



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

HYBRID STATIONARY SOURCE COMMITTEE MEETING

Committee Members

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

February 21, 2025 ♦ 10:30 a.m.

TELECONFERENCE LOCATION

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

A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, February 21, 2025 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

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

ELECTRONIC PARTICIPATION INFORMATION

(Instructions provided at bottom of the agenda)

Join Zoom Meeting - from PC or Laptop, or Phone

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

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

Teleconference Dial In: +1 669 900 6833

One tap mobile: +16699006833,94141492308#

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

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

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

Cleaning the air that we breathe...

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEMS (Items 1-2)

- 1. Annual RECLAIM Audit Report for 2023 Compliance Year (10 mins)** David Ono
Senior Engineering
Manager
(No Motion Required)
The Annual RECLAIM Audit Report for 2023 Compliance Year for the NOx and SOx RECLAIM program is prepared in accordance with Rule 2015 - Backstop Provisions. This report assesses emission reductions, availability and average annual prices of RECLAIM Trading Credits (RTCs), job impacts, compliance issues, and other measures of performance for the 30th year of this program. Recent trends in trading future year RTCs are analyzed and presented in this report. A list of facilities that did not reconcile their emissions for the 2023 Compliance Year is also included in the report.
(Written Material Attached)
- 2. Update on Proposed Amended Rule 1111 – Reduction of NOx (10 mins)** Heather Farr
Planning and Rules
Manager
Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters
(No Motion Required)
Staff will provide a summary of the new proposed revisions to Rules 1111 and 1121 to address stakeholder comments and concerns.
(Written Material Attached)

WRITTEN REPORTS (Items 3-5)

- 3. Monthly Permitting Enhancement Program (PEP) Update** Jason Aspell
Deputy Executive
Officer
(No Motion Required)
This report is a monthly update of staff's PEP implementation efforts for the previous month.
(Written Material Attached)
- 4. Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program** Michael Krause
Assistant Deputy
Executive Officer
(No Motion Required)
This is a monthly update on staff's work with U.S. EPA and CARB regarding New Source Review issues related to the RECLAIM transition.
(Written Material Attached)
- 5. Notice of Violation Penalty Summary** Bayron Gilchrist
General Counsel
(No Motion Required)
This report provides the total penalties settled in December 2024 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

OTHER MATTERS

6. Other Business

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

7. Public Comment Period

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

8. Next Meeting Date: Friday, March 21, 2025 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Roula El Hajal at (909) 396-2763 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to relhajal@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Roula El Hajal at (909) 396-2763, or send the request to relhajal@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment. Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually. After each agenda item, the Chair will announce public comment. A countdown timer will be displayed on the screen for each public comment. If interpretation is needed, more time will be allotted.

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

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

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

Annual RECLAIM Audit Report for 2023 Compliance Year

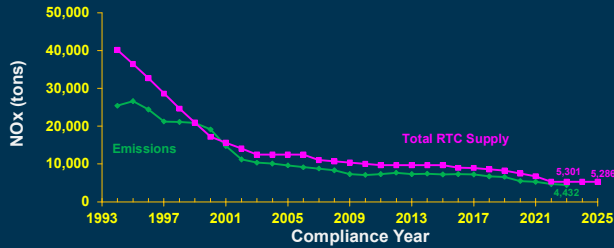
Stationary Source Committee
February 21, 2025

Background

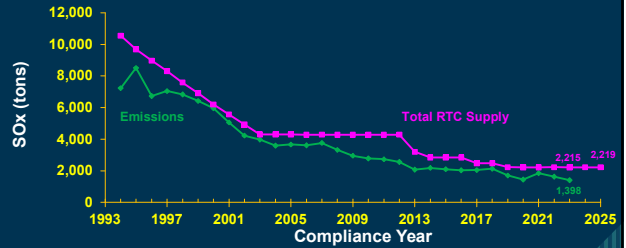
- Regional Clean Air Incentives Market (RECLAIM) – Adopted October 1993
 - Cap and trade program for largest NO_x and SO_x sources
 - Each facility was issued an allocation of RECLAIM Trading Credits (RTCs) that declines over time
 - At the end of each compliance year, operators must hold sufficient RTCs to cover annual emissions
 - Operators can make reductions or purchase RTCs
- Board directed staff to develop command-and-control rules requiring RECLAIM sources to implement Best Available Retrofit Control Technology (BARCT)
 - 29 landing rules have been amended and/or adopted by the Board
 - RTCs cannot be used to meet NO_x limits in these rules
- Rule 2015 requires an annual audit of the RECLAIM program
 - This is the Annual RECLAIM Audit Report for Compliance Year 2023

