



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

MEETING, NOVEMBER 7, 2014

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

Questions About an Agenda Item

- 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.

Meeting Procedures

- The public meeting of the AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- 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.

Questions About Progress of the Meeting

- During the meeting, the public may call the Clerk of the Board's Office at (909) 396-2500 for the number of the agenda item the Board is currently discussing.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

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 the South Coast Air Quality Management District Clerk of the Board's Office, 21865 Copley Drive, Diamond Bar, CA 91765.

The Agenda is subject to revisions. For the latest version of agenda items herein or missing agenda items, check the District's web page (www.aqmd.gov) or contact the Clerk of the Board, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

Cleaning the air that we breathe...™

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Barry R. Wallerstein, D. Env., Executive Officer
- Presentation of Retirement Award to Shailesh Patel **Burke**

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 15)

Note: Consent Calendar items held for discussion will be moved to Item No. 16

1. Approve Minutes of October 3, 2014 Board Meeting **McDaniel/2500**
2. Set Public Hearing December 5, 2014 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations **Wallerstein/3131**
 - Amend Rule 1325 -Federal PM2.5 New Source Review Program **Fine/2239**

Rule 1325 incorporates U.S. EPA's requirements for PM2.5 into Regulation XIII – New Source Review. The rule mirrors federal requirements and is applicable to major polluting facilities, which are defined by rule as sources with actual emissions, or the potential to emit, 100 tons per year or more of PM2.5 or its precursors. Based on comments received from the U.S. EPA regarding SIP approvability of Rule 1325, the proposed amended rule will incorporate administrative changes to definitions, provisions and exclusions. Typographical errors and other minor clarifications are also included. (Reviewed: Stationary Source Committee, October 17, 2014)

Budget/Fiscal Impact

3. Execute Contract to Conduct 2014 Leaf Blower Exchange Program **Miyasato/3249**

At its July 11, 2014 meeting, the Board approved release of a Program Announcement to solicit competitive bids from manufacturers of low-emission leaf blowers. This action is to award a contract to Pacific STIHL to conduct the 2014 Leaf Blower Exchange Program in an amount not to exceed \$281,955 from the Rule 2202 AQIP Special Revenue Fund (27). (Reviewed: Mobile Source Committee, October 17, 2014; Recommended for Approval)

4. Execute Contracts to Demonstrate Commercial-Grade Electric Lawn and Garden Equipment **E** **Miyasato/3249**

On July 11, 2014, the Board released RFPs to demonstrate commercial-grade electric lawn mowers and cordless electric hand-held lawn and garden equipment to promote and accelerate market penetration of such equipment in the South Coast Air Basin. This action is to execute contracts with Greenstation, Mean Green Products and Pacific Stihl to procure commercial-grade electric lawn and garden equipment including necessary technical and logistical support to implement a two-year demonstration program with participating local landscape professionals, municipalities and other eligible entities in an amount not to exceed \$423,687 from the Rule 1309.1 Priority Reserve Fund (36). (Reviewed: Technology Committee, October 17, 2014; Recommended for Approval)

5. Recognize Revenue and Amend and Execute Contracts to Implement DC Fast Charging Network **E** **Miyasato/3249**

On September 6, 2013, the Board recognized \$300,000 revenue from the CEC into the Clean Fuels Fund (31) to establish a DC fast charging network as the building block of a statewide corridor charging network. On December 6, 2013, following an RFP process, the Board subsequently approved a \$250,000 contract with Clean Fuel Connection, Inc. (CFCI) to serve as the DC fast charging network provider and a \$49,183 contract with Three Squares, Inc. (TSI) to provide education outreach for the DC fast charging network. In May and October 2014, the CEC approved two grants to implement six additional sites and install DC fast chargers with two types of fast charging connectors. These actions are to recognize revenue in the amount of \$920,000 from the CEC into the Clean Fuels Fund (31) as well as to amend contracts with CFCI and TSI and execute a new contract with the UCLA Luskin Center for site selection in an amount not to exceed \$970,000 from the Clean Fuels Fund (31). (Reviewed: Technology Committee, October 17, 2014; Recommended for Approval)

6. ***This item has been withdrawn by staff.***

7. Amend Existing Contract for Third Party Oversight and Monitoring of Mitigation Activities Implemented at Exide Technologies **Nazemi/2662**

In August 2014, the SCAQMD entered into an initial contract with Tetra Tech BAS for up to \$75,000 to provide independent environmental monitoring and project oversight services for mitigation activities to be implemented by Exide related to construction, sampling, repair, maintenance and other activities at Exide Technologies. The SCAQMD is responsible for selecting and retaining a third party consultant which is responsible for ensuring that Exide Technologies properly follows appropriate mitigation strategies pursuant to the July 10, 2014 amended Hearing Board Stipulated Order for Abatement. This action is to amend the current contract to extend the length of the contract and to allow the amount of contract to be replenished to maintain a balance of \$75,000 on a monthly basis for the duration of the project, as the costs, which Exide Technologies is required to cover, will exceed the amount authorized in the original contract. (Reviewed: Stationary Source Committee, October 17, 2014; Recommended for Approval)

8. Execute Contract with Institute of Transportation Engineers to Further Enhance Information Regarding Vehicle Trips Associated with Large Warehouse Operations **Chang/3186**

The Institute of Transportation Engineers (ITE) is a recognized national expert in trip generation estimation for a wide variety of land uses. This action is to execute a contract with ITE to provide enhanced information and guidance regarding vehicle trips associated with warehouse operations. The total amount for the current phase of work is at a cost not to exceed \$50,000. (Reviewed: Mobile Source Committee, October 17, 2014; Recommended for Approval)

9. Approve Contract Modifications Approved by MSRC **Pettis**

The MSRC approved two contract value increases, one for purposes of continuing programmatic outreach and one under the Alternative Fuel School Bus Incentives Program, as part of their FYs 2012-14 AB 2766 Discretionary Fund Work Program. At this time the MSRC seeks Board approval of the contract modifications under the FYs 2012-14 Work Program. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, October 16, 2014; Recommended for Approval)

Items 10 through 15 - Information Only/Receive and File

10. Legislative & Public Affairs Report **Smith/3242**

This report highlights the September 2014 outreach activities of Legislative and Public Affairs, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, and Outreach to Business and Federal, State, and Local Government. (No Committee Review)

11. **Hearing Board Report** **Camarena/2500**

This reports the actions taken by the Hearing Board during the period of September 1 through September 30, 2014. (No Committee Review)

12. **Civil Filing and Civil Penalty Report** **Wiese/3460**

This reports the monthly penalties from September 1 through September 30, 2014, and legal actions filed by the General Counsel's Office during September 1 through September 30, 2014. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, October 17, 2014)

13. **Lead Agency Projects and Environmental Documents Received by SCAQMD** **Chang/3186**

This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between September 1, 2014 and September 30, 2014, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, October 17, 2014)

14. **Rule and Control Measure Forecast** **Chang/3186**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2014 and portions of 2015. (No Committee Review)

15. **Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2014-15** **Marlia/3148**

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and projects to be initiated by Information Management during the first six months of FY 2014-15. (No Committee Review)

16. **Items Deferred from Consent Calendar**

BOARD CALENDAR

Note: The October 10, 2014 Administrative Committee meeting was cancelled; the next Committee meeting is scheduled for November 14, 2014.

- | | | | |
|-----|---|----------------------------------|----------------------|
| 17. | Legislative Committee (Receive & File) | Chair: Gonzales | Smith/3242 |
| 18. | Mobile Source Committee (Receive & File) | Chair: Parker | Chang/3186 |
| 19. | Stationary Source Committee (Receive & File) | Chair: Yates | Nazemi/2662 |
| 20. | Technology Committee (Receive & File) | Chair: J. Benoit | Miyasato/3249 |
| 21. | Mobile Source Air Pollution Reduction Review Committee (Receive & File) | Board Liaison: Antonovich | Hogo/3184 |
| 22. | California Air Resources Board Monthly Report (Receive & File) | Board Rep: Mitchell | McDaniel/2500 |

Staff Presentation/Board Discussion

- | | | | |
|-----|---|--|-------------------|
| 23. | Review of SCAQMD Socioeconomic Assessment | | Chang/3186 |
|-----|---|--|-------------------|

In adopting the 2012 AQMP, the Board requested a review of SCAQMD socioeconomic analyses. An RFP was released and Abt Associates, Inc. (Abt) was selected to conduct a comprehensive review of SCAQMD's socioeconomic analyses in comparison to other agencies and to evaluate the scope, tools and practices employed. Abt has completed their review and concluded that the SCAQMD socioeconomic assessments are more comprehensive than the majority of other agencies examined, and uses a sound methodology in its impact analyses. Abt's report provides a set of recommendations to enhance the agency's credibility and reliability, including additional research and studies to further refine the analyses. Staff has prepared an initial response and proposed actions to implement Abt's recommendations. This action is to: 1) receive and file the report; and 2) provide direction to staff on the implementation of Abt's recommendations. (No Committee Review)

PUBLIC HEARING

24. Adopt Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (***Continued from October 3, 2014 Board Meeting***) **Chang/3186**

Staff is proposing a new rule which reduces NOx emissions from food ovens, equipment that is currently subject to Rule 1147. Proposed Rule (PR) 1153.1 has higher NOx emission limits than Rule 1147. Compared with Rule 1147, PR 1153.1 delays NOx emission limit compliance dates for existing (in-use) permitted equipment and includes a carbon monoxide emission limit. PR 1153.1 also establishes test methods and provides alternate compliance options. Other proposed requirements include equipment maintenance and recordkeeping. PR 1153.1 is expected to result in a maximum of 120 pounds per day of NOx emission reductions forgone in 2023. This action is to adopt the resolution: 1) Certifying the Final Environmental Assessment for Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens; and 2) Adopting Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens. (Reviewed: Stationary Source Committee, March 21 and July 25, 2014)

OTHER BUSINESS

25. Report of RFPs Scheduled for Release in November **O'Kelly/2828**

This report summarizes the RFPs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of November. (No Committee Review)

26. TAMCO's Petition to Governing Board Requesting Hearing on Title V Permit Renewal **McDaniel/2500**

TAMCO has petitioned the Board to hold a hearing pursuant to District Regulation XII and Health & Safety Code § 40509 on TAMCO's Title V Permit Renewal. TAMCO argues that the District failed to grant SOx RECLAIM Trading Credits (RTCs) in accordance with TAMCO's interpretation of Rule 2002. TAMCO appealed the denial of RTCs on these grounds to the District's Hearing Board. The Hearing Board denied TAMCO's appeal. The Governing Board will consider whether to hold a hearing; if so, the hearing will occur at a later date specified by the Board. (No Committee Review)

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

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.

CONFLICT OF INTEREST DISCLOSURES – (No Written Material)

Under the approval authority of the Executive Officer, the District will enter into a contract modification (Contract No. ML11036A) with the City of Riverside. The contractor is a potential source of income for Governing Board Member Joseph Lyou, which qualifies for the remote interest exception of Section 1090 of the California Government Code. Dr. Lyou abstained from any participation in the making of the contract modification.

CLOSED SESSION - (No Written Material)

Wiese/3460

It is necessary for the Board to recess to closed session pursuant to Government Code section 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:

- CBE, CCAT v. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-72358 (1315);
- Communities for a Better Environment, et al. v. U.S. EPA, et al., U.S. Court of Appeals, Ninth Circuit, Case No. 13-70167 (Sentinel);
- People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In the Matter of SCAQMD v. Exide Technologies, Inc., SCAQMD Hearing Board Case No. 3151-29 (Order for Abatement);
- Exide Technologies, Inc., Petition for Variance, SCAQMD Hearing Board Case No. 3151-31;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court for the District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy case);
- Friedman Marketing v. SCAQMD, California Court of Appeal, Second Appellate District, Case No. B249836 (Rule 461);
- Friends of the Fire Rings v. SCAQMD, San Diego Superior Court, North County, Case No. 37-2014-00008860-CU-WM-NC (Nov. 26, 2013; transferred March 20, 2014);
- Petition for Declaratory Order by U.S. Environmental Protection Agency, Surface Transportation Board Docket No. FD 35803 (Railroad Rules);
- Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Contra Costa County Superior Court Case No. MSN14-0300 (formerly South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS 143381) (SCIG);
- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-70016 (Monitoring);
- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 12-70079 (PM2.5);

- Physicians for Social Responsibility, et al. v. U.S. EPA, U.S. Court of Appeals, Ninth Circuit, Case No. 14-73362 (1-Hour ozone);
- SCAQMD v. U.S. EPA, U.S. Court of Appeals Ninth Circuit No. 13-73936 (Morongo Redesignation); and
- Sierra Club, et al. v. U.S. EPA, U.S. District Court for Northern District of California Case No. 3:14-CV-04596 (seek leave to intervene).

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 (two cases) and pursuant to Government Code section 54956.9(b) due to significant exposure to litigation (one case).

In addition, it is necessary for the Board to recess to closed session pursuant to Government Code section 54957.6 to confer regarding upcoming labor negotiations with:

- designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: William Johnson; Represented Employees: Teamsters Local 911 & SCAQMD Professional Employees Association];

and to confer with:

- labor negotiators regarding unrepresented employees [Agency Designated Representative: William Johnson; Unrepresented Employees: Designated Deputies and Management and Confidential employees].

ADJOURNMENT

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

Members of the public are afforded an opportunity to speak on any listed item before or during consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers may be limited to three (3) minutes each.

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 Public Comments 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, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

AQIP = Air Quality Investment Program	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AVR = Average Vehicle Ridership	NGV = Natural Gas Vehicle
BACT = Best Available Control Technology	NO _x = Oxides of Nitrogen
Cal/EPA = California Environmental Protection Agency	NSPS = New Source Performance Standards
CARB = California Air Resources Board	NSR = New Source Review
CEMS = Continuous Emissions Monitoring Systems	PAMS = Photochemical Assessment Monitoring Stations
CEC = California Energy Commission	PAR = Proposed Amended Rule
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM ₁₀ = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM _{2.5} = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	PON = Public Opportunity Notice
CTG = Control Techniques Guideline	PR = Proposed Rule
DOE = Department of Energy	RFP = Request for Proposals
EV = Electric Vehicle	RFQ = Request for Quotations
FY = Fiscal Year	SCAG = Southern California Association of Governments
GHG = Greenhouse Gas	SIP = State Implementation Plan
HRA = Health Risk Assessment	SO _x = Oxides of Sulfur
IAIC = Interagency AQMP Implementation Committee	SOON = Surplus Off-Road Opt-In for NO _x
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	VMT = Vehicle Miles Traveled
NATTS =National Air Toxics Trends Station	ZEV = Zero Emission Vehicle

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BOARD MEETING DATE: November 7, 2014

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the October 3, 2014 meeting.

RECOMMENDED ACTION:

Approve Minutes of the October 3, 2014 Board Meeting.

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Sandra McDaniel,
Clerk of the Boards

SM:dg

FRIDAY, OCTOBER 3, 2014

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at the Millennium Biltmore Hotel Los Angeles, 506 South Grand Avenue, Los Angeles, California. Members present:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Dennis R. Yates, Vice Chairman
Cities of San Bernardino County

Supervisor Michael D. Antonovich (arrived at 10:05 a.m.)
County of Los Angeles

Mayor Pro Tem Ben Benoit
Cities of Riverside County

Supervisor John J. Benoit
County of Riverside

Councilmember Joe Buscaino
City of Los Angeles

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

Supervisor Josie Gonzales
County of San Bernardino

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor Shawn Nelson (arrived at 9:45 a.m.)
County of Orange

Dr. Clark E. Parker, Sr.
Senate Rules Committee Appointee

Member absent:

Mayor Miguel A. Pulido
Cities of Orange County

CALL TO ORDER: Chairman Burke called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Chairman Burke.
- Swearing In of Reappointed Board Member Judith Mitchell

Chairman Burke administered the oath of office to Judith Mitchell, who was reappointed to the Board by the Los Angeles County Western Cities Representatives, for a term ending January 15, 2018.

- Opening Comments

Councilman Buscaino. Thanked the staff for their efforts in responding to a fire at the Port of Los Angeles Pasha terminal on September 23, 2014, including deploying mobile air quality detection devices in neighboring communities and providing information for those affected by the smoke through media outreach.

Councilman Cacciotti. Announced that he attended the AltCar Expo in Santa Monica on September 18, 2014 and was able to view the LAPD's all-electric motorcycle that is used on dirt terrain, and speak with the officers about the potential future of an electric road motorcycle. He suggested staff continue to work towards promoting an electric motorcycle for police when investigating future funding opportunities.

Dr. Lyou. Reported that he toured the Long Beach Container Terminal project site at the Port of Long Beach and was impressed with the technology being utilized, including electric container movement in the terminal. He invited fellow Board Members to also tour the facility which represents the future of freight and the ports.

Chairman Burke suggested that in early 2015 a Board Meeting be scheduled in the Long Beach area and that a tour of the yard be arranged at that time.

Supervisor Gonzales stressed the importance of applying some of the same principles used at the coastal ports to the dry ports that move cargo throughout the Inland Empire.

Dr. Barry R. Wallerstein, Executive Officer. Noted that staff is withdrawing A2 for Item No. 3. He explained that staff is recommending that Item No. 30, the public hearing to consider adoption of Proposed Rule 1153.1, be continued to the November 7, 2014 Board Meeting.

CONSENT CALENDAR

1. Approve Minutes of September 5, 2014 Board Meeting
2. Execute Contract to Develop Ultra-Low Emission Natural Gas Engine for On-Road Class 4 to 7 Vehicles
3. Execute Contracts for FY 2013-14 "Year 16" Carl Moyer Program and Issue Program Announcement for SOON Provision
4. Execute Contracts to Conduct PEV Smart Grid, Heavy-Duty Truck Innovative Transportation System and Secondary Organic Aerosol Formation Studies **E**
5. Issue RFPs to Develop and Demonstrate Police Pursuit Vehicles Powered by CNG or Zero-Emission Range and Conduct Police Pursuit Vehicle Loaner Program **E**
6. Approve Site Location Change for Hydrogen Fueling Station Upgrade **E**
7. Issue RFP to Solicit Proposals for Marketing and Outreach Campaign for 2015 Lawn Mower Exchange Program
8. Establish List of Prequalified Vendors to Provide Automotive Mechanical Repair and Service for SCAQMD's Vehicle Fleet
9. Transfer Appropriation for Replacement of Auditorium Seating Contract
10. Execute Contracts for Short- and Long-Term Systems Development, Maintenance and Support Services
11. Issue RFP to Solicit Proposals to Design, Develop and Implement SCAQMD Branding/Public Awareness Outreach Campaign
12. Appropriate Funds from Designation for Litigation and Enforcement and Authorize Amending and Initiating Contracts with Outside Counsel
13. Approve Contract Award and Modifications Approved by MSRC

Action Item/No Fiscal Impact

14. Approve Annual Report on AB 2766 Funds from Motor Vehicle Registration Fees for FY 2012-13

Items 15 through 20 - Information Only/Receive and File

15. Legislative & Public Affairs Report
16. Hearing Board Report
17. Civil Filings and Civil Penalties Report
18. Lead Agency Projects and Environmental Documents Received by SCAQMD
19. Rule and Control Measure Forecast
20. Status Report on Major Projects for Information Management Scheduled to Start During First Six Months of FY 2014-15

Mayor Mitchell and Councilman Buscaino noted that they serve on the Board of Directors for the Los Angeles County Sanitation District which is involved with the program under Item No. 3.

Supervisor Benoit announced his abstention on Item No. 3 because of a campaign contribution from Robertson's Ready Mix. Dr. Lyou announced his abstention on Item No. 2 because Southern California Gas Company is a potential source of income to him, and on Item No. 6 because Clean Energy Fuels and Los Angeles World Airport are potential sources of income to him.

MOVED BY YATES, SECONDED BY B. BENOIT, AGENDA ITEMS 1, 4, 5 AND 7 THROUGH 20 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Lyou, Mitchell, Parker, and Yates.

NOES: None.

ABSENT: Antonovich, Nelson and Pulido.

2. Execute Contract to Develop Ultra-Low Emission Natural Gas Engine for On-Road Class 4 to 7 Vehicles

MOVED BY YATES, DULY SECONDED, AGENDA ITEM 2 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Mitchell, Parker, and Yates.

NOES: None.

ABSTAIN: Lyou.

ABSENT: Antonovich, Nelson and Pulido.

3. Execute Contracts for FY 2013-14 "Year 16" Carl Moyer Program and Issue Program Announcement for SOON Provision

MOVED BY CACCIOTTI, SECONDED BY YATES, AGENDA ITEM 3 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Lyou, Mitchell, Parker, and Yates.

NOES: None.

ABSTAIN: J. Benoit.

ABSENT: Antonovich, Nelson and Pulido.

6. Approve Site Location Change for Hydrogen Fueling Station Upgrade 

MOVED BY YATES, SECONDED BY MITCHELL, AGENDA ITEM 6 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Mitchell, Parker, and Yates.

NOES: None.

ABSTAIN: Lyou.

ABSENT: Antonovich, Nelson and Pulido.

21. Items Deferred from Consent Calendar - none

BOARD CALENDAR

22. Administrative Committee

23. Legislative Committee

24. Mobile Source Committee

25. Stationary Source Committee

26. Technology Committee

27. Mobile Source Air Pollution Reduction Review Committee

28. California Air Resources Board Monthly Report

MOVED BY YATES, SECONDED BY GONZALES, AGENDA ITEMS 22 THROUGH 28 APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: B. Benoit, J. Benoit, Burke, Buscaino, Cacciotti, Gonzales, Lyou, Mitchell, Parker, and Yates.

NOES: None.

ABSENT: Antonovich, Nelson and Pulido.

Staff Presentation/Board Discussion

29. Multiple Air Toxics Exposure Study (MATES IV) *(No Written Material)*

Dr. Philip Fine, Assistant DEO/Planning and Rules, gave the staff presentation noting the background of MATES and the key components of MATES IV including, 1) monitoring, 2) emissions inventory, 3) modeling, and 4) the Technical Advisory Group. He also detailed the improvement in carcinogenic risk rates that have been made since MATES III.

Dr. Wallerstein noted that the release of the draft report is a result of three years of work by over forty staff members, with Dr. Ospital leading the project.

Dr. Lyou commented that many people are affected by cancer within their families and neighborhoods, so it is promising to hear the risk reductions that have been made; acknowledged the role that CARB has played in this progress; and addressed the difficulty with sending a clear message about how much work lies ahead, even though the latest results show progress in reducing smog and air toxics. He suggested that input be solicited from a public relations expert on how to deal with this complicated message.

Supervisor Benoit acknowledged the remarkable improvements that have been made to air quality in his lifetime; and noted the challenges that are still present as a result of not having adequate authority over mobile source polluters.

In response to Dr. Parker's inquiry about whether staff had calculated the reduction in air pollution-related deaths, in addition to the cancer risk reductions, Dr. Wallerstein indicated that staff had not done so yet, but would perform that analysis.

Councilman Buscaino noted that while the results seem impressive, the negative health impacts are still evident and more needs to be done to take control of additional sources of pollution.

Chairman Burke noted that even though the report shows progress, new methods need to be part of the solution in order to meet upcoming emission reduction targets and improve public health, while not further burdening local businesses.

Dr. Wallerstein noted that the development process for the 2016 AQMP will provide opportunities for increased communication with CARB and U.S. EPA, and the District will also play a role in CARB's upcoming freight plan development.

Supervisor Gonzales stressed the need to partner with allies, including local municipalities and elected officials, to further the District's mission and address air pollution impacts.

Mayor Mitchell commented that as the District's CARB representative, she has communicated the great burden that the South Coast faces. She explained the complexities involved with freight movement and land use policies that CARB must overcome. She also noted that CARB's October meeting is scheduled at SCAQMD Headquarters, and it would be prudent to have Dr. Fine's MATES IV study presentation added to the meeting agenda to facilitate further communication regarding emission reduction targets and authority.

Chairman Burke expressed appreciation for Mayor Mitchell's dedication to imparting change at CARB, and notwithstanding those efforts, the Board should work towards finding other remedies as well.

Dr. Wallerstein suggested that staff perform an in-depth examination of the authority issues and provide a report to the Board.

Dr. Lyou requested that staff include in that analysis, the limits of the Board's available authority for mobile sources through fleet rules and indirect source rules, as well as whether relief could be sought through legislation to expand mobile source authority.

Councilman Cacciotti stressed the importance of creating an impactful public outreach campaign that will make clear the connection of the impacts of air pollution on adverse public health in order to inspire people to do their part for cleaner air.

Chairman Burke noted that amount of resources available limits the type of television campaigns and other media outreach that can be used to reach the residents throughout the Basin. He suggested strategic partnerships that would allow for great dissemination of those messages.

RECEIVED AND FILED; NO ACTION NECESSARY.

PUBLIC HEARING

30. Adopt Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

THIS ITEM WAS REMOVED FROM THE AGENDA, AT STAFF'S RECOMMENDATION AND WITH THE CHAIRMAN'S CONCURRENCE, AND WILL BE PLACED ON THE NOVEMBER 7, 2014 MEETING AGENDA.

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

David Englin, BizFed, thanked the Board for their commitment to commission an outside review of the AQMP socioeconomic analysis process; requested that any formal action on the report be withheld until stakeholders have been given the opportunity to provide input; and expressed appreciation for the opportunity to work collaboratively throughout the 2016 AQMP process.

CLOSED SESSION

The Board recessed to closed session at 10:30 a.m., 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 District is a party, as follows:

People of the State of California, ex rel SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;

Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Contra Costa County Superior Court Case No. MSN14-0300 (formerly South Coast Air Quality Management District v. City of Los Angeles, et al., Los Angeles Superior Court Case No. BS 143381) (SCIG);

- 54957.6 to confer regarding upcoming labor negotiations with:

designated representatives regarding represented employee salaries and benefits or other mandatory subjects within the scope of representation [Negotiator: William Johnson; Represented Employees: Teamsters Local 911 & SCAQMD Professional Employees Association];

and to confer with:

labor negotiators regarding unrepresented employees [Agency Designated Representative: William Johnson; Unrepresented Employees: Designated Deputies and Management and Confidential employees].

Following Closed Session, General Counsel Kurt Wiese announced that there were no reportable actions taken in closed session.

ADJOURNMENT

There being no further business, the meeting was adjourned by Kurt Wiese at 11:00 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on October 3, 2014.

Respectfully Submitted,

Denise Garzaro
Senior Deputy Clerk

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

CARB = California Air Resources Board
CNG = Compressed Natural Gas
EJ = Environmental Justice
EV = Electric Vehicle
FY = Fiscal Year
MSRC = Mobile Source (Air Pollution Reduction) Review Committee
PEV = Plug-in Electric Vehicle
RFP = Request for Proposals
RFQ = Request for Quotations
U.S. EPA = United States Environmental Protection Agency

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 2

PROPOSAL: Set Public Hearing December 5, 2014 to Consider Amendments and/or Adoption to SCAQMD Rules and Regulations:

Amend Rule 1325 – Federal PM2.5 New Source Review Program.

Rule 1325 incorporates U.S. EPA's requirements for PM2.5 into Regulation XIII – New Source Review. The rule mirrors federal requirements and is applicable to major polluting facilities, which are defined by rule as sources with actual emissions, or the potential to emit, 100 tons per year or more of PM2.5 or its precursors. Based on comments received from the U.S. EPA regarding SIP approvability of Rule 1325, the proposed amended rule will incorporate administrative changes to definitions, provisions and exclusions. Typographical errors and other minor clarifications are also included. (Reviewed: Stationary Source Committee, October 17, 2014)

The complete text of the proposed rule, staff report, and other supporting documents are available from the District's Public Information Center, (909) 396-2550, and on the Internet (www.aqmd.gov) as of November 5, 2014.

RECOMMENDED ACTION:

Set Public Hearing December 5, 2014 to amend Rule 1325.

Barry R. Wallerstein, D.Env.
Executive Officer

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 3

PROPOSAL: Execute Contract to Conduct 2014 Leaf Blower Exchange Program

SYNOPSIS: At its July 11, 2014 meeting, the Board approved release of a Program Announcement to solicit competitive bids from manufacturers of low-emission leaf blowers. This action is to award a contract to Pacific STIHL to conduct the 2014 Leaf Blower Exchange Program in an amount not to exceed \$281,955 from the Rule 2202 AQIP Special Revenue Fund (27).

COMMITTEE: Mobile Source, October 17, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a contract with Pacific STIHL to exchange up to 1,500 backpack leaf blowers in an amount not to exceed \$281,955 from the Rule 2202 AQIP Special Revenue Fund (27).

Barry R. Wallerstein, D. Env
Executive Officer

MMM:FM:SS

Background

Rule 2202 Air Quality Investment Program (AQIP) allows affected employers to participate by electing to invest in an SCAQMD-administered restricted fund. Investment can be either \$45 annually per employee reporting to the worksite during the 6:00 a.m. to 10:00 a.m. peak window or \$125 triennially per employee. The restricted monies are to be used by the SCAQMD to fund proposals that achieve mobile source emission reductions that would otherwise have been achieved by implementing a rideshare program.

Upon registering under this option and submitting the designated investment amount, an employer is considered to be in compliance with the Rule and there is no need for the employer to take further action to reduce mobile source emissions. The collected monies are used to fund alternative mobile source emission reduction strategies that reduce mobile source emissions at a more cost-effective rate which could potentially result in greater overall emission reductions.

At its July 11, 2014 meeting, the Board approved release of a Program Announcement (PA #2015-01) to solicit bids from potential manufacturers/suppliers of low-emission/low-noise backpack leaf blowers to provide between 1,000 and 1,500 new backpack leaf blowers at a discounted price to be used for the SCAQMD's 2014 Leaf Blower Exchange Program.

Bid Evaluation

While all manufacturers with certified leaf blowers were notified, only one bid from Pacific STIHL was received by the application deadline. The STIHL blower is the only one that meets the low-exhaust emission standards ("Blue Sky Series") required by the Program Announcement.

Proposal

The primary goal of this project is to replace existing two-stroke backpack blowers currently used by commercial landscapers/gardeners within the South Coast Air Basin with new four-stroke backpack blowers which have significantly reduced emission and noise levels. The current CARB emission standard is 72 grams of HC + NO_x per kilowatt hour. The BR500 model has been certified by CARB at 16 grams of HC + NO_x per kilowatt hour. The 16 gram per kilowatt hour exceeds CARB's Blue Sky criteria of 36 grams for product in its displacement category. The cost effectiveness of this project will be \$0.74 per pound. Because of its low emission levels and low noise level rating, Model BR500 was used in all the prior Leaf Blower Exchange Programs and staff proposes using the STIHL BR500 model in the 2014 Leaf Blower Exchange Program. Table 1 (attached) provides the specifications and pricing information for the Model BR500 and Table 2 (attached) provides the Emission Bank status and benefits.

The past SCAQMD's leaf blower exchanges for commercial gardeners/landscapers have been conducted at STIHL dealerships. STIHL will notify all registered current equipment users of the program and conduct general outreach. Typically, ten exchange events are set up across the Basin, and for the convenience of the participants, the exchange events take place during consecutive weekdays. Due to the great demand, and to prevent long lines, pre-registration will be required and participants given time slots on the half-hour.

At the event site, the old leaf blowers will be tested for operation and then drained of all fluids in a responsible manner and collected for scrapping. The vendor will haul the traded-in blowers to a scrapping yard where they are crushed and recycled. The vendor will also provide training for the proper use of the equipment at each of the exchange sites. This format has been used for all prior programs.

This action is to execute a contract with Pacific STIHL to exchange up to 1,500 backpack leaf blowers.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Benefits to SCAQMD

This program will exchange up to 1,500 old 2-stroke leaf blowers for new 4-stroke blowers. The STIHL BR500 leaf blower has been certified by CARB at 16 grams of HC+NO_x per kilowatt hour. This is nearly 25 percent lower than the current emission standard of 72 grams established by CARB for new leaf blowers of that size sold in California. Based on the U.S. EPA Model¹, this exchange program will result in emission reductions of 88,282 pounds per year of HC+NO_x. The cost effectiveness of this exchange program will be \$0.74/pound.

Resource Impact

Total expenditures for the proposed project shall not exceed \$281,955 from the Rule 2202 AQIP Special Revenue Fund (27). Table 1 provides a breakdown of pricing per leaf blower.

Attachments

Table 1 – Leaf Blower Specifications and Pricing

Table 2 – Emission Bank Status and Benefits

¹ EPA-420-R-10-016; NR-005d; 2010

Table 1: Leaf Blower Specifications and Pricing

Model	STIHL BR 500
Noise Rating (dB(A))	65
Displacement (CC)	64.8
Engine Power (bhp)	2.4
Air Velocity (MPH)	181
Air Volume (w/ Tubes) CFM	477
Air Volume (w/o Tubes) CFM	812
Weight (lbs)	22.3
Fuel Capacity (fl. Oz.)	47.3
Warranty (Years)	2
# of So Cal Service Dealers	90
HC+NOx Cert Level (gms/kW-hr)	16
CO Cert Level (gm/kW-hr)	307
MSRP	\$479.95
Discounted Price	\$387.97
Discount TO SCAQMD	\$91.98
Customer pays (Plus Tax)	\$200
SCAQMD Pays (per leaf blower)	\$187.97
Vendor Event & Advertising Support	\$64,500
Collection & Disposal of Old Blowers	Yes

Table 2: Emission Bank Status and Benefits


Pollutant Year	Emission Reductions (Lbs./Year)			
	From Existing Contracts ²	Emission Reduction Target for CY 2013	Emission Credits from 2014 Leaf Blower Exchange Program	New Balance (After Funding 2014 Leaf Blower Exchange Program)
	A	B	C	A-B+C
VOC				
Year 1	319,087	7,054	75,923	387,955
Year 2	294,223	2,077	75,923	368,068
Year 3	219,910	1,059	75,923	294,773
NOx				
Year 1	116,953	7,111	12,360	122,202
Year 2	107,384	2,159	12,360	117,585
Year 3	74,739	1,034	12,360	86,065
CO				
Year 1	1,478,430	77,129	361,011	1,762,312
Year 2	1,285,961	23,019	361,011	1,623,953
Year 3	991,174	11,165	361,011	1,341,020

² Cumulative

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BOARD MEETING DATE: November 7, 2014

AGENDA NO. 4

PROPOSAL: Execute Contracts to Demonstrate Commercial-Grade Electric Lawn and Garden Equipment 

SYNOPSIS: On July 11, 2014, the Board released RFPs to demonstrate commercial-grade electric lawn mowers and cordless electric hand-held lawn and garden equipment to promote and accelerate market penetration of such equipment in the South Coast Air Basin. This action is to execute contracts with Greenstation, Mean Green Products and Pacific Stihl to procure commercial-grade electric lawn and garden equipment including necessary technical and logistical support to implement a two-year demonstration program with participating local landscape professionals, municipalities and other eligible entities in an amount not to exceed \$423,687 from the Rule 1309.1 Priority Reserve Fund (36).

COMMITTEE: Technology, October 17, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute contracts with the following entities to demonstrate commercial-grade electric lawn mowers and cordless electric hand-held lawn and garden equipment, as listed in Table 1 (attached), in an amount not to exceed \$423,687 from the Rule 1309.1 Priority Reserve Fund (36).

1. Greenstation, in an amount not to exceed \$77,995;
2. Mean Green Products, in an amount not to exceed \$310,394; and
3. Pacific Stihl, in an amount not to exceed \$35,298.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

SCAQMD has been demonstrating both riding and walk-behind commercial-grade electric lawn mowers with local professional landscape services and municipalities. However, recognizing that the commercial sector accounts for the majority of NO_x and PM emissions from lawn and garden equipment, a Commercial-Grade Electric Lawn and Garden Equipment Demonstration Program was developed to further promote the use of zero emission lawn and garden equipment in commercial gardening and landscaping operations. On July 11, 2014, the Board issued two RFPs. RFP #P2015-04 was for the demonstration of commercial-grade electric lawn mowers and RFP #P2015-05 was for commercial-grade cordless electric hand-held lawn and garden equipment, such as leaf blowers, string trimmers, hedge trimmers and chainsaws. Prototype equipment were also eligible to participate in this Program.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP/RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP/RFQ has been e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

By the RFP closing deadline of August 14, 2014, Greenstation, Mean Green Products and Pacific Stihl each submitted a proposal in response to both RFPs.

The proposals for both RFPs were reviewed and evaluated by a four-member panel in accordance with established SCAQMD guidelines, using technical and cost criteria outlined in the RFPs. The four-member panel consisted of three SCAQMD staff and a Senior Air Quality Specialist from San Joaquin Valley Air Pollution Control District (SJVAPCD). The panel members included two Asians, one male and one female, and two Caucasian males.

