time Capital:</i> Construction (NAICS 23)

Regional Job Impacts

When the compliance cost is annualized using a 4 percent real interest rate, it is projected that an annual average of 116 net jobs foregone will occur from 2024 to 2051. The 116 annual jobs foregone represents less than 0.001 percent of total annual jobs in the four-county area.

The implementation of PAR 1153.1 is expected to have both positive and negative job impacts on the regional economy over time. In 2024, when most of the capital spending for the new burners is anticipated, it is projected that about 64 additional jobs will be added to the economy due to the compliance expenditures and additional spending associated with the installation of new burners. These jobs are expected to benefit sectors such as construction, miscellaneous professional services, retail, and wholesale trade.

However, as affected facilities continue to bear the costs of capital expenditures, including the subsequent installation of electric ovens and the associated higher fuel switching expenses starting in 2027, the accelerated job growth due to the initial effects of burner installation is projected to slow down, eventually leading to jobs foregone. The food manufacturing sector (NAICS 311) is anticipated to bear the largest share of average annual jobs foregone, with an estimated 52 jobs. This sector is expected to incur the majority of the compliance costs associated with PAR 1153.1.

The reduction in disposable income resulting from the overall jobs foregone is expected to dampen the demand for goods and services in the local economy. This, in turn, would contribute to jobs foregone in sectors such as food services and drinking places, retail trade, and wholesale trade. While the negative job impacts are projected to be relatively minor, several major sectors of the regional economy could experience these effects from the secondary and induced consequences of PAR 1153.1 implementation.

It's important to note that these job impact projections are based on assumptions and analysis using the REMI model. The actual job impacts may vary depending on various factors and uncertainties in the economy and industry dynamics. As presented in Table 2, many major sectors of the regional economy would experience negative, albeit minor, job impacts in later years from the secondary and induced effects of PAR 1153.1 implementation.

Table 3: Projected Job Impacts of PAR 1153.1 for Select Industries by Year

Industry	2024	2030	2035	2040	2045	2051	Average Annual (2024-2051)	Baseline Average Annual (2024-2051)	Percent Change from Baseline
Food manufacturing (311)	-2	-52	-68	-66	-60	-51	-52	60,738	-0.0856%
State and Local Government (92)	2	-9	-11	-12	-11	-10	-9	957,052	-0.0009%
Food services and drinking places (722)	1	-10	-12	-11	-10	-8	-9	697,522	-0.0013%
Retail trade (44-45)	2	-12	-10	-9	-8	-7	-8	811,778	-0.0010%
Social assistance (624)	1	-6	-7	-6	-6	-5	-5	537,523	-0.0010%
Real estate (531)	2	-6	-6	-6	-6	-5	-5	567,128	-0.0009%
Administrative and support services (561)	2	-5	-5	-5	-5	-4	-4	833,379	-0.0004%
Wholesale trade (42)	1	-5	-5	-4	-4	-3	-4	417,208	-0.0009%
Truck transportation (484)	0	-4	-4	-4	-3	-3	-3	108,515	-0.0029%
Apparel manufacturing; Leather and allied product manufacturing (315-316)	0	-3	-4	-4	-3	-2	-3	60,433	-0.0047%
Professional, scientific, and technical services (54)	3	-4	-2	-2	-2	-2	-2	987,523	-0.0002%
Nursing and residential care facilities (623)	0	-2	-2	-2	-2	-2	-2	176,251	-0.0009%
Educational services; private (61)	1	-2	-2	-2	-2	-2	-1	292,737	-0.0005%
Hospitals; private (622)	0	-2	-2	-2	-2	-1	-1	184,244	-0.0008%
Machinery manufacturing (333)	0	0	0	0	0	0	0	24,976	0.0005%
Construction (23)	37	-14	-4	-2	-2	-2	0	525,058	0.0001%
Computer and electronic product manufacturing (334)	0	0	1	1	0	0	0	122,989	0.0004%
Utilities (22)	0	8	7	5	5	4	5	19,242	0.0277%
Remaining Industries	12	-20	-21	-18	-20	-18	-15	4,146,003	-0.0004%
All Industries	64	-145	-157	-147	-139	-120	-116	11,596,925	-0.0010%

Figure 2 presents a projected time series of job impacts over the 2024 - 2051 period. Based on Abt Associate’s 2014 recommendation to enhance socioeconomic analysis by conducting scenario analysis on major assumptions, staff has analyzed an alternative scenario (worst case) where the affected facilities would not purchase any control equipment or services from providers within the South Coast Air Basin. This is a hypothetical scenario in order to test the sensitivity of the previously discussed scenarios where the analyses rely on REMI’s embedded assumptions about how the capital and O&M spending would be distributed inside and outside the region. In reality, utilities expenditures are paid to local utilities producers. Moreover, increased construction jobs related to control installation are likely to be offered by the local construction companies.

This worst-case scenario would result in an annual average of approximately 184 jobs forgone. The 184 jobs forgone represents less than 0.0016 percent of total jobs in the region.

Figure 2: Projected Regional Job Impact, 2024-2051



Competitiveness

The additional cost brought on by PAR 1153.1 would increase the cost of services rendered by the affected industries in the region. The magnitude of the impact depends on the size, diversification, and infrastructure in a local economy as well as interactions among industries. A large, diversified, and resourceful economy would absorb the impact described above with relative ease.

Changes in production/service costs would affect prices of goods produced locally. The relative delivered price of a good is based on its production cost and the transportation cost of delivering the good to where it is consumed or used. The average price of a good at the place of use reflects prices of the good produced locally and imported elsewhere.

The overall impacts of the PAR 1153.1 on the production costs and delivered prices in the region is not expected to be significant. According to the REMI Model, PAR 1153.1 is projected to increase the cost of production of the food manufacturing in the South Coast region by 0.069 percent and increase the relative delivered price of goods provided by 0.045 percent in 2027 when both Phases I and II requirements are effective.

REFERENCES

Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Coast Area (70-sector model). Version 3, 2023.

South Coast Air Quality Management District. Draft Staff Report for Proposed Amended Rule 1153.1.

U.S. Small Business Administration. SBA Small Business and Standard Size
https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf

ATTACHMENT I



**South Coast
Air Quality Management District**

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

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 1153.1 – EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD), as Lead Agency, has prepared a Notice of Exemption pursuant to CEQA Guidelines Section 15062 – Notice of Exemption for the project identified above.

If the proposed project is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The Notice of Exemption will also be electronically filed with the State Clearinghouse of the Governor's Office of Planning and Research for posting on their CEQAnet Web Portal which may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>. In addition, the Notice of Exemption will be electronically posted on the South Coast AQMD's webpage which can be accessed via the following weblink: <http://www.aqmd.gov/nav/about/public-notice/ceqa-notice/notice-of-exemption/noe---year-2023>.

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks for the Counties of Los Angeles, Orange, Riverside and San Bernardino; and Governor’s Office of Planning and Research – State Clearinghouse	From: South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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Project Title: Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

Project Location: The proposed project is located within the South Coast Air Quality Management District’s (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin, and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Proposed Amended Rule 1153.1 (PAR 1153.1) is applicable to Regional Clean Air Incentives Market (RECLAIM), non-RECLAIM, and former RECLAIM facilities that operate commercial food ovens with a rated heat input capacity equal to or greater than 325,000 British thermal units (Btu) per hour which are used to prepare food or products for making beverages for human consumption. Commercial food ovens include bakery ovens, cooking ovens, dryers, drying ovens, roasters, smokehouses, and tortilla ovens. PAR 1153.1 seeks to implement two phases of NOx emission limits. Phase I establishes a NOx emission limit of 15 parts per million by volume (ppmv) for tortilla ovens heated only by infrared burners, and a NOx emission limit of 30 ppmv for all other commercial food ovens. Phase II establishes zero-emission limits for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses. In addition, PAR 1153.1 proposes: 1) interim NOx emission limits to prevent backsliding if a facility exits the RECLAIM program before they are required to meet the proposed limits in PAR 1153.1; and 2) an Alternative Compliance Schedule Plan to address additional time that might be needed by a utility provider to upgrade electrical infrastructure to provide electricity to operate electric zero-emission oven(s). Upon full implementation by 2043, PAR 1153.1 is estimated to reduce NOx emissions by 0.11 ton per day, which will benefit public health and ambient air quality.

Public Agency Approving Project: South Coast Air Quality Management District	Agency Carrying Out Project: South Coast Air Quality Management District
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Exempt Status: CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

Reasons why project is exempt: South Coast AQMD, as Lead Agency, has reviewed the proposed project (PAR 1153.1) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. While activities to implement the proposed project involve the replacement of equipment or burners at the end of its useful life between years 2023 and 2047, due to the wide variations in equipment/burner age, the replacement activities are not expected to overlap in a manner that would cause a significant adverse effect on the environment. Thus, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

NOTICE OF EXEMPTION FROM CEQA (concluded)

Date When Project Will Be Considered for Approval (subject to change):

South Coast AQMD Governing Board Public Hearing: August 4, 2023

CEQA Contact Person:	Phone Number:	Email:	Fax:
Farzaneh Khalaj, Ph.D.	(909) 396-3022	fkhalaj@aqmd.gov	(909) 396-3982

PAR 1153.1 Contact Person:	Phone Number:	Email:	Fax:
Christopher Bradley	(909) 396-2815	cbradley@aqmd.gov	(909) 396-3982

Date Received for Filing: _____ **Signature:** *(Signed and Dated Upon Board Approval)*

Kevin Ni
Acting Program Supervisor, CEQA
Planning, Rule Development, and
Implementation

PROPOSED AMENDED RULE 1153.1 – EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS



GOVERNING BOARD MEETING
August 4, 2023

Background



Rule 1153.1 was adopted in November 2014

- Established NOx limits for commercial food ovens at non-RECLAIM facilities
- Prior to Rule 1153.1, commercial food ovens were subject to Rule 1147 – Miscellaneous Combustion Sources



Proposed Amended Rule 1153.1 (PAR 1153.1) is necessary for:

- RECLAIM transition*
- BARCT assessment under AB 617**
- Seeking zero-emission goals of the 2022 AQMP



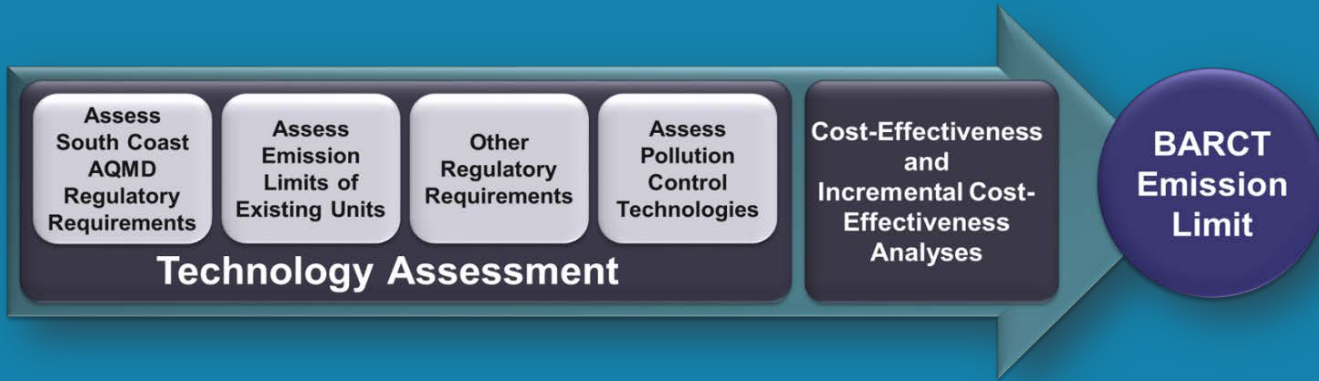
Public Process

- Eight Working Group Meetings and two Public Workshops
- Multiple meetings with stakeholders, vendors, and oven manufacturers

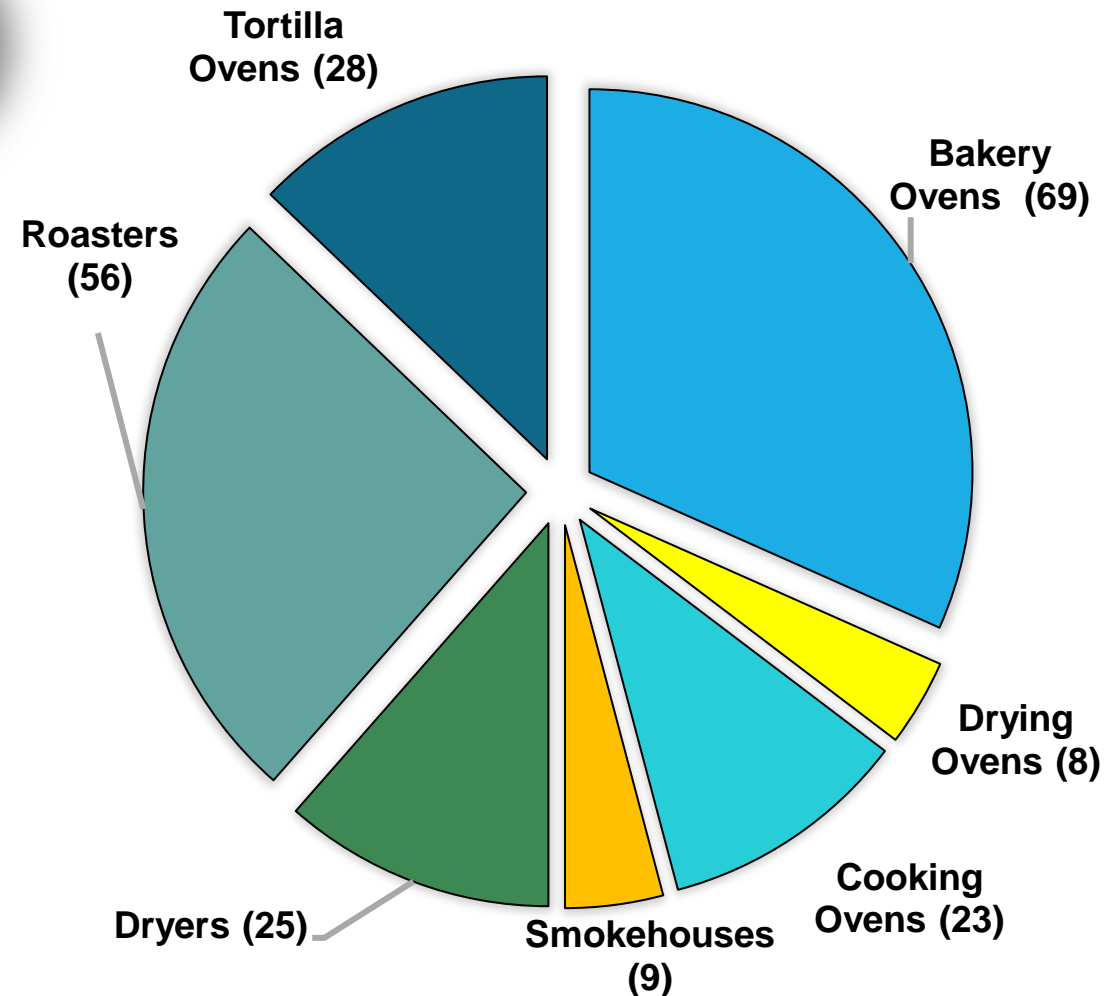
*As required by the 2016 AQMP

**California Health and Safety Code Section 40406 and 40920.6

BARCT Assessment and Universe of Equipment



Number of Units by Category
(97 facilities with 218 Total Units)



- Comprehensive BARCT assessment conducted for all equipment categories
 - 6 RECLAIM facilities with 51 units
 - 91 non-RECLAIM facilities with 167 units
- Conducted assessment of zero-emission technologies for all categories



2022

AIR QUALITY
MANAGEMENT PLAN



Zero-Emission Technologies

- December 2, 2022, Board adopted the 2022 AQMP
 - Requires **zero-emission or near-zero-emission technologies across all sectors** in order to meet federal air pollution standards
- With the adoption of the 2022 AQMP, PAR 1153.1 pivoted to further evaluate zero-emission technologies
 - Evaluation included technologies that are not widely commercially available, i.e., technology forcing
 - Technology forcing regulations provide a future emission target for vendors and facilities to encourages future technology development
- PAR 1153.1 would be the first South Coast AQMD rule to require zero-emission limits

Proposed NOx Limits and Phases

Phase I Limits – Effective upon rule adoption

- All units must meet 15 or 30 ppm NOx based on category
- Achievable with commercially available low-NOx burners
- Must meet limit when burners reaches 10 years

Existing limits: 40 or 60 ppm
depending on operating temp

Phase II Limits – Effective date January 1, 2027

- Establishes zero-emission limits for smaller oven categories
 - Bakery and Cooking Ovens less than 3 MMBtu/hour
 - Indirect-fired Bakery Ovens
 - Smokehouses
- Technology is commercially available but not widely in use
- Cost-effective due to lower energy demand
 - Increased cost to operate units on electricity versus natural gas impacted ability to transition more categories to zero emissions

Compliance Schedule for Phase II

Phase II Zero Emission Limit – Compliance schedule

- Effective after January 1, 2027
- Required at end of equipment useful life but includes backstop date
 - Unit age 25 years and burner age 10 years
 - Backstop date: January 1, 2036

Considerations for Compliance Schedule and Backstop Date

- Further development of zero-emission ovens
- Required electrical grid upgrades
- Adjustments and product testing at commercial bakeries
- Stranded Assets

Alternative Compliance Schedule Included

- Provides additional time (not to exceed 24 months) for facilities where utility cannot provide necessary power for zero-emission technology

Status Update/ Technology Check-in



Resolution includes a status update/technology check-in



Staff will evaluate the status of zero-emission technology for all equipment categories and present findings to Stationary Source Committee



Depending on results of the evaluation, staff may propose to delay effective dates and/or require additional zero-emission limits

Cost-Effectiveness and Emission Reductions

Phase I Limits

- Cost-Effectiveness ranged from \$18,000 to \$93,000 per ton of NOx reduced

Phase II

- Cost-Effectiveness ranged from \$60,000 to \$290,000 per ton of NOx reduced
 - Below \$325,000 threshold established in 2022 AQMP

Commercial Food Ovens

Baseline Emissions: 0.26 tons per day

Emission Reductions:

- Phase I: 0.03 tons per day (2027)
- Phase II: 0.08 tons per day (2036)

Emission Reductions at Full Implementation: 0.11 tons per day

Key Issue

- 2022 AQMP cost effectiveness threshold was developed using the U.S. EPA Public Health Benefit Cost-Effectiveness methodology
- South Coast AQMD must establish a new methodology for rule cost-effectiveness that includes a social cost/benefit analysis
- U.S. EPA guidelines used to establish the 2022 AQMP screening threshold does not apply directly to the BARCT cost-effectiveness analysis
- BARCT cost-effectiveness analysis is conducted in accordance with California Health and Safety Code Section 40920.6, which states:
 - “Cost-effectiveness means the cost, in dollars, of potential control option divided by emission reduction potential, in tons, of the potential control option”
- PAR 1153.1 approach consistent with 2022 AQMP*, as approved by Governing Board, which states:
 - “Cost-effectiveness thresholds have been established in previous AQMPs to help guide the rule development process” and
 - “Cost-effectiveness would continue to be evaluated as the cost of controls divided by the tons of NOx reduced”
- Cost-effectiveness methodology was presented and discussed during several Working Group Meetings

* [2022 Air Quality Management Plan](#) (pages 4-75 and 4-83)

Staff Recommendations

Recommendation is to Adopt Resolution:

Determining that Proposed Amended Rule 1153.1 is exempt from the requirements of the California Environmental Quality Act; and

Amending Rule 1153.1

[↑ Back to Agenda](#)

BOARD MEETING DATE: August 4, 2023

AGENDA NO. 23

PROPOSAL: Determine That Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options is Exempt from CEQA; and Amend Rule 2202

SYNOPSIS: Proposed Amended Rule 2202 requires limited additional reporting of worksites with more than 250 employees to collect information that would be used to inform a potential second future amendment to Rule 2202. Proposed Amended Rule 2202 also includes administrative updates to the implementation guidance.

COMMITTEE: Mobile Source, May 19, 2023, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options is exempt from the requirements of the California Environmental Quality Act; and
2. Amending Rule 2202 – On-Road Motor Vehicle Mitigation Options

Wayne Natri
Executive Officer

SR:IM:VW:JI

Background

Rule 2202 was adopted in 1995 to reduce mobile source emissions generated from employee commute trips, and was last amended in 2014. Rule 2202 applies to about 1,200 worksites with over 600,000 employees that commute during peak morning hours. Proposed amendments to Rule 2202 were included in the 2022 AQMP as control measure MOB-14. Rule 2202 provides worksites of 250 or more employees with three main compliance options to meet an emission reduction target for their worksite: (1) Employee Commute Reduction Program (ECRP), (2) Emission Reduction Strategies (ERS), and (3) AQIP. Under the ECRP, worksites develop and implement a rideshare

program to meet an AVR target. Under ERS, worksites purchase credits from credit vendors to meet an emission reduction goal. Under AQIP, worksites pay a mitigation fee that funds a wide variety of emission reduction projects, similar to the Carl Moyer Program. About 92 percent of all worksites choose ECRP or ERS programs, split about evenly. The remaining worksites use the AQIP.

Under Rule 2202, worksites can conduct a survey of their employees to determine how they commute to the worksite (e.g., via carpool, transit, drive-alone in a car, telecommuting, etc.). In 2022, about 45 percent of worksites conducted a survey, which included about 57 percent of all employees covered by the rule. The primary metric used in the survey is AVR, which is the number of employees scheduled to report to work divided by the number of vehicles arriving at the worksite during the peak morning commute. Since the adoption of Rule 2202, Vehicle Miles Travelled (VMT) has become a key metric used by lead agencies for measuring the success of reducing emissions of criteria air pollutants and greenhouse gases, as well as congestion from transportation sources. VMT is currently more widely used as a metric than AVR in various air quality, climate change and transportation-related studies and programs. For example, SCAG uses VMT to evaluate the effectiveness of the Regional Transportation Plan and the California Air Resources Board CARB includes VMT reductions as a control measure to reduce both criteria air pollutants and GHG emissions in the SIP and the Scoping Plan. The current Rule 2202 survey form allows for the reporting of VMT by employees, however most worksites do not collect or report this information.

Proposed Amendment

Staff is proposing to amend Rule 2202 in two phases. Proposed Amended Rule (PAR) 2202 represents the first phase, which will require new limited reporting for all regulated worksites, including the reporting of VMT data, telecommute activity, and business type/classification for the worksite. The proposal also includes additional minor administrative changes and updates to implementation guidance documents. The second phase of rulemaking will consider using VMT as a primary metric within the rule, re-assess how rule targets are used, explore more compliance options for zero emission vehicles and infrastructure, evaluate the continued use of credit options, and consider modifying rideshare options including telecommuting. The second phase of rulemaking is anticipated to begin in 2025/2026.

Public Process

PAR 2202 was developed through a public process including four Working Group Meetings, a Public Workshop, and numerous meetings with interested stakeholders. Follow-up meetings were held with a variety of affected stakeholders who provided input throughout the rule development process, including local transit agencies, transportation management consultants, and local municipalities.

Key Issues

Throughout the rulemaking process, staff has worked with stakeholders to resolve key issues with the proposed amendment. There are two unresolved issues raised by stakeholders. First, some stakeholders have expressed concern about the second phase of rulemaking, including how VMT and changing travel patterns and activities would be incorporated, how credits currently used in the program would function, and how much additional emission reductions would be proposed. Staff recognizes these concerns and is proposing to gather more information before beginning that second phase of rulemaking. Staff is committed to work with stakeholders as rulemaking is initiated for the second phase.

The second issue is centered around the implementation of the proposed amendments, especially in relation to current requirements in the rule. Stakeholders have requested extra time to update software tools used for compliance, clarification of rule definitions (e.g., telework vs. remote work – such as working from out of state), and questions about how the proposed requirements would be implemented. In response, the most recent version of PAR 2202 extended the new reporting requirements from July 1, 2024 to January 1, 2025, more than a full year after adoption of the rule amendments. Additionally, staff will ensure that updated reporting forms are both expeditiously made available if the rule is adopted and will seek to minimize impacts on third party reporting software requirements. Finally, this rule amendment includes updates to the implementation guidelines, and allows staff to modify those guidelines to streamline any implementation issues as they arise.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PAR 2202) is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15306. Further, there is no substantial evidence indicating that any of the exceptions to the categorical exemption set forth in CEQA Guidelines Section 15300.2 apply to the proposed project. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062, and if the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

Socioeconomic Impact Assessment

Staff estimates that affected worksites would be able to complete the additional data collection and reporting requirements with a minimal amount of labor and time (approximately 10 hours per year). The total additional cost was estimated using the highest hourly wage rate (\$38.56) from the typical category of employee responsible for gathering Rule 2202 annual submittal information. With a total of 1,186 regulated worksites in the current Rule 2202 universe, the total additional annual cost estimated from PAR 2202 is estimated to be \$457,707 (or \$386 per worksite). The annual

compliance costs are not significant compared to the size of the economy of the South Coast Air Basin area, indicating that the PAR 2202 is expected to have no impacts on the regional economy.

AQMP and Legal Mandates

Health and Safety Code Section 40460(a) requires the South Coast AQMD to adopt an AQMP to meet state and federal ambient air quality standards in the South Coast Air Basin. In addition, the Health and Safety Code requires the South Coast AQMD to adopt rules and regulations that carry out the objectives of the AQMP. PAR 2202 is consistent with mobile source control measure MOB-14 in the South Coast AQMD's 2022 AQMP, which proposes to reduce emissions by evaluating potential amendments to Rule 2202.

Implementation and Resource Impact

Existing South Coast AQMD resources will be used to implement PAR 2202.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. PAR 2202
- G. Rule 2202 Implementation Guidelines
- H. Rule 2202 Employee Commute Reduction Program (ECRP) Guidelines
- I. Final Staff Report
- J. Notice of Exemption from CEQA
- K. Board Presentation

ATTACHMENT A
SUMMARY OF PROPOSAL

Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options

Collect new data to inform Phase 2 Rulemaking (reporting requirements start January 1, 2025)

- New data reporting required from all worksites:
 - Vehicle Miles Traveled (VMT), as specified below:
 - ✓ Employers conducting an AVR survey (approximately 45% of worksites):
 - Employees to anonymously report distance from home to the worksite on the AVR survey form (some worksites do this already)
 - ✓ Employers not conducting a survey may use payroll/HR records:
 - Employee anonymous home zip codes provided to calculate approximate VMT from home to worksite address
 - Telecommuting Practices worksheet
 - ✓ All worksites required to report, using an additional page of the compliance packet, information including but not limited to:
 - Number of employees telecommuting
 - Worksite telecommuting policy (if available) and number of employees eligible to telecommute
 - Business Type/Classification (select from a list of industry categories based on NAICS codes)

Administrative cleanup/streamlining for rule implementation

- Guidance document revisions
 - Updated/added definitions
 - Reporting requirements for telecommuting and VMT
 - Specific Employee Commute Reduction Program strategies updated
 - Training requirement for sites that conduct a survey
 - Update AVR survey form and compliance documents
 - Additional administrative clarifications

ATTACHMENT B

KEY ISSUES AND RESPONSES

Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options

Staff worked to address and resolve issues raised by stakeholders throughout the rule development process. These issues have been addressed either through proposed rule language, proposed guidelines language, or through clarifications added in the staff report. There are two remaining potential issues.

Concern about potential changes in a future, second phase of rulemaking

Some stakeholders have expressed concern about potential future amendments to Rule 2202, such as potential inclusion of Vehicle Miles Travelled compliance targets, modifying the use of credits, etc.

Staff Response:

Staff recognizes the potential significance of this second phase of rulemaking. This first proposed amendment is primarily designed to collect additional data from regulated worksites to help inform the second phase of rulemaking. The issues that have been raised by stakeholders for future rulemaking are important considerations and will be addressed during the public process for the second phase. That process is expected to take a longer period of time in order to allow time for stakeholder engagement on these more substantive issues.

Concern about implementation of first phase of rulemaking

Some stakeholders have stated that more time is needed to implement the current proposed amendment, and that implementation may present challenges when considering the existing reporting requirements in the rule. For example, 3rd party software could require significant upgrades and many facilities could reduce how much information is reported to county transportation commissions through their software that is then used for their rideshare programs (e.g., if worksites choose different compliance options that don't require surveys in response to new reporting requirements).

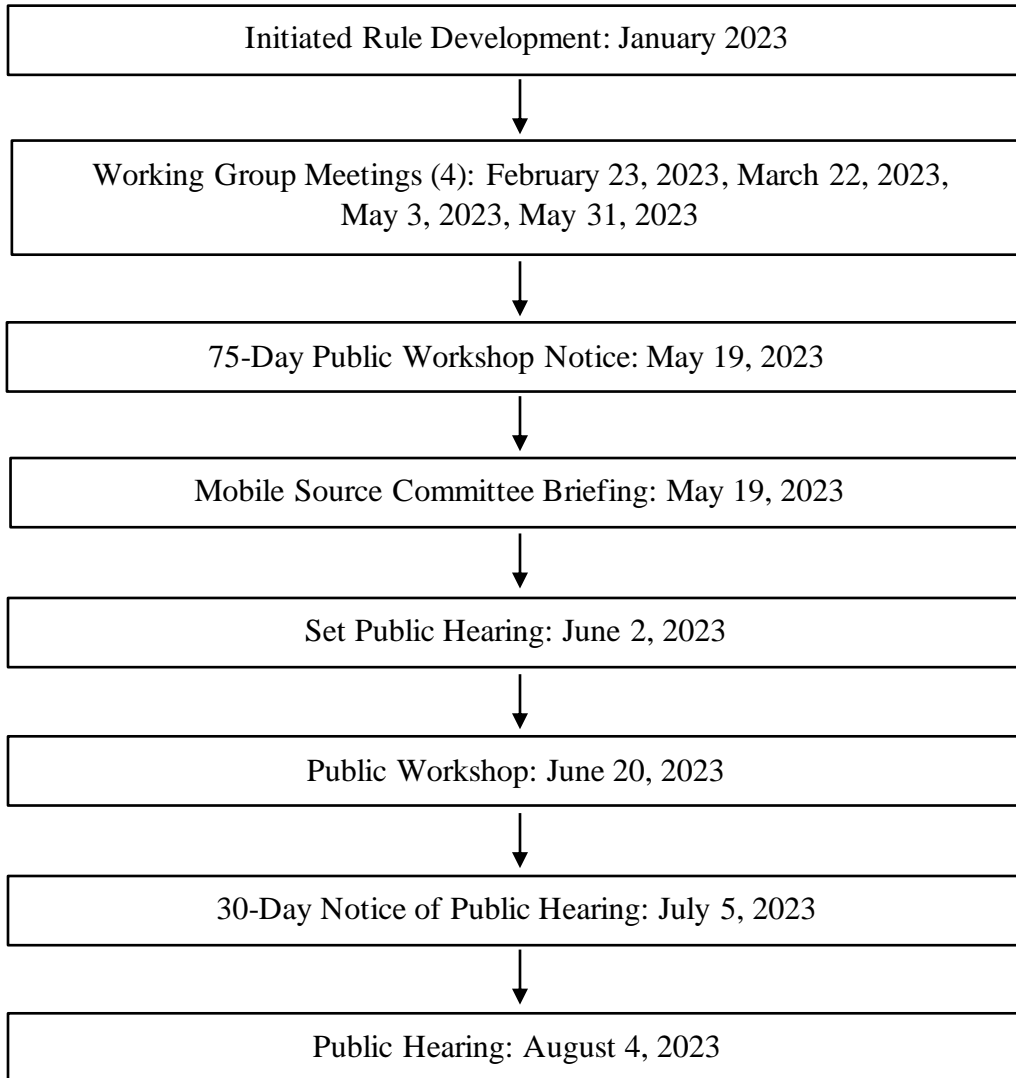
Staff Response:

The deadline for reporting was extended in PAR 2202 to allow a full year before new reporting is required. This additional time was added to allow more time for stakeholders to implement any changes, while also balancing the need to begin the next phase of rulemaking soon. Additionally, staff will focus on streamlining any potential reporting, for example by keeping new requirements as a standalone form that is easier to add into software rather than revising existing forms. In addition, the proposed amendments are designed to leverage existing reporting approaches to the maximum extent feasible, and are not anticipated to change how worksites comply with the rule. The proposed amendments are not intended nor expected to reduce the

number of sites that survey their employees. Finally, PAR 2202 allows the Executive Officer to update the implementation guidelines in order to allow staff to quickly make administrative changes to facilitate streamlined reporting.

ATTACHMENT C
RULE DEVELOPMENT PROCESS

Proposed Amended Rule: 2202 – On-Road Motor Vehicle Mitigation Options



Eight (8) months spent in rule development

Four (4) Working Group Meetings

One (1) Public Workshop

One (1) Mobile Source Committee Meeting

ATTACHMENT D
KEY CONTACTS LIST

- California Air Resources Board (CARB)
- City of Santa Monica
- Innovative Transportation Demand Management Solutions (ITS)
- Los Angeles County Metropolitan Transportation Authority (LA Metro)
- Market-Based Solutions, Inc.
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission (RCTC)
- San Bernardino County Transportation Authority (SBCTA)
- Southern California Association of Governments (SCAG)

ATTACHMENT E

RESOLUTION NO. 23 - _____

A Resolution of the South Coast Air Quality Management District (South Coast AQMD) Governing Board determining that Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board amending Rule 2202 – On-Road Motor Vehicle Mitigation Options.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 2202 is considered a “project” as defined by CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and has conducted a CEQA review and analysis of the proposed project pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Amended Rule 2202 is exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that because Proposed Amended Rule 2202 contains additional data collection requirements to analyze employee commute activity to inform future rule amendments, minor revisions and clarifications and will not require physical modifications, it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that the proposed project involves data collection activities which would not result in a serious or major disturbance to an environmental resource and which are categorically exempt from CEQA pursuant to CEQA Guidelines Section 15306 – Information Collection; and

WHEREAS, the South Coast AQMD Governing Board has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemption apply to the proposed project pursuant to CEQA Guidelines Section 15300.2 – Exceptions; and

WHEREAS, South Coast AQMD staff has prepared a Notice of Exemption for the proposed project, that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, Proposed Amended Rule 2202 and the August 4, 2023, Governing Board Letter, including Notice of Exemption, Final Staff Report, and other supporting documentation, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in section (d)(4)(D) of the Governing Board Procedures (codified as section 30.5(4)(D)(i) of the Administrative Code), that any modifications to Proposed Amended Rule 2202 since the Notice of Public Hearing was published, are not so substantial as to significantly affect the meaning of Proposed Amended Rule 2202 within the meaning of Health and Safety Code section 40726 because the changes are to clarify rule language and: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rule, (c) the changes are consistent with the information contained in the Notice of Public Hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because Proposed Amended Rule 2202 is exempt from CEQA; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment of Proposed Amended Rule 2202 is consistent with the March 17, 1989, Governing Board Socioeconomic Resolution for rule adoption; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment is consistent with the provisions of Health and Safety Code Sections 40440.8 and 40728.5; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 2202 will result in increased costs to the affected industries, yet considered to be reasonable, with a total annualized cost as specified in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Socioeconomic Impact Assessment and has made a good faith effort to minimize such impacts; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40716, 40717, 40725 through 40728, and 41508; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to amend Rule 2202 in order to collect Vehicle Miles Traveled (VMT) data, telecommute activity, and business type/classification from regulated worksites which will be utilized to inform potential future Rule 2202 amendments; the South Coast AQMD Governing Board has determined that a need exists to include minor administrative changes and updates to the associated Rule 2202 guidance documents; and

WHEREAS, the South Coast AQMD Governing Board has determined that the proposed amendments to Rule 2202 are written and displayed so that the meaning can be easily understood by persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Rule 2202, as proposed to be amended, is in harmony and not in conflict with or contradictory to, existing federal or state statutes, court decisions, or regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Rule 2202, as proposed to be amended, does not impose the same requirements as any existing state or federal regulation, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Amended Rule 2202 references the following statutes which the South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001(a) and (b) (air quality standards and air pollution episodes), 40440 (adoption of rules and regulations), 40701 (rules regarding South Coast AQMD's authority to collect information), 40702 (adoption of rules and regulations), and 40440 (rules and regulations to carry out the air quality management plan , 40717 (indirect source measures and transportation control measures), and 41511 (regarding South Coast AQMD's authority to collect information); and

WHEREAS, a public workshop was held in accordance with all provisions of law; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code Section 40725; and

WHEREAS, the South Coast AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the South Coast AQMD Governing Board has determined the proposed amendments to Rule 2202, should be adopted for the reasons contained in the Final Staff Report, and

WHEREAS, the proposed amendments to Rule 2202 will not be submitted for inclusion into State Implementation Plans; and

NOW, THEREFORE, BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that the proposed project (Proposed Amended Rule 2202) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. The proposed project contains action items that are also categorically exempt from CEQA pursuant to CEQA Guidelines Section 15306 – Information Collection. No exceptions to the application of the categorical exemption set forth in CEQA Guidelines Section 15300.2 – Exceptions, apply to the proposed project. This information was presented to the South Coast AQMD Governing Board, whose members exercised their independent judgment and reviewed, considered and approved the information therein prior to acting on the proposed project; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 2202, as set forth in the attached, and incorporated herein by reference.

DATE

CLERK OF THE BOARDS

ATTACHMENT F

(Adopted December 8, 1995)(Amended March 8, 1996)
(Amended November 8, 1996)(Amended October 9, 1998)
(Amended January 11, 2002)(Amended February 6, 2004)
(Amended June 6, 2014)(Proposed Amendment August 4, 2023)

PROPOSED AMENDED RULE 2202 - ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS

- (a) Purpose
- The purpose of this Rule is to provide eEmployers with a menu of options to reduce mobile source emissions generated from eEmployee commutes, to comply with federal and state Clean Air Act requirements, Health & Safety Code Section 40458, and Section 182(d)(1)(B) of the federal Clean Air Act.
- (b) Applicability
- Effective June 19, 1998, this Rule applies to any eEmployer who employs 250 or more eEmployees on a full or part-time basis at a Wworksite for a consecutive six-month period calculated as a monthly average, except as provided in subdivision (1) of this Rule. Effective February 6, 2004, eEmployers shall notify the District within 30 days when they become subject to Rule 2202 or no longer qualify for the eEmployee threshold exemption pursuant to paragraph (1)(1). Employers shall have 90 days from the date of notifying the District to comply with provisions of this Rule.
- (c) Sunset Provision
- This Rule shall be rescinded, at such time that a replacement measure is implemented which produces an equivalent level of emission reductions and such emission reductions are real, quantifiable, enforceable, and surplus relative to the most recently adopted state implementation plan.
- (d) Definitions
- For the purpose of this Rule, the following definitions shall apply:
- (1) AIR QUALITY INVESTMENT PROGRAM (AQIP) is an emission reduction option, in which monies collected by the District from eEmployers are used to fund programs or purchase emission reductions that have been approved by the District's Governing Board.
 - (2) AREA SOURCE CREDITS (ASCs) are emission credits, issued pursuant to Regulation XXV – Intercredit Trading.

- (3) AVERAGE VEHICLE RIDERSHIP (AVR) is the current number of Employees scheduled to report to work during the window for calculating AVR divided by the number of vehicles arriving at the Worksite during the same window.
- ~~(3)~~(4) BUSINESS TYPE/CLASSIFICATION is the activity type that classifies the primary nature of work conducted at the Worksite.
- ~~(4)~~(5) DISABLED EMPLOYEE means an individual with a physical impairment that prevents the Employee from traveling to the Worksite by means other than a single-occupant vehicle.
- ~~(5)~~(6) EMISSION REDUCTION CREDITS (ERCs) are as defined in subdivision (l) of Rule 1302 – Definitions and also includes the permanent credit issued under Rule 1309(f)(1).
- ~~(6)~~(7) EMISSION REDUCTION TARGET (ERT) is the annual VOC, NO_x, and CO emissions required to be reduced based on the number of Employees per Worksite and the Employee Emission Reduction Factor, determined in accordance with the provisions of subdivision (e) of this Rule.
- ~~(7)~~(8) EMPLOYEE is any person Employed by a person(s), firm, business, educational institution, non-profit agency or corporation, government or other entity. The term exempts the following in -accordance with -the Rule 2202 - Definitions: seasonal Employees; temporary Employees; Volunteers; Field Personnel; Field Construction Workers; and Independent Contractors.
- (9) EMPLOYEE COMMUTE REDUCTION PROGRAM (ECRP) is a compliance option that allows Employers the ability to choose and implement various rideshare strategies included in the ECRP Guidelines at the Worksite.
- (10) EMPLOYEE TRANSPORTATION COORDINATOR (ETC) is an individual who has completed a South Coast AQMD certified training course and has been appointed to develop, market, administer, and monitor the Worksite’s chosen Rule 2202 compliance option.
- ~~(8)~~(11) EMPLOYER is any person(s), firm, business, educational institution, non-profit agency or corporation, government agency, or other entity that employs 250 or more Employees. Several subsidiaries or units that occupy the same work site and report to one common governing board or governing entity or that function as one corporate unit are considered to be one Employer.

- ~~(9)~~(12) FEDERAL FIELD AGENT means any Employee who is employed by any federal entity whose main responsibility is National Security and performs field enforcement and/or investigative functions. This does not include Employees in non-field or non-investigative functions.
- ~~(10)~~(13) FIELD CONSTRUCTION WORKER means an Employee who reports directly to work at a construction site.
- ~~(11)~~(14) FIELD PERSONNEL means Employees who spend 20% or less of their work time, per week, at the Worksite and who do not report to the Worksite during the peak period for pick-up and dispatch of an Employer-provided vehicle.
- ~~(12)~~(15) INDEPENDENT CONTRACTOR means an individual who enters into a direct written contract or agreement with an Employer to perform certain services and is not on the Employer's payroll.
- ~~(13)~~(16) INTER-POLLUTANT CREDITING means the use of emission credits of one type of pollutant that may be used in lieu of another type of pollutant.
- ~~(14)~~(17) LOW-INCOME EMPLOYEE means an individual whose salary is equal to or less than the current individual income level set in the California Code of Regulations, Title 25, Section 6932, as lower income for the county in which the Employer is based. Higher income Employees may be considered to be "low-income" if the Employees demonstrate that the program strategy would create a substantial economic burden.
- (18) MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs) are emission credits issued pursuant to Regulation XVI - Mobile Source Offset Programs.
- ~~(15)~~(19) MOTOR VEHICLE means a self-propelled vehicle, consistent with California Vehicle Code 415.
- ~~(16)~~(20) NITROGEN OXIDES (NO_x) are nitric oxides and nitrogen dioxides, collectively expressed as nitrogen dioxide.
- ~~(17)~~(21) PART-TIME EMPLOYEE means any Employee who reports to a Worksite on a part-time basis fewer than 32 hours per week, but more than four hours per week. These employees shall be included in the Employee count for purposes of Rule applicability; and for Average Vehicle Ridership (AVR) calculations of the Employer provided the Employees report to the Worksite during the window for calculating AVR.