NOx and SOx Emissions and Allocations Trend

**NOx Emissions in Compliance Year 2023
Below Allocations by 869 Tons (16%)**



**SOx Emissions in Compliance Year 2023
Below Allocations by 817 Tons (37%)**



2023 Annual RECLAIM Audit Findings



Number of Facilities

228 facilities at the end of Compliance Year 2023

1 less facility than Compliance Year 2022



Overall Goals

Met overall NOx and SOx program goals
Implemented NOx/SOx allocation shaves



Compliance Rate

High rate of facility compliance for holding sufficient RTCs to reconcile emissions
94% of NOx facilities
100% of SOx facilities



RTC Price

Annual average discrete prices for future NOx RTCs below \$56,919/ton* threshold

Compliance Year 2024: \$17,098

Compliance Year 2025: \$30,103

* Health and Safety Code 39616 program review. Adjusted by August 2024 CPI.

NOx RTC Price Exceedances

Summary and Recommendation

Rule 2015 Threshold
\$15,000 per ton

RTC prices have exceeded Rule 2015 threshold since calendar year 2021

Required analysis of RECLAIM program performed and reported to Board in 2022

Board determined that the program continue without change and directed staff to send report to CARB and U.S. EPA

Circumstances have not changed since previous analysis and staff recommends no additional analysis and no further action

Health and Safety Code 39616 Threshold
\$56,919 per ton

Adjusted annually by CPI

Annual average discrete-year prices for future NOx RTCs are below threshold

No action required

Summary

- Programmatic compliance achieved (NOx and SOx emissions were 16% and 37% below allocations, respectively)
- Individual facility compliance rate remained high (94% and 100% for NOx and SOx, respectively)
- Annual average discrete-year NOx prices below H&SC threshold of \$56,919
- Annual average discrete-year NOx prices for Compliance Years 2024 and 2025 RTCs traded in Calendar Year 2024 continue to exceed the \$15,000 per ton Rule 2015 backstop threshold (SOx prices remained under threshold)
- For continuing RTC price exceedances, staff recommends no additional analysis because circumstances have not changed since the prior review
- Annual RECLAIM Audit Report for 2023 Compliance Year will be presented to the Governing Board for approval on March 7, 2025



Proposed Amended Rule 1111 – Reduction of NO_x Emissions From Natural Gas-Fired Furnaces

Proposed Amended Rule 1121 – Reduction of NO_x Emissions From Residential-Type, Natural Gas-Fired Water Heaters

*Stationary Source Committee
February 21, 2025*

Background

Rule 1111 and Rule 1121 – Adopted in 1978

- Regulates NO_x emissions from natural gas residential space and water heating
- Regulated through the supply chain (e.g., manufacturers, distributors, retailers and installers)

Rule amendments needed to implement 2022 AQMP control measures

- Identified zero-NO_x emission technologies for all categories of space and water heating units

Updated Stationary Source Committee October 18, 2024, and
December 20, 2024

Actions Taken Since December Stationary Source Committee

Presented proposed rules to further promote public awareness

- Cities and Councils of Government (Orange County/San Bernardino/Coachella Valley)
- Industry, Manufacturers, Trade, and Community Organizations

Developed proposed rule outreach materials

- Distributed to cities and chambers of commerce

Met with stakeholders for concerns and input

Reviewed and evaluated public comments

Considered new rule concepts

Applicability

- Initially proposed to expand applicability from 175,000 Btu/hr to 2 million Btu/hr
- **Will revert back to original applicability for furnaces less than 175,000 Btu/hr**
- Will address units up to 2 million Btu/hr in future rulemaking

Proposed Amended Rule 1111
(PAR 1111) – Space Heating



- Applies to natural gas-fired units less than 75,000 Btu/hr
- Most installed in single family homes with some in-unit multifamily buildings

Proposed Amended Rule 1121
(PAR 1121) – Water Heating



Rules apply to appliances based on **size** (e.g., rated heat input capacity)

Revised Proposal for PARs 1111 and 1121

Zero-NOx Emission Manufacturer Approach

- Removed mandate to meet zero-NOx emission standard
- Set compliance goals that allow manufacturers to sell NOx-emitting units and zero-NOx emission units (new and existing buildings)
- Compliance goals change over time, easing in zero-NOx emission units
- Allows manufacturers to sell units that meet current NOx limit
- Mitigation fee for NOx emitting units

Proposed Manufacturer Compliance Targets*



Target Dates**	2027-2028	2029-2032	2033-2035	2036 and after
NOx Emitting Units (e.g. gas)	70%	50%	25%	10%
Zero-Emission Units	30%	50%	75%	90%

* Initial compliance goal based on 2020 appliance use in California from California Energy Commission and Energy Information Administration

** Could consider different targets for space and water heating appliances

Proposed Mitigation Fee for Sale of NOx Emitting Gas Units

Mitigation Fee For Units Sold After 2027

- \$100/gas furnace
- \$50/gas water heater
- \$500 mitigation fee for each unit sold over target*
- Discounted fee if zero-emission goal exceeded