The table below summarizes the evaluation of proposals for each RFP. Proposals receiving a technical score of at least 48 out of 60 points were considered qualified and eligible for contract awards. Proposals were also awarded up to 40 points for the cost

score and a maximum of 15 additional points for special business categories as defined in the RFPs.

Proposer	Technical Score	Cost score	Additional Points	Total Score
RFP #P2015-04 – Electric lawn mower demonstration				
Greenstation	54	40	15	109
Mean Green	54	31	0	85
Pacific Stihl	41	-	-	-
RFP #P2015-05 – Electric hand-held lawn and garden equipment demonstration				
Pacific Stihl	59	40	0	99
Greenstation	58	20	15	93
Mean Green	58	30	0	88

Proposal

This action is to execute contracts with Greenstation, Mean Green Products and Pacific Stihl to demonstrate commercial-grade electric lawn and garden equipment, as listed below. The equipment proposed represents a wide variety of electric lawn and garden equipment, ranging from hand-held hedge trimmers to 60” riding mowers, to fully support the operational needs of participating landscape professionals and municipalities. Additionally, to conduct a side-by-side comparison and analysis, the same type of equipment will be ordered from more than one vendor. SCAQMD will purchase up to five of each selected piece of equipment along with supporting accessories such as batteries and chargers to implement a two-year demonstration program with participating local gardening and landscape professionals as well as municipalities, universities and other eligible entities in the Basin. The equipment will be loaned to participants on a rotating basis for 60-90 days and contractors will be responsible for training users on safe and proper operation and maintenance of the equipment and providing necessary technical and logistical support.

Contractors	Demonstration Equipment	Qty¹	Requested Funding Amount²
Greenstation	22" walk-behind, self-propelled mower	5	\$77,995
	Leaf blower	5	
Mean Green Products	60" riding mower	5	\$310,394
	48" stand riding mower	5	
	Leaf blower	5	
	String trimmer	5	
	Hedge trimmer	5	
	Chainsaw	5	
Pacific Stihl	Leaf blower	5	\$35,298
	String trimmer	5	
	Hedge trimmer	5	
	Chainsaw	5	
	Total	60	\$423,687

1. The quantity shown is the maximum number of equipment SCAQMD may procure for demonstration.

2. The amount includes supporting accessories such as batteries and chargers as well as technical and logistics support during the demonstration.

All three proposers have sufficient related experiences and qualifications to provide necessary support and training in the proposed demonstration program. They all have successfully participated in the SJVAPCD's Cordless Zero-Emission Commercial Lawn and Garden Equipment Demonstration Program in 2012 through 2013 and many of the recommended equipment in Table 1 have been involved in the SJVAPCD's demonstration program with positive feedback from the users.

Benefits to SCAQMD


Successful demonstration of commercial-grade electric lawn and garden equipment will promote and accelerate market acceptance and deployment of these technologies in the Basin. This will help to eliminate NO_x and PM emissions from the use of commercial gasoline- and diesel-fueled lawn and garden equipment and contribute to the attainment of clean air standards in the Basin.

Resource Impacts

The three contracts recommended to implement this Program shall not exceed \$423,687 from the Rule 1309.1 Priority Reserve Fund (36). There are sufficient funds available in the Rule 1309.1 Priority Reserve Fund (36).

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 5

PROPOSAL: Recognize Revenue and Amend and Execute Contracts to Implement DC Fast Charging Network 

SYNOPSIS: On September 6, 2013, the Board recognized \$300,000 revenue from the CEC into the Clean Fuels Fund (31) to establish a DC fast charging network as the building block of a statewide corridor charging network. On December 6, 2013, following an RFP process, the Board subsequently approved a \$250,000 contract with Clean Fuel Connection, Inc. (CFCI) to serve as the DC fast charging network provider and a \$49,183 contract with Three Squares, Inc. (TSI) to provide education outreach for the DC fast charging network. In May and October 2014, the CEC approved two grants to implement six additional sites and install DC fast chargers with two types of fast charging connectors. These actions are to recognize revenue in the amount of \$920,000 from the CEC into the Clean Fuels Fund (31) as well as to amend contracts with CFCI and TSI and execute a new contract with the UCLA Luskin Center for site selection in an amount not to exceed \$970,000 from the Clean Fuels Fund (31).

COMMITTEE: Technology, October 17, 2014; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize \$920,000 revenue, upon receipt, from the CEC into the Clean Fuels Fund (31) to implement six additional DC fast charging network sites and install DC fast chargers with two types of fast charging connectors.
2. Authorize the Chairman to amend the following contracts using funds from the Clean Fuels Fund (31):
 - a. A contract with CFCI as the DC fast charging network provider adding \$920,000 using CEC grant revenue to implement six additional sites and install DC fast chargers; and
 - b. A contract with TSI adding \$40,000 to conduct additional outreach for the DC fast charging network.

3. Authorize the Chairman to execute a contract with the UCLA Luskin Center to verify viable DC fast charging sites using their plug-in electric vehicle (PEV) site selection model in an amount not to exceed \$10,000 from the Clean Fuels Fund (31).

Barry R. Wallerstein, D.Env.
Executive Officer

MMM:PSK

Background

On September 6, 2013, the Board recognized \$300,000 revenue from CEC into the Clean Fuels Fund (31) to establish the South Coast Air Basin (Basin) DC fast charging network and released an RFP (#P2014-04) to retain a DC fast charging network provider and conduct education outreach. On December 6, 2013, the Board awarded contracts to Clean Fuel Connection Inc. (CFCI) as the DC fast charging network provider in the amount of \$250,000 and with Three Squares, Inc. (TSI) to conduct education outreach in the amount of \$49,183. It was subsequently determined that the Basin DC fast charging network should support both CHAdeMO connectors for Japanese PEVs and SAE Combo connectors for American and European PEVs, which would result in higher installation and/or hardware costs. Additionally, UCLA's Luskin Center recently developed a site selection model as part of California's PEV readiness planning effort. This site selection model was included as a part of the most recent CEC DC fast charging network proposal to validate DC fast charging sites and to justify any changes in site selection to CEC.

Proposal

This action is to implement DC fast chargers at six additional sites for a total of 26 sites, install DC fast chargers with two types of connectors, conduct additional education outreach, and verify viability of DC fast charging sites using Luskin Center's site selection model. Since UL certified DC fast chargers with CHAdeMO and SAE Combo connectors are available, CEC is requiring that both connector standards be installed. CFCI, in partnership with eVgo, as the selected installer and network provider, will deploy dual connector DC fast chargers at the additional sites. CFCI and eVgo will provide additional cost-share for the expanded scope of work. TSI will expand the scope of outreach to encompass the additional sites and ensure all audiences and users are reached. Finally, due to the required electrical infrastructure to operate a DC fast charger, several sites will need to be considered for each installation and site substitutions during the course of the project are anticipated. The Luskin Center using its model will perform this site selection work in concert with CFCI and eVgo.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified when project funding does not come from federal monies. For the Luskin Center contract, a sole source recommendation is made under provision B.2.d.: Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interest of the SCAQMD. Specifically, these circumstances are: B.2.d.(1) Project involving cost sharing by multiple sponsors and B.2.c.(1) the unique experience and capabilities of the proposed contractor or contractor team. This contractor was part of the proposal team to CEC.

Benefits to SCAQMD

This project will advance the state of PEV readiness in California by creating a viable DC fast charging network that will be accessible, convenient and affordable for PEV drivers. It will support fast charging for all possible PEVs regardless of which connector the vehicle is equipped with. There will be education outreach to communicate the benefits of DC fast charging and PEV readiness to drivers, customers and community members where the DC fast chargers are located. This project is included in the *Technology Advancement Office Clean Fuels Program 2015 Plan Update* under the category of “Electric/Hybrid Technologies and Infrastructure.”

Resource Impacts

The total cost for the expanded scope of work described above from all project partners is estimated at \$1,203,880, which includes \$233,080 in cost-share from eVgo. Of this \$1,203,880, the SCAQMD’s contribution shall not exceed \$970,000 from the Clean Fuels Fund (31), inclusive of the \$920,000 in revenue to be recognized from the CEC into the Clean Fuels Fund (31). Cost-sharing by partner for the expanded scope of work is shown in Table 1 below.

Table 1--Partner Cost-Share

Project Partner	Cost-Share
eVgo	233,880
SCAQMD (<i>requested</i>)	50,000
CEC	920,000
Total	\$1,203,880

Original project costs for the Basin DC fast charging network were estimated at \$1,318,800, which comprised \$300,000 in CEC revenue previously recognized by the Board into the Clean Fuels Fund (31) and \$1,018,800 from project partners (CFCI, eVgo and Nissan). With the expanded scope, the new project total is estimated at \$2,522,680.

Sufficient funds are available from the Clean Fuels Fund (31), established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 7

PROPOSAL: Amend Existing Contract for Third Party Oversight and Monitoring of Mitigation Activities Implemented at Exide Technologies

SYNOPSIS: In August 2014 the SCAQMD entered into an initial contract with Tetra Tech BAS for up to \$75,000 to provide independent environmental monitoring and project oversight services for mitigation activities to be implemented by Exide Technologies related to construction, sampling, repair, maintenance and other activities at the Exide. The SCAQMD is responsible for selecting and retaining a third-party consultant which is responsible for ensuring that Exide Technologies properly follows appropriate mitigation strategies pursuant to the July 10, 2014 amended Hearing Board Stipulated Order for Abatement. This action is to amend the current contract to extend the length of the contract and to allow the amount of contract funds to be replenished to maintain a balance of \$75,000 on a monthly basis for the duration of the project, as the costs, which Exide Technologies is required to cover, will exceed the amount authorized in the original contract.

COMMITTEE: Stationary Source, October 17, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to amend the contract with Tetra Tech BAS to extend the length of the contract and increase budgeted revenues and appropriations as necessary, to keep the available contract funds amount at \$75,000 on a monthly basis for completion of this project by Tetra Tech BAS.

Barry R. Wallerstein, D.Env.
Executive Officer

Background

Exide Technologies, located in Vernon, recycles lead-acid automotive batteries. Exide Technologies has shut down and has not been in operation since March 2014 and is making substantial improvements in their operations and air pollution controls pursuant to the proposed updated Risk Reduction Plan and updated Mitigation Plan for Construction of Risk Reduction Measures, RCRA RFI Sampling, and Other Plant Activities (Mitigation Plan) submitted to SCAQMD in August 2014. These risk reduction measures and improvements must be completed before the facility will be allowed to resume operations.

In response to public comments, the SCAQMD Hearing Board included a requirement in the July 10, 2014 Amended Stipulated Order for Abatement that requires the SCAQMD to choose and retain an independent third-party oversight contractor. The contractor will oversee, monitor, document, and report the mitigation activities performed by Exide Technologies pursuant to the Mitigation Plan. The contractor will work at the direction of SCAQMD and will provide weekly reports to SCAQMD, the Hearing Board and Exide Technologies. These reports are being made available to the public. The Order for Abatement requires that Exide cover all expenses for this contract.

The SCAQMD conducted a thorough search and based on the interviews and review of the contractors' and their staffs' expertise, Tetra Tech BAS was selected as the contractor in August, 2014. The contractor will be on-site at Exide Technologies during all construction, maintenance and upgrade activities and will ensure that the work is done in compliance with all aspects of the mitigation measures in the Mitigation Plan.

Proposal

This action is to authorize an extension to the length of time the contract will be in place and to amend the contract to add funds to maintain a balance of \$75,000 on a monthly basis for work that is expected to exceed the amount of the original contract. Exide Technologies' projected restart date is in the first or second quarter of 2015. The original contract period was through March 31, 2015. This action would extend the contract until June 30, 2015 to cover the length of the project. Per the Stipulated Order for Abatement, Exide Technologies initially paid \$75,000 to the SCAQMD and is required to replenish this amount on a monthly basis for the duration of the contract. Any funds not used will be reimbursed to Exide Technologies after all work is completed and the contract is terminated.

Resource Impacts

Funding for this contract will be provided by Exide Technologies in monthly increments to keep a balance of \$75,000 available. Existing SCAQMD resources are adequate to oversee this contract work.

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BOARD MEETING DATE: November 7, 2014

AGENDA NO. 8

PROPOSAL: Execute Contract with Institute of Transportation Engineers to Further Enhance Information Regarding Vehicle Trips Associated with Large Warehouse Operations

SYNOPSIS: The Institute of Transportation Engineers (ITE) is a recognized national expert in trip generation estimation for a wide variety of land uses. This action is to execute a contract with ITE to provide enhanced information and guidance regarding vehicle trips associated with warehouse operations. The total amount for the current phase of work is at a cost not to exceed \$50,000.

COMMITTEE: Mobile Source, October 17, 2014; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to execute a contract from the Rule 1309.1 Priority Reserve Fund (36) with ITE in an amount of \$50,000 to initiate the first step of a potential multi-phase project to better characterize trip-generation characteristics associated with large warehouse operations.
2. Direct staff to use ITE's recommended vehicle trip rates for warehouse operations analyses as the SCAQMD recommended default values.
3. Submit SCAQMD's recent warehouse study and underlying data to ITE for consideration and possible inclusion in the next revision to the *Trip Generation Manual*.

Barry R. Wallerstein, D.Env.
Executive Officer

BRW

Background

As noted by Supervisor Gonzales at the September Board Meeting, warehouses and the logistics industry are a vital part of our local economy. The growth of this industry provides an opportunity for increased employment, particularly in portions of the Inland

Empire with high unemployment. At the same time, the heavy-duty trucks that serve warehouses are a source of oxides of nitrogen (NOx) and diesel exhaust. Some individuals and organizations have also raised concerns regarding the quantification of vehicle emissions associated with warehouse operations. Since growth of this industry is important to the South Coast region, enhanced planning assumptions regarding warehouse operations that reflect best available science/engineering can provide benefit to all involved in the siting of new warehouse facilities.

In the first part of 2012, staff initiated efforts to further enhance available information regarding vehicle trips associated with warehouse operations. Outside contractors, including traffic engineers and statisticians, conducted trip counts and statistical analyses related to size and type of warehouse to provide enhanced data regarding vehicle activities associated with these facilities in the South Coast area. The results of the consultants' analysis yielded trip rates, on average, slightly lower than those currently recommended by ITE. Nonetheless, most traffic engineers and city planners use ITE recommended rates as default values for various transportation and CEQA studies. In those instances where additional information is available regarding the more appropriate nature of an alternative trip rate for a given project, such trip rate can be appropriately used.

There are a limited number of studies regarding trip rates associated with warehouse operations and further data collection and review by experts would lead to additional clarity for transportation and air quality analyses. In addition, Supervisors Nelson and Gonzales have both emphasized the need to work with ITE going forward, so that any additional data and analyses funded by SCAQMD can receive review and concurrence from this nationally recognized body of experts and inclusion in their broadly used trip generator handbook for transportation engineers and land-use planners. Supervisor Nelson has also noted that business may reduce truck trips by consolidating operations of several buildings under a single roof and by further utilizing automation.

Proposal

Pursuant to the request of Supervisors Gonzales and Nelson, staff has met with the Executive Director and CEO of ITE to discuss the possibility of the Institute working in collaboration with SCAQMD. Specifically, the Institute would bring together nationally recognized experts and peers, including participation by a warehouse operator(s) to:

- Develop study parameters and methodologies for trip generation data collection and analysis for warehouses;
- Establish clear and consistent descriptions of warehouse related land uses and variables;
- Identify geographic, seasonal variations and temporal peaking characteristics;
- Quantify potential independent variables/factors affecting trip generation;
- Encourage additional data collection by stakeholders across the U.S. and Canada;

- Lead a practitioner-based expert panel in establishing consensus based national guidance; and
- Incorporate the findings of the effort in ITE's *Trip Generation Manual*.

It is anticipated that the data collection effort will help better define the types of warehouses currently in use, their operating characteristics as related to peak generation period(s), geographical areas serviced, the economic condition, and other factors that may influence the magnitude of trip generation. Additionally, such a collaborative effort would enhance the ability to better forecast warehouse needs and impacts on both existing and future development. The first phase of this potentially multi-phase effort is the creation of a panel of nationally recognized experts and peers to scope out the areas listed above. Subsequent phases would potentially include data collection and analysis. Staff is seeking Board approval for the first phase at this time and would return to the Board with a status report and recommendation on whether to proceed to subsequent work efforts based on the results of phase one. Once a phase two study proposal is received from ITE, staff will seek comments from the Warehouse Truck Study Working Group and provide a report to the Mobile Source Committee, and a recommendation on whether to proceed with phase two. In addition, SCAQMD and ITE would jointly seek funding assistance for any future data collection and analysis work.

Warehouse Truck Study Working Group

On October 23, 2014, the SCAQMD staff met with the Warehouse Truck Study Working Group to provide an update on recent staff activities and this Board item. Some of the representatives on the Working Group requested a delay in this item to obtain further clarification on the scope of work and deliverables for the proposed contract with ITE, and the composition of the expert panel that ITE will convene.

The scope of work for ITE is outlined above under "Proposal" and includes assembling a panel of experts for a meeting to develop study parameters and methodologies for trip generation data collection and analysis for warehouses. The wording in the Proposal section above is directly from ITE. In addition, the SCAQMD will provide travel and meeting expenses, and offset costs for ITE to arrange and coordinate the meeting. The specific deliverable of this contract will be a phase two study plan from ITE on how it intends to conduct additional data gathering to better quantify the vehicle and truck trip rates from the warehouses, and the proposed cost. Since ITE is a nationally recognized expert in traffic studies, staff leaves the composition of the panel experts to ITE, except for a recommendation to include a warehouse operator or developer. Staff will periodically update the Mobile Source Committee and the Warehouse Truck Study Working Group on the progress of this contract with ITE, and the highlights of ITE's expert panel discussion.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified when project funding does not come from federal monies. A sole source recommendation is being made under provision B.2.c.: The desired services are available from only the sole source, based upon one or more of the following reasons. Specifically, these circumstances are: B.2.c.(1) the unique experience and capabilities of the proposed contractor because ITE is the primary source for trip rates used by local government.

Resource Impacts

The total cost estimate for phase one of the project is \$50,000. Sufficient funding is available in the Rule 1309.1 Priority Reserve Fund (36).

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 9

PROPOSAL: Approve Contract Modifications Approved by MSRC

SYNOPSIS: The MSRC approved two contract value increases, one for purposes of continuing programmatic outreach and one under the Alternative Fuel School Bus Incentives Program, as part of their FYs 2012-14 AB 2766 Discretionary Fund Work Program. At this time the MSRC seeks Board approval of the contract modifications under the FYs 2012-14 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, October 16, 2014, Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve a funding augmentation to existing contract #MS14048 with BusWest in an amount not to exceed \$31,000 under the Alternative Fuel School Bus Incentives Program as part of approval of the FYs 2012-14 Work Program, as described in this letter;
2. Approve a funding augmentation to existing contract #MS11056 with the Better World Group in an amount not to exceed \$10,000 to continue programmatic outreach for the MSRC as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program, as described in this letter;
3. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
4. Authorize the Chairman of the Board to execute modified contracts under FYs 2012-14 Work Program, as described above and in this letter.

Greg Pettis,
Chair, MSRC

Background

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of 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 the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

The MSRC completed selecting categories and targeted funding amounts for the FYs 2012-14 Work Program in May 2013. At its October 16, 2014 meeting, the MSRC considered a request for additional incentive funding from one of its qualified school bus vendors. The MSRC also considered a recommendation to increase the value of its programmatic outreach contract. Details are provided below in the Proposals section.

Proposals

At its October 16, 2014 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

Alternative Fuel School Bus Incentives Program

As part of the FYs 2012-14 Work Program, the MSRC allocated \$2.0 million for the implementation of an Alternative Fuel School Bus Incentives Program. The MSRC previously deemed BusWest qualified for Program participation and authorized them to offer buy-down incentives to qualifying school districts or private providers of pupil transportation. The MSRC approved an initial award to BusWest in January 2014, and in subsequent actions the MSRC approved contract value increases to incentivize additional buses ordered. In October, the MSRC approved a new request from BusWest for an additional \$31,000 to incentivize a full-sized CNG school bus ordered by Certified Transportation of Orange County as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program.

Programmatic Outreach

Through a competitive process in 2011, the MSRC selected the Better World Group to serve as their Programmatic Outreach Coordinator. Contract #MS11056 was executed to effectuate the award. From the time of contract execution, there has been a high demand from MSRC contractors for outreach assistance and a substantial need for the Better World Group to prepare material for inclusion on the MSRC's website. Reallocation of costs between tasks, as well as the allocation of additional funding when the MSRC approved exercising the contract's two-year option and extending the term to December 2015, helped to keep the contract's balance relatively on par with the remaining term. However, demand for outreach assistance has continued to be high. Additionally, the Better World Group has been helping the MSRC to liaise with key stakeholders. As a result of these efforts, however, the contract's balance has been somewhat depleted. The MSRC approved a \$10,000 contract value augmentation to cover programmatic outreach

costs for the remainder of the contract term. The Better World Group will only be paid based upon actual hours expended and direct costs incurred; any funds not expended at the close of the contract will revert to the AB 2766 Discretionary Fund.

At this time the MSRC requests the SCAQMD Board to approve the contract modifications part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program as outlined above. The MSRC also requests the Board to authorize the SCAQMD Chairman of the Board the authority to execute all agreements described in this letter. The MSRC further requests authority to adjust the funds allocated to each project specified in this Board letter by up to five percent of the project's recommended funding. The Board has granted this authority to the MSRC for all past Work Programs.

Resource Impacts

The SCAQMD 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 contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.

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BOARD MEETING DATE: November 7, 2014

AGENDA NO. 10

PROPOSAL: Legislative and Public Affairs Report

SYNOPSIS: This report highlights the September 2014 outreach activities of Legislative and Public Affairs, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, and Outreach to Business and Federal, State, and Local Government.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

LBS:DJA:MC:DM:jns

BACKGROUND

This report summarizes the activities of Legislative and Public Affairs for September 2014. The report includes four major areas: Environmental Justice Update; Community Events/Public Meetings (including the Speakers Bureau/Visitor Services, Communications Center, and Public Information Center); Business Assistance; and Outreach to Business and Federal, State and Local Governments.

ENVIRONMENTAL JUSTICE UPDATE

The following are key environmental justice-related activities in which staff participated during the month of September. These events involve communities that may suffer disproportionately from adverse air quality impacts.

September 4

- Information was provided on several facilities and public comment was received at the Rule 1118 Flare Minimization Plan meeting in Carson.

September 17

- An Exide Community Advisory Committee meeting was held in Boyle Heights. Staff provided an overview on issues related to Exide and received comments from Committee members and the public related to the facility.

September 18

- Staff participated in the Healthy San Bernardino meeting, providing information on programs available through the Clean Communities Plan for the City of San Bernardino.

September 26

- Staff participated in the Inland Empire Asthma Coalition meeting to discuss public health education and outreach, while providing information on air quality issues related to asthma, the 2016 Air Quality Management Plan, and the Clean Air Awards.

COMMUNITY EVENTS/PUBLIC MEETINGS

Each year, thousands of residents engage in valuable information exchanges through events and meetings that SCAQMD sponsors either alone or in partnership with others. Attendees typically receive the following information:

- Tips on reducing their exposure to smog and its health effects;
- Clean air technologies and their deployment;
- Invitations or notices of conferences, seminars, workshops and other public events;
- Ways to participate in SCAQMD's rule and policy development; and
- Assistance in resolving air pollution-related problems.

SCAQMD staff attended and/or provided information and updates at the following events:

September 6

- City of Artesia's "A Chance to Go Green" Event, Artesia Park.

September 17

- PortTech Expo Event, Port of Los Angeles, San Pedro.
- 2014 Anaheim Transportation Faire & Chili Cook Off "Ridesharing Goes on Vacation," Downtown Anaheim.
- Santa Fe Springs Chamber of Commerce Business Expo "Get Business Rockin," Heritage Park, Santa Fe Springs.
- Second Annual L.A.'s Great Future Awards Ceremony, Target Terrace & the Grammy Museum, Downtown Los Angeles.

September 19 - 20

- Ninth Annual Santa Monica AltCar Expo & Conference, Santa Monica Civic Center.

September 20

- Sixteenth Annual Rialto Family Festival, Rialto Civic Center.
- SCAQMD's Fourth Annual Drive Electric Week Event, SCAQMD's Headquarters, Diamond Bar.
- Twentieth Annual River Rally, 2014 River Clean-Up & Environmental Expo, Wiley Canyon Road, Santa Clarita.
- Hollypark Knolls Apartment Community Health Fair, Inglewood.

September 25

- Green Apple Day of Service – Health and Wellness Fair, Victoria Elementary School, San Bernardino.
- Western Riverside Council of Governments (WRCOG) Fifteenth Annual Advancing the Choice Expo, South Coast Winery Resort, Temecula.

September 26

- Behr Environmental Awareness Fair, Behr Process Corporation, Santa Ana.

SPEAKERS BUREAU/VISITOR SERVICES

SCAQMD 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. SCAQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

September 5

- Twelve students from California State University, Long Beach's Education – International Training Program were presented an overview on SCAQMD, air quality, and given a tour of the agency's laboratory, displayed clean alternative fuel vehicles, and SCAQMD's air monitoring station in Anaheim.

September 10

- An overview on SCAQMD and air quality was presented to 20 attendees at Mitsubishi Electric US, Inc., in Cypress.

September 17

- Twenty-one representatives from the Taiwan Environmental Protection Agency in the Republic of China toured the agency's laboratory, displayed clean alternative fuel vehicles and were presented an overview on SCAQMD and air quality.

September 18

- Staff presented an overview on SCAQMD, air quality, and displayed clean alternative fuel vehicles to a group of 16 representatives from the Association of Women in Water, Energy, and Environment in Los Angeles and Orange County. Staff, along with representatives from Southern California Gas Company and Eastern Municipal Water District, also provided a panel discussion on air quality policy, regulation, & compliance to this group.

September 19

- A delegation of 21 members, visiting from China, were presented an overview on SCAQMD, air quality and provided a tour of the agency's laboratory, and displayed clean alternative fuel vehicles.

September 23

- A presentation on air pollution oversight and impacts of air quality regulations on fracking was given to 300 members of the Titan Student Union at the Symposium on the Impact of Oil Extraction at California State University, Fullerton.
- Staff gave a presentation on the use of SCAQMD's Continuous Emissions Monitoring System (CEMs) to monitor Carbon Monoxide (CO₂), Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x) and other criteria air pollutants to three representatives from the Chinese Electricity Council.

September 26

- Presentations were given on electric vehicles and how their use can be promoted, and on mobile source emissions trading mechanisms to a delegation of 11 from the Municipality of Shenzhen Province, in Guangdong, China, at the California Air Resources Board office in El Monte.

COMMUNICATION CENTER STATISTICS

The Communication Center handles calls on the SCAQMD main line, 1-800-CUT-SMOG[®] line and Spanish line. Calls received in the month of September 2014 are summarized below:

Main Line Calls	2,749
1-800-CUT-SMOG [®] Line	1,940
After Hours Calls*	441
Spanish Line Calls	<u>96</u>
<i>Total Calls</i>	5,226

* Saturdays, Sundays, holidays, and after 7:00 p.m. Monday through Friday.

PUBLIC INFORMATION CENTER STATISTICS

The Public Information Center (PIC) handles phone calls and walk-in requests for general information. Information for the month of September 2014 is summarized below:

Calls Received by PIC Staff	42
Calls to Automated System	<u>1,240</u>
<i>Total Calls</i>	<i>1,282</i>

Visitor Transactions	187
E-Mail Advisories Sent	4,787

BUSINESS ASSISTANCE

SCAQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. SCAQMD also works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provides personalized assistance to small businesses both over the telephone and via on-site consultation. The information is summarized below:

Conducted 10 free on-site consultations
Provided permit application assistance to 150 companies
Issued 29 clearance letters

Types of business assisted:

Auto Body Shops	Auto Repair Shops	Cabinet/Furniture Manufacturer
Construction & Architecture	Distribution Centers	Dry Cleaners
Gas Stations	General Contractors	Printing Facilities
Restaurants		

OUTREACH TO COMMUNITY GROUPS AND FEDERAL, STATE, AND LOCAL GOVERNMENTS

Field visits and/or communications were conducted with elected officials or staff from the following cities:

Arcadia	Buena Park	Dana Point
Artesia	Clermont	El Segundo
Aliso Viejo	Carson	Fontana
Anaheim	Chino	Fullerton
Banning	Colton	Garden Grove
Beaumont	Costa Mesa	Glendora
Brea	Cypress	Hemet

Hermosa	Montclair	San Jacinto
Huntington Beach	Monterey Park	Sierra Madre
Irvine	Monrovia	Signal Hill
Inglewood	Menifee	South Pasadena
Lawndale	Mission Viejo	Temple City
La Habra	Murrieta	Temecula
La Verne	Newport Beach	Upland
La Canada Flintridge	Ontario	Wildomar
Lake Elsinore	Placentia	Yorba Linda
Lake Forest	Redondo Beach	Yucaipa
Los Alamitos	Riverside	
Los Angeles	Rialto	
Long Beach	Rosemead	
Lynwood	San Marino	

Visits and/or communications were conducted with elected officials or staff from the following State and Federal Offices:

- U.S. Congressman Ken Calvert
- U.S. Congresswoman Judy Chu
- U.S. Congresswoman Grace Napolitano
- U.S. Congressman Raul Ruiz
- U.S. Congressman Mark Takano
- U.S. Congressman Henry Waxman
- State Senator Joel Anderson
- State Senator Ed Hernandez
- State Senator Carol Liu
- State Senator Mike Morrell
- State Senator Fran Pavley
- State Senator Richard Roth
- State Senator Mark Wyland
- Assembly Member Toni Atkins
- Assembly Member Ed Chau
- Assembly Member Roger Hernandez
- Assembly Member Chris Holden
- Assembly Member Brian Jones
- Assembly Member Brian Nestande
- Assembly Member Eric Linder
- Assembly Member Jose Medina
- Assembly Member Melissa Melendez
- Assembly Member Jose Medina
- Assembly Member Freddie Rodriguez
- Assembly Member Sharon Quirk-Silva

Staff represented SCAQMD and/or provided a presentation to the following government and business organizations:

Arcadia Chamber of Commerce
Carson Chamber of Commerce
California Natural Resources Agency
Gardena Valley Chamber of Commerce
Greater Riverside Chambers of Commerce
Hemet/San Jacinto Chamber of Commerce
Irwindale Chamber of Commerce
Long Beach Chamber of Commerce
Loma Linda University
Orange County Business Council
Orange County City Managers Association
Orange County Transportation Authority
Pasadena Chamber of Commerce
Redlands Chamber of Commerce
Riverside Transit Agency
San Gabriel Valley Council of Governments
Santa Monica Chamber of Commerce
San Fernando Valley Council of Governments
Santa Fe Springs Chamber of Commerce
San Bernardino Associated Governments
South Bay Council of Governments
South Pasadena Chamber of Commerce
South West California Legislative Council (Chambers)
 -Temecula Valley Chamber
 -Murrieta Chamber
 -Lake Elsinore Chamber
 -Wildomar Chamber
 -Menifee Chamber
Southern California Association of Governments
Upland Chamber of Commerce
West Side Cities Council of Governments
West Shore Council of Governments
Western Riverside County Council of Governments
Western Riverside County Transportation NOW (RTA)
 -Greater Riverside Chapter
 -San Gorgonio Pass Chapter, Beaumont
 -Southwest Chapter, Lake Elsinore
Yucaipa Chamber of Commerce

Staff represented SCAQMD and/or provided a presentation to the following community groups and organizations:

American Lung Association (ALA) in California, Inland Counties
American Heart Association, Riverside
American Diabetes Association, Riverside
American Cancer Society, Inland Counties
Asthma Coalition of Los Angeles County
Better Breathers Club (ALA), Riverside
Habitat for Humanity
Inland Empire Asthma Coalition
Long Beach Alliance for Children with Asthma Coalition
Riverside County Health Coalition
San Gabriel Valley Economic Partnership
San Gabriel Valley Municipal Water District
University of California, Riverside
U.S. Green Building Council, Inland Empire Chapter

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BOARD MEETING DATE: November 7, 2014

AGENDA NO. 11

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of September 1 through September 30, 2014.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file this report.

Edward Camarena
Chairman of Hearing Board

SM

Two summaries are attached: **Rules From Which Variances and Orders for Abatement Were Requested in 2014** and **September 2014 Hearing Board Cases**.

The total number of appeals filed during the period September 1 to September 30, 2014 is 0; and total number of appeals filed during the period of January 1 to September 30, 2014 is 5.