- ~~(18)~~(22) PEAK COMMUTE TRIP is any Employee trip from home to work occurring for the purpose of reporting to work during the Ppeak Window.
- ~~(19)~~(23) PEAK WINDOW is the period of time, Monday through Friday between the hours of 6:00 AM and 10:00 AM, and used in calculating the Vehicle Trip Emission Credit.
- ~~(20)~~(24) PERFORMANCE ZONE is a geographic area that determines the Employee Emission Reduction Factor for a particular Worksite pursuant to the map in Attachment I of this Rule.
- ~~(21)~~(25) POLICE/SHERIFF means any Employee who is certified as a law enforcement officer and is employed by any state, county or city entity. Such Employees are only police officers and sheriffs, who perform field enforcement and/or investigative functions. This would not include Employees in non-field or non-investigative functions.
- (26) RECLAIM TRADING CREDIT (RTC) is as defined in paragraph (c)(63) of Rule—2000 - General.
- ~~(22)~~(27) SCHOOL means any public or private School, including juvenile detention facilities with classrooms, used for the education of more than 12 children at the School in kindergarten through grade 12. School also means an Early Learning and Developmental Program by the U.S. Department of Education or any state or local early learning and development programs such as preschools, Early Head Start, Head Start, First Five, and Child Development Centers. A School does not include any private School in which education is primarily conducted in private homes. The term includes any building or structure, playground, athletic field, or other area of School property.
- ~~(23)~~(28) SCHOOL DISTRICT means a public agency of the state that is a school district of every kind or class except a community college district, and shall include a County Office of Education.
- ~~(24)~~(29) SEASONAL EMPLOYEE means a person who is employed for less than a continuous 90-day period or an agricultural Employee who is employed for up to a continuous 16-week period.
- ~~(25)~~(30) SHORT TERM EMISSION REDUCTION CREDITS (STERCs) are as defined in subdivision (am) of Rule 1302 – Definitions.
- ~~(26)~~(31) STUDENT WORKER means a student who is enrolled and gainfully employed (on the payroll) by an institution. Student workers who work more than four (4) hours per week are counted for Rule

applicability and if they report during the 6:00 AM - 10:00 AM window are counted for AVR calculation.

~~(27)~~(32) TELECOMMUTING occurs when an Employee works from home, off site, a satellite office, or a Telecommuting center which eliminates a commute trip to the Worksite or reduces the commute travel distance by more than 50%.

~~(28)~~(33) TEMPORARY EMPLOYEE means any person employed by an employment service or agency that reports to a Worksite other than the employment agency's Worksite, under a contractual arrangement with a temporary employer. Temporary Employees are only counted as Employees of the temporary agency for purposes of Rule applicability and calculating AVR.

~~(29)~~(34) VEHICLE MILES TRAVELED (VMT) means the number of miles traveled one-way by a Motor Vehicle for a Worksite commute trip.

~~(30)~~(35) VEHICLE TRIP EMISSION CREDITS (VTEC) are the emission reductions that result from the reduction of Ppeak Commute Trips; other work-related trips; or other District approved method; expressed in pounds per year per pollutant, and determined according to the provisions of subdivision (g) of this Rule.

~~(31)~~(36) VOLATILE ORGANIC COMPOUND (VOC) is any volatile compound of carbon, excluding: methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds as defined in Rule 102 – Definition of Terms.

~~(32)~~(37) VOLUNTEER means any person(s) at a Worksite who, of their own free will, provides goods or services, without any financial gain.

~~(33)~~(38) WORKSITE means a structure, building, portion of a building, or grouping of buildings that are in actual physical contact or are separated solely by a private or public roadway or other private or public right-of-way, and that are occupied by the same Employer. Employers may opt to treat more than one structure, building or grouping of buildings as a single worksite, even if they do not have the above characteristics, if they are located within a 2-mile radius and are in the same Performance Zone.

(e) Requirements

An Employer subject to this Rule shall annually register with the District to

implement an emission reduction program, in accordance with subdivisions (f) and (g), that will obtain emission reductions equivalent to a Worksite specific Emission Reduction Target (ERT) specified for the compliance year. The annual ERT shall be determined according to the following equation, for VOC, NO_x, and CO, based on Employee Emission Reduction Factors specified in paragraph (m)(1) of this Rule.

$$\left[\begin{array}{c} \text{Emission} \\ \text{Reduction} \\ \text{Target} \\ \text{(lbs/year)} \end{array} \right] = \left[\text{Employees} \right] \times \left[\begin{array}{c} \text{Employee Emission} \\ \text{Reduction Factor} \end{array} \right] - \left[\begin{array}{c} \text{Vehicle Trip} \\ \text{Emission Credit} \end{array} \right]$$

Where:

Employees = Average daily number of Employees reporting to work in the Peak Window for a typical Monday through Friday period excluding those weeks which include a national holiday.

Employee Emission Reduction Factor = Determined by year of the registration submittal and the Worksite Performance Zone in paragraph (m)(1) of this Rule.

Vehicle Trip Emission Credits = Determined according to subdivision (g) of this Rule.

(f) On-Road Vehicle Mitigation Options

To comply with subdivision (e), Employers may elect to use ~~credits issued pursuant to~~ one or more of the following emission reduction options ~~to meet their Emission Reduction Target (ERT)~~:

(1) Mobile Source Emission Reduction Credits (MSERCs)

Any Employer person may elect to use Mobile Source Emission Reduction Credits that were issued in accordance with the provisions of Regulation XVI.

(2) Emission Reduction Credits (ERCs)

Any Employer person may elect to use Emission Reduction Credits (ERCs) issued in accordance with the provisions of Regulation XIII New Source Review, provided that such credits were approved for transfer into the Rule 2202 program prior to June 6, 2014. ERCs transferred into the Rule 2202 program shall be subject to annual discounting in accordance with the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.

(3) Short Term Emission Reduction Credits (STERCs) from Stationary Sources

Any Employer person may elect to use Short Term Emission Reduction Credits (STERCs) in accordance with the provisions of Regulation XIII, provided such credits were generated from sources after January 1, 1996.

(4) Area Source Credits (ASCs)

Any Employer person may elect to use Area Source Credits that were issued in accordance with the provisions of Regulation XXV.

(5) Air Quality Investment Program (AQIP)

Employers may participate in the AQIP by submitting an air quality investment, to be placed in a restricted fund, in accordance with Rule 311 – Air Quality Investment Program (AQIP) Fees.

The District shall use these funds to obtain an emission reduction or air quality benefit that is equivalent to the sum of the ERTs for all participating employers in the AQIP.

(6) Other Emission Reduction Strategies

Notwithstanding the foregoing provisions, any Employer person may receive credit toward an ERT for any emission reduction strategy that the Employer or other person demonstrates to the Executive Officer achieves real, quantifiable, enforceable, and surplus emission reductions for a discrete period of time. Such strategies may include, but are not limited to, the reduction of non-work trips, other vehicle or engine accelerated turnover

programs, the provision of new vehicle purchase subsidies or discounts, and local community or development projects that reduce trip or energy demand or that expand clean fuel or high-occupancy travel options. The Executive Officer shall not approve an alternative emission reduction program unless it is consistent with other District regulations and the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.

(7) Employee Commute Reduction Program (ECRP)

Any Employer may elect to implement an ECRP that demonstrates conformance with the ECRP Guidelines. Employers must annually submit a program that will meet an Average Vehicle Ridership (AVR) performance requirement of 1.75 for Performance Zone 1; 1.5 for Performance Zone 2; and 1.3 for Performance Zone 3, unless the following conditions are met:

(A) Employers surrender the difference in emission reductions between the Worksite AVR and the Performance Zone requirement through participation in the Air Quality Investment Program (AQIP) or surrendering of equivalent emission credits in accordance with the provisions of subdivisions (f) or (g); or

(B) Employers comply with the good faith effort determination elements described in the ECRP Guidelines. All approved good faith effort elements shall be maintained during the plan compliance year. Deletion or substitution of any good faith effort element is not allowed unless approved in writing by the District.

(g) Vehicle Trip Emission Credits (VTEC)

Employers may elect to implement any of the following strategies and obtain vehicle trip emission credits that can be used to comply with subdivision (e). Such actions are at the sole discretion of the Employer.

(1) Peak Commute Trip Reductions

Employers may receive VTEC from Employee commute reductions that occur during the Ppeak window in accordance with the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines. VTEC obtained from Ppeak Commute Trip reductions shall be determined according to the following equation:

$$\text{VTEC} = \left[\frac{\text{Creditable Commute}}{\text{Vehicle Reductions (CCVR)}} \right] \times \left[\frac{\text{Emission}}{\text{Factor (EF)}} \right]$$

Where:

CCVR = The daily average of total commute vehicle reductions that are real, surplus, and quantifiable.

EF = Annual Emission Factor (pounds/year/daily commute vehicle).

In calculating VTEC for the subsequent year, Employers may utilize data from previous years obtained by one of the following methods:

- (A) Default data based on the weighted average of the aAverage vVehicle rRidership survey data of the previous three consecutive years; or
- (B) Data obtained by conducting an Average Vehicle Ridership survey in accordance with the Rule 2202 - Employee Commute Reduction Program Guidelines; or
- (C) Data based on the default Average Vehicle Ridership of 1.10; or
- (D) Data obtained by an alternative methodology, which may include documentation of the CCVR claimed, approved by the Executive Officer or designee.

(2) Other Work-Related Trip Reductions

Employers may receive additional VTEC from Employee commute reductions that occur outside of the PPeak Window or from non-commute vehicle usage calculated as creditable trip reductions and approved by the Executive Officer or designee. VTEC obtained from other work-related trip reductions shall be determined according to the following equation:

$$\text{VTEC} = \left[\frac{\text{Creditable Trip Reductions (CTR)}}{\text{Conversion Factor (CF)}} \right] \times [\text{Emission Factor (EF)}]$$

Where:

CTR = The daily average of one-way trip reductions that are real, surplus, and quantifiable. A round trip is considered to be two one-way trips.

CF = 2.0 for Peak Window trips; 2.3 for other trips.

EF = Annual Emission Factor (pounds/year/daily commute vehicle).

(3) Vehicle Miles Traveled (VMT) Reduction Programs

Subject to approval of the Executive Officer or designee, Employers may elect to implement VMT reduction programs and receive VTEC towards their ERT. Reduction of annual Employee commute VMT may result from employment center relocation, video-conference centers, Telecommuting centers or other alternative programs approved by the Executive Officer or designee. The Executive Officer shall not offer any VTEC for a VMT reduction program unless it includes baseline VMT estimates and demonstrates that VMT reductions result in real, quantifiable, enforceable,

and surplus emission reductions.

(4) Parking Cash-Out Program

Employers may elect to implement a Parking Cash-Out Program to reduce employee commutes and receive VTEC toward their ERT. Parking Cash-Out is a program where an Employer offers to provide a cash allowance to an Employee, equivalent to the parking subsidy that the employer would otherwise pay to provide the Employee with a parking space. Incorporation of the Parking Cash-Out Program as one of the options in Rule 2202, does not relieve the affected parties from complying with the provisions of the Health and Safety Code section 43845.

(h) General Emissions Credit Provisions

The following provisions shall apply to any of the strategies in subdivisions (f) and (g):

- (1) An Employer or other person seeking credit under this Rule may use actual annual mileage per vehicle, or alternative estimates of vehicle miles traveled (VMT) contained in Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.
- (2) Emission credit strategies that do not provide the precise amount of surplus emission reductions required for each of the three pollutants addressed by this Rule (VOC, NOx, and CO) may still qualify for equivalent credit if the Employer provides equivalent credits obtained pursuant to paragraph (h)(3).
- (3) Any person holding emission credits, other than vehicle trip emission credits (VTEC), pursuant to this Rule may trade some or all of those credits to other Employers.
- (4) Emission credits issued pursuant to paragraphs (f)(~~43~~), (f)(~~24~~), (f)(~~35~~), and (f)(~~46~~) that have been transferred into the Rule 2202 program, shall not be used to comply with or meet the requirements of any other District rule or program, with the exception of ERCs pursuant to paragraph (f)(~~24~~), for which the original ERC certificate may be transferred out of the Rule 2202 program at any time in accordance with the following conditions:
 - (A) None of the original ERC certificate has ever been used in any discrete year to comply with any requirement of this rule since the initial transfer into the Rule 2202 program;
 - (B) The applicant submits an application for transfer and applicable fees, and receives approval of the Executive Officer, based on a determination that none of the original ERC certificate has been

used. Upon approval by the Executive Office and reissuance of an ERC certificate, the ERCs may be used in any District program authorizing use of such ERCs except Rule 2202; and,

- (C) The amount of ERC certificate to be reissued in pounds per day shall be based on the amount that was transferred into Rule 2202 minus the 10% originally discounted when the ERC was initially transferred into the program.
 - (5) All emission credits submitted pursuant to subdivision (f) must be valid for a minimum of six (6) months of the Employer's registration compliance year. This provision shall not apply to emission credits generated from projects approved or submitted prior to February 6, 2004.
 - (6) An Employer may apply inter-pollutant crediting, using VOC or NOx emission credits issued pursuant to subdivision (f), in lieu of all or part of a Worksite's CO emission reduction target in accordance with the Rule 2202 Implementation Guidelines and the following crediting ratios:
 - 1 pound of VOC = 10 pounds of CO
 - 1 pound of NOx = 6 pounds of CO
 - (7) Emission credits issued pursuant to paragraph (f)(6), but not used in the Rule 2202 program, shall not be used to comply with or meet the requirements of any other District source specific rule unless otherwise authorized by other District rules or programs.
 - (8) Emission Reduction Credits (ERCs), as defined in paragraph (d)(5), on or after June 6, 2014, cannot be transferred into the Rule 2202 program.
 - (9) Reclaim Trading Credits (RTCs), on or after June 6, 2014, cannot be transferred into the Rule 2202 program.
 - (10) Upon rescission of this Rule, any unused emission credits, with the exception of ERCs, may be applied to other emission reduction programs pursuant to and consistent with District rules and regulations. ERCs assigned to, or designated for use in the Rule 2202 program shall be permanently retired and will no longer be available for use unless otherwise specified in paragraph (h)(4).
- (i) Program Administration
- Rule 2202 shall be administered according to the following:
- (1) Employers shall annually register with the District to implement ~~an Emission Reduction Program~~ one or more of the emission reduction options in subdivision (f) for each Worksite. The registration shall include the following information:

- (A) The name of the highest ranking company official, the name of the contact person, company address, telephone numbers for all participating Wworksites;
- ~~(A)~~(B) Effective ~~September 1, 2024~~January 1, 2025, Business Type/Classification as detailed in the Rule 2202 Implementation Guidelines and ECRP Guidelines;
- ~~(B)~~(C) The on-road vehicle mitigation option(s) that will be used;
- ~~(C)~~(D) The total number of ~~e~~Employees that report to work in the Ppeak Window;
- (E) The total number of ~~e~~Employees at that Worksite;~~and,~~
- (F) Effective ~~September 1, 2024~~January 1, 2025, the VMT of employees arriving at the Worksite as detailed in the Rule 2202 Implementation Guidelines or ECRP Guidelines;
- ~~(D)~~(G) Effective ~~September 1, 2024~~January 1, 2025, information on Telecommuting practice as detailed in the Rule 2202 Implementation Guidelines or ECRP Guidelines; and,
- ~~(E)~~(H) Calculations for VOC, NO_x, and CO emission reductions for any of the on-road vehicle mitigation options in subdivision (f) or the vehicle trip emission credit options in subdivision (g).
- (2) Annual registration shall include changes in employment base and any other changes that would necessitate adjustment in emission reduction targets or program implementation.
- (3) Annual registration due dates shall remain permanent unless a formal request to change the due date has been submitted by the ~~e~~Employer and approved in writing by the District.
- (4) The approved Rule 2202 Registration shall remain in effect until the next annual registration due date.
- (5) Effective ~~September 1, 2024~~January 1, 2025, Employers must designate an Employee Transportation Coordinator (ETC) if the Worksite will be conducting and submitting an AVR survey as part of their annual plan submittal. The designated ETC must successfully complete a South Coast AQMD ETC training and certification course.
- ~~(3)~~(6) Employers may request to amend their Emission Reduction Program at any time and implement the amendments with written approval of the Executive Officer subject to the criteria contained in paragraph (i)(1).
- ~~(4)~~(7) Rather than registering with the District for each individual Worksite, an ~~e~~Employer may submit a single registration to implement an Emission

Reduction Program that meets the aggregated ERT of several sites.

- ~~(5)~~(8) Emission credits obtained pursuant to subdivision (f) or (g) shall be surrendered to the Executive Officer within the first six months of the approval of the registration forms. The Executive Officer may grant extensions not to exceed six months on a case-by-case basis upon a finding that earlier compliance would present an unreasonable hardship.
- ~~(6)~~(9) Records which document the accuracy and validity of all information submitted to the District as required by this Rule shall be kept by the eEmployer for a minimum of three years and made available upon request during normal business hours.
- ~~(7)~~(10) On a semi-annual basis the Executive Officer shall recommend to the District's Governing Board the release of monies from the AQIP restricted fund. The program shall be administered and consideration of proposals shall be subject to the following:
- (A) Proposals shall be accepted on an ongoing basis;
 - (B) Equal consideration shall be given to cost-effective proposals and those that achieve long-term advancement of mobile source technology;
 - (C) The amount of emission reductions required to demonstrate equivalent emission reductions shall be determined on a semi-annual basis, as the sum of the ERTs for all the participating eEmployers;
 - (D) Inter-pollutant crediting may be applied toward the CO emission reductions required to demonstrate equivalent emission reductions in subparagraph (i)(8)(C) in accordance with the crediting ratios specified in paragraph (h)(6);
 - (E) The allocation of funding shall be recommended for proposals that reduce equivalent emissions within each county proportional to the contribution level of eEmployers within each county to the greatest extent feasible; and,
 - (F) The emissions reductions are demonstrated to be real, quantifiable, enforceable, and surplus, in accordance with the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines.
 - (G) The Executive Officer is authorized to use up to 5% of the AQIP funds collected in any given year for program administration.
- ~~(8)~~(11) Registration forms submitted by eEmployers shall be subject to the fee schedule set forth in Rule 308 – On-Road Motor Vehicle Mitigation Options

Fees and Rule 311 – Air Quality Investment Program (AQIP) Fees. Employers choosing to implement the Employee Commute Reduction Program under paragraph (l)(3) shall be subject to the fee schedule set forth in Rule 308.

~~(9)~~(12) Any Employer subject to Rule 2202 or to the exemptions of paragraph (l)(3) of this Rule shall comply with the requirements of Rule 701 – Air Pollution Emergency Contingency Actions.

~~(10)~~(13) All registrations submitted pursuant to subdivision (e) and projects subject to paragraphs (f)(5) and (f)(6) shall be subject to the emission factors under which they were originally approved, funded, or implemented.

~~(11)~~(14) Any person submitting a project pursuant to paragraph (f)(6) shall submit an application as described in the Rule 2202 Implementation Guidelines and shall be subject to the fee schedule set forth in Rule 308 – On-Road Motor Vehicle Mitigation Options Fees.

~~(12)~~(15) All emission credit transfers to non-Rule 2202 Employers or any transfer of credits outside of the credit submittal cycle shall be subject to the applicable fee schedule set forth in Regulation III - Fees.

(j) Previously Delegated Programs

Any Employer that is in compliance with an ordinance adopted by a local government that has a trip reduction ordinance that was approved by the District prior to the effective date of this ~~R~~ule, and that has an existing memorandum of agreement with the District, shall be deemed in compliance with this Rule.

(k) Delegation to Local Governments

The District may delegate authority to implement all or part of Rule 2202, except for the provisions of paragraph (f)(~~5~~2), to any local government that satisfies the following criteria:

(1) The local government adopts an ordinance that is at least as stringent as Rule 2202 in the following areas:

- (A) Applicability;
- (B) Emission reductions target;
- (C) Vehicle trip emission credit calculations;
- (D) Annual registration; and
- (E) Recordkeeping.

(2) The local government demonstrates to the satisfaction of the Executive Officer that:

- (A) It has an implementation plan providing adequate resources to adopt

and enforce the ordinance; and

(B) Multiple site Employers with more than one regulated Worksite in the District have the option of complying with the District Rule instead of the local ordinance.

(3) The local government has executed a Memorandum of Understanding with the Executive Officer specifying the procedures to monitor and review performance of the local government in implementing the program, and procedures for revocation of delegation if the Executive Officer determines that performance of the local government is inadequate.

(1) Exemptions

(1) Employee Threshold

Any Employer whose Employee population at the Worksite decreases to fewer than 250 Employees for the prior consecutive six month period, calculated as a monthly average; or fewer than 33 Employees are scheduled to report to work Monday through Friday between 6:00 a.m. – 10:00 a.m. for the prior consecutive 90 days, may submit a written request to the Executive Officer or designee to be exempted from this Rule. Employers must submit a registration form not later than 90 days after they know or should have known that they no longer qualify for this exemption.

(2) Declared Bankruptcy

An Employer who has declared bankruptcy, for the official business or governmental operations of its organization or company, through a judicial court filing and confirmation process, may submit a written request to the Executive Officer to grant a temporary waiver from complying with the requirements of this Rule. Upon demonstration of the filing and confirmation of bankruptcy, the Executive Officer will grant an exemption for the duration of bankruptcy, not to exceed two years, from the date of the waiver.

~~(3) Employee Commute Reduction Program~~

~~Rather than comply with the provisions of subdivision (e) of this Rule, employers may elect to implement an employee commute reduction program that demonstrates conformance with the Employee Commute Reduction Program Guidelines. Effective January 1, 2005, employers must annually submit a program that will meet an average vehicle ridership performance requirement of 1.75 for Performance Zone 1; 1.5 for Performance Zone 2; and 1.3 for Performance Zone 3, unless the following conditions are met:~~

- ~~(A) Employers surrender the difference in emission reductions between the worksite average vehicle ridership and the Performance Zone requirement through participation in the Air Quality Investment Program (AQIP) or surrendering of equivalent emission credits in accordance with the provisions of subdivisions (f) or (g); or~~
- ~~(B) Employers comply with the good faith effort determination elements described in the Employee Commute Reduction Program Guidelines. All approved good faith effort elements shall be maintained during the plan compliance year. Deletion or substitution of any good faith effort element is not allowed unless approved in writing by the District.~~

~~(4) Renewal Date~~

- ~~(A) Employee Commute Reduction Program shall be submitted annually.~~
- ~~(B) The currently approved Rule 2202 Registration shall remain in effect until the annual renewal date.~~
- ~~(C) Program annual due dates shall remain permanent unless a formal written request to change the due date has been submitted by the employer and approved in writing by the District.~~

~~(5)~~(3) Primary and Secondary School Districts and Schools

Any public or private primary or secondary school district or school that buses two students for every one ~~P~~peak ~~W~~window ~~E~~employee at ~~W~~worksites subject to the Rule is exempt from Rule 2202, according to the following criteria:

- (A) School districts and ~~s~~Schools shall keep records demonstrating the maintenance of this ratio on-site and make them available upon request by the Executive Officer or designee; and
- (B) On a case-by-case basis, the Executive Officer or designee may approve a request by a ~~s~~School district or ~~s~~School to modify the default student-to-~~e~~Employee ratio to reflect location, trip length and other ~~s~~School district or ~~s~~School specific busing program characteristics in order to maintain equivalency with emission reductions which would occur if the district or ~~s~~School met its emission reduction goals under Rule 2202; and
- (C) The Executive Officer may periodically update and publish the default student-to-~~e~~Employee ratio to reflect changes to revised emission factors published by the California Air Resources Board. School districts and ~~s~~Schools may opt not to be exempt but to

implement a Rule 2202 program and claim credit for surplus emission credits earned through a student busing program and other Rule 2202 compliance options.

~~(6)~~(4) Primary and Secondary School District Financial Hardship

Due to their financial hardship, notwithstanding the criteria of paragraph (1)(~~35~~), School districts that have received a Negative or Qualified Certification status from their County Board of Education pursuant to Chapter 6, Part 24 of Division 3 of the Education Code, deeming that based upon current projections the School district or county office of education will not or may not meet its financial obligations, may request the Executive Officer to grant a temporary exemption from the requirements of the Rule. The Executive Officer shall grant a temporary exemption for the period during which the Negative or Qualified Certification status applies.

~~(7)~~(5) Police/Sheriff/Federal Field Agents

Employers may exclude Police, Sheriff, or Federal Field Agents from the number of Employees in the Peak Window for Average Vehicle Ridership surveys provided that:

- (A) These Employees be included in the Employee count for rule applicability, and
- (B) Those Worksites electing to exclude such Employees from the Average Vehicle Ridership surveys and calculations must provide the basic support strategies including, but not limited to, ridematching and transit information for all Employees, and preferential parking and guaranteed return trips for said Employees who are ridesharing.

~~(8)~~(6) Persons subject to this rule who are unable to comply with any part of this rule may apply for a variance with the District's Hearing Board in accordance with Regulation V – Procedure Before the Hearing Board.

(m) Emission Factors

The emission factors, which shall be used in calculations pursuant to this Rule, shall be revised upon EPA's final approval for use of the California Air Resources Board (CARB) approved on-road mobile source emission factor (EMFAC) model.

- (1) The Employee emission reduction factors (pounds per year per Employee) specified in the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines shall be used in determining the Emission Reduction Target with respect to the Worksite Performance Zone. The Performance Zone is determined by the Worksite

location within the geographic boundaries as described in Attachment I of this rule.

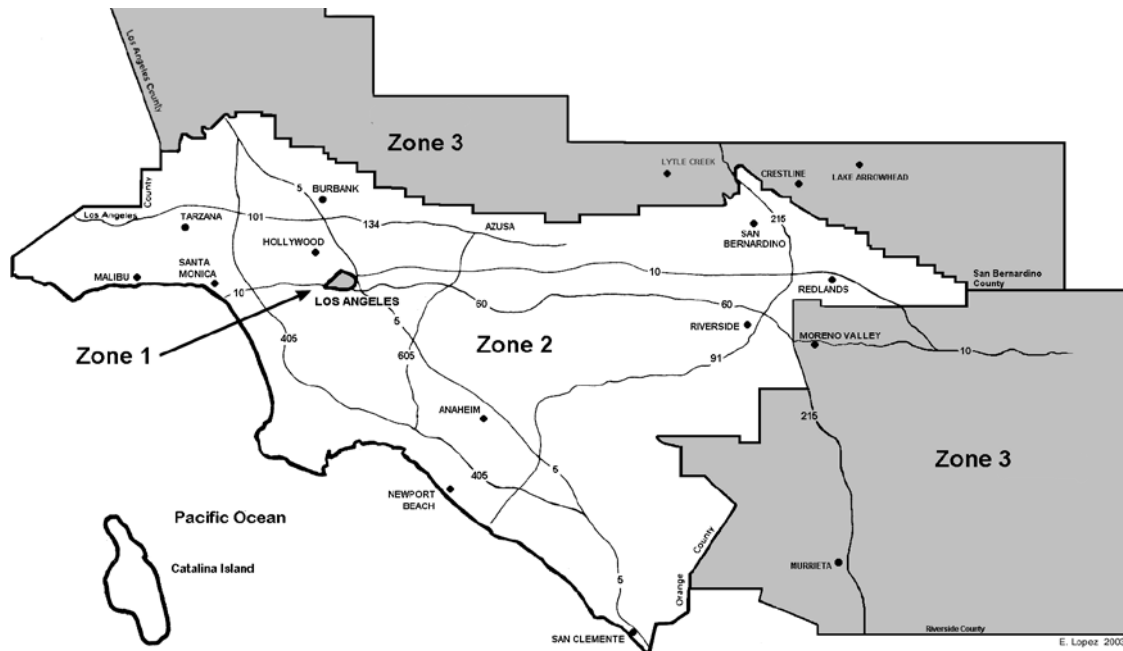
(2) The default emission factors (pounds per year per daily commute vehicle), specified in the Rule 2202 - On-Road Motor Vehicle Mitigation Options Implementation Guidelines, may be used in determining vehicle trip emission credits.

(3) The emission factors specified in paragraphs (m)(1) and (m)(2) may be modified to site specific emission factors reflecting vehicle age and trip length characteristics of the Employee vehicle fleet, in accordance with the calculation procedures included in Rule 2202 - On-Road Motor Vehicle Emissions Mitigation Options Implementation Guidelines.

(n) Guidelines

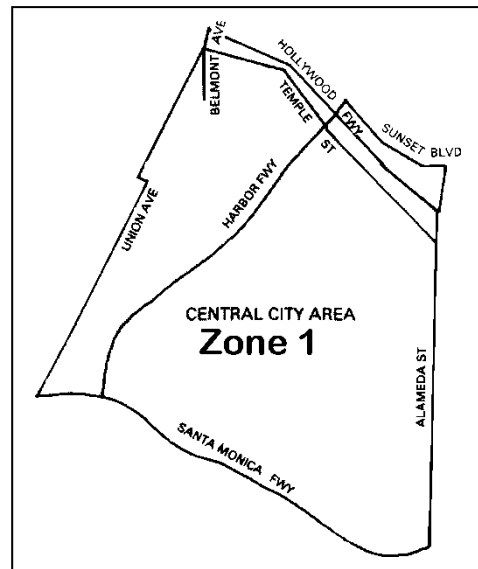
The Executive Officer shall periodically publish updates to the Rule 2202 – On-Road Motor Vehicle Mitigation Options Implementation Guidelines and the Employee Commute Reduction Program Guidelines.

ATTACHMENT I



PERFORMANCE ZONES

- A Worksite's Performance Zone depends on its location.
- District's Source/Receptor Areas are shown in Attachment 3 of Rule 701 - Air Pollution Emergency Contingency Actions.
- **Zone 1** is the Central City Area of Downtown Los Angeles within the District's Source/Receptor Area 1.
- **Zone 2** corresponds to the District's Source/Receptor Areas 1 through 12, 16 through 23, and 32 through 35, excluding the Zone 1 - Central City Area.
- **Zone 3** corresponds to the District's Source/Receptor Areas 13, 15, 24 through 31, and 36 through 38.



ATTACHMENT G

**RULE 2202 – ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS
IMPLEMENTATION GUIDELINES**

~~June 6, 2014~~ Proposed August 4, 2023

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EXECUTIVE OFFICER: WAYNE NASTRI

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I. BACKGROUND

A. SUMMARY

Rule 2202 has been designed to reduce emissions from ~~mobile sources~~ motor vehicles used by employees for commute purposes. The Rule provides employers with a menu of options that they can choose from to implement and meet the emission reduction target (ERT) for their worksite.

The purpose of this document is to provide guidelines for compliance with the provisions of Rule 2202. The various emissions reduction strategies and trip reduction strategies currently contained in the Rule that employers can implement and receive credit towards their ERTs are listed below.

- | Emission Reduction Strategies
(Subdivision (f)) | Trip Reduction Strategies
(Subdivision (g)) |
|--|--|
| <ul style="list-style-type: none">• Mobile Source Emission Reduction Credits (MSERCs) (Regulation XVI)• Air Quality Investment Program• Short Term Emission Reduction Credits (STERCs) from Stationary Sources (Regulation XIII)• Emission Reduction Credits (ERCs) from Stationary Sources (Regulation XIII) approved for transfer prior to June 6, 2014.• Area Source Credits (Regulation XXV) | <ul style="list-style-type: none">• Peak Commute Trip Reductions• Other Work-Related Trip Reductions• Off-Peak Commute Trip Reductions• Vehicle Miles Traveled (VMT) Programs |

~~As an alternative to meeting the ERT at their worksite, the Rule allows the employers optional implementation of an Employee Commute Reduction Program (ECRP). Implementation details of this strictly optional program are included in the ECRP Guidelines. The Rule 2202- On-Road Motor Vehicle Mitigation Options Implementation Guidelines outlines the framework, calculation methodology, and criteria used in determining emission reductions credits and vehicle trip emission credits (VTECs) that can be applied towards meeting emission reduction targets (ERT).~~

An employer would comply with the provisions of the rule by submitting an Emission Reduction Strategy (ERS). The ERS submittal will describe the ERT calculation and how it will be implemented to meet the worksite's ERT.

As an alternative to meeting the ERT at their worksite, the Rule allows the employers to implement an optional Employee Commute Reduction Program (ECRP). Implementation details of this optional program are included in the ECRP Guidelines.

B. EMISSION REDUCTION TARGET (ERT)

(R2202, subdivision (e))

Employers subject to Rule 2202 are required to implement an emission reduction program and meet an annual ERT for Volatile Organic Compounds (VOC), Oxides of Nitrogen (NOx) and Carbon Monoxide (CO). Figure I-1 outlines the equation used to determine the ERT for each pollutant.

$$\left[\begin{array}{c} \text{Emission} \\ \text{Reduction Target} \\ \text{(lbs/year)} \end{array} \right] = \left[[\text{Employees}] \times \left[\begin{array}{c} \text{Employee Emission} \\ \text{Reduction Factor} \end{array} \right] \right] - [\text{VTEC}]$$

The employer's emission reductions can be further reduced through generation of Vehicle Trip Emission Credits (VTECs) from the implementation of optional trip reduction strategies. These VTECs, obtained through peak and off-peak commute trip reductions, other work-related trip reductions, or vehicle miles traveled (VMT), can be applied towards meeting an employer's ERT. Credit for any program must go beyond the requirements of existing state and federal programs to avoid "double counting" the emission reductions. All emission credits are valid according to the conditions, guidelines, or regulations under which they were originally issued.

C. POLLUTANTS CONSIDERED

Vehicle trips are responsible for the emissions of VOC, NOx, and CO. Most trip reduction programs reduce emissions by similar relative amounts. Emission reduction strategies, however, aimed primarily at reducing emissions rather than trips, may reduce emissions by different relative amounts. Rule 2202 is designed to reduce emissions of VOC, NOx, and CO, by an equal or greater amount to that achievable through trip reduction. Rule 2202 allows employers to select and implement a combination of emission reduction strategies and meet the site-specific ERTs for VOC, NOx, and CO.

II. EMISSION REDUCTION STRATEGIES

The emission reduction strategies considered in this document may include old-vehicle scrapping, clean on-road vehicles, clean off-road vehicles, other programs under Regulation XVI, STERCs, area source credits, and the air quality investment program. In addition, companies can meet the emission reduction requirements, in whole or in part, by obtaining sufficient VTECs.

A. Mobile Source Emission Reduction Program Credits (MSERCs)

(R2202, paragraph (f)(1))

Any person may elect to use mobile source emission reduction credits (MSERCs) issued in accordance with the provisions of Regulation XVI - Mobile Source Offset Programs. Regulation XVI sets forth the requirements that are based on voluntary programs that achieve emission reductions beyond those required by local, state and federal regulations or programs. Any person may generate MSERCs through the voluntary implementation of any Regulation XVI program and apply them toward meeting the ERT for their worksite or trade and/or sell them to other persons. Alternatively, employers that have a shortfall in meeting their ERTs can purchase surplus MSERCs from other employers or a credit vendor. Credits issued under Regulation XVI programs are subject to the quantification, issuance, and credit life restriction of the applicable rules and may be used for Rule 2202 as well as other South Coast AQMD rule compliance that authorizes such use.

B. Short Term Emission Reduction Credits (STERCs)

(R2202, paragraph (f)(3))

Employers may elect to use STERCs issued in accordance with Regulation XIII – New Source Review. In order for STERCs to be used to meet employers’ emission reductions target or as part of an Air Quality Investment Program, the following apply for purposes of use in Rule 2202:

1. Only STERCs issued in accordance with Rule 1309 - Emission Reduction Credits and Short Term Credits shall be allowed for use in Rule 2202.
2. STERCs are subject to the application, eligibility, registration, use, and transfer requirements in Rule 1309.
3. STERCs issued pursuant to Rule 1309 may be used only if the original ERC was generated on or after January 1, 1996. The credit generation date is defined as the original date the South Coast AQMD issued the official Certificate of Title, not the date when the emission reductions occurred or when the ERC or Certificate was split or transferred.
4. For the purposes of Rule 2202, STERCs will be converted into annual emissions (lbs/year). The average number of operating days used in the original ERC evaluations shall be the basis for converting the STERC to annual emissions. If the number of operating days is unspecified, the default value of 260 days will be used for the number of operating days. Such conversions shall be done at the time when the STERCs are transferred to the Rule 2202 program.
5. STERCs, issued pursuant to Rule 1309(f), shall be transferred into the Rule 2202 program as one year increments.

6. Any person transferring a STERC into Rule 2202 shall submit an application for the transfer of each certificate and pay the applicable per certificate transfer fees in accordance with Rule 301 – Permitting and Associated Fees. Upon approval and transfer into the Rule 2202 program the original Certificate of Title shall be cancelled and the cancellation recorded in the NSR Register of Title.
7. STERCs can only be used in the Rule 2202 program during the specific calendar year for which the STERC is valid.
8. STERCs in the Rule 2202 program may be divided among several worksites.
9. The permanent credit portion of the STERC, if any, issued pursuant to Rule 1309(f)(1), are subject to the requirements below governing ERCs.

C. Emission Reduction Credits (ERCs)

(R2202, paragraph (f)(2))

Employers may elect to use ERCs that were approved for transfer into the program before June 6, 2014 and were issued in accordance with Regulation XIII. In order for ERCs to be used to meet an employer’s emission reduction target or as part of an Air Quality Investment Program, the following apply for purposes of use in Rule 2202:

1. ERCs that have been transferred into the Rule 2202 program shall permanently remain in the program, unless specified pursuant to section C.2. below.
2. The original ERC certificate may be transferred out of the Rule 2202 program at any time in accordance with the following conditions:
 - a. None of the original ERC certificate has ever been used in any discrete year to comply with any requirement of this rule since the initial transfer into the Rule 2202 program;
 - b. The applicant submits an application for transfer and applicable fees, and receives approval of the Executive Officer, based on a determination that none of the original ERC certificate has been used. Upon approval by the Executive Office and reissuance of an ERC certificate, the ERCs may be used in any District program authorizing use of such ERCs except Rule 2202; and,
 - c. The amount of ERC certificate to be reissued in pounds per day shall be based on the amount that was transferred into Rule 2202 minus the 10% originally discounted when the ERC was initially transferred into the program.
3. For purposes of Rule 2202, ERCs shall be converted into an annual allocation of pounds per calendar year. The average number of operating days used in the original ERC evaluations shall be the basis for converting the ERC pounds per day (lbs/day) to the annual allocation (lbs/year). If the number of operating days is unspecified, the default value of 260 days will be used for the number of operating days. Such conversions shall be done at the time when the ERC is transferred to the Rule 2202 program.
4. Annual allocations are only available for use in the calendar year for which it was allocated. Unused portions of the annual allocation cannot be banked or rolled over for future use. The annual allocation may be divided and used by multiple employers for meeting their ERT.

5. The initial annual allocation shall be based on the date the ERC Certificate of Title was transferred into the Rule 2202 program.
6. Effective January 1, 2015, the existing broker account ERCs will be annually discounted beginning the eighth year after the initial date of transfer into Rule 2202 and shall have their initial 10% discount restored on January 1st of the eighth year. The initial 10% discount was taken in accordance with South Coast AQMD policies for the transfer of ERC into Rule 2202.
7. Each year on January 1st, the annual discount shall be determined by the percent change between the year of use and the previous year emission factors expressed as pounds per year per daily commute vehicle as determined by the most recent California Air Resources Board (CARB) and U.S. Environmental Protection Agency (U.S. EPA) approved EMFAC emission model as follows:

$$\left[\begin{array}{c} \text{Current Year} \\ \text{Annual Allocation} \end{array} \right] = \left[\begin{array}{c} \text{Previous Year} \\ \text{Annual Allocation} \end{array} \right] \times \left[\frac{ef_{\text{current year}}}{ef_{\text{previous year}}} \right]$$

Where:

ef = Emission factor in pounds/year/daily commute vehicle

$ef_{\text{current year}}$ = Emission factor for the current year of use

$ef_{\text{previous year}}$ = Emission factor for the year immediately prior to the current year of use

The annual discount percentages (i.e., $ef_{\text{current year}}/ef_{\text{previous year}}$) will be published annually.

8. If Rule 2202 is rescinded, all ERCs held in the Rule 2202 program shall be permanently retired and will no longer be available for use unless otherwise specified in section C.2. above.

D. Area Source Credits (ASCs)

(R2202, paragraph (f)(4))

Regulation XXV - Intercredit Trading provides an opportunity for employers to generate or obtain emission reductions from alternative sources and apply them towards meeting the ERT for their worksite or trade them to other employers or persons in accordance with paragraph (f)(4) of the Rule. Regulation XXV emission credits that are used in Rule 2202 are subject to the same limitations on quantification, credit issuance, credit life, and eligibility, as set forth in that regulation.

Area source credit generation is a voluntary program and provides a mechanism to convert emission reductions from non-permitted stationary sources into tangible emission credits. Area sources include a wide variety of sources, such as small combustion equipment including engines, heaters, and boilers.

E. Air Quality Investment Program (AQIP)

(R2202, paragraph (f)(5))

~~The concept of an AQIP is based on relative cost effectiveness. Employers may participate in the AQIP by submitting an air quality investment, to be placed in a restricted fund as set forth in Rule 311 - Air Quality Investment Program Fees.~~

The South Coast AQMD Executive Officer will recommend to the South Coast AQMD Governing Board the release of request for proposals (RFP) or program announcement to solicit projects that will achieve the emission reduction targets for a given compliance period. At a minimum, the release will be on an semi-annual basis.

Proposals for using monies from the Rule 2202 AQIP restricted fund will be accepted by the South Coast AQMD Executive Officer on, at a minimum, an ongoing annual basis. The South Coast AQMD Executive Officer will determine the amount of emission reductions required to demonstrate equivalent emissions reductions and the amount that will be achieved by the proposal. The quantification protocols shall be consistent with conditions specified under Section F. Other Emission Reductions Strategies. ~~The proposals received will be rated by source category, including a category for TDM projects.~~ The Executive Officer will then recommend to the Governing Board proposals that achieve equivalent emissions reductions. The Executive Officer may use inter-pollutant crediting to achieve emissions equivalent to the level of the employers' participation. The AQIP emission reduction commitment will be based on the rule emission factors for the current year in question regardless of when the initial monies were placed into the program. In addition, the Executive Officer will recommend that the allocation of funding for proposals that reduce equivalent emissions within each county be proportional to the contribution level of employers within each county to the greatest extent feasible. ~~As part of the RFP or program announcement release, the Executive Officer will provide to the South Coast AQMD Governing Board a status report on program effectiveness and the balance of monies in the fund.~~

F. Other Emission Reduction Strategies

(R2202, paragraph (f)(6))

Any person may submit an application, pursuant to paragraph (f)(6) of the Rule, to generate VOC, NO_x, and CO emission reductions from alternative emission reduction projects for use in Rule 2202. Applications, with complete information, shall be submitted at least 30 days prior to implementing an emission reduction project. The Executive Officer shall approve or disapprove the application and any subsequent revisions in writing within 90 days of submittal.

