

**REVISED**



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

**HYBRID STATIONARY SOURCE COMMITTEE MEETING**

**Committee Members**

Mayor Ben J. Benoit, Chair  
Supervisor Sheila Kuehl, Vice Chair  
Senator Vanessa Delgado (Ret.)  
Board Member Veronica Padilla-Campos  
Vice Mayor Rex Richardson  
Supervisor Janice Rutherford

**September 16, 2022 ♦ 10:30 a.m.**

**Pursuant to Assembly Bill 361, a meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, September 16, 2022 through a hybrid format of in-person attendance in the Dr. William 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.**

**Given health and safety concerns, the meeting format may be changed to full remote via webcast. 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>

Face coverings: State and local public health officials strongly recommend, but do not require the wearing of face coverings while in an indoor public setting.

**ELECTRONIC PARTICIPATION INFORMATION  
(Instructions provided at bottom of the agenda)**

**Join Zoom Webinar Meeting - from PC or Laptop**

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

**Zoom Webinar ID:** 941 4149 2308 (applies to all)

**Teleconference Dial In**

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***Spanish Language Audience Zoom Meeting ID: 932 0955 9643***

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**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.*

### **CALL TO ORDER**

### **ROLL CALL**

### **INFORMATIONAL ITEMS (Items 1 through 5)**

- 1. Annual Progress Report for AB 617 Community Emissions Reduction Plans** (10 mins) Uyen-Uyen Vo  
Planning and Rules  
Manager  
*(No Motion Required)*  
Staff will present an annual report that summarizes the implementation of Community Emissions Reduction Plan actions taken from September 2019 to June 2022 to reduce emissions in AB 617 designated communities.  
*(Written Material Attached)*
- 2. Summary of Proposed Rule 1460 – Control of Particulate Emissions from Metal Recycling and Shredding Operations** (10 mins) Michael Krause  
Assistant Deputy  
Executive Officer  
*(No Motion Required)*  
Staff will provide a summary of Proposed Rule 1460 which will control particulate emissions from metal recycling and shredding facilities. Proposed Rule 1460 is being developed to implement an AB 617 Community Emission Reduction Plan action.  
*(Written Material Attached)*
- 3. Summary of Proposed Amended Rule 1168 – Adhesive And Sealant Applications** (10 mins) Heather Farr  
Planning and Rules  
Manager  
*(No Motion Required)*  
Staff will provide a summary of Proposed Amended Rule 1168 which includes revised VOC limits and effective dates for several categories and a future effective prohibition on the use of perchlorobenzotrifluoride (pCBtF) and tertiary-Butyl Acetate (t-BAC). Staff will also summarize key remaining issues.  
*(Written Material Attached)*
- 4. Summary of Proposed Amended Rule 1148.2 - Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers** (10 mins) Michael Morris  
Planning and Rules  
Manager  
*(No Motion Required)*  
Staff will provide a summary of Rule 1148.2 that expands notification requirements for certain well activities and diesel-fueled workover rig operations, as well as annual reporting for chemicals used at oil and gas well facilities. Staff will also summarize key remaining issues.  
*(Written Material Attached)*

5. **RECLAIM Quarterly Report – 14<sup>th</sup> Update** (10 mins) Michael Morris  
(No Motion Required)  
Staff will provide an update on the transition of NO<sub>x</sub> RECLAIM facilities to a command-and-control regulatory program.  
(Written Material Attached)

### **WRITTEN REPORT (Item 6)**

6. **Notice of Violation Penalty Summary** Bayron Gilchrist  
(No Motion Required) General Counsel  
This report provides the total penalties settled in August 2022 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.  
(Written Material Attached)

### **OTHER MATTERS**

7. **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)
8. **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. Speakers may be limited to three (3) minutes each.
9. **Next Meeting Date:** Friday, October 21, 2022 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 Catherine Rodriguez at (909) 396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [crodriguez@aqmd.gov](mailto:crodriguez@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 Catherine Rodriguez at (909) 396-2735, or send the request to [crodriguez@aqmd.gov](mailto:crodriguez@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 Chairman 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.

**2022 Annual Progress Report for  
AB 617 Community Emissions Reduction Plans**

Stationary Source Committee  
September 16, 2022



## BACKGROUND

### Community Emissions Reduction Plans (CERPs)

2018-Designated Communities	2019-Designated Communities	2020-Designated Community
 <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;"><b>East Los Angeles, Boyle Heights, West Commerce (ELABHWC)</b></p>  <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;"><b>Wilmington, Carson, West Long Beach (WCWLB)</b></p>	 <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;"><b>San Bernardino, Muscody (SBM)</b></p>  <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;"><b>Eastern Coachella Valley (ECV)</b></p>  <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;"><b>Southeast Los Angeles (SELA)</b></p>	 <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;"><b>South Los Angeles (SLA)</b></p>

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# Annual Progress Report Overview



Assembly Bill 617 (AB 617)\* requires an Annual Progress Report on the progress of CERP implementation



Annual Progress Report summarizes CERP implementation to-date



Community Steering Committee (CSC) and the public review the Draft Annual Progress Report and provide comments

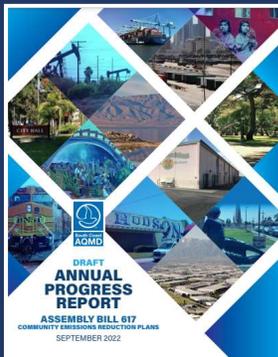


Final Annual Progress Report incorporates public comments and is brought to South Coast AQMD Governing Board and CARB Board