Rules from which Variances and Order for Abatements were Requested in 2014

	2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
1171														0
1171(c)														0
1171(c)(1)														0
1171(c)(1)(A)(i)														0
1171(c)(1)(b)(i)														0
1171(c)(4)														0
1171(c)(5)														0
1171(c)(5)(A)(i)														0
1171(c)(6)														0
1173		1	1											2
1173(c)														0
1173(d)														0
1173(e)(1)														0
1173(f)(1)(B)														0
1173(g)														0
1175														0
1175(c)(2)														0
1175(c)(4)(B)														0
1175(c)(4)(B)(i)														0
1175(c)(4)(B)(ii)														0
1175(c)(4)(B)(ii)(I)														0
1175(b)(1) (C)														0
1175(d)(4)(ii)(II)														0
1176														0
1176(e)														0
1176(e)(1)														0
1176(e)(2)														0
1176(e)(2)(A)														0
1176(e)(2)(A)(ii)														0
1176(e)(2)(B)(v)														0
1176(f)(3)														0
1177(d)(2)(D)														0
1178(d)(1)(A)(xiii)														0
1178(d)(1)(A)(xiv)														0
1178(d)(1)(B)														0
1178(d)(1)(C)														0
1178(d)(3)(C)														0
1178(d)(3)(D)														0
1178(d)(3)(E)														0
1178(d)(4)(A)(i)														0
1178(g)									1					1
1186.1														0
1186.1														0
1189(c)(3)														0
1195														0
1195(d)(1)(D)														0
1303(a)										1				1

Rules from which Variances and Order for Abatements were Requested in 2014

	2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
2012 Appen A, Chap. 2, Sec. B														0
2012, Appen. A, Protocol 2012, Chap. 2, B.5.														0
2012, Appen A, Chap. 2, B.5.a														0
2012, Appen A, Chap. 2, B.10														0
2012, Appen A, Chap. 2, B.11														0
2012, Appen A, Chap. 2, B.12														0
2012, Appen A, Chap. 2, B.17														0
2012, Appen A, Chap.2, B.18														0
2012, Appen A, Chap.2, B.20														0
2012, Chapter 2, E.2.b.i.														0
2012, Chapter 2, E.2.b.ii.														0
2012 Appen A, Chap. 4.A.4														0
2012(B)(5)(e)								1						1
2012(c)(2)(A)										1				1
2012(c)(2)(B)														0
2012(c)(3)														0
2012(c)(3)(A)										1				1
2012(c)(3)(B)														0
2012(c)(10)														0
2012(d)(2)														0
2012(d)(2)(A)														0
2012(d)(2)(D)														0
2012(f)(2)(A)														0
2012(g)(1)										1				1
2012(g)(3)														0
2012(g)(7)														0
2012(h)(3)														0
2012(h)(4)														0
2012(h)(5)														0
2012(h)(6)														0
2012(i)														0
2012(j)(1)														0
2012(j)(2)														0
2012, Protocol (Appen. A) Chap. 2, Part A.1.a														0
2012, Protocol (Appen. A) Chap. 2, Part B.4														0
2012, Protocol, (Appen A) Chap. 2, Part B.5.e														0
2012 Chapter 2, B.5.f														0
2012(m)										1				1
2012(m) Table 2012-1, and Appen. A, Chp 2, & Attachment C										1				1
2012(m) Appen. A, Attach. C														0
2012(m) Appen. A, Chap. 2, Sections 2.A.1 a-c, e.g, and B. 1-4 and Appendix A, Chapter 3, Section C.2 a, c & d														0
2012(m) Appen. A, Chap 3, Section (A)(6)														0
2012(m) Appen. A, Chap 5, Para G, Table 5B and Att. D														0
3002														0
3002(a)														0
3002(c)		1		1			1							3

Report of September 2014 Hearing Board Cases

Case Name and Case No.	Rules	Reason for Petition	District Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Burlington Engineering, Inc. Case No. 5998-1 (N. Feldman)	1147(c)(1)	Modification of existing variance needed to clarify that both burn off furnace and afterburners are included in the variance.	Not Opposed/Granted	RV granted commencing 9/30/14 and continuing through 9/30/15, the FCD.	None
2. California Amforge Corporation Case No. 5945-1 (N. Feldman)	1147(c)(1)	Petitioner cannot comply with the NO _x limit for its unique forging furnace.	Not Opposed/Granted	MFCD/EXT granted commencing 9/9/14 and continuing through 11/23/15.	NO _x : .095 lb/day
3. Chevron Products Company Case No. 831-373 (N. Feldman)	203(b) 2004(f)(1) 3002(c)(1)	Caustic scrubbers that strip sulfur containing compounds from hot tanks must be taken out of service for repairs.	Not Opposed/Granted	SV granted commencing upon notice to be given pursuant to Condition No. 1, and shall be for 14 consecutive days, and shall end no later than 12/31/14.	None
4. ExxonMobil Oil Corporation Case No. 1183-487 (R. Fernandez)	202(a) 203(b) 2004(f)(1) 2011(c)(2)(A) 2011(c)(3)(A) 2011(e)(1) 2011(k) 2011, Table 2011-1, Appendix A, Chapter 2, Attachment C 2012(c)(2)(A) 2012(c)(3)(A) 2012(g)(1) 2012(m) 2012, Table 2012-1, Appendix A, Chapter 2, Attachment C 3002(c)(1)	Semi-annual SO _x , NO _x , CEMS RATA tests cannot be conducted because the maintenance of the Crude unit caused the CHD unit to be shut down.	Not Opposed/Granted	Ex Parte EV granted commencing 9/30/14 and continuing for 30 days or until the EV hearing currently scheduled for 10/8/14, whichever comes first.	None
5. SCAQMD vs. ACD, LLC Case No. 6003-1 (K. Manwaring)	203(a)	Respondent is operating two unpermitted 300 hp diesel engines.	Stipulated/Issued	O/A issued commencing 9/25/14 and continuing through 9/25/15. The Hearing Board retains jurisdiction over this matter until 9/24/15.	N/A

6. SCAQMD vs. E/M Coating Services Case No. 6002-1 (N. Sanchez)	203(b) 1124(c)(4)(A) 1147(c)(10) 3002(c)(1)	Source tests show Respondent has failed to demonstrate compliance with VOC limit of Rule 1124.	Stipulated/Issued	O/A issued commencing 9/25/14 and continuing through 1/30/15. The Hearing Board retains jurisdiction over this matter until 1/30/15.	N/A
7. Tamco Case No. 5972-1 (W Wong)		Petitioner alleged that Executive Officer improperly denied SO _x allocation when issuing a Title V permit.	Opposed/Upheld	The Board upheld the Executive Officer's decision that the District did act appropriately in issuing Title V permits to the petitioner.	N/A
8. Universal City Studios, LLC Case No. 4935-12 (Consent Calendar; No Appearance)	401(b)(1)(B) H&S Code Section 41701	Petitioner will exceed the opacity limit when using a fog machine to create a spooky atmosphere as part of its Halloween show.	Not Opposed/Granted	SV granted for 26 events commencing 9/14/14 and continuing through 11/3/14.	Opacity: TBD by 10/1/14

Acronyms

CEMS: Continuous Emissions Monitoring System
CHD: Catalytic Hydrodesulfurization
EV: Emergency Variance
FCD: Final Compliance Date
H&S: Health & Safety Code
MFCD/EXT: Modification of a Final Compliance Date and Extension of a Variance
NOx: Oxides of Nitrogen
O/A: Order for Abatement
RATA: Relative Accuracy Test Audit
RV: Regular Variance
SOX: Oxide of Sulfur
SV: Short Variance
TBD: To be determined
VOC: Volatile Organic Compounds

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BOARD MEETING DATE: November 7, 2014

AGENDA NO. 12

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from September 1 through September 30, 2014, and legal actions filed by the General Counsel's Office during from September 1 through September 30, 2014. An Index of District Rules is attached with the penalty reports.

COMMITTEE: Stationary Source, October 17, 2014, Reviewed

RECOMMENDED ACTION:
Receive and file this report.

Kurt R. Wiese
General Counsel

KRW:lc

No Civil Actions Filed

Attachments
September 2014 Penalty Reports
Index of District Rules and Regulations

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

September 2014 Settlement Penalty Report

Total Penalties

Civil Penalties:	\$101,400.00
MSPAPP Penalties:	\$17,460.00
Hearing Board Penalties:	\$8,500.00
Total Cash Penalties:	\$127,360.00
Total SEP Value:	\$0.00
Fiscal Year through September 2014 Cash Total:	\$356,162.66
Fiscal Year through September 2014 SEP Value Only Total:	\$0.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
CIVIL SETTLEMENTS:							
101656	AIR PRODUCTS AND CHEMICALS, INC.	431.1(C)(1) 407(A), 3002(C)(1) 2004, 2004(D) 2004, 2012 2012, 2004	Y	9/4/2014	NSF	P61014 P34692 P34691 P34687	\$57,000.00
166874	ALBERT'S AUTO BODY	203 203		9/26/2014	TRB	P60031 P60027	\$500.00
40034	BENTLEY PRINCE STREET INC	2012	Y	9/24/2014	VKT	P57811	\$2,000.00
140811	DUCOMMUN AEROSTRUCTURES INC	1147 1147 1415.1		9/9/2014	TRB	P57680 P57685 P57684	\$2,000.00
134946	JAMISON 3875 WILSHIRE, LLC	1470		9/2/2014	KCM	P58193	\$9,500.00
171619	LAW ENFORCEMENT AND EMERGENCY SERVICES	203(A)		9/17/2014	KCM	P59819	\$4,500.00
170536	MARIEN BODY SHOP	203 (A) 203 (A)		9/24/2014	ML	P61201 P61205	\$3,000.00
89248	OLD COUNTRY MILLWORK INC	2004	Y	9/26/2014	BTG	P62505	\$500.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
2583	RIM UNIFIED SCH DIST/RIM OF THE WORLD	42401 42401		9/24/2014	NSF	P61418 P61419	\$5,000.00
98868	SAN JACINTO UNIFIED SCHOOL DISTRICT Suspended penalty of \$7,500	203(A) 1470 203 (A)		9/17/2014	KRW	P57520 P59824 P57525	\$2,400.00
20926	SANTA ANA COLLEGE	203 (A), 222, 1415 1146.1, 1146.2		9/25/2014	KCM	P58930	\$6,000.00
149814	SIERRACIN/SYLMAR CORP	3004(A)(4)		9/18/2014	TRB	P60115	\$1,500.00
105508	TELACU AMADOR MANOR, TELACU HOUSING	1470		9/10/2014	NSF	P57293	\$2,000.00
152039	TESORO SOUTH COAST CO LLC	461(C)(2)(B)		9/24/2014	NSF	P56849	\$2,500.00
800149	US BORAX INC	2004, 2012	Y	9/3/2014	TRB	P57858	\$2,000.00
171869	WESCO CONSTRUCTION	1403		9/25/2014	RRF	P59575	\$1,000.00

TOTAL CIVIL PENALTIES: \$101,400.00

MSPAPP SETTLEMENTS:

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
166868	ACCESS IRVINE, INC	203 (B)		9/25/2014		P55799	\$1,100.00
174300	ALBERTSONS 6609	203		9/10/2014		P61184	\$550.00
151886	ALPHA MATERIALS, INC.	203(A)		9/9/2014		P59265	\$550.00
131747	ATHENS SERVICES, ARAKELIAN ENTERPRISE	203(A)		9/25/2014		P59266	\$1,200.00
144502	AUTO COLLISION SOLUTIONS	203 (A)		9/18/2014		P52274	\$600.00
165302	BEHRINGER HARVARD REDWOOD REIT LLC	203		9/17/2014		P60953	\$550.00
154996	BELLFLOWER SHELL, JACQUES HATTOUNI	41960.2 461(C)(2)(B)		9/23/2014		P61490	\$700.00
138171	CATALINA BUSINESS ENT, INC	461 (E) (2)		9/26/2014		P60703	\$600.00
139399	DE SOTO GAS FOR LESS, AMRIT DHILLON	461 41960.2		9/9/2014		P62247	\$250.00
162586	DOLLAR TREE REGIONAL DISTRIBUTION CENTER	203 (A)		9/12/2014		P61424	\$400.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
107696	EMPIRE WEST HOMEOWNERS ASSOCIATION	203 (A)		9/23/2014		P60260	\$600.00
168073	GAT AIRLINE GROUND SUPPORT	203 (A)		9/12/2014		P54147	\$1,700.00
143656	IRVINE SERVICE STATION INC	41960.2 461(C)(2)(B)		9/9/2014		P62416	\$850.00
146527	MULTIPLEX CAR WASH, INC/GRANVIA SERVICE	203 (B) 41960.2 461		9/23/2014		P59310	\$750.00
142851	PALMER/BOSTON STREET PROPERTIES	1472		9/23/2014		P62368	\$1,100.00
137052	PARKLANE CLEANERS	1421		9/25/2014		P62475	\$660.00
164353	THE OFFICE OF SOUTH COAST PLAZA	1146.2		9/23/2014		P58894	\$800.00
177090	THE REALTY ASSOCIATES FUND IX	203 (A) 222		9/17/2014		P60262	\$1,500.00
176463	TIERRA VERDE INDUSTRIES	203 (A)		9/18/2014		P61903	\$1,600.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
21322	TTX COMPANY CALPRO DIVISION	461 (E) (2)		9/18/2014		P59514	\$800.00
157841	VALLEYCREST	203(A)		9/18/2014		P61904	\$600.00
TOTAL MSPAPP PENALTIES: \$17,460.00							
HEARING BOARD SETTLEMENTS:							
35188	3M COMPANY Hearing Board Case No. 5970-2 Penalty for ongoing operation of the facility's equipment in noncompliance until 9.15.15.	1147 3002 203		9/19/2014	KCM	HRB2237	\$4,000.00
54732	INLAND VALLEY REGIONAL MEDICAL CENTE Hearing Board Case No. 5982-1 Beginning 4.11.14, facility to pay \$1,000/month until they permanently cease operation of both Parker Boilers in noncompliance with Rule 1146.2.	1146.2		9/3/2014	NAS	HRB2234	\$1,000.00
54732	INLAND VALLEY REGIONAL MEDICAL CENTE Hearing Board Case No. 5982-1 Beginning 4.11.14, facility to pay \$1,000/month until they permanently cease operation of both Parker Boilers in noncompliance with Rule 1146.2.	1146.2		9/17/2014	NAS	HRB2236	\$1,000.00
155560	LA SALLE HIGH SCHOOL	1470		9/24/2014	TRB	HRB2238	\$1,500.00

FAC ID	COMPANY NAME	RULE NUMBER	RECLAIM ID	SETTLED DATE	ATTY INT	NOTICE NO	TOTAL SETTLEMENT
	Hearing Board Case No. 5990-2 Facility to pay \$1500/month for every month the engine is operated.	1110.2					
114910	PROVIDENCE HOLY CROSS MEDICAL CTR. Hearing Board Case No. 5701-3 Beginning 12.15.13, facility to pay \$1000/month until they permanently cease use of all 3 Detroit Diesel ICEs in noncompliance with Rule 1479.	1470		9/11/2014	NAS	HRB2235	\$1,000.00

TOTAL HEARING BOARD SETTLEMENTS: \$8,500.00

DISTRICT RULES AND REGULATIONS INDEX FOR SEPTEMBER 2014 PENALTY REPORTS

REGULATION II – PERMITS

List and Criteria Identifying Information Required of Applicants Seeking A Permit to Construct from the South Coast Air Quality Management - District *(Amended 4/10/98)*

Rule 203 Permit to Operate *(Amended 1/5/90)*

Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written permit Pursuant to Regulation II. *(Amended 5/19/00)*

REGULATION IV - PROHIBITIONS

Rule 403 Fugitive Dust *(Amended 12/11/98)* Pertains to solid particulate matter emitted from man-made activities.

Rule 407 Liquid and Gaseous Air Contaminants *(Amended 4/2/82)*

Rule 431 Sulfur Content of Fuels *(Repealed 12/2/77)*

Rule 461 Gasoline Transfer and Dispensing *(Amended 6/15/01)*

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines *(Amended 11/14/97)*

Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters *(Amended 5/13/94)*

Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers *(Adopted 1/9/98)*

Rule 1147 NOx REDUCTIONS FROM MISCELLANEOUS SOURCES (9/08)

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities *(Amended 4/8/94)*

Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems *(Amended 10/14/94)*

Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems.

Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations *(Amended 6/13/97)*

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

Rule 1472. Requirements for Facilities with Multiple Stationary Emergency Standby Diesel Fueled Internal Combustion Engines

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)
- Rule 3003 Applications (*Amended 3/16/01*)
- Rule 3004 Permit Types and Content (*Amended 12/12/97*)

CALIFORNIA HEALTH AND SAFETY CODE

- 41960.2 Gasoline Vapor Recovery
- 42401 Violation of Order for Abatement

CODE OF FEDERAL REGULATIONS

40 CFR – Protection of the Environment

CALIFORNIA CODE OF REGULATIONS

PERP 2457 Requirements for Portable Equipment Units

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 13

REPORT: Lead Agency Projects and Environmental Documents Received by the SCAQMD

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between September 1, 2014 and September 30, 2014, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, October 17, 2014, Reviewed

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:LT:SN:MK:JB:AK

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, the SCAQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received and reviewed during the reporting period of September 1, 2014, through September 30, 2014 is included in Attachment A. A list of active projects from previous reporting periods for which SCAQMD staff is continuing to evaluate or has prepared comments 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 Initiative #4. Consistent with the Environmental Justice Program Enhancements for FY 2002-03 approved by the Board in September 2002, each of the attachments notes those proposed projects where the SCAQMD has been contacted regarding potential air quality-related environmental justice concerns. The SCAQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact the SCAQMD about

projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; as part of oral comments at SCAQMD meetings or other meetings where SCAQMD staff is present; or submitting newspaper articles. The attachments also identify for each project the dates of the public comment period and the public hearing date, as reported at the time the CEQA document is received by the SCAQMD. 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.

At the January 6, 2006 Board meeting, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives 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 response to describing goods movement CEQA documents, Attachments A and B are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; and general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures were compiled into a series of tables relative to: off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of the SCAQMD's website. Staff will continue compiling tables of mitigation measures for other emission sources including airport ground support equipment, etc.

As resources permit, staff focuses on reviewing and preparing comments for projects: where the SCAQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement, etc.); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and those projects for which a lead or responsible agency has specifically requested SCAQMD review. If the SCAQMD staff provided written comments to the lead agency as noted in the column "Comment Status", there is a link to the "SCAQMD Letter" under the Project Description. In addition, if the SCAQMD staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation that the SCAQMD staff testified, then staff did not provide testimony at a hearing for the proposed project.

During the period September 1, 2014 through September 30, 2014, the SCAQMD received 97 CEQA documents. Of the total of 116 documents listed in Attachments A and B:

- 29 comment letters were sent;
- 7 documents were reviewed, but no comments were made;
- 23 documents are currently under review;
- 7 documents did not require comments (e.g., public notices, plot plans, Final Environmental Impact Reports);
- 4 documents were not reviewed; and
- 46 were screened without additional review.

Copies of all comment letters sent to lead agencies can be found on the SCAQMD's CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency/comment-letter-year-2014>.

In addition, SCAQMD staff has been working on a Warehouse Truck Trip Study to better quantify trip rates associated with local warehouse and distribution projects, as truck emissions represent more than 90 percent of air quality impacts from these projects. Draft final results for the Warehouse Truck Trip Study are completed and are lower than current SCAQMD recommended truck trip rates in the California Emissions Estimator Model (CalEEMod). As an interim measure, staff will no longer be recommending use of the higher truck trip rates in CalEEMod in CEQA comment letters and is recommending truck trip rates from the Institute of Transportation Engineers (ITE) for high cube warehouse projects. Consistent with CEQA Guidelines, the EIR may use a non-default trip rate if there is substantial evidence indicating another rate is more appropriate for the air quality analysis. Staff will be bringing this item to the Board in November 2014, with staff recommendations for truck trip rates for high cube warehouses.

SCAQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, the SCAQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the SCAQMD, as lead agency, finds substantial evidence that the proposed project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the SCAQMD determines that the proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why proposed projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which the SCAQMD is lead agency and is currently preparing or has prepared environmental documentation. Through the end of September, the SCAQMD received one new request to be the lead agency for stationary source permit application projects. As noted in Attachment C, through the end of September 2014, the SCAQMD continued working on the CEQA documents for ten active projects.

Through the end of September 2014, SCAQMD staff has been responsible for preparing or having prepared CEQA documents for eleven permit application projects.

Attachments

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which SCAQMD Has or Will Conduct a CEQA Review
- C. Active SCAQMD Lead Agency Projects

**ATTACHMENT A* INCOMING CEQA
DOCUMENTS LOG
SEPTEMBER 1, 2014 TO SEPTEMBER 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Goods Movement # LAC141007-04 ¹ Berths 212-224 (YTI) Container Terminal Improvements Project	The proposed project consists of improving the container-handling efficiency of the existing YTI Terminal at the Port to accommodate the projected fleet mix of larger container vessels (up to 13,000 TEUs) that are anticipated to call at the YTI Terminal through 2026. The proposed Project consists of deepening two existing berths (Berths 217–220 and Berths 214–216), which would add an additional operating berth to the YTI Terminal, extending the 100-foot gauge crane rail to Berths 217–220, adding a single operational rail track to the Terminal Island Container Transfer Facility (TICTF) on-dock rail, modifying and replacing cranes, and constructing backland improvements. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/october/feiryti212-224.pdf	Final Environmental Impact Report	Port of Los Angeles	SCAQMD staff commented 10/15/14 SCAQMD staff testified 10/16/14
	Comment Period: N/A Public Hearing: 10/16/2014			
Goods Movement LAC140930-02 Trapac - Raise One Crane and Lengthen Boom at Berths 136-147	The proposed project consists of a raising one crane and lengthening of the boom at Berths 136-147.	Notice of a Public Hearing	Port of Los Angeles	Document screened - No further review conducted
	Comment Period: N/A Public Hearing: 10/16/2014			
Warehouse & Distribution Centers SBC140903-03 Sierra Industrial II Project	The proposed project consists of the construction and operation of approximately 763,350 net square feet "high-cube" logistics warehouse use with associated office and mezzanine spaces. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/warehouseopsierra.pdf	Notice of Preparation	City of Fontana	SCAQMD staff commented 9/11/2014
	Comment Period: 9/2/2014 - 10/1/2014 Public Hearing: N/A			
Warehouse & Distribution Centers SBC140923-04 Citrus Commerce Park	The proposed project consists of developing the Citrus Commerce Industrial Park (Near Term Development Site), a warehouse (Long Term Development Site), and a park site on a 77.56 acre site. The proposed project may include the ultimate development of four logistics warehouse buildings for a total of 2,171,449 square feet of high cube warehouse/distribution. The Near Term Development Site applications also include a Design Review Application to construct three warehouse buildings (Building 1: 634,843 square feet, Building 2: 1,1038,499 square feet, and Building 3: 209,892 square feet), and Tentative Parcel Map to merge approximately 77.57 acres into three parcels.	Notice of Availability of a Draft Environmental Impact Report	City of Fontana	Document under review as of 9/30/14
	Comment Period: 9/19/2014 - 11/3/2014 Public Hearing: 10/7/2014			
Warehouse & Distribution Centers SBC140926-01 Auto Plaza at Fairway Warehouse	The proposed project consists of an approximately 178,980 square-foot industrial warehouse and parking, a Major Variance to allow the reduction of required parking spaces from 203 to 112 spaces on an 8.34-acre site.	Notice of Availability of a Draft Mitigated Negative Declaration	City of Colton	Document under review as of 9/30/14
	Comment Period: 9/25/2014 - 10/14/2014 Public Hearing: N/A			

¹ This CEQA document was received on 10/7/2014. Based on public interest and SCAQMD staff involvement in the public review process for this project, this project is included in Attachment A, however, it is not included in the document count for this reporting period.

*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.

Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
SEPTEMBER 1, 2014 TO SEPTEMBER 30, 2014**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> RVC140910-01 Reclamation Plan Banning Quarry	This document consists of the Reclamation Plan for the Banning Quarry. Currently the Banning Quarry operates under "Vested Rights" granted by continuous mineral extraction use and the approval for Conditional Use Permit 1965 and Unclassified Use Permit 1994-01. Proposed revisions include encompassing the entire site under a single Reclamation Plan. Comment Period: N/A Public Hearing: N/A	Other	City of Banning	Document under review as of 9/30/14
<i>Waste and Water-related</i> LAC140902-03 San Jose Creek Water Reclamation Plant East Process Optimization Facilities Plan	The proposed project consists of a Facility Plan to identify a project that meets the objectives in a cost-effective and environmentally sound manner. The objective of this Facility Plan are: reliably to meet Title 22 disinfection requirements for unrestricted use at permitted capacity; increase volume and availability of recycled water for reuse; and minimize formation of disinfection byproducts at permitted capacity. Comment Period: N/A Public Hearing: N/A	Response to Comments	County of Los Angeles	Document under review as of 9/30/14
<i>Waste and Water-related</i> LAC140902-11 Enhanced Watershed Management Programs	The proposed project consists of the PEIR that will provide a program-level assessment of the overall permit compliance effort, focusing particularly on the structural watershed control measures proposed in each of the 12 Enhanced Watershed Management Program. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/nopewmp.pdf Comment Period: 8/29/2014 - 9/29/2014 Public Hearing: N/A	Notice of Preparation	Los Angeles County Floor Control District	SCAQMD staff commented 9/11/2014
<i>Waste and Water-related</i> LAC140902-13 Former Univar USA Facility	This document consists of a work notice. The proposed project consists of a cleanup of a historical chemical release that occurred at the former Univar USA site. The project consists of treatment groundwater and well as treatment of soil gas. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances	Document does not require comments
<i>Waste and Water-related</i> LAC140902-14 Avalon Triangle Site in Wilmington	The proposed project consists a Removal Action Workplan; Groundwater Remediation (GWRW). The GWRW proposes a cleanup technology known as In Situ Chemical Oxidation to treat chemicals found in groundwater at the site. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/rawpolaavalon.pdf Comment Period: 9/2/2014 - 10/1/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	SCAQMD staff commented 9/25/2014
<i>Waste and Water-related</i> LAC140909-03 Surface Soil Sampling Results at Malibu High/Middle School and the Juan Cabrillo Elementary School	The proposed project consists of a summary of the surface soil sampling results at Malibu High/Middle School and the Juan Cabrillo Elementary School. Samples were analyzed for polychlorinated biphenyls, pesticides, herbicides and metals. Comment Period: N/A Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document does not require comments

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

Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
SEPTEMBER 1, 2014 TO SEPTEMBER 30, 2014

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC140911-12 Leachate Treatment Plan BKK Landfills Facility	The proposed project consists of five Class 1 modifications to the permit for the Leachate Treatment Plan, Class 1 permit modifications do not require prior approval from Department of Toxic Substances. This notice concerns two of the five modifications one of which is fully in effect and the other of which is partially in effect. Comment Period: N/A Public Hearing: N/A	Public Notice	Department of Toxic Substances Control	Document does not require comments
<i>Waste and Water-related</i> LAC140912-05 DeMenno-Kerdoon	This document consists of permit modification notice. The modification will allow DeMenno-Kerdoon (DK) to replace Tank T-1106. The existing Tank T-1106 is an above ground, steel, flat-bottom tank used primarily to store and treat waste oil, used oil, and contaminated petroleum products. DK will replace the Tank T-1106 with an identical tank to be used for the same purposes. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control	Document does not require comments
<i>Waste and Water-related</i> LAC140916-02 Single Family Residential Hauled Water Initiative for New Development	The proposed project consists of adoption of an ordinance to allow hauled water as the primary source of potable water for new single-family residential construction in unincorporated areas of the County of Los Angeles, where there is no available service from a public or private water purveyor and where it has been demonstrated that an on-site groundwater well is not feasible. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/nophauledwater.pdf Comment Period: 9/16/2014 - 10/20/2014 Public Hearing: N/A	Notice of Preparation	County of Los Angeles	SCAQMD staff commented 9/23/2014
<i>Waste and Water-related</i> LAC140917-01 Draft Cleanup Work Plan for Public Review and Comments - Exide Technologies	The proposed project consists of a draft Interim Measures Work Plan for the removal of lead contaminated soils in residential yards located in portions of Boyle Heights, East Los Angeles and Maywood. Comment Period: 9/16/2014 - 10/20/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document under review as of 9/30/14
<i>Waste and Water-related</i> LAC140925-14 Jordan Downs Redevelopment Project, 9901 South Alameda Street, Los Angeles	The proposed project consists of the cleanup of the Jordan Downs Redevelopment project. Additional testing of soil, soil vapor, and groundwater in the area will be done by the end of the year. There is also ongoing monitoring of groundwater within the development. Comment Period: N/A Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document screened - No further review conducted
<i>Waste and Water-related</i> ODP140902-08 Disposition Options for Universal Waste Cathode Ray Tubes (CRTs) and CRT Glass	The proposed project consists of a notification of proposed Emergency Regulatory Action. The proposed project consists of re-adopting emergency regulations which expand the existing options for the disposition of CRTs and CRT glass currently regulated under universal waste regulations by removing the standard that a universal waste handler may treat CRTs only if the glass is sent for recycling to either a CRT glass manufacturer or a primary or secondary lead smelter. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substance Control	No review conducted - No comments sent

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

Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
SEPTEMBER 1, 2014 TO SEPTEMBER 30, 2014**

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> RVC140902-04 Remedial Action Plan for Potrero Canyon (Lockheed Propulsion - Beaumont No. 1)	The proposed project consists of the cleanup of the Potrero Canyon, also known as Lockheed Propulsion. The proposed cleanup includes remediation of contaminated soil and groundwater, landfill containment, and mitigation of potential residual munitions and explosives of concern. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/noppotrero.pdf Comment Period: 9/2/2014 - 10/2/2014 Public Hearing: 9/24/2014	Notice of Preparation	Department of Toxic Substances Control	SCAQMD staff commented 9/11/2014
<i>Waste and Water-related</i> RVC140918-10 Sonny Bono Salton Sea National Wildlife Refuge Complex	This document consists of a Planning Update 4 and announces the release of a Final Comprehensive Conservation Plan and Findings to No Significant Impact for the Sonny Bono Salton Sea National Wildlife Refuge Complex. This Plan describes how the Sonny Bono Salton Sea National Wildlife Refuge and Coachella Valley National Wildlife Refuge will be managed over the next 15 years. Comment Period: N/A Public Hearing: N/A	Other	U.S. Fish and Wildlife Services	Document does not require comments
<i>Waste and Water-related</i> SBC140909-05 Hazardous Waste Facility Permit Modification Issued to Filter Recycling Services, Inc.	The proposed project consists of a briefing period for appeal of the hazardous waste facility permit modification used to Filter Recycling Services, Inc. Comment Period: 9/9/2014 - 10/17/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document screened - No further review conducted
<i>Utilities</i> LAC140902-06 Telecommunications Facility	The proposed project consists of adding a total of eight cellular panel antennas, four remote radio units, and four GPS antennas to supplement existing cellular panel antennas mounted on the City water tank. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/dnmd1744cup4F254349FB45.pdf Comment Period: N/A Public Hearing: N/A	Draft Negative Declaration	City of South Pasadena	SCAQMD staff commented 9/11/2014
<i>Utilities</i> LAC140911-06 ENV-2014-2237/ 565 North Virgil Avenue; Wilshire	The proposed project consists of a 45-foot high monopole disguised as a pine tree, with 12 panel antennas, and a raycap. The facility will include four equipment cabinets, three GPS antennas, and one back-up generator which will be located behind a proposed block wall. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/dmndvirgil.pdf Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 9/23/2014
<i>Utilities</i> LAC140918-01 ENV-2014-2217/ 10973 N. Glenoaks Blvd.; Arleta Pacoima	The proposed project consists of the placement of additional wireless antennae on an existing wireless telecommunication's facility. An existing monopole would be extended by 9.7 feet to accommodate the additional twelve antennas. Comment Period: 9/18/2014 - 10/8/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted

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

Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Utilities</i> LAC140918-03 ENV-2014-2223/ 1444 & 1450 S. Bundy Drive; West Los Angeles	The proposed project consists of the installation, use, and maintenance of an unmanned wireless telecommunications facility located on the rooftop and second floor levels of an existing building that is owned by Verizon Wireless. Comment Period: 9/18/2014 - 10/8/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
<i>Utilities</i> LAC140918-06 ENV-2014-1902/ 2300 S. Purdue Ave.; West Los Angeles	The proposed project consists of the construction, use and maintenance of a new, rooftop Wireless Telecommunications Facility consisting of 16 panel antennas. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/dmnd2300spurdue.pdf Comment Period: 9/18/2014 - 10/8/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 9/26/2014
<i>Utilities</i> LAC140925-02 ENV-2017-2134/ 5801-5809 South Vermont Avenue; South Los Angeles	The proposed project consists of the installation, use and maintenance of a 64-foot high monopole disguised as a pine tree. Comment Period: 9/25/2014 - 10/15/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Transportation</i> ORC140930-08 Brookhurst Street Improvements	The proposed project consists of widening an approximately 0.4-mile segment of Brookhurst Street in Anaheim. Comment Period: N/A Public Hearing: N/A	Notice of Availability of Finding of No Significant Impact	California Department of Transportation	Document under review as of 9/30/14
<i>Transportation</i> RVC140903-01 Heacock Channel Improvement Project	The proposed project consists of improvements to the existing undersized earthen Heacock Channel, reconstruction of Meyer Drive bridge, and a slight realignment of Hacock Street south of Gentian Avenue for approximately one-quarter mile that will shift the existing roadway slightly east. Comment Period: 9/3/2014 - 10/20/2014 Public Hearing: N/A	Draft Environmental Impact Report	March Joint Powers Authority	Document reviewed - No comments sent
<i>Transportation</i> SBC140902-09 Negative Declaration No. EAR-0039 in conjunction with General Plan Amendment No. 11-01 and Zone Change No. 14-02	The proposed project consists of a request for a zone change for Light Industrial to Highway Commercial and a General Plan Amendment from Commercial/Industrial-Mixed Use to Highway Commercial for an approximately 2.74-acre vacant parcel on the southeast corner of Arrow Route and Monte Vista Avenue. No development is identified or proposed in conjunction with this request. Comment Period: 8/29/2014 - 9/29/2014 Public Hearing: N/A	Draft Negative Declaration	City of Upland	Document screened - No further review conducted

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Institutional (schools, government, etc.)</i> LAC140902-12 Monsenor Oscar Romero Charter School (MORCS)	The proposed project consists of providing permanent facility for MORCS on a 1.1-acre site. It will accommodate 405 middle school students in grades 6 to 8. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/mndmonsenor.pdf Comment Period: 9/2/2014 - 10/1/2014 Public Hearing: 10/1/2014	Draft Mitigated Negative Declaration	Pacific Charter School Development	SCAQMD staff commented 9/26/2014
<i>Institutional (schools, government, etc.)</i> ORC140912-03 South Shores Church Master Plan Project	The proposed project consists of demolishing 23,467 square feet of building space on the project site, including the existing Preschool, Administration and Fellowship Hall building, Chapel, and parking lot, and would construct a total of 70,284 square feet of new building space, including a new Preschool/Administration building, two new Christian Education buildings, a Community Life Center, and a two-level partially subterranean Parking Structure. Comment Period: 9/15/2014 - 10/30/2014 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Dana Point	Document screened - No further review conducted
<i>Medical Facility</i> LAC140909-08 LAC+USC Medical Center Campus Master Plan	The proposed project consists of a master plan that is envisioned over a period of approximately 25 years, that would be used to guide future development of the LAC+USC Medical Center campus and would influence that delivery of health care services and health related community programs. Comment Period: 9/5/2014 - 10/20/2014 Public Hearing: N/A	Draft Environmental Impact Report	County of Los Angeles	Document under review as of 9/30/14
<i>Medical Facility</i> LAC140918-08 InterHealth Corporation Medical Office Building	The proposed project consists of the construction of an approximately 35,076 square-foot, three-story medical office building with an associated surface parking lot and landscaping. Entitlements being requested include a Development Plan Approval and a Code Amendment to allow metal materials on the proposed MOB. Existing uses on the site will be demolished to accommodate the project. Comment Period: 9/17/2014 - 10/17/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Santa Fe Springs	Document screened - No further review conducted
<i>Medical Facility</i> RVC140905-01 Jacobs Medical Office Building	The proposed project consists of development of an approximately 65,281 square-foot Medical Office Building on a 4.2-acre site http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/nopjacobs.pdf Comment Period: 9/5/2014 - 10/5/2014 Public Hearing: 9/18/2014	Notice of Preparation	City of Riverside	SCAQMD staff commented 9/12/2014
<i>Retail</i> LAC140916-03 Sprouts - 8550 Santa Monica Boulevard Project	The proposed project consists of constructing a three-story building with approximately 42,300 square feet of commercial space on a 0.6-acre undeveloped project site. The project does not involve any demolition. Comment Period: 9/16/2014 - 11/3/2014 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of West Hollywood	Document reviewed - No comments sent

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Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) LAC140911-02 ENV-2013-2440/ 3910 Kentucky Dr.; Sherman Oaks- Studio City - Toluca Lake-Cahuenga Pass	The proposed project consists of constructing a new, eight-unit apartment of approximately 12,940 square feet that includes approximately 8,740 square feet of habitable space and 4,195 square feet of parking. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140911-03 ENV-2014-1470/ 1536 N. Blue Jay Way; Hollywood	The proposed project consists of demolishing an existing 2,664 square-foot single family dwellings and the construction of a two-story, 4,112.5 square-foot single family dwelling on a lot with an area of 10,864 square feet. The project requires an approval of a haul route to permit the import/export of 3,178 cubic yards of soil. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140911-04 ENV-2014-2149/ 801-813 N. Hudson Ave.; Hollywood	The proposed project consists of constructing a four-story, 34-unit multifamily dwelling that includes 3 units for very low income households. The total project size is approximately 51,519 square feet of floor area in the Hollywood Community Plan Area. The project includes the demolition of the four existing residential structures on the site and will require the export of 11,200 cubic yards of soil. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/sepember/dmndhudson.pdf Comment Period: 9/11/2014 - 10/14/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented 9/23/2014
General Land Use (residential, etc.) LAC140911-05 ENV-2014-2601/ 1814 N. Marcheeta Pl; Hollywood	The proposed project consists of the demolition of an existing 2,717 square-foot, single family dwelling and pool; and the construction of a 13,022 square-foot single family dwelling. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140911-07 ENV-2014-1995/ 421 N. Van Ness Avenue; Wilshire	The proposed project consists of the construction, use and maintenance of four new single-family homes on an 8,242 net square-foot site. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
General Land Use (residential, etc.) LAC140911-08 ENV-2012-3424/ 479 S. Fairfax Ave; Wilshire	The proposed project consists of demolishing two commercial buildings with approximately 6,660 square feet of combined floor area and the construction of a five-story building with 18 residential dwelling units that includes one unit for very low income households. Comment Period: 9/11/2014 - 10/14/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140911-09 ENV-2014-419/ 9366 W. Flicker Way; Hollywood	The proposed project consists of the demolition of an existing 4,226 square-foot single family dwelling and the construction of a 23,000 square-foot single family dwelling, 3,600 square-foot guest house, 11 parking spaces, and new pool on a lot with an area of 68,567 square-foot. The project will require an approval of a haul route to permit the exporting of 12,148 cubic yards of soil. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140911-10 ENV-2014-1680/ 8211 W. Nightingale Dr.; Hollywood	The proposed project consists of the demolition of an existing 3,503 square-foot single-family dwelling and the construction of a 5,675 square-foot single family dwelling. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140911-11 ENV-2014-1768/ 9255 W. Swallow Dr.; Hollywood	The proposed project consists of the demolition of an existing 2,679 square-foot, single family dwelling and the construction of a two-story, 4,351 square-foot single family dwelling on a lot with an area of 17,431 square feet. The project requires an approval of a haul route to permit the export of 2,094 cubic yards of soil. Comment Period: 9/11/2014 - 10/1/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Los Angeles	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140912-02 9015 Sunset Boulevard Billboard Project	The proposed project consists of removing an existing legally non-conforming double-sided 16-foot by 9-foot roof-mounted sign from atop the Rainbow Bar and Grill, and would construct a lit double-sided, pole roof-mounted billboard at the southeastern portion of the project site. Comment Period: 9/11/2014 - 10/2/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of West Hollywood	Document screened - No further review conducted
General Land Use (residential, etc.) LAC140916-01 Aidlin Hills (Vesting TTM No. 52796, CUP No. 00-136/ Oak Tree Permit No. 00-136)	The proposed project consists creating 102 single-family residential lots and associated supporting infrastructure, including local roadways, water tanks and a pump station, water quality treatment basins, and a fire access road on 13 infrastructure lots; a Conditional Use Permit for a density-controlled development in a hillside area and for grading exceeding 100,000 cubic yards of soil combined cut and fill materials; and an Oak Tree Permit for the removal of one oak tree. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/nopaidlin.pdf Comment Period: 9/16/2014 - 10/29/2014 Public Hearing: N/A	Notice of Preparation	County of Los Angeles	SCAQMD staff commented 9/23/2014