1. The application shall be submitted on a form specified by the South Coast AQMD, and at a minimum include the following:
 - a. Project description;
 - b. Name and address of the applicant;
 - c. Name and address of the owner and/or operator of the equipment;
 - d. Identification of the geographical area(s) served by the project;

- e. Equipment description (including manufacturer specifications, certification data, etc.);
 - f. Project start date;
 - g. Project life;
 - h. Activity level (such as, hours of operation, fuel usage, odometer mileage);
 - i. Estimated emission reductions;
 - j. Emission reduction calculations, description of methodology used and references; and
 - k. Monitoring, recordkeeping and reporting methods, including methods for tracking project emission reductions.
2. The alternative emission reduction project shall be subject to the following conditions:
- a. For meeting District regulatory requirements, the credits issued under paragraph (f)(6) shall only be used for R2202, and shall be subject to all provisions of Rule 2202.
 - b. The South Coast AQMD shall approve all emission reductions prior to use.
 - c. The emission reductions shall be valid for two years from the date of South Coast AQMD approval unless otherwise specified in the approved emission reduction quantification protocols developed in paragraphs 2d. and 2e. below.
 - d. The emission reduction quantification shall be based on applicable South Coast AQMD rules and regulations, approved methodologies, Governing Board policies and guidelines, and the guidelines and methodologies established by CARB and U.S. EPA. The emission reduction quantification protocol shall be reviewed by the Governing Board Mobile Source Committee.
 - e. If there is no applicable protocol, an emission reduction quantification protocol shall be developed. The proposed emission reduction quantification protocol shall be presented to the Governing Board Mobile Source Committee for review and approval.
 - f. Emission reductions generated under this provision shall not be the result of funding from any other South Coast AQMD, state or federal program that prohibits the use of such reductions for other purposes (e.g., AB2766 subvention funding, Carl Moyer, etc.).
 - g. Emission reductions achieved by the project shall be based on the actual operation of the equipment as provided in the emission reduction quantification protocol.
 - h. Emission reductions may be issued quarterly or semi-annually, based on the actual activity level for the previous quarter or six-months.
 - i. Emission reductions may be held in a broker account, for tracking purposes, until transferred to an employer for rule compliance purposes.
 - j. The application shall be deemed a plan, and plan fees shall be assessed in accordance with Rule 308 – On-Road Motor Vehicle Mitigation Options Fees.
 - k. Emission reductions generated from projects that are in excess of those designated for Rule 2202 compliance may be used for other purposes subject to the approval of the Executive Officer.

South Coast AQMD staff is available to work with project proponents to develop emission reduction protocols and intends to compile protocols, when available, to ensure public accessibility.

G. Employee Commute Reduction Program (ECRP)

(R2202, paragraph (f)(7))

Any employer may elect to implement an ECRP. The implementation of an ECRP is expected to lead to achievement and maintenance of the employer's designated Average Vehicle Ridership (AVR) target, determined by the worksite's AVR Performance Zone pursuant to Rule 2202 (f)(7) through the reduction of employee vehicle trips. The ECRP compliance option is further detailed in the Rule 2202 ECRP Guidelines.

G.H. General Emission Credit Provisions

(R2202, subdivisions (h))

Employers that implement an emission reduction program and have surplus emission reductions with respect to some of the pollutants can use them towards their future ERT or trade or sell them to other employers in accordance with subdivision (h) of Rule 2202. Alternatively, employers that have a shortfall in meeting their ERTs may obtain surplus emission credits from other employers or other credit providers.

Once eligible emission credits have been transferred into the Rule 2202 program, the credits may be placed into a Rule 2202 program broker account or an employer's emission bank. Emission credits that have been transferred into the Rule 2202 program cannot only be transferred out of or removed from this program in accordance with subdivision (h) of Rule 2202.

H.I. Inter-Pollutant Crediting

(R2202, paragraph (h)(6))

Any employer or the AQIP may apply VOC or NOx emission credits in lieu of all or part of a worksite's CO emission reduction target. VOC or NOx emission credits that could be used may come from various sources such as ASCs, STERCs, ERCs in the Rule 2202 program, MSERCs, or credits generated pursuant to paragraphs (f)(5) or (f)(6) of the rule. Inter-pollutant crediting is to be used only by employers to facilitate meeting the worksite's CO emission reduction target. Inter-pollutant crediting shall only be used for compliance with an approved employer's Rule 2202 registration. Inter-pollutant crediting shall not be used to increase or build a CO emission bank. The inter-pollutant crediting ratios are:

1 pound VOC = 10 pounds CO

1 pound NOx = 6 pounds CO

For example: An employer calculated their worksite CO emission reduction target to be 100 pounds. Instead of generating or purchasing CO emission credits, the employer may implement inter-pollutant crediting by dividing the CO target by VOC ratio value of 10. Thus, 10 pounds of VOC could be used in lieu of the worksite's 100 pound CO emission reduction target. Alternatively, an employer may chose to apply NOx credits. Dividing 100 lbs of CO by 6 will

result in 17 pounds of NOx that may be used in lieu of the worksite's CO emission target. Note that calculation results are to be rounded to the nearest whole pound. Employers are not limited to using only VOC or NOx and may use any combination of the two pollutants to meet the calculated emission reduction target.

I.J. Emission Reduction Requirements

Any proposed emission reduction strategy should contain an emissions or trip quantification methodology which follows applicable South Coast AQMD, CARB, or U.S. EPA policies and methodologies. Any proposed program may be submitted in combination with other programs, including, but not limited to, old vehicle scrapping or work-related trip reduction programs. South Coast AQMD will evaluate programs to assure that they produce emissions or trip reductions that are real, surplus, quantifiable, and enforceable.

1. Real Reductions

"Real" reductions are those that result in actual emission reductions and do not occur as a result of accounting practices, or "paper reductions." The key test in determining whether a strategy will result in real reductions is in establishing a proper emissions or trip baseline level. If, for example, facility XYZ has reduced emissions in excess of those required by the ERT, no "real" reductions will result from the establishment of ERT as a performance standard. Therefore, all quantification methodologies will be required to establish a standardized baseline condition, or use a default condition established by the Executive Officer, from which to calculate real emissions or trip reductions.

2. Surplus Reductions

"Surplus" reductions occur when an action is taken beyond existing regional, state, and federal requirements. Obtaining surplus emission reductions means the benefit of a control strategy is not "double counted." In many cases, the proposed strategy requirements overlap completely with another rule, regulation, statute, or legislation. However, by revising the strategy to become more stringent, the action would become partially creditable, or surplus. To meet this surplus criterion, all quantification methodologies will be required to include a mechanism for subtracting any regulatory overlaps with the standardized baselines established to meet the "real" criterion described earlier.

3. Quantifiable Reductions

Although transportation control measures (TCM) involve some degree of variance and uncertainty, creditable actions can be quantified through use of assumptions that are based either on case studies or on transportation supply and demand theories. Each assumption that is used to assign effectiveness or efficiency should be matched with either a case study, or on some measurable parameter. Basic "intuition," especially for indirect actions such as general education, "goodwill," or other "good faith efforts," is not sufficient. Quantifiability is the main criterion used to determine the extent of any credit discounting. Those actions which are more easily quantified, with strong assumptions, would have limited discounting applied, while the more "intuitive" actions would need to be discounted to a much greater extent.

4. Enforceable

In addition, each proposed program should include a recordkeeping mechanism for compliance verification, as outlined in Chapter IV. The enforceability component requires that all records, sufficient to demonstrate compliance, be maintained by participating companies and be made available to the South Coast AQMD upon request.

III. TRIP REDUCTION STRATEGIES

Rule 2202 offers employers the opportunity to obtain VTECs from the implementation of the following optional trip reduction strategies. These VTECs, obtained through peak-commute trip reductions, other work-related trip reduction, VMT offsets or off-peak commute trip reductions, can be applied towards meeting an employer's ERT.

A. PEAK COMMUTE TRIP REDUCTIONS

Rule 2202 provides the option to obtain credit for reducing employee commute trips. Specifically, employers can reduce trips to work that occur for the purpose of reporting to work during the morning peak congestion period (or "Peak Window") by creating incentives for ridesharing and other alternative transportation modes. VTECs shall be calculated using the formula in Figure III-1.

$$VTEC = \left[\frac{\text{Creditable Commute}}{\text{Vehicle Reductions (CCVR)}} \right] \times \left[\frac{\text{Emission Factor (EF)}}{\text{lbs/year}} \right]$$

Where:

CCVR = The daily average of total commute vehicle reductions that are real, enforceable, surplus, and quantifiable.

EF = Annual Emission Factor (lbs/year/daily commute vehicle)

Figure III-1. Vehicle Trip Emission Credit Generation for Work-Related Trip Reduction Programs

In calculating VTEC, employers may utilize data obtained by an alternative methodology approved in writing by the Executive Officer or designee.

B. OTHER WORK-RELATED TRIP REDUCTIONS

Employers may receive additional VTECs from employee commute reductions from peak and non-peak commutes or from non-commute vehicle usage. VTECs from Other Work-Related Trip Reductions can be calculated using the formula in Figure III-2. The conversion factor is used to convert vehicle trip reductions to commute vehicles reductions and accounts for the return trip home, and includes an additional adjustment to account for other vehicle usage reduction during and outside the peak window.

Other sources of VTEC may also be calculated, on a voluntary basis, from non-regulated worksites, non-employee such as independent contractors, or employees of other entities at the worksite that participate in the employer's trip reduction program. Additional VTEC may also be determined from reduced staffing that would reduce commute trips not as a result of any rideshare program. Reduced staffing may occur from events such as school recesses/breaks, inventory, or temporary facility closures.

The use of VTEC is subject to approval by the Executive Officer.

$$\text{VTEC} = \left[\frac{\text{Creditable Trip Reductions (CTR)}}{\text{CF}} \right] \times \left[\frac{\text{Emission Factor (EF)}}{\text{lbs/year}} \right]$$

Where:

CTR = The daily average of total one-way trip reductions that are real, enforceable, surplus and quantifiable. A round trip is considered to be two one-way trips.

CF = 2.0 for A.M. Peak Window
2.3 for Other Trips

EF = Annual Emission Factor (lbs/year/daily commute vehicle)

Figure III-2. Vehicle Trip Emissions Credit Generation for Peak-Commute and Other Work Related Trip Reduction Programs

C. VEHICLE MILES TRAVELED (VMT) PROGRAMS

Vehicle Miles Traveled (VMT) is an alternative metric that can be used to calculate emissions from employee commute trips and establish VMT reduction programs pursuant to Rule 2202.

Subject to approval of the Executive Officer or designee, eEmployers may elect to implement VMT reduction programs and receive VTECs toward their ERT. Reduction of annual employee commute VMT ~~that~~ may result from employment center relocation, video-conference centers, telecommuting centers or other alternative programs approved by the Executive Officer or designee. The Executive Officer shall not approve any VTEC program for VMT reduction unless it includes baseline VMT estimates and demonstrates that VMT reductions result in real, enforceable, quantifiable, and surplus emission reductions.

D. PARKING CASH-OUT PROGRAM

Employers may elect to implement a Parking Cash-Out Program to reduce employee commutes and receive VTEC toward meeting their ERT. Parking Cash-Out is a program where an employer offers to provide a cash allowance to an employee equivalent to the parking subsidy that the employer would otherwise pay to provide the employee with a parking space. VTEC calculation formula for this program is the same as the one used for Other Work-Related Trip Reductions.

E. EMPLOYEE COMMUTE REDUCTION PROGRAMS

~~Exemption~~ Details of this exemption-voluntary compliance option are provided elsewhere in a companion guidance document titled “Employee Commute Reduction Program Guidelines.”

IV. PROGRAM ADMINISTRATION

A. REGISTRATION

Employers participating in the Rule 2202 On-Road Motor Vehicle Mitigation Options emissions reduction program are required to notify the South Coast AQMD which option or options are selected through registration. Employer registration serves the purpose of both notifying the South Coast AQMD of the intent to implement options provided in the program, and also serves to identify the goals of the chosen options, including any demonstrations required. Registration shall be renewed annually.

Employers with 250 or more employees upon becoming subject to Rule 2202 shall notify the South Coast AQMD in writing within 30 days. Once the employer has notified the South Coast AQMD, within 90 days, the employer must submit a Rule 2202 registration with appropriate filing fees.

An employer's registration and the conditions under which it was approved shall remain in effect until the next approval date. Employers will not be held liable for any emission reduction shortfalls incurred due to changes in emission factors or the guidelines during those years in which the factors are updated after the registration is approved or pre-approved. Employers shall have up to 180 days from the date of receipt of their registration pre-approval letter to surrender the required emission credits to meet the worksite emission reduction target. However, the use of this provision does not change the compliance period.

B. REGISTRATION FORM

Employers must identify which options will be used to attain their ERT. The registration form must include information which identifies the company and the worksites affected by the emissions reduction program, including the ~~number of employees reporting to the worksite during the morning peak congestion period and the total employee count at the worksite~~ following information:

- i. The name of the highest ranking official, the name of the contact person, company address, and telephone number for each worksite;
- ii. Effective ~~September 1, 2024~~ January 1, 2025, the business type/classification;
 - a. Worksites will designate the primary nature of work conducted at the worksite by selecting one option from the list provided by South Coast AQMD:

<u>Business Type/Classification</u>	<u>NAICS codes</u>
<u>Utilities</u>	<u>22</u>
<u>Construction</u>	<u>23</u>
<u>Manufacturing</u>	<u>31-33</u>
<u>Wholesale Trade</u>	<u>42</u>
<u>Retail Trade</u>	<u>44-45</u>
<u>Transportation and Warehousing</u>	<u>48-49</u>
<u>Information</u>	<u>51</u>

<u>Finance and Insurance</u>	<u>52</u>
<u>Real Estate and Rental and Leasing</u>	<u>53</u>
<u>Professional, Scientific, and Technical Services</u>	<u>54</u>
<u>Management of Companies and Enterprises</u>	<u>55</u>
<u>Administrative and Support and Waste Management and Remediation Services</u>	<u>56</u>
<u>Educational Services</u>	<u>61</u>
<u>Health Care and Social Assistance</u>	<u>62</u>
<u>Arts, Entertainment, and Recreation</u>	<u>71</u>
<u>Accommodation and Food Services</u>	<u>72</u>
<u>Public Administration/Government</u>	<u>92</u>
<u>Other (please specify):</u>	

- iii. The on-road vehicle mitigation option(s) that will be used;
- iv. The total number of employees that report to work in the peak window;
- v. The total number of employees assigned to the worksite;
- vi. Effective ~~September 1, 2024~~ January 1, 2025, the total VMT by employees assigned to the worksite;
 - a. If an AVR survey is conducted, the total VMT will be reported on the AVR survey summary form.
 - b. If an AVR survey is not conducted, the worksite will report employee home zip codes based on Human Resources (HR)/payroll records in a format provided by South Coast AQMD. Zip codes shall be reported using anonymized employee data such that specific employee names or other identifying information is not included.
- ~~i.vii.~~ Effective ~~September 1, 2024~~ January 1, 2025, information on telecommuting practices including, but not limited to:
 - a. The total number of employees who are eligible to telecommute, the maximum number of days per week they are allowed to telecommute, the number of employees who are currently telecommuting, the average number of days per week that your employees telecommute, if any telecommute incentives are offered, and if the employees teleworking schedules are permanent, temporary or a return to office date has been set. An employer may choose to submit this information for different categories of employees at their worksite if telecommuting practices vary among the categories.
 - b. A formalized telecommuting policy does not need to be developed for Rule 2202 compliance reporting purposes.
- viii. Calculations for VOC, NOx, and CO emission reductions or the vehicle trip emission credit options, as applicable.

C. VTEC CALCULATIONS

Employers claiming VTECs from the implementation of the optional Vehicle Trip Reduction strategy shall include as a part of their registration all VTEC calculations. All supporting

documents shall be maintained on the worksite for three years. Emission factors (i.e., pounds of pollutant per vehicle-year) to be used in the calculations are provided in this document.

D. AIR QUALITY INVESTMENT PROGRAM

South Coast AQMD's Executive Officer will determine the amount of emission reductions for air quality investment programs when proposals are submitted for approval. Individual employers seeking this safe harbor alternative are not responsible for demonstrating emissions reduction equivalency; they are only responsible for keeping records of employment, and of "in-lieu fee" submittal.

E. RECORDKEEPING

The enforceability component of the On-Road Motor Vehicle Mitigation Options program requires that all records, sufficient to demonstrate compliance, be maintained by participating companies for a period of no less than three years and made available to the South Coast AQMD upon request in order to determine compliance. Specifically, participating companies should maintain, at a minimum, a copy of the following records at all worksites:

- Registration form,
- VTEC data and calculations, and
- List of program strategies or elements used for implementation.

F. COMPLIANCE

Compliance with an alternative emission reduction program will be determined through an employer review process conducted by the South Coast AQMD. Compliance requirements for the "Employee Commute Reduction Program" exemption are included in the ECRP Guidelines.

Examples of violations of Rule 2202 would include: failure to maintain records; fabrication of records; or failure to obtain the amount of VTECs or emissions reductions identified as part of the company's registration submittal. In addition, failure to submit air quality investment "in-lieu" fees would be constituted as a violation of Rule 2202 for employers selecting this option.

G. SPECIAL PROCEDURES

1. Extensions

Any employer may request an extension to the registration due date under the following circumstances:

- If an employer needs more time to submit a registration to meet the requirements of Rule 2202, additional time may be requested from the South Coast AQMD. The request must be in writing, state the reason for the extension request, the length of time needed, and include the appropriate filing fee.
- All extension requests and fees must be received by the South Coast AQMD, no later than 15 calendar days prior to the program due date;

- Requests are considered on a case-by-case basis and are granted for reasons that are beyond the control of the employer;
- An employer may request an extension to the registration due date after the registration has been disapproved for the first time. The request must be received within 15 days of the receipt of the registration disapproval. The South Coast AQMD will inform the employer in writing within 15 calendar days of receipt of request, whether the extension has been granted;
- An employer may, upon receipt of a written objection to the terms of the proposed registration by an employee, employee representative or employee organization; request a single extension of 30 days. A copy of the written objection should be attached to the request. One such request shall be granted by the South Coast AQMD; no subsequent extension may be granted for this purpose; and
- Any change in the permanent due date that results in additional time to submit a registration will be considered an extension of time and shall be subject to an extension filing fee.

2. Change of Ownership

In the case of ownership mergers, or change of ownership, the new owner must notify South Coast AQMD of this change within 30 days of the new ownership. The new owner must comply with all provisions of Rule 2202 and Guidelines within 90 days of the change of ownership. The new owner(s) may choose to submit a letter, instead of a new registration, which states they will continue to implement the registration or program last approved by the South Coast AQMD.

3. Relocation

Any employer relocating to a new worksite must notify the South Coast AQMD within 30 days of the relocation. Relocations fall into two categories and are explained below:

- Employers relocating within two miles of the previous worksite address may elect to continue to implement the most recently approved registration. Or, the company may elect to submit a new registration or program. The employer must inform South Coast AQMD of the preference in the notification of relocation letter.
- Employers relocating more than two miles from the previous worksite are required to submit a new registration. The employer must submit the new registration or program within 90 days of the relocation.

4. Registration Disapproval Appeals

The South Coast AQMD has 90 days to review the resubmitted registration. If the employer believes that the program meets the requirements of Rule 2202 and the Guidelines, and that the registration was improperly disapproved, the employer may appeal the disapproval to the South Coast AQMD Hearing Board. A petition for appeal of disapproval must be made within 30 calendar days after the employer receives the notice of disapproval.

5. Delay Registration Review Requests

If an employer, employee, employee representative or employee organization requests a delay in action of registration review, the request must be in writing to the South Coast AQMD within 10 days of registration submittal and cannot delay the period of time to exceed the 90th day after submittal.

6. Police, Sheriff, and Federal Field Agents

Police, Sheriff, and Federal Field Agents shall be included in the employee count for rule applicability but are not required to be included in the number of employees in the peak window and may be excluded from ridership surveys. Surveying only part of this group is not acceptable.

Federal Field Agents are employees who are employed by any federal agency whose main responsibility is national security and performs field enforcement and/or investigative functions. Examples of Federal Field Agents include, but are not limited to, field employees of Federal Bureau of Investigation (FBI), Customs and Border Protection or US Coast Guard.

7. Telecommute Employees on the AVR Survey

Telecommuting occurs when an employee works from home, off site, a satellite office, or a Telecommuting center which eliminates a trip to the worksite or reduces the commute travel distance by more than 50%. Telecommute employees are included in the employee count for rule applicability and are required to be included in the number of employees within the peak window.

Telecommute employees include employees who telecommute on a full time or hybrid schedule. Additionally, telecommuting employees include remote employees who are assigned to the regulated worksite, however, primarily live and work at locations outside of the South Coast AQMD, and physically commute to the regulated worksite less than five days a year.

Employers are required to report information on telecommute practices on a compliance form as part of their annual registration submittal. This information will include the information outlined in Section (IV)(B)(vii) above. The reported information must be validated using Human Resources (HR)/Payroll records including a HR/Payroll representative/ETC signature with the annual submittal to validate telecommute activity.

For those employers reporting telecommuting employees for compliance purposes, the following procedures for each compliance option apply:

AQIP – If a worksite selects the AQIP option, they may deduct the average number of daily telecommuters from their average peak window employee count based on HR/Payroll records. The average number of daily telecommuters will be calculated using the total number of weekly telecommute trips divided by the number of work days in the week. The worksite will be required to pay the appropriate AQIP fee per average number of daily employees that physically arrive at the worksite based on HR/Payroll records.

ERS using default AVR – If a worksite selects the ERS option, they may deduct the average number of daily telecommuters from their average peak window employee count based on HR/Payroll records. The average number of daily telecommuters will be calculated using the total number of weekly telecommute trips divided by the number of work days in the week. The worksite will use the number of average daily employees that physically arrive at the worksite in the calculation to determine the amount of emission credits required.

ERS with AVR survey or ECRP – If a worksite is conducting an AVR survey, they may report total daily telecommute trips on the AVR summary form. Total daily telecommute employee trips may be reported even if not all telecommute employees respond to the AVR survey if the telecommute employees can be validated based on HR/Payroll records. For an employee on a hybrid schedule that does not respond to the AVR survey, the ETC will mark the commute mode as “no response” for the days that the employee physically reported to the worksite and telecommute for the days that they did not physically report to the office. This ensures that the worksite will receive full credit for the total number of commute trips reduced by telecommuting.

Worksites may only use the number of telecommuters in their annual plan submittal as described above if the telecommute employee number can be validated.

8. Furloughed Employees on the AVR Survey

Furloughed employees are employees that are under a temporary, unpaid leave of absence or reduction in hours.

Furloughed employees shall be included in the employee count for rule applicability but are not required to be included in the number of employees in the peak window and may be excluded from the AVR survey.

7.9. Change of Status

An employer who has submitted an ERS and becomes exempt from the rule requirements during the compliance year after having received a provisional compliance letter may seek to have the worksite ERT prorated based on the actual operating days for the compliance year, prior to surrendering the required emission credits.

1. Employers seeking to prorate the worksite ERT must submit a plan amendment pursuant to Rule 2202 (i)(4) prior to the surrender of any emission credits.
2. The plan amendment for a prorated ERT must be submitted at least 15 calendar days prior to the credit submittal deadline of 180 days as stated in the provisional approval of the worksite’s compliance plan.
3. Plan amendments for a prorated ERT may be submitted after the 15 calendar day period and prior to the 180 day deadline only if the plan amendment is accompanied by a request to extend the 180 day deadline.
4. The worksite ERT proration shall be based on the number of operating days divided by 260 days per year.

- Employers who have submitted the required emission credits are not eligible to prorate the worksite ERT and will not have any emission credits returned that have been surrendered.

10. Employee Transportation Coordinator (ETC) Training

Effective January 1, 2025, Employers must designate an employee to serve as an Employee Transportation Coordinator (ETC) for each worksite with 250 or more employees or per Multi-Site program that conducts an AVR survey. This person must successfully complete an South Coast AQMD ETC certification course.

This training provides the individual with the necessary information to conduct the survey process, prepare and implement the program, market the program and track the program results.

Employers submitting a multi-site program may designate an ETC at one worksite and designate On-Site Coordinators for all other worksites. The On-Site Coordinator is a person designated and instructed by the employer to have knowledge of the employer's ECRP and marketing methods. The On-Site Coordinator is accountable for program implementation rather than plan development. The ETC or the On-site Coordinator must be at the worksite and available during normal business hours when the majority of employees are at the worksite.

In the event of an absence of a trained ETC, Consultant ETC, or On-site Coordinator, exceeding eight consecutive weeks, a replacement must be designated and trained. The South Coast AQMD must be notified of this change in writing by the employer within 12 weeks after the beginning of the absence.

a. Consultant Employee Transportation Coordinator

An employer may use a Consultant ETC in lieu of an ETC, provided the Consultant ETC meets the definition of an ETC and the same minimum certification requirements as the ETC. A Transportation Management Association/Transportation Management Organization (TMA/TMO) may be considered a Consultant ETC provided its staff, acting in this capacity, meets the same certification requirements as the ETC. As an alternative to having a Consultant ETC available during normal business hours, the employer shall designate an On-Site Coordinator for each worksite.

H. EMISSION CREDIT TRANSFERS

Emission credits transferred into the Rule 2202 program shall not be transferred out of these programs unless otherwise specified in section II.C.2. of these guidelines. Transfer of emission credits into the program shall be subject to the applicable Regulation III transfer fee. This fee is not required if the buyer/transferee is a Rule 2202 regulated worksite and the emission credits are intended to be used for Rule 2202 compliance within the credit submittal cycle. The credit submittal cycle is within the 180 days from the date of receipt of a registration pre-approval letter for which employers must surrender the required emission credits.

Transfers outside of the credit submittal cycle of the buyer/transferee, between employers, non-Rule 2202 South Coast AQMD emission credit accounts, or Rule 2202 broker accounts shall be

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subject to a transfer fee. One transaction request shall count as one transfer for fee purposes. The transfer fee is intended to cover administrative costs in processing the request and to ensure the account balance is properly tracked. No additional cost is assessed when credits are transferred during the credit submittal cycle, because the annual registration fee has already accounted for such activities.

V. AVERAGE VEHICLE RIDERSHIP SURVEY

A. CALCULATING AVR

1. Employee categories

Employees that do not begin work at least one day during the 6:00 a.m. - 10:00 a.m. peak commute window are not included in the peak AVR calculation. Employees that are classified in the “Other Days Off” category are included in the AVR calculation if they begin work in the window at least one day during the survey week. The net effect of “Other Days Off” on the AVR calculation will be neutral. Employees in this category include, but are not limited to, the following:

- employees on vacation, sick, or furlough;
- employees on per-diem or on-call that do not meet the definition of field personnel;
- employees on jury duty, military duty;
- employees who begin work outside the window provided they begin in the window at least one other day during the week;
- employees not scheduled to work that day;
- employees that are home dispatched;
- employees on maternity leave;
- employees on bereavement leave; and/or,
- employees on medical /disability leave.

The following employee categories, as defined in the Glossary, are not considered for rule applicability or in calculating AVR:

- temporary employees;
- seasonal employees;
- volunteers;
- field personnel;
- field construction workers; and/or,
- independent contractors.

2. Police, Sheriff, and Federal Field Agents

Police, Sheriff, and Federal Field Agents, as defined in the Glossary, are included for rule applicability but are not required to be included in the 6:00 a.m. - 10:00 a.m. peak window survey or included in the AVR calculation. It is the discretion of the employer whether to include them in the window count. Surveying only part of this group is not acceptable. Those worksites electing to exclude such employees from the AVR survey and calculation must provide the basic ridesharing support strategies including, but not limited to, ride matching and transit information for all employees as well as preferential parking and guaranteed return trips for employees who are ridesharing. Employees who perform non-field work or non- investigative functions are required to be included in the peak window survey and included in the AVR calculation. Examples of Federal Field Agents include, but are not limited to, field employees of the Federal Bureau of Investigation (FBI), Customs and Border Protection or US Coast Guard.

3. Telecommute Employees

If a worksite is conducting an AVR survey, they may report total daily telecommute trips on the AVR summary form. Total daily telecommute employee trips may be reported even if not all telecommute employees respond to the AVR survey if the telecommute employees can be validated based on HR/Payroll records. For an employee on a hybrid schedule, the ETC will mark the commute mode as “no response” for the days that the employee physically reported to the office and telecommute for the days that they did not physically report to the office. This ensures that the worksite will receive full credit for the total number of commute trips reduced by telecommuting.

Worksites may only use the number of telecommuters in their annual plan submittal as described above if the telecommute employee number can be validated.

4. Furloughed Employees

Furloughed employees are employees that are under a temporary, unpaid leave of absence or reduction in hours.

Furloughed employees shall be included in the employee count for rule applicability but are not required to be included in the number of employees in the peak window and may be excluded from the AVR survey.

5. AVR Adjustments

- a. Carpools are counted as 2-6 people traveling together for 51% of the total trip distance. The credit is given by dividing the total weekly number of occupants in the vehicle by the maximum occupancy in the vehicle.
- b. Vanpools are counted as 7-15 people traveling together for 51% of the total trip distance. The credit is given by dividing the total weekly number of occupants in the vehicle by the maximum occupancy in the vehicle.
- c. Employees walking, bicycling, telecommuting, using public transit, using a zero emissions vehicle (ZEV) or other vehicles as approved by the Executive Officer or designee, or on their day off under a compressed work week, should be counted as employees arriving at the worksite with no vehicle.
 - i. Carpool occupants of a ZEV may be counted as arriving at the worksite with no vehicle by marking the zero emission option on the AVR survey.
 - ii. Employees arriving to work in a plug-in hybrid electric vehicle (PHEV) can be considered to be using a ZEV provided that the entire home-to-work trip is made exclusively under electric power without use of the gasoline engine or cogeneration system.
 - iii. None of the employee ZEVs can be included in the AVR calculation if the employer has implemented a ZEV charging program that will result in the generation of emission reduction credits pursuant to Rule 2202 (f)(6) or other approved South Coast AQMD emission credit programs.
- d. Compressed Work Week (CWW) credit will only be granted when all days worked and all CWW days off fall within the established AVR survey period. Employers may

develop alternatives to the recognized compressed work week schedules of 3/36, 4/40, and 9/80 upon written approval by the South Coast AQMD. The proposed alternative must ensure that the resulting trip reductions are real, surplus, quantifiable, and enforceable. The types of CWW day(s) off must be clearly indicated on the AVR survey as follows:

- i. 3/36 - 3 days work, 12 hours per day, 2 days off during the survey week;
- ii. 4/40 - 4 days work, 10 hours per day, 1 day off during the survey week; or
- iii. 9/80 - 9 days work, 80 hours per two weeks, 1 day off in a 2 week period during the survey.

If a person on a 3/36 scheduled work week works a 4th day during the surveyed work week, an employer may only take credit for one (1) CWW day off since an additional commute trip occurred during the survey period.

- e. Non-commuting AVR credit is allowed for employees who remain at the worksite (if in the South Coast AQMD’s jurisdiction), or entirely out of the South Coast AQMD’s jurisdiction, for at least a full 24-hour period, to complete work assignments, and who generate no vehicle trips during the AVR window associated with arriving at the worksite. Non-commuting AVR credit is calculated as arriving at the worksite with no vehicle. Examples of employees who may be considered to be in this category are firemen, airline pilots, or flight attendants.
- f. AVR credit for all employees leaving the worksite, during the window, may be calculated and averaged with employees arriving at the worksite during the window to obtain an aggregate AVR. However, if off-peak credits are used in the AVR calculation this credit cannot be used.
- g. Off-Peak Credits - Employers may receive additional credits from employee trip reductions that occur outside of the peak window. An AVR survey or an alternative approved data collection method is required to obtain this data. This AVR survey cannot be older than 6 months at the time of program submittal. This credit may be calculated as follows:

$$AVR = \frac{E}{V - [CCVR \div 2.3]}$$

Where:

- E = Total number of weekly window employees in the peak window.
- V = Total number of weekly window vehicle trips in the peak window.
- CCVR = Creditable commute vehicle reductions that occur outside of the peak window.
- 2.3 = Discount factor.

- h. Non-Regulated Worksite Credits - Employers may voluntarily include worksites with less than 250 employees as described in section II.D. Aggregating AVR for Multi-site Employers and/or employees of other businesses located at the worksite not subject to the Rule.
- i. Reduced Staffing - Employers may receive additional trip reduction credits, that have been discounted, from reduced staffing that occurs during events that are longer than five consecutive work days, such as school recesses/breaks, inventory, or temporary facility

closures, as approved by South Coast AQMD. A separate AVR survey is required to obtain this data. This AVR survey cannot be older than 12 months old at the time of program submittal. This credit is not allowed for staff reductions resulting from actions such as layoffs, relocations, transfers, facility closures or temporary closures that are part of regularly schedule facility vacations. This credit may be calculated as follows:

$$AVR = \frac{E \times T}{[Vn \times Tn] + [Vr \times Tr \times 1.15]}$$

Where:

E = Total number of weekly window employees during the regular operating schedule

T= Total number of annual operating workdays for the worksite, which is the sum of Tn and Tr. For example, the default value is 260 days for employers with a 5 day work schedule, and a default value of 365 days for a 7 day work schedule.

Vn= Total number of weekly window vehicle trips during the regular operating schedule.

Tn= Total number of regularly scheduled operating days for the worksite.

Vr= Total number of weekly window vehicle trips that occur during the reduced staffing schedule.

Tr= Total number of reduced staffing schedule days.

1.15= Discount factor.

- j. Employees that begin work during the window and do not respond to the survey must be calculated as one employee per vehicle arriving at the worksite.
- k. Drive alones count as one person per vehicle arriving at the worksite.
- l. Reporting errors resulting from missing or incorrect information must be calculated as one employee per vehicle arriving at the worksite. Reporting errors that do not indicate the time when the employee begins work must be assumed to occur in the peak window.

6. Electric Vehicle (EV) or Other Alternative-Fueled Vehicles

EV and other alternative vehicles, including hydrogen fuel cell vehicles, play an important role in reducing greenhouse gas and criteria pollutant emissions from employee commutes in comparison to conventional vehicles trips.

Employers that use EV's or other alternative vehicles in reference to the AVR survey and survey responses or for ECRP strategies can refer to the descriptions below. The following vehicle categories qualify as "zero emission vehicles" when conducting and AVR survey. The South Coast AQMD retains the authority to alter or update any approved electric vehicles or alternative vehicles for use in any Rule 2202 AVR survey or ECRP strategies.

- a. Zero emission vehicle (ZEV) is a vehicle that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions.

b. Fuel Cell Electric Vehicle (FCEV) is a vehicle that uses a hydrogen powered fuel cell instead of an engine to generate electricity for the batteries and electric motor. These vehicles generally utilize the same components as a battery electric vehicle, but with the addition of a hydrogen fuel cell and hydrogen storage tank.

Employees arriving to work in a Plug-In Hybrid Electric Vehicle (PHEV) meet the definition of a zero emission vehicle provided that the entire trip to work is made exclusively under electric power. This applies to plug-in vehicles with all electric range that can travel exclusively under electric power without use of the gasoline engine or cogeneration system.

Employees using electric bicycles for the commute trip to the worksite should be accounted for in the bicycle mode on the AVR survey form. Employees using electric scooters for the commute trip to the worksite should be accounted for in the Zero Emission Vehicle (ZEV) mode on the AVR survey form. Employees utilizing electric bicycles and scooters for commute trips to the worksite will be counted as employees arriving at the worksite with no vehicle for purposes of the AVR calculation.

B. AVR DATA COLLECTION METHODS

Each employer must collect AVR data by one of the following applicable methods:

1. AVR Survey

Employers must conduct an AVR survey approved by the South Coast AQMD. The survey should be taken over five consecutive workdays, Monday through Friday, and identify the transportation modes that employees used to travel to the worksite and begin work during the 6:00 a.m. - 10:00 a.m. window, each day during the survey week. The AVR survey data must be available and traceable to an individual employee. This may be through employee identification numbers, employee signature, or a pre-approved electronic identifier specific to each employee. The surveys shall be distributed at the end of or following the planned survey week so that the survey responses will represent actual commute activity. A South Coast AQMD approved employee survey form can be found in the ECRP forms.

a. AVR Survey Parameters

The AVR survey data cannot be more than six months old at the time of program submittal. The six month period begins on the final day of the survey period. The response rate to the survey must be at least 60 percent of those employees who begin work during the window. The remaining non-responses over 60 percent to 100 percent shall be treated as single occupant vehicle commuters, however, if an employer achieves a 90 percent response rate or higher, the remaining non-response percentage can be reported in the "Other Days Off" category. The net effect on the AVR calculation will be neutral. The AVR survey must be conducted during a typical work week. The weeks to be specifically excluded from the AVR survey week are the weeks including the following dates:

<u>New Year's Day</u>	<u>January</u>	<u>1</u>
<u>Martin Luther King Jr. Birthday</u>	<u>January</u>	<u>(Third Monday)</u>

<u>Presidents Day</u>	<u>February</u>	<u>(Third Monday)</u>
<u>Memorial Day</u>	<u>May</u>	<u>(Last Monday)</u>
<u>Juneteenth</u>	<u>June</u>	<u>19</u>
<u>Independence Day</u>	<u>July</u>	<u>4</u>
<u>Labor Day</u>	<u>September</u>	<u>(First Monday)</u>
<u>California Rideshare Week</u>	<u>October</u>	<u>(First Week)</u>
<u>Veteran's Day</u>	<u>November</u>	<u>11</u>
<u>Thanksgiving Day</u>	<u>November</u>	<u>(Fourth Thursday)</u>
<u>Christmas Day</u>	<u>December</u>	<u>25</u>

AVR surveys shall not be conducted during these weeks even if the employer does not observe these holidays or is open for business. Nor shall employers conduct an AVR survey during a week in which they observe a holiday not listed above.

The days these holidays are observed may vary from year to year; therefore, it will be the responsibility of the employer to obtain these specific holiday dates to ensure exclusion of these weeks from their AVR survey week.

b. Window Period for AVR Calculation

The employer must calculate the AVR based on the 6:00 a.m. - 10:00 a.m., Monday through Friday window except for businesses operating seven days a week. The AVR window for businesses operating seven days a week is 6:00 a.m. - 10:00 a.m. and the AVR reporting period is the five consecutive days, of the seven operating days, when the majority of the employees are scheduled to begin work. Businesses operating seven days a week may survey over a seven-day period so that for purposes of AVR reporting, they will account for individual employees over that portion of their five-day work week that falls within the five consecutive days.

The employer may use an alternative window or week upon writing the South Coast AQMD and receiving written approval. The alternative window must be a consecutive four-hour period between 4:00 a.m. and 11:00 a.m. and a consecutive five-day period of the seven-day week when the majority of their employees are scheduled to report to the worksite in the peak window. Consequently, the reporting period must be the same five consecutive days for all employees included in the AVR calculation.

c. AVR Calculation

The AVR calculation is based on data obtained from an approved South Coast AQMD survey method, random sampling, or recordkeeping, and shall include all employees who begin work in the 6:00 a.m. - 10:00 a.m. window.

The AVR is calculated by dividing the number of employees who report to the worksite, by the number of vehicles that arrive at the worksite, during the five-day window period. The AVR figure should be rounded off to the second decimal place. For example: 1.4576 becomes 1.46 AVR.

2. Random Sampling

Employers with a minimum of 400 employees reporting to the worksite during the peak window, have the option of determining AVR by a random sample method. The random sample method and sample size must receive written approval from the South Coast AQMD prior to administration of the survey. The random sample method shall comply with all of the following criteria:

- a. Members of the sample must be selected on a probability basis (random selection) that assures that each population member is given an equal chance of selection;
- b. All employees reporting in the window for calculating AVR must be considered as the relevant population from which the sample is drawn;
- c. The sample must measure all potential commute modes for employees arriving at the worksite during the window and shall account for all employees not arriving at the worksite during the window due to compressed workweek day off, vacation, sick leave, furlough day, or other (e.g., maternity leave, bereavement leave, etc.);
- d. Any employees designated for the random sample that do not respond to the survey are counted as solo drivers;
- e. At least 60 percent survey response rate must be achieved;
- f. Data from the last three compliance years shall be kept at the worksite and available for inspection;
- g. Any data submitted via electronic media must be compatible with South Coast AQMD's software;
- h. The random sample survey must be taken not more than six months prior to submittal of the Annual Program, with the six-month period beginning on the last day of the survey week; and,

The random sample method must be re-certified 60 calendar days prior to the program due date, only when the employer proposes to modify its approved certification method or upon amendments to Rule 2202 or guidelines that changes AVR data collection, calculations or methodologies.

3. Alternate AVR Data Collection

Employers have the option of selecting an alternative AVR data collection method for calculating the worksite AVR. Alternative AVR data collection methods must be certified by the South Coast AQMD prior to use, in accordance with the ECRP guidelines and the following criteria:

- a. Employers, vendors, consultants, or other entities requesting certification for alternative AVR data collection methods must request certification at least 60 calendar days prior to the annual ECRP due date;
- b. Data must be gathered from all employees who begin work during the window;
- c. The response rate to the data collection method must be at least 60 percent of those employees who begin work during the peak window. The remaining non-responses over 60 percent to 89 percent shall be treated as single occupant vehicle commuters. However,

- if an employer achieves a 90 percent response rate or higher, the remaining non-response percentage can be reported in the “Other Days Off” category in the AVR calculation;
- d. The data collected must reflect the daily commuting activity of employees and their modes of travel that occur during each month or quarter of the program cycle;
 - e. Quarterly or monthly AVR must be calculated separately, and must be aggregated to determine the yearly AVR calculation;
 - f. Data from the last three compliance years shall be kept at the worksite and be made available upon request;
 - g. The following data must be available, and traceable to individual employee records: travel mode for each day data is collected; any data that is specified in section II.C. AVR Data Collection Methods; and, employee ID number or other individual identification;
 - h. Any data submitted via electronic media must be compatible with the South Coast AQMD’s software;
 - i. The data used for the AVR calculations cannot be more than six months old, with the six month period beginning on the last day of the survey week; and,
 - j. The alternative AVR data collection method shall be re-certified 60 calendar days prior to each program due date, when the employer proposes to modify its approved method or upon amendments to Rule 2202 or guidelines that changes AVR data collection, calculations or methodologies.