CARB may suggest revisions

# Annual Progress Report Elements



Community Profiles

Overview of CERP Framework

Status of CERP Actions, Goals, and Strategies

Metrics for Tracking Progress

Qualitative Assessment

Summary of Key Plan Adjustments

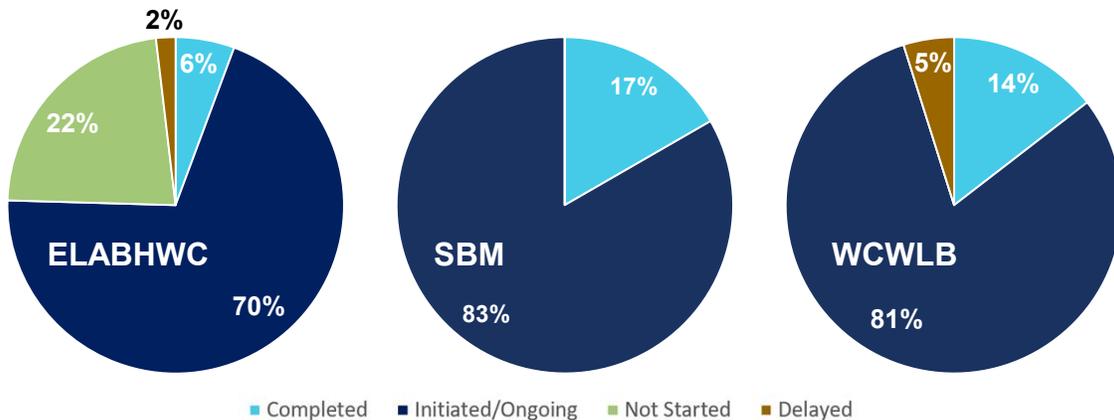
## Community Meetings and Outreach (CERP Implementation)



- Quarterly Meetings
  - 2018-Designated Communities (since September 2019)
    - ELABHWC, SBM, WCWLB: 12 meetings each
  - 2019-Designated Communities (since December 2020)
    - ECV: 15 meetings and SELA: 7 meetings
  - 2020-Designated Community (since May 2022)
    - SLA: 1 meeting
- Additional CSC Engagement
  - One-on-one, small group meetings
  - Working team meetings
  - CSC input on implementation & quarterly meeting topics
  - Inform CSC of various meetings related to CERP implementation

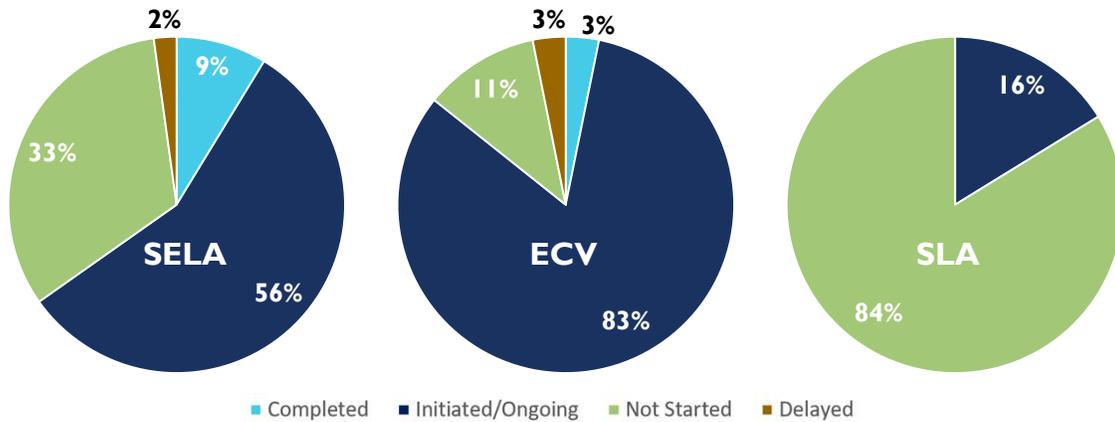
## Summary of CERP Actions

Implementation status of CERP actions and goals from CERP adoption to June 30, 2022



# Summary of CERP Actions Continued

Implementation status of CERP actions and goals from CERP adoption to June 30, 2022



Implementation Highlights: 2018- Designated Communities (ELABHWC, WCWLB, SBM)

## Rules and Regulations

- Adopted **Rule 1109.1** – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations
- Initiated **Proposed Rule 2306** – Railyard Indirect Source Rule for New Intermodal Facilities

## Enforcement

- 38 truck idling sweeps resulting in **1,234 trucks inspected and 10 Notices of Violation (NOVs)**

## Air Monitoring

- **Continuous mobile air measurements** by Aclima from July 1 - September 30, 2021 (ELABHWC and SBM)
- Ongoing mobile air monitoring since June 2019

## Collaboration

- Conducted an **Automated License Plate Recognition (ALPR) System** study (SBM)
- Installed **"No Idling" signs** (ELABHWC & WCWLB)
- Discussed with City and County of San Bernardino **potential truck routes**; San Bernardino City Council approved truck route study in their General Plan

## Incentives

- **Three Truck Incentive Workshops**
- **Submitted project plans** for trucks and home air filtration community-identified projects to CARB
- Received CARB approval for **school air filtration system project plans**

## Outreach

- Continued **WHAM outreach events** in all communities
- **Conducted outreach to neighborhood councils** on truck idling enforcement, reporting air quality complaints, and South Coast AQMD's small business assistance

Implementation Highlights:  
2019-  
Designated Communities (ECV, SELA)

Rules and Regulations

- Initiated **Proposed Rule 1460** – Control of Particulate Emissions from Metal Recycling and Shredding Operations

Enforcement

- South Coast AQMD received **639 complaints for rendering facilities**, resulting in **9 Notices of Violation (NOVs)**, all which have been resolved
- Continued **inspections at Greenleaf Desert View Power Plant** and of **Rule 444 – Open Burning**

Air Monitoring

- Established an **air monitoring station** at Gage Middle School in SELA
- Ongoing **Monitoring Working Team meetings**; seven **air quality sensors deployed** in ECV

Collaboration

- Collaborated with Gateway Cities Council of Government for **green space projects** in SELA
- Partnered with other agencies to identify the **top three pesticides for sampling and analysis** in ECV

Incentives

- Three **Truck Incentives Workshops** and **submitted** truck project plans to CARB
- Ongoing **Budget Working Team meetings**; **Paving Project Plan submitted** for CARB's approval