** Considering increasing fee over time*

- Fee will partially mitigate emissions forgone from the alternative compliance option
- Mitigation fee will be used to further fund Go Zero incentive program
- Manufacturers previously paid \$150 - \$450 mitigation fee per 40 ng/J gas furnace
 - Proposing lower fee to incentivize transition to zero-emission technologies without a high-cost burden to residents

About Manufacturer Compliance Targets



Compliance targets are separate for furnaces and water heaters



Manufacturers can meet compliance targets through sales of units in new and existing homes



Mitigation fee allows manufacturers to sell gas units above the compliance targets



Mitigation fee will be assessed at the end of the year, to help deter pass through to homeowner

Estimated Emissions Reductions for Revised Concept

- Revised concept will result in a slower transition to zero-NOx emission units
- Slightly less emission reductions at full implementation
- Potentially more incentives available in early years to support transition to zero-emission

NOx Reductions (tons per day)	2031	2032	2037	2054	2060
Original Proposal (New 2026/Existing 2029)	1.4	1.9	4.2	10.0	10.0
New Concept (Manufacturer Alternative and Scope Change*)	0.7	0.9	2.1	5.0	6.1

* Not expanding space heating rule applicability changes potential emission reductions by ~3 tons per day

How the New Rule Concept Addresses Concerns

Affordability, especially for low-income residents

- Individual decision as gas units will still be available

Lack of consumer choice

- Homeowners will have a choice to purchase NOx or zero-NOx emission units

Concerns about zero-emission technology readiness

- Slower transition to zero-emission allows more time for technology development

Concerns about electricity demand and grid sustainability

- Longer implementation allows more time to expand grid and reliability

Stakeholder Feedback on New Proposed Rule Concept

Over 240 participants attended Working Group Meeting on February 13th

New Rule Concept	<ul style="list-style-type: none">• Community and environmental groups prefer original concept
Sales, Target Dates, and Ranges	<ul style="list-style-type: none">• Some wanted more aggressive transition• Some wanted more gentle transition
Mitigation Fees	<ul style="list-style-type: none">• Some expressed concerns for including mitigation fees• Some wanted higher mitigation fees
Costs	<ul style="list-style-type: none">• Some expressed concerns over increased costs for other regulatory requirements• Some provided individual examples of cost savings resulting from installing zero-NOx emission appliances
Consumer Choice and Affordability	<ul style="list-style-type: none">• Most acknowledged the new approach will address consumer choice and individual determination of affordability

Next Steps

March 2025

Release revised preliminary rule language and conduct more meetings

Early 2025

Launch Go Zero Incentive Program

April 1, 2025

Release draft PAR 1111/1121 and draft supporting documents

May 2, 2025 (subject to change)

Public Hearing

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – February 21, 2025

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide monthly updates to the Stationary Source Committee to report progress made under the Permitting Enhancement Program (PEP). The Chair's PEP initiative was developed to enhance the permitting program and improve permitting inventory and timelines. This report provides a summary of the pending permit application inventory, monthly production, and other PEP related activities.

Summary**Pending Permit Application Inventory**

The permitting process consists of a constant stream of incoming applications and outgoing application issuances, rejections, and denials. The remainder of the applications are considered the pending application inventory. The inventory consists of applications that are being prescreened prior to being accepted, workable applications, and non-workable applications. Non-workable means that staff are unable to proceed with processing an application because it is awaiting actions to address various regulatory requirements or deficiencies. As an example, after staff issues a Permit to Construct to a facility, staff must wait for the facility to construct and test the equipment prior to issuing a final Permit to Operate. Once a final Permit to Operate is issued, the permit application is removed from the pending application inventory. Other examples include facilities that may be in violation of rules and cannot be permitted until a facility achieves compliance, staff awaiting additional information from facilities, or facilities that have not completed the CEQA process for their project. During the life of an application, it may switch several times between being workable and non-workable as actions are taken by facilities and staff. Attachment 1 contains more detailed descriptions of the categories of non-workable permit applications. Figure 1 below provides a monthly snapshot of the pending application inventory, including the change in inventory from the prior month.