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC140926-02 Planning Case No. ZON2014-00329/ Local Coastal Plan Amendment and Environmental Assessment	The proposed project consists of a Coastal Specific Plan Amendment to add text to the end of the current Visual Corridor section of the Corridors Element for Flag Poles. Comment Period: 9/26/2014 - 10/14/2014 Public Hearing: 10/14/2014	Draft Negative Declaration	City of Rancho Palos Verdes	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> LAC140930-03 Foothill 533 Project	The proposed project consists of demolishing existing commercial buildings, industrial buildings and surface parking lots at the project site for the construction and operation of a 144-unit townhome complex. Comment Period: 9/25/2014 - 10/15/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Glendora	Document under review as of 9/30/14
<i>General Land Use (residential, etc.)</i> LAC140930-05 Zoning Text Amendment 2014-02	The proposed project consists of amending the Walnut Municipal Code Title VI, Chapter 25 to add Article XXIV "Historical Preservation". The City of Walnut Historical Preservation Ordinance would provide the basis for enabling legislation and policy guidance to preserve, enhance and maintain buildings, sites and areas which have been deemed culturally and/or historically significant to Walnut. Comment Period: 9/30/2014 - 10/27/2014 Public Hearing: N/A	Draft Negative Declaration	City of Walnut	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> LAC140930-06 Arcadia 17 Residential Condominium Project at 132, 136, and 142 Las Tunas Drive	The proposed project consists of the demolition of an existing auto repair shop, restaurant, tattoo parlor to accommodate a residential-condominium development comprised of 17, three-story, townhouse-style units. Comment Period: 9/25/2014 - 10/14/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Arcadia	Document under review as of 9/30/14
<i>General Land Use (residential, etc.)</i> LAC140930-07 Tentative Tract Map No. 36827	The proposed project consists of subdividing an existing 3.35 acre vacant lot into 14 lots to build 13 single-family homes. Comment Period: 9/30/2014 - 10/9/2014 Public Hearing: N/A	Community Notice	City of Jurupa Valley	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> ORC140909-01 Harbor Corridor Mixed-Use Transit Corridor Specific Plan	The proposed project consists of a Specific Plan to allow higher intensity mixed-use and residential development along Harbor Boulevard. The Plan will replace the existing North Harbor Specific Plan. Comment Period: N/A Public Hearing: 9/9/2014	Notice of a Public Hearing	City of Santa Ana	Document does not require comments

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> ORC140930-04 Los Coyotes Country Club Development Plan	The proposed project consists of developing 125 residential units in five, four-story buildings, constructed two lighted tennis courts, construct landscape and hardscape improvements to the Los Coyotes County Club entry on a 21.8 acres site. Comment Period: 9/30/2014 - 11/28/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Buena Park	Document under review as of 9/30/14
<i>General Land Use (residential, etc.)</i> RVC140903-02 Alvarado in the Art Colony	The proposed project consists of the construction of a gated community of 46 detached single-family residential units on a 5.23-acre vacant site. Comment Period: 9/3/2014 - 9/23/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Palm Springs	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> RVC140909-04 Tentative Parcel Map No. 36547	The proposed project consists of a subdivision of 4.06 acres into four residential parcels with minimum size of one gross acres. Comment Period: N/A Public Hearing: 10/6/2014	Notice of a Public Hearing	County of Riverside	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> RVC140923-02 CUP No. 03708	The proposed project consists of a permitting a camp and conference center master plan on an approximately 316-acre site. Comment Period: 9/23/2014 - 10/9/2014 Public Hearing: N/A	Initial Project Consultation	County of Riverside	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> RVC140923-03 General Plan Amendment GPA-013-159, Zone Change ZC-013-160, and Tentative Tract Map TTM-014-300 (TTM 36659)	The proposed project consists of implementing a residential and open space development on an approximate 8.87-acre site. The project would consist of a General Plan Amendment to develop a 52 single-family residential lot. Comment Period: 9/17/2014 - 10/7/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Murrieta	Document under review as of 9/30/14
<i>General Land Use (residential, etc.)</i> RVC140925-15 Alta Verde Linea Homes	The proposed project consists of subdividing and developing 14 single-family residences on a 7.21 acre site. The 14 residential lots will range in size from 15,834 to 24,005 square feet. Comment Period: 9/25/2014 - 10/25/2014 Public Hearing: N/A	Notice of Preparation	City of Palm Springs	Document under review as of 9/30/14

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> SBC140905-02 PL14-0103, PL14-0104, PL14-0442, and Addendum to the Chino General Plan	The proposed project consists of subdividing 7.15 acres of land into 59 lots for the construction of 59 single-family residential dwelling units at a density of 8.3 units/acre and to utilize the small lot subdivision standards of the Zoning Ordinance. Comment Period: N/A Public Hearing: 9/15/2014	Notice of a Public Hearing	City of Chino	Document screened - No further review conducted
<i>General Land Use (residential, etc.)</i> SBC140916-05 Tentative Tract Maps 18274 and 18249; Site Plan SP 13-17 and Site Plan SP 13- 18; Specific Plan Review SPR 14-01; Design Review DR 13-46; Development Agreement DA-14-01; Airport Land Use Committee ALUC 14-01; and Environmental Assessment Report EAR- 00-36	The proposed project consists of a Specific Plan Amendment to the previously adopted Upland Crossing Specific Plan and the development of two sites into a single-family residential community. Tract Map No. 18274, a 12.3-acre site, is a request to develop 193 single-family attached/detached units on 19 lots, with units ranging in size from 1,136 to 1,927 square feet. Tract Map No. 18249, a 15-acre site, is a request to develop 125 detached single-family residences and a recreation area, with units ranging in size from 1,940 to 2,120 square feet. Comment Period: N/A Public Hearing: 9/24/2014	Notice of a Public Hearing	City of Upland	No review conducted - No comments sent
<i>Plans and Regulations</i> LAC140909-06 General Plan Amendment No. 53, Zone Code Amendment No. 176, and Zone Reclassified No. 319	The proposed project consists of an update to the General Plan to ensure compliance with State law regulations that have emerged since the preparation of the previous General Plan, for consistency with changes in local and regional planning efforts. Comment Period: N/A Public Hearing: 9/15/2014	Notice of a Public Hearing	City of Pico Rivera	No review conducted - No comments sent
<i>Plans and Regulations</i> LAC140911-01 Montebello Hills Specific Plan	The proposed project consists of developing 1,200 residential dwelling units on approximately 173.6 acres of the project site; 314.6 acres dedicated for Open Space with a series of pedestrian walkways and trails; a 5.5-acre public park and a 1.5-acre private community center constructed for on-site residents. Comment Period: 9/12/2014 - 10/27/2014 Public Hearing: N/A	Notice of Availability of a Draft Mitigated Negative Declaration	City of Montebello	Document under review as of 9/30/14
<i>Plans and Regulations</i> ORC140912-01 Lighthouse Project, 1620-1644 Whittier Avenue	The proposed project consists of an urban Master Plan for the development of 89 units - 49 residential units and 40 live/work units - at the site of industrial land uses and a single residence within the Mesa West Bluffs Urban Plan area of 5.7-acres. Comment Period: 9/12/2014 - 10/12/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Costa Mesa	Document screened - No further review conducted

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> SBC140902-05 Harmony Specific Plan Project	The proposed project consists of a master-planned residential community consisting of a maximum of 3,632 residential units on approximately 658 acres reflecting a mix of residential product types. Approximately 5.7 acres of the project site is planned for the development of neighborhood commercial land use to provide retail goods and services to the community. Comment Period: 9/2/2014 - 10/24/2014 Public Hearing: N/A	Recirculated Draft Environmental Impact Report	City of Highland	Document under review as of 9/30/14

TOTAL DOCUMENTS RECEIVED AND REVIEWED THIS REPORTING PERIOD: 96

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Comment letters can be accessed at: <http://ww.aqmd.gov/home/regulations/ceqa/commenting-agency>

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

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Utilities</i> SBC140805-02 West Colton Rail Terminal Pipeline Conversion Project	The proposed project consists of converting the temporary ethanol transloading facility into a permanent transloading facility in accordance with Conditional Development Permit No. 673. The project would include the installation of approximately 1,600 feet of new underground pipeline that would connect with 1,900 feet of existing pipeline to interconnect the West Colton Rail Terminal facility with the adjacent Kinder Morgan Energy Partners, L.P. Comment Period: 7/8/2014 - 7/27/2014 Public Hearing: N/A	Draft Mitigated Negative Declaration	City of Rialto	Document under review as of 9/30/14
<i>Transportation</i> LAC140819-04 Eastside Transit Corridor Phase 2 Project	The proposed project consists of improving mobility, accessibility and connectivity to the regional transit system by extending the metro Gold Line Eastside Extension to the east by 6.9 to 9.5 miles. Comment Period: 8/22/2014 - 10/21/2014 Public Hearing: 9/27/2014	Draft Environmental Impact Report	Metropolitan Transportation Authority	Document under review as of 9/30/14
<i>Institutional (schools, government, etc.)</i> LAC140828-06 Academy Museum of Motion Pictures Project	The proposed project consists of rehabilitation and adaptive reuse of the historically significant May Company Wilshire department store building constructed in 1939 and construction of a new wing, which would require demolition of a building addition constructed in 1946. The project would be developed on an approximately 2.2-acre site. Comment Period: 8/28/2014 - 10/14/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document under review as of 9/30/14
<i>Retail</i> RVC140822-03 Wildomar Walmart	The proposed project consists of 207,800 square feet of new retail/commercial uses on the approximately 24.5-acre subject site and also includes on-site supporting infrastructure, parking, landscaping/hardscaping and signs. The Project includes the proposed Wildomar Walmart, and one outparcel in the proposed development. Comment Period: 8/25/2014 - 10/8/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Wildomar	Document under review as of 9/30/14
<i>General Land Use (residential, etc.)</i> LAC140805-08 Oak Village Residences Project	The proposed project consists of demolishing the existing commercial structure and construction of an approximately 182,575 square-foot, 142-unit residential townhome/condominium development. Comment Period: N/A Public Hearing: N/A	Notice of Availability of a Final Environmental Impact Report	City of Los Angeles	Document under review as of 9/30/14

*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.

Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> LAC140214-02 City of Los Angeles Mobility Plan 2035	The proposed project is a comprehensive revision of the adopted 1999 City of Los Angeles Transportation Element of the General Plan that will guide mobility decisions in the City through year 2035. The proposed Mobility Plan 2035 includes: (1) Policies - that support the goals and objectives; (2) an Enhanced Complete Street System - that prioritizes selected roadways for pedestrian, bicycle, transit, or vehicle enhancements; (3) an Action Plan - that prioritizes actions necessary for implementing the policies and programs; (4) a Complete Street Manual - that describes and identifies implementation procedures for the City's expanded Street Standards and Guidelines; and (5) a Bicycle Plan - incorporated into this plan since the previous 2010 Bicycle Plan was adopted in 2011. Comment Period: 2/13/2014 - 5/13/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document under review as of 9/30/14
<i>Warehouse & Distribution Centers</i> RVC140808-04 Integra Perris Distribution Center Project, DEIR, TPM 36726, and DPR 14-02-0014	The proposed project consists of constructing and operating of up to 864,000 square feet of industrial warehouse/distribution uses on the approximately 43.2-acre site. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/deirintegra.pdf Comment Period: 8/8/2014 - 9/22/2014 Public Hearing: N/A	Draft Environmental Impact Report	City of Perris	SCAQMD staff commented 9/25/2014
<i>Industrial and Commercial</i> LAC140815-05 Olive Pit Mine and Reclamation Project	The proposed project consists of constructing, operating, and reclaiming (backfilling) the existing inactive Olive Pit mine to extract construction aggregate in compliance to State and city regulations. The project site is approximately 190 acres. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/deirolive.pdf Comment Period: 8/14/2014 - 9/29/2014 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Irwindale	SCAQMD staff commented 9/26/2014
<i>Waste and Water-related</i> LAC140709-01 Chiquita Canyon Landfill Master Plan Revision	The proposed project consists of developing a new entrance and support facilities; better utilize the landfill's potential disposal capacity through a lateral extension of the new waste footprint and increased maximum elevation; increased daily disposal limit; acceptance of all nonhazardous waste permitted at a Class III solid waste disposal landfill; continued operation of the landfill; new design features; environmental monitoring; development of a Household Hazardous Waste Facility; mixed organics composting operation; and set-aside of land for potential future conversion technology. In addition, the project includes renovating a portion of Southern California Edison's existing Saugus-Elizabeth Lake-Fillmore 60 kilovolt Subtransmission Line in order to accommodate landfill improvements. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/deirchiquita.pdf Comment Period: 7/10/2014 - 10/23/2014 Public Hearing: N/A	Draft Environmental Impact Report	County of Los Angeles	SCAQMD staff commented 9/23/2014

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

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

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC140808-02 Irwindale Materials Recovery Facility and Transfer Station Project	The proposed project consists of constructing and operating a materials recovery facility and transfer station, with a fueling facility/convenience store. The facility would be designed to receive, process and transfer up to 6,000 tone per day based upon estimated averages of 3,000 tons per day of municipal solid waste, 1,000 tpd of green waste, 1,000 tpd of construction & demolition materials per day will depend one market factors and seasonal variations. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/deirirwinmf.pdf Comment Period: 8/8/2014 - 9/22/2014 Public Hearing: N/A	Notice of Availability of a Revised Draft Environmental Impact Report	City of Irwindale	SCAQMD staff commented 9/19/2014
<i>Waste and Water-related</i> LAC140808-07 Former Southland Steel Facility	The proposed project consists of a draft Response Plan for the Former Southland Steel Facility. Environmental investigations from 2004-2009 found elevated levels of volatile organic compounds, poly aromatic hydrocarbons, and heavy metals in the soil, soil vapor and groundwater. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/noesouthland.pdf Comment Period: 8/11/2014 - 9/12/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	SCAQMD staff commented 9/12/2014
<i>Waste and Water-related</i> LAC140821-02 Notice of Final Class 2 Permit Modification Decision	The proposed project consists of a Notice of Final Class 2 Permit Modification Decision and response to comment for the David H. Fell and Company, Inc which recycles precious metals from known off-site generators under a manifest of a bill of lading. The hazardous waste is analyzed in the DHF laboratory to determine its precious metals content an is then processed to reclaim precious metals in the physical form requested by customers. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/noedavidhfell.pdf Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control	SCAQMD staff commented 9/19/2014
<i>Waste and Water-related</i> LAC140829-05 Pasadena Non-Potable Water Project	The proposed project consists of phased construction and operation of a new non-portable water infrastructure including pipelines, storage reservoirs, pressure reducing stations, pump stations and other facilities to deliver non-potable water to 46 customers for landscape irrigation, industrial cooling and other non-potable uses. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/nopnonpotable.pdf Comment Period: 8/28/2014 - 9/29/2014 Public Hearing: N/A	Notice of Preparation	City of Pasadena	SCAQMD staff commented 9/5/2014
<i>Waste and Water-related</i> SBC140829-03 Southwest Metal Company - 740 W. Congress Street	The proposed project consists of a removal action workplan for the former battery breaking and secondary lead smelting operation. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/rawsouthwest.pdf Comment Period: 8/28/2014 - 9/29/2014 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	SCAQMD staff commented 9/30/2014

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

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

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> RVC140801-06 Belle Terre Specific Plan	The proposed project consists of Specific Plan that would allow for the development of up to 1,326 residential units and open space and/or recreational features. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2014/september/deirbelleterre.pdf Comment Period: 8/1/2014 - 9/15/2014 Public Hearing: N/A	Draft Environmental Impact Report	County of Riverside	SCAQMD staff commented 9/17/2014

TOTAL NUMBER OF REQUESTS TO SCAQMD FOR DOCUMENT REVIEW THIS REPORTING PERIOD: 97
TOTAL NUMBER OF COMMENT LETTERS SENT OUT THIS REPORTING PERIOD: 29
TOTAL NUMBER OF DOCUMENTS REVIEWED, BUT NO COMMENTS WERE SENT: 7
TOTAL NUMBER OF DOCUMENTS CURRENTLY UNDER REVIEW: 23
TOTAL NUMBER OF DOCUMENTS THAT DID NOT REQUIRE COMMENTS: 7
TOTAL NUMBER OF DOCUMENTS THAT WERE NOT REVIEWED: 4
TOTAL NUMBER OF DOCUMENTS THAT WERE SCREENED WITHOUT ADDITIONAL REVIEW: 46

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Comment letters can be accessed at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>

ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH SEPTEMBER 30, 2014

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Operators of the Ultramar Wilmington Refinery are proposing to construct and install a 49 MW cogeneration unit to reduce the refinery's reliance on electricity from the Los Angeles Department of Water and Power and produce steam to meet internal needs. No other refinery modifications are proposed.	Ultramar Wilmington Refinery	Negative Declaration	Staff revised responses to the 3 comment letters received on Draft ND and consultant is providing edited responses and finalizing the Draft ND. Responses to CEQA comments made on permit notice comment letter have been prepared and currently being reviewed by SCAQMD staff.	Environmental Audit, Inc.
The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal state and SCAQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the SCAQMD had used an inappropriate baseline and directed the SCAQMD to prepare an EIR, even though the project has been built and has been in operation since 2006. The purpose of this CEQA document is to comply with the Supreme Court's direction to prepare an EIR.	Phillips 66 (formerly ConocoPhillips), Los Angeles Refinery	Environmental Impact Report	The Notice of Preparation was circulated for a 30-day public comment period on March 26, 2012. The comment period ended on April 26, 2012. The consultant submitted the administrative Draft EIR to SCAQMD in late July 2013. SCAQMD reviewed the Draft EIR and released for a 45-day public review and comment period on September 30, 2014.	Environmental Audit, Inc.
The Phillips 66 Los Angeles Refinery operators are proposing to install one new 615,000-barrel crude oil storage tank with a geodesic dome to accommodate larger marine vessels delivering crude oil. The proposed project also includes increasing the throughput (i.e., frequency of filling and emptying tank) on two existing tanks and adding geodesic domes to these tanks, installing one new 14,000-barrel water draw surge tank and installing one new electrical power substation.	Phillips 66 Los Angeles Refinery Carson Plant	Negative Declaration	The Draft ND was released for a 30-day public review and comment period beginning on September 10, 2013 and ending on October 9, 2013. Three comment letters were received. SCAQMD reviewed the responses to the comment letters and the consultant is making edits to the responses and finalizing the Draft ND.	Environmental Audit, Inc.
Tesoro Refinery proposes to integrate the Tesoro Wilmington Operations with the Tesoro Carson Operations (former BP Refinery). The proposed project also includes modifications of storage tanks at both facilities, new interconnecting pipelines, and new electrical connections. In addition, Carson's Liquid Gas Rail Unloading facilities will be modified. The proposed project will be designed to comply with the federally mandated Tier 3 gasoline specifications and with State and local regulations mandating emission reductions.	Tesoro Refining and Marketing Company Los Angeles Refinery	EIR	A previous Draft ND was withdrawn in order for this project to be analyzed in a new CEQA document that also addresses the upcoming Tesoro-BP Refinery Integration Project. An NOP-IS has been prepared for the integration project and released for a 30-day public review and comment period on September 10, 2014.	Environmental Audit, Inc.

A shaded row indicates a new project.

ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH SEPTEMBER 30, 2014

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Operators of the KinderMorgan Lomita Terminal are proposing to deliver crude oil by expanding their rail facility.	KinderMorgan Lomita Terminal	To Be Determined	The consultants are preparing emission estimates to determine the type of CEQA document to be prepared.	SABS Consulting and TRC
Operators of the Petro Diamond Marine Terminal are proposing to increase the number of ship calls delivering ethanol.	Petro Diamond	To Be Determined	The consultant has prepared Draft Negative Declaration. SCAQMD staff is currently reviewing the Draft Negative Declaration to determine if it is the appropriate type of CEQA document for the project.	SABS Consulting
Quemetco is proposing an increase in daily furnace feed rate.	Quemetco	To Be Determined	Initial Study under review by SCAQMD staff.	Trinity Consultants
Chevron is proposing modifications to its Product Reliability and Optimization (PRO) Project and has applied for a change of permit conditions to reduce NOx emissions and fired duty operating conditions of the Tail Gas Unit.	Chevron	Addendum	Under staff review and edits provided to the consultant. Chevron currently conducting BACT review for equipment.	Environmental Audit, Inc.
Signal Hill Petroleum is proposing to upgrade the existing natural gas processing plant and enhance their vapor recovery system. No new combustion equipment will be installed.	Signal Hill Petroleum Gas Plant	Subsequent Mitigated Negative Declaration	The consultant has prepared a SMND and SCAQMD Staff is currently reviewing	RBF Consulting
Exide Technologies is proposing a project to reduce toxic emissions of arsenic, benzene and 1,3-butadiene to comply with SCAQMD Rules and Regulations.	Exide Technologies	Mitigated Negative Declaration	SCAQMD Staff has prepared a Draft MND that is currently being reviewed before public release.	Environ
Breitburn Operating LP is proposing to upgrade it their fluid handling systems to facilitate an increase in the amount of produced water that can be treated at the site in Sante Fe Springs.	Breitburn Operating LP	Environmental Impact Report	Staff is reviewing an NOP/IS prepared by the consultant.	Environ

A shaded row indicates a new project.

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 14

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights SCAQMD rulemaking activity and Public Workshops potentially scheduled for the year 2014 and a portion of 2015.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:PF:cg

The Rule and Control Measure Forecast Report provides the Board with a monthly update of SCAQMD's rulemaking and control measure implementation schedule. There are no scheduling changes that occurred since last month's forecast.

2014 MASTER CALENDAR

Below is a list of all rulemaking activity scheduled for the year 2014. The last four columns refer to the type of rule adoption or amendment. A more detailed description of the proposed rule adoption or amendment is located in the Attachments (A through D) under the type of rule adoption or amendment (i.e. AQMP, Toxics, Other and Climate Change).

**An asterisk indicates that the rulemaking is a potentially significant hearing.*

+This proposed rule will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.

¹Subject to Board approval

California Environmental Quality Act shall be referred to as "CEQA."

Socioeconomic Analysis shall be referred to as "Socio."

2014

December		AQMP	Toxics	Other	Climate Change
1325	Federal PM 2.5 New Source Review Program			√	

2014 TO-BE DETERMINED

TBD		AQMP	Toxics	Other	Climate Change
219	Equipment Not Requiring a Written Permit Pursuant to Regulation II			√	
222.1	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I			√	
1107	Coating of Metal Parts and Products			√	
1113	Architectural Coatings			√	
1111.1	NOx Reductions from Commercial Space Heating (CMB-03)	√			
1118	Control of Emissions from Refinery Flares			√	√

2014 MASTER CALENDAR (continued)

2014 TO-BE DETERMINED

TBD	(continued)	AQMP	Toxics	Other	Climate Change
1124	Aerospace Assembly and Component Manufacturing Operations (CTS-02)	√		√	
1162	Polyester Resin Operations (CTS-02)	√		√	
1171	Solvent Cleaning Operations (CTS-02)	√		√	
1147	NOx Reductions from Miscellaneous Sources			√	
1148.1	Oil and Gas Production Wells			√	
1168	Adhesive and Sealant Applications (CTS-02)	√			
1177	Liquefied Petroleum Gas Transfer and Dispensing			√	
1190 Series	Fleet Vehicle Requirements			√	
Reg. XIII	New Source Review			√	
1304.2	Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets			√	
1902	Transportation Conformity - Preamble			√	
2511	Credit Generation Program for Locomotive Head End Power Unit Engines			√	
2512	Credit Generation Program for Ocean-Going Vessels at Berth			√	
Reg.XXVII	Climate Change				√
4010 ^{*+}	General Provisions and Requirements for Ports of Los Angeles and Long Beach (IND-01)	√	√		
4020 ^{*+}	Backstop Requirements for Ports of Los Angeles and Long Beach (IND-01)	√	√		

2014 MASTER CALENDAR (continued)

2014 TO-BE DETERMINED

TBD	(continued)	AQMP	Toxics	Other	Climate Change
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	Rule amendments may be needed to meet the requirements of state and federal laws, to address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 6, 2013 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 6, 2013 Rule and Control Measure Forecast. The Clean Communities Plan (CCP) has been updated to include new measures to address toxic emissions in the basin. The CCP measures will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 6, 2013 Rule and Control Measure Forecast). Rule amendments also include updates to provide consistency with CARB Statewide Airborne Toxic Control Measures (ATCMs).	√	√	√	√

2014 MASTER CALENDAR (continued)

2015

January		AQMP	Toxics	Other	Climate Change
1420.1	Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities		√		
February					
1420.2	Emissions Standard for Lead from Medium Sources		√		
1430	Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations		√		
Reg. XX	Regional Clean Air Incentives Market (RECLAIM) (CMB-01)	√			
4001	Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01)	√			
March					
415	Odors from Rendering and Inedible Kitchen Grease Processing Facilities			√	
Reg. IX	Standards of Performance for New Stationary Sources			√	
Reg. X	National Emission Standards for Hazardous Air Pollutants				
June					
1420	Emissions Standard for Lead		√		
2301	Control of Emissions from New or Redevelopment Projects (EGM-01)	√			
1st Qtr.					
1161	VOC Reductions from Mold Release Agents (CTS-03)	√			
1188	VOC Reductions from Vacuum Trucks (FUG-01)	√			

2014 MASTER CALENDAR (continued)

2015

1st Qtr.	(continued)	AQMP	Toxics	Other	Climate Change
1401	New Source Review of Toxic Air Contaminants		√		
1402	Control of Toxic Air Contaminants from Existing Sources		√		
2nd Qtr.					
1123	Refinery Process Turnarounds (MCS-03)	√			
3rd Qtr.					
1450	Control of Methylene Chloride Emissions		√		

ATTACHMENT A

AQMP Rule Activity Schedule

This attachment lists those control measures that are being developed into rules or rule amendments for Governing Board consideration that are designed to implement the amendments to the 2012 Air Quality Management Plan.

2014

To-Be Determined 2014

To-Be Determined	
1111.1	<p>NO_x Reductions from Commercial Space Heating (CMB-03) <i>[Projected Emission Reduction: N/A]</i> Proposed Rule 1111.1 will establish equipment-specific nitrogen oxides emission limits and other requirements for the operation of commercial space heaters. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1124 1162 1171	<p>Aerospace Assembly and Component Manufacturing Operations (CTS-02) Polyester Resin Operations (CTS-02) Solvent Cleaning Operations (CTS-02) <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to integrate requirements associated with Proposed Rule 1161 – VOC Reductions from Mold Release Agents. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1168	<p>Adhesive and Sealant Applications (CTS-02) <i>[Projected Emission Reduction: N/A]</i> Amendments to Rule 1168 will partially implement CTS-02 and reflect improvements in adhesive and sealants technology, as well as remove outdated provisions and include minor clarifications. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
4010 ^{*+} 4020 ^{*+}	<p>General Provisions and Requirements for Ports of Los Angeles and Long Beach (IND-01) Backstop Requirements for Ports of Los Angeles and Long Beach (IND-01) <i>[Projected Emission Reduction: TBD]</i> If triggered, the proposed rules will address cost-effective NO_x, SO_x, and PM_{2.5} emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the AQMP are maintained. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	<p>Rule amendments may be needed to meet the requirements of state and federal laws, to address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 6, 2013 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 6, 2013 Rule and Control Measure Forecast.</p>

2015

February	
Reg. XX	<p>Regional Clean Air Incentives Market (RECLAIM) (CMB-01) <i>[Projected Emission Reduction: 3-5 TPD]</i> Proposed amendments to Regulation XX will seek to implement a minimum contingency measure CMB-01 of the 2012 AQMP and possibly Phase II of the control measure if the technology assessment can be completed within the allotted time for this rulemaking. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
4001	<p>Backstop to Ensure AQMP Emission Reduction Targets Are Met at Commercial Marine Ports (IND-01) <i>[Projected Emission Reduction: TBD]</i> If triggered, the proposed rule will address cost-effective NO_x, SO_x, and PM_{2.5} emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the 2012 AQMP for the 24-hour PM_{2.5} standard are maintained. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT A

AQMP Rule Activity Schedule (continued)

2015

June	
2301	<p>Control of Emissions from New or Redevelopment Projects (EGM-01) <i>[Projected Emission Reduction: Committed to reduce 0.5 tons per day of VOC, 0.8 tons per day of NOx, and 0.5 tons per day of PM2.5 in 2023.]</i> The proposed rule will implement the 2007 AQMP Control Measure EGM-01 – Emission Reductions from New or Redevelopment Projects. Since the initial proposal was released for Proposed Rule 2301, CARB in compliance with an SB 375 requirement has set greenhouse gas emission reduction targets for each metropolitan planning organization (MPO). SCAG’s 2012 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) contains the plan for how these emission reductions targets will be met. In light of these developments, Proposed Rule 2301 will consider the implementation of a menu of mitigation measures as well as capture the co-benefits of VOC, NOx, and PM 2.5 emission reductions from SB 375 and the 2012 RTP/SCS. <i>Carol Gomez 909.396.3264 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1st Qtr.	
1161	<p>VOC Reductions from Mold Release Agents (CTS-03) <i>[Projected Emission Reduction: TBD]</i> The proposed rule will establish requirements for mold release products used in composite, fiberglass, metal and plastic manufacturing, and concrete stamping operations. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1188	<p>VOC Reductions from Vacuum Trucks (FUG-01) <i>[Projected Emission Reduction: TBD]</i> The proposed rule will establish VOC emission standards and other requirements associated with the operation of vacuum trucks not covered by Rule 1149 – Storage Tank and Pipeline Cleaning and Degassing. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2nd Qtr.	
1123	<p>Refinery Process Turnarounds (MCS-03) <i>[Projected Emission Reduction: N/A]</i> Proposed amendments, if needed, will implement Control Measure MSC-03 of the 2007 AQMP by establishing procedures that better quantify emission impacts from start-up, shutdown or turnaround activities. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule

This attachment lists those rules or rule amendments for Governing Board consideration that are designed to implement the Air Toxics Control Plan.

To-Be Determined 2014

To-Be Determined	
4010 ^{*+}	<p>General Provisions and Requirements for Ports of Los Angeles and Long Beach (IND-01)</p>
4020 ^{*+}	<p>Backstop Requirements for Ports of Los Angeles and Long Beach (IND-01) <i>[Projected Emission Reduction: TBD]</i> If triggered, the proposed rules will address cost-effective NO_x, SO_x, and PM_{2.5} emission reduction strategies from port-related sources to ensure emission reductions claimed or emission targets assumed in the AQMP are maintained. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	<p>The Clean Communities Plan (CCP) has been updated to include new measures to address toxic emissions in the basin. The CCP measures will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 6, 2013 and Control Measure Forecast). Rule amendments also include updates to provide consistency with CARB Statewide Air Toxic Control Measures (ATCMs).</p>

2015

January	
1420.1	<p>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities <i>[Projected Emission Reduction: TBD]</i> The proposed amendment will reduce arsenic, benzene, and 1,3-butadiene emissions from large lead-acid battery recycling facilities. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
February	
1420.2	<p>Emissions Standard for Lead from Medium Sources <i>[Projected Emission Reduction: TBD]</i> In October 2008, U.S. EPA lowered the National Ambient Air Quality Standard for lead from 1.5 to 0.15 ug/m³. Proposed Rule 1420.2 will apply to lead sources and will include requirements to ensure the Basin meets the new lead standard. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT B

Toxics Rule Activity Schedule (continued)

2015

February	(continued)
1430	<p>Control of Toxic Air Contaminants from Metal Forging, Shredding, Grinding and Other Metal Processing Operations <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1430 will establish requirements to control toxic air contaminants from metal forging, shredding, grinding, and other metal processing operations. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
June	
1420	<p>Emissions Standard for Lead <i>[Projected Emission Reduction: TBD]</i> In October 2008, U.S. EPA lowered the National Ambient Air Quality Standard for lead from 1.5 to 0.15 ug/m³. Proposed Amended Rule 1420 will apply to lead sources and will include requirements to ensure the Basin meets the new lead standard. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1st Qtr.	
1401 1402	<p>New Source Review of Toxic Air Contaminants Control of Toxic Air Contaminants from Existing Sources <i>[Projected Emission Reduction: TBD]</i> Amendments to Rules 1401 and 1402 will address new or revised toxic air contaminants that have been approved by OEHHA. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
3rd Qtr.	
1450	<p>Control of Methylene Chloride Emissions <i>[Projected Emission Reduction: N/A]</i> Proposed Rule 1450 will establish requirements to control methylene chloride from furniture stripping operations and other sources. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule

This attachment lists those rules or rule amendments for the Governing Board consideration that are designed to improve rule enforceability, SIP corrections, or implementing state or federal regulations.

2014

December	
1325	<p>Federal PM 2.5 New Source Review Program <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address U.S. EPA comments on SIP approvability issues and/or requirements. Amendments may also be proposed for clarity and improved enforceability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

To-Be Determined 2014

To-Be Determined	
219	<p>Equipment Not Requiring a Written Permit Pursuant to Regulation II <i>[Projected Emission Reduction: N/A]</i> Amendments to Rule 219 may be proposed to exclude equipment with de minimis emissions from the requirement to obtain written permits. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
222.1	<p>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation I <i>[Projected Emission Reduction: N/A]</i> Amendments for Rule 222 may be proposed to add additional equipment categories to the streamlined filing/registration program of Rule 222. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1107	<p>Coating of Metal Parts and Products <i>[Projected Emission Reduction: N/A]</i> Potential amendments to Rule 1107 would further reduce VOC emissions and improve rule clarity and enforceability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1113	<p>Architectural Coatings <i>[Projected Emission Reduction: N/A]</i> Potential amendments may be proposed to include administrative fixes and/or any clarifications that may arise due to compliance verification activities or manufacturer and public input. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
1118	<p>Control of Emissions from Refinery Flares <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address results of the additional analysis required by the adopting resolution for the last amendment. Amendments may also be necessary to implement an AB 32 measure. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1124 1162 1171	<p>Aerospace Assembly and Component Manufacturing Operations (CTS-02) Polyester Resin Operations (CTS-02) Solvent Cleaning Operations (CTS-02) <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to integrate requirements associated with Proposed Rule 1161 – VOC Reductions from Mold Release Agents. The proposed amendment may consider technology assessments for the cleanup of affected equipment. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1147	<p>NOx Reductions from Miscellaneous Sources <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to address findings of ongoing technology assessment. <i>Joe Cassmassi 909.396.3155 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1148.1	<p>Oil and Gas Production Wells <i>[Projected Emission Reduction: N/A]</i> Amendments may be necessary to improve rule effectiveness in reducing emissions from production wells and associated equipment and improving housekeeping activities. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1177	<p>Liquefied Petroleum Gas Transfer and Dispensing <i>[Projected Emission Reduction: N/A]</i> Potential amendments may be proposed to include administrative fixes and/or any clarifications that may arise due to compliance verification activities or manufacturer and public input. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
1190 Series	<p>Fleet Vehicle Requirements <i>[Projected Emission Reduction: TBD]</i> Amendments to Rule 1190 series fleet rules may be necessary to address remaining outstanding implementation issues and in the event the court's future action requires amendments. In addition, the current fleet rules may be expanded to achieve additional air quality and air toxic benefits. <i>Dean Saito 909.396.2647 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XIII	<p>New Source Review <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address U.S. EPA comments on SIP approvability issues and/or requirements. Amendments may also be proposed for clarity and improved enforceability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1304.2	<p>Greenfield or Existing Electrical Generating Facility Fee for Use of Offsets <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 1304.2 would provide for new, greenfield or additions at existing electrical generating facilities access to the SCAQMD's internal offset account, subject to qualifying conditions, eligibility, and the payment of a fee to invest in air quality improvement projects consistent with the AQMP. This rule is a companion provision to recently adopted Rule 1304.1 and will provide that new, proposed and other existing electrical generating facilities can compete on a level playing field with existing generating facilities with utility steam boilers, and implement the State's plan to maintain grid reliability. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
1902	<p>Transportation Conformity <i>[Projected Emission Reduction: TBD]</i> Amendments to Rule 1902 may be necessary to bring the District's Transportation Conformity rule in line with current U.S. EPA requirements. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

To-Be Determined 2014

To-Be Determined	(continued)
2511	<p>Credit Generation Program for Locomotive Head End Power Unit Engines <i>[Projected Emission Reduction: TBD]</i> Develop a rule to allow generation of PM mobile source emission reduction credits from Locomotive Head End Power Unit Engines. Credits will be generated by retrofitting engines with PM controls or replacing the engines with new lower-emitting engines. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
2512	<p>Credit Generation Program for Ocean-Going Vessels at Berth <i>[Projected Emission Reduction: TBD]</i> Develop a rule to allow generation of PM, NOx and SOx emission reduction credits from ocean-going vessels while at berth. Credits will be generated by controlling the emissions from auxiliary engines and boilers of ships while docked. <i>Randall Pasek 909.396.2251 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	<p>Rule amendments may be needed to meet the requirements of state and federal laws, to address variance issues/technology-forcing limits, to abate a substantial endangerment to public health or welfare, or to seek additional reductions to meet the SIP short-term measure commitments. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules listed in Table 1 of the December 6, 2013 Rule and Control Measure Forecast and new or amended rules to implement the 2012 AQMP measures in Table 2 of the December 6, 2013 Rule and Control Measure Forecast. The Clean Communities Plan (CCP) has been updated to include new measures to address toxic emissions in the basin. CCP measures will reduce exposure to air toxics from stationary, mobile, and area sources (Table 3 of the December 6, 2013 Rule and Control Measure Forecast). Rule amendments also include updates to provide consistency with CARB Statewide Airborne Toxic Control Measures (ATCMs).</p>

ATTACHMENT C

Other Rule Activity Schedule (continued)

2015

March	
415	<p>Odors from Rendering and Inedible Kitchen Grease Processing Facilities <i>[Projected Emission Reduction: TBD]</i> Proposed Rule 415 will address odors from rendering plants and inedible kitchen grease processing facilities. <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IX Reg. X	<p>Standards of Performance for New Stationary Sources (NSPS)</p> <p>National Emission Standards for Hazardous Air Pollutants (NESHAPS) <i>[Projected Emission Reduction: N/A]</i> Regulation IX - Standards of Performance for New Stationary Sources and Regulation X - National Emission Standards for Hazardous Air Pollutants, incorporate by reference the corresponding federal requirements. Amendments are being proposed to incorporate the latest federal revisions. <i>Philip Fine 909.396.2239 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>

ATTACHMENT D

Climate Change

This attachments lists rules or rule amendments for Governing Board consideration that are designed to implement SCAQMD’s Climate Change Policy or for consistency with state or federal rules.