Outreach

- Worked with the CSC to identify approximately 10 local fleets and small businesses to provide incentives information **for zero-emission technology** in SELA
- Ongoing ECV **Outreach Working Team Meetings**; **released Draft Outreach Plan**

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Implementation Highlights:  
2020-  
Designated Community (SLA)

Rules and Regulations

- Initiated **Proposed Amended Rule 1148.2** – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers
- Initiated **Proposed Rule 1460**

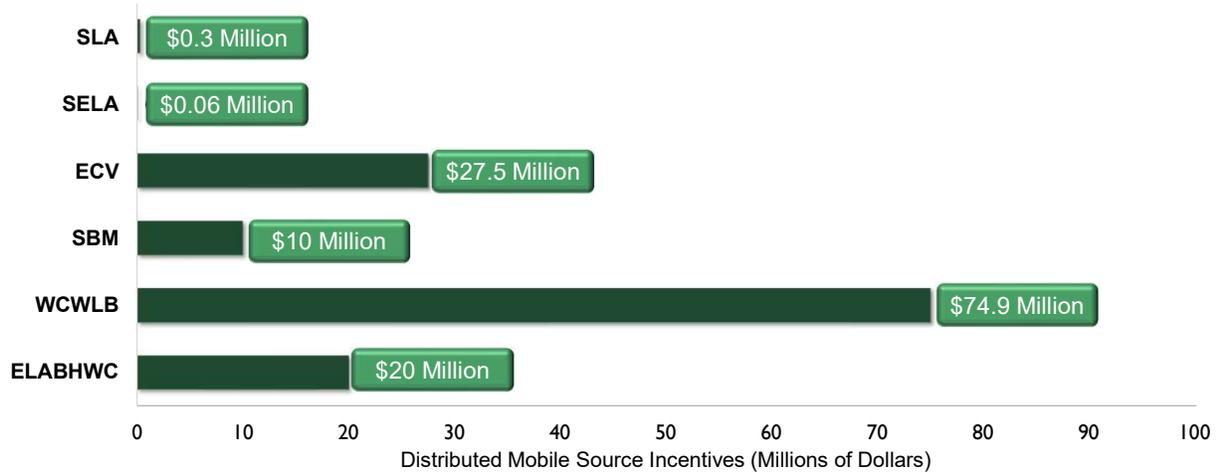
Air Monitoring

- **Mobile air monitoring** near facilities of concern to identify and characterize potential emissions of **metal toxic air contaminants**

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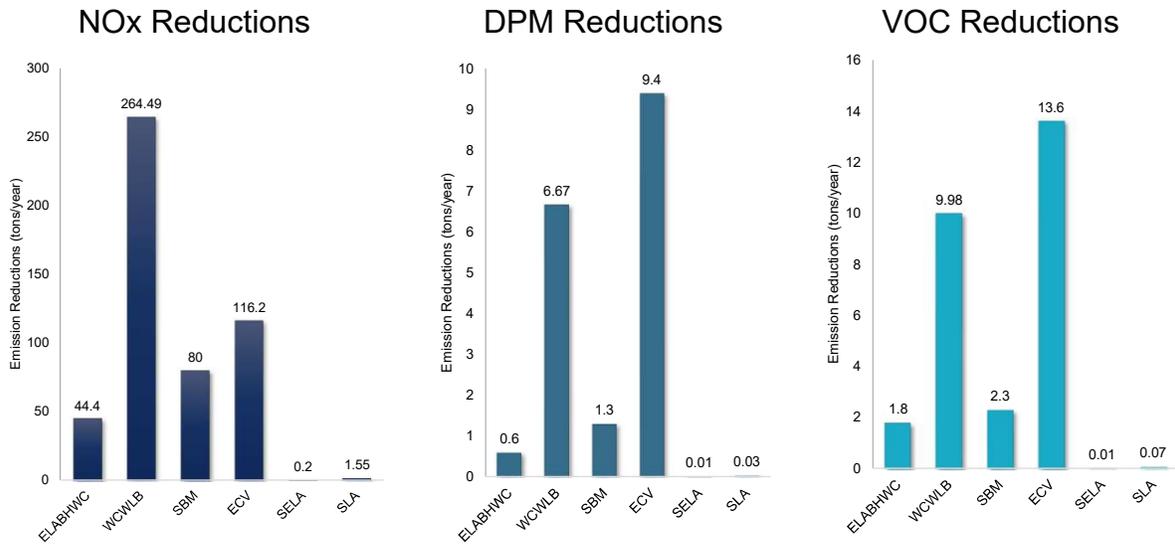
# Total Investment in Mobile Source Incentives\*

REVISED SLIDE



\* Includes Years 1 – 3 CAPP funds distributed for mobile source, infrastructure, and community-identified projects

# Approximate Emission Reductions\*



\* Emission reductions are calculated based on the [Carl Moyer Program Guidelines](#) and [Proposition 1B Program Guidelines](#) and reflect the total anticipated emission reductions from the allocated mobile source incentives; however, some of these projects have yet to be fully implemented and achieve emission reductions

## Emission Reduction Achievements

### Percentage of Five-Year Milestone Emissions Reductions Targets Achieved

Community (Milestone Year)	Percentage of Target Achieved	
	NOx Reductions	DPM Reductions
<b>ELABHWC</b> (2024)	31%	50%
<b>SBM</b> (2024)	107%	151%
<b>WCWLB</b> (2024)	44%	74%
<b>ECV</b> (2025)	215%	940%
<b>SELA</b> (2025)	0%	1%
<b>SLA</b> (2026)	1%	1%

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## CSC Comments

Comment	Response
Extend comment period for Draft 2022 Annual Progress Report	<ul style="list-style-type: none"> <li>Will continue to gather feedback from the CSCs</li> <li>Cannot extend comment period due to statutory deadline</li> </ul>
Clarify CAPP Incentive funding allocations	<ul style="list-style-type: none"> <li>Funds distributed through existing programs (e.g., Carl Moyer, Prop. 1B) and community-identified projects</li> <li>Adheres to CARB-approved quantification methodologies</li> </ul>
Clarify how CERP actions are evaluated for effectiveness	<ul style="list-style-type: none"> <li>Effectiveness of CERP actions are evaluated based on milestones in CERP</li> <li>Implementation progress is continually evaluated with CSC input, and milestones adjustments are made as needed</li> <li>For incentive projects and rules, calculated emissions reductions track effectiveness of CERP actions</li> </ul>