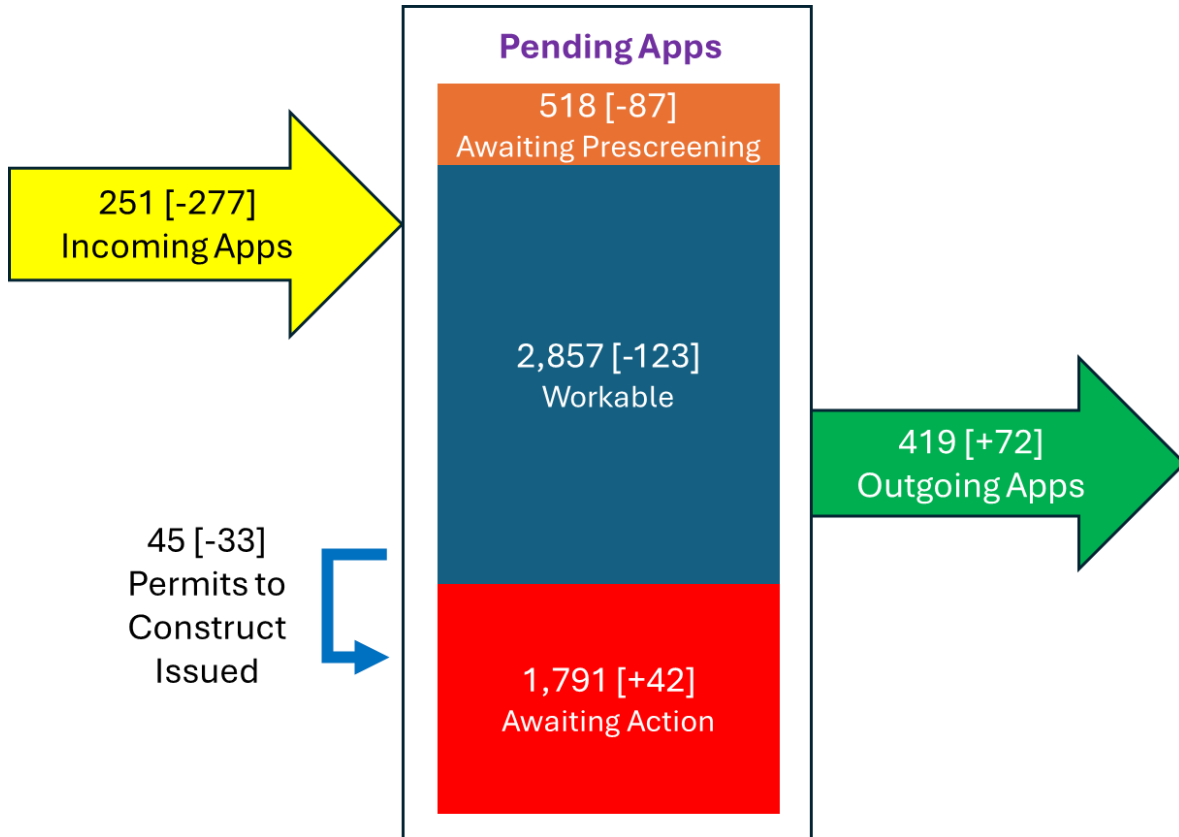


Figure 1: Application Processing Workflow – January 2025

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last month. Please note that Table 1 provides a snapshot of data and applications may change status several times before final action. Multiple categories may apply to a single application.

Table 1: Awaiting Action (Non-Workable) Applications Summary

Awaiting Action (Non-Workable) Categories	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025
Additional Information from Facility	265	286	294	288	314	321
CEQA Completion	32	34	34	34	34	32
Completion of Construction	983	1,015	1,034	1,078	1,107	1,119
Facility Compliance Resolution	36	37	36	37	30	27
Facility Draft Permit Review	74	43	56	51	35	75
Fee Payment Resolution	4	6	5	6	6	5
Other Agency Review	45	37	36	46	42	54
Other Facility Action	10	21	21	21	20	26
Other South Coast AQMD Review	0	0	0	0	0	0
Public Notice Completion	23	24	25	20	15	16
Source Test Completion	137	169	169	154	156	154

Please see Attachment 1 for more information on these categories.

In January, staff continued to complete applications at a rate higher than the targeted month to month average, raising the overall annual average. Not reflected in Figure 1 are an additional 25 permits issued through the online permitting system which did not impact the permit application inventory. Staff has automated the permitting process for certain equipment allowing staff to focus their efforts on other permit applications. These 25 permit completions are reflected in Figure 2 below.

Since outgoing applications (green arrow) were greater than incoming applications (yellow arrow) this month, the pending application inventory decreased slightly. The numbers in brackets represent the increase or decrease since the past Monthly PEP Update. For more detailed information the past twelve Monthly PEP Updates may be accessed in Attachment 2.

The inventory of Awaiting Action applications has recently increased. Most of the Awaiting Action applications have a Completion of Construction status. From March 2024 to January 2025, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,119, including 45 Permits to Construct issued in January. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications.

The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending application inventory until a manageable working inventory is established. As stated above, the spike in incoming applications occurred in June as expected, and this typically results in a swell in the inventory as time is needed to address the surge of permit applications.

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ Engineers was vital since these positions are the review and approval stages of the permitting process.