To-Be Determined 2014

To-Be Determined	
1118	<p>Control of Emissions from Refinery Flares <i>[Projected Emission Reduction: TBD]</i> Amendments may be necessary to address findings from the additional analysis required by the adopting resolution for the last amendment. Amendments may also be necessary to implement an AB 32 measure. <i>Naveen Berry 909.396.2363 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. XXVII	<p>Climate Change <i>[Projected Emission Reduction: TBD]</i> Additional protocols may be added to Rules 2701 and 2702. <i>Susan Nakamura 909.396.3105 CEQA: Krause 909.396.2706 Socio: Cassmassi 909.396.3155</i></p>
Reg. IV, IX, X, XI, XIV, XX and XXX Rules	<p>Rule developments/amendments may be needed to meet the requirements of state and federal laws related to climate change air pollutants.</p>

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 15

PROPOSAL: Status Report on Major Projects for Information Management
Scheduled to Start During First Six Months of FY 2014-15

SYNOPSIS: Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and projects to be initiated by Information Management during the first six months of FY 2014-15.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Barry R. Wallerstein, D.Env.
Executive Officer

JCM:MAH:OSM:nv

Background

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

Summary of Report

The attached report identifies each of the major projects/contracts or purchases that are expected to come before the Board between July 1 and December 31, 2014. Information provided for each project includes a brief project description, FY 2014-15 Budget, and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Major Projects for Period July 1 through December 31, 2014

ATTACHMENT
November 7, 2014 Board Meeting
Information Management Major Projects
for the Period of July 1 through December 31, 2014

Item	Brief Description	Budgeted Funds	Schedule of Board Actions	Status
PeopleSoft and Oracle Software Support	Purchase PeopleSoft and Oracle software support maintenance for the integrated HR/Finance system.	\$238,800	Approve Sole Source Purchase July 11, 2014	Completed
OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year.	\$120,380	Approve Purchase July 11, 2014	Completed
Systems Maintenance, Enhancements and Support	Provide Maintenance, Enhancements and Support for: <ul style="list-style-type: none"> • CLASS System(s) Enhancements • eGovernment Applications & Infrastructure Development • Software Version Upgrades • PeopleSoft Upgrades 	\$689,500	October 3, 2014	Completed
CLASS Database Software Support	Purchase Ingres database software support and maintenance for the CLASS system for a three-year period (November 30, 2014 through November 29, 2017).	\$564,967	Approve Purchase December 5, 2014	On Schedule

Double-lined Rows - Board Agenda items current for this month

Shaded Rows - activities completed

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 17

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, October 10, 2014. The next Legislative Committee meeting is scheduled for Friday, November 14, 2014 at 9 a.m. in Conference Room CC8.

RECOMMENDED ACTION:
Receive and file this report.

Josie Gonzales
Chair
Legislative Committee

LBS:GS:PFC

Attendance [Attachment 1]

The Legislative Committee met on October 10, 2014. Committee Chair Supervisor Josie Gonzales was present at SCAQMD's Diamond Bar headquarters. Committee Members Supervisor Michael Antonovich, Councilmember Joe Buscaino and Dr. Clark E. Parker, Sr. attended via videoconference.

Update on Federal Legislative Issues

SCAQMD federal legislative consultant Mark Kadash, of Kadash & Associates, updated the Committee on key Washington D.C. issues.

Mr. Kadash reported that Congress is on recess through the elections in November. Senator Barbara Boxer, who is the Chair of the Senate Environment & Public Works (EPW) Committee, which handles the surface transportation bill, called on the House Ways & Means Committee that handles revenue, to attempt to take up the issue of funding the Highway Trust Fund (HTF) in the lame duck session. Sen. Boxer had previously sent a list of revenue ideas to the Ways & Means Committee a few months ago; however there has been no response and, thus, it seems unlikely to be taken up. Mr. Kadash pointed out that there is a significant freight section included in the draft of

the surface transportation bill. In a related matter, Congresswoman Janice Hahn and Congressman Ted Poe from Texas, the two leaders of the bipartisan Ports Caucus, introduced HR 5101 which creates a freight trust fund that would receive its revenue from a new 5% tax on all duties.

Councilmember Buscaino requested that a position of support be taken on HR 5101. Dr. Barry Wallerstein replied that this bill can be brought back for consideration during the November Legislative Committee meeting.

Mr. Kadesh also informed the Committee that Congress, during its upcoming lame duck session, must address what to do with respect to funding the government. The current Continuing Resolution expires on November 12th. It is unclear what will be done with the pending appropriations bills. The likely options are that Congress passes omnibus appropriations bills, which would likely be beneficial to SCAQMD priorities, or they could potentially just pass another Continuing Resolution, which maintains current funding levels.

Mr. Kadesh reported that the outcome of the upcoming elections will have a significant impact on what happens in D.C. The Democrats in the Senate currently have a 55 to 45 majority, so a six seat swing could change the leadership of the Senate. The elections outcome is hard to predict, however it is clear that the majority next year will have smaller seat advantage than in the current Senate.

Mr. Kadesh indicated that the House and Senate will probably also address the following issues in a lame duck session:

- Debate and possibly a resolution regarding U.S. intervention in the Middle East; and
- Funding for the Ebola health crisis.

Mr. Warren Weinstein, SCAQMD federal legislative consultant, reported on recent U.S. Supreme Court activity relating to a potential new ozone standard. The court's action makes clear that the Administration does not need to abide by the recommendations of the Clean Air Scientific Advisory Committee regarding whether or not to adjust the current ozone standard. The U.S. Environmental Protection Agency (EPA) then sent the new proposed ozone rule to the White House Office of Management and Budget (OMB) for review. It is not clear at this point what is recommended in the proposed rule. The rule is scheduled to be officially proposed by December 1, 2014, and finalized by October 1, 2015.

SCAQMD federal legislative consultant Mia O'Connell, of the Carmen Group, also updated the Committee on key Washington D.C. issues.

Ms. O'Connell reported that there continues to be speculation on whether any real movement will be made in D.C. with regard to the surface transportation bill before

May 2015. Despite doubts, House Speaker John Boehner recently stated that he believes a new surface transportation bill in 2015 is possible and he wants to work with the President to make it happen.

SCAQMD continues to work with the House Transportation and Infrastructure (T&I) Committee staff, who are drafting the House version of the next surface transportation bill, regarding SCAQMD policy proposals for that bill.

Ms. O'Connell also reported that the House T&I Committee marked up a rail and Amtrak reauthorization bill. This bill was more for show and there is no expectation of its passage this year. However, the intent is that it will set the stage for bipartisan cooperation and legislation next year.

Congressman Alan Lowenthal has also introduced a bill relating to freight funding.

Further, Ms. O'Connell reiterated that a key priority for the House in the lame duck session is to finish up with the FY 2015 appropriations legislation.

On the House side, it is predicted that the Republicans will pick up a modest net gain of seats in the November election, possibly in the 6-8 seat range out of 435 seats. In terms of committee chairs, only one change is certain at this point, with Chairman Dave Camp retiring as head of the Ways and Means Committee.

Update on Governor's Final Action on Report on 2013/14 State Legislative Session [Attachment 2]

Legislative & Public Affairs Deputy Executive Officer Lisha B. Smith reported on the attached bill status summary noting all priority legislative objectives in the 2013/14 state legislative session were achieved. She highlighted SB 1275 (De Leon), which establishes the Charge Ahead California Initiative, and SB 1204 (Lara) which creates the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, both of which were signed into law by Governor Jerry Brown.

Update on Sacramento Legislative Issues

SCAQMD state legislative consultant Matt Klopfenstein, of Gonzalez, Quintana & Hunter, LLC briefed the Committee on key Sacramento issues.

Mr. Klopfenstein reported that Governor Brown signed numerous pieces of legislation relating to electric vehicles as part of the National Drive Electric Week. These bills are meant to build on the state's efforts to help California's electric vehicle market grow. These include the following bill that was supported by SCAQMD:

- **AB 2013** (Muratsuchi) – which increases by 15,000 (to 70,000) the number of advanced technology partial zero-emission vehicles that may be allowed in high-occupancy vehicle lanes, regardless of occupancy level.

Other bills signed as part of the National Drive Electric Week, on which SCAQMD had no position include:

- **AB 1721** (Linder) – which grants free or reduced-rates in high-occupancy toll (HOT) lanes to clean air vehicles.
- **SB 1298** (Hernandez) – which makes the pilot projects for the Los Angeles County Metropolitan Transportation Authority's operation of HOT lanes on State Highway Routes 10 and 110 permanent.
- **AB 2565** (Muratsuchi) – which requires commercial and residential property owners to approve installation of an electric vehicle charging station by renters, so long as the station meets requirements.

Other bills supported by SCAQMD and signed by the Governor include:

- **SB 1265 (Hueso)** – which requires the Department of General Services (DGS) to include within the Fuel Economy Standard hybrid passenger vehicles and light duty trucks. This bill was sponsored by DGS because they were statutorily precluded from including hybrids in the original version.
- **AB 1857 (Frazier)** – which authorizes the Department of Transportation to purchase and equip heavy mobile fleet vehicles and special equipment by means of best value procurement, which includes consideration of environmental impacts.

Other bills of interest to SCAQMD that were signed include:

- **AB 1499 (Skinner) / AB 1624 (Gordon)** – These bills relate to the Self Generation Incentive Program (SGIP) but failed. However, the SGIP extension policy was enacted in the Budget, and is now extended through 2019.

Mr. Klopfenstein also reported that Governor Brown delivered remarks on California's global leadership in combating climate change at the United Nations Climate Summit in New York on September 23rd. He highlighted:

- California's goal to have a million electric cars on the road.
- California's goal to improve its incorporation of renewables into its electricity sector.

- That in the next 6 months, California is going to be setting a 2030 goal for greenhouse gas (GHG) emission reductions.

Mr. Klopfenstein also reported that there has been discussion coming from the Governor's Office and other energy stakeholders about the development of a clean energy standard (CES) in 2015. No proposed language exists, but the concept would be to build off the renewable portfolio standard (RPS) that currently applies to the electricity sector, to build a more flexible program with the emphasis on GHG reductions. Utilities desire more flexibility that focuses on GHG emission reductions in a technology neutral way. Some complain that right now the approach on the energy side is too silo-ed, having RPS, Energy Efficiency, Storage, and other mandates.

Additionally, given that the AB 32 cap & trade program will start including transportation fuels beginning in 2015, there has been a lot of activity in messaging to the public about how this will create a "hidden gas tax" and that it should be delayed or prevented. There is no current ballot initiative relating to this issue, however there were bills, AB 69 (Perea)/ SB 1079 (Vidak) that attempted to prevent or delay this change from happening, although they both failed passage this past legislative year.

Mr. Klopfenstein also provided the committee members with the following election update, focusing on key races and ballot initiatives:

Senate District (SD) 6 (Sacramento) – Assembly members Roger Dickinson and Richard Pan are in a race to replace Senator Steinberg. Assembly member Dickinson has so far maintained a slim lead, but Assembly member Pan has more support so far with independent expenditures.

SD 14 (Fresno/Bakersfield) – Republican Senator Andy Vidak is trying to protect his seat in a democrat-leaning district against democrat Luis Chavez. This should also be a close race.

SD 34 (Huntington Beach) – Democratic Senator Lou Correa is termed out and republican Janet Nguyen is competing against democrat Jose Solorio, in what is seen as a key close Senate race.

Assembly District (AD) 65 (Fullerton) – Another incumbent democrat, Assembly member Sharon Quirk-Silva, faces a strong challenge from republican Young Kim.

Assembly District (AD) 66 (Torrance) – Incumbent democrat Assembly member Al Muratsuchi is trying to protect his seat from republican David Hadley, who received approximately 500 more votes in the primary.

Proposition 1: Water Bond (Water Quality, Supply and Infrastructure Improvement Act of 2014) - This initiative was promoted heavily by the Governor's office. There was bipartisan support for this key proposition and legislation this year given the ongoing drought. This is especially relevant in the South Coast region within which 40% of energy use is for transporting water. Based on a recent survey, this proposition is polling at 58% Yes to 29% No.

Proposition 2: Rainy Day Fund (Budget Stabilization Fund Act) - This initiative was also promoted by the Governor's office. There is bipartisan support for this proposition. The latest polling shows 43% support vs. 33% opposition.

Proposition 46: MICRA – This initiative calls for an increase in the cap on damages available in medical negligence lawsuits to over \$1 million. Recent polling shows a virtual tie in support vs. opposition regarding this initiative.

Councilmember Buscaino inquired about the special election for Senate District 35 to replace Senator Roderick Wright occurring on December 9th. Mr. Klopfenstein responded that the election for this seat involve Assembly member Isadore Hall competing against Assembly member Steven Bradford, however there is currently more focus on the November elections at this point.

Supervisor Gonzales inquired if there has been any discussion in Sacramento regarding the drought-related water conservation efforts and their impact on air quality and GHG emissions reduction and/or in meeting related standards. Mr. Klopfenstein responded in the negative. SCAQMD Executive Officer, Dr. Barry Wallerstein, stated that most activity on this issue has been centered around the Governor's Office and in executive orders affecting state agencies. Engineering & Compliance Deputy Executive Officer, Mohsen Nazemi, also mentioned that in June SCAQMD passed its own drought management water conservation plan.

Potential Changes to Carl Moyer Program

Science & Technology Advancement Office Director of Technology Implementation, Fred Minassian, reported on discussions had with the California Air Resources Board (CARB), California Air Pollution Control Officers Association and other stakeholders to improve the effectiveness of the Carl Moyer Program. These discussions have now been incorporated into the CARB Incentive Programs Advisory Group (IPAG) which provides a forum for discussing policy level issues relating to the development and ongoing implementation of California's air quality incentive programs and is lead by CARB Board Member Sandra Berg. The initial IPAG meeting on this issue was held on October 9, 2014 at the South Coast AQMD headquarters. Four areas of focus were identified as necessary in order to effectuate proper improvements to the Carl Moyer Program and which will be the basis of future discussions and policy work by the stakeholders:

- Allow the leveraging of other funds
- Expand project categories
- Address green house gases
- Adjust cost-effectiveness calculations

Report from SCAQMD Home Rule Advisory Group [Attachment 3]

Please refer to Attachment 3 for written report.

Other Business:

None

Public Comment Period:

No public comment.

Attachments

1. Attendance Record
2. Report on 2013/14 Legislative Session
3. SCAQMD Home Rule Advisory Group Report

ATTACHMENT 1

ATTENDANCE RECORD –October 10, 2014

DISTRICT BOARD MEMBERS:

Supervisor Josie Gonzales
Supervisor Michael Antonovich
Councilmember Joe Buscaino (Videoconference)
Dr. Clark E. Parker, Sr. (Videoconference)

STAFF TO COMMITTEE:

Lisha B. Smith, Deputy Executive Officer
Guillermo Sanchez, Senior Public Affairs Manager (teleconference)
Julie Franco, Senior Administrative Secretary

DISTRICT STAFF:

Barry R. Wallerstein, Executive Officer
Phil Fine, Assistant Deputy Executive Officer
Bay Gilchrist, Assistant Chief Deputy Counsel
Mohsen Nazemi, Deputy Executive Officer
Fred Minassian, Director of Technology Implementation
Matt Miyasato, Deputy Executive Officer
Laki Tisopulos, Assistant Deputy Executive Officer
William Wong, Principal Deputy District Counsel
Marc Carrel, Program Supervisor
Philip Crabbe, Community Relations Manager
Laura Garret, Telecommunications Technician II

OTHERS PRESENT:

Mark Abramowitz, Governing Board Member Consultant (Lyou)
Stewart Harris, Carmen Group (teleconference)
Gary Hoitsma, Carmen Group (teleconference)
Chris Kierig, Kadesh & Associates (teleconference)
Matt Klopfenstein, Gonzalez, Quintana & Hunter (teleconference)
Vlad Kogan Orange County/Sanitation
Rita Loof, RadTech
Mia O'Connell, Carmen Group (teleconference)
David Rothbart, Los Angeles County Sanitation District
Andy Silva, Governing Board Assistant (Gonzales)
Susan Stark, Tesoro
Warren Weinstein, Kadesh & Associates (teleconference)

ATTACHMENT 2
SCAQMD Final Status on the State Legislative Cycle 2013/14

Summary

Saturday, August 30 marked the end of the two-year 2013/2014 legislative cycle. On September 30, the Governor issued his final action on the bills that made their way to his desk this session. Overall, our agency has done well. In 2013 and 2014 we achieved our priority legislative objectives, including defeating bills that sought to undermine our authority to achieve clean air goals and protect public health.

The report below Legislative packet lists final action on bills upon which SCAQMD has taken positions. In all instances, the bill summaries contained in the report refer specifically to the language of concern to our agency, even if bill language was subsequently amended to no longer be relevant to the SCAQMD.

To briefly recap:

- All 10 legislative bills which SCAQMD opposed failed; and
- 13 of the 21 bills SCAQMD supported passed the Legislature.

In all instances, whether the legislation succeeded or not, the bills were amended to reflect our concerns. In addition to monitoring legislation, staff continued to work on bolstering relationships with Members and their staff – especially the new offices less familiar with our agency. As a result, a growing number of Members are reaching out to SCAQMD staff for input on various air quality related concerns.

Table of SCAQMD 2013/2014 Positions

POSITION	#	Chaptered	Failed	Amendments Adopted to Reflect SCAQMD Concerns
Support	21	13	8*	NA
Support if Amended	2		2	2
Support with Amendments	5	2	3	5
Work with Author	2	1	1	2
Watch	3	3		NA
Oppose	9		9	NA
Oppose Unless Amended	1		1	1

* Many provisions supported by SCAQMD were incorporated into other bills ultimately chaptered into law.

Legend

Red = Failed Legislation

Green = Legislation Chaptered Into Law

Measure	Status	Notes
AB 7 Wieckowski Oil and gas: hydraulic fracturing. Support with Amendments	1/31/2014-Failed	All fracking related legislation from 2013 failed except for Senator Pavley's SB 4 which was chaptered in September 2013. Provisions from AB 7 were incorporated into Senator Pavley's bill.
AB 7 would require the operator of a well prior to drilling, redrilling, or deepening operations to submit proof to the State Oil and Gas Supervisor that the applicable regional water quality control board has approved the disposal method and location of wastewater disposal for the well.		
AB 8 Perea Alternative fuel and vehicle technologies: funding programs. Support	9/28/2013-Chaptered	Top Legislative Priority to Support in 2013
AB 8 reauthorizes the Carl Moyer Program and Advanced Clean Fuels Program as well as provides funding for hydrogen fueling unfastructure		
AB 14 Lowenthal State freight plan. Support with Amendments	9/6/2013-Chaptered	Dr. Barry Wallerstein and representatives from other Air Districts are on the Advisory Committee
This bill mandates the development of a state freight plan and the establishment of a state freight advisory committee (to help implement MAP 21).		
AB 39 Skinner Energy: conservation: financial assistance. Support	9/12/2013-Ordered to inactive file at the request of Senator Padilla.	The version SCAQMD supported is Dead. Gutted and amended in August of 2014 to an issue not germane to SCAQMD.
This bill would require the State Energy Resources Conservation and Development Commission to administer grants, no-interest loans, or other financial assistance to eligible public schools (K-12) for the purpose of projects that create jobs in California by reducing energy demand and consumption.		
AB 122 Rendon Energy improvements: financing.	1/24/2014-Failed	

Legend

Red = Failed Legislation

Green = Legislation Chaptered Into Law

Measure	Status	Notes
Support		
This bill would establish the Nonresidential Building Energy Retrofit Financing Program in the CEC to provide financial assistance through revenue bonds for owners of eligible buildings to implement energy efficiency improvements and renewable energy.		
AB 147 V. Manuel Pérez Environment: Salton Sea: dust mitigation Support, if amended	6/27/2014-Failed	5/27/14: Gut & Amend; no longer relevant to SCAQMD. Previously, were working closely and coordinating our efforts with the Imperial County Air Pollution Control District.
AB 147 would require the Air Resources Board (ARB) to evaluate and make recommendations regarding Salton Sea dust mitigation planning completed by the Quantification Settlement Agreement Joint Powers Authority (QSA-JPA) and authorizes use of the Salton Sea Restoration Fund (Fund) for this purpose.		
AB 148 V. Manuel Pérez Salton Sea restoration. Watch	7/16/2014-Chaptered	
This bill requires the Secretary of the Natural Resources Agency, in consultation and coordination with the Salton Sea Authority, to establish a Salton Sea Renewable Energy & Biofuel Research and Development Program to meet high-priority economic and environmental goals by providing grants to facilitate research and the commercial development of renewable resources in the Salton Sea Basin.		
AB 266 Blumenfield Vehicles: HOV lanes. Support	9/28/2013-Chaptered	
AB 266 extends the current January 1, 2015 sunset for the Green Clean Air Vehicle Sticker program to January 1, 2018 and the White Clean Air Vehicle Sticker program to January 1, 2020.		
AB 466 Quirk-Silva Federal transportation funds. Work with Author	10/11/2013-Chaptered	
This bill requires the Department of Transportation to allocate federal funds to regional agencies under the		

Legend

Red = Failed Legislation

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Measure	Status	Notes
federal Congestion Mitigation and Air Quality Improvement Program based on a weighted formula that considers population <u>and</u> pollution in a given area, as specified.		
AB 818 Blumenfield Air pollution control: penalties. Oppose	1/24/2014-Failed	
This bill would allow city prosecutors and district attorneys to file civil actions for violations of air quality rules and regulations without the consent of or any coordination with the local air district. This bill would also provide that any penalties assessed in an action brought by the city prosecutor be paid to the city, and penalties assessed in other actions be paid to the county or district on whose behalf the judgment was entered.		
AB 953 Ammiano CA Environmental Quality Act. Support	1/31/2014-Failed	Entire package of CEQA related reform legislation failed in 2013.
Overturning the Ballona decision, this bill would require an Environmental Impact Report (EIR) to include a detailed statement on any significant effects that may result from locating a proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.		
AB 1077 Muratsuchi Sales and use taxes: vehicle license fee: alternative fuel motor vehicles. Support	1/31/2014-Failed	
This bill would ensure that when a consumer purchases an alternative fuel vehicle the vehicle license fee and the state sales tax will be calculated based on the purchase price of the vehicle after deducting the received federal tax credit and applicable state incentive.		
AB 1092 Levine Building standards: electric vehicle charging infrastructure. Support with Amendments	9/28/2013-Chaptered	
This bill requires the California Building Standards Commission (CBSC), in coordination with the Department of Housing and Community Development (HCD), as a part of the next triennial edition of the California Building		

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Measure	Status	Notes
Standards Code adopted after January 1, 2014, to adopt mandatory building standards for the installation of future electric vehicle charging infrastructure for parking spaces in multifamily dwellings and nonresidential development.		
AB 1102 Allen Beach fire rings: coastal development permit. Oppose	8/23/14 – Failed (Held in Suspense)	Top Legislative Priority to Oppose in 2014
Would require a city or county, including a charter city or charter county, to apply for a coastal development permit to remove or restrict the use of a beach fire ring, as defined, and would require that application to include specified information. In effect, it preempts SCAQMD Rule 444 - a local, balanced measure designed to better protect public health while preserving the availability of fire rings for recreation at Southland beaches.		
AB 1330 John A. Pérez Environmental justice. Support, if amended	8/31/2014-Failed	Problematic language regarding funding stricken. SCAQMD worked with Speaker's office (past and present), CAPCOA and other stakeholders on appropriate alternatives that could move forward.
This bill would require the Secretary for Environmental Protection to ensure that the unit gives priority to enforcement actions for a violation occurring in those disadvantaged communities.		
AB 1499 Skinner Electricity: self-generation incentive program. Support	5/23/2014-Failed	
This bill would extend the authority of the Public Utilities Commission (PUC) to authorize electrical corporations to annually collect funds for the Self-Generation Incentive Program (SGIP) by three years, through December 31, 2017 and extend the PUC's administration of the SGIP to January 1, 2019.		
AB 1624 Gordon Self-generation incentive program. Support	6/27/2014-Failed	
This bill would require the Public Utilities Commission to require electrical corporations to continue the revenue collection for the program for distributed energy resources and to administer the program through 12/31/2021.		
AB 1720 Bloom	8/22/2013-Chaptered	

Legend

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Measure	Status	Notes
Vehicles: bus gross weight. Support		
This bill extends a temporary exemption from the 20,500 lb. per axle limit to transit buses through 2015 to allow time for completion of a federal study. Cleaner fuel systems, including compressed natural gas tanks, have been identified as a source of additional weight on the buses.		
AB 1857 Frazier DOT: vehicle & equipment procurement. Support	9/17/2014-Chaptered	
Through 2019, this bill authorizes the Department of Transportation to purchase and equip heavy mobile fleet vehicles and special equipment by means of best value procurement, subject to an annual limitation of \$20,000,000. The bill would require DGS to prepare an evaluation with regard to this process, as specified.		
AB 2013 Muratsuchi Vehicles: high-occupancy vehicle lanes. Support	9/21/2014-Chaptered	
Current federal law, until September 30, 2017, authorizes a state to allow specified labeled vehicles to use lanes designated for high-occupancy vehicles (HOVs). This bill increases the number of those identifiers that the DMV is authorized to issue to 70,000. This bill contains other current laws. (In prior version of the bill, the limits were raised to 85,000.)		
AB 2208 Allen California Environmental Quality Act: Southern California International Gateway Project. Oppose	5/9/2014-Failed	
Would declare the intent of the Legislature to enact legislation that would facilitate the infrastructure development and implementation of the final environmental impact report, as described, which was prepared for the Southern California International Gateway Project, a proposed project for the construction and		

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Measure	Status	Notes
installation of various cargo handling and transfer facilities at the Port of Los Angeles.		
AB 2242 Perea Air Quality Improvement Program. Support with Amendments	5/2/2014-Failed	Bill problematic in its lack of specificity as to its implementation.
The goal of AB 2242 is to clarify that Air Quality Improvement Program (AQIP) funding should be focused on areas where it can have the greatest positive impact on air quality.		
AB 2565 Muratsuchi Rental property: electric vehicle charging stations. Watch – No Position	9/21/2014-Chaptered	
For any lease executed, renewed, or extended on and after July 1, 2015, this bill requires a lessor of a dwelling to approve a written request of a lessee to install an electric vehicle charging station at the lessee's designated parking space in accordance with specified requirements and that complies with the lessor's approval process for modification to the property. The bill would except from its provisions specified residential property, including a residential rental property for fewer than 5 parking spaces and one subject to rent control.		
SB 4 Pavley Oil and gas: well stimulation. Support	9/20/2013-Chaptered	Signature fracking bill passed in 2013 reflecting all SCAQMD's proposed amendments.
The bill requires the Secretary of the Natural Resources Agency, on or before January 1, 2015, to cause to be conducted, and completed, an independent scientific study on well stimulation treatments, including acid well stimulation and hydraulic fracturing treatments. The bill would require an owner or operator of a well to record and include all data on acid treatments and well stimulation treatments.		
SB 11 Pavley Alternative fuel and vehicle technologies: funding programs.	9/11/2013- Failed	Originally, virtually identical to AB 8 (Perea), the Carl Moyer and AB 118 reauthorization bill which was chaptered. Latter provisions adopted into SB 1275 (DeLeon) which also was chaptered.

Legend

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Measure	Status	Notes
Support		
SB 11 would require the state board, in consultation with the Bureau of Automotive Repair, to update the guidelines for the enhanced fleet modernization program. In addition, it would establish compensation for replacement vehicles for low-income vehicle owners at not less than \$2,500 and would make this compensation available to an owner in addition to the compensation for a retired vehicle.		
SB 39 De León & Steinberg Clean Energy Employment and Student Advancement Act Support	Bill version supported by SCAQMD failed.	Bill continued as vehicle reform bill directed at the City of Bell and outrageous pension claims it generated: SB 39 (DeLeon & J. Perez) Local agencies: public officers: claims and liability was chaptered.
Bill sought to award energy efficiency upgrade grants to the most economically disadvantaged school communities in need of modernization to create long-term energy cost savings for schools, maximize job creation, direct more money to classroom needs, & reduce the carbon footprint of academic institutions in CA.		
SB 221 Pavley Sales and use taxes: vehicle license fee: exclusion: alternative fuel motor vehicles. Support	2/3/2014 - Failed	
Reduces the upfront costs of purchasing alternative-fuel vehicles by better aligning the state portion of the sales tax and the vehicle license fee charged at purchase with that of conventionally-fueled vehicles.		
SB 286 Yee Vehicles: high-occupancy vehicle lanes. Support	9/28/2013-Chaptered	
The bill extends by an additional three years the expiration of California's Clean Air Vehicle Sticker program, which allows zero and low-emission vehicles to access the High Occupancy Vehicle (HOV) lanes.		
SB 389 Wright SCAQMD: electric generating facilities: emissions offsets. Oppose	1/17/2014-Failed	Top Legislative Priority to Oppose in 2013
If enacted, this bill would preempt SCAQMD's Rule 1304.1 and any other similar actions by the Board which would require Electrical Generating Facilities (EGFs) which use the specific offset exemption described in Rule		

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Measure	Status	Notes
1304(a)(2) [Electric Utility Steam Boiler Replacement] to pay fees for the amount of offsets provided by the SCAQMD. Under the proposed rule, those fees would be invested in air pollution improvement strategies for the pollutants for which the fee is paid, or their precursors or criteria pollutants to which they contribute.		
SB 395 Jackson Hazardous waste: wells. Support	1/31/2014-Failed	All fracking related legislation died except for SB 4 (Pavley).
This bill would remove the hazardous waste law exemption in the Toxic Well Injection Control Act (TWICA) of 1985 for injection wells regulated by DOGGR. Thus, it would authorize the DTSC to regulate fluids associated with oil and gas production that is to be injected into Class II wells and would prohibit the injection of state defined hazardous waste into Class II wells.		
SB 454 Corbett Public resources: electric vehicle charging stations. Watch	9/28/2013-Chaptered	
This bill prohibits the provider of an electric vehicle charging station from requiring a user to pay a subscription fee or obtain membership in order to use the station and requires the provider to accept payment via credit card or phone.		
SB 459 Pavley Vehicle retirement: low-income motor vehicle owners. Support	9/30/2013-Chaptered	
The bill authorizes vehicle retirement for any motor vehicle that has been registered without substantial lapse in the state for at least 2 years prior to vehicle retirement and that fails any type of smog check inspection lawfully performed in the state. Intended to help low-income households retire high polluting vehicles.		
SB 617 Evans California Environmental Quality Act. Oppose, unless amended	1/31/2014-Failed	Entire package of CEQA related reform legislation failed in 2013.
Would require specified notices to be filed with both the Office of Planning and Research and the county clerk and be posted by the county clerk for public review. The bill would require the county clerk to post the notices within one business day, as defined, of receipt and stamp on the notice the date on which the notices were actually posted. By expanding the services provided by the lead agency and the county clerk, this bill would impose a state-mandated local program.		