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## CSC Comments (*continued*)

Comment	Response
Quantify emissions reductions from charging infrastructure	<ul style="list-style-type: none"> <li>Not quantified due to multiple variables (e.g., vehicle type, charging time, power sources)</li> </ul>
Identify progress made during current year of implementation	<ul style="list-style-type: none"> <li>Will consider distinguishing current year from cumulative updates in future reports</li> </ul>
Add section that identifies a "Summary of Key Next Steps"	<ul style="list-style-type: none"> <li>Will consider inclusion of this section in future reports</li> </ul>
Provide specific updates and status for all CERP actions	<ul style="list-style-type: none"> <li>The 2022 CARB Annual Progress Report Spreadsheets include updates for each CERP action and will be submitted to CARB</li> </ul>

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## Non-CSC Comment

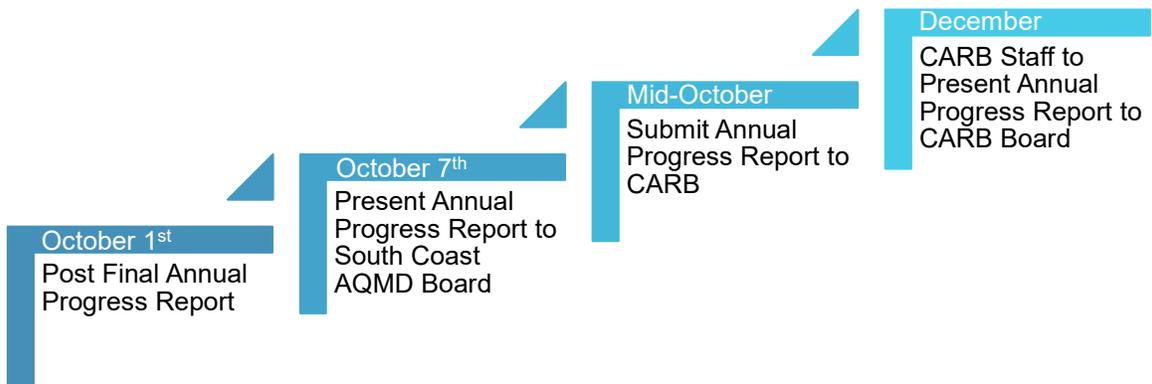
Comment	Response
<ul style="list-style-type: none"> <li>Rules 1173* and 1176** amendments have not begun</li> <li>Need firm commitments</li> </ul>	<ul style="list-style-type: none"> <li>Initiating rule development for Rule 1173 as soon as feasible</li> <li>CERP commits to enforcing Rule 1176 and responding to complaints for oil drilling and production facilities</li> </ul>

\* Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants

\*\* Rule 1176 – VOC Emissions from Wastewater Systems

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# Next Steps





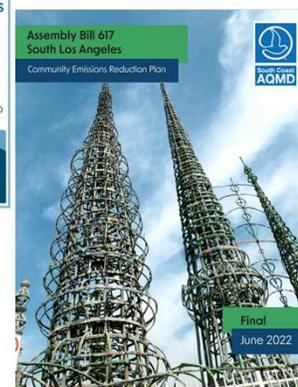
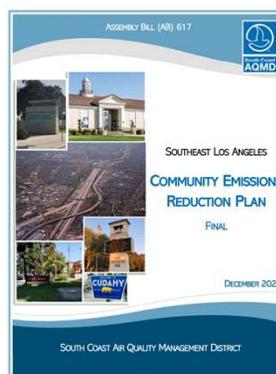
# PROPOSED RULE 1460 – CONTROL OF PARTICULATE EMISSIONS FROM METAL RECYCLING AND SHREDDING OPERATIONS

## Stationary Source Committee

September 16, 2022

### Background

- Proposed Rule 1460 – Control of Particulate Emissions from Metal Recycling and Shredding Operations (PR 1460) will address community concerns identified through the AB 617 process
- Objective is to reduce fugitive particulate emissions at metal recycling facilities
- PR 1460 was developed through a public process:
  - Three Working Group meetings and one Public Workshop
  - AB 617 Community Steering Committee briefings
  - Individual meetings with community and industry stakeholders



## PR 1460 – Applicability

- **Metal Recycling Facilities**

- Generally, not subject to South Coast AQMD permits
- Approximately 200 facilities



- **Metal Shredding Facilities**

- Conduct metal recycling operations and operate metal shredders requiring permits to operate
- Five facilities



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## Fugitive Emission Requirements



### Enhanced Housekeeping

- Daily cleaning of vehicle/equipment paths and areas where metal recycling activities occur
- Use prescribed cleaning methods to minimize fugitive emissions
- Storage requirements for waste material



### Best Management Practices

- Apply water prior to loading and unloading, handling and processing scrap metal
- Use of recycled water or recycling water on-site is encouraged
- Use of covers, enclosures, or watering for storage piles
- Maintain pavement on-site to minimize fugitive emissions and prevent track-out of material off-site

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## Additional Requirements

- Facilities will be required to register with South Coast AQMD since most do not have permitted equipment
  - Facilities will be searchable on South Coast AQMD website
- Install signs that list facility contact information\*
- Facilities within 100 meters of a sensitive receptor must\*:
  - Monitor wind speed
  - Cease operations during high winds
- Keep records of housekeeping, scrap metal throughput, complaints received and, if applicable, wind monitoring results, including operational start and stop times during high winds

\* Effective July 1, 2023

TO REPORT AIR QUALITY ISSUES SUCH AS ODORS, DUST, OR SMOKE FROM THIS FACILITY, PLEASE CALL [FACILITY CONTACT AND PHONE NUMBER] OR THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT AT 1-800-CUT-SMOG®