Production

Prior to staff retirements, permit production levels in 2020 were typically above 500 completions per month. Prior to PEP implementation, high vacancy rates resulted in decreased permit completions. Lower production rates nearing 400 completions per month occurred as the vacancy rate peaked. As the vacancies have been reduced and staff have been trained, production has increased. Figure 2 below shows a rolling 12-month average of application completions and the monthly production for the last six months. Recently, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below as compared to the period before PEP. The rolling 12-month average includes the monthly totals from the last year to visualize the trend over time, as production in

individual months often fluctuates (in addition to fluctuations in incoming application submittals). The current rolling 12-month average production rate slightly decreased slightly to 501 completions per month. A higher rolling 12-month average will indicate sustained higher production levels. These higher production levels will begin to reduce the pending application inventory and improve permit processing times. A new fiscal year (FY) goal was set to increase production by 500 completions as compared to 2023. This equates to a soft target of 489 completions per month. The red line in Figure 2 shows this new fiscal year goal. It should be noted that the annual average is expected to decrease next month because very high production in February 2024 will be dropped from the average. Staff will continue to balance production to meet the FY goal as well as address aged applications awaiting Permits to Construct.

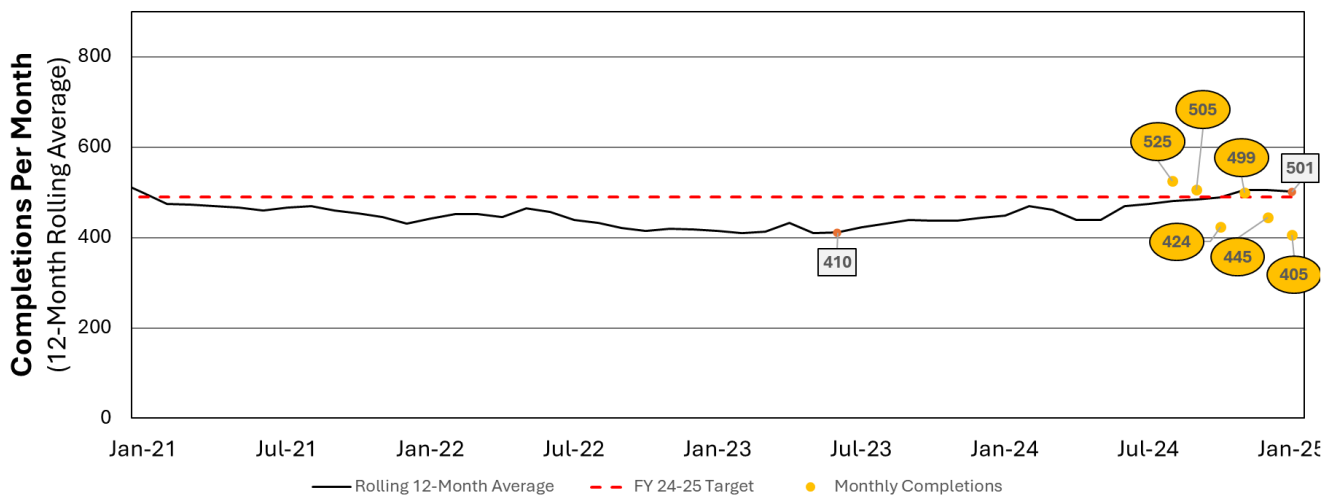


Figure 2: Application Completions - Rolling 12-Month Average and Recent Six Months

Production began to increase in the second half of 2023 as substantial promotions and hiring occurred. New engineering staff are currently being trained and production is expected to increase over the coming months and years as they become more experienced in their duties and can process more complex projects.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate was maintained at 10.2%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. Hiring of new engineers is targeted for the first quarter of 2025 and the recruitment is in process. The promotion process for two vacant senior engineer positions is in progress and hiring interviews were conducted on January 29-30.

Key Activities

- In January, staff started a focused initiative for aged permit applications that are awaiting Permits to Construct. This effort is planned through February. These applications

typically have complex permitting situations causing them to become aged. Overall permitting production may slightly decrease during this time as this effort is more resource intensive.

- Staff identified a process bottleneck in the Waste Management team and staff is targeting to address it over the next three months.
- Staff is developing an upcoming initiative related to the Title V permitting program. Staff will initiate the plan in late February or early March.
- Staff viewed a demonstration of third party permitting software. Under PEP, E&P is exploring off-the-shelf software solutions to expedite modernization and efficiency efforts.

Upcoming Meetings:

- Staff will present a PEP update to the Board in first quarter of 2025.
- Staff will conduct a Permitting Working Group meeting in March 2025.
- Staff will present crematory permitting on February 28 in response to an Environmental Justice Advisory Group member request.
- Staff is targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. Staff has reached 75% of this target.