4. Vehicle Miles Traveled (VMT) Reporting

Vehicle Miles Traveled (VMT) is the number of miles traveled one-way by an employee during their commute trip to the worksite. VMT for an employee is determined based on the distance (in miles) from the employee’s home to the worksite. Total VMT is the total number of miles traveled by all employees based on their commute distance to the worksite and is required to be reported on the annual compliance submittal.

Worksites will collect VMT data through the AVR survey. All survey participants will report miles traveled one-way from home to the worksite. The number of miles traveled will be reported once per survey taker and will apply to all five days of the survey period. For each individual employee, the number of miles from home to worksite will be used to calculate the miles traveled per commute mode. Individual employee survey VMT information will be combined and summarized on the AVR survey summary.

Employers will report VMT data per commute mode by summing the miles traveled of daily employee trips for each commute mode type. Employers will submit the AVR summary with VMT data. Total VMT will not impact AVR or the measured success of the program.

C. AGGREGATING AVR FOR MULTI-SITE EMPLOYERS (OPTIONAL)

Employers that submit a multi-site plan may choose to aggregate the AVR data for all of the regulated worksites in that ECRP. For worksites that belong to the multi-site employer, the aggregate AVR is the total number of window employees divided by the total number of vehicle

trips for all the worksites in the multi-site plan. All worksites that are to be included in the aggregate AVR calculation must be within the same AVR Performance Zone.

Aggregate AVR can be obtained in three steps. First, the number of peak window employees used in calculating each worksite AVR must be added. This sum will yield the total number of window employees for all worksites. Second, the number of vehicle trips used in calculating each worksite AVR must be added. This total will yield the total number of vehicle trips for all worksites. Finally, the total number of employees must be divided by the total number of vehicle trips to obtain the combined AVR for all worksites. This calculation will then yield the aggregate AVR for the multi-site employer.

Example:

$$\text{AVR} = \frac{\text{Window employees for site 1} + \text{window employees for site 2} \dots}{\text{Vehicle trips for site 1} + \text{vehicle trips for site 2} \dots}$$

Employers submitting multi-site programs may also voluntarily include worksites with fewer than 250 worksite employees in the aggregated AVR and/or employees of other businesses located at the worksite not subject to the Rule. In order to do so, all provisions of the AVR Data Collection section must be met, and the employer must demonstrate that an AVR baseline calculation has been established. Employers at non-regulated worksites are not required to implement other ECRP elements, such as having an on-site ETC or offering employer incentives and good faith effort determination elements. Employers voluntarily including worksites that have less than 250 worksite employees, must provide a letter of declaration signed by an official authorized to contract on behalf of and/or legally bind the employer which declares the following:

- a. The employer is voluntarily agreeing to subject itself to the authority and requirements of Rule 2202 for the worksites which currently have fewer than 250 employees, and that they are doing so freely and wholly voluntarily without any duress on behalf of the South Coast AQMD;
- b. The employer waives its right to challenge the applicability of Rule 2202 to any and all included sites within the South Coast AQMD should enforcement action be taken against the employer; and,

The employer is receiving a benefit from agreeing in that they are being allowed to claim vehicle trip credit toward their aggregate AVR.

V.VI. EMISSION FACTORS

(R2202, subdivisions (e), (g) and (~~m~~))

Emission Reduction Target (ERT) is the annual VOC, NOx, and CO emissions required to be reduced by each worksite based on the number of employees reporting to work during the peak window and the appropriate Performance Zone in accordance with Rule 2202. The ERT for each pollutant, for each worksite may be calculated by using the appropriate emission factors based on CARB approved on-road mobile source emission factors (EMFAC) model.

The emission factors will be revised upon U.S. EPA's final approval for use of the California Air Resources Board (CARB) approved EMFAC model in accordance with subdivision (m) of the Rule. The Executive Office or designee will publish, on the South Coast AQMD web site, the updated emission factors within 30 days of U.S. EPA approval.

The emission factors may be modified to worksite specific emission factors reflecting vehicle age and trip length characteristics of the employee vehicle fleet.

In calculating VTECs for Commute Trip Reductions, employers may also utilize data obtained by one of the following methods:

- a. Default data based on the weighted average of the average vehicle ridership survey data of the previous three years;
- b. Data obtained by conducting an average vehicle ridership survey in accordance with Rule 2202 - Employee Commute Reduction Program Guidelines;
- c. Data based on the default average vehicle ridership of 1.10; or
- d. Data obtained by an alternative methodology, which may include documentation of the CCVR claimed, approved by the Executive Officer or designee.

VI.VII. GLOSSARY

1. ANNUAL REGISTRATION means an annual form submitted by an employer to the South Coast AQMD per paragraph (j)(1) of the Rule.
2. AREA SOURCE CREDITS (ASCs) are emission credits, issued pursuant to Regulation XXV - Intercredit Trading.
3. AVR DATA COLLECTION METHOD is a method for gathering employee commute mode data needed to calculate an employer's average vehicle ridership.
4. BROKER ACCOUNT is an account held by the South Coast AQMD, opened by any person or other entity within the Rule 2202 program that may be used to bank emission credits from emission reduction strategies as described in section II. Emission Reduction Strategies, prior to transfer or assignment for use in satisfying an employer's Emission Reduction Target.
45. BUSINESS TYPE/CLASSIFICATION is the activity type that classifies the primary nature of work conducted at the worksite.
56. COMPRESSED WORK WEEK (CWW) applies to employees who as an alternative to completing basic work requirement in five eight-hour workdays in one week, or 10 eight-hour workdays in two weeks, are scheduled in a manner which reduces vehicle trips to the worksite. The recognized compressed work week schedules for this Rule are, but not limited to, 36 hours in three days (3/36), 40 hours in four days (4/40), or 80 hours in nine days (9/80).
67. DISABLED EMPLOYEE means an individual with a physical impairment which prevents the employee from traveling to the worksite by means other than a single-occupant vehicle.
78. EMISSION REDUCTION CREDITS (ERCs) are credits as defined in subdivision (1) of Rule 1302 Definitions and includes the permanent credit issued under Rule 1309(f)(1).
89. ~~EMPLOYEE COMMUTE REDUCTION PROGRAM means an annual program under the Employee Commute Reduction Program option, submitted to the SCAQMD, in accordance with the companion guidelines.~~
10. EMPLOYEE is any person employed by a person(s), firm, business, educational institution, non-profit agency, or corporation, government or other entity. The term excludes seasonal employees; temporary employees; volunteers; field personnel; field construction workers; and independent contractors.
11. EMPLOYEE COMMUTE REDUCTION PROGRAM is a compliance option that allows employers the ability to choose and implement various rideshare strategies included in the ECRP Guidelines at the worksite.
- 9.12. EMPLOYEE TRANSPORTATION COORDINATOR (ETC) is an individual who has completed a South Coast AQMD certified training course and has been appointed to develop, market, administer, and monitor the worksite's chosen Rule 2202 compliance option.
- 10.13. FEDERAL FIELD AGENT means any employee who is employed by any federal entity whose main responsibility is National Security and performs field enforcement

- and/or investigative functions. This does not include employees in non-field or non-investigative functions.
- ~~14.14.~~ FIELD CONSTRUCTION WORKER means an employee who reports directly to work at a construction site.
15. FIELD PERSONNEL means employees who spend 20% or less of their work time, per week, at the worksite and who do not report to the worksite during the peak period for pick-up and dispatch of an employer-provided vehicle.
- ~~12.16.~~ FURLOUGH means a temporary, unpaid leave of absence or reduction in hours. Furloughed employees should be assigned as furloughed and continue to be employed by the worksite.
- ~~13.17.~~ HOLIDAYS are those days designated as National and State Holidays that shall not be included in the survey period.
- ~~14.18.~~ INDEPENDENT CONTRACTOR means an individual who enters into a direct written contract or agreement with an employer to perform certain services and is not on the employer's payroll.
- ~~15.19.~~ INTER-POLLUTANT CREDITING means the use of emission reduction credits of one type of pollutant that may be used in lieu of another type of pollutant.
- ~~16.20.~~ LOW-INCOME EMPLOYEE means an individual whose salary is equal to, or less than, the current individual income level set in the California Code of Regulations, Title 25, Section 6932, as lower income for the county in which the employer is based. Higher income employees may be considered to be "low-income" if the employees demonstrate that the program strategy would create a substantial economic burden.
- ~~17.21.~~ MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs) are emission reduction credits issued pursuant to Regulation XVI - Mobile Source Offset Programs.
22. MOTOR VEHICLE means a self-propelled vehicle, consistent with California Vehicle Code 415.
- ~~18.23.~~ PART-TIME EMPLOYEE means any employee who reports to a worksite on a part-time basis fewer than 32 hours per week, but more than four hours per week. These employees shall be included in the employee count for purposes of Rule applicability; and for emission reduction calculations of the employer provided the employees report to the worksite during the Peak Commute Window.
- ~~19.24.~~ PEAK COMMUTE WINDOW is the period of time, Monday through Friday between the hours of 6:00 a.m. and 10:00 a.m.
- ~~20.25.~~ PERFORMANCE ZONE for each worksite is determined by its geographic location within the geographic boundaries as described in Attachment I of Rule 2202.
26. POLICE/SHERIFF means any employee who is certified as a law enforcement officer and is employed by any state, county or city entity. Such employees are only police officers and sheriffs who perform field enforcement and/or any investigative functions. This would not include employees in non-field or noninvestigative functions.

- ~~24~~27. REMOTE EMPLOYEES are telecommuting employees who are assigned to a regulated worksite, however, primarily live and work at locations outside of the South Coast AQMD, and physically commute to the regulated worksite less than five days a year
28. SCHOOL means any public or private School, including juvenile detention facilities with classrooms, used for the education of more than 12 children at the School in kindergarten through grade 12. School also means an Early Learning and Developmental Program by the U.S. Department of Education or any state or local early learning and development programs such as preschools, Early Head Start, Head Start, First Five, and Child Development Centers. A School does not include any private School in which education is primarily conducted in private homes. The term includes any building or structure, playground, athletic field, or other area of School property
- ~~22~~29. SEASONAL EMPLOYEE means a person who is employed for less than a continuous 90-day period or an agricultural employee who is employed for up to a continuous 16-week period.
- ~~23~~30. SHORT TERM EMISSION REDUCTION CREDITS (STERCs) are credits as defined in subdivision (am) of Rule 1302 - Definitions.
- ~~24~~31. STUDENT WORKERS are students who are enrolled and gainfully employed (on the payroll) by an educational institution. Student workers who work more than four hours per week are counted for Rule applicability and if they report to work during the 6:00 a.m. - 10:00 a.m. window are counted for emission reduction calculations.
- ~~25~~32. TELECOMMUTING ~~means working at home, off-site, or at a telecommuting center, for a full workday that eliminates the trip to work or reduces travel distance by more than 50%.~~ occurs when an employee works from home, off site, a satellite office, or a Telecommuting center which eliminates a commute trip to the worksite or reduces the commute travel distance by more than 50%.
- ~~26~~33. TEMPORARY EMPLOYEE means any person employed by an employment service or agency that reports to a worksite other than the employment agency's worksite, under a contractual arrangement with a temporary employer. Temporary employees are only counted as employees of the temporary agency for purposes of Rule applicability.
34. TRANSPORTATION MANAGEMENT ASSOCIATION OR TRANSPORTATION MANAGEMENT ORGANIZATION (TMA/TMO) means a private/non-profit association that has a financial dues structure joined together in a legal agreement for the purpose of achieving mobility and air quality goals and objectives within a designated area.
- ~~27~~35. VEHICLE MILES TRAVELED (VMT) means the number of miles traveled one-way by a motor vehicle for a worksite commute trip.
- ~~28~~36. VOLUNTEER means any person(s) at a worksite who, of their own free will, provides goods or services, without any financial gain.
- ~~29~~37. WORKSITE EMPLOYEE THRESHOLD means 250 employees employed at a single worksite for the prior consecutive six-month period calculated as a monthly

Rule 2202 Implementation Guidelines

average and 33 or more employees scheduled to report to work during the Peak Commute Window any one day during the prior consecutive 90 days

ATTACHMENT H

**RULE 2202 – ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS
EMPLOYEE COMMUTE REDUCTION PROGRAM GUIDELINES**

~~February 5, 2016~~ Proposed August 4, 2023s

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PREFACE

Implementation of an Employee Commute Reduction Program (ECRP) is strictly optional under Rule 2202 On-Road Motor Vehicle Mitigation Options (Rule 2202). This program is designed to reduce emissions from motor vehicles as a strategy to meet ambient air quality standards mandated by the Federal Clean Air Act. ~~As an indirect mobile source emission control strategy it~~ Rule 2202 is intended to reduce vehicle miles traveled and increase the ~~a~~Average ~~v~~Vehicle ~~Ridership~~ (AVR) of work-related trips at subject-regulated worksites.

Rule 2202 and the guidelines for the ECRP are consistent with the Health and Safety Code §40717 which establishes compliance requirements for California transportation performance standards.

This document has been prepared to assist employers in understanding the development and implementation requirements of the ECRP at their worksites. The ECRP focuses on reducing work related vehicle trips and vehicle miles traveled to a worksite with the purpose of achieving and maintaining the employers' designated AVR targets.

South Coast AQMD staff is available to answer questions and to provide assistance to employers who are developing and implementing ~~programs an~~ ECRP. It is recommended that ~~the~~ entire guidance document ~~should~~ be read in order to fully understand the program requirements. Direct any questions concerning these guidelines to the Transportation Programs Hotline at (909) 396-3271 or transportation@aqmd.gov.

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I. PROGRAM OVERVIEW

A. Introduction

Rule 2202 is designed to reduce mobile source emissions from employee commutes. The Rule provides employers with a menu of emission reduction strategies that can be implemented to meet the designated emission reduction target (ERT) for their worksite. As an alternative to meeting an ERT, Rule 2202 also allows employers the option to implement an Employee Commute Reduction Program (ECRP) ~~that meets the rule exemption requirements~~. The implementation of an ECRP is expected to lead to achievement and maintenance of the employer's designated average vehicle ridership (AVR) target, determined by the worksite's AVR Performance Zone pursuant to Rule 2202 (1)(3), through the reduction of work related vehicle trips.

B. Applicability

This program can be implemented by any employer that employs 250 or more employees at a worksite, on a full or part-time basis, calculated as a monthly average over the prior six consecutive months. Each monthly employee population for the prior consecutive six months is added and then divided by six to determine whether the employer's average employee population figure is 250 or more.

1. Program Notification

Employers with 250 or more employees upon becoming subject to Rule 2202 shall notify the South Coast AQMD in writing within 30 days and include the following information:

- a. Employer's name;
- b. Worksite and mailing address of the business;
- c. Name, title, phone number, and email address of the highest ranking official at the worksite;
- d. Name, title, phone number, and email address for a contact person at the worksite; and
- e. Number of employees at the worksite-; and,
- e.f. Business type/-classification

Once the employer has notified the South Coast AQMD, within 90 calendar days from that notification, the employer must submit an initial ECRP, if that compliance option is chosen.

Any employer that is subject to Rule 2202 but fails to notify the South Coast AQMD within 30 calendar days of becoming subject to the rule will be subject to the Failure to Notify Surcharge as set forth in Rule 308 – On-Road Motor Vehicle Mitigation Options Fees and may be subject to civil or criminal enforcement action (see Figure 1).

C. Types Of Employee Commute Reduction Programs

On the program due date, or within 90 calendar days of becoming subject to the Rule, an employer choosing to comply through this option must submit one of the following ECRP annual programs:

- a. A single-site employer must submit a single site ECRP.
- b. A multi-site employer may submit either a Multi-Site ECRP, separate single site programs, or a combination of multi-site and single site programs.

Rule 308 – Notification Requirements

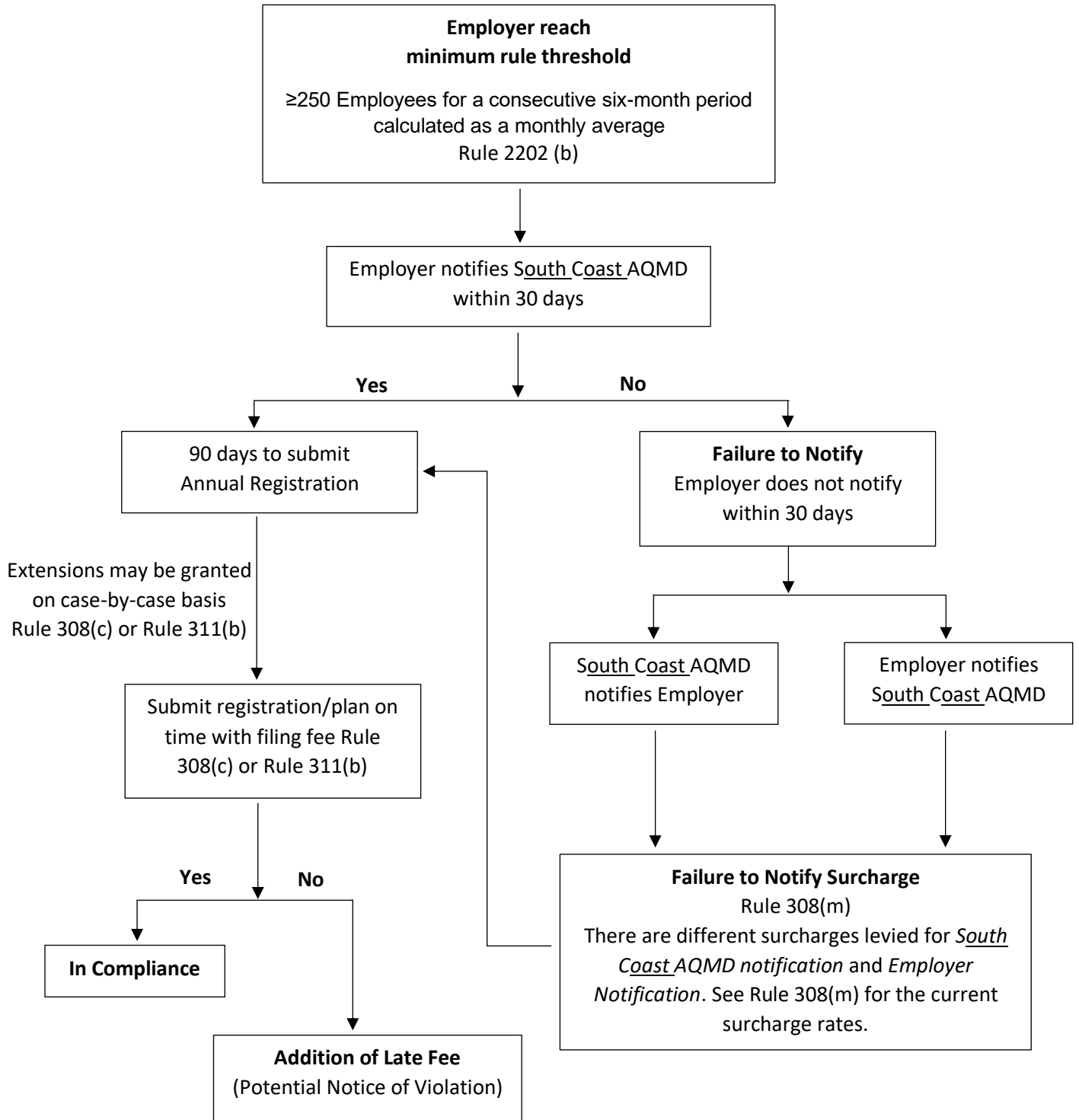


Figure 1. Rule 308 – Notification Flow Chart

D. Program Submittal Schedule

Employers must submit an annual ECRP by the established due date. The ECRP reports the AVR status for the current year and, when not achieving the target AVR, an implementation plan that will achieve or make progress toward the AVR target for the worksite. Worksites included in a Multi-Site program submittal must all have the same annual due date and be located within the same AVR Performance Zone. Annual due dates shall remain permanent unless modified by the Executive Officer or designee or a written request to change the due date is submitted by the employer and approved in writing by the South Coast AQMD.

E. Program Types

An ECRP that reports the results of an AVR data collection method and calculation, and/or a plan that the employer will implement to meet the AVR target, must be submitted to the South Coast AQMD by the program due date. ECRPs must be submitted in the format approved by South Coast AQMD and include the following elements:

1. Single Site Program

- a. A management commitment endorsed by the highest-ranking official at the worksite or the person responsible for allocating the resources necessary to implement the program. This endorsement shall include a commitment to fully implement the program and that all data in the program is accurate to the best of the employer's knowledge. The endorsement, commitment, and signature line can be found in the ECRP compliance forms;
- b. ~~The n~~Name of the Employee Transportation Coordinator (ETC), On-site Coordinator, and/or Consultant ETC;
- c. ~~The n~~Name of the worksite contact person, if different from the ETC;
- d. Effective September 1, 2024/January 1, 2025, business type/classification:
 - Worksite must designate the primary nature of work conducted at the worksite by selecting one option from the list provided by South Coast AQMD. The business type/classification options are:

<u>Business Type/Classification</u>	<u>NAICS codes</u>
<u>Utilities</u>	<u>22</u>
<u>Construction</u>	<u>23</u>
<u>Manufacturing</u>	<u>31-33</u>
<u>Wholesale Trade</u>	<u>42</u>
<u>Retail Trade</u>	<u>44-45</u>
<u>Transportation and Warehousing</u>	<u>48-49</u>
<u>Information</u>	<u>51</u>
<u>Finance and Insurance</u>	<u>52</u>
<u>Real Estate and Rental and Leasing</u>	<u>53</u>
<u>Professional, Scientific, and Technical Services</u>	<u>54</u>
<u>Management of Companies and Enterprises</u>	<u>55</u>

<u>Administrative and Support and Waste Management and Remediation Services</u>	<u>56</u>
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<u>Accommodation and Food Services</u>	<u>72</u>
<u>Public Administration/Government</u>	<u>92</u>
<u>Other (please specify):</u>	

~~d.~~e. The number of employees that begin work during a typical work week within the peak commute window;

~~f.~~ Effective ~~September 1, 2024~~January 1, 2025, information on telecommuting practices including, but not limited to:

- The total number of employees who are eligible to telecommute, the maximum number of days per week they are allowed to telecommute, the number of employees who are currently telecommuting, the average number of days per week that employees telecommute, if any telecommute incentives are offered, and if the employees teleworking schedules are permanent, temporary or a return to office date has been set. An employer may choose to submit this information for different categories of employees at their worksite if telecommuting practices vary among the categories.
- A formalized telecommuting policy does not need to be developed for Rule 2202 compliance reporting purposes.

~~g.~~ The AVR calculation and AVR data collection method;

~~h.~~ Effective ~~September 1, 2024~~January 1, 2025, the total VMT by employees assigned to the worksite;

- If an AVR survey is conducted, the total VMT will be reported on the employee AVR summary form
- ~~e.~~• If an AVR survey is not conducted, the worksite will report employee home zip codes in a format provided by South Coast AQMD. Zip codes shall be reported using anonymized employee data such that specific employee names or other identifying information is not included

~~f.~~i. Specific strategies as defined in ~~s~~Section II.F. Good Faith Effort Determination Elements, the employer will implement;

~~g.~~j. Emission credit offset calculations and the emission reduction credit amounts or the Air Quality Investment Program (AQIP) fee amount required to meet the worksite AVR target if the option in Rule 2202 (1)(3)(A) is selected; and,

~~h.~~k. Any applicable supporting documentation.

2 Multi-Site Program

In addition to submitting the elements described above for each worksite, employers submitting Multi-Site ECRPs shall submit a matrix that identifies specific strategies offered at each

individual worksite. Worksites can only be added to or removed from a multi-site program during the annual submittal or a program amendment submittal. New worksites may be added to a multi-site program provided the multi-site submittal is within the 90 calendar days specified for new worksites in section I.B. Applicability; otherwise new worksites shall remain as a single site program until the appropriate time to become part of the multi-site program.

Employers submitting Multi-Site ECRPs should consider the following:

- a. The option of aggregating AVR for worksite submittals located within the same AVR Performance Zone, as described in section II.D. Aggregating AVR for Multi-site Employers;
- b. In lieu of attaining the designated AVR at each employer worksite, surplus vehicle reductions from sites in the multi-site plan that exceed their designated AVR may be credited towards an employer's worksite that has not met the target AVR for those worksites located within the same AVR Performance Zone;
- c. Implementation of a Centralized Rideshare Service Center (CRSC) in lieu of having a trained ETC at each worksite in the multi-site plan;
- d. Designation of On-Site Coordinators for each worksite; and/or,
- e. The option of voluntarily including worksites with fewer than 250 worksite employees in the aggregated AVR and/or employees of other businesses located at the worksite not subject to the Rule.

3 High AVR Program

Any worksite submitting a High AVR Program, one that meets or exceeds the target AVR, is eligible for the reduced annual filing fees established in Rule 308 (c)(1)(A) and (c)(1)(B). To qualify, the following conditions must be met:

- a. The annual employee survey must be conducted and the resulting AVR calculation must meet or exceed the target AVR;
- b. It cannot be a first-time submittal resulting from a change of ownership as described in section IV.C. Change of Ownership unless the new owners submit a commitment letter which states they will continue to implement the previous owner's ECRP;
- c. The target AVR must be met only through the implementation of an ECRP and cannot be met using emission credits or AQIP fees; and,
- d. The employer submits an ECRP in the format approved by South Coast AQMD and includes the elements describe in section I.E. Program Types and Features, excluding the Good Faith Effort Determination Elements.

4 AVR Improvement Program

Any worksite submitting an ECRP that has an improvement of 0.05 or greater in the worksite AVR compared to the previous compliance year submittal, or demonstrates a minimum AVR increase of 0.01 per year when compared to the previous two compliance years is eligible for a 20% reduction of the annual filing fees established in Rule 308 (c)(2) and a reduced program submittal as described in paragraph f. below. To qualify, the following conditions must be met:

- a. The annual employee survey must be conducted and the resulting AVR calculation must have an AVR increase of 0.05 or greater when compared to the previous compliance year submittal or has an AVR increase of 0.01 per year when compared to the previous two compliance years;
- b. The worksite must have an approved ECRP for the compliance years that are used for the AVR comparison as described above;
- c. The program cannot be a first-time submittal resulting from a change of ownership as described in section IV.C. Change of Ownership unless the new owners submit a commitment letter which states they will continue to implement the previous owners ECRP;
- d. For multi-site programs, the aggregate AVR may be used to qualify for this reduction provided that a multi-site program with an aggregated AVR that is improved in comparison to the previous compliance year or previous two years;
- e. The AVR improvement must be only through the implementation of an ECRP and cannot be met by using emission credits or AQIP fees;
- f. The employer submits an ECRP in the format approved by South Coast AQMD and includes the elements described in section I.E. Program Types and Features, excluding the Good Faith Effort Determination Elements; and,
- g. The employer shall continue to implement the approved program strategies until the next program submittal that requires inclusion of strategies or submittal of a program amendment.

Examples of Qualifying and Non-Qualifying Submittals

If Employer A is submitting its ECRP in 2015 and has an AVR improvement of 0.01 every year when compared to the previous two years then it could submit an AVR Improvement Program. Employer B has an improvement of 0 .01 when compared to the previous year, but there was a decline in AVR when compared to the submittal two years ago, it would not be eligible. If employer C has an increase of 0.05 over the previous year submittal it would be eligible. When an employer has a different program submittal option, they cannot use any prior year for the AVR Improvement, as shown by Employer D. The AVR Improvement Program examples are summarized in Table 1 below.

Table 1. AVR Improvement Program Submittal Examples

Submittal Year AVR	2012	2013	2014	2015	AVR Improvement
Employer A	1.30	1.31	1.32	1.33	Yes
Employer B	1.30	1.31	1.30	1.31	No
Employer C	1.30	1.30	1.30	1.35	Yes
Employer D	1.29	1.30	AQIP submit	1.35	No

F. Program Administration

1. Program Submittal and Compliance

All employers who choose to implement an ECRP shall submit an annual program plan that will lead to the achievement and maintenance of the annual AVR target. Employers unable to increase their AVR or meet the annual AVR target must submit one of the options listed in section II.E. Annual AVR Performance Requirement.

2. Program Implementation

Employers shall implement their ECRP within 30 days of receipt of their written program approval. An alternative program implementation date may be used if included in the Program submittal that has been approved or if otherwise stated in the written program approval. Any ECRP previously approved by the South Coast AQMD will remain in effect until:

- a. A new program is approved;
- b. An approved alternative is used to comply with Rule 2202;
- c. The employer receives notification from South Coast AQMD that they are no longer subject to the Rule; or
- d. Rule 2202 is rescinded.

G. Record Retention Requirements

Employers must maintain records using the following criteria:

- a. The employer must keep detailed records of the documents which verify the AVR calculation for a minimum of three compliance years.
- b. Records which verify that all strategies in the ECRP have been marketed and offered shall be kept at the worksite for a minimum of three compliance years. Examples of records include but are not limited to: AVR calculation data; employee surveys; marketing materials; meeting agendas; proof of incentive purchases and distributions; and/or, plug-in hybrid electric vehicle (PHEV) type and home to work trip distances for the zero emission AVR credit.
- c. Employers who have a qualifying AVR Improvement Program shall keep all records at the worksite, records as specified in paragraph b above, of the most recently approved ECRP which describes the good faith effort determination elements. This may require maintaining records longer than the minimum three compliance years as specified in paragraphs a and b above.
- d. Employers who implement their programs using a Centralized Rideshare Service Center (CRSC) as described in section III.C., shall maintain records and documents at the CRSC, unless, upon written approval by the Executive Officer or designee, other record retention arrangements have been made.
- e. Records may be maintained electronically provided that the materials can be viewed by commonly available software.

H. Compliance

Failure to comply with any provisions of this Rule or this ECRP Guideline document is a violation of Rule 2202 and is subject to the penalties outlined in the Health and Safety Code §42400 et seq. Examples of violations include, but are not limited to:

- a. Failure to maintain records as described in section G. Record Retention Requirements;
- b. Falsification of records;
- c. Failure to submit an annual program;
- d. Failure to submit proper fees in accordance with the provisions of Rule 308 - On-Road Motor Vehicle Mitigation Options Fees, Rule 311 - Air Quality Investment Program (AQIP) Fees, and Rule 313 - Authority to Adjust Fees and Due Dates;
- e. Failure to submit a management commitment verifying implementation of the program as approved by the South Coast AQMD, and/or;
- f. Failure to implement components of an approved annual program.

The South Coast AQMD will not impose any ECRP requirements that are not a part of Rule 2202, the ECRP Guidelines, Rule 308, Rule 311, or Rule 313, and will only request information to determine compliance with these rules.

If a final determination that an element of an approved ECRP violates any provision of law is issued by any agency or court with jurisdiction to make such determination, then the employer shall, within 45 calendar days, submit a proposed program revision to the South Coast AQMD which shall be designed to achieve an AVR equivalent to the previously approved program.

II. PROGRAM IMPLEMENTATION

A. Program Review

The South Coast AQMD staff will review ECRPs using the following criteria:

- a. ECRPs will be approved provided the program complies with all requirements of Rule 2202, the ECRP Guidelines, Rule 308 - On-Road Motor Vehicle Mitigation Options Fees, Rule 311 - Air Quality Investment Program (AQIP) Fees, and Rule 313 - Authority to Adjust Fees and Due Dates;
- b. Employer continues to demonstrate a good faith effort towards achieving the target AVR or has made appropriate changes/additions to the strategies when AVRs have declined or remained consistently low. Program submittals which fail to show an overall improvement in AVR from the previously submitted ECRP and do not provide revisions or additions to the strategy section are not considered to be a good faith effort on the part of the employer and may not be approved as submitted;
- c. Within 90 calendar days of receipt of the program submittal, the South Coast AQMD will in writing, approve, preliminarily disapprove the program, or request up to 30 additional days to review the program, indicating to the employer the reasons for requiring additional review time;
- d. If a program is not approved or disapproved within 90 calendar days, or if the South Coast AQMD has not requested additional review time, the program shall be deemed approved;
- e. After the employer submits an ECRP, the South Coast AQMD will contact the employer to provide an opportunity to discuss any program inadequacies; and,
- f. If these inadequacies are not addressed, the South Coast AQMD will preliminarily disapprove the ECRP and provide in writing the reasons for the preliminary disapproval;
 1. Any ECRP preliminarily disapproval by the South Coast AQMD must be revised by the employer and resubmitted within 30 calendar days of receipt of the notice of the preliminary disapproval;
 2. The South Coast AQMD has 90 calendar days to approve or issue a final disapproval of the resubmitted ECRP;
 3. If a notice of final disapproval is given, the employer will be in violation of Rule 2202 until a revised ECRP is submitted and approved by the South Coast AQMD or a successful appeal is taken, in accordance with Rule 216 – Appeals, to the Hearing Board.

B. Calculating AVR

1. Employee Categories

Employees that do not begin work at least one day during the 6:00 a.m. - 10:00 a.m. peak commute window are not included in the peak AVR calculation. Employees that are classified in the “Other Days Off” category are included in the AVR calculation if they begin work in the

window at least one day during the survey week. The net effect of “Other Days Off” on the AVR calculation will be neutral. Employees in this category include, but are not limited to, the following:

- employees on vacation, sick, or furlough;
- employees on per-diem or on-call that do not meet the definition of field personnel;
- employees on jury duty, military duty;
- employees who begin work outside the window provided they begin in the window at least one other day during the week;
- employees not scheduled to work that day;
- employees that are home dispatched;
- employees on maternity leave;
- employees on bereavement leave; and/or,
- employees on medical /disability leave.

The following employee categories, as defined in the Glossary, are not considered for rule applicability or in calculating AVR:

- temporary employees;
- seasonal employees; • volunteers;
- field personnel;
- field construction workers; and/or,
- independent contractors.

2 Police, Sheriff, and Federal Field Agents

Police, Sheriff, and Federal Field Agents, as defined in the Glossary, are included for rule applicability but are not required to be included in the 6:00 a.m. - 10:00 a.m. peak window survey or included in the AVR calculation. It is the discretion of the employer whether to include them in the window count. Surveying only part of this group is not acceptable. Those worksites electing to exclude such employees from the AVR survey and calculation must provide the basic ridesharing support strategies including, but not limited to, ride matching and transit information for all employees as well as preferential parking and guaranteed return trips for employees who are ridesharing. Employees who perform non-field work or non- investigative functions are required to be included in the peak window survey and included in the AVR calculation. Examples of Federal Field Agents include, but are not limited to, field employees of the Federal Bureau of Investigation (FBI), Customs and Border Protection or US Coast Guard.

3 Telecommute Employees

Telecommuting occurs when an employee works from home, off site, a satellite office, or a Telecommuting center which eliminates a trip to the worksite or reduces the commute travel distance by more than 50%. Telecommute employees are included in the employee count for rule applicability and are required to be included in the number of employees within the peak window.

Telecommute employees include employees who telecommute on a full time or hybrid schedule. Additionally, telecommuting employees include remote employees who are assigned to the regulated worksite, however, primarily live and work at locations outside of the South Coast AQMD, and physically commute to the regulated worksite less than five days a year.

Employers are required to report information on telecommute practices on a compliance form as part of their annual registration submittal. This information will include the information outlined in Section (IV)(B)(vii) above. The reported information must be validated using Human Resources (HR)/Payroll records including a HR/Payroll representative/ETC signature with the annual submittal to validate telecommute activity.

If a worksite is conducting an AVR survey, they may report total daily telecommute trips on the AVR summary form. Total daily telecommute employee trips may be reported even if not all telecommute employees respond to the AVR survey if the telecommute employees can be validated based on HR/Payroll records. For an employee on a hybrid schedule that does not respond to the AVR survey, the ETC will mark the commute mode as “no response” for the days that the employee physically reported to the worksite and telecommute for the days that they did not physically report to the office. This ensures that the worksite will receive full credit for the total number of commute trips reduced by telecommuting.

Worksites may only use the number of telecommuters in their annual plan submittal as described above if the telecommute employee number can be validated.

4 Furloughed Employees

Furloughed employees are employees that are under a temporary, unpaid leave of absence or reduction in hours.

Furloughed employees shall be included in the employee count for rule applicability but are not required to be included in the number of employees in the peak window and may be excluded from the AVR survey.

35 AVR Adjustments

- a. Carpools are counted as 2-6 people traveling together for 51% of the total trip distance. The credit is given by dividing the total weekly number of occupants in the vehicle by the maximum occupancy in the vehicle.
- b. Vanpools are counted as 7-15 people traveling together for 51% of the total trip distance. The credit is given by dividing the total weekly number of occupants in the vehicle by the maximum occupancy in the vehicle.
- c. Employees walking, bicycling, telecommuting, using public transit, using a zero emissions vehicle (ZEV) or other vehicles as approved by the Executive Officer or designee, or on their day off under a compressed work week, should be counted as employees arriving at the worksite with no vehicle.
 - i. Carpool occupants of a ZEV may be counted as arriving at the worksite with no vehicle by marking the zero emission option on the AVR survey.

- ii. Employees arriving to work in a plug-in hybrid electric vehicle (PHEV) can be considered to be using a ZEV provided that the entire home-to-work trip is made exclusively under electric power without use of the gasoline engine or cogeneration system.
 - iii. None of the employee ZEVs can be included in the AVR calculation if the employer has implemented a ZEV charging program that will result in the generation of emission reduction credits pursuant to Rule 2202 (f)(6) or other approved South Coast AQMD emission credit programs.
- d. Compressed Work Week (CWW) credit will only be granted when all days worked and all CWW days off fall within the established AVR survey period. Employers may develop alternatives to the recognized compressed work week schedules of 3/36, 4/40, and 9/80 upon written approval by the South Coast AQMD. The proposed alternative must ensure that the resulting trip reductions are real, surplus, quantifiable, and enforceable. The types of CWW day(s) off must be clearly indicated on the AVR survey as follows:
- i. 3/36 - 3 days work, 12 hours per day, 2 days off during the survey week;
 - ii. 4/40 - 4 days work, 10 hours per day, 1 day off during the survey week; or
 - iii. 9/80 - 9 days work, 80 hours per two weeks, 1 day off in a 2 week period during the survey.

If a person on a 3/36 scheduled work week works a 4-th day during the established surveyed work week, an employer may only take credit for one (1) CWW day off since an additional commute trip occurred during the survey period.

- e. Non-commuting AVR credit is allowed for employees who remain at the worksite (if in the South Coast AQMD's jurisdiction), or entirely out of the South Coast AQMD's jurisdiction, for at least a full 24-hour period, to complete work assignments, and who generate no vehicle trips during the AVR window associated with arriving at the worksite. Non-commuting AVR credit is calculated as arriving at the worksite with no vehicle. Examples of employees who may be considered to be in this category are firemen, airline pilots, or flight attendants.
- f. AVR credit for all employees leaving the worksite, during the window, may be calculated and averaged with employees arriving at the worksite during the window to obtain an aggregate AVR. However, if off-peak credits are used in the AVR calculation this credit cannot be used.
- g. Off-Peak Credits - Employers may receive additional credits from employee trip reductions that occur outside of the peak window. An AVR survey or an alternative approved data collection method is required to obtain this data. This AVR survey cannot be older than 6 months at the time of program submittal. This credit may be calculated as follows:

$$AVR = \frac{E}{V - [CCVR \div 2.3]}$$

Where:

E = Total number of weekly window employees in the peak window.

- V = Total number of weekly window vehicle trips in the peak window.
- CCVR = Creditable commute vehicle reductions that occur outside of the peak window.
- 2.3 = Discount factor.

- h. Non-Regulated Worksite Credits - Employers may voluntarily include worksites with less than 250 employees as described in section II.D. Aggregating AVR for Multi-site Employers and/or employees of other businesses located at the worksite not subject to the Rule.
- i. Reduced Staffing - Employers may receive additional trip reduction credits, that have been discounted, from reduced staffing that occurs during events that are longer than five consecutive work days, such as school recesses/breaks, inventory, or temporary facility closures, as approved by South Coast AQMD. A separate AVR survey is required to obtain this data. This AVR survey cannot be older than 12 months old at the time of program submittal. This credit is not allowed for staff reductions resulting from actions such as layoffs, relocations, transfers, facility closures or temporary closures that are part of regularly schedule facility vacations. This credit may be calculated as follows:

$$AVR = \frac{E \times T}{[Vn \times Tn] + [Vr \times Tr \times 1.15]}$$

Where:

- E = Total number of weekly window employees during the regular operating schedule
- T= Total number of annual operating workdays for the worksite, which is the sum of Tn and Tr. For example, the default value is 260 days for employers with a 5 day work schedule, and a default value of 365 days for a 7 day work schedule.
- Vn= Total number of weekly window vehicle trips during the regular operating schedule.
- Tn= Total number of regularly scheduled operating days for the worksite.
- Vr= Total number of weekly window vehicle trips that occur during the reduced staffing schedule.
- Tr= Total number of reduced staffing schedule days.
- 1.15= Discount factor.

- j. Employees that begin work during the window and do not respond to the survey must be calculated as one employee per vehicle arriving at the worksite.
- k. Drive alones count as one person per vehicle arriving at the worksite.
- l. Reporting errors resulting from missing or incorrect information must be calculated as one employee per vehicle arriving at the worksite. Reporting errors that do not indicate the time when the employee begins work must be assumed to occur in the peak window.

C. AVR Data Collection Methods

Each employer must collect AVR data by one of the following applicable methods:

1. AVR Survey

Employers must conduct an AVR survey approved by the South Coast AQMD. The survey should be taken over five consecutive workdays, Monday through Friday, and identify the transportation modes that employees used to travel to the worksite and begin work during the 6:00 a.m. - 10:00 a.m. window, each day during the survey week. The AVR survey data must be available and traceable to an individual employee. This may be through employee identification numbers, employee signature, or a pre-approved electronic identifier specific to each employee. The surveys shall be distributed at the end of or following the planned survey week so that the survey responses will represent actual commute activity. A South Coast AQMD approved employee survey form can be found in the ECRP forms.

a. AVR Survey Parameters

The AVR survey data cannot be more than six months old at the time of program submittal. The six month period begins on the final day of the survey period. The response rate to the survey must be at least 60 percent of those employees who begin work during the window. The remaining non-responses over 60 percent to 100 percent shall be treated as single occupant vehicle commuters, however, if an employer achieves a 90 percent response rate or higher, the remaining non-response percentage can be reported in the “Other Days Off” category. The net effect on the AVR calculation will be neutral. The AVR survey must be conducted during a typical work week. The weeks to be specifically excluded from the AVR survey week are the weeks including the following dates:

New Year’s Day	January	1
Martin Luther King Jr. Birthday	January	(Third Monday)
Presidents Day	February	(Third Monday)
Memorial Day	May	(Last Monday)
<u>Juneteenth</u>	<u>June</u>	<u>19</u>
Independence Day	July	4
Labor Day	September	(First Monday)
California Rideshare Week	October	(First Week)
Veteran's Day	November	11
Thanksgiving Day	November	(Fourth Thursday)
Christmas Day	December	25

AVR surveys shall not be conducted during these weeks even if the employer does not observe these holidays or is open for business. Nor shall employers conduct an AVR survey during a week in which they observe a holiday not listed above.