PARA REPORTAR PROBLEMAS DE CALIDAD DEL AIRE COMO OLORES, POLVO O HUMO DE UNA INSTALACIÓN, LLAME A [CONTACTO DE LA INSTALACIÓN Y NÚMERO DEL TELÉFONO] O AL EL DISTRITO DE ADMINISTRACIÓN DE LA CALIDAD DEL AIRE DE LA COSTA SUR AL 1-800-CUT-SMOG®



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## Requirements for New Facilities

- New Metal Recycling Facilities
  - Pave with concrete traffic routes and areas where metal recycling activities occur
- New Metal Shredding Facilities
  - Install and operate metal shredder equipment within a building enclosure
  - Store metal shredder residue in a building enclosure

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## Next Steps

Continue working with stakeholders on details of the proposed rule

Set Hearing

- October 7, 2022

Public Hearing

- November 4, 2022



## Proposed Amended Rule 1168 – Adhesive and Sealant Applications

### Stationary Source Committee

September 16, 2022

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## Background

### Rule 1168

- Applies to adhesives, adhesive primers, sealants, and sealant primers
- 2017/2018 emission inventory 6.2 tpd of VOC
- Adopted in 1989; last amended in 2017
  - 2017 amendment required a technology assessment for nine categories
  - Based on technology assessment, staff concluded a rule amendment was required

### Toxicity of Currently Exempt Compounds

- Staff presented an assessment of t-BAc, including concerns about pCBtF, in April 2017
- Board directed staff to prioritize lowering toxicity over VOC reductions

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# PAR 1168 Rulemaking Process



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# Proposed Amended Rule 1168

## Prohibit the use of t-BAC and pCBtF

- Effective January 1, 2025, for Single Ply Roof Adhesives, and January 1, 2024, for all other products
- Allow 3-year sell-through and 4-year use-through

## Amend some VOC limits and delay some future effective limits

- Technology assessment demonstrated some limits have not been achieved
- Prohibition of t-BAC and pCBtF also resulted in some higher VOC limits
- Proposed amendments will result in 0.12 tpd delayed reductions and 0.28 tpd forgone reductions
- Foregone emission reductions will result in significant adverse air quality impacts

## Revise rule language to provide clarification and streamlining

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# Summary of Proposed VOC limit revisions

<b>Retain current limit and remove future limit*</b>	<ul style="list-style-type: none"><li>• 3 Roofing Categories</li><li>• 1 Specialty Welding Cement</li></ul>
<b>No change</b>	<ul style="list-style-type: none"><li>• 1 Roofing Category</li><li>• 2 Foam Sealant Categories</li><li>• 2 Welding Cement Categories</li></ul>
<b>Delay future limit 1½ to 5 yrs</b>	<ul style="list-style-type: none"><li>• 2 Adhesive Categories</li><li>• 2 Specialty Categories</li></ul>
<b>Increase VOC limit</b>	<ul style="list-style-type: none"><li>• 1 Foam Sealant Category</li></ul>
<b>Reduce VOC limits</b>	<ul style="list-style-type: none"><li>• 2 Roofing Categories</li></ul>

\* The existing rule includes a current limit that all products must meet and a lower future effective VOC limit for each category that required a technology assessment

## Key Remaining Issues

## Issue #1: Prohibition of t-BAc and pCBtF

### Issue

- Some products currently formulated with pCBtF, especially roofing products
- Some products anticipated to use pCBtF to achieve future VOC limits
- Requested higher VOC limits and/or more time to reformulate

### Staff Response

- Proposal retains current limit and removes future effective lower limits for most roofing products
  - Kept lower VOC limits for categories where a majority of products are already achieving limit
- Proposing one year delay on the prohibition for all products and two years delay for Single Ply Roof Membrane Adhesives
- Staff has not found a significant number of products formulated with pCBtF
  - Conducted survey, lab testing, online research and reviewed manufacturer reported data
- Board directed staff to prioritize lower toxicity over lower VOC limits

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## Issue #2: Clear, Paintable, and Immediately Water-Resistant Sealants (Clear Paintable) & All Other Roofing Sealants

### Issue

- Prohibition of pCBtF will result in a VOC content increase between 380 – 550 g/L
- Requesting:
  - Higher emission limits and more subcategories, or
  - pCBtF prohibition delay for 3 years, maintaining 380 g/L for Clear Paintable and 300 g/L for All Other Roofing Sealants

### Staff recommendation

- Retain 380 g/L limit for Clear Paintable until January 1, 2026, when 250 g/l becomes effective
  - Many Clear Paintable products were reformulated with pCBtF to achieve lower VOC limit
  - Consider allowing delay of prohibition effective three years after rule adoption
  - Based on preliminary review of Quantity and Emission Reports, manufacturers have reformulated some products to achieve VOC limits as low as 50 g/L
- Remove 250 g/L and retain 300 g/L limit for All Other Roofing Sealants
  - Only two out of 58 products are found to be formulated with pCBtF
  - Allowing delay of prohibition effective one year after rule adoption

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## Issue #3: VOC Exemption for Opteon 1100 (HFO-1336mzz-Z)

### Issue

- In 2019 U.S.EPA exempted Opteon 1100 and listed it as an acceptable substitute under the Significant New Alternatives Policy (SNAP) program for Foam Blowing Agents
- Stakeholders request a limited exemption for Opteon 1100 as an alternative to an already exempted HFO

### Staff recommendation

- EPA exemption was based on formation of tropospheric ozone, not on toxicity
- OEHHA has not evaluated Opteon 1100
- Staff considering a limited exemption for Opteon 1100 contingent on the results of an OEHHA assessment
  - Exemption would only apply to two component foam sealants use in a professional setting
  - Exemption would only go into effect if OEHHA assessment concludes that Opteon 1100 is not a carcinogen and is not more toxic than HFO it would replace

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## UV/EB/LED Thin Film Test Method