Legend		
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Measure	Status	Notes
SB 621 Gaines Vehicular air pollution: in-use, diesel-fueled vehicles. Oppose	1/17/2014-Failed	
Would extend by 5 years various compliance dates applicable to a CARB regulation relating to the emissions restrictions of diesel particulate matter, oxides of nitrogen, and other criteria pollutants from in-use, diesel-fueled vehicles.		
SB 691 Hancock Nonvehicular air pollution Support with Amendments	9/13/2013-Failed	Sponsored by BAAQMD
This bill would increase the maximum amount of civil penalties that can be assessed against stationary sources of air pollution for single-day violations of air quality regulations affecting large amounts of individuals.		
SB 731 Steinberg Environment: California Environmental Quality Act. Work with Author	9/13/2013-Failed	Entire package of CEQA related reform legislation failed in 2013.
Initial version on which SCAQMD took a position was intent language for the Legislature to engage in "comprehensive" CEQA reform. In its final form, it would provide that aesthetic and parking impacts of a residential, mixed-use residential, or employment center project on an infill site within a transit priority area shall not be considered significant impacts on the environment. The bill also required the Natural Resources Agency Secretary to certify and adopt, revisions to the guidelines for the implementation of CEQA establishing thresholds of significance for noise and transportation impacts of projects within transit priority areas.		
SB 736 Wright Electrical generation facility: Oppose	1/17/2014-Failed	Top Legislative Priority to Oppose in 2013
If enacted, this bill would prohibit air districts from assessing a permit modification fee on the operator or owner of an electrical generating facility when a modification results in increased thermal efficiency.		
SB 760 Wright Oppose	6/27/2014-Failed	Top Legislative Priority to Oppose in 2013. The bill was eventually gutted and amended

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Measure	Status	Notes
		to address the California Renewables Portfolio Standard Program.
If the provisions SCAQMD opposed were enacted, it would have prohibited SCAQMD from imposing any conditions to shut down or destroy existing equipment at a facility when the facility applies for emission reduction credits under Rule 1309 Emission Reduction Credits, or request to use offset exemptions under SCAQMD Rules 1304 (a)(1), (a)(2) or 1304(c)(2).		
SB 787 Berryhill Environmental quality: the Sustainable Environmental Protection Act. Oppose	1/17/2014-Failed	
SB 787 would enact the Sustainable Environmental Protection Act and would specify the environmental review required pursuant to the California Environmental Quality Act (CEQA) for projects related to specified environmental topical areas. This is the same as the “standards-based approach” previously introduced by Senator Rubio. Under this approach, if a project were to be in compliance with existing laws then no CEQA analysis would be required.		
SB 793 Lara Air pollution: oceangoing vessels Oppose	1/24/2014-Failed	
Would deem an oceangoing vessel, as defined, that meets specified requirements to have met the limitations on hours of operation of auxiliary diesel engines while at berth for that vessel visit. The bill would require an oceangoing vessel that is equipped to receive shore power to conduct the testing and inspection necessary to validate the safety of utilizing the shore power equipment during its current and future visits to that berth upon each initial visit by that vessel to specified marine terminals. The bill would require an oceangoing vessel that exceeds specified hours of service limitations because the testing and safety inspections of the equipment on the vessel that allows the use of electricity from the terminal have not validated the safety of the equipment to be subject to these provisions under specified circumstances		
SB 804 Lara Solid waste: energy. Support	10/11/2013-Vetoed	Initial Legislative Committee Position: “Continue to inform author, sponsor, and legislative bodies regarding provisions negatively impacting public health, SCAQMD operations, and creating legal liability. Further direct staff to seek necessary amendments and only oppose the bill if major required amendments are not accepted. Support bill if major required amendments are accepted. Continue to support the development of

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Measure	Status	Notes
		conversion technology alternatives consistent with SCAQMD Governing Board clean air policies and programs.”
<p>This bill would include conversion technologies that use specified biomass feedstock in the definition of "biomass conversion" for purposes of the Integrated Waste Management Act (IWMA), and would define composting under the IWMA to include aerobic and anaerobic decomposition of organic waste. This bill would also set specific requirements and guidelines on how air districts approve, enforce, and revoke permits for biomass conversion technology facilities. AFTER NEGOTIATIONS WITH THE AUTHOR, THE BILL WAS SIGNIFICANTLY AMENDED, ADDRESSING THE AIR DISTRICTS' CONCERNS.</p>		

<p>SB 1204 Lara California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.</p> <p>Support</p>	<p>9/21/2014-Chaptered</p>	
<p>SB 1204 creates the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, to be funded from cap and trade revenues, to fund zero- and near-zero emission truck, bus, and off-road vehicle and equipment technologies and related projects, as specified, with priority to be given to certain projects, including projects that benefit disadvantaged communities. The program would be administered by the State Air Resources Board, in conjunction with the State Energy Resources Conservation and Development Commission.</p>		
<p>SB 1265 Hueso State vehicle fleet purchases</p> <p>Support</p>	<p>9/17/2014-Chaptered</p>	
<p>SB 1265 requires the Department of General Services to include within the fuel economy standard passenger vehicles and light duty trucks that are powered by more than one source, such as hybrid vehicles, and would require new state vehicle fleet purchases of those vehicles to conform to that standard. These requirements would not apply to plug-in electric vehicles.</p>		
<p>SB 1275 De León Vehicle retirement and replacement: Charge Ahead California Initiative.</p> <p>Support and Work with the Author</p>	<p>9/21/2014-Chaptered</p>	
<p>Current law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. Current law requires the updated guidelines to ensure vehicle replacement be an option for all motor vehicle owners and may be in addition to compensation for vehicles retired, as specified. <u>This bill</u> would require the updated guidelines to ensure there be a mobility option, as defined, and that the compensation for a mobility option be no less than \$2,500.</p>		

ATTACHMENT 3

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

LEGISLATIVE REPORT FROM HOME RULE ADVISORY GROUP MEETING OF SEPTEMBER 17, 2014

HRAG members present:

Dr. Joseph Lyou, Chairman

Dr. Elaine Chang, SCAQMD

Mike Carroll, Latham & Watkins on behalf of the Regulatory Flexibility Group

Curt Coleman, Southern California Air Quality Alliance

Jaclyn Ferlia, ClimeCo Corporation

Chris Gallenstein, CARB (participated by phone)

Jayne Joy, Eastern Municipal Water District

Bill LaMarr, California Small Business Alliance

Rongsheng Luo, SCAG (participated by phone)

Dan McGivney on behalf of Lee Wallace, So Cal Gas and SDG&E

Art Montez, AMA International

Bill Quinn, CCEEB

David Rothbart, Los Angeles County Sanitation Districts

Jessica Segovia on behalf of Enrique Chiock, Breathe L.A. (participated by phone)

SCAQMD staff: Amir Dejbakhsh, Chris Marlia, Guillermo Sanchez, Bill Wong, and Marilyn Traynor

LEGISLATIVE UPDATE

Guillermo Sanchez reported on items that were discussed at the Legislative Committee meeting on September 12, 2014.

State

The two-year Legislative session ended without last-minute gut-and-amend bills, due in part to a more experienced legislature and to the leadership of new Assembly Speaker Toni Atkins.

In 2013:

- SCAQMD defeated a variety of bills undermining its authority and helped lead the stakeholder group that secured passage of AB 8 (Perea) which extended the authorization for the Carl Moyer Program and the Alternative and Renewable Fuel and Vehicle Technology Program.

In 2014:

- SCAQMD defeated AB 1102 which, in effect, would have impaired the Agency's rulemaking authority. The bill's author has been vocal about his intent to reintroduce the bill and others that would challenge SCAQMD's authority.

ATTACHMENT 3

All of the ten bills SCAQMD opposed failed. Of the 21 bills SCAQMD supported, 13 passed the Legislature and even those that did not pass were amended to reflect the SCAQMD's policy concerns.

Mr. Sanchez noted that the Governor has until the end of the month to act on the list of bills that were included in the Legislative Committee meeting package. Next month staff will prepare a report listing the final outcome.

Discussion

Bill LaMarr asked about the status of the state-wide plastic bag ban. Mr. Sanchez responded that SB 405 (Padilla) was passed as amended and is before the Governor for signature. Dr. Lyou added that, during the gubernatorial debate, the Governor indicated that he would sign the bill. Bill Quinn asked about the status of AB 1330 (Pérez), the environmental justice bill intended to address serial and serious violators. Mr. Sanchez responded that the bill, which was last amended to address Brown act issues, was sent back to the Senate Rules Committee where it has stalled. The new Speaker and her staff have indicated their willingness to continue working with all the stakeholders to see if a consensus position can still be found.

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 18

REPORT: Mobile Source Committee

SYNOPSIS: The Mobile Source Committee met on Friday, October 17, 2014. Following is a summary of that meeting. The next Mobile Source Committee meeting is scheduled for Friday, November 21, 2014 at 9:00 a.m.

RECOMMENDED ACTION:
Receive and file.

Dr. Clark E. Parker, Sr., Chair
Mobile Source Committee

EC:fmt

Attendance

Committee Chair Dr. Clark E. Parker, Sr., Committee Members Mayor Pro Tem Ben Benoit, and Supervisor Shawn Nelson attended via videoconference. Committee Members Mayor Judith Mitchell and Dr. Joseph Lyou attended the meeting at the SCAQMD Diamond Bar headquarters. In addition, Supervisor Josie Gonzalez attended the meeting at the SCAQMD Diamond Bar headquarters. Chair Parker appointed Supervisor Gonzalez as a one-time Committee Member for today's meeting.

The following items were presented:

ACTION ITEMS:

1) Execute Contract to Conduct 2014 Leaf Blower Exchange Program

Mr. Fred Minassian, Director of Technology Implementation, provided background information on the Air Quality Investment Program and the 2013 Leaf Blower Exchange Program as well as a list of manufacturers with certified leaf blowers that

were contacted for the 2014 Leaf Blower Exchange Program. Mr. Minassian also presented information on the STIHL BR500 model, including the specifications and pricing, and the staff recommendation to award a contract to Pacific STIHL to purchase up to 1,500 BR500 backpack leaf blowers and to conduct the 2014 Leaf Blower Exchange Program.

Dr. Parker asked about the overall balance of the Rule 2202 Fund and the overall emissions credits generated. He also asked how much funding had gone directly towards the lawnmower and leaf blower exchange programs throughout the years, including how much money had been spent to support the implementation of those programs such as outreach, dismantling of the older equipment, directing traffic at the events, and other similar services. Dr. Barry Wallerstein, Executive Officer, proposed that staff report back to the Committee and present all of the historical data relative to funds collected under Rule 2202, emissions credits generated, and details about direct and indirect expenditures of the lawnmower and leaf blower programs.

Moved by Mitchell; seconded by Lyou; and unanimously approved

2) **Execute Contract with Institute of Transportation Engineers to Further Enhance Information Regarding Vehicle Trips Associated with Large Warehouse Operations**

Ms. Susan Nakamura, Director of Strategic Initiatives, provided an update on recent staff discussions with the Executive Director of the Institute of Transportation Engineers (ITE). With the approval of the Board, the Executive Officer will execute a contract with ITE to initiate the first step of a potential multi-phase project led by ITE, to better characterize trip generation characteristics associated with large warehouse operations. Ms. Nakamura also stated that staff is recommending to continue to use ITE recommended trip rates as a default value for CEQA air quality analyses. Following staff's update, Dr. Parker asked who would determine who would be placed on the Steering Committee. Dr. Wallerstein stated that ITE would determine the makeup of the Steering Committee. Dr. Wallerstein also indicated that Supervisor Gonzales expressed a desire for staff to ask ITE to include at least one member from the warehousing industry to sit on the Steering Committee. Supervisor Gonzales stated that the trucking industry and developers have expressed concern to her about the need to continue to develop the Inland Empire as a dry port. Supervisor Gonzales stated that care needs to be taken with addressing any potential environmental impacts from existing and new warehouse development, keeping in mind the need for economic development and smart communities. Supervisor Nelson stated that he appreciates that staff is working with ITE to address this issue. Supervisor Nelson stated that he thought ITE would welcome the opportunity to work on the general topic of warehouse trip generation with the SCAQMD as opposed to a more common practice of receiving studies one by one from individual developers. Supervisor Nelson also asked what the role is for the SCAQMD Warehouse Truck Trip Study

Working Group at this point. Dr. Wallerstein responded that the Mobile Source Committee and the Warehouse Truck Trip Study Working Group would be updated as the ITE effort progresses. Dr. Wallerstein responded that the timing for this effort is excellent as Walmart had recently approached ITE to investigate trip generation for the siting of their facilities and had spent approximately \$1 million in collaboration with ITE to complete the study. Dr. Wallerstein also indicated that there may be opportunity to partner with ITE in approaching funding partners such as the Department of Energy or the Department of Transportation. Dr. Parker concurred that a collaborative effort is the best approach for this study of truck activity related to warehouses. Mayor Mitchell inquired about how this study of trip generation rates throughout the nation will evaluate regional differences. Dr. Wallerstein stated that one of the key objectives of the study is the cause of the variability in the existing trip rate data. Some of the variability may be due to regional differences, some may be due to warehouse type (e.g., cold storage may have higher rates), and some may be due to a small dataset. Dr. Lyou and Dr. Parker concurred that a larger sample size is a key need. Dr. Lyou also asked if it is typical for a Steering Committee of this kind to include industry representation. Dr. Wallerstein indicated that he saw no reason why ITE would not consider this request favorably. Supervisor Gonzales suggested that the Board may want to discuss recommending that, in order to facilitate more efficient planning, local governments and other stakeholders work together outside of the Steering Committee to provide comments with their desires for the study. Supervisor Gonzales also expressed concern about exhaust coming from trucks traveling along the steep grades of the Cajon Pass and wanted to work more with the Mojave AQMD. Dr. Wallerstein responded that he would call the executive officer of the Mojave AQMD.

Peter Herzog, representing NAIOP (Commercial Real Estate Development), expressed appreciation for the discussion from the committee, and recommended that the Truck Study Working Group discuss this item and have an opportunity to provide feedback before the Board heard the item. Dr. Wallerstein stated that staff would convene a Working Group Meeting to receive feedback prior to the November Board meeting.

Moved by Nelson; seconded by Benoit; and unanimously approved

[Supervisor Gonzalez arrived at the SCAQMD headquarters at 9:07 a.m, Supervisor Nelson arrived to the videoconference site at 9:09 a.m, and Mayor Pro Tem Benoit arrived to the videoconference site at 9:27 a.m.]

INFORMATIONAL ITEMS:

3) Update on 24-Hour PM2.5 Attainment Demonstration

Dr. Philip Fine, Assistant Deputy Executive Officer/Planning, Rule Development & Area Sources, presented staff's proposed approach for an update to the 2012 AQMP 24-hour PM2.5 attainment demonstration intended for submittal to US E.P.A. for approval under Subpart 4 of the CAA. Due to drought-related preliminary PM2.5 data in 2014, it is unlikely that the Basin will attain the 24 hour NAAQS in 2014 as first submitted, thus staff proposes to amend the previous submittal to show attainment in 2015 as provided for under Subpart 4, along with other amendments needed for approval under subpart 4. This does not affect the 1997 annual PM2.5 standard where our data shows the area has attained the standard.

Dr. Parker asked how we would achieve the necessary NOx emissions for attainment of this and the ozone standards. Dr. Fine replied that this amendment will not propose additional emissions reductions, but that the continued NOx reductions needed for ozone attainment in 2023 and 2032 will also help meet the PM2.5 standards, but the deadline for this PM2.5 standard is much earlier. Dr. Lyou asked about the likelihood of attaining in 2015, given the last two years of data that were influenced by the lack of rain. Dr. Fine answered that the trends were in the right direction up to 2013, and hopefully a normal year in 2015 will put us back on track. The attainment demonstration will be based on the 2008 base year in the 2012 AQMP, which uses a 5-year weighted average of PM2.5 levels. The 2016 AQMP will use a 2012 base year that will include years affected by the drought, and that will reset the models to include any changing climate patterns. Dr. Parker commented that the norm of rainfall patterns may be changing and that the models may need to be adjusted to account for that.

Dr. Lyou mentioned that the Statewide efforts addressing climate change adaptation. Dr. Fine commented that U.S. EPA and CARB have been investing millions of dollars of research funding into the effect of climate change on air quality in future years, and that SCAQMD staff have also been analyzing these effects.

Supervisor Gonzales mentioned that the current situation may be the new normal, and that uncertainties in the model not only include changing weather, but also the uncertainty of economic projections. Dr. Wallerstein noted that the models and the economic projections are also updated and adjusted with every new AQMP. Dr. Parker further added that the model inputs should be assessed as that is what affects the model results.

4) Development of Electric Vehicle Charging Station Protocol for Rule 2202

Purposes

Mr. Dean Saito, Planning and Rules Manager, provided an overview of the development of a proposed emission reduction quantification protocol from electric vehicle charging stations for use in Rule 2202. Earlier this year, the Los Angeles Department of Water and Power (LADWP) and Southern California Edison (SCE) submitted a request to generate credits for workplace charge stations under Rule 2202(f)(6). The request included an emission reduction quantification for Rule 2202 credit purposes. At the current time there is no approved methodology to quantify emission reductions from workplace charge stations. SCAQMD staff has worked with LADWP and SCE on a proposed methodology and is drafting a draft protocol for public input and subsequent Governing Board consideration.

The primary purpose of the protocol is to ensure that the reductions are real, quantifiable, surplus and enforceable to use for Rule 2202 employers to meet AVR target compliance. The protocol ensures a consistent methodology for calculating reductions; established procedure for evaluating, approving and monitoring projects; and identify recordkeeping and reporting requirements.

The protocol will be followed for electric vehicle charging station projects submitted under a Rule 2202(f)(6) application or for purposes of meeting contractual obligations under a Rule 2202 AQIP solicitation.

The proposed protocol's main elements include definitions; application submittal requirements; reduction quantification methods; monitoring and reporting requirements, and other conditions and criteria.

The proposed protocol includes the following provisions: generation of reductions from charge stations may include any entities including Rule 2202 employers; the credits can only be used for Rule 2202 compliance; the useful life of the credit is one year; and eligible charge stations are not funded by incentive funding from California Energy Commission (CEC), CARB and SCAQMD (including the MSRC). If a Rule 2202 employer generates credits under the protocol or the project is located at a parking lot or structure where the Rule 2202 employer has an arrangement for employee parking, the Rule 2202 employer cannot take ZEV credits in their AVR target calculation. The charge stations must be installed in parking lots or structures accessible to the general public or private parking lots or structures designated for employee parking only that are located within the SCAQMD. Eligible charge stations projects include stations installed within one year prior to the protocol approval by the Board.

The methodology proposed to calculate the emission reduction credits generated for electric vehicle charging stations at workplaces includes the activity level in kilowatt-

hrs divided by the average fuel economy of all ZEV/PHEV (for all model years up to the current year) in kilowatt-hrs/mile multiplied by the emission factor from the EMFAC model in lbs per year for average commute vehicle. This factor is then divided by a constant factor of 8320 to account for annual miles per commute vehicle. Finally, a discount factor of 20% is applied to account for uncertainty factors such as the use of an average fuel economy, emissions associated with the generation of electricity, and to provide environmental benefit for rule compliance flexibility.

Staff provided an example calculation of the credits that could potentially be available to the SCAQMD through the use of the protocol. Based on the equation described above, the SCAQMD could potentially generate around 95.4 lbs per year of NO_x, 91 lbs per year VOC, and 1,010 lbs per year of CO.

The next steps in the protocol development process are to release a draft protocol for public review. Staff is currently evaluating the level of CEQA analysis that may be needed when the protocol is considered by the Board for approval. Staff has tentatively scheduled a Public Consultation and CEQA Scoping meeting for November 19, 2014. The draft protocol would be brought to the Board for consideration in early 2015.

Mayor Pro Tem Benoit asked whether there is a need to have a separate meter installed if charging stations have their own meters that can generate detailed reports. Staff indicated that it depends on whether the chargers are hooked up to a monitoring system. Many of the charging stations do have separate meters. However, if a project proposes to allow for Level 1 charging where there are no metering, then some monitoring system will be needed.

Dr. Parker asked if the figure showed solar panels powering the charging stations in Slide No. 4. Dr. Parker asked if the equation used to calculate the emissions benefits contained an element to account for the energy used to generate the electricity for the charging station. Dr. Elaine Chang, Deputy Executive Officer/Planning, Rule Development & Area Sources, responded that in the past, the emissions associated with electricity generated were accounted explicitly. For the draft protocol, the discount factor will account for those emissions since the emissions profile is constantly updated as renewable fuels are introduced.

Dr. Lyou commented that he had a recent conversation with a California Public Utilities Commission (CPUC) Commissioner regarding whether an entity that installs solar panels to generate electricity for the purposes of powering charging stations and charges for use of the charging station, the entity becomes a “utility”. Dr. Lyou asked if this could be a potential problem if a business decides to install solar panels and charges its employees for the use of the charging station and then be regulated by the CPUC. Staff indicated that they will look into the issue.

Ms. Beth Jines, representing LADWP, indicated that they would like SCAQMD staff to consider giving partial credit for charging stations that is proportional to the amount of funding provided from entities other than the CEC, CARB, or SCAQMD.

Mr. Felix Oduyemi, representing SCE, provided comments that they agree with most of the comments provided by LADWP and that they will soon be going before the CPUC to request that they spend up to \$350 million for workplace charging and would hope such funding would be eligible for credit purposes. Mr. Oduyemi expressed concern that the draft protocol will require having a separate meter for each charging station. Much of the information needed will have to be collected at the host site. Mr. Oduyemi noted that SCE wanted to continue to work with staff on this issue.

Mr. Henry Hogo, Assistant Deputy Executive Officer/Science & Technology Advancement, indicated that staff is proposing some flexibility to address the issues raised and that the draft protocol will go through a public process to seek additional input and comments.

WRITTEN REPORTS:

5) Rule 2202 Activity Report

The report was received as submitted.

6) Monthly Report on Environmental Justice Initiatives – CEQA Document Commenting Update

The report was received as submitted.

OTHER BUSINESS:

None

PUBLIC COMMENT:

None

The meeting was adjourned at 10:41 a.m.

Attachment

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE COMMITTEE MEETING
Attendance Roster- October 17, 2014**

NAME	AFFILIATION
Dr. Clark E. Parker, Sr.	SCAQMD Governing Board (<i>via videoconference</i>)
Mayor Pro Tem Ben Benoit	SCAQMD Governing Board (<i>via videoconference</i>)
Dr. Joseph Lyou	SCAQMD Governing Board
Mayor Judith Mitchell	SCAQMD Governing Board
Supervisor Shawn Nelson	SCAQMD Governing Board (<i>via videoconference</i>)
Supervisor Josie Gonzalez	SCAQMD Governing Board
Susan Stark	Tesoro
David Rothbart	Los Angeles County Sanitation Districts
Beth Jines	Los Angeles Department of Water & Power
Lee Wallace	Southern California Gas
Felix Oduyemi	Southern California Edison
Peter Herzog	NAIOP, Commercial Real Estate Development Assn.
Dr. Barry Wallerstein	SCAQMD Staff
Elaine Chang	SCAQMD Staff
Philip Fine	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Henry Hogo	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Fred Minassian	SCAQMD Staff
Susan Nakamura	SCAQMD Staff
Joe Cassmassi	SCAQMD Staff
Dean Saito	SCAQMD Staff
Veera Tyagi	SCAQMD Staff
Sam Atwood	SCAQMD Staff
Carol Gomez	SCAQMD Staff
Kathryn Higgins	SCAQMD Staff
Antonio Thomas	SCAQMD Staff
Ian MacMillan	SCAQMD Staff
Lori Berard	SCAQMD Staff
Kim White	SCAQMD Staff

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 19

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, October 17, 2014. Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Dennis Yates, Chair
Stationary Source Committee

MN:am

Attendance

The meeting began at 10:45 a.m. In attendance at SCAQMD Headquarters were Mayor Dennis Yates, Mayor Judith Mitchell and Dr. Joseph Lyou. Mayor Pro Tem Ben Benoit attended via videoconference. Absent was Supervisor Shawn Nelson.

ACTION ITEM

1. Amend Existing Contract for Third Party Oversight and Monitoring of Mitigation Activities Implemented at Exide Technologies

Mohsen Nazemi, Deputy Executive Officer, Engineering and Compliance, presented background on the third-party oversight and monitoring company, Tetra Tech BAS, who is overseeing Exide Technologies, Inc.'s (Exide's) implementation of the Mitigation Plan which was approved as part of the Stipulated Order for Abatement, as approved by the Hearing Board. Mr. Nazemi explained that the Hearing Board included as part of its Findings and Decision of the Order of Abatement to require the SCAQMD to choose and retain an independent third-party oversight contractor to oversee the repair, maintenance and construction activities conducted at Exide.

Dr. Joseph Lyou inquired as to why the original contract was for \$75,000 and if there is an estimated amount of total monies that would take for this oversight of the Mitigation activities. Dr. Barry Wallerstein, Executive Officer, replied that the original amount of \$75,000 was chosen since that was the Executive Officer's signature authority and it allowed the Executive Officer the ability to immediately approve the third-party contract oversight so that Exide would be able to immediately start repair, maintenance and implementation of DTSC's sampling requirements at the facility. Mr. Nazemi added that it is hard to predict the total cost, since Exide has not started the actual construction of the new air pollution control equipment pending the issuance of the final Permits to Construct by the SCAQMD. However, the first month's invoice billed by the third-party contractor was more than \$75,000 and that he anticipates after reviewing the itemized billing, the future billing will not include orientation meetings with Exide and SCAQMD, which would be lessened, but it is anticipated that another eight (8) more months of these types of activities at Exide would take place.

There were no public comments.

Moved (Mitchell), seconded (Lyou) and unanimously recommended for approval.

INFORMATIONAL ITEMS

2. Rule 1325 – Federal PM 2.5 New Source Review Program

Naveen Berry, Planning & Rules Manager, presented an overview of Proposed Amended Rule (PAR) 1325 to make administrative amendments requested by U.S. EPA for SIP approvability. There were no committee member or public comments for this item.

3. Proposed Federal Requirements to Reduce Greenhouse Gas Emissions from Power Plants

Jill Whynot, Assistant Deputy Executive Officer gave a briefing on proposed federal requirements that would reduce greenhouse gas emissions from new, modified and existing power plants. Ms. Whynot explained that the proposed rules are to implement the Presidential Climate Action Plan with the goal of reducing the power plant CO2 emissions 30% below 2005 levels by 2030. There are two proposed rules, one for new and modified electric generating units (111(b) proposed rule) and the other is for existing power plants (111(d) proposed rule). The former apply to individual electric generating units, whereas the latter apply to each state, and can be by regions, as well. There were no public comments. Dr. Lyou raised a concern about leakage. If the federal program results in reduced coal prices, as projected, U.S. coal could be exported to other countries which would result in greenhouse gas emissions on a global level. Dr. Wallerstein explained that this program is a high priority for

the President Obama Administration and U.S. EPA is seeking input from states and locals in order to finalize the proposed rules.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

Rita Loof, RadTech International, commented on Agenda #7 – Advance Committee Calendar for Rule Development. She asked about the status of Rule 219 which is not on the calendar. Elaine Chang responded that it will be on the rule making calendar for next year.

PUBLIC COMMENTS

There were no public comments. Mayor Yates announced that the next Stationary Source Committee meeting is scheduled for November 21, 2014 and adjourned the meeting at 11:15 a.m.

Attachment

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
October 17, 2014
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board
Mayor Pro Tem Benoit (VT)	SCAQMD Governing Board
Mayor Judith Mitchell	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Dr. Barry Wallerstein	SCAQMD Staff
Mohsen Nazemi	SCAQMD Staff
Elaine Chang	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Jill Whynot	SCAQMD Staff
Naveen Berry	SCAQMD Staff
Danny Luong	SCAQMD Staff
Andrew Lee	SCAQMD Staff
Chris Marlia	SCAQMD Staff
Sam Atwood	SCAQMD Staff
Bill Wong	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Philip Fine	SCAQMD Staff
David Rothbart	LA County Sanitation District
Peter Whittingham	Curt, Pringle & Associates
Rita Loof	RadTech International

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 20

REPORT: Technology Committee

SYNOPSIS: The Technology Committee met on October 17, 2014. Major topics included Technology Advancement items reflected in the regular Board Agenda for the November Board meeting. A summary of these topics with the Committee's comments is provided. The next Technology Committee meeting will be on November 21, 2014.

RECOMMENDED ACTION:
Receive and file.

John J. Benoit
Technology Committee Chair

MMM:pmk

Attendance: Supervisor John J. Benoit and Councilman Joe Buscaino participated by videoconference. Mayor Judith Mitchell and Mayor Dennis Yates were in attendance at SCAQMD headquarters. Mayor Pulido was absent due to a conflict with his schedule.

NOVEMBER BOARD AGENDA ITEMS

1. Recognize Revenue and Amend and Execute Contracts to Implement DC Fast Charging Network

On September 6, 2013, the Board recognized \$300,000 revenue from the CEC into the Clean Fuels Fund (31) to establish a DC fast charging network as the building block of a statewide corridor charging network. On December 6, 2013, following an RFP process, the Board subsequently approved a \$250,000 contract with Clean Fuel Connection, Inc. (CFCI) to serve as the DC fast charging network provider and a \$49,183 contract with Three Squares, Inc. (TSI) to provide education outreach for the DC fast charging network. In May and October 2014, the CEC approved two grants to implement six additional sites and install DC fast chargers with two types of fast charging connectors. These actions are to recognize revenue in the amount of \$920,000 from the CEC into the Clean Fuels Fund (31) as well as to amend contracts

with CFCI and TSI and execute a new contract with the UCLA Luskin Center for site selection in an amount not to exceed \$970,000 from the Clean Fuels Fund (31).

Supervisor Benoit asked staff to provide an update on how Tesla was going to work with these DC fast charging stations.

Staff replied that Tesla has their own proprietary supercharging network being built across the country. In order for Tesla vehicles to access the CHAdeMO and the SAE Combo network, they will need adapters. Tesla has a CHAdeMO adapter advertised on their website, indicating the part is “coming soon.” There is no information available about an SAE Combo adapter at the moment.

Supervisor Benoit added that in 2016, Tesla plans to market a moderately priced model. Once that occurs, these vehicles will be extremely popular and should be compatible with the existing charging infrastructure.

Moved by Yates; seconded by Mitchell; unanimously approved.

2. Execute Contracts to Demonstrate Commercial-Grade Electric Lawn and Garden Equipment

On July 11, 2014, the Board released RFPs to demonstrate commercial-grade electric lawn mowers and cordless electric hand-held lawn and garden equipment to promote and accelerate market penetration of such equipment in the South Coast Air Basin. This action is to execute contracts with Greenstation, Mean Green Products and Pacific Stihl to procure commercial-grade electric lawn and garden equipment including necessary technical and logistical support to implement a two-year demonstration program with participating local landscape professionals, municipalities and other eligible entities in an amount not to exceed \$423,687 from the Rule 1309.1 Priority Reserve Fund (36).

Councilman Buscaino asked about the application process for municipalities who want to take part in the demonstration.

Staff is currently compiling a list of municipalities, parks and other locations that would like to demonstrate the equipment, so Board Members should forward specific contacts for staff to initiate the dialogue regarding the demonstration program. The five sets of equipment are meant to be deployed all across the Basin.

Mayor Yates suggested using a small, portable gasoline generator to recharge the batteries at remote locations. Staff agreed to investigate the emissions from such a generator and the potential operational efficiencies compared to multiple battery swaps.

Moved by Yates; seconded by Buscaino; unanimously approved.

3. Public Comment Period

There was no public comment.

4. Other Business

There was no other business.

Next Meeting: November 21, 2014

Attachment

Attendance

Attachment A – Attendance

Supervisor John J. Benoit.....	SCAQMD Governing Board (via VT)
Councilman Joe Buscaino	SCAQMD Governing Board (via VT)
Mayor Judith Mitchell.....	SCAQMD Governing Board
Mayor Dennis Yates.....	SCAQMD Governing Board
Mark Abramowitz	Board Assistant (Lyou)
Bob Ulloa	Board Assistant (Yates)
John Olvera, Principal Deputy District Counsel	SCAQMD
Matt Miyasato, STA.....	SCAQMD
Henry Hogo, STA.....	SCAQMD
Laki Tisopulos, STA	SCAQMD
Lourdes Cordova Martinez, STA.....	SCAQMD
Dean Saito, STA.....	SCAQMD
Lori Berard, STA.....	SCAQMD
Brian Choe, STA	SCAQMD
Drue Hargis, STA.....	SCAQMD
Patricia Kwon, STA	SCAQMD
Lisa Mirisola, STA.....	SCAQMD
Sam Atwood, Media.....	SCAQMD
Robert Paud, IM	SCAQMD
Donna Vernon, STA.....	SCAQMD
Danielle Robinson	ARB
Susan Stark	Tesoro

[↑ Back to Agenda](#)

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 21

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on October 16, 2014. The next meeting is scheduled for Thursday, November 20, 2014, at 2:00 p.m. in Conference Room CC8.

RECOMMENDED ACTION:
Receive and file.

Michael D. Antonovich
SCAQMD Representative on MSRC

MM:HH:AP

Meeting Minutes Approved

The MSRC unanimously approved the minutes from its August 21, 2014 meeting. Those approved minutes are attached for your information (*Attachment 1*).

Programmatic Outreach

Through a competitive process in 2011, the MSRC selected the Better World Group to serve as their Programmatic Outreach Coordinator. Contract #MS11056 was executed to effectuate the award. From the time of contract execution, there has been a high demand from MSRC contractors for outreach assistance and a substantial need for the Better World Group to prepare material for inclusion on the MSRC's website. Additionally, the Better World Group has been helping the MSRC to liaise with key stakeholders. As a result of these efforts, the contract's balance is nearly depleted. The MSRC approved a \$10,000 contract value augmentation to cover programmatic outreach costs for the remainder of the contract term. The Better World Group will only be paid based upon actual hours expended and direct costs incurred; any funds not expended at the close of the contract will revert to the AB 2766 Discretionary Fund. The SCAQMD Board will consider this contract value increase at its November 7, 2014 meeting.

Alternative Fuel School Bus Incentives Program

As part of the FYs 2012-14 Work Program, the MSRC allocated \$2.0 million for the implementation of an Alternative Fuel School Bus Incentives Program. The MSRC previously deemed BusWest qualified for Program participation and authorized them to offer buy-down incentives to qualifying school districts or private providers of pupil transportation. The MSRC approved an initial award to BusWest in January 2014, and in subsequent actions the MSRC approved contract value increases to incentivize additional buses ordered. In October, the MSRC approved a new request from BusWest for an additional \$31,000 to incentivize a full-sized CNG school bus ordered by Certified Transportation of Orange County as part of the FYs 2012-14 AB 2766 Discretionary Fund Work Program. This award will be considered by the SCAQMD Board at its November 7, 2014 meeting.

FYs 2014-16 Work Program

A summary of the 2014 MSRC/MSRC-TAC joint retreat presentations was given to initiate discussions for the development of the upcoming FYs 2014-16 AB 2766 Discretionary Fund Work Program, for which \$45 million will be available for projects. Among the topics discussed were the priorities of the CEC, CARB, and SCAQMD, as well as the recommendations resulting from the MSRC-hosted workshops. To begin the dialogue, some MSRC options and priorities were outlined from the information gathered at the joint retreat. Three programs remain of high interest: Local Government Match, Event Center Transportation, and Infrastructure. Other ideas included: an option to expand “infrastructure” to include electric vehicle charging infrastructure; a broad-based Traffic Control Measure category to encompass signal coordination, Freeway Service Patrol, transit passes, etc.; to open dialogue with regulatory agencies to determine the MSRC role in implementing their air quality vision; and to solicit program ideas for potential funding consideration. The MSRC will also be looking at programs that no longer be necessary because funding is available through other sources or programs.

At its next meeting the MSRC will continue discussing parameters and priorities for the upcoming FYs 2014-16 Work Program.

Received and Approved Final Reports

The MSRC received and unanimously approved two final report summaries this month as follows:

1. Linde LLC, Contract #MS10004, which provided \$56,932 for the purchase of 3 trucks equipped with advanced natural gas engines; and
2. Ryder Truck Rental, Inc., Contract #MS10017, which provided \$651,377 for the purchase of 19 trucks equipped with advanced natural gas engines.

Contract Modification Requests

The MSRC considered three contract modification requests and took the following unanimous actions:

1. For City of Santa Ana, Contract #MS11041, which provides \$265,000 for the purchase of 7 heavy-duty LPG vehicles and retrofit of 6 heavy-duty diesel vehicles, approval of an 18-month contract term extension;
2. For City of Newport Beach, Contract #ML11045, which provides \$30,000 for the purchase of 1 heavy-duty natural gas vehicle, approval of a 12-month contract term extension; and
3. For California Cartage Company, Contract #MS11091, which provides \$55,000 to demonstrate retrofit devices on off-road vehicles under the “Showcase II” Program, approval of an 18-month contract term extension.

Contracts Administrator’s Report

The MSRC’s AB 2766 Contracts Administrator provides a written status report on all open contracts from FY 2004-05 through the present. The Contracts Administrator’s Report for October 2014 is attached (*Attachment 2*) for your information.

Attachments

Attachment 1 – Approved August 21, 2014 Meeting Minutes

Attachment 2 – October 2014 Contracts Administrator’s Report



**MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, AUGUST 21, 2014 MEETING MINUTES**

21865 Copley Drive, Diamond, Bar, CA 91765- Conference Room CC-8

MEMBERS PRESENT:

(Chair) Greg Pettis, rep. RCTC (via v/c)
Michael Antonovich, representing SCAQMD (via v/c)
April McKay (Alt.), representing LA County MTA (via v/c)
Ron Roberts, representing SCAG
Tim Shaw (Alt.), representing OCTA
Greg Winterbottom, representing OCTA
Earl Withycombe, representing CARB (via v/c)

MSRC MEMBERS ABSENT:

(Vice Chair) Steve Veres, rep. LA County MTA
Larry McCallon, representing SANBAG

MSRC-TAC MEMBERS PRESENT:

(MSRC-TAC Chair) Gretchen Hardison, representing City of Los Angeles (via v/c)
(Vice-Chair) Tanya Love, representing RCTC
Rongsheng Luo (Alt.), representing SCAG
Kelly Lynn, representing SANBAG
Dean Saito, representing SCAQMD

OTHERS PRESENT:

Sheri Hanizavareh, SCAQMD
Diana Kotler, Anaheim Transportation Network
Debra Mendelsohn, SCAQMD Board Asst (Antonovich)
Ric Teano, OCTA

SCAQMD STAFF & CONTRACTORS

Ray Gorski, MSRC Technical Advisor-Contractor
John Kampa, Financial Analyst
Ana Ponce, MSRC Administrative Liaison
Cynthia Ravenstein, MSRC Contracts Administrator
Veera Tyagi, Senior Deputy District Counsel
Rachel Valenzuela, MSRC Contracts Assistant
Paul Wright, Audio-Visual Specialist

CALL TO ORDER

- Call to Order

MSRC Chair Greg Pettis called the meeting to order at 2 p.m.

PUBLIC COMMENT PERIOD

Public comments were allowed during the discussion of each agenda item. No comments were made on non-agenda items.