The days these holidays are observed may vary from year to year; therefore, it will be the responsibility of the employer to obtain these specific holiday dates to ensure exclusion of these weeks from their AVR survey week.

b. Window Period for AVR Calculation

The employer must calculate the AVR based on the 6:00 a.m. - 10:00 a.m., Monday through Friday window except for businesses operating seven days a week. The AVR window for

businesses operating seven days a week is 6:00 a.m. - 10:00 a.m. and the AVR reporting period is the five consecutive days, of the seven operating days, when the majority of the employees are scheduled to begin work. Businesses operating seven days a week may survey over a seven-day period so that for purposes of AVR reporting, they will account for individual employees over that portion of their five-day work week that falls within the five consecutive days.

The employer may use an alternative window or week upon writing the South Coast AQMD and receiving written approval. The alternative window must be a consecutive four-hour period between 4:00 a.m. and 11:00 a.m. and a consecutive five-day period of the seven-day week when the majority of their employees are scheduled to report to the worksite in the peak window. Consequently, the reporting period must be the same five consecutive days for all employees included in the AVR calculation.

c. AVR Calculation

The AVR calculation is based on data obtained from an approved South Coast AQMD survey method, random sampling, or recordkeeping, and shall include all employees who begin work in the 6:00 a.m. - 10:00 a.m. window.

The AVR is calculated by dividing the number of employees who report to the worksite, by the number of vehicles that arrive at the worksite, during the five-day window period. The AVR figure should be rounded off to the second decimal place. For example: 1.4576 becomes 1.46 AVR.

2 Random Sampling

Employers with a minimum of 400 employees reporting to the worksite during the peak window, have the option of determining AVR by a random sample method. The random sample method and sample size must receive written approval from the South Coast AQMD prior to administration of the survey. The random sample method shall comply with all of the following criteria:

- a. Members of the sample must be selected on a probability basis (random selection) that assures that each population member is given an equal chance of selection;
- b. All employees reporting in the window for calculating AVR must be considered as the relevant population from which the sample is drawn;
- c. The sample must measure all potential commute modes for employees arriving at the worksite during the window and shall account for all employees not arriving at the worksite during the window due to compressed workweek day off, vacation, sick leave, furlough day, or other (e.g., maternity leave, bereavement leave, etc.);
- d. Any employees designated for the random sample that do not respond to the survey are counted as solo drivers;
- e. At least 60 percent survey response rate must be achieved;
- f. Data from the last three compliance years shall be kept at the worksite and available for inspection;

- g. Any data submitted via electronic media must be compatible with South Coast AQMD's software;
- h. The random sample survey must be taken not more than six months prior to submittal of the Annual Program, with the six-month period beginning on the last day of the survey week; and,
- i. The random sample method must be re-certified 60 calendar days prior to the program due date, only when the employer proposes to modify its approved certification method or upon amendments to Rule 2202 or guidelines that changes AVR data collection, calculations or methodologies.

3 Alternative AVR Data Collection

Employers have the option of selecting an alternative AVR data collection method for calculating the worksite AVR. Alternative AVR data collection methods must be certified by the South Coast AQMD prior to use, in accordance with the ECRP guidelines and the following criteria:

- a. Employers, vendors, consultants, or other entities requesting certification for alternative AVR data collection methods must request certification at least 60 calendar days prior to the annual ECRP due date;
- b. Data must be gathered from all employees who begin work during the window;
- c. The response rate to the data collection method must be at least 60 percent of those employees who begin work during the peak window. The remaining non-responses over 60 percent to 89 percent shall be treated as single occupant vehicle commuters. However, if an employer achieves a 90 percent response rate or higher, the remaining non-response percentage can be reported in the "Other Days Off" category in the AVR calculation;
- d. The data collected must reflect the daily commuting activity of employees and their modes of travel that occur during each month or quarter of the program cycle;
- e. Quarterly or monthly AVR must be calculated separately, and must be aggregated to determine the yearly AVR calculation;
- f. Data from the last three compliance years shall be kept at the worksite and be made available upon request;
- g. The following data must be available, and traceable to individual employee records: travel mode for each day data is collected; any data that is specified in section II.C. AVR Data Collection Methods; and, employee ID number or other individual identification;
- h. Any data submitted via electronic media must be compatible with the South Coast AQMD's software;
- i. The data used for the AVR calculations cannot be more than six months old, with the six month period beginning on the last day of the survey week; and,
- j. The alternative AVR data collection method shall be re-certified 60 calendar days prior to each program due date, when the employer proposes to modify its approved method or upon amendments to Rule 2202 or guidelines that changes AVR data collection, calculations or methodologies.

D. Aggregating AVR for Multi-site Employers (Optional)

Employers that submit a multi-site plan may choose to aggregate the AVR data for all of the regulated worksites in that ECRP. For worksites that belong to the multi-site employer, the aggregate AVR is the total number of window employees divided by the total number of vehicle trips for all the worksites in the multi-site plan. All worksites that are to be included in the aggregate AVR calculation must be within the same AVR Performance Zone.

Aggregate AVR can be obtained in three steps. First, the number of peak window employees used in calculating each worksite AVR must be added. This sum will yield the total number of window employees for all worksites. Second, the number of vehicle trips used in calculating each worksite AVR must be added. This total will yield the total number of vehicle trips for all worksites. Finally, the total number of employees must be divided by the total number of vehicle trips to obtain the combined AVR for all worksites. This calculation will then yield the aggregate AVR for the multi-site employer.

Example:

$$\text{AVR} = \frac{\text{Window employees for site 1} + \text{window employees for site 2} \dots}{\text{Vehicle trips for site 1} + \text{vehicle trips for site 2} \dots}$$

Employers submitting multi-site programs may also voluntarily include worksites with fewer than 250 worksite employees in the aggregated AVR and/or employees of other businesses located at the worksite not subject to the Rule. In order to do so, all provisions of the AVR Data Collection section must be met, and the employer must demonstrate that an AVR baseline calculation has been established. Employers at non-regulated worksites are not required to implement other ECRP elements, such as having an on-site ETC or offering employer incentives and good faith effort determination elements. Employers voluntarily including worksites that have less than 250 worksite employees, must provide a letter of declaration signed by an official authorized to contract on behalf of and/or legally bind the employer which declares the following:

- a. The employer is voluntarily agreeing to subject itself to the authority and requirements of Rule 2202 for the worksites which currently have fewer than 250 employees, and that they are doing so freely and wholly voluntarily without any duress on behalf of the South Coast AQMD;
- b. The employer waives its right to challenge the applicability of Rule 2202 to any and all included sites within the South Coast AQMD should enforcement action be taken against the employer; and,
- c. The employer is receiving a benefit from agreeing in that they are being allowed to claim vehicle trip credit toward their aggregate AVR.

E. Annual AVR Performance Requirement

Employers shall submit an ECRP and demonstrate that they have met the annual average vehicle ridership target for the AVR Performance Zone in which the worksite is located. Employers

unable to meet the annual AVR target and are not submitting a High AVR or AVR Improvement plan must submit:

- a. An ECRP Offset annual plan where the difference between the worksite AVR and the target AVR Performance Zone is offset through participation in the Air Quality Investment Program (AQIP) or implementation of Emission Reduction Strategies (ERS) in accordance with the provisions of Rule 2202; or
- b. An ECRP annual plan that includes the requirements described in section II.F. Good Faith Effort Determination Elements subject to the following conditions:
 - i. Unless otherwise stated, the good faith determination elements must be implemented such that they are reasonably likely to improve a worksite AVR by at least 0.01 annually. Employers must continue to demonstrate a good faith effort toward achieving the AVR target.
 - ii. If a worksite AVR decreases, remains the same, or does not improve from the previously submitted ECRP, the selection of strategies must be modified, the number of strategies increased, or an ECRP offset, AQIP, or ERS be implemented.
 - iii. Employers shall implement all currently approved good faith effort plan strategies until a new ECRP is approved.
 - iv. Employers may choose to implement programs or strategies offered by third party service providers (e.g., County Transportation Commissions, TMA/TMO, contracted services). If any plan strategy offered by a third party service provider is discontinued, the employer shall continue to implement the discontinued strategy or amend the plan.
 - v. Deletion or substitution of any plan strategies is not allowed unless approved by the Executive Officer or designee in writing.

A flow chart that identifies the good faith effort determination elements and the various rule options that employers may use to comply with the Rule requirements is shown in Figure 2.

F. Vehicle Miles Traveled (VMT) Reporting

Vehicle Miles Traveled (VMT) is the number of miles traveled one-way by an employee during their commute trip to the worksite. VMT for an employee is determined based on the distance (in miles) from the employee's home to the worksite. Total VMT is the total number of miles traveled by all employees based on their commute distance to the worksite and is required to be reported on the annual compliance submittal.

Worksites will collect VMT data through the AVR survey. All survey participants will report miles traveled one-way from home to the worksite. The number of miles traveled will be reported once per survey taker and will apply to all five days of the survey period. For each individual employee, the number of miles from home to worksite will be used to calculate the miles traveled per commute mode. Individual employee survey VMT information will be combined and summarized on the AVR survey summary.

Employers will report VMT data per commute mode by summing the miles traveled of daily employee trips for each commute mode type. Employers will submit the AVR summary with VMT data. Total VMT will not impact AVR or the measured success of the program.

F.G. Good Faith Effort Determination Elements

Employers submitting an ECRP who have not attained their target AVR, and are not submitting a High AVR or AVR Improvement Program plan, shall demonstrate that the elements for the required strategies in each of the three (3) listed categories are implemented. Descriptions of each element can be found in section V. Employee Commute Reduction Strategies.

1. Marketing Strategies. Must include at least five (5) of the following strategies:
 - a. Attendance at a marketing class,
 - b. Direct communication by the highest ranking official,
 - c. Employer newsletter, flyer, announcements, memos or letters
 - d. Employer rideshare events, New hire orientation,
 - e. Rideshare bulletin boards, Rideshare website,
 - f. Rideshare meetings or focus group(s), or
 - g. Other marketing strategies that have been approved by the South Coast AQMD.
2. Basic Support Strategies. Must include at least five (5) of the following strategies:
 - a. Car Sharing Services,
 - ~~a.~~b. Commuter Choice Programs,
 - ~~b.~~c. Flex time schedules,
 - d. Guaranteed return trip,
 - ~~c.~~e. Mobility Hub Services,
 - ~~d.~~f. Personalized commute assistance,
 - ~~e.~~g. Preferential parking for ridesharers,
 - ~~f.~~h. Ride matching services,
 - i. Transit information center, or
 - j. Transportation Management Association (TMA)/Transportation Management Organization (TMO) Services,
 - k. Voluntary Worksite Transfer,
 - ~~g.~~l. Zero Emissions Vehicle (ZEV) charging and fueling infrastructure, or
 - ~~h.~~m. Other basic support strategies that have been approved by the South Coast AQMD.
3. Direct Strategies. Must include at least five (5) of the following strategies:
 - ~~a. Auto Services~~
 - ~~b.~~a. Bicycle/scooter program,
 - ~~c.~~b. Compressed work week schedules,
 - ~~d.~~c. Direct financial awards,
 - ~~e.~~d. Discounted or free meals,
 - ~~f.~~e. Employee clean vehicle purchase program,
 - ~~g.~~f. Gift certificates,
 - ~~h.~~g. Off-peak rideshare program,

- ~~i~~.h. Parking charge or subsidy program,
- ~~j~~.i. Parking cash-out/parking management (voluntary)
- ~~k~~.j. Points program,
- ~~l~~.k. Prize drawings,
- ~~m~~.l. _____ Startup incentive,
- ~~n~~.m. _____ Telecommuting,
- ~~o~~.n. Time off with pay,
- ~~p~~.o. Transit subsidy,
- ~~q~~.p. Vanpool program, or
- ~~r~~.q. Other direct strategies that have been approved by the South Coast AQMD.

Rule 2202 Requirements

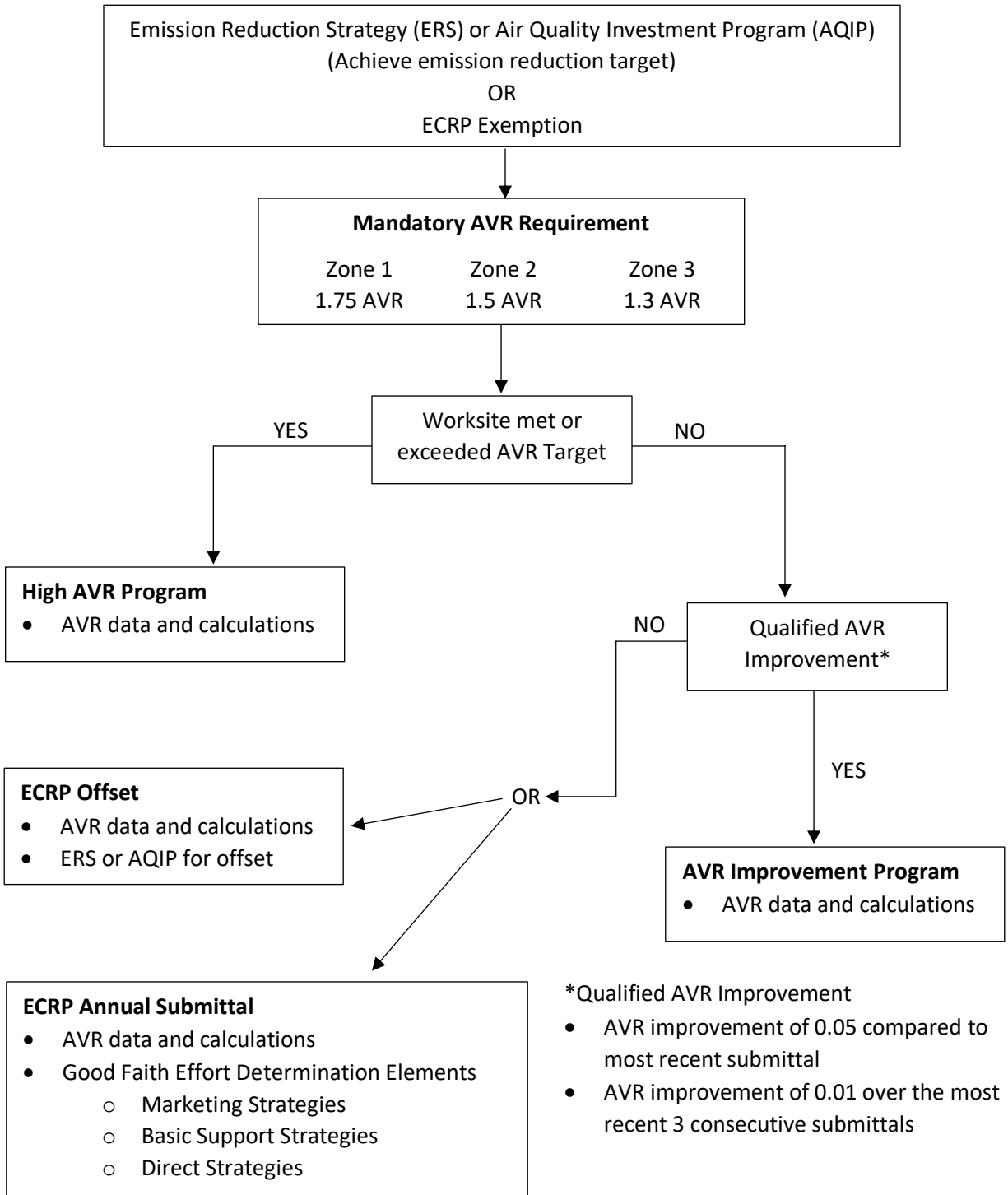


Figure 2. Rule 2202 Requirements – Compliance Flow Chart

III. ADMINISTRATION OF THE ECRP

A. Employee Transportation Coordinators

Employers must designate an employee to serve as an Employee Transportation Coordinator (ETC) for each worksite with 250 or more employees or per Multi-Site program that conducts an AVR survey, effective January 1, 2025. This person must successfully complete an South Coast AQMD ETC certification course.

This training provides the individual with the necessary information to conduct the survey process, prepare and implement the program, market the program and track the program results.

Employers submitting a multi-site program may designate an ETC at one worksite and designate On-Site Coordinators for all other worksites. The On-Site Coordinator is a person designated and instructed by the employer to have knowledge of the employer's ECRP and marketing methods. The On-Site Coordinator is accountable for program implementation rather than plan development. The ETC or the On-site Coordinator must be at the worksite and available during normal business hours when the majority of employees are at the worksite.

In the event of an absence of a trained ETC, Consultant ETC, or On-site Coordinator, exceeding eight consecutive weeks, a replacement must be designated and trained. The South Coast AQMD must be notified of this change in writing by the employer within 12 weeks after the beginning of the absence.

B. Consultant Employee Transportation Coordinator

An employer may use a Consultant ETC in lieu of an ETC, provided the Consultant ETC meets the definition of an ETC and the same minimum certification requirements as the ETC. A Transportation Management Association/Transportation Management Organization (TMA/TMO) may be considered a Consultant ETC provided its staff, acting in this capacity, meets the same certification requirements as the ETC. As an alternative to having a Consultant ETC available during normal business hours, the employer shall designate an On-Site Coordinator for each worksite.

C. Centralized Rideshare Service Center

The Centralized Rideshare Service Center (CRSC) may be used by employers submitting a Multi-Site ECRP to provide equivalent services in lieu of having a certified ETC at each worksite. Employers must have written approval from the South Coast AQMD prior to implementing a CRSC. The request for approval must include information describing the CRSC in detail and show how it will provide equivalent ETC services to the specific worksite(s).

The request for implementing a CRSC must have the following elements:

- a. Identification of the CRSC location;
- b. Description of the process of employee access to rideshare information and services, including an explanation of how it will provide services equivalent to having an ETC at each worksite;

- c. Description of how each worksite will market, implement and maintain records in a manner equivalent to having an ETC or On-Site Coordinator at the worksite;
- d. Explanations of the ETC availability and accessibility to employees affected by the program; and,
- e. Assurance that copies of all relevant supporting program materials is maintained at the CRSC, unless, upon written approval, other record retention arrangements have been made. Program materials include, but are not limited to, all marketing materials, flyers, brochures, pamphlets, schedules, and copies of the most recently approved Multi-Site ECRPs.

South Coast AQMD staff will review each request on a case by case basis to determine whether the CRSC meets the following criteria:

- a. Identifies the CRSC facility location and demonstrates availability and accessibility to the ETC by all employees;
- b. Demonstrates that the Multi-Site ECRP is adequately marketed and implemented at all included worksites; and,
- c. Ensures that all other sites in the Multi-site program submittal have identified a worksite contact person who:
 - i. Has knowledge of the employer's Multi-Site ECRP;
 - ii. Has knowledge of the employer's marketing methods; and,
 - iii. Is available to meet with South Coast AQMD compliance staff.

IV. SPECIAL PROCEDURES

A. Extensions

If an employer needs more time to submit a program to meet the requirements of these Guidelines and Rule 2202, additional time may be requested from the South Coast AQMD. An employer may request an extension to the program due date under the following:

- a. The request must be in writing, state the reason for the extension request, the length of time needed, and include the appropriate filing fee, as specified in Rule 308 (n) and Rule 313 (f)(4);
- b. All extension requests and fees must be received by the South Coast AQMD, no later than 15 calendar days prior to the program due date;
- c. Requests are considered on a case-by-case basis and shall include reasonable justification for the extension request, such as, but not limited to, organizational restructuring, or the unforeseen long-term absence of an ETC;
- d. An employer may request an extension to the program due date after the program has been disapproved for the first time. The request must be received within 15 calendar days of the receipt of the plan disapproval. The South Coast AQMD will inform the employer in writing within 15 calendar days of receipt of request, whether the extension has been granted;
- e. An employer may, upon receipt of a written objection to the terms of the proposed program by an employee, employee representative or employee organization; request a single extension of 30 calendar days. A copy of the written objection should be attached to the request. One such request shall be granted by the South Coast AQMD; no subsequent extension may be granted for this purpose; and,
- f. Any change in the permanent due date that results in additional time to submit a plan will be considered an extension of time and shall be subject to the extension filing fee, as specified in Rule 308 (n) and Rule 313 (f)(4).

B. Program Amendments

An approved ECRP may be amended between program submittal dates by submitting a proposed program amendment in writing to the South Coast AQMD along with the applicable fee. Any change to the implementation of an approved program requires written South Coast AQMD approval. The program amendment must include the following:

- a. Letter of explanation of proposed amendment signed by the highest ranking official;
- b. A copy of each affected strategy page from the last approved plan;
- c. A copy of each of the proposed replacement strategy pages; and,
- d. Applicable amendment fee as specified in Rule 308.

Employers proposing changes in strategies are encouraged to consider comparable ones that will continue making progress towards attaining the target AVR. *Section V. Employee Commute Reduction Strategies*, identifies a number of strategies that can be selected to substitute for those being changed. Any previously approved ECRP shall remain in effect until the amendment is

approved by South Coast AQMD in writing. South Coast AQMD will either approve or disapprove the amendment within 90 calendar days of receipt.

Amendment requests may be approved if the employer demonstrates to the satisfaction of the Executive Officer or designee that the new strategy will result in an AVR which is equal to or better than the strategy it is replacing.

The amendment fees shall not apply when the amendment consists solely of the addition of strategies to the program or improvements to the existing strategies of an approved program. Improvements to existing strategies may include, but are not limited to, increased meeting frequency or increases to subsidy amounts.

C. Change of Ownership

In the case of ownership mergers or change of ownership, the new owner must notify the South Coast AQMD of this change within 30 calendar days of the new ownership. The new employer, within 90 calendar days must submit a new ECRP or other compliance option to the South Coast AQMD which adheres to all provisions of Rule 2202 and Guidelines, or submit a letter which states they will continue to implement the program approved by the South Coast AQMD for the prior owner(s)

D. Relocation

Any employer relocating to a new worksite must notify the South Coast AQMD within 30 calendar days of the relocation. Relocations fall into two categories:

- a. Employers relocating within two miles of the previous worksite address may elect to continue to implement the most recently approved ECRP or the employer may elect to submit a new ECRP. The employer must inform South Coast AQMD of the preference in the notification of relocation letter.
- b. Employers relocating more than two miles from the previous worksite must submit a new ECRP within 90 calendar days of the relocation.

Worksite relocations that occur over time are subject to applicability requirements as described in section I.B. Applicability and Rule 2202 (b).

E. Declared Bankruptcy

An employer who has declared bankruptcy for the official business or governmental operations of its organization or employer through a judicial court filing and confirmation process may request the South Coast AQMD grant a temporary waiver from complying with the requirements of this Rule. Upon demonstration of the filing and confirmation of bankruptcy, the South Coast AQMD will grant an exemption for the duration of bankruptcy, not to exceed two years from the date of the waiver.

Employers shall submit an ERCP within 90 days of the bankruptcy waiver expiration unless they have submitted a written request for an exemption from the rule requirements pursuant to Rule 2202 (I)(1).

F. Declared State of Emergency

During a period of significant impairment of transportation systems associated with an event resulting in a local, state or federally declared state of emergency, the South Coast AQMD may approve programs or program amendments including strategies which decrease trips associated with any location in the South Coast AQMD, including locations other than a worksite included in the program. Such strategies may be included in any program and may be a substitution for measures contained in an approved program. In the event of substitution, the employer shall demonstrate that any decrease in AVR at a worksite subject to the program will be offset by trips reduced elsewhere in the South Coast AQMD.

G. Program Disapproval Appeals

The South Coast AQMD has 90 calendar days to review the resubmitted Annual Program submittal. If the employer believes that the program meets the requirements of Rule 2202 and the Guidelines, and that the program was improperly disapproved, the employer may appeal the disapproval to the South Coast AQMD Hearing Board in accordance with Rule 216 - Appeals. A petition for appeal of disapproval must be made within 30 calendar days after the employer receives the notice of disapproval.

H. Delay Program Review Request

If an employer, employee, employee representative or employee organization requests a delay in action of program review, the request must be in writing to the South Coast AQMD within 30 calendar days of program submittal and cannot delay the period of time to exceed the 90th day after submittal.

V. EMPLOYEE COMMUTE REDUCTION STRATEGIES

A. Commute Reduction Strategies

Below are the descriptions of the Good Faith Effort Determination Elements that employers can choose to implement. These strategies can be developed and implemented to meet the individual needs of employers in achieving the designated AVR target. Direct financial strategies are not required for program approval.

- ~~1. Auto Services – The employer provides auto services for employees participating in the commute reduction program. The employer must provide the type of service (e.g., oil changes, car washes, fuel, oil change, tune-up, repair certificate, etc), monetary value, frequency, eligibility, and minimum requirements to participate in the program.~~
- 2.1. Bicycle/Scooter Program - The employer provides eligible employees, who commute by bicycle/scooter, unique incentives and tools only available to bicyclists these employees and not offered elsewhere in the plan. Examples of incentives that can be included in a program are:
 - Bicycle/scooter matching/meetings;
 - Shoes, clothing, helmets, etc.;
 - Lockers, racks, etc.;
 - Bicycle/scooter repair services;
 - Tools or repair kits;
 - Discounts at local bicycle/scooter shops; or
 - Other bicycle/scooter related services.

The employer may also receive credit for implementing a Bicycle Program if the worksite participates in Bike-to-Work Month, or installs an electric bike/scooter sharing hub on worksite property.
2. Car Sharing Services – The employer implements a Car Sharing Service to enable rideshare participants to utilize vehicles (e.g. pool vehicles) from the worksite if necessary, because they used an alternative commute mode to arrive to the worksite.
3. Commuter Choice Programs - The employer provides a Commuter Choice tax benefits program, based on Section 132(f) of the federal tax code. This program allows employees to set aside pre-tax income for qualified commute modes. Section 132(f) covers transit, vanpool and bicycle benefits as well as qualified parking.
4. Compressed Work Week - A Compressed Work Week (CWW) schedule applies to employees who, as an alternative to completing the basic work requirements in five eighthour workdays in one week, or ten eight-hour days in two weeks, are scheduled in a manner which reduces trips to the worksite. Employers must indicate if the CWW is offered to all employees, or eligible employees and the total number of employees participating in each type of CWW schedule. It is recommended, but not required, that employers implementing this strategy have a formal written policy on CWW schedules.
5. Direct Communication - Direct communication by the employer’s highest ranking official at the worksite, to introduce and/or promote alternative commute modes, outline

- incentives and encourage participation in a rideshare program. This must occur, at a minimum, on an annual basis and may occur as electronic or written communication.
6. Direct Financial Awards - The employer, or other funding sources, provides eligible employees with cash subsidies for participation in the organization's commute reduction program. The employer must provide the monetary value of the award, frequency, eligibility, and minimum requirements to participate in the program.
 7. Discounted/Free Meals - The employer provides eligible employees with free or discounted meals for their participation in the commute reduction program. The employer must provide the monetary value of the award, frequency, eligibility, and minimum requirements to participate in the program.
 8. Employee Clean Vehicle Purchase/Lease Program - Encourage and offer incentives for employees who purchase or lease partial zero emission vehicles (PZEV), advance technology PZEV (AT-PZEV), or zero emission vehicles (ZEV) (e.g., credit union loan rate discounts, financial incentives).
 9. Employee Newsletter, Flyer, Announcements, Memos or Letters - A communication tool to introduce and/or promote alternative commute modes, outline incentives and encourage participation in a rideshare program that is updated and distributed, at a minimum, on a quarterly basis. If provided electronically, an update or notice must be sent to all employees of the communication's availability.
 10. Employee Rideshare Events - Employer sponsored events which promote rideshare opportunities that occur, at minimum, annually.
 11. Flex Time - The employer permits employees to adjust their work hours in order to accommodate public transit schedules or rideshare arrangements. Ideally, employers would have a formal written policy on Flex Time. Do not select this strategy unless flex time is linked to your rideshare program.
 12. Gift Certificates - The employer or other funding source provides eligible employees with gift certificates for participation in the commute reduction program. The employer must provide the certificate's monetary value, frequency, eligibility, and minimum requirements to participate in the program.
 13. Guaranteed Return Trip - The employer provides eligible employees with a return trip to the point of commute origin, when a need for the return trip arises. This need may be a personal emergency, an unplanned situation, or business-related activities (such as overtime). The employer needs to indicate if this service would be provided by employer vehicle, rental car, taxi, another employee, TMA/TMO, or other entities.
 14. Marketing Class - The ETC attends a marketing class within 12 months prior to plan submittal. Proof of attendance must be included along with the submittal. The marketing class may include, but is not limited to:
 - Development of a communication/marketing plan;
 - Development of marketing materials;
 - Development of presentation materials;
 - Use of existing programs (e.g., Rideshare Week, rideshare fairs, etc.); and,
 - Fundamentals of marketing (including promotion techniques and consumer behavior).

15. Mobility Hub Services - The employer establishes a rideshare service (e.g. shuttle, van, electric bike/scooter station, last mile service, etc.) from the Mobility Hub to the worksite to provide services that encourage employee use of alternative commute modes. The Mobility Hub shall be a publicly accessible hub where employees have access to shared means of transport.

~~15.16.~~ 16. New Hire Orientation – The employer provides newly hired employees an overview of alternative commute options and employer incentives to promote and encourage participation in a rideshare program.

~~16.17.~~ 17. Off Peak Rideshare Program - The employer may voluntarily expand their commute reduction program to include employees who commute outside of the peak window.

~~17.18.~~ 18. Other Strategy(ies) - The employer can provide many types of strategies designed to encourage solo commuters to participate in the employee commute reduction program under each strategy heading. ~~These strategies can include, but are not limited to, educational programs, use of clean fuel vehicles for commuting, employer vehicles for ridesharing, carsharing, mobility hub services, rideshare clubs, on-site amenities, electric vehicle infrastructure, voluntary worksite transfers, or the use of TMA/TMO services.~~ Employers who list more than one strategy may receive credit for each individual strategy.

~~18.19.~~ 19. Parking Charge/Subsidy - A parking fee is charged to employees who drive alone to the worksite and/or in exchange, employers may provide a subsidy to employees that can be used for the cost of alternative transportation modes. The employer must provide the monetary value of the charge/subsidy, frequency, eligibility, and minimum requirements to participate in the program. Employers who implement a Parking Charge/Subsidy strategy cannot claim credit as a Parking Cash-out program unless both are independent strategies.

~~19.20.~~ 20. Parking Cash-Out/Parking Management Strategies – The employer may voluntarily choose to offer a cash allowance to an employee, at a minimum equivalent to the parking value that the employer would otherwise pay to provide the employee with a parking space as described in the provisions of the Health and Safety Code §43845. Employers may select this strategy as a Good Faith Determination Element provided they are not legally obligated to implement this requirement.

~~20.21.~~ 21. Personalized Commute Assistance - The employer provides personalized assistance such as transit itineraries, carpool matching and personal follow-up to employees. Examples of ways an employer can provide this service to employees are:

- Organize carpool/vanpool formation meeting(s);
- Assist in identifying park and ride lots;
- Assist in identifying bicycle and pedestrian routes;
- Assist in providing personalized transit routes and schedule information; or
- Provide personalized follow-up assistance to maintain participation in the commute reduction program.

~~21.22.~~ 22. Points Program - Employees earn points for each day of participation in the employer's commute reduction program. Points are redeemed for such rewards as time

off, gift certificates, cash or merchandise. The employer must provide the monetary value of the points, frequency, eligibility, and minimum requirements to participate in the program.

~~22-23.~~ 23. 23. Preferential Parking for Ridesharers - The employer provides eligible employees with preferential parking spaces to park their vehicles. These spaces must be clearly posted or marked in a manner that identifies them for carpool or vanpool use only. The employer shall provide, at a minimum, the following information:

- Number of preferential parking spaces,
- Minimum number of persons per vehicle required to be eligible,
- Minimum number of days or percentage of ridesharing required to be eligible, and
- Method of vehicle identification (e.g., tags, stickers, or license plate number).

~~23-24.~~ 24. 24. Prize Drawings - The employer provides eligible employees, at a minimum, quarterly, with a chance to win prizes for participation in the commute reduction program. The employer must provide the monetary value of the prizes, frequency, eligibility, and minimum requirements to participate in the program.

~~24-25.~~ 25. 25. Rideshare Bulletin Board - A physical display with materials that encourage and promote rideshare participation, publicizes incentives and, provides information about the employer's rideshare program. The bulletin board should be in a location that would be most likely viewed by the majority of employees and must contain different information than the Transit Information Center. It may be necessary to have more than one bulletin board depending on the size of the worksite or employee population.

~~25-26.~~ 26. 26. Rideshare Matching Services – The employer provides, at a minimum, annually, rideshare matching services, zip code lists, or assistance in finding commute alternatives for all employees. The employer must indicate how and when employees are matched (e.g., during new hire orientation, as part of the employer's annual AVR survey, or on demand). The employer must also indicate how the service is provided to employees, such as:

- Employer based system;
- Regional commute management agency;
- TMA/TMO system;
- Zip code lists/maps; and/or
- Outside service (e.g., consulting services).

~~26-27.~~ 27. 27. Rideshare Meetings / Focus Groups - Meetings conducted with employees, at a minimum, semi-annually, to solicit input on commute behavior, incentives to rideshare, and to discuss ways to overcome the constraints to participating in alternative commute modes. These meetings may also be used to introduce employees who live in similar areas to foster the development of carpools and vanpools.

~~27-28.~~ 28. 28. Rideshare Website – An employer's website that is designed to act as a repository for information on the rideshare plan, that is updated, at a minimum, quarterly and is readily accessible to all employees. Employers may also implement other social marketing applications that are administered by the employer for the purposes of

encouraging site specific employee trip reductions. At a minimum, quarterly notices must be given to the employees about the availability of the web site.

~~29.~~ 29. Startup Incentives - Incentives designed to reward solo commuters for joining a carpool, vanpool, or other alternative commute modes, and are generally provided over a short period of time. The employer must provide the monetary value of the incentives, frequency, eligibility, duration, and minimum requirements to participate in the program.

~~28.~~30. Transportation Management Association (TMA)/Transportation Management Organization (TMO) Services – The employer utilizes services offered by a TMA/TMO to manage employee transportation needs and to provide accessibility to alternative commute modes.

~~29.~~31. Telecommuting - Telecommuting occurs when an Employee works from home, off site, at a satellite office, or at a Telecommuting center which reduces the commute travel distance by more than 50%. ~~means working at home, off-site, or at a telecommuting center for a full workday that eliminates the trip to work or reduces travel distance to the worksite by more than 51%.~~ Ideally, employers would have a formal written policy on telecommuting, however, one does not need to be developed for Rule 2202 compliance. Employers must state if telecommuting is offered to all employees or eligible employees/units, the total number of employees participating in the program, the number of days per week employee's work at home or at a satellite work center, if a formal written policy exists, and if any training/orientation sessions are held in support of the program.

~~30.~~32. Time Off With Pay - The employer provides eligible employees additional time off with pay for participation in the commute reduction program. The employer must provide the monetary value of the incentive, the amount of earned time off, frequency, eligibility, and minimum requirements to participate in the program.

~~31.~~33. Transit Information Center - The employer provides a transit information center that makes available general transit information and/or the on-site sale of public transit passes, tickets or tokens to the worksite employees. At a minimum, the information must be updated quarterly.

~~32.~~34. Transit Subsidy - Employers pay for all or part of the cost of commuting by local mass transit, commuter rail, train, or other public transit. The employer must provide the monetary value of the transit subsidy, frequency, eligibility, and minimum requirements to participate in the program.

~~33.~~35. Vanpool Program - The employer provides eligible employees with a vanpool program designed to encourage the use of existing vanpools or the development of new vanpools. The employers must provide:

- Total number of vans participating in the program;
- If the vans are employer owned or leased vans;
- If the vans are third-party owned or leased vans;
- If the vans are employee owned or leased vans;
- Amount and type of subsidies provided for insurance;
- Amount and type of subsidies for fuel and/or maintenance;

- If empty seats are subsidized, and value and length of time this subsidy is offered; and,
- Any other benefit unique to vanpoolers that is not duplicated elsewhere in the ECRP submittal.

36. Voluntary Worksite Transfers – The employer allows eligible employees to transfer worksites to the worksite location that is located closer to the employee’s home.

- 37. Zero Emissions Vehicle Charging and Fueling Infrastructure – The employer installs charging or hydrogen fueling stations at the worksite. If implemented, the worksite will report the number of charging/fueling stations, the total number of charging/fueling ports, and other related information such as daily fueling capacity. When including EV infrastructure, it must meet the criteria noted on the South Coast AQMD’s Electric Vehicle Charging Station (EVCS) Protocol. EVCS means a device or station that provides power to charge the batteries of a dedicated battery electric vehicle

B. Parking Cash-out Program

Employers who are subject to the parking cash-out provisions of the Health and Safety Code §43845 are required to offer a cash allowance to employees in lieu of a parking space when the employer would otherwise pay to provide the employee with a parking space. Parking cashout applies to worksites where the employer leases employee parking, the parking lease is not included or bundled in the building lease, and the employer is able to reduce the number of parking spaces without penalty.

All employers subject to Health and Safety Code §43845 have a legal obligation to comply with state law regardless of whether an employer incorporates parking cash-out as one of the strategies in Rule 2202.

Employers not legally required to implement the parking cash-out provision, may voluntarily choose to offer a parking cash-out allowance to their employees and claim credit as a Good Faith Effort Determination Element.

C. Electric Vehicles (EV) or Other Alternative-Fueled Vehicles

EV and other alternative vehicles, including hydrogen fuel cell vehicles, play an important role in reducing greenhouse gas and criteria pollutant emissions from employee commutes in comparison to conventional vehicles trips.

Employers that use EV’s or other alternative vehicles in reference to the AVR survey and survey responses or for ECRP strategies can refer to the descriptions below. The following vehicle categories qualify as “zero emission vehicles” when conducting and AVR survey. The South Coast AQMD retains the authority to alter or update any approved electric vehicles or alternative vehicles for use in any Rule 2202 AVR survey or ECRP strategies.

- a. Zero emission vehicle (ZEV) is a vehicle that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions.

a.b. Fuel Cell Electric Vehicle (FCEV) is a vehicle that uses a hydrogen powered fuel cell instead of an engine to generate electricity for the batteries and electric motor. These vehicles generally utilize the same components as a battery electric vehicle, but with the addition of a hydrogen fuel cell and hydrogen storage tank.

Employees arriving to work in a Plug-In Hybrid Electric Vehicle (PHEV) meet the definition of a zero emission vehicle provided that the entire trip to work is made exclusively under electric power. This applies to plug-in vehicles with all electric range that can travel exclusively under electric power without use of the gasoline engine or cogeneration system.

Employees using electric bicycles for the commute trip to the worksite should be accounted for in the bicycle mode on the AVR survey form. Employees using electric scooters for the commute trip to the worksite should be accounted for in the Zero Emission Vehicle (ZEV) mode on the AVR survey form. Employees utilizing electric bicycles and scooters for commute trips to the worksite will be counted as employees arriving at the worksite with no vehicle for purposes of the AVR calculation.

VI. GLOSSARY

1. AGGREGATE AVR means the weighted average AVR of an employer that has several different worksites within the same AVR Performance Zone that are included within one Employee Commute Reduction Program.
2. AVERAGE VEHICLE RIDERSHIP (AVR) is the current number of employees that begin work during the window for calculating AVR divided by the number of vehicles arriving at the worksite during the same window.
3. AVR CALCULATION means the numerical method used to determine the worksite's AVR, calculated to two decimal places, in accordance with these guidelines.
4. AVR DATA COLLECTION METHOD is a method for gathering employee commute mode data needed to calculate an employer's AVR.
5. AVR PERFORMANCE ZONE is a geographic area that determines the average vehicle ridership performance requirement or target for a worksite pursuant to the map in Attachment I of this guideline. The AVR Performance Zones are as follows:
 - Zone 1: 1.75 AVR
 - Zone 2: 1.5 AVR
 - Zone 3: 1.3 AVR
6. AVR WINDOW is the period of time, Monday through Friday between the hours of 6:00 a.m. and 10:00 a.m. used to calculate AVR in accordance with these guidelines. AVR Window, as applied to businesses operating seven days a week, is the period of time, Sunday through Saturday between the hours of 6:00 a.m. and 10:00 a.m., used to calculate AVR in accordance with these guidelines.
- ~~6.7.~~ BUSINESS TYPE/CLASSIFICATION is the activity type that classifies the primary nature of work conducted at the worksite.
- ~~7.8.~~ CARPOOL is a vehicle occupied by two to six people traveling together between their residences and their worksites or destinations for 51% of the total trip distance. Employees, who work for different employers, as well as non-employed people, are included within this definition as long as they are in the vehicle for 51% of the total trip distance.
- ~~8.9.~~ CENTRALIZED RIDESHARE SERVICE CENTER (CRSC) may be used by employers submitting Multi-site programs that will provide equivalent services in lieu of having a trained ETC and implementation records at each worksite.
- ~~9.10.~~ COMPLIANCE YEAR is the time period beginning when an ECRP is approved until a new ECRP is approved. Program amendments and extensions do not affect the compliance year.
- ~~10.11.~~ COMPRESSED WORK WEEK (CWW) is an alternative schedule used to complete basic work requirements in a manner which reduces vehicle trips to the worksite. The recognized compressed work week schedules for this Rule are, but not limited to, 36 hours in three days (3/36), 40 hours in four days (4/40), or 80 hours in nine days (9/80).
- ~~11.12.~~ CONSULTANT ETC means a person that meets the definition of and serves as an ETC at a worksite other than the Consultant's employer.