Revised

- On April 19, 2022 staff sent letter to USEPA inquiring if ASTM Test Method D7767-11<sup>a</sup> is an acceptable test method to determine VOC compliance
- In addition to Rule 1168, ASTM Test Method D7767 is included in:
  - Rule 1106 - Marine and Pleasure Craft Coatings
  - Rule 1107 - Coating of Metal Parts and Products
- On August 22, 2022 USEPA issued a disapproval for Rules 1106 and 1107 into the State Implementation Plan (SIP) providing that:
  - ASTM Test Method D7767-11 is not an USEPA approved test method
  - ASTM Test Method D7767-11 cannot be used to enforce a SIP approved rule
- Staff is recommending to remove ASTM Test Method from PAR 1168 to avoid disapproval

<sup>a</sup> Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers and Blends and Thin Coatings Made from Them 10

# PAR 1168 Impacts

- PAR 1168 will impact 16 categories of adhesives and sealants
  - Foregone emissions are currently estimated at 0.28 tpd
  - VOC reductions from 2017 amendment still exceeds 2016 AQMP commitments
    - 2017 achieving 1.4 tpd VOC reduction, 2016 AQMP commitment was 1 tpd
- Impact analysis under preparation
  - California Environmental Quality Act
    - Potential significant air quality impacts expected from delayed and permanently foregone VOC emission reductions
    - Draft Subsequent Environmental Assessment (SEA) released on September 2, 2022, for a 45-day public review and comment
- Socioeconomic Impact Assessment
  - Proposed amended will not have emission reductions
    - Cost-effectiveness analysis not required
    - Socioeconomic impacts of proposal will be considered, e.g. pCBtF prohibition

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# Next Steps – Rulemaking Process



Continue Discussions with Stakeholders



Release Draft Rule Language and Draft Staff Report – October 3, 2022



Public Hearing – November 4, 2022

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## Proposed Amended Rule 1148.2 Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers



Stationary Source Committee  
September 16, 2022

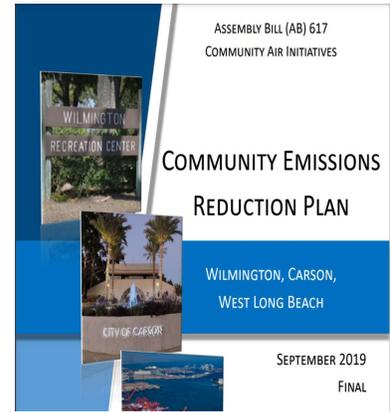
## Rule 1148.2 Background



- Adopted April 5, 2013 and Amended September 4, 2015
- Applies to oil and gas wells conducting drilling, well completion, or well rework
  - Purpose is to gather air quality-related information on oil and gas well drilling
- Notification requirements
  - Includes operator and well information
  - Notify no more than 10 calendar days and no less than 48 hours before start of well activity
  - Identify nearest sensitive receptor within 1,500 feet of well
  - Follow-up report with chemical usage

# AB 617 and Community Emission Reduction Plans

- Both Wilmington, Carson, West Long Beach (WCWLB) and South Los Angeles (SLA) identified oil and gas production emissions as actions in their Community Emission Reduction Plans (CERP)
  - Expand notifications to include injection well acidizing and workover rig operations
  - Improve public outreach
  - Require an annual facility report
- Both communities also expressed other concerns that will need to be addressed in Rule 1148.1 - Oil and Gas Production Wells scheduled to be amended in 2023
  - Enhanced monitoring
  - Zero-emission equipment
  - Odorant use



9/16/2022

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# Proposed Amendments to Rule 1148.2

- New notification requirements for:
  - Acidizing of injection wells
  - Workover rigs with engines that do not use Tier 4 Final diesel engines or non-combustion power sources
- New annual report of chemicals used for well activities



Example of an Injection Well



Example of a Workover Rig

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## Remaining Key Issues

Issue	Concern	Response
Too many extensions to original notification date	Community cannot adequately plan to take steps to mitigate impact	Staff considering reducing the number of extensions from five to three times
Notifications need to be tailored to specific geographic area	The public wants to receive notifications that are specific and more relevant to them	Staff working to modify the R1148.2 notification platform to allow for geographic focused notifications
Additional signage needed to alert community of activity	Request that specific activities are identified	Staff will consider additional signage requirements under Rule 1148.1

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## Impact Assessment and CEQA

- Notification rule, no emission reductions expected
- Minimal costs expected for additional reporting requirements
- No cost-effectiveness and incremental cost-effectiveness analysis because no emission reductions
- CEQA Notice of Exemption will be prepared for PAR 1148.2
  - PAR 1148.2 is administrative and does not have any project elements requiring physical modifications that would cause a significant adverse effect on the environment

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# Next Steps for PAR 1148.2



Set Public Hearing – October 7, 2022



Public Hearing – November 4, 2022

# NOx RECLAIM Quarterly Update

STATIONARY SOURCE COMMITTEE  
SEPTEMBER 16, 2022

## Update “At a Glance” (June 2022 to September 2022)



- **Rule 429 Amended September 2, 2022**
- **Rules 218.2 and 218.3 Amended September 2, 2022**



- Rule Development**
- **6 Working Group Meetings**



- Discussions with CARB**
- **2 virtual meetings**



- Discussions with USEPA**
- **3 virtual meetings**

# RECLAIM and New Source Review Working Group Meetings

## Comment Letter

- Comment letter received from:
  - Earthjustice
  - Communities for a Better Environment
  - Sierra Club
  - East Yard Communities for Environmental Justice
  - Center for Biological Diversity
- Expressed concerns with Minor and Major Source Banks
- Comment letter is available on the proposed rules webpage!