Attachment 1

Explanation of Non-Workable Application Statuses

Workable applications are those applications where staff have the required information to process the permit application.

Non-workable applications are those applications where the application process has been paused while staff are awaiting the resolution of one or more related tasks or where the permit cannot be issued.

Description of Non-Workable/Awaiting Action Terms

Additional Information from Facility

During permit processing staff may need additional information from a facility that was not included in the original permit application package or a change of scope of the proposed project. Additional information may include items regarding materials used in the equipment (such as toxics), equipment information, or other items to perform emission calculations or determine compliance for the proposal in the application.

CEQA Completion

Prior to issuing permits, CEQA requirements are required to be evaluated and completed. South Coast AQMD can either be the Lead Agency that certifies or approves the CEQA document or the Responsible Agency that consults with the Lead Agency (typically a land use agency) on the CEQA document.

Completion of Construction

After a Permit to Construct is issued, the permit application file remains in the pending application inventory. Staff must wait for the facility to complete construction prior to completing other compliance determination steps before the permitting process can continue. Typically, a Permit to Construct is valid for one year, but it may be extended for various reasons if the facility demonstrates they are making increments of progress. For some large projects, construction may take years while the permit application remains in the pending application inventory.

Facility Compliance Resolution

Prior to issuing permits the affected facility must demonstrate compliance with all rules and regulations [Rule 1303(b)(4)]. Prior to the issuance of a Permit to Construct, all major stationary sources that are owned or operated by, controlled by, or under common control in the State of California are subject to emission limitations must demonstrate that they are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act. [Rule 1303(b)(2)(5)].

Facility Draft Permit Review

If a facility requests to review their draft permit, staff provides the facility a review period prior to proceeding with issuance. During the review period, staff do not perform any additional evaluation until feedback from the facility is received. Some projects include several permits or large facility permit documents which may take a substantial time to review.

Fee Payment Resolution

Prior to issuing permits, all fees must be remitted, including any outstanding fees from associated facility activities including, but not limited to, annual operating and emission fees, modeling or source testing fees, and permit reinstatement fees.

Other Agency Review

The Title V permitting program requires a 45-day review of proposed permitting actions by U.S. EPA prior to many permitting actions. During the review period, staff are unable to proceed with permit issuance. If U.S. EPA has comments or requests additional information, the review stage may add weeks or months to the process before staff can proceed with the project.

For Electricity Generating Facilities (Power Plants), CEC may provide a review of proposed permits prior to issuance.

Other Facility Action

Prior to issuing a permit, a facility may need to take action to address deficiencies or take steps to meet regulatory requirements. This may include acquiring Emission Reduction Credits after staff notifies a facility the project requires emissions to be offset, performing an analysis for Best Available Control Technology requirements, or conducting air dispersion modeling.

Other South Coast AQMD Review

Prior to proceeding with a permit evaluation, permit engineering staff may require assistance and support from other South Coast AQMD departments. For example, IM support for electronic processing due to unique or long-term project considerations or to complete concurrent review of separate phases or integrated processes for multi-phase projects is routinely needed.

Public Notice Completion

There are several South Coast AQMD requirements that may require public noticing and a public participation process prior to permit issuance. Rule 212 and Regulation XXX both detail public noticing thresholds and requirements which include equipment located near schools, high-emitting equipment, equipment above certain health risk thresholds, or significant projects or permit renewals in the Title V program. The public notice period is typically 30 days, and staff are required to respond to all public comments in writing prior to proceeding with the permitting process. Other delays in the public notice process may include delays in distribution of the notice by the facility, incomplete distribution which may require restarting the 30-day period, or requests for extension from the public.

Source Test Completion

Many rules require source testing prior to permit issuance. Source testing is the measurement of actual emissions from a source that may be used to determine compliance with emission limits, or measurements of toxic emissions may be used to perform a health risk assessment. Lab analysis of an air sample is often required as part of the process. The testing is performed by third party contractors who prepare a source test protocol to detail the testing program, and a source test report with the results of the testing and equipment operation. Both the protocol and report need to be reviewed and approved by South Coast AQMD staff.