- ~~12.~~13. DIRECT FINANCIAL AWARD means an employee commute reduction strategy in which the employer awards cash subsidies to an employee for specified rideshare behavior.
- ~~13.~~14. DISABLED EMPLOYEE means an individual with a physical impairment that prevents the employee from traveling to the worksite by means other than a single-occupant vehicle.
- ~~14.~~15. EMPLOYEE means any person employed full or part-time by a person(s), firm, business, educational institution, non-profit agency or corporation, government or other entity. This term excludes the following: seasonal employees, temporary employees, volunteers, field personnel, field construction workers, and independent contractors.
- ~~15.~~16. EMPLOYEE COMMUTE REDUCTION PROGRAM (ECRP) is a compliance option that allows employers the ability to choose and implement various rideshare strategies included in the ECRP Guidelines at the worksite.~~means an Annual Program, under the Employee Commute Reduction Program option, submitted to the SCAQMD, in accordance with these guidelines.~~
- ~~16.~~17. EMPLOYEE TRANSPORTATION COORDINATOR (ETC) is an individual who has completed a South Coast AQMD certified training course and has been appointed to develop, market, administer, and monitor the worksite's chosen Rule 2202 compliance option.~~is an employee who has completed an SCAQMD certified training course and has been appointed to develop, market, administer, and monitor the Employee Commute Reduction Program at a single worksite. The ETC must be at the worksite during normal business hours when the majority of employees are at the worksite.~~
- ~~17.~~18. FEDERAL FIELD AGENT means any employee who is employed by any federal entity whose main responsibility is National Security and performs field enforcement and/or investigative functions. This does not include employees in non-field or non-investigative functions.
- ~~18.~~19. FIELD CONSTRUCTION WORKER means an employee who reports directly to work at a construction site.
- ~~20.~~ FIELD PERSONNEL means employees who spend 20 percent or less of their work time, per week, at the worksite and who do not report to the worksite during the peak period for pick-up and dispatch of an employer-provided vehicle.
- ~~21.~~ FUEL CELL ELECTRIC VEHICLE (FCEV) means a vehicle that uses a hydrogen powered fuel cell instead of an engine to generate electricity for the batteries and electric motor. These vehicles generally utilize the same components as a battery electric vehicle, but with the addition of a hydrogen fuel cell and hydrogen storage tank.
- ~~19.~~22. FURLOUGH means a temporary, unpaid leave of absence or reduction in hours. Furloughed employees should be assigned as furlough and continue to be employed by the site.
- ~~20.~~23. HOLIDAYS are those days designated as National or State Holidays that shall not be included in the AVR survey period.
- ~~21.~~24. INDEPENDENT CONTRACTOR means an individual who enters into a direct written contract or agreement with an employer to perform certain services and is not on the employer's payroll.

- ~~22-25.~~ LOW-INCOME EMPLOYEE means an individual whose salary is equal to, or less than, the current individual income level set in the California Code of Regulations, Title 25, Section 6932, as lower income for the county in which the employer is based. Higher income employees may be considered to be "low-income" if the employees demonstrate that the program strategy would create a substantial economic burden.
26. MOTOR VEHICLE means a self-propelled vehicle, consistent with California Vehicle Code 415.
- ~~23-27.~~ MULTI-SITE EMPLOYER means any person(s), firm, business, educational institution, non-profit agency or corporation, government agency or other entity which has more than one worksite located within the South Coast AQMD where 250 or more employees report to each worksite.
- ~~24-28.~~ MULTI-SITE PROGRAM means an Employee Commute Reduction Program submitted to the South Coast AQMD to comply with these guidelines that encompasses more than one worksite within a single AVR Performance Zone that belongs to a multi-site employer.
- ~~25-29.~~ NONCOMMUTING AVR CREDIT applies to employees who arrive at the worksite during the window for calculating AVR, and remains at the worksite or out of the South Coast AQMD's jurisdiction for a full 24 hour period or more to complete work assignments.
- ~~26-30.~~ OFF PEAK COMMUTE TRIP is a commute trip that occurs outside the peak commute window of 6:00 a.m. - 10:00 a.m., Monday through Friday.
- ~~27-31.~~ ON-SITE COORDINATOR is a person who has been designated by the employer as such and has knowledge of the employer's ECRP and marketing methods. The On-Site Coordinator is limited to program implementation rather than program development.
- ~~28-32.~~ PARKING CASH-OUT is a program where an employer offers to provide a cash allowance to an employee, at a minimum equivalent to the parking subsidy that the employer would otherwise pay to provide the employee with a parking space pursuant to the provisions of the Health and Safety Code §43845.
- ~~29-33.~~ PART-TIME EMPLOYEE means any employee who reports to a worksite fewer than 32 hours per week, but more than four hours per week. These employees shall be included in the employee count for purposes of Rule applicability and for AVR calculations of the employer, provided the employees begin work during the window for calculating AVR.
34. POLICE/SHERIFF means an employee who is certified as a law enforcement officer and is employed by any state, county or city entity. Such employees are police officers and sheriffs, who perform field enforcement and/or investigative functions. This would not include employees in non-field or non-investigative functions.
- ~~30-35.~~ REMOTE EMPLOYEES are employees who are assigned to a regulated worksite located within the South Coast AQMD, however, primarily live and work at locations outside of the South Coast AQMD, and physically commute to the regulated worksite less than five days a year.
36. SCHOOL means any public or private School, including juvenile detention facilities with classrooms, used for the education of more than 12 children at the School in kindergarten

through grade 12. School also means an Early Learning and Developmental Program by the U.S. Department of Education or any state or local early learning and development programs such as preschools, Early Head Start, Head Start, First Five, and Child Development Centers. A School does not include any private School in which education is primarily conducted in private homes. The term includes any building or structure, playground, athletic field, or other area of School property

~~31.~~37. SEASONAL EMPLOYEE means a person who is employed for less than a continuous 90- day period or an agricultural employee who is employed for up to a continuous 16-week period.

~~32.~~38. STRATEGY means an Employee Commute Reduction Program element developed, offered and/or implemented by employers for the purpose of encouraging employees to use alternative modes of transportation other than single occupant vehicles when reporting to work during the window.

~~33.~~39. STUDENT WORKER means a person who is enrolled and gainfully employed (on the payroll) by an educational institution. Student workers who work more than four hours per week are counted for rule applicability and if they begin work during the 6:00 a.m. - 10:00 a.m. window are counted for AVR calculation.

~~34.~~40. TELECOMMUTING ~~means working at home, off site, at a satellite office or at a telecommuting center, for a full workday that eliminates the trip to work or reduces travel distance by more than 51 percent. occurs when an employee works from home, off site, a satellite office, or a Telecommuting center which eliminates a commute trip to the worksite or reduces the commute travel distance by more than 50%.~~

~~35.~~41. TEMPORARY EMPLOYEE means any person employed by an employment service or agency that reports to a worksite other than the employment agency's worksite, under a contractual arrangement with a temporary employer. Temporary employees are only counted as employees of the temporary agency for purposes of Rule applicability and calculating AVR.

~~36.~~42. TRANSIT is a shared passenger transportation service which is available for use by the general public, as distinct from modes such as taxicabs, carpools, or vanpools which are not shared by strangers without private arrangement. Transit include buses, ferries, trams, trains, rail, or other conveyance which provides to the general public a service on a regular and continuing basis. Also known as public transportation, public transit or mass transit.

~~37.~~43. TRANSPORTATION MANAGEMENT ASSOCIATION OR TRANSPORTATION MANAGEMENT ORGANIZATION (TMA/TMO) means a non-profit association that has a financial dues structure joined together in a legal agreement for the purpose of achieving mobility and air quality goals and objectives within a designated area.

~~38.~~44. VANPOOL is a vehicle occupied by seven to 15 people traveling together between their residences and their worksites or destinations for 51% of the total trip distance. Employees, who work for different employers, as well as non-employed people, are included within this definition as long as they are in the vehicle for 51% of the total trip distance.

~~39.45.~~ VEHICLE TRIP is determined by the means of transportation used for the greatest distance of an employee's home-to-work commute trip for employees who begin work during the peak period. Each vehicle trip to the worksite shall be calculated as follows:

Single-occupant vehicle = 1

Carpool = 1 divided by number of people in carpool

Vanpool = 1 divided by number of people in vanpool

Motorcycle, moped, motorized scooter, motor bike = 1 divided by number of people on bike

Public transit = 0

Bus pool = 0

Bicycle = 0

Walking and other non-motorized transportation modes = 0

Non-commuting = 0

Telecommuting = 0 on days employee is telecommuting for the entire day

Compressed Workweek = 0 on employee's compressed day(s) off

Zero-emission vehicles = 0

~~40.46.~~ VOLUNTEER means any person(s) at a worksite who, of their own free will, provides goods or services, without financial gain.

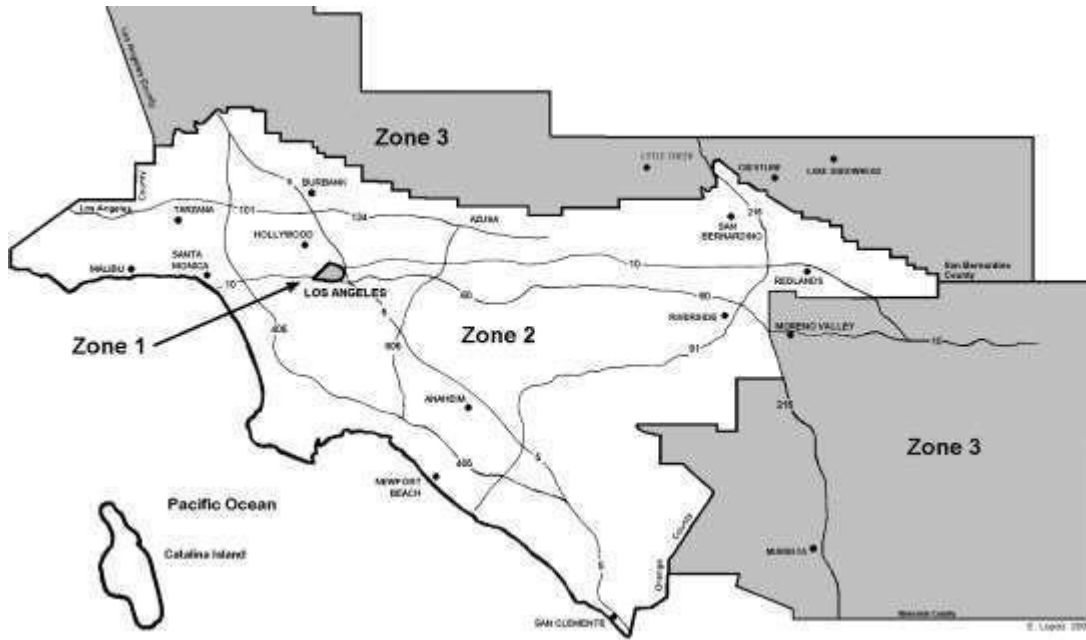
~~41.47.~~ WORKSITE means a structure, building, portion of a building, or grouping of buildings that are in actual physical contact or are separated solely by a private or public roadway or other private or public right-of-way, and that are occupied by the same employer. Employers may opt to treat more than one structure, building or grouping of buildings as a single worksite, even if they do not have the above characteristics, if they are located within a 2 mile radius and are in the same AVR Performance Zone.

48. WORKSITE EMPLOYEE THRESHOLD means 250 employees employed at a single worksite for the prior consecutive six month period calculated as a monthly average, and 33 or more employees scheduled to report to work during the window any one day during the prior consecutive 90 days.

49. VEHICLE MILES TRAVELED means the number of miles traveled one-way by a motor vehicle for a worksite commute trip.

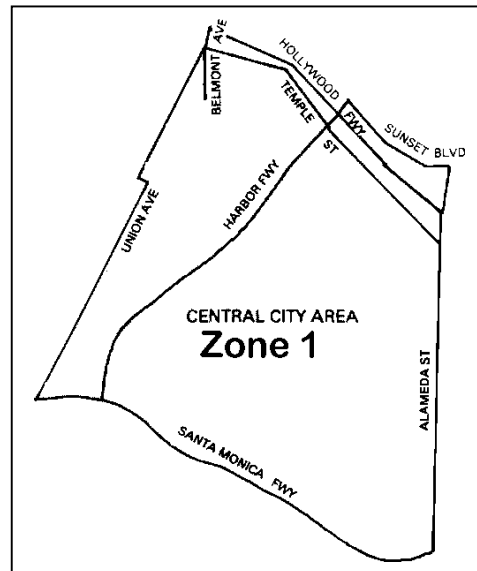
42.50. ZERO EMISSION VEHICLE (ZEV) means a vehicle that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational mode or conditions.

VII. ATTACHMENT I



AVR PERFORMANCE ZONES

- A worksite’s AVR Performance Zone depends on its location.
- District's Source/Receptor Areas are shown in Attachment 3 of Rule 701 - Air Pollution Emergency Contingency Actions.
- **Zone 1** is the Central City Area of Downtown Los Angeles within the South Coast AQMD’s Source/Receptor Area 1.
- **Zone 2** corresponds to the South Coast AQMD’s Source/Receptor Areas 2 through 12, 16 through 23, and 32 through 35, excluding the Zone 1 - Central City Area.
- **Zone 3** corresponds to the South Coast AQMD’s Source/Receptor Areas 13, 15, 24 through 31, and 36 through 38.



ATTACHMENT I

Final Staff Report

Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options

August 2023

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EXECUTIVE SUMMARY

Rule 2202 – On-Road Motor Vehicle Mitigation Options (Rule 2202) is designed to reduce emissions from motor vehicles. Specifically, larger employers in the region with 250 or more employees are required to mitigate emissions from employee commute trips into the worksite. Rule 2202 is intended to reduce emissions of Volatile Organic Compounds (VOCs), Oxides of Nitrogen (NO_x), and Carbon Monoxide (CO). Rule 2202 provides employers with a menu of options to implement one or more emission reduction strategies to meet an annual Emission Reduction Target (ERT) for their worksite.

Proposed Amended Rule 2202 (PAR 2202) is consistent with mobile source control measure MOB-14 in the South Coast Air Quality Management District's (South Coast AQMD's) 2022 Air Quality Management Plan (AQMP), which proposes to reduce emissions by evaluating potential amendments to Rule 2202. In response to the Coronavirus (COVID-19) pandemic, many of the regulated employers incorporated widespread telecommuting practices resulting in reduced employee commute trips. PAR 2202 will require worksites to collect and report additional data on employee commute activity which will be analyzed to inform a potential future rule amendment. Effective ~~September 1, 2024~~ January 1, 2025, worksites will be required to provide details on telecommute activity, Vehicle Miles Traveled (VMT), and business type/classification.

Additionally, PAR 2202 includes revisions to the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program (ECRP). Both guideline documents will provide instructions and guidance to collect and report the additional information on telecommute activity, VMT, and business type/classification. The guideline documents and rule amendment will also include a requirement for all sites that conduct an Average Vehicle Ridership (AVR) survey to have a certified Employee Transportation Coordinator (ETC) on site. AVR survey instructions will be included in the Implementation Guidelines as well as the ECRP Guidelines. The ECRP guidelines will include updates to the strategy options and strategy reporting. Definitions will be updated or added across all Rule 2202 related documents for consistency and clarity.

PAR 2202 is anticipated to apply to approximately 1,186 worksites with over 600,000 employees that commute to work within the peak window of 6:00 A.M. to 10:00 A.M.

PAR 2202 was developed through a public process. Staff held working group meetings on February 23, 2023, March 22, 2023, May 3, 2023, and May 31, 2023. In addition, a public workshop was held on June 20, 2023.

CHAPTER 1: BACKGROUND

INTRODUCTION

REGULATORY HISTORY

AIR QUALITY NEED

PROPOSAL BACKGROUND

AFFECTED INDUSTRIES

PUBLIC PROCESS

CHAPTER 1 – BACKGROUND

1.1 INTRODUCTION

Rule 2202 – On-Road Motor Vehicle Mitigation Options (Rule 2202) provides employers with a menu of options to reduce mobile source emissions generated from employee commutes. Rule 2202 applies to worksites located within the district that employ 250 or more employees on a full or part-time basis. Regulated worksites are required to register annually with the South Coast AQMD to implement an emission reduction program based on a menu of compliance options in the rule. Staff proposes amending Rule 2202 to include additional data collection for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite. The reporting of this additional information will provide the necessary data to analyze employee commute activity to inform future rule amendments. Staff also propose to update strategies, amend or add new definitions, and make minor administrative changes to the rule language for clarity and consistency.

1.2 REGULATORY HISTORY

On December 8, 1995, the South Coast AQMD Governing Board adopted Rule 2202 in response to state legislation that prohibited the mandatory submittal of trip reduction plans, as was required in the now repealed Rules 1501 and 1501.1. The rule includes a menu of flexible and cost-effective emission reduction options from which they can choose to implement and meet the emission reduction target for their worksite. Rule 2202 continues to allow affected employers the option of implementing a traditional trip reduction program as a means to comply with the rule.

Rule 2202 replaced Rules 1501 – Work Trip Reduction Plans and 1501.1 – Alternatives to Work Trip Reduction Plans and has been amended several times. In 1987, Regulation XV was adopted which required trip reduction plans for employers with 100 or more employees. Rule 1501 was amended in 1993 and Rule 1501.1 was adopted in 1995, to comply with federal and state requirements for extreme non-attainment areas. In 1995, Rule 2202 was adopted to respond to state legislation prohibiting mandatory trip reduction plans. Rule 2202 provided worksites of 100 or more employees a menu of emission reduction options to meet an emission reduction target for their worksite. Compliance strategies included mobile source credits from old-vehicle scrapping, clean on-road and off-road equipment, the use of remote sensing to identify and repair gross polluting vehicles, and emission reduction credits from stationary sources. Worksites could also earn credits for the use of alternative fuel vehicles, reduction of vehicle miles traveled, and other trip reduction strategies.

In March 1996, Rule 2202 was amended to exempt school districts from complying due to financial hardship. The passage of SB836, effective June 1998, directed South Coast AQMD to raise the employee threshold level from 100 to 250 employees, while SB432 permanently exempted worksites with fewer than 250 employees from complying with the rule. In November 1996, the sunset provision of Rule 2202 was modified to have the rule phase out by June 2001.

In October 1998, Rule 2202 was again modified to include its original sunset provision, (i.e., the rule would be rescinded at an unspecified future time when an equivalent level of emissions reductions is produced). In January 2002, several administrative changes to Rule 2202 were passed that included the elimination of alternative fuel vehicle credits except for zero emission vehicles, deletion of the remote sensing strategy option due to the implementation of the Inspection and Maintenance Program (Smog Check II), and the addition of a police/sheriff employee category.

Although state law required changing the employee threshold from 100 to 250 employees, a previous version of Section 182(d)(1)(B)¹ of the 1990 Clean Air Act (CAA) required that non-attainment regions implement a program that would require employers of 100 or more employees to reduce work related trips and miles traveled by employees commuting to work to a level 25% above the region's baseline average vehicle ridership (AVR). At that time the AVR targets were established for regions within the SCAQMD that were determined to be the most effective in achieving the federally mandated goals. Subsequent amendments to the CAA removed work related trip mandates and allowed emission equivalency as an option for compliance. The Rule 2202 AVR target meets the 25% requirement above the region's 1992 baseline and accounts for additional trip reductions that should have resulted from all employers with 100 or more employees. Additionally, substitution of alternative measures that will meet the equivalent emission reductions were also allowed by the CAA.

In June 2014, Rule 2202 was amended to address the use of emission reduction credits (ERCs). At the end of 2013, approximately 200 lbs/day of NO_x ERCs were transferred into the Rule 2202 program. This caused a concern regarding future stationary source credit availability. Therefore, in January 2014, the Governing Board approved a temporary moratorium on NO_x ERCs in Rule 2202 to allow time for staff to review the status of the stationary source emission banks and potential impacts of additional transfers into the Rule 2202 program. Staff reviewed the historical use of ERCs for stationary sources, as well as the availability of credits and other emission programs within Rule 2202 to determine the ability to meet future compliance targets. Staff concluded that there continues to be a concern regarding the future availability of ERCs for use by stationary sources. To address this Rule 2202 was amended so that ERCs could no longer be transferred into the Rule 2202 program. ERCs that resided within the Rule 2202 program at the time of the amendment would be allowed to remain, however these ERCs would be subject to an annual discount. An annual discounting of ERCs would encourage the use of other emission reductions that more closely align with the intent of the Rule 2202 program.

¹ The current version of CAA 182(d)(1)(B) does not require a reduction of work-related trips and miles travelled, but instead allows states to implement these kinds of programs within their own discretion.

1.3 AIR QUALITY NEED

In 2015, the U.S. Environmental Protection Agency (U.S. EPA) tightened the ozone standard, leaving the South Coast Air Basin in “extreme” nonattainment for that standard. The South Coast Air Basin also fails to attain the 1979, 1997, and 2008 ozone standards. Nitrogen oxides (NO_x), which are created during the process of burning fuel, is the primary pollutant that must be controlled to reduce ozone. Approximately 85% of daily NO_x emissions come from mobile sources, with passenger vehicles being one of the top ten emitters of NO_x. Mobile source emission reductions are needed to meet future ozone standards set by the U.S. EPA.

The 2022 Air Quality Management Plan (AQMP) (Appendix IV-A, Control Measure MOB-14) proposed amending Rule 2202 to further reduce emissions associated with work trips, with telecommuting cited as a key mechanism to achieve additional emission reductions. During the COVID-19 pandemic in 2020 and 2021, many Rule 2202 regulated employers (where applicable) incorporated telecommuting practices, which have shown to be a very effective way of eliminating emissions caused by employee commute trips into the worksite. Many employers reported extremely high Average Vehicle Ridership (AVR) scores, primarily due to the increased amount of telecommuting, over the 2020/2021 reporting period. While Rule 2202 does currently provide credit for telecommuting, the 2022 AQMP proposed future rule amendments to Rule 2202 include a larger focus on telecommuting strategies and provide additional incentives for regulated employers to adopt telecommuting policies or other strategies to reduce emissions.

Mobile source emissions are impacted by factors such as mode of travel, type of vehicle, distance of trip, fuel type and congestion. More recently, Vehicle Miles Traveled (VMT) has emerged as an important metric in evaluating vehicle emissions. For example, in July 2020 under California Senate Bill 743 (SB 743), the California Environmental Quality Act (CEQA) began requiring analyzing VMT to determine potential traffic-related impacts from projects. SB 743 made VMT a key metric in assessing emissions generated by on-road mobile sources, with lower VMT being associated with lower greenhouse gas emissions and lower traffic-related air pollution. The California Air Resources Board’s (CARB) State Implementation Plan cites VMT reduction as a necessary control measure to attain federal and state air quality standards. The Southern California Association of Governments’ (SCAG) 2022-2045 Regional Transportation Plan (RTP) uses VMT as a key metric to evaluate plan performance results and seeks to reduce VMT per capita. Additionally, the RTP found that the average distance traveled for work trips is over three times longer than the average distance traveled for non-work trips.

Staff recognizes that in order to amend Rule 2202 in a way that best reduces emissions additional data is needed to inform that process. Staff is therefore proposing to amend Rule 2202 in a two-phase approach. The first phase of the amendment (PAR 2202) is focused on data collection and reporting from regulated worksites. Collected data will be analyzed to inform the second phase of rule amendment.

1.4 PROPOSAL BACKGROUND

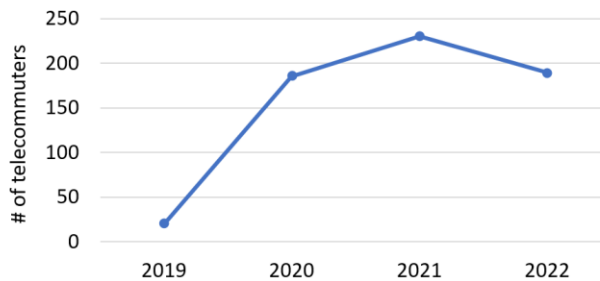
PAR 2202 is proposing to require regulated worksites to report additional information, including telecommuting activity, VMT data, and the type of business that is conducted at the worksite. This data collection will inform future potential Rule 2202 amendments. Additionally, staff proposes to update strategies, clarify and/or add new definitions, and make general administration revisions to Rule 2202 related guidance documents.

Telecommute Reporting

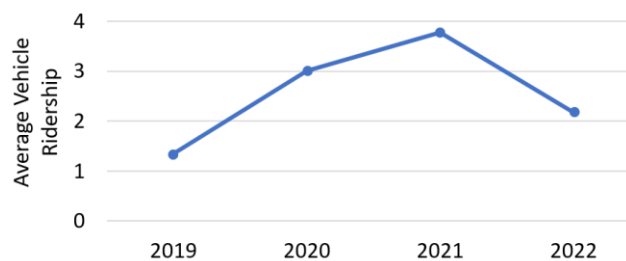
In response to the COVID-19 pandemic in 2020, South Coast AQMD instituted temporary protocols to ease compliance and address rapid changes in workforce habits. During the pandemic, many regulated employers incorporated widespread telecommuting practices. Staff instituted a temporary protocol allowing regulated worksites to use Human Resources (HR) or payroll records to account for telecommute trips. This allowed worksites to adjust the number of daily employees arriving at the worksite without conducting an AVR survey, and additionally allowed worksites that did conduct an AVR survey to account for all telecommute trips regardless of survey response rate.

In 2019, prior to the pandemic, worksites that implemented telecommuting reported an average of 19.7 telecommuters a day. In 2020, worksites that implemented telecommuting reported an average of 185.1 telecommuters a day, which is an increase of more than nine times. This reduction in vehicle trips resulted in the average AVR score across regulated worksites to rise from 1.34 in 2019 to 3.01 in 2020. This change in employee commute mode had a significant impact on employee vehicle trip emissions.

Average Daily Telecommuters



Average AVR



PAR 2202 is proposing to permanently allow the use of HR and/or payroll records to account for telecommute employee trips. This will streamline reporting of telecommute trips and ensure that worksites benefit from the reduction of work commute trips through telecommuting. All regulated worksites will be required to report additional information regarding telecommute practices on the annual compliance paperwork. Additionally, the ECRP compliance option includes telecommuting as a direct strategy. PAR 2202 will amend the required information on the telecommuting section of the ECRP compliance paperwork to collect more information on telecommute activity. This will allow Rule 2202 staff to analyze telecommute trends to better assess worksite employee commutes and will inform future Rule 2202 amendments.

Vehicle Miles Traveled (VMT)

Rule 2202 staff met with CARB staff and SCAG staff to discuss the importance of VMT in their programs and are proposing to incorporate VMT data collection into Rule 2202 to further analyze emissions generated by employee commute trips.

PAR 2202 is proposing to require all regulated worksites to report VMT data as a part of their annual compliance. PAR 2202 requires worksites to collect VMT data either through surveying employees or by providing employee zip codes that are available through HR and/or payroll records. For worksites that must conduct an AVR survey, PAR 2202 proposes to require that survey participants indicate their distance (in miles) from home to the worksite on the survey form. The AVR survey form already includes this VMT data field, however it is not a required field on the survey. PAR 2202 would require the VMT data field be completed by survey participants. The worksite will use the employee reported VMT data to total VMT per mode type and will report this data on the AVR survey form. Worksites that do not conduct a survey will be required to report employee zip codes and worksite zip code, which will be used to calculate VMT. The employee zip code data will be anonymous such that specific employee names or other identifying information is not included. The collected VMT data will be used for data analysis and will inform future Rule 2202 amendments. The employee trip length data will be anonymous and does not require employee home addresses to be reported.

Business Type/Classification

Staff has received feedback from stakeholders that employee commute options may differ across industry type, specifically as it pertains to telecommuting capabilities. These stakeholders expressed concern that certain industry types will be at a disadvantage under future rule compliance if they are unable to convert their workforce to telecommute. As a result, staff is proposing that regulated worksites report the business type/classification as part of their annual registrations. The collection of business type/classification information will aid future data analysis and will be used to inform future Rule 2202 amendments. The categories were chosen based on NAICS code information. The business type/classification categories are:

Industries	NAICS codes
Utilities	22
Construction	23
Manufacturing	31-33
Wholesale Trade	42
Retail Trade	44-45
Transportation and Warehousing	48-49
Information	51
Finance and Insurance	52
Real Estate and Rental and Leasing	53
Professional, Scientific, and Technical Services	54
Management of Companies and Enterprises	55
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health Care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodation and Food Services	72
Public Administration/Government	92
Other (please specify):	

Updates to Rule 2202 Guidance Documents

In addition to revisions to the Rule 2202 language, staff is proposing revisions to the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program (ECRP) Guidelines to provide details on the new data collection requirements, but also to update strategies and make minor administrative changes to assist the regulated community with compliance and reporting. Both documents will be updated to address telecommuting reporting requirements, VMT data collection and VMT reporting requirement. Detailed information on how to comply with the new reporting requirements can be found in both guidance documents. Definitions will be edited or added for consistency and clarity. The Rule 2202 Implementation Guidelines will also include the proposed requirement for regulated worksites that choose the Emission Reduction Strategies (ERS) compliance option. Under ERS compliance, worksites have the option of using a default AVR in their emission credit calculation or they may conduct an AVR survey. Staff is proposing that ERS worksites that choose to conduct an AVR survey be required to have a certified Employee Transportation Coordinator (ETC). Having a certified ETC on-site will reduce errors on ERS plan submittals. Details on how to conduct an AVR survey have been included in the Implementation Guidelines. Additionally, both documents will have paragraphs providing clarification on what vehicle types are counted as a Zero Emission Vehicle on the AVR survey.

The ECRP Guidelines will include updates to the various strategy options and strategy reporting. PAR 2202 compliance documents will require additional information on-site selected marketing

strategies to allow Rule 2202 staff to better compare implementation across compliance years. Several strategies previously listed as “other” under Basic/Support Strategies will be listed as independent strategies. These strategies include Electric Vehicle Infrastructure, Transportation Management Association (TMA)/Transportation Management Organization (TMO) Services, Car Sharing Services, Mobility Hub Services, and Voluntary Worksite Transfers. Several direct strategies will require additional information to be reported to allow staff to better track implementation. The Bicycle Program strategy has been expanded to include the use of scooter services by the worksite. Additionally, the Auto Services strategy will be removed from the direct strategies to encourage strategy focus on promoting zero-emission commute modes.

1.5 AFFECTED INDUSTRIES

PAR 2202 applies to all employers located within the district with 250 or more employees. Staff has currently identified about 1,186 worksites with over 600,000 employees arriving to the worksite within the peak window of 6:00 A.M to 10:00 A.M. The proposed rule amendment will not expand the applicability of the rule to additional worksites.

1.6 PUBLIC PROCESS

The development of PAR 2202 includes a public process. Four working groups were held on February 23, 2023, March 22, 2023, May 3, 2023, and May 31, 2023. Each working group was attended by representatives from affected industries, community stakeholders, and members of the general public. The purpose of the working groups was to discuss details of PAR 2202 and to answer questions from the public or listen to comments. A Public Workshop was held on June 20, 2023. The purpose of the Public Workshop was to present the proposed amended rule language and changes to the guideline documents in order to receive public comments.

CHAPTER 2: SUMMARY OF PROPOSAL

INTRODUCTION

PROPOSED AMENDED RULE 2202

CHAPTER 2 SUMMARY OF PROPOSAL

2.1 INTRODUCTION

Staff is proposing Rule 2202 be amended to require worksites to report VMT data, telecommute activity, and business type/classification for the worksite. The proposed reporting requirements will apply to all regulated worksites. The information collected under the new reporting requirements will be analyzed and used to inform future Rule 2202 amendments. Additionally, clarifying language and definitions will be added. The following section provides a discussion of changes to rule language under PAR 2202.

2.2 PROPOSED AMENDED RULE 2202

Subdivision (d) – Definitions PAR 2202 will incorporate definitions of the terms listed below that were not previously defined within the rule. These definitions are intended to clarify a compliance option and terms for reporting requirements.

- **BUSINESS TYPE/CLASSIFICATION** is the activity type that classifies the primary nature of work conducted at the worksite.
- **EMPLOYEE COMMUTE REDUCTION PROGRAM (ECRP)** is a compliance option that allows Employers the ability to choose and implement various rideshare strategies included in the ECRP Guidelines at the Worksite.
- **EMPLOYEE TRANSPORTATION COODINATOR (ETC)** is an individual who has completed a South Coast AQMD certified training course and has been appointed to develop, market, administer, and monitor the Worksite’s chosen Rule 2202 compliance option.
- **MOTOR VEHICLE** means a self-propelled vehicle, consistent with California Vehicle Code 415.
- **SCHOOL** means any public or private School, including juvenile detention facilities with classrooms, used for the education of more than 12 children at the School in kindergarten through grade 12. School also means an Early Learning and Developmental Program by the U.S. Department of Education or any state or local early learning and development programs such as preschools, Early Head Start, Head Start, First Five, and Child Development Centers. A School does not include any private School in which education is primarily conducted in private homes. The term includes any building or structure, playground, athletic field, or other area of School property.

- **TELECOMMUTING** occurs when an Employee works from home, off site, a satellite office, or a Telecommuting center which eliminates a commute trip to the worksite or reduces the commute travel distance by more than 50%.
- **VEHICLE MILES TRAVELED (VMT)** means the number of miles traveled one-way by a Motor Vehicle for a worksite commute trip.

Subdivision (f) – On-Road Motor Vehicle Options

Subdivision (f) describes the various compliance options available to worksites under Rule 2202. Current rule language does not list Employee Commute Reduction Program (ECRP) in the subdivision, and instead includes it in the subdivision (l)- Exemptions. PAR 2202 will move ECRP to paragraph (f)(7) with other compliance options.

Language will be changed in paragraph (f)(1) – (f)(4) to read, “Any employer may elect...” instead of, “Any person may elect...”. This language change will clarify that the employer shall choose a compliance option to implement at their worksite, rather than a singular person.

Subdivision (i) – Program Administration

Subdivision (i) details the annual registration requirements and administration of the rule. PAR 2202 subdivision (i) will require regulated worksites to annually report the business type/classification for the worksite, VMT data, and telecommute activity. These additional reporting requirements will be effective ~~September 1, 2024~~January 1, 2025.

Paragraph (i)(1) list registration requirements and will be amended to list one of the new registration requirements proposed under PAR 2202. Worksites are required to include the name of the highest-ranking company official, company address, and worksite telephone number under subparagraph (i)(1)(A). Additionally, the amendment will require the worksite to report the business type/classification under subparagraph (i)(1)(A).

Subparagraph (i)(1)(F) details the VMT reporting requirement. The worksite’s chosen compliance method will determine the format of VMT reporting. The applicable reporting methodology is specified in the Rule 2202 Implementation Guidelines or Employee Commute Reduction Guidelines. VMT will be collected from all regulated worksites for future data analysis that will inform future rulemaking.

Subparagraph (i)(1)(G) lists the requirement for regulated worksites to report information on telecommuting practices. During the COVID-19 pandemic, staff observed a high rise in the numbers of telecommuters across a large number of regulated worksites. Since 2020, telecommute practices have changed from year to year. Collecting data on worksite telecommute practices will aid in data analysis and inform future rule regulation.

Paragraph (i)(4) establishes that the approved Rule 2202 annual registration shall remain in effect until the annual renewal date. The annual renewal date is the same date as the annual registration due date. The renewal date was originally described in paragraph (l)(4) but has been moved to (i)(4) and condensed to removed repetitive information.

Paragraph (i)(5) will require all worksites that conduct an AVR survey to designate an employee to serve as the Employee Transportation Coordinator (ETC). The designated employee must successfully complete a South Coast ETC training and certification course. Previously, only ECRP sites were required to have a designated ETC as explained in the ECRP Guidelines. The new requirement for all sites that conduct an AVR survey to have an ETC is detailed in the Rule 2202 Implementation Guidelines. The purpose of the certified ETC requirement is to reduce the amount of errors on submitted AVR surveys. The addition of paragraph (i)(4) will move the subsequent paragraphs down, the original paragraph (i)(4) through paragraph (i)(13) will become paragraph (i)(5) through paragraph (i)(14).

Subdivision (l) – Exemptions

Paragraph (l)(3) Employee Commute Reduction Program is moved to subdivision (f).

Paragraph (l)(4) has been deleted and the information has been moved to subdivision (i).

Subdivision (n) – Guidelines

PAR 2202 will add subdivision (n) to the rule language. This subdivision will grant the Executive Officer permission to periodically update the Rule 2202 Implementation Guidelines and the Employee Commute Reduction Program Guidelines.

CHAPTER 3: IMPACT ASSESSMENT

INTRODUCTION

IMPACTS OF PAR 2202

CALIFORNIA ENVIRONMENTAL QUALITY ACT

SOCIOECONOMIC IMPACT ASSESSMENT

**DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE
SECTION 40727**

COMPARATIVE ANALYSIS

CHAPTER 3 IMPACT ASSESSMENT

3.1 INTRODUCTION

Impact assessments must be conducted during rule development to assess the environmental and socioeconomic implications of PAR 2202. Health and Safety Code requirements for cost-effectiveness analysis and incremental cost-effectiveness analysis were also evaluated during rule development of PAR 2202. Draft findings and comparative analyses were prepared pursuant to Health and Safety Code Sections 40727 and 40727.2, respectively. Staff will prepare a California Environmental Quality Act (CEQA) analysis at least 30 days prior to the South Coast AQMD Governing Board Hearing on PAR 2202, which is tentatively scheduled for August 4, 2023.

3.2 IMPACTS OF PAR 2202

Rule 2202 provides employers with a menu of options to reduce motor vehicle emissions generated from employee commutes. Under existing procedures, regulated worksites are required to register annually with the South Coast AQMD to implement an emission reduction program based on a menu of compliance options in the rule. PAR 2202 includes additional data collection requirements for all regulated worksites, including information on telecommuting activity, VMT, and business type/classification for the worksite. The reporting of this additional information will provide staff with the necessary data to analyze employee commute activity to inform future rule amendments. PAR 2202 also includes updates to strategies, additional or amended definitions, and minor administrative changes to the rule language for clarity and consistency. The proposed amendments do not remove any of the current requirements or provisions of Rule 2202.

Emission Reductions

Since PAR 2202 only includes additional data collection and reporting requirements for regulated worksites, there will not be additional emission reductions from worksites subject to PAR 2202.

Additional Compliance Costs

Please see the Socioeconomic Impact Assessment section below for a discussion on additional compliance costs.

Additional Savings

The proposed amendments would require all regulated worksites to report additional information, including telecommuting activity, VMT data, and the type of business that is conducted at the worksite on an annual basis. Because of the additional minimal amount of time required to collect and report the additional information, no potential cost savings have been identified as a result of PAR 2202.

3.3 CALIFORNIA ENVIRONMENTAL QUALITY ACT

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PAR 2202) is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15306. Further, there is no substantial evidence indicating that any of the exceptions to the categorical exemption set forth in CEQA Guidelines Section 15300.2 apply to the proposed project. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062, and if the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

3.4 SOCIOECONOMIC IMPACT ASSESSMENT

PAR 2202 requires additional data collection for all regulated worksites, including information on telecommuting activity, VMT, and business type/classification for the worksite. The reporting of this additional information will provide the necessary data to analyze employee commute activity to inform future rule amendments.

Affected Facilities

PAR 2202 applies to all employers located within the district with 250 or more employees. Staff has currently identified about 1,186 worksites with over 600,000 employees arriving to the worksite within the peak window of 6:00 A.M to 10:00 A.M. Out of the 1,186 worksites, 716 are in Los Angeles, 243 are in Orange, 120 are in Riverside, and 107 are in the San Bernardino County. More than 60 percent of the affected facilities belong to the sectors of retail trade North American Industrial Classification Systems (NAICS 44-45), public administration (NAICS 92), health care and social assistance (NAICS 62), and manufacturing (NAICS 31-33).

Small Business Impacts

The South Coast AQMD defines a "small business" in Rule 102 for purposes of fees as one which employs 10 or fewer persons and which earns less than \$500,000 in gross annual receipts. The South Coast AQMD also defines "small business" for the purpose of qualifying for access to services from the South Coast AQMD's Small Business Assistance Office (SBAO) as a business with an annual receipt of \$5 million or less, or with 100 or fewer employees. In addition to the South Coast AQMD's definitions of a small business, the federal Small Business Administration (SBA) and the federal 1990 Clean Air Act Amendments (1990 CAAA) also provide definitions of a small business. The 1990 CAAA classifies a business as a "small business stationary source" if it: (1) employs 100 or fewer employees, (2) does not emit more than 10 tons per year of either VOC or NOx, and (3) is a small business as defined by SBA. The SBA definitions of small businesses vary by six-digit NAICS codes. In general terms, a small business must have no more than 500 employees for most manufacturing and mining industries.²

² https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf.

Staff used the 2022 Dun and Bradstreet data to conduct the small business analysis. The number of employees and revenues are available for 1,031 out of 1,186 affected facilities. Since all the affected facilities subject to the PAR 2202 have at least 250 employees, staff further eliminated 310 facilities with less than 250 employees in the data, resulting in a universe of 721 facilities for the small business analysis. The results show that none of them meet the South Coast AQMD's Rule 102 definition of a small business. The number of small businesses is eight according to the SBAO definition. In addition, based on SBA's definition of a small business, 72 out of the 721 facilities would be classified as small businesses. Under the 1990 CAAA definition, no facilities will meet the criteria to be considered as small businesses.

Compliance Costs

As discussed in the "Additional Compliance Costs" of the staff report, PAR 2202 would require all regulated worksites to report additional information, including telecommuting activity, VMT data, and the type of business that is conducted at the worksite on an annual basis. It is conservatively estimated that affected worksites would be able to complete these additional requirements with a minimal amount of labor and time (approx. 10 hours per year).

The extra hours per year would be spent collecting VMT data, reporting telecommute activity, and completing the ETC certification course. The total additional cost was conservatively estimated using the highest hourly wage rate (\$38.56) from the typical category of employee responsible for gathering Rule 2202 annual submittal information. With a total of 1,187 regulated worksites in the current Rule 2202 universe, the total additional annual cost estimated from PAR 2202 is estimated to be \$457,707.2 (or \$385.6 per worksite). Table 1 also presents the additional compliance costs of the PAR 2202 by NAICS codes/industry types. The annual compliance costs are not significant compared to the economy size of South Coast Air Basin area, implying that the PAR 2202 is expected to have minimal impacts on the regional economy.

Table 1: Distribution of affected facilities and compliance costs across different industries

Industries	NAICS codes	Num of affected facilities	Compliance costs (US dollars)
Utilities	22	20	\$7,712
Construction	23	5	\$1,928
Manufacturing	31-33	150	\$57,840
Wholesale Trade	42	38	\$14,653
Retail Trade	44-45	215	\$82,904
Transportation and Warehousing	48-49	96	\$37,018
Information	51	40	\$15,424
Finance and Insurance	52	59	\$22,750
Real Estate and Rental and Leasing	53	13	\$5,013
Professional, Scientific, and Technical Services	54	41	\$15,810
Management of Companies and Enterprises	55	1	\$386
Administrative and Support and Waste Management and Remediation Services	56	18	\$6,941
Educational Services	61	87	\$33,547
Health Care and Social Assistance	62	158	\$60,925
Arts, Entertainment, and Recreation	71	14	\$5,398
Accommodation and Food Services	72	34	\$13,110
Other Services (except Public Administration)	81	17	\$6,555
Public Administration	92	180	\$69,408
Total		1186	\$457,322

3.5 DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE 40727

Requirements to Make Findings

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report.