July 2022

## Proposed Timeline for NOx RECLAIM Transition



September 2022

- Proposed Regulation XX amendments
- Responded to comment letter expressing concerns with Minor and Major Source Banks
- Discussed changing surplus discounting method for Open Market Emission Reduction Credits (ERCs)

- Responded to comments received during July 2022 RECLAIM Working Group Meeting
- Proposed Regulation XIII amendments to Rules 1302, 1306, and 1309
  - Reconciling rules with 2002 NSR Reform

# Emission Reductions (Tons per Day\*)

	Rules 1146, 1146.1, 1146.2 – Boilers, Process Heaters, and Steam Generators	0.27		Rule 1135 – Electricity Generating Facilities	1.7
	Rule 1118.1 – Non Refinery Flares	0		Rule 1110.2 – Liquid-Fueled and Gaseous Engines	0.29
	Rule 1109.1– Refinery Equipment	7.7		Rule 1117 – Container Glass Melting/Sodium Silicate Furnaces	0.57
	Rule 1134 – Gas Turbines	1.8		Rule 1147.1 – Aggregate Facilities	0.04
	Rule 1147 – Miscellaneous Combustion Sources	0.54		Rule 1147.2 – Metal Melting and Heating Furnaces	0.47

**Total NOx Reductions = 13.38 tons per day\***

\* Sum of NOx reductions from RECLAIM facilities only. Some NOx reductions may be attributed to the 2015 RECLAIM shave.

## Rules Under Development



### PAR 1153.1 – Commercial Food Ovens

Public Hearing: December 2, 2022



### PR 1159.1 – Nitric Acid Processing Tanks

Public Hearing: December 2, 2022

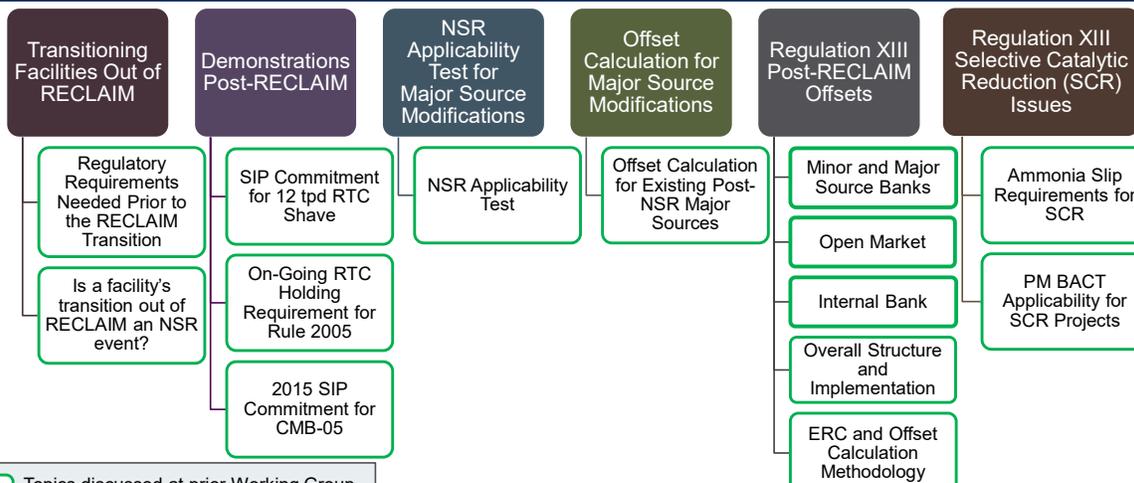
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## Overview of RECLAIM Transition



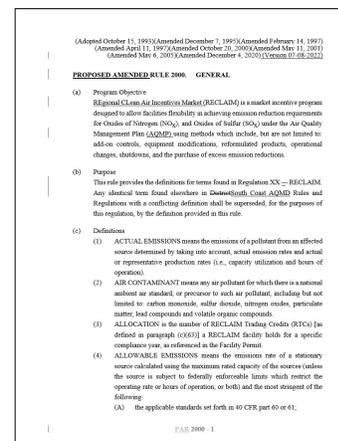
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# Overview and Status of RECLAIM and NSR Issues



# Preliminary Rule Language for Regulation XIII and Regulation XX Available

- Preliminary draft rule language for the amendments to Regulation XIII and Regulation XX is available on the proposed rules webpage<sup>1</sup>
- Staff is continuing to evaluate establishing Minor and Major Source Banks to be a source of offsets post-RECLAIM
  - A new rule will need to be developed if staff pursues establishing Minor and Major Source Banks
  - Staff received a comment letter from environmental and community organizations which expressed concerns with the proposed Minor and Major Source Banks<sup>2</sup>



<sup>1</sup> <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules>

<sup>2</sup> <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/regx111/2022-0315-letter-on-south-coast-aqmd-proposed-erc-internal-banks.pdf?sfvrsn=16>

# Regulation XIII Comment Letter

- Staff received a comment letter from environmental and community groups
- Key comment:** Do not create Minor and Major Source Banks; Open Market is the suitable mechanism for acquiring offsets
- Response:** Based on current availability and price of ERCs, the Open Market is not a viable source of offsets for facilities exiting RECLAIM
- Other comments:
  - Retire orphan shutdowns
  - Orphan shutdowns may not be claimed for Minor and Major Source Banks
  - Limit time and amount of Open Market ERCs a facility may hold
  - Restrict Minor and Major Source Bank access



# Staff Responses to Comment Letter

## Comments

## Responses

Retire orphan shutdowns

Orphan reductions and shutdowns are the only source of credits in the Internal Bank

- The Internal Bank provides offsets for Essential Public Services
- Retirement of orphan reductions and shutdowns would eventually make the Internal Bank insolvent

Orphan shutdowns may not be claimed for Minor and Major Source Banks

Orphan shutdowns could be used to seed the Major and Minor Source Banks, but only after discounting to BACT

## Staff Responses to Comment Letter

### Comments

Limit time and amount of Open Market ERCs a facility may hold

Restrict for Minor and Major Source Bank access

### Responses

Staff is actively seeking solutions to generate trading opportunities of Open Market ERCs

Staff is open to placing some restrictions on the proposed Major and Minor Source Banks

- Open Market ERCs held by a facility shall be used before the facility accesses the Major Source Bank
- Limiting availability by location or facility type may be considered

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## Decision to Retain Current Surplus Discounting Method