CONSENT CALENDAR (Items 1 through 6)**Receive and Approve Items****Agenda Item #1 – Minutes of the June 19, 2014 MSRC Meeting**

This item was postponed because the minutes were not ready for distribution.

Agenda Item #2 – Summary of Final Reports by MSRC Contractors

The agenda package included seven final report summaries: 1) TIMCO CNG Fund I, LLC Contract #MS14044, which provided \$150,000 to install a public access CNG station in Santa Ana; 2) Transit Systems Unlimited Contract #MS12071, which provided \$21,250 to expand existing CNG infrastructure; 3) Murrieta Valley Unified School District Contract #MS12010, which provided \$242,786 for installation of a new limited access CNG station and maintenance facility modifications; 4) Arcadia Unified School District Contract #MS12074, which provided \$175,000 to expand existing CNG infrastructure; 5) Torrance Unified School District Contract #MS11066, which provided \$42,296 to expand existing CNG infrastructure; 6) Bear Valley Unified School District Contract #MS11079, which provided \$175,000 to install a new limited access CNG station; and 7) Bear Valley Unified School District Contract #MS12085, which provided \$75,000 for maintenance facility modifications.

ON MOTION BY MSRC MEMBER EARL WITHYCOMBE, AND
SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER
APPROVAL OF CONSENT CALENDAR ITEMS 2 THROUGH 6, THE
MSRC VOTED UNANIMOUSLY TO APPROVE THE FINAL
REPORTS ABOVE.

AYES: PETTIS, ROBERTS, WINTERBOTTOM, WITHYCOMBE,
MCKAY.

NOES: NONE.

ACTION: MSRC staff will file the final reports and release any retention on the contracts.

Receive and File Items**Agenda Item #3 – MSRC Contracts Administrator’s Report**

The MSRC AB 2766 Contracts Administrator’s Report for May 29 through July 30, 2014, was included in the agenda package.

ON MOTION BY MSRC MEMBER EARL WITHYCOMBE, AND
SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER
APPROVAL OF CONSENT CALENDAR ITEMS 2 THROUGH 6, THE
MSRC VOTED UNANIMOUSLY TO RECEIVE AND FILE THE
CONTRACTS ADMINISTRATOR’S REPORT FOR MAY 29
THROUGH JULY 30, 2014.

AYES: PETTIS, ROBERTS, WINTERBOTTOM, WITHYCOMBE,
MCKAY.

NOES: NONE.

ACTION: SCAQMD staff will include the MSRC Contracts Administrator’s Report in the MSRC Committee Report for the September 5, 2014 SCAQMD Board meeting.

Agenda Item #4 – Financial Report on AB 2766 Discretionary Fund

Cynthia Ravenstein, MSRC Contracts Administrator, noted that a revised Financial Report for the period ending July 31, 2014, was distributed at the meeting. There is a slight change in the Event Center Transportation Program for FY 2012-14 Work Program.

ON MOTION BY MSRC MEMBER EARL WITHYCOMBE, AND
SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER
APPROVAL OF CONSENT CALENDAR ITEMS 2 THROUGH 6, THE
MSRC VOTED UNANIMOUSLY TO RECEIVE AND FILE THE
FINANCIAL REPORT FOR THE PERIOD ENDING JULY 31, 2014.

AYES: PETTIS, ROBERTS, WINTERBOTTOM, WITHYCOMBE,
MCKAY.

NOES: NONE.

ACTION: No further action is required.

For Approval - As Recommended**Agenda Item #5 – Consider 21-Month Term Extension and Modified Station Specifications by City of Rancho Cucamonga, Contract #ML11023 (\$260,000 - Expand Existing CNG Station and Purchase Two Heavy-Duty Alternative Fuel Vehicles)**

For their station expansion, the City of Rancho Cucamonga requests to substitute the installation of a larger compressor and a fuel management system for the addition of two time-fill posts and a defueling post. The City also requests a 21-month term extension. The MSRC-TAC unanimously recommends approval.

ON MOTION BY MSRC MEMBER EARL WITHYCOMBE, AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 2 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO APPROVE THE CITY OF RANCHO CUCAMONGA'S REQUEST TO SUBSTITUTE THE INSTALLATION OF A LARGER COMPRESSOR AND A FUEL MANAGEMENT SYSTEM FOR THE ADDITION OF TWO TIME-FILL POSTS AND A DEFUELING POST; AS WELL AS A 21-MONTH CONTRACT TERM EXTENSION AS PART OF THE FY 2010-11 LOCAL GOVERNMENT MATCH PROGRAM.

AYES: PETTIS, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

Agenda Item #6 – Consider 18-Month Term Extension by City of Los Angeles, Bureau of Sanitation, Contract #MS07080 (\$63,192 – Demonstrate Retrofit Devices on Off-Road Vehicles)

Four after-treatment devices were installed on Bureau of Sanitation vehicles as part of the original FY 2006-07 Showcase Program. Three of these devices have completed their demonstrations or been removed. The remaining device has accumulated approximately 200 of the required 700 hours of operation. The City requests an 18-month no-cost term extension to allow them to fulfill the demonstration requirements. The MSRC-TAC unanimously recommends approval.

ON MOTION BY MSRC MEMBER EARL WITHYCOMBE, AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 2 THROUGH 6, THE MSRC VOTED UNANIMOUSLY TO APPROVE THE CITY OF LOS ANGELES BUREAU OF SANITATION'S REQUEST FOR AN 18-MONTH NO COST CONTRACT TERM EXTENSION TO ALLOW THEM TO FULFILL DEMONSTRATION REQUIREMENTS.

AYES: PETTIS, ROBERTS, WINTERBOTTOM, WITHYCOMBE, MCKAY.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

ACTION CALENDAR (Items 7 and 8)

Agenda Item #7 – Consider Funding for Proposal Received under the Major Event Center Transportation Program

Kelly Lynn, Chair/TCM Subcommittee, reported that this item is from the Anaheim Transportation Network (ATN). It is an express circulator service proposal within the Anaheim Resort Area. It would provide service from some locations within the Anaheim Resort to the ARTIC Intermodal Center, serving both Honda Center and Angels Stadium

event centers. Cynthia Ravenstein, MSRC Contracts Administrator added that what is proposed would be service for all home games on weekdays and weekends for the 2015 and 2016 Angels baseball seasons; and the 2014-2015 and 2015-2016 Anaheim Ducks hockey seasons. In addition to those sporting events, service would be provided for a limited number of other events that have a high anticipated attendance. The initial passenger pick-ups would start two hours before a particular event and continue until the event starts. Then service leaving from ARTIC would begin in the seventh inning for Angels games, and for the other events one-half hour prior to the scheduled ending. The service would continue for one hour after the event concludes, even if the event runs long. ATN and its project partners would be providing \$294,400 in co-funding to the operation and marketing of the service. In addition, they are participating in a program to revive baseball in inner cities by providing transportation for disadvantaged youth to selected games free of charge. ATN is proposing that to be part of their co-funding.

There was some concern as to whether extending it to the work days (because they had previously done one that was just for the weekends) would give enough emission reductions and be cost effective. The MSRC-TAC recommended to make an award where the second year's funding would be contingent upon the performance during the first year. Therefore, ATN would have to gather enough information to help determine the effectiveness of the project and then there would be an assessment to determine whether they would actually be able to offer that second year of service.

There is a geographic minimum per county in the Major Event Center Transportation Program of \$250,000. The geographic minimums for San Bernardino and Riverside Counties have not fully been met, and \$450,797 has to be reserved towards those minimums. That creates a bit of a conflict because ATN is requesting \$221,312 for this service and the Program has a balance remaining of \$618,022. If the full amount were awarded to ATN, then there would not be enough in reserve for the geographic minimums. There were a few options that the MSRC-TAC considered that the MSRC could also consider. The MSRC can delay action on ATN's proposal until the program is closed and the MSRC knows whether or not all of those reserved funds for county minimums would actually be used. However, that could be problematic because the circulator service is proposed to start in October. The MSRC could choose to award funding for the first year of service and defer action on the second year, until after the program closes; or the MSRC could allocate additional funds to the program.

Here is where that change in the Financial Report comes into play. At the time of the MSRC-TAC meeting, it was thought that the balance remaining in this program was higher, in the order of \$667,000 and so only \$4,884 additional allocations would be needed in order to allow for a full award to ATN. Therefore, the MSRC-TAC recommended that the MSRC allocate that additional \$4,884 to the Major Event Center Program and make the full award to ATN with the contingency that had been discussed; but the MSRC-TAC had not been given the correct information. Actually the balance in the program is only \$618,000.

The options the MSRC could consider are still basically the same. However, if the MSRC wishes to proceed with the full award at this time, an additional \$54,087 would need to be allocated to the Major Event Center Program.

MSRC Chair Greg Pettis asked to know what is holding the MSRC to the geographic minimum, other than MSRC policy. For instance, could Riverside or San Bernardino Counties waive their allotment? Veera Tyagi, Senior Deputy District Counsel, replied that once the RFP is released, it cannot be changed without providing notice because otherwise there is no way to ensure that those counties are aware that the amount of money available to them has changed.

MSRC Member Greg Winterbottom commented that he would support it. It is an internal shuttle to provide service from the Anaheim Resort to the ARTIC.

MSRC Alternate April McKay said that she understands that at the end of September the other counties will or will not have filled their geographic minimums; so, in her view, it is only \$50,000. There is a pretty big budget; and there are a lot of other programs that are undersubscribed. This seems to be a program that has value and is moving forward. She believes it is worth the risk to approve the extra \$50,000, and the MSRC will find it in the undersubscribed programs to fill the gap later.

MSRC Member Earl Withycombe asked if staff has received any inquiries from the two counties that have unspent allocations that might lead staff to believe that applications from one of those two counties would be forthcoming before September 30. Ray Gorski, MSRC Technical Advisor, replied that staff has had ongoing discussions with entities located within San Bernardino and Riverside Counties. Staff is aware that there is interest; however, it is not known whether they will be able to get their applications in this year or if they will continue to develop their program and come in under a future opportunity, should one be presented to them.

ON MOTION BY MSRC MEMBER GREG WINTERBOTTOM, AND
SECONDED BY MSRC ALTERNATE APRIL MCKAY, THE MSRC
UNANIMOUSLY ALLOCATED AN ADDITIONAL \$54,087
TOWARDS THE FYS 2012-14 MAJOR EVENT CENTER
TRANSPORTATION PROGRAM TO RESERVE \$450,797 FOR
UNMET GEOGRAPHIC MINIMUMS; AND APPROVED A
CONTRACT AWARD TO ATN IN AN AMOUNT NOT TO EXCEED
\$221,312 FOR ATN'S PROPOSED CIRCULATOR SERVICE, WITH
FUNDING FOR THE SECOND YEAR CONTINGENT UPON AN
ASSESSMENT OF THE FIRST YEAR'S PERFORMANCE AND
REQUIRING THE COLLECTION OF SUFFICIENT DATA TO HELP
DETERMINE THE EFFECTIVENESS OF THE PROJECT AS PART
OF THE FYS 2012-14 AB 2766 DISCRETIONARY FUND WORK
PROGRAM.

AYES: PETTIS, ROBERTS, WINTERBOTTOM, WITHYCOMBE,
MCKAY.

NOES: NONE.

ACTION: Staff will include this item for consideration by the SCAQMD Board at its September 5, 2014 meeting.

FYs 2014-16 WORK PROGRAM**Agenda Item #8 – Discuss Options for Supporting Freeway Service Patrol Activities as part of FYs 2014-16 Work Program**

At the beginning of the MSRC meeting, with regard to this item, MSRC Chair Greg Pettis and MSRC Member Ron Roberts stated that they are not required to recuse themselves, but noted for the record that they sit on the Board of RCTC.

Ray Gorski, MSRC Technical Advisor, reported that this item was reviewed by the MSRC-TAC. In subsequent conversations with the project proponent, it has been decided that perhaps a course of action for the MSRC to consider would be to take this request by RCTC for construction FSP and move it in as an early element for discussion during the work program development process which will begin on September 18. The impression that staff has been provided is that it is the preference of RCTC at this time to defer action on this item and instead have this brought up for continued discussion and deliberation as one of the first work program elements under the new FY 2014-16 Work Program.

MSRC-TAC Vice Chair Tanya Love commented that it is a regionally significant new project for RCTC. It is a \$1.4 billion project. RCTC has invested \$1 million to help on that FSP. It is a heavily-congested corridor; 280,000 cars per day. Any consideration the MSRC can provide in September would be greatly appreciated.

MSRC Member Ron Roberts said FSP has been in existence for many years. It started in Central Los Angeles CHP. He was the sergeant that handled that program. From day one that program worked. Because they were strategically located, they were able to clear the roadway in five minutes, whereas sometimes it would take 30 minutes for a tow truck to get there. This is a huge project. He hopes, as this project moves forward, that the MSRC will be able to work this out.

MSRC Member Greg Winterbottom, speaking to the efficacy of the FSP, stated that he travels the Garden Grove freeway three or four times a week and there are always two or three trucks on the side of the road giving assistance with flat tires or gas. FSP really works. He thinks this project should be considered very carefully in the Work Program because he thinks it is very important.

MSRC Chair Greg Pettis said that this item will be deferred to the September meeting for further discussion and consideration.

ACTION: This item was deferred to the MSRC's September 18, 2014 meeting.

OTHER BUSINESS**Item #9 – Other Business**

- Ray Gorski announced that the Retreat will be convened on September 18, at SCAG HQ in Downtown Los Angeles. Because some of the MSRC members have other obligations in the morning, the regular MSRC meeting will begin at

11 a.m. and the Retreat will follow, commencing with a working lunch. There will be a dinner afterwards which will start at approximately 4:30 p.m. The dinner will be at Engine Company 28, around the corner from the SCAG HQ building. Detailed information will be sent to the MSRC and TAC, with the agenda, which is currently under development.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC MEETING
ADJOURNED AT 2:20 P.M.

NEXT MEETING:

Thursday, September 18, 2014, at 11 a.m., at the Southern California Association of Governments (SCAG) Headquarters, 818 West 7th Street, 12th Floor, Los Angeles, CA 90017.

[Prepared by Ana Ponce]



MSRC Agenda Item No. 3

DATE: October 16, 2014

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 August 28 through September 24, 2014.

RECOMMENDATION: Receive and file report

WORK PROGRAM IMPACT: None

Contract Execution Status

2012-14 Work Program

On April 5, 2013, the SCAQMD Governing Board approved three awards under the Event Center Transportation Program. These contracts are awaiting responses from the prospective contractor or executed.

On July 5, 2013, the SCAQMD Governing Board approved an additional award to Orange County Transportation Authority under the Event Center Transportation Program. This contract is executed.

On September 6, 2013, the SCAQMD Governing Board approved an award to Transit Systems Unlimited under the Event Center Transportation Program. This contract is executed.

On November 1, 2013, the SCAQMD Governing Board approved two awards under the Event Center Transportation Program. These contracts are executed.

On December 6, 2013, the SCAQMD Governing Board approved 25 awards under the Local Government Match Program, 12 awards under the Alternative Fuel Infrastructure Program, one award under the Alternative Fuel School Bus Incentives Program, and one award under the Event Center Transportation Program. These contracts are awaiting responses from the prospective contractor, with the prospective contractor for signature, or executed.

On January 10, 2014, the SCAQMD Governing Board approved three awards under the Local Government Match Program, one award under the Alternative Fuel Infrastructure Program, and one award under the Alternative Fuel School Bus Incentives Program. These contracts are executed.

On February 7, 2014, the SCAQMD Governing Board approved two awards under the Local Government Match Program and one award under the Alternative Fuel Infrastructure Program. These contracts are with the prospective contractor for signature or executed.

On April 4, 2014, the SCAQMD Governing Board approved two awards under the Local Government Match Program and three awards under the Traffic Signal Synchronization Partnership Program. These contracts are with the SCAQMD Board Chair for signature or executed.

On May 2, 2014, the SCAQMD Governing Board approved 12 awards under the Local Government Match Program. These contracts are awaiting responses from the prospective contractor, with the prospective contractor for signature, or executed.

Work Program Status

Contract Status Reports for work program years with open and pending contracts are attached. MSRC or MSRC-TAC members may request spreadsheets covering any other work program year.

FY 2004-05 Work Program Contracts

One contract from this work program year is open.

FY 2004-05 Invoices Paid

No invoices were paid during this period.

FY 2005-06 Work Program Contracts

5 contracts from this work program year are open; and 7 are in "Open/Complete" status, having completed all obligations save ongoing operation. One contract closed during this period: City of Rancho Cucamonga, Contract #ML06057 – Purchase 4 Heavy-Duty Natural Gas Vehicles.

FY 2005-06 Work Program Invoices Paid

No invoices were paid during this period.

FY 2006-07 Work Program Contracts

6 contracts from this work program year are open; and 23 are in "Open/Complete" status. One contract closed during this period: City of Moreno Valley, Contract #ML07040 – Purchase One Heavy-Duty CNG Vehicle.

FY 2006-07 Invoices Paid

No invoices were paid during this period.

FY 2007-08 Work Program Contracts

11 contracts from this work program year are open; and 40 are in "Open/Complete" status.

FY 2007-08 Invoices Paid

No invoices were paid during this period.

FY 2008-09 Work Program Contracts

8 contracts from this work program year are open; and 13 are in "Open/Complete" status.

FY 2008-09 Invoices Paid

One invoice in the amount of \$50,000.00 was paid during this period.

FY 2009-10 Work Program Contracts

6 contracts from this work program year are open; and 11 are in “Open/Complete” status.

FY 2009-10 Invoices Paid

2 invoices totaling \$702,614.90 were paid during this period.

FY 2010-11 Work Program Contracts

35 contracts from this work program year are open; and 18 are in “Open/Complete” status. One proposed contract with the County of Los Angeles Department of Public Works is still with them for signature; the County estimates it will be considered for approval by their Board in December 2014. One proposed contract with the Los Angeles Unified School District is with them for signature following MSRC approval of modifications. Lastly, one proposed contract with Ivanhoe Energy Services and Development is still with the prospective contractor for signature. Their request for additional time is on the agenda for consideration this month. 3 contracts moved into “Open/Complete” status during this period: City of Chino, Contract #ML11042 – Purchase One Heavy-Duty Natural Gas Vehicles; Torrance Unified School District, Contract #MS11066 – Expand Existing CNG Station; and Bear Valley Unified School District, Contract #MS11079 – Install New Limited Access CNG Station. 2 contracts closed during this period: L.A. Service Authority for Freeway Emergencies, Contract #MS11058 – Implement 511 “Smart Phone” Application; and City of Hawthorne, Contract #MS11064 – Install New Limited Access CNG Station.

FY 2010-11 Invoices Paid

3 invoices totaling \$57,135.69 were paid during this period.

FY 2011-12 Work Program Contracts

56 contracts from this work program year are open, and 13 are in “Open/Complete” status. 2 contracts passed into “Open/Complete” status: Murrieta Valley Unified School District, Contract #MS12010 – Install New Limited Access CNG Station; and Arcadia Unified School District, Contract #MS12074 – Expand Existing CNG Station. 2 contracts closed during this period: Fraser Communications, Contract #MS12062 – Develop and Implement “Rideshare Thursday” Campaign; and Bear Valley Unified School District, Contract #MS12085 – Maintenance Facility Modifications.

FY 2011-12 Invoices Paid

One invoice in the amount of \$35,304.83 was paid during this period.

FYs 2012-14 Work Program Contracts

34 contracts from this work program year are open, and one is in “Open/Complete” status.

FYs 2012-14 Invoices Paid

One invoice in the amount of \$84,640.00 was paid during this period.

Administrative Scope Changes

No administrative scope changes were initiated during the period of August 28 to September 24, 2014.

Attachments

- FY 2004-05 through FYs 2012-14 Contract Status Reports



AB2766 Discretionary Fund Program Invoices

August 28, 2014 to September 24, 2014

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2008-2009 Work Program</i>							
9/23/2014	9/24/2014	9/25/2014	9/26/2014	ML09023	Los Angeles County Department of Public Work	Final	\$50,000.00
Total: \$50,000.00							
<i>2009-2010 Work Program</i>							
8/29/2014	9/11/2014	9/17/2014	9/24/2014	MS10004	Linde LLC	1	\$51,237.90
Total: \$51,237.90							
<i>2010-2011 Work Program</i>							
9/23/2014	9/24/2014	9/25/2014	9/26/2014	ML11021	City of Whittier	6 - Final	\$30,000.00
9/16/2014	9/16/2014	9/17/2014	9/24/2014	MS11001	Mineral LLC	100744	\$300.00
9/2/2014	9/11/2014	9/17/2014	9/24/2014	MS11056	The Better World Group	1337	\$26,835.69
Total: \$57,135.69							
<i>2011-2012 Work Program</i>							
9/24/2014	9/24/2014	9/25/2014	9/26/2014	MS12026	U-Haul Company of California	12026-02/Fil	\$35,304.83
Total: \$35,304.83							
<i>2012-2014 Work Program</i>							
9/10/2014	9/11/2014	9/17/2014	9/24/2014	MS14005	Transit Systems Unlimited, Inc.	50635	\$84,640.00
Total: \$84,640.00							

Total This Period: \$278,318.42

FYs 2004-05 Through 2012-14 AB2766 Contract Status Report

10/9/2014

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2004-2005 Contracts

Open Contracts

ML05014	Los Angeles County Department of	5/21/2007	11/20/2008	3/20/2016	\$204,221.00	\$0.00	Traffic Signal Synchronization	\$204,221.00	No
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Total: 1

Declined/Cancelled Contracts

ML05005	City of Highland				\$20,000.00	\$0.00	2 Medium Duty CNG Vehicles	\$20,000.00	No
ML05008	Los Angeles County Department of				\$140,000.00	\$0.00	7 Heavy Duty LPG Street Sweepers	\$140,000.00	No
ML05010	Los Angeles County Department of				\$20,000.00	\$0.00	1 Heavy Duty CNG Bus	\$20,000.00	No

Total: 3

Closed Contracts

ML05006	City of Colton Public Works	7/27/2005	7/26/2006		\$30,000.00	\$30,000.00	3 Medium Duty CNG Vehicles	\$0.00	Yes
ML05011	Los Angeles County Department of	8/10/2006	12/9/2007	6/9/2008	\$52,409.00	\$51,048.46	3 Heavy Duty LPG Shuttle Vans	\$1,360.54	Yes
ML05013	Los Angeles County Department of	1/5/2007	7/4/2008	1/4/2013	\$313,000.00	\$313,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05015	City of Lawndale	7/27/2005	7/26/2006		\$10,000.00	\$10,000.00	1 Medium Duty CNG Vehicle	\$0.00	Yes
ML05016	City of Santa Monica	9/23/2005	9/22/2006	9/22/2007	\$350,000.00	\$350,000.00	6 MD CNG Vehicles, 1 LPG Sweep, 13 CNG	\$0.00	Yes
ML05017	City of Signal Hill	1/16/2006	7/15/2007		\$126,000.00	\$126,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05018	City of San Bernardino	4/19/2005	4/18/2006		\$40,000.00	\$40,000.00	4 M.D. CNG Vehicles	\$0.00	Yes
ML05019	City of Lakewood	5/6/2005	5/5/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05020	City of Pomona	6/24/2005	6/23/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05021	City of Whittier	7/7/2005	7/6/2006	4/6/2008	\$100,000.00	\$80,000.00	Sweeper, Aerial Truck, & 3 Refuse Trucks	\$20,000.00	Yes
ML05022	City of Claremont	9/23/2005	9/22/2006		\$20,000.00	\$20,000.00	2 M.D. CNG Vehicles	\$0.00	Yes
ML05024	City of Cerritos	4/18/2005	3/17/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05025	City of Malibu	5/6/2005	3/5/2006		\$10,000.00	\$10,000.00	1 Medium-Duty CNG Vehicle	\$0.00	Yes
ML05026	City of Inglewood	1/6/2006	1/5/2007	2/5/2009	\$60,000.00	\$60,000.00	2 CNG Transit Buses, 1 CNG Pothole Patch	\$0.00	Yes
ML05027	City of Beaumont	2/23/2006	4/22/2007	6/22/2010	\$20,000.00	\$20,000.00	1 H.D. CNG Bus	\$0.00	Yes
ML05028	City of Anaheim	9/8/2006	9/7/2007	5/7/2008	\$85,331.00	\$85,331.00	Traffic signal coordination & synchronization	\$0.00	Yes
ML05029	Los Angeles World Airports	5/5/2006	9/4/2007		\$140,000.00	\$140,000.00	Seven CNG Buses	\$0.00	Yes
ML05071	City of La Canada Flintridge	1/30/2009	1/29/2011		\$20,000.00	\$20,000.00	1 CNG Bus	\$0.00	Yes
ML05072	Los Angeles County Department of	8/24/2009	5/23/2010	1/23/2011	\$349,000.00	\$349,000.00	Traffic Signal Synchronization (LADOT)	\$0.00	Yes

Total: 19

Closed/Incomplete Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML05007	Los Angeles County Dept of Beache	6/23/2006	6/22/2007	12/22/2007	\$50,000.00	\$0.00	5 Medium Duty CNG Vehicles	\$50,000.00	No
ML05009	Los Angeles County Department of	6/22/2006	12/21/2007	9/30/2011	\$56,666.00	\$0.00	2 Propane Refueling Stations	\$56,666.00	No
ML05012	Los Angeles County Department of	11/10/2006	5/9/2008	1/9/2009	\$349,000.00	\$0.00	Traffic Signal Synchronization (LADOT)	\$349,000.00	No
ML05023	City of La Canada Flintridge	3/30/2005	2/28/2006	8/28/2008	\$20,000.00	\$0.00	1 CNG Bus	\$20,000.00	No

Total: 4

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2005-2006 Contracts

Open Contracts

ML06031	City of Inglewood	4/4/2007	6/3/2013	9/3/2015	\$150,000.00	\$65,602.40	Purchase 4 H-D LPG Vehicles & Install LPG	\$84,397.60	No
ML06035	City of Hemet, Public Works	11/10/2006	12/9/2012	1/9/2017	\$338,107.00	\$175,000.00	7 Nat Gas Trucks & New Nat Gas Infrastruct	\$163,107.00	No
ML06054	Los Angeles County Department of	6/17/2009	6/16/2016		\$150,000.00	\$0.00	3 CNG & 3 LPG HD Trucks	\$150,000.00	No
ML06070	City of Colton	4/30/2008	2/28/2015	4/30/2015	\$50,000.00	\$0.00	Two CNG Pickups	\$50,000.00	No
ML06071	City of Santa Monica	6/13/2014		11/30/2016	\$149,925.00	\$0.00	3 H.D. CNG Trucks & CNG Fueling Station	\$149,925.00	No

Total: 5

Declined/Cancelled Contracts

ML06018	Los Angeles County Dept of Beache				\$375,000.00	\$0.00	New CNG Station & 2 CNG Dump Trucks	\$375,000.00	No
ML06019	Los Angeles County Dept of Beache				\$250,000.00	\$0.00	New CNG Station & 2 CNG Dump Trucks	\$250,000.00	No
ML06023	City of Baldwin Park	6/16/2006	9/15/2012		\$20,000.00	\$0.00	CNG Dump Truck	\$20,000.00	No
ML06024	City of Pomona	8/3/2007	7/2/2013	7/2/2014	\$286,450.00	\$0.00	New CNG Station	\$286,450.00	No
ML06030	City of Burbank	3/19/2007	9/18/2011		\$287,700.00	\$0.00	New CNG Fueling Station	\$287,700.00	No
ML06037	City of Lynwood				\$25,000.00	\$0.00	1 Nat Gas Dump Truck	\$25,000.00	No
ML06039	City of Inglewood	2/9/2007	2/8/2008	4/8/2011	\$50,000.00	\$0.00	Modify Maintenance Facility for CNG Vehicle	\$50,000.00	No
ML06055	City of Los Angeles, Dept. of Genera				\$125,000.00	\$0.00	5 Gas-Electric Hybrid Buses	\$125,000.00	No
ML06059	City of Fountain Valley				\$25,000.00	\$0.00	One H.D. CNG Truck	\$25,000.00	No
MS06009	Clean Energy Fuels Corp.	6/23/2006	12/22/2012		\$250,000.00	\$0.00	New CNG Station - Laguna Niguel	\$250,000.00	Yes
MS06040	Capistrano Unified School District				\$136,000.00	\$0.00	New CNG Fueling Station	\$136,000.00	No
MS06041	Clean Energy Fuels Corp.	12/1/2006	3/31/2013	6/18/2009	\$250,000.00	\$0.00	New CNG Station-Newport Beach	\$250,000.00	No
MS06046	City of Long Beach, Dept. of Public				\$250,000.00	\$0.00	LNG Fueling Station	\$250,000.00	No
MS06051	Menifee Union School District	3/2/2007	7/1/2014		\$150,000.00	\$0.00	CNG Fueling Station	\$150,000.00	No

Total: 14

Closed Contracts

ML06016	City of Whittier	5/25/2006	5/24/2012	11/24/2012	\$50,000.00	\$50,000.00	2 CNG Refuse Trucks	\$0.00	Yes
ML06017	City of Claremont	8/2/2006	4/1/2012		\$50,000.00	\$50,000.00	2 CNG Refuse Trucks	\$0.00	Yes
ML06020	Los Angeles Department of Water a	3/19/2007	9/18/2013	4/18/2014	\$25,000.00	\$25,000.00	CNG Aerial Truck	\$0.00	Yes
ML06021	Los Angeles World Airports	9/13/2006	5/12/2013		\$150,000.00	\$150,000.00	6 CNG Buses	\$0.00	Yes
ML06022	City of Los Angeles, Bureau of Sanit	5/4/2007	1/3/2014		\$1,250,000.00	\$1,250,000.00	50 LNG Refuse Trucks	\$0.00	Yes
ML06026	City of Cerritos	10/27/2006	9/26/2010		\$60,500.00	\$60,500.00	CNG Station Upgrade	\$0.00	Yes
ML06027	City of Redondo Beach	9/5/2006	5/4/2012	10/4/2012	\$50,000.00	\$50,000.00	2 Heavy-Duty CNG Trucks	\$0.00	Yes
ML06028	City of Pasadena	9/29/2006	11/28/2012	3/28/2014	\$245,000.00	\$245,000.00	New CNG Station & Maint. Fac. Upgrades	\$0.00	Yes
ML06029	City of Culver City Transportation De	9/29/2006	8/28/2012	12/28/2012	\$50,000.00	\$50,000.00	2 CNG Heavy-Duty Trucks	\$0.00	Yes
ML06032	City of Rancho Cucamonga	2/13/2007	3/12/2013	2/12/2014	\$237,079.00	\$237,079.00	New CNG Station & 2 CNG Dump Trucks	\$0.00	Yes
ML06033	City of Cathedral City	11/17/2006	12/16/2012	12/16/2013	\$125,000.00	\$125,000.00	5 Heavy-Duty CNG Trucks	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML06034	City of South Pasadena	9/25/2006	9/24/2012		\$16,422.42	\$16,422.42	2 Nat. Gas Transit Buses	\$0.00	Yes
ML06036	City of Riverside	3/23/2007	3/22/2013		\$200,000.00	\$200,000.00	8 Heavy-Duty Nat Gas Vehicles	\$0.00	Yes
ML06038	City of Los Angeles, Department of	5/21/2007	1/20/2014		\$625,000.00	\$625,000.00	25 CNG Street Sweepers	\$0.00	Yes
ML06044	City of Pomona	12/15/2006	3/14/2013		\$50,000.00	\$50,000.00	2 CNG Street Sweepers	\$0.00	Yes
ML06052	City of Hemet, Public Works	4/20/2007	2/19/2013		\$25,000.00	\$25,000.00	Purchase One CNG Dump Truck	\$0.00	Yes
ML06053	City of Burbank	5/4/2007	7/3/2013		\$125,000.00	\$125,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
ML06056	City of Los Angeles, Dept. of Genera	11/30/2007	11/29/2008		\$350,000.00	\$350,000.00	Maintenance Facility Mods.	\$0.00	Yes
ML06057	City of Rancho Cucamonga	8/28/2007	6/27/2013	8/27/2014	\$100,000.00	\$100,000.00	4 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML06058	City of Santa Monica	7/12/2007	7/11/2013		\$149,925.00	\$0.00	3 H.D. CNG Trucks & CNG Fueling Station	\$149,925.00	No
ML06060	City of Temple City	6/12/2007	6/11/2013		\$31,885.00	\$0.00	Upgrade existing CNG infrastructure	\$31,885.00	No
ML06061	City of Chino Hills	4/30/2007	4/29/2013		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML06062	City of Redlands	5/11/2007	5/10/2013		\$100,000.00	\$100,000.00	4 H.D. LNG Vehicles	\$0.00	Yes
ML06063	City of Moreno Valley	3/23/2007	11/22/2012		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML06065	City of Walnut	6/29/2007	6/28/2013		\$44,203.00	\$44,203.00	Upgrade Existing CNG Infrastructure	\$0.00	Yes
ML06066	City of Ontario	5/30/2007	1/29/2013		\$125,000.00	\$125,000.00	5 H.D. CNG Vehicles	\$0.00	Yes
ML06068	City of Claremont	8/28/2007	6/27/2013		\$60,000.00	\$60,000.00	Expand existing CNG infrastructure	\$0.00	Yes
ML06069	City of Palos Verdes Estates	11/19/2007	11/18/2013		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
MS06001	Riverside County Transportation Co	8/3/2007	9/2/2011		\$825,037.00	\$825,037.00	New Freeway Service Patrol	\$0.00	Yes
MS06002	Orange County Transportation Autho	11/7/2007	11/6/2013		\$928,740.00	\$925,091.00	New Freeway Service Patrol	\$3,649.00	Yes
MS06003	San Bernardino Associated Govern	10/19/2006	6/18/2010		\$804,240.00	\$804,239.87	New Freeway Service Patrol	\$0.13	Yes
MS06004	Los Angeles County MTA	8/10/2006	7/9/2010		\$1,391,983.00	\$1,391,791.98	New Freeway Service Patrol	\$191.02	Yes
MS06010	US Airconditioning Distributors	12/28/2006	6/27/2012		\$83,506.00	\$83,506.00	New CNG Station - Industry	\$0.00	Yes
MS06011	County Sanitation Districts of L.A. C	6/1/2006	7/31/2012		\$150,000.00	\$150,000.00	New CNG Station - Carson	\$0.00	Yes
MS06012	Consolidated Disposal Service	7/14/2006	9/13/2012	9/13/2014	\$297,981.00	\$297,981.00	New LNG Station & Facility Upgrades	\$0.00	Yes
MS06042	Clean Energy Fuels Corp.	1/5/2007	1/4/2013		\$150,000.00	\$150,000.00	New CNG Station-Baldwin Park	\$0.00	Yes
MS06043X	Westport Fuel Systems, Inc.	2/3/2007	12/31/2010	9/30/2011	\$2,000,000.00	\$2,000,000.00	Advanced Natural Gas Engine Incentive Pro	\$0.00	Yes
MS06045	Orange County Transportation Autho	8/17/2007	12/16/2013		\$200,000.00	\$200,000.00	CNG Fueling Station/Maint. Fac. Mods	\$0.00	Yes
MS06047	Hemet Unified School District	9/19/2007	11/18/2013		\$125,000.00	\$125,000.00	CNG Refueling Station	\$0.00	Yes
MS06048	Newport-Mesa Unified School Distric	6/25/2007	8/24/2013	8/24/2014	\$50,000.00	\$50,000.00	CNG Fueling Station	\$0.00	Yes
MS06050	Rossmoor Pastries	1/24/2007	10/23/2012		\$18,750.00	\$14,910.50	CNG Fueling Station	\$3,839.50	Yes