Necessity

The South Coast AQMD Governing Board finds and determines that PAR 2202; On-Road Motor Vehicle Mitigation Options, is necessary to enhance recordkeeping and reporting, and to provide additional transportation and emissions-related data to the South Coast AQMD.

Authority

The South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 40000, 40001, and 40440 et seq.

Clarity

The South Coast AQMD Governing Board finds and determines that PAR 2202 is written and displayed so that the meaning can be easily understood by persons directly affected by it.

Consistency

The South Coast AQMD Governing Board finds and determines that PAR 2202 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal or state regulations.

Non-Duplication

The South Coast AQMD Governing Board has determined that PAR 2202 does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference

In adopting PAR 2202, the South Coast AQMD Governing Board references the following statutes which South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40000, 40001, 40440, and 40716 et seq.

3.6 COMPARATIVE ANALYSIS

Under Health and Safety Code Section 40727.2, the South Coast AQMD is required to perform a comparative written analysis when adopting, amending, or repealing a rule or regulation. The comparative analysis is relative to existing federal requirements, existing or proposed South Coast AQMD rules and air pollution control requirements and guidelines which are applicable to the same source. Because PAR 2202 does impose new reporting and recordkeeping requirements, a comparative analysis is presented below in Table 3-1.

The regulations reviewed for the comparative analysis apply to automobile manufacturers or transit fleet owners. PAR 2202 is different because it regulates larger worksites to reduce emissions from employee commute trips. Therefore, PAR 2202 is not expected to conflict with any other existing regulations.

Table 3-1 - Comparative Analysis

Topic	PAR 2202	Advanced Clean Cars Regulations (CARB)	Clean Miles Standard (CARB)	Innovative Clean Transit Regulation (CARB)	Regulations for Smog, Soot, and other Air Pollution from Passenger Cars and trucks (U.S. EPA)	Regulations for GHG Emissions from Passenger Cars and Trucks (U.S. EPA)
General Information	Requires the reporting of business type/classification for worksites	Only applies to automakers/manufacturers	Only applies to Transportation Network Companies (TNCs), such as Uber or Lyft	Only applies to public transit agencies	Only applies to automakers/manufacturers	Only applies to automakers/manufacturers
Vehicle Miles Traveled (VMT)	Worksite VMT data to be reported using either AVR survey or employee zip codes	N/A	N/A	N/A	N/A	N/A
Telecommuting	Worksite telecommute policy details to be reported on additional compliance document, including information such as number of eligible telecommuters, number of telecommute days per week (average), if telecommute schedules are permanent and number of remote workers	N/A	N/A	N/A	N/A	N/A
Employee Transportation Coordinator	Require all sites that conduct an AVR survey to have a certified ETC	N/A	N/A	N/A	N/A	N/A

<p>Links</p>	<p>www.aqmd.gov/home/rules-compliance/rules-scaqmd-rule-book/proposed-rules/rule-2202</p>	<p>ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii</p>	<p>/ww2.arb.ca.gov/our-work/programs/clean-miles-standard</p>	<p>https://ww2.arb.ca.gov/resources/fact-sheets/innovative-clean-transit-ict-regulation-fact-sheet</p>	<p>https://www.epa.gov/regulations-emissions-vehicles-and-engines/regulations-smog-soot-and-other-air-pollution-passenger</p>	<p>https://www.epa.gov/regulations-emissions-vehicles-and-engines/regulations-greenhouse-gas-emissions-passenger-cars-and#regulations</p>
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APPENDIX A: RESPONSES TO COMMENT

Comment Letter #1

ITS Input – South Coast AQMD PAR Amendment Meeting 3/22/23

ETC Training – Require any site surveying to attend training		
• We agree and support this amendment 100%.		1-1
• Most ETCs are not aware of the details of Rule 2202 and do not have a basic understanding of compliance so we feel this would be a great benefit to the ETC, as well as to South Coast AQMD to ensure proper submittal of compliance documents and updates ETCs need to know.		1-2
Extension for plan review time – increase from 90 to 120 days		
• While we understand South Coast AQMD has been short staffed, ITS' concern is that increasing plan review time from 90 days to 120 days would give employers that do not meet their AVR less time to implement their plan and improve their annual performance.		1-3
• Furthermore, employers that survey 6 months prior to their annual due date would have even less time to implement and improve performance.		1-4
• As a side note, can South Coast AQMD confirm that approval letters will resume again to employers to inform them of their plan approval?		1-5
Telecommuting Commute Mode and Noncommuting Commute Mode		
• There are significant issues with usage of both modes (Code F. Telecommute and Code G. Noncommuting) and employees not understanding the differences, even though employees are provided with definitions of both. This presents a major error correction issue for employers to correct the codes before finalizing AVR data.		1-6
• With telecommuting now primarily being a work from home situation and not to a telecommuting center as it is defined in the Survey Instructions, would South Coast AQMD consider changing the word/commute mode from Code F. Telecommute to state "Code F. Work from Home" or "Code F. Working Remotely?"		1-7
• Similarly, would South Coast AQMD consider changing "Code G. Noncommuting" to another term to represent the mode? This code is not commonly used because very few are able to use it, but it provides the most confusion with the working from home schedules now.		1-8
• The definitions are currently already provided to employers for both modes; however, it may be better understood if the terms themselves are re-worded so it's visible in the dropdown mode selection list.		1-9

Vehicle Miles Traveled (VMT)

- VMT reporting – to ensure that ITS can provide VMT data to employers for submittal to the South Coast AQMD, it’s important to understand details of data and format that will be required. | 1-10
- How will VMT be collected for reporting to South Coast AQMD? | 1-11

 - Make one-way mileage a mandatory survey field? Then, how will that data be calculated/reported?
 - SoCal Regional software (used by Metro, OCTA, SBCTA and RCTC) can calculate VMT by mode, VMT reduced by mode, as well as cost savings, pollution savings (based on South Coast AQMD’s publication) and gallons of gas saved. Would South Coast AQMD consider receiving this type of information from employers using the regional survey?
- ERS employers are not required to survey. In these cases, how will VMT be gathered and reported? | 1-12
- ITS recommends that the South Coast AQMD consider both AVR and VMTs to be metrics for gauging an employer’s success. | 1-13
- If the first phase of the amendment goes into effect in August 2023, will it be based on the survey week? Due date? Submittal date? | 1-14

 - How does this affect large survey employers like County of Orange, Walmart, County of Los Angeles that plan their survey well in advance?
 - When does the amendment go into effect and how does that impact these employers (and others) that could already be in the survey process and cannot change?

Telecommuting

- ITS understands the South Coast AQMD’s position on rewarding employers for their telecommuting activity. However, if an employer is submitting payroll/HR records in lieu of the survey, how would that employer report VMT information? | 1-15
- For employers that are offering hybrid work from home schedules, it was suggested that employers could submit their payroll/HR records for telecommute days and survey employees for the days they are working in the office. In the past few years, we’ve observed that there are so many variations to a hybrid work schedule (varied days across departments, managers, weekly changing days off due to 4/40 or 9/80 schedules, etc.), does South Coast AQMD think that payroll/HR records are truly the best report for employers to use? ITS recommends and believes that requiring employers to survey their telecommuting employees is a lot more accurate than payroll records – and does not place an undue burden on the employer or employee. | 1-16

Responses to Comment Letter #1 received by ITS

- Comment 1-1: Comment noted.
- Comment 1-2: Comment noted.
- Comment 1-3: The proposal will not increase the plan review time from 90 to 120 days, therefore the time for employers to implement their plan and improve their annual performance will not be affected.
- Comment 1-4: Please see response to comment 1-3.
- Comment 1-5: The proposal will not change the internal plan approval letter process. PAR 2202 is a resource intensive process that has led to a delay in the issuance of yearly plan approval letters. However, it is expected that normal turnaround time for the approval letter process will resume again shortly.
- Comment 1-6: PAR 2202 will add clarification to the definitions on the employee survey form for both the telecommuting and non-commuting categories. This is expected to help clarify these terms for employees and help alleviate correction issues for employers before finalizing AVR data.
- Comment 1-7: PAR 2202 will update the telecommuting definition to include “work from home” and provide a definition for remote employees to help clarify the meaning of these terms for employees. This information will also be clarified on the employee survey form.
- Comment 1-8: A brief definition for the non-commuting mode will also be added to the employee survey form to help avoid incorrect usage of the mode by employees.
- Comment 1-9: The definitions for telecommuting and non-commuting modes will be revised/updated in all PAR 2202 associated documents and a brief definition will be added for both modes to the employee survey form.
- Comment 1-10: Comment noted.
- Comment 1-11: PAR 2202 relies on existing methods to collect VMT data, either through surveying employees or by providing employee zip codes that are available through HR and/or payroll records. For worksites that must conduct an AVR survey, PAR 2202 proposes to require that survey participants indicate their distance (in miles) from home to the worksite on the survey form. Most survey forms already include this VMT data field, however it is not a required field on the survey. PAR 2202 would require the VMT data field be completed by survey participants. Worksites that do

not conduct a survey will be required to report employee zip codes and worksite zip code, which will be used to calculate VMT.

The South Coast AQMD is very interested in learning more about the SoCal Regional software that is utilized by LA Metro, OCTA, SBCTA, and RCTC to conduct various VMT-related analyses, and to see if this could potentially aid in the analysis of VMT data collected as part of PAR 2202.

Comment 1-12: Worksites that do not conduct a survey will be required to report employee zip codes and worksite zip code, which will be used to calculate VMT.

Comment 1-13: Comment noted.

Comment 1-14: PAR 2202 is currently scheduled for a Public Hearing before the South Coast AQMD Governing Board on August 4, 2023 (subject to change). The additional reporting requirements of PAR 2202 would not be effective until ~~September 1, 2024~~ January 1, 2025. This will eliminate the issue of worksites needing to fulfill the new requirements who have already begun the survey process, as well as provide sufficient time for employers to plan future survey activities.

Comment 1-15: Teleworking employees identified through HR/payroll records count as a “zero” vehicle trips for the purposes of calculating AVR. Employers that do not conduct a survey will be required to submit employee home zip codes which will be used to calculate VMT. VMT reductions from telecommuting activity would then be calculated for those employees utilizing the telecommuting mode based on the HR/payroll records.

Comment 1-16: The South Coast AQMD provided employers with temporary flexibility due to the pandemic and to aid in the ease of compliance for Rule 2202 requirements. One of the temporary protocols put in place was the ability to use HR/payroll records to document telecommuters in place of the employee survey. This protocol aided employers who employed remote working practices and resulted in increased response rates. PAR 2202 will allow the continued use of these records to report telecommuters and will continue to incentivize teleworking policies across all Rule 2202 applicable sites.

Comment Letter #2

South Coast AQMD PAR 2202 Amendment Concerns

Over the past several months, the South Coast AQMD has held four Working Group Meetings to discuss the Proposed Amendment Rule (PAR) 2202. Innovative TDM Solutions' (ITS) staff has attended each meeting, submitted various questions, and has presented a virtual demonstration of the Regional RidePro AVR and Ridematching system's capabilities to the South Coast AQMD. Their next steps include hosting a public workshop and then submitting their final recommendations to their Governing Board on August 4, 2023. The proposed amendments would be in effect beginning July 1, 2024. They have asked for any final comments to be submitted prior to June 30, 2023.

The following are questions that need further clarification.

Vehicle Miles Traveled (VMT)

The below screenshot is pulled from **Page 16 of the Preliminary Draft Employee Commute Reduction Program (ECRP) Guidelines** on South Coast AQMD's PAR 2202 website.

F. Vehicle Miles Traveled (VMT) Reporting

Vehicle Miles Traveled (VMT) is the number of miles traveled by an employee during their commute trip to the worksite. VMT for an employee is determined based on the distance (in miles) from the employee's home to the worksite. Total VMT is the total number of miles traveled by all employees based on their commute distance to the worksite and is required to be reported on the annual compliance submittal. Worksites will collect VMT data through the AVR survey. All survey participants will report miles traveled one way from home to the worksite. The number of miles traveled will be reported once per survey taker and will apply to all five days of the survey period. Employers will report VMT data per commute mode by summing the miles traveled of daily employee trips for each commute mode type. Employers will submit the AVR summary with VMT data. Total VMT will not impact AVR or the measured success of the program.

Below are discussion items related to this screenshot.

- Regional TripSpark RidePro software currently calculates VMT based on geocoded survey data and **would not** require the addition of a one-way mileage field to the AVR survey. TripSpark software capabilities have been presented to South Coast AQMD staff (at their request). It would be ideal if employers that use the CTCs' Regional AVR survey could submit a report that can be generated from the current software. Data would be more accurate than what is described in the screenshot above.
 - It is important to note that the South Coast AQMD is suggesting one-way miles be multiplied by 5 for each commuter in order to attain total VMTs, which would include days that employees did not report to work during the survey week. TripSpark software uses data reported directly from AVR survey and does not report VMT for days that employees do not report to the work site (days off).

2-1

- If employers who use the Regional AVR survey are required to submit VMT data effective 7/1/24 based on the South Coast AQMD’s description above, changes to current software programming will be **significant**. Unknown costs and time for program development, testing and implementation are also concerning to meet this deadline. Some of the programming items are:

 - Add one-way mileage field to the AVR survey.
 - Add calculations for one-way mileage multiplied by five to provide total VMT.
 - This calculation would be separate from AVR calculations because the South Coast AQMD is asking for VMT data based on traveling to work every day of the week, and days worked.
 - It’s not clear how employers who conduct a 7-day survey will be handled.
 - Provide breakdown of VMT per commute mode.
 - It’s not clear whether this will be based on days traveled to work or if days off will be part of this breakdown.
 - All reports, the AVR survey and any newly created supporting documents would likely need to match South Coast AQMD reports, like they do now.
 - What is the ETA for when VMT reporting drafts may be available? These would be necessary in order to understand system programming (unknown costs).
 - Most employers survey approximately 90 to 120 days prior to their plan due date. For an employer with a 7/1/24 plan due date, this means that they could survey as early as March and would be required to have all of the new data reporting requirements as detailed in the amendments. The CTCs would need ample time to determine timing, programing, testing and implementation.
- Clarification is needed for employees who work remotely from another state, or over a certain distance that they would not travel to the worksite.
- ITS has recommended to the South Coast AQMD that they consider both AVR and VMTs to be metrics for gauging an employer’s success. VMT is the number of miles traveled from home to the worksite. AVR is a measure of actual activity occurring at the worksite based on commute mode and number of occupants traveling to the site. This AVR survey data is shared with the ETC and enables them to identify target markets to increase ridesharing at their worksite. ITS is concerned that with South Coast AQMD bringing in the requirement for VMT data, they will eventually move exclusively to collecting VMT data only and end the need for AVR and the employee AVR survey.
- Should the South Coast AQMD sunset the need for an employee AVR/Ridematching survey, the Regional Rideshare database would dwindle from approximately 395,400 records for Los Angeles, Orange, and Ventura County employee commuters to approximately less than 50,000. Rideshare matching would be decimated and the ability for ETCs to target market their employees for rideshare modes would no longer be available.

Telecommuting

- ITS recommends and believes that requiring employers to survey their telecommuting employees is more accurate than providing HR/payroll records. Most employers’ HR/Payroll departments do not track who teleworks each day of the week. Further, having an employer conduct an employee AVR survey does not place an undue burden on the employer or employee. 2-6
- The below screenshot is pulled from **Page 9 of the Preliminary Draft Employee Commute Reduction Program (ECRP) Guidelines** on South Coast AQMD’s PAR 2202 website. 2-7

3. Telecommute Employees

Telecommute employees are employees who work from home, off site, at a satellite office or at a telecommuting center using telecommunications tools such as email, phone, chat or video applications for a full work day that eliminates the trip to work or reduces travel distance by more than 50%. Telecommuting may also be referred to as remote work, work from home, mobile work, or distance work. Telecommuting does not include flexible or compressed work schedules.

Telecommute employees are included in the employee count for rule applicability and are required to be included in the number of employees within the peak window. Worksite telecommute activity will be reported on the annual compliance paperwork. The worksite will disclose information such as the number of eligible telecommuters, how many employees are currently participating in the telecommute program, and if the telecommute schedule is permanent or if there is a projected return to office date. **Worksites must include human resources (HR) or payroll records with the annual submittal to validate telecommute activity.** Reported information may impact plan submittal, specifically the AVR survey summary and results. HR records should contain anonymized employee data such that specific employee names or other identifying information is not included.

The worksite may report total daily telecommute trips by employees on the AVR summary form, even if not all telecommute employees respond to the employee survey. The ETC may alter the number of daily telecommute trips based on the number of telecommute employees to ensure that the worksite receives full credit for the total number of commute trips reduced by telecommuting.

Question for the South Coast AQMD regarding 2nd paragraph – sentence states, “Worksites must include human resources (HR) or payroll records with the annual submittal to validate telecommute activity.”

1. If an employer surveys, are the HR or payroll records necessary for submittal? It was mentioned in the May 31, 2023 Working Group Meeting by Jeff Inabinet that the HR or payroll records would not need to be submitted if a survey was conducted. We would recommend clarification of that sentence to reflect that. 2-8
2. The HR departments or payroll departments do not always track or know the exact schedules of employees’ telecommute arrangements. Therefore, how is the ETC to gain this information if these departments do not know? It is a concern that the ETC could provide inaccurate data. 2-9

Questions for the South Coast AQMD regarding entire 3rd paragraph highlighted above:

- | | |
|--|----------------------|
| <p>1. How will this calculation be made? Specifically, employees at a worksite could have various hybrid telework schedules with varied days of a week split between working in the office and working from home, albeit not all 5 workdays are 100% remote. Is the South Coast AQMD stating that employers would report 5 workdays of telecommute activity for those employees that are telecommuting via a hybrid schedule? This would be inaccurate data that is reported.</p> | <p> </p> <p>2-10</p> |
| <p>2. How can CTCs remain confident regarding final AVR data provided to South Coast AQMD after the ETC could alter the data on their own to add in non-response telecommute trips? The AVR software provided to employers by the CTCs is certified by the South Coast AQMD and the certification number is populated on all final AVR reports generated. It is not meant to be altered and if that were now allowed, there would not be an audit trail to validate the survey data or support the ETC’s amended calculation. This is concerning given the CTCs’ certification with the South Coast AQMD and do not want to put that at risk.</p> | <p> </p> <p>2-11</p> |
| <p>3. How does this potential alteration affect the 60 – 89% calculation of no responses (currently calculated as a single occupant vehicle), and the 90%+ response rate? How would ETCs be able to manually alter that data and change their response rates?</p> | <p> </p> <p>2-12</p> |
| <p>4. With all of the amendments and changes, what is South Coast AQMD’s plan to provide training (separate from the ETC Training) to ETCs? The CTCs support the majority of employers that comply with Rule 2202 and staff assists employers with their compliance and fields questions from ETCs. These amendments will raise more questions. Therefore, it would be helpful to know what South Coast AQMD will be doing to educate the employers and/or offer assistance to them.</p> | <p> </p> <p>2-13</p> |

Comment:

<p>For employers that survey, this method of allowing employers to add in non-response telecommute trips could be extra steps that the ETCs may not want to do and/or calculate and potentially lead them to filing a compliance option (such as ERS with no survey) that takes less effort. This could impact the total number of employers the CTCs provide AVR survey services and thus, decrease the data to the region’s database.</p>	<p> </p> <p>2-14</p>
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- The next screenshot below is from **Page 18 of the Preliminary Draft Rule 2202 Implementation Guidelines** on the South Coast AQMD’s PAR 2202 website.

Chapter IV Program Administration

Telecommute employees are included in the employee count for rule applicability and are required to be included in the number of employees within the peak window. Worksite telecommute activity will be reported on the annual compliance paperwork. The worksite will disclose information such as the number of eligible telecommuters, how many employees are currently participating in the telecommute program, and if the telecommute schedule is permanent or if there is a projected return to office date. Worksites will include human resources (HR) or payroll records with the annual submittal to validate telecommute activity. Reported information may impact plan submittal, based on the selected program.

AQIP – If a worksite selects the AQIP option, they may deduct the number of daily telecommuters from their average peak window employee count. The site will be required to pay the appropriate AQIP fee per average number of daily employees that physically arrive at the worksite.

ERS using default AVR – If a worksite selects the ERS option, they may deduct the number of daily telecommuters from their average peak window employee count. The site will use the number of average daily employees that physically arrive at the worksite in the calculation to determine the amount of emission credits required.

ERS with AVR survey or ECRP – If a worksite is conducting an AVR survey, they may report total daily telecommute trips on the AVR summary form. Total daily telecommute employee trips may be reported even if not all telecommute employees respond to the AVR survey. This ensures that the worksite will received full credit for the total number of commute trips reduced by telecommuting.

Observation: For employers filing ERS using a default AVR (without conducting a survey) – they will now be allowed to deduct the number of daily telecommuters from their average peak window count and purchase credits based on only those physically arriving at the site. Consultant staff, on behalf of the CTCs, have secured ERS employers to conduct the survey to gain accurate information reflecting actual commute behavior for the survey week and then provide that data to the emission credit vendor to calculate their emission credits. **This new allowance could cause ERS employers to forego surveying their sites and thus, decrease employer data for the CTCs’ database. Further, it voids the CTCs’ opportunity to convert ERS employer clients to ECRP employer clients.**

2-15

Responses to Comment Letter #2 received by ITS

Comment 2-1: South Coast AQMD appreciates the opportunity to learn about the TripSpark RidePro software capabilities and how it is currently being used by employers subject to Rule 2202. PAR 2202 will rely on existing methods in Rule 2202 to include the new VMT data collection and reporting requirements. For those employers that conduct an AVR survey, staff propose to add a new field to the AVR survey form requiring each employee to specify their VMT during a one-way trip to the worksite. The employee's reported VMT will be used to calculate the employee's VMT per commute mode for the survey week. For days that the employee does not commute to the worksite during the survey week, the VMT will be zero. The employer will then provide the total VMT per commute mode by all employees on the AVR summary form (using a typical work week of 5 days). Please note the AVR calculation will not be affected by the VMT information reported on the survey. Please note Rule 2202 currently allows employers the option of selecting an alternative AVR data collection method for calculating the worksite AVR, which must be certified by the South Coast AQMD prior to use, in accordance with the ECRP guidelines. PAR 2202 staff looks forward to further assessing the TripSpark RidePro software and discussing certification and/or software programming changes.

Comment 2-2: South Coast AQMD staff understand the concerns raised and the impact on software programming. To allow additional time for any programming changes, South Coast AQMD extended the effective date of the new reporting requirements to ~~September 1, 2024~~ January 1, 2025. PAR 2202 staff looks forward to further assessing the TripSpark RidePro software and discussing certification and/or software programming changes. PAR 2202 is proposing that VMT data be collected by adding a one-way mileage field to the AVR survey. An employee's one-way mileage will be used to calculate their VMT by commute mode for the survey week, considering the days the employee does not commute into the worksite. For days that the employee does not commute to the worksite, the VMT will be zero. Under PAR 2202, there will be no change to the way an employer conducts a 7-day survey. The process for conducting and reporting a 7-day survey will remain the same, with the additional VMT data reporting.

South Coast AQMD staff will begin work on the compliance forms to include the additional data collection requirements upon Board approval. PAR 2202 is currently scheduled for Board consideration on August 4, 2023. The new data collection and reporting requirements are proposed to take effect on ~~September 1, 2024~~ January 1, 2025. South Coast AQMD believe this is

ample time to prepare for implementation of the new data collection and reporting requirements.

- Comment 2-3: Remote employees are defined in the Draft Implementation Guidelines and ECRP Guidelines. Remote employees are defined as employees who live and primarily work at locations located outside of the South Coast AQMD, and physically commute to the regulated worksite less than five days a year. Remote employees are considered as telecommuting employees and included in the telecommute employee count, and the VMT for remote employees will be zero on the days they are telecommuting.
- Comment 2-4: Comment noted.
- Comment 2-5: Comment noted.
- Comment 2-6: For those employers that do not conduct an AVR survey, PAR 2202 will allow the use of HR/payroll records to document telecommuters. The HR/payroll records must be signed by a representative in HR/payroll certifying the validity of the information provided. For worksites that do conduct an AVR survey, the worksite may take credit for full-time telecommuters without surveying those employees. However, the worksite must survey employees on a hybrid schedule to capture the commute mode on the days that the employee physically commuted to the worksite.
- Comment 2-7: See response above. Worksites are not required to submit HR/payroll records as a part of their annual registration, however these records are required to be kept at the worksite for a minimum of three compliance years. All worksites will need to provide general information on their telecommute practices on a separate new compliance form which will include a signature from a representative in HR/payroll to certify the validity of the information provided.
- Comment 2-8: See response above.
- Comment 2-9: Worksites may only use HR/payroll records to complete their annual registration if the HR department or payroll department knows the exact number of daily telecommuters. The HR/payroll records must be signed by a representative in HR/payroll certifying the validity of the information provided. If the information cannot be validated, the information may not be used for compliance.
- Comment 2-10: See response to 2-1.
- Comment 2-11: PAR 2202 allows worksites to report employee telecommute activity on the AVR survey form, even if not all telecommuters respond to the employee survey provided the worksite can validate the employee's

telecommuting activity using HR/payroll records. See response to comment 2-6. Worksites may take credit for employee telecommute days for employees on a hybrid schedule, but only for the days the employee did not physically commute to the worksite. If an employee on a hybrid schedule does not respond to the AVR survey, the ETC may account for the employee telecommute days based on HR/payroll records and will mark the days that the employee did physically commute to the office as a no response. Employers will not report five days of telecommute activity for employees that are telecommuting via a hybrid schedule.

Comment 2-12: Worksites do not need to survey full-time telecommuters and may include the full-time telecommuters in the survey response rate. The worksite must validate this telecommuting activity using HR/payroll records to verify the number of employees who are using the telecommute mode for every day of the survey period. However, employees on a hybrid schedule do need to be surveyed to capture the commute mode on the days that the employee physically commuted to the worksite. The worksite may not manually input telecommute data to alter the survey response rate.

Comment 2-13: South Coast AQMD staff will continue to provide ETC training at least monthly and be available to all employers subject to the rule. Additionally, staff will be releasing detailed instructions on complying with the new reporting requirements that will be available on the Rule 2202 website.

Comment 2-14: A worksite is not required to follow the procedures for telecommuting employees. The extra steps used to account for the various types of telecommuting employees are optional and allow the worksite to take credit for telecommute trips if they wish to do so. The general information required on telecommuting practices at the worksite will be required for all worksites submitting an annual registration under PAR 2202, regardless of chosen compliance option.

Comment 2-15: Comment noted.

Comment Letter #3

South Coast AQMD
Proposed Amended Rule 2202 Public Workshop Q&A
June 20, 2023

- | | |
|---|------|
| 1. Maddy Landi: Is there a link for the presentation slides? | 3-1 |
| 2. Anonymous Attendee: Can you list the names of the staff who just introduced themselves? | 3-2 |
| 3. Claire: Will an ETC be required for each multisite or each individual site, regardless of filing as a single or multi site? | 3-3 |
| 4. Claire: And does this mean the ETC training will be free? Or will there be opportunity for "bundle" ETC training options to make the cost more feasible? | 3-4 |
| 5. Anonymous Attendee: Would SCAQMD be able to provide the zipcodes that fall under their jurisdiction so its easier for worksites to differential between remote/telecommute employees who live outside of the jurisdiction? | 3-5 |
| 6. CAldama: What about Temp employees? | 3-8 |
| 7. CAldama: Do they count? | 3-7 |
| 8. Anonymous Attendee: Under the Employee Commute Reduction Strategies, will there be a separate category for electric scooters, or will those be considered zero-emission vehicles? | 3-8 |
| 9. MBS: mistake to raise hand | 3-9 |
| 10. Michelle Martinez: Will the next draft of documents that are released on July 5th be open for comments? | 3-10 |
| 11. Michael Villa-Real: Can the presentation be available to us | 3-11 |
| 12. Colleen Stoll (Santa Monica): Hi! Do you have a sample telework form that you can share? | 3-12 |
| 13. Anonymous Attendee: please post the information on the last slide to the chat | 3-13 |
| 14. Anonymous Attendee: When leveraging the telecommute data in the AVR survey form (without survey), will employers still have to provide zip codes for those employees in phase 1? or will that be required in phase 2? | 3-14 |
| 15. Michael Villa-Real: Thank yo | 3-15 |

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|--|------|
| 16. Kim Rohaly: Privacy concerns in reporting identifying information along with home zip codes in reporting – how can this data be provided outside of survey without identifying names, Employee ID's, etc.? | 3-18 |
| 17. Pamela Larussa: What specific documents do you need as proof for the telecommuters that are signed by HR? | 3-17 |
| 18. LynnKeller: If the company uses a TMA to assist with ECRP, if TMA has an ETC to represent. Does the company still need to have an onsite ETC? | 3-18 |
| 19. bernaje: interns hand out | 3-19 |
| 20. Anonymous Attendee: Is there more clarification on option G - Noncommuting and F - Tellecommute? Staff are always confused with this selection. Thank you | 3-20 |
| 21. Chris Waller: Can you please clarify under which circumstances, if any, plug-in hybrids can be counted as ZEVs? | 3-21 |
| 22. Grant Dawdy: For multi-site plans, will there be a place in the forms to identify a “business type” for each individual site? One type will not describe all of our sites. | 3-22 |
| 23. Melissa Molina: Will employers submitting a High AVR report need to re-submit an ECRP or will their current ECRP count? | 3-23 |
| 24. Anonymous Attendee: Our company pays for credits as we have a fluctuating staff depending upon studio production and we also allow 2 day remote telecommuting. We used active employee list from P&O (aka HR), will we now need to provide zip codes for all eligible employees? | 3-24 |
| 25. Anonymous Attendee: We also have a very strict privacy policy at our studio as well. | 3-25 |
| 26. Michael Villa-Real: Does AQMD require 2202 records on site. | 3-26 |
| 27. Anonymous Attendee: In my ETC training, i was told plug-in hybrid counts if they are utilizing the ZEV mode for 51% of the commute mode. | 3-27 |
| 28. Kim Rohaly: How will these amendments impact the timing for review and approval by the SCAQMD staff? We struggle now to get plans reviewed and approved in order to upload timely to required systems. | 3-28 |
| 29. Anonymous Attendee: will hybrid vehicle have their own cateogry later? | 3-29 |
| 30. Anonymous Attendee: Do we have an estimate on when the proposed amended Rule 2202 amendment will be finalized? | 3-30 |

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| 31. Anonymous Attendee: Some worksites I hear are using gate count data to demonstrate telecommute mode split. They subtract those who were onsite and indicated an alternative mode on the survey or were on PTO. Is that documentation good enough for those telecommute employees? | 3-31 |
| 32. Michael Villa-Real: thank you | 3-32 |
| 33. Rachelle: Just to clarify, if we're doing a survey and a group of employees refuse to complete the survey, we will just use their zip code for the VMT? | 3-33 |
| 34. Michael Villa-Real: Great presentation thank you | 3-34 |
| 35. Anonymous Attendee: Can SCAQMD send an email to the ETC that the Rule 2202 plan is approved? This has been inconsistent from my experience and we want to ensure the plan is implemented 30 days after approval | 3-35 |
| 36. Michelle Martinez: Just to clarify, after August 4th, is that when staff will begin to create all of the new required forms (Telecomm form, new AVR survey, etc.)? From there, when would all drafts of the new forms be available? | 3-36 |
| 37. Michael Villa-Real: what is the future fo 2202. Stricter | 3-37 |
| 38. Anonymous Attendee: Will this recording be provided to attendees? | 3-38 |
| 39. Grant Dawdy: When will phase 2 of the process begin? or How soon do you feel you'll hve enough VMT analysis to move forward with phase 2? | 3-39 |
| 40. Anonymous Attendee: This is off topic - but when will new filing fees be released for 23/24? | 3-40 |
| 41. Pamela Larussa: Is VMT requirements including the zip code reporting also on the ECRP survey? | 3-41 |
| 42. Anonymous Attendee: The COVID19 Rule Accommodation Guidance will remain in effect until July 2024? | 3-42 |
| 43. Anonymous Attendee: When will the proposed amendment likely be approved? Can you provide us with a timeline so companies/sites can prepare? | 3-43 |
| 44. Pamela Larussa: For the Commute Reduction Strategies, you'll be removing the Mobility hub services, does that cover the shuttle service from a train station to the worksite? | 3-44 |
| 45. Anonymous Attendee: Will the audit process change? Will sites be notified of audit and can it be scheduled? | 3-45 |

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| 46. Suzanna Bilodeau: Is there consideration on the survey that either zip code or mileage stated be considered? I'm concerned our employees may not know the exact mileage. I think zip code option would provide a potentially less subjective answer. | 3-46 |
| 47. Brian Cunanan RCTC: Is there any flexibility with the July 1, 2024 implementation date? The local County Transportation Commissions which support many of the employers that opt for ECRP will need time to collectively scope, budget for, and update the software to reflect the changes months in advance of that implementation date. Depending on when the final guidelines are released, this may not be enough time to adequately update and test the updated software for those ECRP employers with plans due close to this implementation date. | 3-47 |
| 48. Rhona Davis: Surprise inspections will need to be preapproved by security. | 3-48 |
| 49. Anonymous Attendee: For clarity, we are a motion picture studio and we do not allow anyone onto the studio lot without prior approval by security. | 3-49 |
| 50. Anonymous Attendee: For zip code information - a lot of employees are concerned with data privacy and we find typically hesitate to provide any personal information. Will there be ways to work around this? Or ways to make the question optional and somehow use an average for these cases where privacy is concern? | 3-50 |
| 51. James Murray City of Santa Monica: Can there be a clarification regarding defining what a field personnel or field construction workers are that are exempt? | 3-51 |
| 52. Anonymous Attendee: will there be more PAR meetings or is this the last one? | 3-52 |
| 53. Rhona Davis: Thank you. | 3-53 |
| 54. Diane Amaya: thank you. | 3-54 |
| 55. Grant Dawdy: Thank you! This process is very much appreciated. | 3-55 |

Responses to Comments/Questions Received during the Public Workshop- #3

- Comment 3-1: A link to the presentation slides was posted live in the Q&A. The presentations slides can be found on the South Coast AQMD website at: <http://www.aqmd.gov/docs/default-source/transportation/par-2202/final-par-2202-pw.pdf>.
- Comment 3-2: South Coast AQMD staff present during the Public Workshop are Ian MacMillan, Vicki White, Jeffrey Inabinet, Natalie Gonzalez, and Chelsea Orozco.
- Comment 3-3: Worksites that conduct an AVR survey are required to designate an ETC. If the worksite is a part of a multi-site, then the employer submitting a multi-site program may designate an ETC at one worksite and designate On-Site Coordinators for all other worksites.
- Comment 3-4: ETC training will not be made free, as staffing resources need to be recovered. A bundle training option will not be offered, as worksites are only required to have one trained ETC. On-Site Coordinators may be utilized at worksites filing a multi-site registration to implement the rideshare program where an ETC is not present.
- Comment 3-5: Staff will assess the ability to provide a zip code list for the South Coast AQMD jurisdiction to assist worksites in differentiating remote employees.
- Comment 3-6/3-7: Temporary employees are not counted for rule applicability or in calculating AVR. The temporary employee protocols will not be changing as part of PAR 2202.
- Comment 3-8: Employees using electric scooters for the commute trip to the worksite should be accounted for in the Zero Emission Vehicle (ZEV) mode on the AVR survey form.
- Comment 3-9: Comment noted.
- Comment 3-10: All PAR 2202 related documents are open for review and comment until a final determination is made by the Governing Board on August 4, 2023.
- Comment 3-11: Please see response to Comment 3-1.
- Comment 3-12: Rule 2202 staff will release the telecommute compliance page if PAR 2202 is adopted by the Governing Board on August 4, 2023.
- Comment 3-13: Please see response to Comment 3-1.

- Comment 3-14: PAR 2202 is considered the first phase of amending Rule 2202 and will require regulated worksites to provide employee zip codes to calculate VMT from employee commute trips to worksites. The VMT data collected will be used to inform a potential future second amendment (Phase 2) to Rule 2202.
- Comment 3-15: Comment noted.
- Comment 3-16: PAR 2202 will require all survey participants to report one-way miles traveled from home (using home zip code) to the worksite. No employee home addresses will be required to be reported. The zip codes that will be provided are generalized information and will not require any specific employee information due to privacy concerns.
- Comment 3-17: Employers must keep Human Resources/Payroll records at the worksite for a minimum of three compliance years to validate telecommute activity data. Specific documents may vary between worksites, but they must show proof of reported telecommute activity.
- Comment 3-18: A worksite may enlist the assistance of a TMA to help the worksite complete their annual compliance paperwork. The TMA ETC may sign as the ETC for the worksite if they have been appointed to develop, market, administer, and monitor the worksite's chosen compliance option.
- Comment 3-19: Comment noted during workshop.
- Comment 3-20: Clarifying definitions will be added to the AVR survey form to clarify commute modes that may appear unclear to an employee (eg. Non-commuting) employees when selecting their commute mode.
- Comment 3-21: Employees arriving to the worksite in a Plug-In Hybrid Electric Vehicle (PHEV) meet the definition of a zero-emission vehicle provided that the entire trip to work is made exclusively under electric power. This applies to plug-in vehicles with all electric range that can travel exclusively under electric power without use of the gasoline engine or cogeneration system.
- Comment 3-22: Multi-site submittals will have the ability to designate a business type/classification for each individual site within the multi-site plan.
- Comment 3-23: Employers will not need to resubmit their ECRP registration if they are submitting a High AVR ECRP Program. The site will be required to submit the AVR survey summary form with the proposed VMT data beginning ~~September 1, 2024~~ January 1, 2025, pending approval of PAR 2202.
- Comment 3-24: Worksite VMT reporting methodology will be dependent on the worksite's chosen compliance option. If the worksite does not conduct an

AVR survey, they will report anonymized employee zip code information. If the worksite does conduct an AVR survey, the worksite will collect employee one-way mileage from the home to the worksite on the AVR survey form. The VMT data will also be reported per mode type as a part of the AVR survey summary form.

Comment 3-25: Comment noted.

Comment 3-26: South Coast AQMD requires that all worksites maintain Rule 2202 records for three compliance years at the worksite and to be available for review in case of an inspection.

Comment 3-27: Please see response to Comment 3-21.

Comment 3-28: The proposal will not change the internal plan approval letter process. PAR 2202 has required South Coast AQMD staff to prioritize rulemaking efforts which that has led to a delay in the issuance of yearly plan approval letters. However, it is expected that normal turnaround time for the approval letter process will resume again shortly.

Comment 3-29: Hybrid vehicles meet the definition of a zero-emission vehicle, for current purpose of the AVR survey, provided that the entire trip to the worksite is made exclusively under electric power. Please see response to Comment 3-21. In the future, staff may consider creating a separate hybrid vehicle category.

Comment 3-30: PAR 2202 is currently scheduled for Board consideration on August 4, 2023. If adopted, proposed requirement will go into effect ~~September 1, 2024~~January 1, 2025.

Comment 3-31: Specific worksite telecommute documentation may vary between worksites depending on the worksite's method of tracking employee telecommuting activity. The worksite records must show proof of reported telecommute activity in the event of an inspection.

Comment 3-32: Comment noted.

Comment 3-33: If a worksite is conducting an AVR survey and a group of employees refuse to complete the survey, they would be accounted for in the No Survey Response category. Zip codes do not need to be reported for employees who do not respond to the survey. Zip code data is only required to be reported by worksites that do not conduct an AVR survey in order to estimate employee VMT.

Comment 3-34: Comment noted.

- Comment 3-35: The current process is for approval letters to be mailed to the site contact at the worksite. South Coast AQMD staff is currently working on systems to make the Rule 2202 program submittal process automated and will explore options of making the plan approval process more efficient.
- Comment 3-36: South Coast AQMD staff will begin work on the compliance forms to include the additional data collection requirements upon Board approval. PAR 2202 is currently scheduled for Board consideration on August 4, 2023. If adopted, the new data collection and reporting requirements are proposed to take effect on ~~September 1, 2024~~ January 1, 2025. South Coast AQMD believe this is ample time to prepare for implementation of the new data collection and reporting requirements.
- Comment 3-37: Future of amendments to Rule 2202 will be largely influenced by the data collected through the new reporting requirements of PAR 2202. This additional data will be analyzed by staff and will inform future proposed amendments to the rule.
- Comment 3-38: The audio recording of the Public Workshop can be made available upon request.
- Comment 3-39: The additional data proposed to be collected from PAR 2202 will be analyzed by staff and will inform the direction of future decision-making efforts. The second phase of rule amendments are scheduled to begin in 2024-2025.
- Comment 3-40: Filing fees for the 2023/2024 compliance year have been posted to the Rule 2202 website. The Filing Fee Summary can be found here: <http://www.aqmd.gov/docs/default-source/transportation/rule-2202-filing-fees-summary-july-01-2023.pdf>.
- Comment 3-41: The AVR survey will not use zip codes to fulfill the VMT reporting requirement. The AVR survey will ask employees to report their one-way miles distance to work and will use this data to calculate VMT by commute mode on the AVR summary.
- Comment 3-42: PAR 2202 will continue the Covid-19 protocols for telecommute trip reporting and furloughed employee count. Covid-19 protocols that waived extension fees and late fees will be rescinded.
- Comment 3-43: PAR 2202 is currently scheduled for Board consideration on August 4, 2023. If adopted, the new data collection and reporting requirements are proposed to take effect on ~~September 1, 2024~~ January 1, 2025.
- Comment 3-44: PAR 2202 will not be removing the Mobility Hub Service strategy option. This option was previously included in the “other” category but will now

be a standalone strategy. A shuttle service from a train station to the worksite counts as a Mobility Hub Service.

Comment 3-45: The worksite inspection process will not change due to PAR 2202 and worksite inspections/audits may not be scheduled.

Comment 3-46: Zip codes will be used to report VMT by worksites that do not conduct an AVR survey, while worksites that do conduct an AVR survey will collect one-way mileage on the AVR survey. The AVR survey will allow the VMT to be summarized by commute mode type, which cannot be collected through zip codes alone. Staff is confident that employees will have the ability to determine the mileage they travel to the worksite, and that this information combined with commute mode will be highly informative in developing future amendments to Rule 2202.

Comment 3-47: Staff is proposing a ~~September 1, 2024~~ January 1, 2025 implementation date for the additional reporting required by PAR 2202. Therefore, worksites will not be required to provide the additional reporting requirements for one year if PAR 2202 is adopted by the Governing Board on August 4, 2023. Staff is confident that this one-year grace period will provide enough time for worksites to prepare to comply with the new reporting requirements.

Comment 3-48: Comment noted.

Comment 3-49: Comment noted.

Comment 3-50: Please see response to Comment 3-16.

Comment 3-51: Please contact staff for clarification regarding what field personnel or field construction workers are exempt from surveying requirements at your specific worksite.