- Staff proposed an alternative BARCT discount that would be applied at time of generation and time of use, if needed
  - This is consistent with federal NSR requirements
    - Current surplus discounting to BACT is done as equivalent alternative
  - Additional discount to BARCT at time of use could incentivize trading to avoid loss of value over time
- Analysis indicates that changing the surplus discounting method would not increase the availability of offsets post-RECLAIM
- Stakeholders expressed preference to retain the current surplus discounting method
- Staff is no longer pursuing changing the surplus discounting method of ERCs

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## Ongoing Efforts and Next Steps



Continue monthly RECLAIM and Regulation XIII NSR Working Group meetings



Continue rulemaking activities



Continue working with U.S. EPA, CARB, and stakeholders

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

**Settlement Penalty Report (08/01/2022 - 08/31/2022)**

**Total Penalties**

Civil Settlement:	\$46,725.00
Criminal Referral Settlement:	\$14,547.69
MSPAP Settlement:	\$27,320.00
<b>Total Cash Settlements:</b>	<b>\$88,592.69</b>

**Fiscal Year through 08/31/2022 Cash Total: \$1,683,582.66**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>Civil</b>						
143621	3D CAM INC.	1145	08/09/2022	EC	P68642	\$1,500.00
139787	A & J ENVIRONMENTAL SVC'S INC.	221, 1166	08/05/2022	SH	P67428	\$750.00
128296	BELTONE CLEANERS	1402, 1421	08/09/2022	GV	P69557, P69562	\$1,000.00
63180	DARLING INGREDIENTS INC.	2004, 2012	08/09/2022	NS	P72859, P72863	\$21,820.00
16338	KAISER ALUMINUM FABRICATED PRODUCTS, LLC	2004	08/26/2022	SH	P63809, P63817, P69366	\$3,000.00
170563	OLEN COMMERCIAL REALTY CORP	1146.2	08/05/2022	SH	P65183, P65184	\$2,500.00
20061	RAINBOW ENVIRONMENTAL SERVICES	402, H&S 41700	08/23/2022	KCM	P66486, P69157, P70407	\$16,155.00
<b>Total Civil Settlements: \$46,725.00</b>						
<b>Criminal Referral</b>						
188046	5 ANGELS, LLC	1403	08/09/2022	GC	P66298	\$14,547.69
<b>Total Criminal Referral: \$14,547.69</b>						
<b>MSPAP</b>						
176124	AMERICA OIL CO. INC. 1 DBA RAFI'S CHEVRO	203	08/18/2022	GC	P68441	\$425.00
178557	AMERICA OIL COMPANY INC. NO. 11	203	08/18/2022	GC	P69021	\$470.00
190167	CENTRAL TRANSPORT SANTA ANA LOT	403	08/18/2022	GC	P69370, P69375, P69381	\$5,100.00
169546	CIRCLE K #2709473, CIRCLE K STORES, INC.	461	08/18/2022	GC	P69852	\$765.00
138998	CONTRACTORS WARDROBE	109, 203	08/18/2022	GC	P65574, P73003	\$2,400.00
121602	COURTESY CLEANERS, DBA M YADEGAR	1146.2	08/18/2022	GC	P69515	\$400.00
108802	D & H SUPER SERVICE	461	08/18/2022	GC	P70201	\$300.00
137049	DAN LEMAY WEST COAST COLLISION CENTER	203, 1151, 1171	08/24/2022	GC	P68272	\$400.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
140882	DOWNEY GAS/ EL SHAHAWI GROUP, INC.	461	08/18/2022	GC	P69035	\$300.00
190022	DR HORTON	403	08/18/2022	GC	P62180, P67710	\$3,600.00
187233	G&M OIL CO., #131	461	08/18/2022	GC	P69038	\$900.00
117685	GARO GAS	461	08/18/2022	GC	P70055	\$1,080.00
148907	GILL AND SUMRA, INC./H&K GAS & GROCERY	203, 461, H&S 41960.2	08/18/2022	GC	P67246	\$1,400.00
88864	HANSON AGGREGATES WEST INC/EAGLE VALLEY	1157	08/18/2022	GC	P69373	\$3,400.00
176707	HARBOR DISTRIBUTING, LLC	461	08/18/2022	GC	P68630	\$600.00
155527	INLAND CONTRACTORS, INC.	203	08/18/2022	GC	P69435	\$800.00
178678	INTRAVAIA ROCK & SAND, INC.	13 CCR 2460	08/18/2022	GC	P63270	\$640.00
139723	J B CHEMICAL	203	08/18/2022	GC	P69566	\$1,600.00
169219	JB STATION, INC.	461	08/18/2022	GC	P69028	\$300.00
159120	KEVIN'S AUTO BODY, DBA HIEN HUU HOANG	109, 203, 1151, 1171	08/18/2022	GC	P68574	\$640.00
175351	KEVINS CLEANERS	1421	08/18/2022	GC	P68370	\$600.00
103167	THE GAFFOGLIO FAMILY METAL CRAFTERS, INC.	1171	08/18/2022	GC	P68568	\$1,200.00
<b>Total MSPAP Settlements: \$27,320.00</b>						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR AUGUST 2022 PENALTY REPORT**

**REGULATION I - GENERAL PROVISIONS**

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

**REGULATION II - PERMITS**

Rule 203 Permit to Operate

Rule 221 Plans

**REGULATION IV - PROHIBITIONS**

Rule 402 Nuisance

Rule 403 Fugitive Dust

Rule 461 Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1145 Plastic, Rubber and Glass Coatings

Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers

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

Rule 1157 PM10 Emission Reductions from Aggregate and Related Operations

Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil

Rule 1171 Solvent Cleaning Operations

**REGULATION XIV - TOXICS**

Rule 1402 Control of Toxic Air Contaminants from Existing Sources

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations

**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

**CALIFORNIA HEALTH AND SAFETY CODE**

41700 Prohibited Discharges

41960.2 Gasoline Vapor Recovery

**CALIFORNIA CODE OF REGULATIONS**

13 CCR 2460    Portable Equipment Testing Requirements