Attachment 2

Links to Previous Monthly PEP Updates

2024

[April 19, 2024](#) – First Monthly PEP Update

[May 17, 2024](#)

[June 21, 2024](#)

July 2024 – No Stationary Source Committee meeting

[August 16, 2024](#)

[September 20, 2024 - canceled](#)

[October 18, 2024](#)

[November 15, 2024](#)

[December 20, 2024](#)

2025

[January 24, 2025](#)

February 2025 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

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

- RECLAIM/NSR Working Group meeting is not planned for February
- The RECLAIM/NSR Working Group will be reconvened when there is information to report

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
Settlement Penalty Report (01/01/2025 - 01/31/2025)**

Total Penalties

Civil Settlement: \$1,270,061.95
Hearing Board Settlement: \$1,000.00
MSPAP Settlement: \$122,803.00

Total Cash Settlements: \$1,393,864.95

Total SEP Value: \$0.00

Fiscal Year through 01/31/2025 Cash Total: \$5,752,146.60

Fiscal Year through 01/31/2025 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
148236	AIR LIQUIDE LARGE INDUSTRIES U.S. LP	1118, 1173, 3002	01/09/2025	NS	P65631, P65632, P67830, P67832, P67834, P67838, P67840, P75104	\$48,360.00
153367	ARCO AM/PM	461, H&S 41960.2	01/14/2025	VB	P78673	\$2,218.00
183832	AST TEXTILE GROUP INC	2004, 2005	01/24/2025	SH	P76075, P76082, P76083, P78711, P78714	\$90,000.00
800016	BAKER COMMODITIES INC	415, 2004, 3002	01/16/2025	DH	P63824, P65291, P65293, P67318, P67319, P67321, P72855, P72866, P72871, P72872	\$15,000.00
118589	CROWLEY PETROLEUM TRANSPORT INC	1142	01/15/2025	KCM	P75080, P78225	\$33,000.00
198838	DOLLSKILL	2305	01/15/2025	JL	O15133	\$1,500.00
201776	FOREVER 21	2305	01/16/2025	JL	O15016	\$18,100.00
140961	GKN AEROSPACE TRANSPARENCY SYS INC	109, 203, 222, 1146, 1147	01/09/2025	EC	P68777	\$909,935.95
9163	INLAND EMPIRE UTILITIES AGENCY	1470, 3002	01/21/2025	KER	P79541	\$2,418.00
201871	LEE'S HVAC INC	1111	01/23/2025	MR	P80104	\$850.00
202591	MAERSK	2305	01/15/2025	ND	O15203	\$7,000.00
82419	NEW WAVE CONVERTING INC	109, 202, 203, 442, 1147	01/09/2025	MR	P61449, P62002, P62005, P63962, P65506	\$2,780.00
195532	REDU HOLDINGS LLC	203, 463, 1173, 2004	01/10/2025	KER	P73318, P73329, P74363, P74385	\$39,398.00
172857	ROOP CORPORATION	461	01/15/2025	JJ	P70242, P70244, P75705	\$3,000.00
191415	SIERRA ALUMINUM A DIVISION OF SAMUEL SON & CO	1147.2, 2004, 2012	01/21/2025	KER	P63840, P63841, P78911, P79210	\$20,802.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
121304	SOUTHWEST AIRLINES CO	461	01/16/2025	KCM	P71653, P76793	\$2,000.00
14966	VA GREATER LOS ANGELES HEALTHCARE	1146, 1415, 3002	01/22/2025	JL	P73565, P73567, P76305, P76309, P80056	\$73,700.00
Total Civil Settlements: \$1,270,061.95						
Hearing Board						
146536	WALNUT CREEK ENERGY LLC	203, 2004, 3002	01/16/2025	KCM	6230-6	\$1,000.00
Total Hearing Board Settlements: \$1,000.00						
MSPAP						
175232	7-ELEVEN INC (#26216)	461, H&S 41960.2	01/23/2025	VB	P74688	\$1,513.00
197504	7-ELEVEN INC (#43119)	461, H&S 41960.2	01/23/2025	VB	P79384	\$2,422.00
163286	A&P COMPLIANCE TESTING LLC	461	01/10/2025	VB	P80615	\$3,627.00
157047	AIR CLEAN ENVIRONMENTAL INC	1403	01/17/2025	CL	P78982	\$3,177.00
177956	APRO LLC (DBA "UNITED OIL #150")	461, H&S 41960.2	01/17/2025	VB	P74683	\$1,722.00
174685	ARCO TREASURE FRANCHISE CO (#42056)	461, H&S 41960.2	01/10/2025	VB	P79378	\$1,286.00
152859	ARCO AM/PM (#82649)	461, H&S 41960.2	01/10/2025	VB	P80966	\$1,813.00
74094	ARCO DLR	461	01/10/2025	SW	P74682	\$4,100.00
201897	BERKSHIRE HATHAWAY HOME SERVICES CALIFORNIA PROPERTIES	1403	01/17/2025	CL	P77754	\$2,397.00
140512	BLS LIMOUSINE SERVICE OF LOS ANGELES	461	01/03/2025	SW	P75476	\$3,627.00
124094	CALTRANS BATAVIA MAINTENANCE STATION	203	01/10/2025	VB	P80268	\$21,588.00
169564	CIRCLE K STORES INC (#2709421)	203, 461	01/17/2025	CL	P79612	\$1,588.00
169352	CIRCLE K STORES INC (#2211137)	461	01/17/2025	CL	P74696	\$1,588.00