Comment 3-52: This is the last scheduled public workshop meeting.

Comment 3-53: Comment noted.

Comment 3-54: Comment noted.

Comment 3-55: Comment noted.

Comment Letter #4



June 29, 2023

Ian MacMillan, Assistant Deputy Executive Officer
 South Coast Air Quality Management District
 21865 Copley Dr.
 Diamond Bar, CA 91765

Dear Mr. MacMillan,

The City of Santa Monica’s (City) Department of Transportation (“DOT”) appreciates the opportunity to comment on the Proposed Amendments Rule 2202 (August 4, 2023)(“Proposed Amended Rule 2202). Since 1991, the City of Santa Monica has been a partner agency in implementing the City’s local ordinance version of Rule 2202, and the preceding Regulation XV. While there are some differences between the City’s local ordinance and Rule 2202, the core of the City’s commute emission reduction regulation parallels Rule 2202. As both an employer subject to Rule 2202 and a local government with a Memorandum of Understanding with South Coast Air Quality Management District(“SCAQMD”) to monitor and enforce Rule 2202 at the local level, DOT submits the following comments on behalf of the City and look forward to continued collaboration throughout phase 1 and 2 of the amendment process.

Phase 1 Comments:

The City is supportive of using the phase 1 period to collect additional data to better understand shifting employee commute patterns and associated emissions. The global pandemic layered with housing and land-use trends, a changing transportation network, and innovations in workplace technology have resulted in significant shifts in employment and travel patterns.¹ There is a need to update Rule 2202 to be responsive of current trends while also collecting data to ensure that the regulation continues to serve the intended purpose of reducing emissions associated with employee commute trips. We would suggest using the phase 1 period of the rule change to capture even more data surrounding when and how commute trips are occurring to maximize the efficacy of the proposed rule changes in phase 2.

4-1

Taking a more comprehensive approach to capturing commute data (by looking at all commutes instead of only the AM peak window) would allow SCAQMD and the City to better evaluate if commute trips are being eliminated or if they are simply shifting out of the AM peak. One of the differences between Rule 2202 and the City’s employee commute reduction policy is the City’s inclusion of the AM and PM peak hour (3-7 pm) windows for average vehicle ridership (“AVR”) calculation. With the City’s goal of providing and encouraging the use of a multi-modal transportation network that is safe,

4-2

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equitable, sustainable, and well-managed at all times of day, our regulation prioritizes the reduction of single occupancy vehicular trips beyond the morning commute window. Collecting commute information for a full day would provide more accurate data as to the true impact of employee commute reduction efforts. While there are benefits to shifting trips from the AM peak, the true emissions impact of the regulation can only be calculated by knowing if a single occupancy vehicle (“SOV”) trip was eliminated versus shifting to another time of day. In addition to capturing information on all commute trips during the day, the City would be interested in a Proposed Amended Rule 2202 provision allowing employees to voluntarily share more information about the type of single occupancy vehicle used for commuting as it relates to fuel efficiency and emissions.

4-2
(cont'd)

Similar to SCAQMD, with the onset of the COVID-19 pandemic the City saw rapid changes in workforce behaviors and many employers implemented telework policies, adopted remote workplace structures,² and downsized or moved physical worksites to reflect those new practices. In order to align with Rule 2202, the City mirrored SCAQMD’s temporary protocol allowing regulated employers to use human resources (“HR”) or payroll records to account for telecommute trips without requiring an AVR survey of all employees. Having implemented this temporary protocol for the past two years, City staff do not believe that HR and payroll records are detailed enough to account for telecommuting (and the related trip, emission, and VMT reduction impacts). While an employer may be able to provide the company telework policy, we have not found HR and payroll records that are able to account for exact days telecommuting occurred (particularly challenging for the widely adopted hybrid telework policies), when the workday started/ended for telecommuting employees, and which days the telework employees were working during the survey period (taking into account sick, vacation, compressed work week schedules, etc.). By not being able to accurately calculate which trips would have occurred without the telework policy in place, it is impossible to calculate AVR scores for companies that have used this temporary protocol. To assume that all employees who are eligible to telework at a company were indeed working that day and telecommuted in the “peak window” for all five survey days significantly inflates the quantity of trips reduced by telecommuting. Moving forward, the City requests amending the SCAQMD/City memorandum of understanding (“MOU”) to state that telecommuting data be accounted for via the completion of employee AVR surveys.

4-3

Along with the challenges in accurately capturing commutes reduced by telecommuting, the City now has several companies based in Santa Monica with a significant number of remote employees who may never commute to Santa Monica or live in the state or even country. These employers have reasonably inquired as to which employees are to be included in the City’s local ordinance that regulates commute trips. With the current regulatory framework, there is no opportunity for employers to distinguish between “remote employees” who do not live in the region and would never make a commute to a physical workplace in Santa Monica, and employees who live in the region but primarily telework. For now, “remote employees” are considered employees of the worksite and they are included in the AVR survey as employees who “telecommute” during the survey period. Moving forward, the City is supportive of defining remote employees in Proposed Amended Rule 2202 as employees who live outside of the SCAQMD boundaries and commute into the workplace four or fewer times per year.

4-4

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Additionally, the City would suggest that those employees should not be included in the AVR survey, nor should they be included in any fees based on employee count. Staff believe the goal of emission and trip reduction policies should be to reduce emissions and trips that are occurring locally, not to inflate AVR results and telecommuting impacts by including employees who would not regularly commute to a worksite.

4-4
(cont'd)

Finally, the City suggests that SCAQMD require compliance with the State Parking Cash Out Law as a requirement for compliance with Rule 2202 in phase 1. Recent studies³ show that the potential impacts of parking cash out are significant (especially for areas like Los Angeles where parking is often subsidized) and the applicability of the cash out law should be much greater with the passing of AB 2206⁴ and updated guidance coming from the California Air Resources Board this fall.

4-5

Phase 2 Comments:

With regards to the longer-term phase 2 changes, we support Vehicle Miles Traveled (“VMT”) as a primary metric, the reassessment of performance zones, the evaluation of credit options for compliance, and the modification of rideshare program requirements and reporting. As environmental and transportation regulations across the state of California have shifted to VMT, it is important to keep in mind root causes of high VMT such as land-use policies that impact the cost and location of housing and jobs. If Rule 2202 ultimately shifts from AVR to VMT as the primary metric, regulators and employers could shift their attention (and funding) to reducing high VMT trips while disregarding shorter VMT trips. To some extent this is already happening under the existing regulatory framework. For example, some employers and agencies are allocating significant resources towards vanpooling and corporate shuttles to reduce commute emissions. Users of such programs might receive incentives and services valued at hundreds of dollars per month, which significantly offsets the transportation costs associated with commuting long distances. Conversely, regulated employees who live within a viable bike, walk, or transit commute shed, might receive incentives of little to no value. While not the intended outcome, if not structured thoughtfully, VMT based-regulations could end up subsidizing (and therefore incentivizing) housing that is further away from the workplace and perpetuating the underlying land-use patterns that the California Department of Housing and Community Development is working to address through efforts such as the Regional Housing Needs Allocation.

4-6

With the introduction of light rail transit services in Santa Monica, the AVR performance targets in the City’s parallel regulation were updated in 2016 to factor in the additional high quality transit areas and we are in full support of the SCAQMD taking a similar approach to reassessing performance zones and targets. Because the City of Santa Monica has the purpose of providing and encouraging the use of a transportation network that is safe, equitable, sustainable, and well-managed, our regulation gives prioritization to the reduction of vehicular trips (regardless of the power source). As such, we support future compliance options for zero emission passenger vehicles, so long as they are not favored over non-automotive options such as walking, biking and transit (see the “Hierarchy of Preferred Mobility Options” figure below from the City’s 2019 Climate Action & Adaptation Plan.)

4-7

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Thank you again for the opportunity to collaborate on this important regulation. City staff look forward to continuing the discussion during the rulemaking process and subsequent MOU update.

Sincerely,

Colleen Stoll

Colleen Stoll
Transportation Demand Program Manager

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Responses to Comment Letter #4 received by the City of Santa Monica

- Comment 4-1: Comment noted. Staff agree with the commenter that there is a need to update Rule 2202 to be responsive of current trends and to collect additional data to ensure that the regulation continues to serve the intended purpose of reducing emissions associated with employee commute trips and to better inform future rulemaking activities. PAR 2202 will require new data collection and reporting to inform future amendments to the rule.
- Comment 4-2: Staff agree with the commenter that collecting data from all commutes instead of only the AM peak window trips would allow the South Coast AQMD and the City to better evaluate commute trip elimination and transit pattern/time shifting. However, with the current allocation of resources to the Rule 2202 program, the collection of data from outside of the AM peak window is not feasible at this time.
- Comment 4-3: The South Coast AQMD provided employers with temporary flexibility due to the pandemic and to aid in the ease of compliance for Rule 2202 requirements. One of the temporary protocols put in place was the ability to use HR/payroll records to document telecommuters in place of the employee survey. This protocol aided employers who employed remote working practices and resulted in increased survey response rates. PAR 2202 will allow the continued use of these records to report telecommuters and will continue to, in accordance with the 2022 Air Quality Management Plan, incentivize teleworking policies across all Rule 2202 applicable sites. The HR/payroll records utilized must be signed by a representative in HR/payroll certifying the validity of the information provided. Staff look forward to working with the City of Santa Monica to update the existing Memorandum of Understanding (MOU) between the South Coast AQMD and the City and incorporating any needed changes if PAR 2202 is adopted.
- Comment 4-4: A new definition for “remote employees” has been added in the Draft Implementation Guidelines and ECRP Guidelines. Remote employees are defined as employees who live and primarily work at locations located outside of the South Coast AQMD, and physically commute to the regulated worksite less than five days a year. Remote employees are considered as telecommuting employees and included in the telecommute employee count, however, the VMT for remote employees will be zero on the days they are telecommuting.
- Comment 4-5: As mentioned in response to Comment 4-2, the current allocation of resources to the Rule 2202 program does not allow for staff to enforce the State Parking Cash Out Law. Parking Cash Out is a state regulation with enforcement authority by the California Air Resources Board (CARB).

- Comment 4-6: Staff are not proposing to change the use of AVR as a metric for Rule 2202 at this time. Staff are only proposing to collect VMT data to analyze the potential for including VMT as a metric in the rule in the future. Staff will consider all factors before proposing to use VMT as a metric in the rule. VMT is being utilized as a key metric by other lead agencies. Both the Scoping Plan and State Implementation Plan (SIP) from CARB include VMT reductions as a key measure needed to achieve air quality and greenhouse gas reduction goals. SCAG also uses VMT as key metric to determine if their RTP is working. Staff clarified this proposal will not make any changes to the current AVR approach in Rule 2202.
- Comment 4-7: Comment noted. Staff agrees that it is an important time to evaluate existing performance zones to factor in new high quality transit areas and travel patterns. Staff also agrees that it is important to evaluate future compliance options for zero emission passenger vehicles and supporting infrastructure, so long as they are not favored over non-automotive options such as walking, biking and transit.

Comment Letter #5



June 29, 2023

Mr. Jeff Inabinet – Senior Staff Specialist
 Ms. Vicki White – Transportation Programs Manager
 Mr. Ian MacMillan – Assistant Deputy Executive Officer
 South Coast Air Quality Management District
 Transportation Programs
 21865 Copley Drive
 Diamond Bar, CA 91765

Re: Proposed Amended Rule 2202

All:

Please allow this letter to serve as our formal summary of concerns and comments regarding the Proposed Amended Rule (PAR) 2202 that you requested to receive by June 30, 2023. The concerns addressed are shared by the Rideshare Program Managers from the following County Transportation Commissions (CTCs): Martin Buford, Senior Manager, Commuter Options and Regulatory Compliance, Metro; Kristopher Hewkin, Senior Marketing Specialist, Rideshare and Vanpool, OCTA; Nicole Soto, Multimodal Mobility Programs Administrator, Transit and Rail Programs, SBCTA; and Brian Cunanan, Program Manager, Commuter & Motorist Assistance, RCTC. Our organization, Innovative TDM Solutions (ITS), assists the CTCs in various aspects of their Regional RidePro AVR and Ridematching Database available to Southern California employers and commuters to reduce trips and encourage alternative commute modes, while also reducing air pollution by complying to South Coast AQMD Rule 2202.

ITS staff has attended all four Working Group Meetings held since February 2023, in addition to the Public Workshop held on 6/20/23. ITS staff, at your request and at the direction of the CTCs, provided written feedback to South Coast AQMD (AQMD) staff on March 30, 2023, held a virtual demonstration of the Regional RidePro AVR and Ridematching system's capabilities to AQMD staff on 4/6/23, and provided additional written feedback on 6/13/23.

Further, the CTCs, staff at AQMD and ITS staff participated in a 30-minute Teams call on June 14, 2023 to address these concerns on a high level. Following this call, the four CTCs collectively discussed these concerns during a Regional Rideshare Implementation Committee meeting. The detailed concerns for AQMD's review and response are listed in this document.

While all concerns outlined in this document are important, the greatest issue of concern for the CTCs is the suggested date of July 1, 2024 to begin implementing the new Rule 2202 amendments. It has been mentioned that any employer that submits their annual compliance on July 1, 2024 should have the new requirements included with their filing.

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As brief background information, the CTCs provide AVR survey services to employers in their respective counties and use an AQMD-approved/certified survey (online and paper) to employers. The CTCs then process employers' collected survey data and produce an AVR report for employers to use for compliance. The AVR reports produced by the CTCs are certified by the AQMD and are designed to be provided directly into the Rule 2202 compliance forms package without being re-written by the ETC.

Given the proposed July 1, 2024 effective date, the CTCs would need considerable time to make all system changes, potential changes to the survey, generated AVR reports and any other items yet identified. Rule 2202 allows employers to survey up to 6 months prior to their annual reporting deadline. Therefore, the CTCs would need to be ready to provide AVR service to an employer by January 8, 2024. This will not be possible given the short turnaround. The CTCs would need to follow their internal processes to facilitate the system updates, as well as obtain the exact costs needed to perform such updates (currently unknown and not budgeted). They would then need to gain approvals from their respective agencies to move forward with the updates and be subject to programmers' availability and timelines. Further, the CTCs would ultimately want to present the new changes to AQMD staff for their review, testing, approval, and certification, which follows previous certification processes over the past 21 years. The CTCs understand the AQMD's objective, which is ultimately for all parties (CTCs, employer ETCs and the AQMD) to be successful with accomplishing shared goals of increasing ridesharing, reducing congestion, reducing vehicle miles travelled (VMT), and improving air quality. As such, the CTCs respectfully request delaying the implementation deadline to January 1, 2025 or further.

5-1

As mentioned, while the timing issue is very important, there are other concerns and recommendations the CTCs would like to address and have listed them below.

Vehicle Miles Traveled (VMT)

The below screenshot is pulled from **Page 16 of the Preliminary Draft Employee Commute Reduction Program (ECRP) Guidelines** on South Coast AQMD's PAR 2202 website.

F. Vehicle Miles Traveled (VMT) Reporting

Vehicle Miles Traveled (VMT) is the number of miles traveled by an employee during their commute trip to the worksite. VMT for an employee is determined based on the distance (in miles) from the employee's home to the worksite. Total VMT is the total number of miles traveled by all employees based on their commute distance to the worksite and is required to be reported on the annual compliance submittal. Worksites will collect VMT data through the AVR survey. All survey participants will report miles traveled one way from home to the worksite. The number of miles traveled will be reported once per survey taker and will apply to all five days of the survey period. Employers will report VMT data per commute mode by summing the miles traveled of daily employee trips for each commute mode type. Employers will submit the AVR summary with VMT data. Total VMT will not impact AVR or the measured success of the program.

Below are discussion items related to this screenshot.

- Regional TripSpark RidePro software currently calculates VMT based on geocoded survey data and **would not** require the addition of a one-way mileage field to the AVR survey. TripSpark software capabilities have been presented to South Coast AQMD staff (at their request). It would be ideal if employers that use the CTCs' Regional AVR survey could submit a report that can be generated from the current software. Data would be more accurate than what is described in the screenshot above.

2

- It is important to note that the South Coast AQMD is suggesting one-way miles be multiplied by 5 for each commuter in order to attain total VMTs, which would include days that employees did not report to work during the survey week. TripSpark software uses data reported directly from AVR survey and does not report VMT for days that employees do not report to the work site (days off).
- If employers who use the Regional AVR survey are required to submit VMT data effective 7/1/24 based on the South Coast AQMD's description above, changes to current software programming will be **significant**. Unknown costs and time for program development, testing and implementation are also concerning to meet this deadline. Some of the programming items are:
 - Add one-way mileage field to the AVR survey.
 - Add calculations for one-way mileage multiplied by five to provide total VMT.
 - This calculation would be separate from AVR calculations because the South Coast AQMD is asking for VMT data based on traveling to work every day of the week, and days worked.
 - It's not clear how employers who conduct a 7-day survey will be handled.
 - Provide breakdown of VMT per commute mode.
 - It's not clear whether this will be based on days traveled to work or if days off will be part of this breakdown.
 - All reports, the AVR survey and any newly created supporting documents would likely need to match South Coast AQMD reports, like they do now.
 - What is the ETA for when VMT reporting drafts may be available? These would be necessary in order to understand system programming (unknown costs).
 - Most employers survey approximately 90 to 120 days prior to their plan due date. However, Rule 2202 allows employers to survey up to 6 months prior to their deadline and CTCs would be required to have all of the new data reporting requirements as detailed in the amendments by January 8, 2024. The CTCs would need ample time to determine timing, programing, testing and implementation.
- Clarification is needed for employees who work remotely from another state, or over a certain distance that they would not travel to the worksite.
- ITS has recommended to the South Coast AQMD that they consider both AVR and VMTs to be metrics for gauging an employer's success. VMT is the number of miles traveled from home to the worksite. AVR is a measure of actual activity occurring at the worksite based on commute mode and number of occupants traveling to the site. This AVR survey data is shared with the ETC and enables them to identify target markets to increase ridesharing at their worksite. ITS is concerned that with South Coast AQMD bringing in the requirement for VMT data, they will eventually move exclusively to collecting VMT data only and end the need for AVR and the employee AVR survey.
- Should the South Coast AQMD sunset the need for an employee AVR/Ridematching survey, the Regional Rideshare database would dwindle from approximately 395,400 records for Los Angeles, Orange, and Ventura County employee commuters to approximately less than 50,000.

Rideshare matching would be decimated and the ability for ETCs to target market their employees for rideshare modes would no longer be available.

Telecommuting

- ITS recommends and believes that requiring employers to survey their telecommuting employees is more accurate than providing HR/payroll records. Most employers' HR/Payroll departments do not track who teleworks each day of the week. Further, having an employer conduct an employee AVR survey does not place an undue burden on the employer or employee.
- The below screenshot is pulled from **Page 9 of the Preliminary Draft Employee Commute Reduction Program (ECRP) Guidelines** on South Coast AQMD's PAR 2202 website.

3. Telecommute Employees

Telecommute employees are employees who work from home, off site, at a satellite office or at a telecommuting center using telecommunications tools such as email, phone, chat or video applications for a full work day that eliminates the trip to work or reduces travel distance by more than 50%. Telecommuting may also be referred to as remote work, work from home, mobile work, or distance work. Telecommuting does not include flexible or compressed work schedules.

Telecommute employees are included in the employee count for rule applicability and are required to be included in the number of employees within the peak window. Worksite telecommute activity will be reported on the annual compliance paperwork. The worksite will disclose information such as the number of eligible telecommuters, how many employees are currently participating in the telecommute program, and if the telecommute schedule is permanent or if there is a projected return to office date. **Worksites must include human resources (HR) or payroll records with the annual submittal to validate telecommute activity.** Reported information may impact plan submittal, specifically the AVR survey summary and results. HR records should contain anonymized employee data such that specific employee names or other identifying information is not included.

The worksite may report total daily telecommute trips by employees on the AVR summary form, even if not all telecommute employees respond to the employee survey. The ETC may alter the number of daily telecommute trips based on the number of telecommute employees to ensure that the worksite receives full credit for the total number of commute trips reduced by telecommuting.

Question for the South Coast AQMD regarding 2nd paragraph – sentence states, “Worksites must include human resources (HR) or payroll records with the annual submittal to validate telecommute activity.”

1. If an employer surveys, are the HR or payroll records necessary for submittal? It was mentioned in the May 31, 2023 Working Group Meeting by Jeff Inabinet that the HR or payroll records would not need to be submitted if a survey was conducted. We would recommend clarification of that sentence to reflect that.

2. The HR departments or payroll departments do not always track or know the exact schedules of employees' telecommute arrangements. Therefore, how is the ETC to gain this information if these departments do not know? It is a concern that the ETC could provide inaccurate data.

Questions for the South Coast AQMD regarding entire 3rd paragraph highlighted above:

1. How will this calculation be made? Specifically, employees at a worksite could have various hybrid telework schedules with varied days of a week split between working in the office and working from home, albeit not all 5 workdays are 100% remote. Is the South Coast AQMD stating that employers would report 5 workdays of telecommute activity for those employees that are telecommuting via a hybrid schedule? This would be inaccurate data that is reported.
2. How can CTCs remain confident regarding final AVR data provided to South Coast AQMD **after** the ETC could alter the data on their own to add in non-response telecommute trips? The AVR software provided to employers by the CTCs is certified by the South Coast AQMD and the certification number is populated on all final AVR reports generated. It is not meant to be altered and if that were now allowed, there would not be an audit trail to validate the survey data or support the ETC's amended calculation. This is concerning given the CTCs' certification with the South Coast AQMD and do not want to put that at risk.
3. How does this potential alteration affect the 60 – 89% calculation of no responses (currently calculated as a single occupant vehicle), and the 90%+ response rate? How would ETCs be able to manually alter that data and change their response rates?
4. With all of the amendments and changes, what is South Coast AQMD's plan to provide training (separate from the ETC Training) to ETCs? The CTCs support the majority of employers that comply with Rule 2202 and staff assists employers with their compliance and fields questions from ETCs. These amendments will raise more questions. Therefore, it would be helpful to know what South Coast AQMD will be doing to educate the employers and/or offer assistance to them.

Comment:

For employers that survey, this method of allowing employers to add in non-response telecommute trips could be extra steps that the ETCs may not want to do and/or calculate and potentially lead them to filing a compliance option (such as ERS with no survey) that takes less effort. **This could impact the total number of employers the CTCs provide AVR survey services and thus, decrease the data to the region's database.**

- The next screenshot below is from **Page 18 of the Preliminary Draft Rule 2202 Implementation Guidelines** on the South Coast AQMD's PAR 2202 website.

Chapter IV Program Administration

Telecommute employees are included in the employee count for rule applicability and are required to be included in the number of employees within the peak window. Worksite telecommute activity will be reported on the annual compliance paperwork. The worksite will disclose information such as the number of eligible telecommuters, how many employees are currently participating in the telecommute program, and if the telecommute schedule is permanent or if there is a projected return to office date. Worksites will include human resources (HR) or payroll records with the annual submittal to validate telecommute activity. Reported information may impact plan submittal, based on the selected program.

AQIP – If a worksite selects the AQIP option, they may deduct the number of daily telecommuters from their average peak window employee count. The site will be required to pay the appropriate AQIP fee per average number of daily employees that physically arrive at the worksite.

ERS using default AVR – If a worksite selects the ERS option, they may deduct the number of daily telecommuters from their average peak window employee count. The site will use the number of average daily employees that physically arrive at the worksite in the calculation to determine the amount of emission credits required.

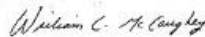
ERS with AVR survey or ECRP – If a worksite is conducting an AVR survey, they may report total daily telecommute trips on the AVR summary form. Total daily telecommute employee trips may be reported even if not all telecommute employees respond to the AVR survey. This ensures that the worksite will receive full credit for the total number of commute trips reduced by telecommuting.

Observation: For employers filing ERS using a default AVR (without conducting a survey) – they will now be allowed to deduct the number of daily telecommuters from their average peak window count and purchase credits based on only those physically arriving at the site. Consultant staff, on behalf of the CTCs, have secured ERS employers to conduct the survey to gain accurate information reflecting actual commute behavior for the survey week and then provide that data to the emission credit vendor to calculate their emission credits. **This new allowance could cause ERS employers to forego surveying their sites and thus, decrease employer data for the CTCs’ database. Further, it voids the CTCs’ opportunity to convert ERS employer clients to ECRP employer clients.**

We appreciate your time in reviewing the CTCs’ feedback and look forward to working to an amicable solution.

We look forward to your response.

Sincerely,



Bill McCaughey
President

cc: Martin A. Buford, Senior Manager, Commuter Options & Regulatory Compliance Support – Countywide Planning – LA Metro
Kristopher Hewkin, Senior Marketing Specialist, Rideshare and Vanpool – OCTA
Nicole Soto, Multimodal Mobility Programs Administrator, Transit and Rail Programs – SBCTA
Brian Cunanan, Program Manager, Commuter & Motorist Assistance - RCTC

Responses to Comment Letter #5 received by ITS

5-1 The South Coast AQMD understands that potential minor system changes may need to occur to the Regional TripSpark RidePro software to accommodate the additional VMT data request of PAR 2202. However, page 2 of the comment letter states that “*Regional TripSpark RidePro software currently calculates VMT based on geocoded survey data and **would not** require the addition of a one-way mileage field to the AVR survey.*” Therefore, it is unclear if any modification to the software is necessary to provide the additional data requests of PAR 2202. The South Coast AQMD understands that many ETCs at regulated worksites rely on this regional software utilized by the CTCs to generate their AVR reports for annual registration submittals. We will continue to work with ITS to make the transition of providing the additional data required by PAR 2202 as efficient and seamless as possible.

PAR 2202 is currently scheduled for Board consideration on August 4, 2023. The effective date for the new data collection and reporting requirements have been extended from July 1, 2024 to ~~September 1, 2024~~ January 1, 2025. South Coast AQMD believe this is adequate time to prepare for implementation of the new data collection and reporting requirements.

The remainder of the comment letter contains information that was previously submitted by ITS (Comment Letter #2). Please see the responses to Comment Letter #2.

ATTACHMENT J



**South Coast
Air Quality Management District**

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

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 2202 – ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD), as Lead Agency, has prepared a Notice of Exemption pursuant to CEQA Guidelines Section 15062 – Notice of Exemption for the project identified above.

If the proposed project is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The Notice of Exemption will also be electronically filed with the State Clearinghouse of the Governor's Office of Planning and Research for posting on their CEQAnet Web Portal which may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>. In addition, the Notice of Exemption will be electronically posted on the South Coast AQMD's webpage which can be accessed via the following weblink: <http://www.aqmd.gov/nav/about/public-notices/ceqa-notices/notices-of-exemption/noe---year-2023>.

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks for the Counties of Los Angeles, Orange, Riverside and San Bernardino; and Governor's Office of Planning and Research – State Clearinghouse

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title: Proposed Amended Rule 2202 – On-Road Motor Vehicle Mitigation Options

Project Location: The proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Existing Rule 2202 requires large employers to choose from a menu of options to reduce emissions from employee commutes. The adopted 2202 Air Quality Management Plan includes Mobile Source Control Measure MOB-14: Rule 2202 – On-Road Motor Vehicle Mitigation Options which seeks to identify additional potential emission reductions. Proposed Amended Rule (PAR) 2202 includes a first phase of rule development that would impose new data collection and reporting requirements on all covered worksites, update implementation guidelines, and make other minor administrative changes. Data collected from this proposed amendment would inform a potential future phase of rulemaking (that would undergo its own public process and CEQA analysis). PAR 2202 applies to all employers located within South Coast AQMD's jurisdiction with 250 or more employees, which is approximately 1,186 worksites with over 600,000 employees arriving to the worksite within the peak window of 6:00 a.m. to 10:00 a.m. Specifically, PAR 2202 includes the following proposed changes: 1) incorporates additional data collection requirements for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite; 2) revises the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program Guidelines; 3) adds provisions to permanently allow the use of Human Resources and/or payroll records to account for telecommute trips to streamline reporting; 4) updates rideshare strategies; 5) incorporates new and amended definitions; and 6) makes minor administrative changes for clarity and consistency. PAR 2202 is not expected to achieve additional emission reductions from worksites subject to the rule.

Public Agency Approving Project:
South Coast Air Quality Management District

Agency Carrying Out Project:
South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

CEQA Guidelines Section 15306 – Information Collection

Reasons why project is exempt: South Coast AQMD, as Lead Agency, has reviewed the proposed project (PAR 2202) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. Because PAR 2202 contains additional data collection requirements to analyze employee commute activity to inform future rule amendments, minor revisions and clarifications and will not require physical modifications, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Further, the proposed amendments contain action items involving the collection or exchange of information or data obtained from stakeholders, which are categorically exempt from CEQA pursuant to CEQA Guidelines Section 15306 – Information Collection. Finally, there is no substantial evidence indicating that any of the exceptions to the categorical exemption pursuant to CEQA Guidelines Section 15300.2 apply to the proposed project.

NOTICE OF EXEMPTION FROM CEQA (concluded)

Date When Project Will Be Considered for Approval (subject to change):

South Coast AQMD Governing Board Public Hearing: August 4, 2023

CEQA Contact Person:	Phone Number:	Email:	Fax:
Jivar Afshar	(909) 396-2040	jafshar@aqmd.gov	(909) 396-3982

PAR 2202 Contact Person:	Phone Number:	Email:	Fax:
Natalie Gonzalez	(909) 396-3653	ngonzalez@aqmd.gov	(909) 396-3982

Date Received for Filing:

Signature:

(Signed and Dated Upon Board Approval)

Barbara Radlein

Acting Planning and Rules Manager, CEQA

Planning, Rule Development, and

Implementation



South Coast
AQMD

Proposed Amended Rule 2202

On-Road Motor Vehicle Mitigation Options

Board Meeting
August 4, 2023

Rule 2202 Background

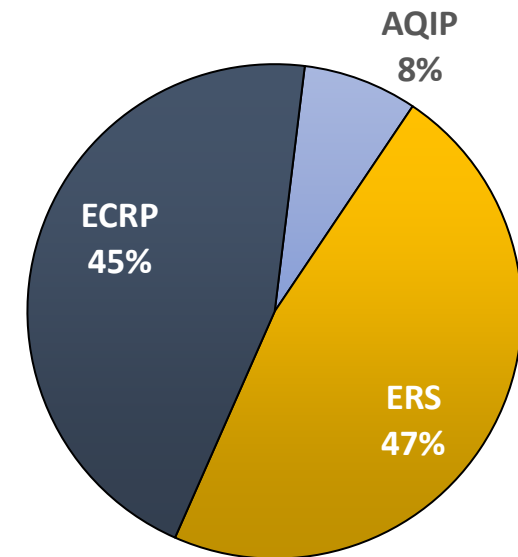
Rule 2202 provides employers with a menu of options to reduce mobile source emissions from employee commute trips

- Compliance options
 - Air Quality Investment Program (AQIP)
 - Emission Reduction Strategies (ERS)
 - Employee Commute Reduction Program (ECRP)

Rule 2202 Applicability

- Employers with 250+ employees must register annually
- Includes ~1,300 worksites with over 650,000 peak-window employees

2022 AQMP includes control measure MOB-14 to amend Rule 2202



**Worksites'
Compliance Choices**

Two-Phase Process for Proposed Amended Rule (PAR) 2202

Phase 1 August 2023

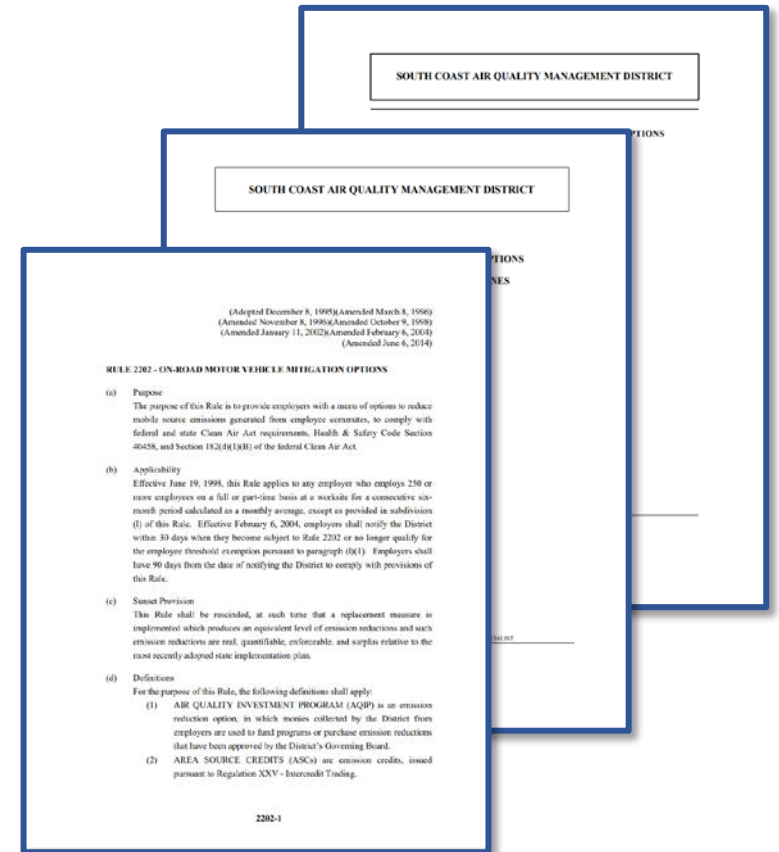
- Require limited new data collection and reporting to inform Phase 2 rulemaking
- Administrative rule cleanup and streamlining

Phase 2 2025-2026 *(rulemaking to begin in 2024)*

- Consider using VMT as primary metric within rule
- Reassess performance zones and targets to factor in new high quality transit areas and travel patterns
- Evaluate compliance options for zero emission passenger vehicles and supporting infrastructure
- Evaluate continued use of credit options for compliance
- Modify rideshare program requirements and reporting

PAR 2202 Overall Concept

- **Collect new data to inform Phase 2 rulemaking** (reporting requirements to start **January 1, 2025**)
 - New data reporting required from all worksites
 - Telecommuting practices
 - Vehicle Miles Traveled (VMT) – zip codes or survey data
 - Worksite categorization (business/industry type)
- **Administrative cleanup/streamlining for rule implementation**
 - Guidance document revisions
 - Specific ECRP strategies updated
 - Update AVR survey form and compliance documents



Proposed VMT Reporting Requirement

- Key metric in Rule 2202 is Average Vehicle Ridership (AVR)
- When estimating passenger vehicles emissions, other agencies focus on VMT as the key metric
 - CEQA, CARB, and SCAG all use VMT
- How will VMT be reported:
 1. Employers conducting an AVR survey (about 45% of worksites):
 - Report distance from home to the worksite on the AVR survey form
 - Some worksites do this already
 - Widely used 3rd party compliance software already estimates VMT
 2. Similar to telecommute reporting, employers not conducting a survey may use payroll/HR records:
 - Anonymized employee home zip codes will be used to calculate approximate VMT

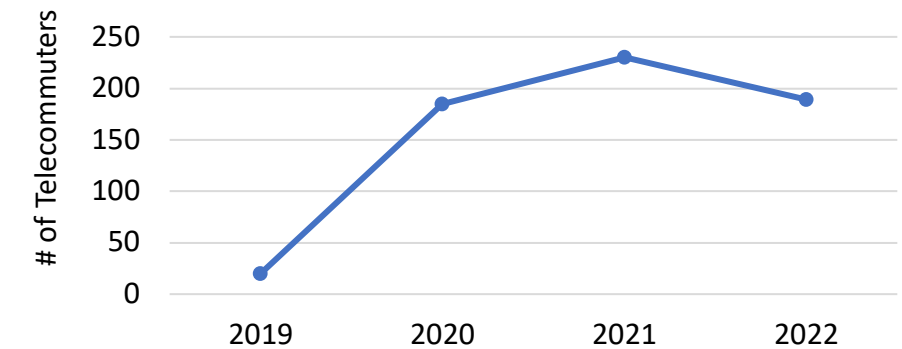
The image shows two forms. The top form is the 'Average Vehicle Ridership (AVR) Survey Form' with fields for Employee I.D.#, Dept./Section, Home Zip Code, and Mile to Worksite. The bottom form is the 'RULE 2202 - REGISTRATION FORM' which includes a table for reporting vehicle modes and ridership by day of the week.

Mode	MON	TUE	WED	TH	FRI	Total
No Survey Response (0-89%)						
Survey with Errors						
A. Zero Emission Vehicle						
B. Bus						
C. Rail/plane						
D. Walk						
E. Bicycle						
F. Telecommute						
G. Noncommuting						
H. Drive Alone						
I. Motorcade						
J. 2 persons in vehicle						
K. 3 persons in vehicle						
L. 4 persons in vehicle						
M. 5 persons in vehicle						
N. 6 persons in vehicle						
O. 7 persons in vehicle						
P. 8 persons in vehicle						
Q. 9 persons in vehicle						
R. 10 persons in vehicle						
S. 11 persons in vehicle						
T. 12 persons in vehicle						
U. 13 persons in vehicle						
V. 14 persons in vehicle						
W. 15 persons in vehicle						
Compressed Work Week Days Off (CWWDO)						
X. 3:30 work week days off (2 day)						
Y. 4:00 work week days off (2 day)						
Z. 5:00 work week days off (2 day)						
Other Days Off (Please indicate)						
AA. Vacation						
BB. Sick						
CC. Regular Day Off, Jury Duty, LGA, etc.						
DD. High 100% or higher response						
DD. Off Peak Trips (insert in Remarks)						
TOTALS (Each day should match)						

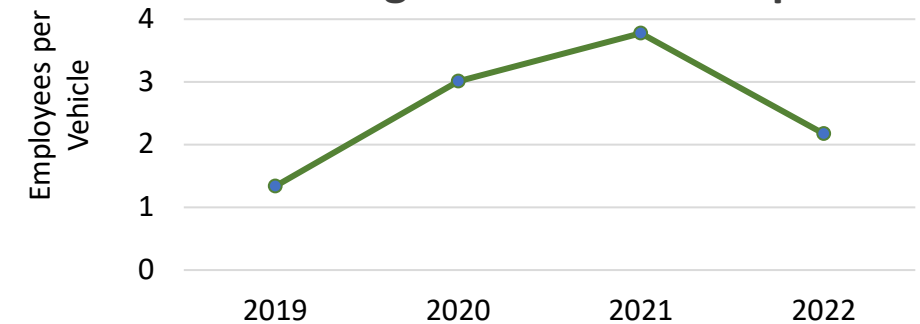
Proposed Telecommuter Reporting Requirement

- Telecommuting has been widely used after onset of the COVID-19 pandemic
 - Amount of telecommuting is changing through time
- All worksites would be required to report additional information, using an additional page of the compliance packet:
 - Number of employees telecommuting
 - Worksite telecommuting policy and number of employees eligible to telecommute
 - Type of worksite (e.g., school, factory, office, etc.)
- Payroll/HR records may continue to be used for telecommuting reporting in lieu of employee survey to streamline reporting

Rule 2202
Average Daily Telecommuters

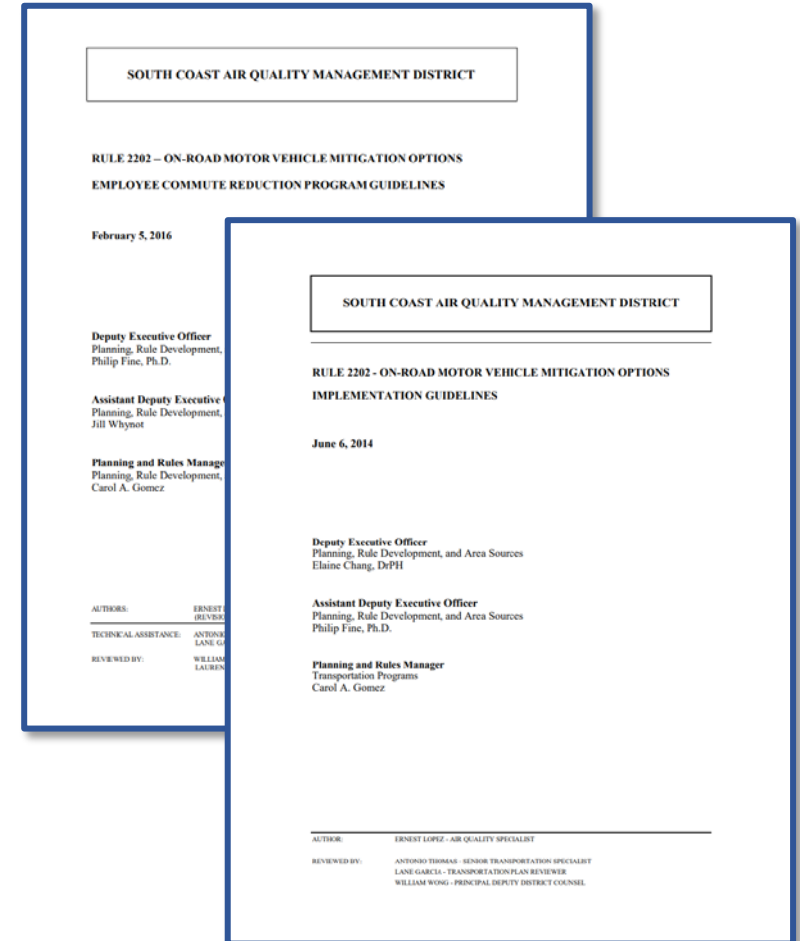


Rule 2202
Average Vehicle Ridership



Rule 2202 Guidance Document Revisions

- Implementation Guidelines and ECRP Guidelines
 - Two existing guidance documents provide supplemental information for compliance with rule requirements
- Proposed revisions:
 - Reporting requirements for telecommuting and VMT
 - Updated/added definitions
 - Training requirement for sites that conduct a survey
 - Rideshare strategy updates
 - Additional administrative clarifications



Stakeholder Input

Most issues resolved in Working Group Meetings, Public Workshop, and final rule package

➤ Staff is aware of two potential remaining issues:

Issue	Staff Response
Concerns about 2 nd phase of rulemaking (e.g., potential inclusion of VMT targets, modifying use of credits, etc.)	<ul style="list-style-type: none">➤ Staff recognizes these concerns and proposed rule gathers more information before beginning 2nd phase of rulemaking➤ 2nd phase of rulemaking will allow for robust stakeholder participation
Concerns about implementation of proposed amendments	<ul style="list-style-type: none">➤ Data reporting extended to start on January 1, 2025➤ Rule definitions and guidelines updated to provide clarity and facilitate reporting➤ Staff will continue to work with stakeholders as forms and software are updated➤ Executive Officer can update guidelines periodically, if needed

Staff Recommendation

Adopt resolution:

- Determining that PAR 2202 is exempt from CEQA
- Amending Rule 2202