102141	CIRCLE K STORES INC	461	01/17/2025	CL	P79373	\$1,813.00
169286	CIRCLE K STORES INC (#2211182)	461	01/17/2025	CL	P80634	\$1,663.00
150455	CONOCOPHILLIPS (#255146) (DBA "SINACO OIL 2")	461	01/10/2025	VB	P77748	\$1,269.00
109794	CULVER STUDIOS OFFICE - SONY PICTURE	203	01/23/2025	VB	P73577	\$1,009.00
74060	ENGINEERED POLYMER SOLUTIONS INC	1147	01/17/2025	CL	P74885	\$2,647.00
202576	EUROPEAN IMPORTS A SYSCO COMPANY	2305	01/24/2025	CM	O15192	\$1,500.00
127964	G&M OIL CO LLC (#107)	203	01/10/2025	VB	P74694	\$3,627.00
121685	G&M OIL CO LLC (#90)	201	01/03/2025	SW	P79390	\$2,418.00
28042	GLENDORA COUNTRY CLUB	203, 461	01/17/2025	CM	P73183	\$2,012.00
194517	GOLDEN OIL LLC	201, 203, 461	01/17/2025	VB	P79355	\$3,531.00
201741	HOME LEGEND	2305	01/23/2025	CM	O15179	\$9,000.00
181652	INDIAN SPRINGS GOLF CLUB	461	01/24/2025	CM	P79348	\$3,834.00
195032	JAHEYONG ILC	203	01/23/2025	SW	P80922	\$1,148.00
184584	JLM DEVELOPMENT INC	1403	01/17/2025	CL	P77753	\$2,397.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
196009	MB COLLISION	203	01/10/2025	CM	P74664	\$2,018.00
165640	NEW CINGULAR WIRELESS	203	01/23/2025	VB	P79713	\$1,009.00
196669	PCH FUEL INC	461	01/17/2025	SW	P79387	\$1,513.00
20375	PRUDENTIAL OVERALL SUPPLY	1146	01/17/2025	CL	P75439	\$2,552.00
19167	R J NOBLE COMPANY	461	01/03/2025	SW	P80274	\$1,109.00
98145	RANCHO SANTIAGO COMMUNITY COLLEGE	461	01/10/2025	CM	P80275	\$1,294.00
145972	RECHE CANYON CONVALESCENT CENTER	203	01/23/2025	VB	P79704	\$1,367.00
205540	RP LANDSCAPE & IRRIGATION	403	01/17/2025	CL	P78466	\$2,877.00
186678	SAPPHIRE CHANDELIER LLC	203	01/17/2025	VB	P75610	\$4,450.00
190508	SOCAL COLLISION LLC	109, 203	01/10/2025	VB	P77602	\$1,125.00
180588	SUNSTATE EQUIPMENT CO LLC	461	01/10/2025	VB	P79716	\$1,209.00
181807	UNITED PACIFIC (#5625)	201	01/17/2025	VB	P80633	\$908.00
188380	VALENCE SURFACE TECHNOLOGIES LYNWOOD	3002	01/10/2025	VB	P75802	\$995.00
144249	VINTNERS DISTRIBUTORS INC	461	01/23/2025	SW	P74691	\$1,209.00
104531	VONS (#6765)	203, 1147	01/24/2025	CM	P74869, P74883	\$2,918.00
203135	W.L. BUTLER CONSTRUCTION INC	1401, 40 CFR 61.145	01/17/2025	CL	P75758	\$1,059.00
140294	W.L. BUTLER CONSTRUCTION INC	403	01/17/2025	CL	P79346	\$5,295.00
184882	WEST ADAMS PETROLEUM INC	461	01/23/2025	VB	P78664	\$1,580.00
Total MSPAP Settlements: \$122,803.00						

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REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 201 Permit to Construct

Rule 202 Temporary Permit to Operate

Rule 203 Permit to Operate

Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

Rule 403 Fugitive Dust

Rule 415 Odors from Rendering Facilities

Rule 442 Usage of Solvents

Rule 461 Gasoline Transfer and Dispensing

Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1111 NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Rule 1118 Emissions from Refinery Flares

Rule 1142 Marine Tank Vessel Operations

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

Rule 1147 NOx Reductions from Miscellaneous Sources

Rule 1147.2 NOx Reductions from Metal Melting and Heating Furnaces

Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Rule 1171 Solvent Cleaning Operations

Rule 1173 Fugitive Emissions of Volatile Organic Compounds

REGULATION XIV - TOXICS

Rule 1401 New Source Review of Toxic Air Contaminants

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

Rule 1415 Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems

Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems

Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

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REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2005 New Source Review for RECLAIM
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

- Rule 2305 Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waire) Program

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

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