Total: 41

Open/Complete Contracts

ML06025	City of Santa Monica	1/5/2007	11/4/2012	12/14/2014	\$300,000.00	\$300,000.00	12 H.D. CNG Vehicles	\$0.00	Yes
ML06064	City of South Pasadena	1/25/2008	11/24/2013	11/24/2014	\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML06067	City of El Monte	3/17/2008	5/16/2014	11/16/2014	\$157,957.00	\$157,957.00	Upgrade existing CNG infrastructure	\$0.00	Yes
MS06013	City of Commerce	1/9/2008	7/8/2014	7/8/2015	\$350,000.00	\$350,000.00	New L/CNG Station - Commerce	\$0.00	Yes
MS06049	Clean Energy Fuels Corp.	4/20/2007	7/19/2013	11/30/2015	\$250,000.00	\$228,491.18	CNG Fueling Station - L.B.P.D.	\$21,508.82	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 5									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2006-2007 Contracts									
Open Contracts									
ML07044	City of Santa Monica	9/8/2008	3/7/2015	3/7/2017	\$600,000.00	\$50,000.00	24 H.D. Nat. Gas Vehicles	\$550,000.00	No
ML07045	City of Inglewood	2/6/2009	4/5/2015		\$75,000.00	\$25,000.00	3 H.D. Nat. Gas Vehicles	\$50,000.00	No
MS07022	CSULA Hydrogen Station and Resea	10/30/2009	12/29/2015	10/29/2019	\$250,000.00	\$0.00	New Hydrogen Fueling Station	\$250,000.00	No
MS07061	City of Los Angeles, Department of	10/31/2008	8/30/2010	2/28/2013	\$40,626.00	\$40,626.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	No
MS07070	Griffith Company	4/30/2008	2/28/2010	8/28/2012	\$168,434.00	\$125,504.00	Off-Road Diesel Equipment Retrofit Program	\$42,930.00	No
MS07080	City of Los Angeles, Bureau of Sanit	10/31/2008	8/30/2010	8/28/2016	\$63,192.00	\$62,692.00	Off-Road Diesel Equipment Retrofit Program	\$500.00	No
Total: 6									
Declined/Cancelled Contracts									
ML07031	City of Santa Monica				\$180,000.00	\$0.00	Upgrade N.G. Station to Add Hythane	\$180,000.00	No
ML07032	City of Huntington Beach Public Wor				\$25,000.00	\$0.00	One H.D. CNG Vehicle	\$25,000.00	No
ML07035	City of Los Angeles, General Service				\$350,000.00	\$0.00	New CNG Refueling Station/Southeast Yard	\$350,000.00	No
ML07038	City of Palos Verdes Estates				\$25,000.00	\$0.00	One H.D. LPG Vehicle	\$25,000.00	No
MS07010	Palos Verdes Peninsula Transit Auth				\$80,000.00	\$0.00	Repower 4 Transit Buses	\$80,000.00	No
MS07014	Clean Energy Fuels Corp.				\$350,000.00	\$0.00	New L/CNG Station - SERRF	\$350,000.00	No
MS07015	Baldwin Park Unified School District				\$57,500.00	\$0.00	New CNG Station	\$57,500.00	No
MS07016	County of Riverside Fleet Services D				\$36,359.00	\$0.00	New CNG Station - Rubidoux	\$36,359.00	No
MS07017	County of Riverside Fleet Services D				\$33,829.00	\$0.00	New CNG Station - Indio	\$33,829.00	No
MS07018	City of Cathedral City				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07021	City of Riverside				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07050	Southern California Disposal Co.				\$320,000.00	\$0.00	Ten Nat. Gas Refuse Trucks	\$320,000.00	No
MS07062	Caltrans Division of Equipment				\$1,081,818.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$1,081,818.00	No
MS07065	ECCO Equipment Corp.				\$174,525.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$174,525.00	No
MS07067	Recycled Materials Company of Calif				\$99,900.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$99,900.00	No
MS07069	City of Burbank	5/9/2008	3/8/2010	9/8/2011	\$8,895.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$8,895.00	No
MS07074	Albert W. Davies, Inc.	1/25/2008	11/24/2009		\$39,200.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$39,200.00	No
MS07081	Clean Diesel Technologies, Inc.				\$240,347.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$240,347.00	No
MS07082	DCL International, Inc.				\$153,010.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$153,010.00	No
MS07083	Dinex Exhausts, Inc.				\$52,381.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$52,381.00	No
MS07084	Donaldson Company, Inc.				\$42,416.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$42,416.00	No
MS07085	Engine Control Systems Limited				\$155,746.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$155,746.00	No
MS07086	Huss, LLC				\$84,871.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$84,871.00	No
MS07087	Mann+Hummel GmbH				\$189,361.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$189,361.00	No
MS07088	Nett Technologies, Inc.				\$118,760.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$118,760.00	No
MS07089	Rypos, Inc.				\$68,055.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$68,055.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS07090	Sud-Chemie				\$27,345.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$27,345.00	No
Total: 27									
Closed Contracts									
ML07025	City of San Bernardino	8/12/2008	7/11/2010		\$350,000.00	\$350,000.00	Maintenance Facility Modifications	\$0.00	Yes
ML07026	City of South Pasadena	6/13/2008	6/12/2014		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML07027	Los Angeles World Airports	6/3/2008	7/2/2014		\$25,000.00	\$25,000.00	One H.D. LNG Vehicle	\$0.00	Yes
ML07028	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Hollywood Yard	\$0.00	Yes
ML07029	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Venice Yard	\$0.00	Yes
ML07033	City of La Habra	5/21/2008	6/20/2014	11/30/2013	\$25,000.00	\$25,000.00	One H.D. Nat Gas Vehicle	\$0.00	Yes
ML07034	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Van Nuys Yard	\$0.00	Yes
ML07040	City of Moreno Valley	6/3/2008	9/2/2014		\$25,000.00	\$25,000.00	One Heavy-Duty CNG Vehicle	\$0.00	Yes
ML07041	City of La Quinta	6/6/2008	6/5/2014		\$25,000.00	\$25,000.00	One CNG Street Sweeper	\$0.00	Yes
ML07042	City of La Quinta	8/15/2008	9/14/2010		\$100,000.00	\$100,000.00	Street Sweeping Operations	\$0.00	Yes
ML07046	City of Culver City Transportation De	5/2/2008	5/1/2014		\$25,000.00	\$25,000.00	One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML07048	City of Cathedral City	9/19/2008	10/18/2010		\$100,000.00	\$84,972.45	Street Sweeping Operations	\$15,027.55	Yes
MS07001	A-Z Bus Sales, Inc.	12/28/2006	12/31/2007	2/29/2008	\$1,920,000.00	\$1,380,000.00	CNG School Bus Buydown	\$540,000.00	Yes
MS07002	BusWest	1/19/2007	12/31/2007	3/31/2008	\$840,000.00	\$840,000.00	CNG School Bus Buydown	\$0.00	Yes
MS07003	Westport Fuel Systems, Inc.	11/2/2007	12/31/2011	6/30/2013	\$1,500,000.00	\$1,499,990.00	Advanced Nat. Gas Engine Incentive Progra	\$10.00	Yes
MS07005	S-W Compressors	3/17/2008	3/16/2010		\$60,000.00	\$7,500.00	Mountain CNG School Bus Demo Program-	\$52,500.00	Yes
MS07006	Coachella Valley Association of Gov	2/28/2008	10/27/2008		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS07011	L A Service Authority for Freeway E	3/12/2010	5/31/2011	9/30/2011	\$700,000.00	\$700,000.00	"511" Commuter Services Campaign	\$0.00	Yes
MS07012	City of Los Angeles, General Service	6/13/2008	6/12/2009	6/12/2010	\$50,000.00	\$50,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS07013	Rainbow Disposal Company, Inc.	1/25/2008	3/24/2014	9/24/2014	\$350,000.00	\$350,000.00	New High-Volume CNG Station	\$0.00	Yes
MS07019	City of Cathedral City	1/9/2009	6/8/2010		\$32,500.00	\$32,500.00	Maintenance Facility Modifications	\$0.00	Yes
MS07055	City of Culver City Transportation De	7/8/2008	9/7/2014		\$192,000.00	\$192,000.00	Six Nat. Gas Refuse Trucks	\$0.00	Yes
MS07058	The Better World Group	11/17/2007	11/16/2009	11/16/2011	\$247,690.00	\$201,946.21	MSRC Programmatic Outreach Services	\$45,743.79	Yes
MS07059	County Sanitation Districts of L.A. C	9/5/2008	9/4/2010	7/14/2012	\$231,500.00	\$231,500.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07060	Community Recycling & Resource R	3/7/2008	1/6/2010	7/6/2011	\$177,460.00	\$98,471.00	Off-Road Diesel Equipment Retrofit Program	\$78,989.00	Yes
MS07063	Shimmick Construction Company, In	4/26/2008	2/25/2010	8/25/2011	\$80,800.00	\$11,956.37	Off-Road Diesel Equipment Retrofit Program	\$68,843.63	No
MS07064	Altfillisch Contractors, Inc.	9/19/2008	7/18/2010	1/18/2011	\$160,000.00	\$155,667.14	Off-Road Diesel Equipment Retrofit Program	\$4,332.86	Yes
MS07068	Sukut Equipment Inc.	1/23/2009	11/22/2010	5/22/2012	\$26,900.00	\$26,900.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07071	Tiger 4 Equipment Leasing	9/19/2008	7/18/2010	1/18/2013	\$210,937.00	\$108,808.97	Off-Road Diesel Equipment Retrofit Program	\$102,128.03	Yes
MS07072	City of Culver City Transportation De	4/4/2008	2/3/2010	8/3/2011	\$72,865.00	\$72,865.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07075	Dan Copp Crushing	9/17/2008	7/16/2010	1/16/2012	\$73,600.00	\$40,200.00	Off-Road Diesel Equipment Retrofit Program	\$33,400.00	No
MS07076	Reed Thomas Company, Inc.	8/15/2008	6/14/2010	3/14/2012	\$339,073.00	\$100,540.00	Off-Road Diesel Equipment Retrofit Program	\$238,533.00	No
MS07079	Riverside County Transportation Co	1/30/2009	7/29/2013	12/31/2011	\$20,000.00	\$15,165.45	BikeMetro Website Migration	\$4,834.55	Yes
MS07091	BusWest	10/16/2009	3/15/2010		\$33,660.00	\$33,660.00	Provide Lease for 2 CNG School Buses	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS07092	Riverside County Transportation Co	9/1/2010	10/31/2011		\$350,000.00	\$350,000.00	"511" Commuter Services Campaign	\$0.00	Yes

Total: 35

Closed/Incomplete Contracts

MS07004	BusWest	7/2/2007	7/1/2009		\$90,928.00	\$68,196.00	Provide Lease for 2 CNG School Buses	\$22,732.00	No
MS07066	Skanska USA Civil West California D	6/28/2008	4/27/2010	10/27/2010	\$111,700.00	\$36,128.19	Off-Road Diesel Equipment Retrofit Program	\$75,571.81	No
MS07073	PEED Equipment Co.	10/31/2008	8/30/2010		\$11,600.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$11,600.00	No

Total: 3

Open/Complete Contracts

ML07023	City of Riverside	6/20/2008	10/19/2014	7/19/2016	\$462,500.00	\$461,476.42	CNG Station Expansion/Purch. 14 H.D. Vehi	\$1,023.58	No
ML07024	City of Garden Grove	3/7/2008	9/6/2014	7/6/2016	\$75,000.00	\$75,000.00	Three H.D. CNG Vehicles	\$0.00	Yes
ML07030	County of San Bernardino Public Wo	7/11/2008	9/10/2015		\$200,000.00	\$200,000.00	8 Natural Gas H.D. Vehicles	\$0.00	Yes
ML07036	City of Alhambra	1/23/2009	2/22/2015		\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML07037	City of Los Angeles, General Service	10/8/2008	10/7/2015		\$255,222.00	\$255,222.00	Upgrade LNG/LCNG Station/East Valley Yar	\$0.00	Yes
ML07039	City of Baldwin Park	6/6/2008	6/5/2014	8/5/2015	\$50,000.00	\$50,000.00	Two N.G. H.D. Vehicles	\$0.00	Yes
ML07043	City of Redondo Beach	9/28/2008	7/27/2014	10/27/2016	\$125,000.00	\$125,000.00	Five H.D. CNG Transit Vehicles	\$0.00	Yes
ML07047	City of Cathedral City	6/16/2008	9/15/2014	3/15/2015	\$225,000.00	\$225,000.00	Two H.D. Nat. Gas Vehicles/New CNG Fueli	\$0.00	Yes
MS07007	Los Angeles World Airports	5/2/2008	11/1/2014		\$420,000.00	\$420,000.00	Purchase CNG 21 Transit Buses	\$0.00	Yes
MS07008	City of Los Angeles, Department of T	9/18/2009	5/17/2020	9/17/2017	\$1,900,000.00	\$1,900,000.00	Purchase 95 Transit Buses	\$0.00	Yes
MS07009	Orange County Transportation Autho	5/14/2008	4/13/2016		\$800,000.00	\$800,000.00	Purchase 40 Transit Buses	\$0.00	Yes
MS07020	Avery Petroleum	5/20/2009	7/19/2015		\$250,000.00	\$250,000.00	New CNG Station	\$0.00	Yes
MS07049	Palm Springs Disposal Services	10/23/2008	11/22/2014	9/22/2016	\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07051	City of San Bernardino	8/12/2008	12/11/2014		\$480,000.00	\$480,000.00	15 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07052	City of Redlands	7/30/2008	11/29/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
MS07053	City of Claremont	7/31/2008	12/30/2014		\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07054	Republic Services, Inc.	3/7/2008	9/6/2014	9/6/2016	\$1,280,000.00	\$1,280,000.00	40 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07056	City of Whittier	9/5/2008	3/4/2015		\$32,000.00	\$32,000.00	One Nat. Gas Refuse Trucks	\$0.00	Yes
MS07057	CR&R, Inc.	7/31/2008	8/30/2014	6/30/2015	\$896,000.00	\$896,000.00	28 Nat. Gas Refuse Trucks	\$0.00	No
MS07077	USA Waste of California, Inc.	5/1/2009	12/31/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks (Santa Ana)	\$0.00	Yes
MS07078	USA Waste of California, Inc.	5/1/2009	12/31/2014	12/31/2015	\$256,000.00	\$256,000.00	Eight Nat. Gas Refuse Trucks (Dewey's)	\$0.00	Yes

Total: 21

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2007-2008 Contracts

Open Contracts

ML08028	City of Santa Monica	9/11/2009	9/10/2016	5/10/2019	\$600,000.00	\$0.00	24 CNG Heavy-Duty Vehicles	\$600,000.00	No
ML08030	City of Azusa	5/14/2010	3/13/2016		\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08040	City of Riverside	9/11/2009	9/10/2016	3/10/2019	\$455,500.00	\$28,124.80	16 CNG Vehicles, Expand CNG Station & M	\$427,375.20	No
ML08043	City of Desert Hot Springs	9/25/2009	3/24/2016		\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08080	City of Irvine	5/1/2009	5/31/2015		\$50,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$50,000.00	No
MS08007	United Parcel Service West Region	12/10/2008	10/9/2014	4/9/2019	\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08013	United Parcel Service West Region	12/10/2008	10/9/2014	3/9/2019	\$480,000.00	\$216,000.00	12 H.D. Nat. Gas Yard Tractors	\$264,000.00	No
MS08015	Yosemite Waters	5/12/2009	5/11/2015		\$180,000.00	\$117,813.60	11 H.D. Propane Vehicles	\$62,186.40	No
MS08018	Los Angeles County Department of	8/7/2009	10/6/2016	4/6/2018	\$60,000.00	\$0.00	3 CNG Vehicles	\$60,000.00	No
MS08058	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$240,000.00	New CNG Station - Ontario Airport	\$160,000.00	No
MS08068	Regents of the University of Californi	11/5/2010	11/4/2017	11/4/2019	\$400,000.00	\$0.00	Hydrogen Station	\$400,000.00	No

Total: 11

Declined/Cancelled Contracts

ML08032	City of Irvine	5/1/2009	8/31/2010		\$9,000.00	\$0.00	36 Vehicles (Diagnostic)	\$9,000.00	No
ML08041	City of Los Angeles, Dept of Transpo	8/6/2010	7/5/2011	12/5/2011	\$8,800.00	\$0.00	73 Vehicles (Diagnostic)	\$8,800.00	No
ML08049	City of Cerritos	3/20/2009	1/19/2015	2/19/2017	\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08051	City of Colton				\$75,000.00	\$0.00	3 CNG Heavy-Duty Vehicles	\$75,000.00	No
MS08002	Orange County Transportation Autho				\$1,500,000.00	\$0.00	Big Rig Freeway Service Patrol	\$1,500,000.00	No
MS08008	Diversified Truck Rental & Leasing				\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08010	Orange County Transportation Autho				\$10,000.00	\$0.00	20 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08011	Green Fleet Systems, LLC				\$10,000.00	\$0.00	30 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08052	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014	11/23/2015	\$100,000.00	\$0.00	New CNG Station - Fontana	\$100,000.00	No
MS08054	Clean Energy Fuels Corp.				\$400,000.00	\$0.00	New LNG Station - Fontana	\$400,000.00	No
MS08055	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$0.00	New LNG Station - Long Beach-Pier S	\$400,000.00	No
MS08059	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - San Bernardino	\$100,000.00	No
MS08060	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - Azusa	\$100,000.00	No
MS08062	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$0.00	New CNG Station - Rialto	\$400,000.00	No
MS08074	Fontana Unified School District	11/14/2008	12/13/2014		\$200,000.00	\$0.00	Expansion of Existing CNG station	\$200,000.00	No
MS08077	Hythane Company, LLC				\$144,000.00	\$0.00	Upgrade Station to Hythane	\$144,000.00	No

Total: 16

Closed Contracts

ML08023	City of Villa Park	11/7/2008	10/6/2012		\$6,500.00	\$5,102.50	Upgrade of Existing Refueling Facility	\$1,397.50	Yes
ML08027	Los Angeles County Department of	7/20/2009	1/19/2011	1/19/2012	\$6,901.00	\$5,124.00	34 Vehicles (Diagnostic)	\$1,777.00	No
ML08033	County of San Bernardino Public Wo	4/3/2009	2/2/2010		\$14,875.00	\$14,875.00	70 Vehicles (Diagnostic)	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML08035	City of La Verne	3/6/2009	11/5/2009		\$11,925.00	\$11,925.00	53 Vehicles (Diagnostic)	\$0.00	Yes
ML08036	City of South Pasadena	5/12/2009	7/11/2013		\$169,421.00	\$169,421.00	New CNG Station	\$0.00	Yes
ML08045	City of Santa Clarita	2/20/2009	6/19/2010		\$3,213.00	\$3,150.00	14 Vehicles (Diagnostic)	\$63.00	Yes
MS08001	Los Angeles County MTA	12/10/2010	6/9/2014		\$1,500,000.00	\$1,499,999.66	Big Rig Freeway Service Patrol	\$0.34	Yes
MS08003	A-Z Bus Sales, Inc.	5/2/2008	12/31/2008	2/28/2009	\$1,480,000.00	\$1,400,000.00	Alternative Fuel School Bus Incentive Progr	\$80,000.00	Yes
MS08004	BusWest	5/2/2008	12/31/2008		\$1,440,000.00	\$1,440,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS08016	TransVironmental Solutions, Inc.	1/23/2009	12/31/2010	9/30/2011	\$227,198.00	\$80,351.34	Rideshare 2 School Program	\$146,846.66	Yes
MS08065	Pupil Transportation Cooperative	11/20/2008	7/19/2014		\$10,500.00	\$10,500.00	Existing CNG Station Modifications	\$0.00	Yes
MS09002	A-Z Bus Sales, Inc.	11/7/2008	12/31/2009	12/31/2010	\$2,520,000.00	\$2,460,000.00	Alternative Fuel School Bus Incentive Progr	\$60,000.00	No
MS09004	A-Z Bus Sales, Inc.	1/30/2009	3/31/2009		\$156,000.00	\$156,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS09047	BusWest	7/9/2010	12/31/2010	4/30/2011	\$480,000.00	\$480,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes

Total: 14

Closed/Incomplete Contracts

ML08025	Los Angeles County Department of	10/30/2009	3/29/2011		\$75,000.00	\$0.00	150 Vehicles (Diagnostic)	\$75,000.00	No
MS08079	ABC Unified School District	1/16/2009	12/15/2009	12/15/2010	\$50,000.00	\$0.00	Maintenance Facility Modifications	\$50,000.00	No

Total: 2

Open/Complete Contracts

ML08024	City of Anaheim	7/9/2010	7/8/2017	1/8/2018	\$425,000.00	\$425,000.00	9 LPG Buses and 8 CNG Buses	\$0.00	No
ML08026	Los Angeles County Department of	7/20/2009	7/19/2016		\$250,000.00	\$250,000.00	10 LPG Heavy-Duty Vehicles	\$0.00	Yes
ML08029	City of Gardena	3/19/2009	1/18/2015		\$25,000.00	\$25,000.00	1 Propane Heavy-Duty Vehicle	\$0.00	Yes
ML08031	City of Claremont	3/27/2009	3/26/2013	3/26/2015	\$97,500.00	\$97,500.00	Upgrade of Existing CNG Station, Purchase	\$0.00	Yes
ML08034	County of San Bernardino Public Wo	3/27/2009	7/26/2015		\$150,000.00	\$150,000.00	8 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08037	City of Glendale	5/20/2009	5/19/2015		\$325,000.00	\$325,000.00	13 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08038	Los Angeles Department of Water a	7/16/2010	7/15/2017		\$1,050,000.00	\$1,050,000.00	42 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08039	City of Rancho Palos Verdes	6/5/2009	8/4/2015		\$50,000.00	\$50,000.00	2 LPG Transit Buses	\$0.00	Yes
ML08042	City of Ontario	5/1/2009	1/31/2016		\$175,000.00	\$175,000.00	7 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08044	City of Chino	3/19/2009	3/18/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08046	City of Paramount	2/20/2009	2/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08047	City of Culver City Transportation De	5/12/2009	8/11/2015		\$150,000.00	\$150,000.00	6 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08048	City of Santa Clarita	2/20/2009	6/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08050	City of Laguna Beach Public Works	8/12/2009	4/11/2016	10/11/2016	\$75,000.00	\$75,000.00	3 LPG Trolleys	\$0.00	Yes
MS08005	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Azusa	\$0.00	Yes
MS08006	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Saugus	\$0.00	Yes
MS08009	Los Angeles World Airports	12/24/2008	12/23/2014		\$870,000.00	\$870,000.00	29 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS08012	California Cartage Company, LLC	12/21/2009	10/20/2015	4/20/2016	\$480,000.00	\$480,000.00	12 H.D. Nat. Gas Yard Tractors	\$0.00	Yes
MS08014	City of San Bernardino	12/5/2008	6/4/2015		\$390,000.00	\$360,000.00	13 H.D. Nat. Gas Vehicles	\$30,000.00	Yes
MS08017	Omnitrans	12/13/2008	12/12/2015	12/12/2016	\$900,000.00	\$900,000.00	30 CNG Buses	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS08019	Enterprise Rent-A-Car Company of L	2/12/2010	7/11/2016		\$300,000.00	\$300,000.00	10 CNG Vehicles	\$0.00	Yes
MS08020	Ware Disposal Company, Inc.	11/25/2008	2/24/2016		\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08021	CalMet Services, Inc.	1/9/2009	1/8/2016	7/8/2016	\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08022	SunLine Transit Agency	12/18/2008	3/17/2015		\$311,625.00	\$311,625.00	15 CNG Buses	\$0.00	Yes
MS08053	City of Los Angeles, Bureau of Sanit	2/18/2009	12/17/2015		\$400,000.00	\$400,000.00	New LNG/CNG Station	\$0.00	Yes
MS08056	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New LNG Station - POLB-Anah. & I	\$0.00	Yes
MS08057	Orange County Transportation Autho	5/14/2009	7/13/2015		\$400,000.00	\$400,000.00	New CNG Station - Garden Grove	\$0.00	Yes
MS08061	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$400,000.00	New CNG Station - L.A.-La Cienega	\$0.00	Yes
MS08063	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$400,000.00	New CNG Station - Moreno Valley	\$0.00	Yes
MS08064	Hemet Unified School District	1/9/2009	3/8/2015		\$75,000.00	\$75,000.00	Expansion of Existing Infrastructure	\$0.00	Yes
MS08066	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Palm Spring Airport	\$0.00	Yes
MS08067	Trillium CNG	3/19/2009	6/18/2015	6/18/2016	\$311,600.00	\$254,330.00	New CNG Station	\$57,270.00	Yes
MS08069	Perris Union High School District	6/5/2009	8/4/2015	8/4/2016	\$225,000.00	\$225,000.00	New CNG Station	\$0.00	Yes
MS08070	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Paramount	\$0.00	Yes
MS08071	ABC Unified School District	1/16/2009	1/15/2015		\$63,000.00	\$63,000.00	New CNG Station	\$0.00	Yes
MS08072	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$354,243.38	New CNG Station - Burbank	\$45,756.62	Yes
MS08073	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Norwalk	\$0.00	Yes
MS08075	Disneyland Resort	12/10/2008	2/1/2015		\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS08076	Azusa Unified School District	10/17/2008	11/16/2014	1/31/2017	\$172,500.00	\$172,500.00	New CNG station and maint. Fac. Modificati	\$0.00	Yes
MS08078	SunLine Transit Agency	12/10/2008	6/9/2015	2/9/2016	\$189,000.00	\$189,000.00	CNG Station Upgrade	\$0.00	Yes

Total: 40

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2008-2009 Contracts									
Open Contracts									
ML09009	City of South Pasadena	11/5/2010	12/4/2016	3/4/2019	\$137,500.00	\$0.00	CNG Station Expansion	\$137,500.00	No
ML09010	City of Palm Springs	1/8/2010	2/7/2016		\$25,000.00	\$0.00	1 Nat. Gas Heavy-Duty Vehicle	\$25,000.00	No
ML09026	Los Angeles County Department of	10/15/2010	10/14/2017	4/14/2019	\$150,000.00	\$0.00	3 Off-Road Vehicles Repowers	\$150,000.00	No
ML09032	Los Angeles World Airports	4/8/2011	4/7/2018		\$175,000.00	\$0.00	7 Nat. Gas Heavy-Duty Vehicles	\$175,000.00	No
ML09033	City of Beverly Hills	3/4/2011	5/3/2017	5/3/2018	\$550,000.00	\$100,000.00	10 Nat. Gas Heavy-Duty Vehicles & CNG St	\$450,000.00	No
ML09036	City of Long Beach Fleet Services B	5/7/2010	5/6/2017	5/6/2020	\$875,000.00	\$525,000.00	Purchase 35 LNG Refuse Trucks	\$350,000.00	No
ML09047	Los Angeles County Department of	8/13/2014	8/12/2015		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
Total: 7									
Declined/Cancelled Contracts									
ML09017	County of San Bernardino Public Wo	1/28/2010	7/27/2016		\$200,000.00	\$0.00	8 Nat. Gas Heavy-Duty Vehicles	\$200,000.00	No
ML09018	Los Angeles Department of Water a	7/16/2010	9/15/2012		\$850,000.00	\$0.00	Retrofit 85 Off-Road Vehicles w/DECS	\$850,000.00	No
ML09019	City of San Juan Capistrano Public	12/4/2009	11/3/2010		\$10,125.00	\$0.00	Remote Vehicle Diagnostics/45 Vehicles	\$10,125.00	No
ML09022	Los Angeles County Department of				\$8,250.00	\$0.00	Remote Vehicle Diagnostics/15 Vehicles	\$8,250.00	No
ML09025	Los Angeles County Department of	10/15/2010	12/14/2012	6/14/2013	\$50,000.00	\$0.00	Remote Vehicle Diagnostics/85 Vehicles	\$50,000.00	No
ML09028	Riverside County Waste Manageme				\$140,000.00	\$0.00	Retrofit 7 Off-Road Vehicles w/DECS	\$140,000.00	No
ML09039	City of Inglewood				\$310,000.00	\$0.00	Purchase 12 H.D. CNG Vehicles and Remot	\$310,000.00	No
ML09040	City of Cathedral City				\$83,125.00	\$0.00	Purchase 3 H.D. CNG Vehicles and Remote	\$83,125.00	No
ML09044	City of San Dimas				\$425,000.00	\$0.00	Install CNG Station and Purchase 1 CNG S	\$425,000.00	No
ML09045	City of Orange				\$125,000.00	\$0.00	Purchase 5 CNG Sweepers	\$125,000.00	No
MS09003	FuelMaker Corporation				\$296,000.00	\$0.00	Home Refueling Apparatus Incentives	\$296,000.00	No
Total: 11									
Closed Contracts									
ML09007	City of Rancho Cucamonga	2/26/2010	4/25/2012		\$117,500.00	\$62,452.57	Maintenance Facility Modification	\$55,047.43	Yes
ML09013	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$144,470.00	\$128,116.75	Traffic Signal Synchr./Moreno Valley	\$16,353.25	Yes
ML09014	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$113,030.00	\$108,495.94	Traffic Signal Synchr./Corona	\$4,534.06	Yes
ML09015	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$80,060.00	\$79,778.52	Traffic Signal Synchr./Co. of Riverside	\$281.48	Yes
ML09016	County of San Bernardino Public Wo	1/28/2010	3/27/2014		\$50,000.00	\$50,000.00	Install New CNG Station	\$0.00	Yes
ML09020	County of San Bernardino	8/16/2010	2/15/2012		\$49,770.00	\$49,770.00	Remote Vehicle Diagnostics/252 Vehicles	\$0.00	Yes
ML09021	City of Palm Desert	7/9/2010	3/8/2012		\$39,450.00	\$38,248.87	Traffic Signal Synchr./Rancho Mirage	\$1,201.13	Yes
ML09024	Los Angeles County Department of	10/15/2010	12/14/2012	6/14/2013	\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML09027	Los Angeles County Department of	7/23/2010	3/22/2012	6/22/2012	\$150,000.00	\$150,000.00	Freeway Detector Map Interface	\$0.00	Yes
ML09030	City of Los Angeles GSD/Fleet Servi	6/18/2010	6/17/2011		\$22,310.00	\$22,310.00	Remote Vehicle Diagnostics/107 Vehicles	\$0.00	No
MS09001	Administrative Services Co-Op/Long	3/5/2009	6/30/2012	12/31/2013	\$225,000.00	\$150,000.00	15 CNG Taxicabs	\$75,000.00	Yes
MS09005	Gas Equipment Systems, Inc.	6/19/2009	10/18/2010		\$71,000.00	\$71,000.00	Provide Temp. Fueling for Mountain Area C	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 12									
Open/Complete Contracts									
ML09008	City of Culver City Transportation De	1/19/2010	7/18/2016	7/18/2017	\$175,000.00	\$175,000.00	8 Nat. Gas Heavy-Duty Vehicles	\$0.00	No
ML09011	City of San Bernardino	2/19/2010	5/18/2016		\$250,000.00	\$250,000.00	10 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09012	City of Gardena	3/12/2010	11/11/2015		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09023	Los Angeles County Department of	12/10/2010	12/9/2017		\$50,000.00	\$50,000.00	2 Heavy-Duty Alternative Fuel Transit Vehic	\$0.00	No
ML09029	City of Whittier	11/6/2009	4/5/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09031	City of Los Angeles, Department of	10/29/2010	10/28/2017		\$825,000.00	\$825,000.00	33 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09034	City of La Palma	11/25/2009	6/24/2015		\$25,000.00	\$25,000.00	1 LPG Heavy-Duty Vehicle	\$0.00	Yes
ML09035	City of Fullerton	6/17/2010	6/16/2017	12/16/2018	\$450,000.00	\$450,000.00	2 Heavy-Duty CNG Vehicles & Install CNG	\$0.00	Yes
ML09037	City of Redondo Beach	6/18/2010	6/17/2016		\$50,000.00	\$50,000.00	Purchase Two CNG Sweepers	\$0.00	Yes
ML09038	City of Chino	9/27/2010	5/26/2017		\$250,000.00	\$250,000.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09041	City of Los Angeles, Bureau of Sanit	10/1/2010	9/30/2017		\$875,000.00	\$875,000.00	Purchase 35 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML09042	Los Angeles Department of Water a	12/10/2010	12/9/2017		\$1,400,000.00	\$1,400,000.00	Purchase 56 Dump Trucks	\$0.00	Yes
ML09043	City of Covina	10/8/2010	4/7/2017	10/7/2018	\$179,591.00	\$179,591.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09046	City of Newport Beach	5/20/2010	5/19/2016		\$162,500.00	\$162,500.00	Upgrade Existing CNG Station, Maintenance	\$0.00	Yes
Total: 14									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2009-2010 Contracts

Open Contracts

MS10003	City of Sierra Madre	5/11/2012	3/10/2018		\$13,555.00	\$0.00	Purchase 1 H.D. CNG Vehicle	\$13,555.00	No
MS10004	Linde LLC	3/2/2012	6/1/2018		\$56,932.00	\$51,237.90	Purchase 6 H.D. CNG Vehicles	\$5,694.10	No
MS10005	Domestic Linen Supply Company, In	10/8/2010	7/7/2016		\$47,444.00	\$0.00	Purchase 5 Gas-Electric Hybrid Vehicles	\$47,444.00	No
MS10006	Nationwide Environmental Services	11/19/2010	4/18/2017	9/18/2019	\$94,887.00	\$85,398.30	Purchase Three Street Sweepers	\$9,488.70	No
MS10015	County of Los Angeles Department o	3/14/2014	5/13/2016		\$37,955.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$37,955.00	No
MS10017	Ryder System Inc.	12/30/2011	6/29/2018	12/29/2018	\$651,377.00	\$0.00	Purchase 19 H.D. Natural Gas Vehicles	\$651,377.00	No

Total: 6

Declined/Cancelled Contracts

MS10013	City of San Bernardino				\$68,834.00	\$0.00	Purchase 9 H.D. LNG Vehicles	\$68,834.00	No
MS10014	Serv-Wel Disposal				\$18,977.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$18,977.00	No
MS10018	Shaw Transport Inc.				\$81,332.00	\$0.00	Purchase 6 H.D. LNG Vehicles	\$81,332.00	No
MS10022	Los Angeles World Airports				\$123,353.00	\$0.00	Purchase 13 H.D. CNG Vehicles	\$123,353.00	No
MS10023	Dix Leasing				\$105,000.00	\$0.00	Purchase 3 H.D. LNG Vehicles	\$105,000.00	No

Total: 5

Closed Contracts

MS10001	Los Angeles County MTA	3/19/2010	2/28/2011	4/28/2011	\$300,000.00	\$196,790.61	Clean Fuel Transit Bus Service to Dodger St	\$103,209.39	Yes
MS10002	Coachella Valley Association of Gov	6/18/2010	2/17/2011		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS10025	Elham Shirazi	2/18/2011	10/17/2012	2/17/2014	\$199,449.00	\$188,413.05	Telework Demonstration Program	\$11,035.95	No

Total: 3

Open/Complete Contracts

MS10007	Enterprise Rent-A-Car Company of L	7/15/2011	10/14/2017		\$18,976.00	\$18,976.00	Purchase 2 H.D. CNG Vehicles	\$0.00	No
MS10008	Republic Services, Inc.	12/10/2010	5/9/2017		\$123,354.00	\$123,354.00	Purchase 4 CNG Refuse Collection Vehicles	\$0.00	Yes
MS10009	Ware Disposal Company, Inc.	10/29/2010	3/28/2017		\$123,353.00	\$123,352.00	Purchase 4 CNG Refuse Trucks	\$1.00	No
MS10010	New Bern Transport Corporation	10/29/2010	3/28/2017		\$113,864.00	\$113,864.00	Repower 4 Heavy-Duty Vehicles	\$0.00	Yes
MS10011	Foothill Transit Agency	3/9/2012	2/8/2018		\$113,865.00	\$113,865.00	Purchase 12 H.D. CNG Vehicles	\$0.00	Yes
MS10012	Foothill Transit Agency	3/9/2012	3/8/2019		\$85,392.00	\$85,392.00	Purchase 9 H.D. Electric Vehicles	\$0.00	Yes
MS10016	Rio Hondo Community College	11/5/2010	5/4/2017		\$16,077.00	\$16,077.00	Purchase 1 CNG Shuttle Bus	\$0.00	Yes
MS10019	EDCO Disposal Corporation	11/19/2010	2/18/2017		\$379,549.00	\$379,283.81	Purchase 11 H.D. CNG Refuse Trucks	\$265.19	Yes
MS10020	American Reclamation, Inc.	5/6/2011	2/5/2018		\$18,977.00	\$18,977.00	Purchase 1 H.D. CNG Vehicle	\$0.00	Yes
MS10021	City of Glendora	10/29/2010	11/28/2016		\$9,489.00	\$9,489.00	Purchase 1 H.D. CNG Vehicle	\$0.00	Yes
MS10024	Frito-Lay North America	7/29/2011	9/28/2017		\$47,444.00	\$47,444.00	Purchase 5 Electric Vehicles	\$0.00	Yes

Total: 11

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2010-2011 Contracts									
Open Contracts									
ML11020	City of Indio	2/1/2013	3/31/2019		\$30,000.00	\$0.00	Retrofit one H.D. Vehicles w/DECS, repower	\$30,000.00	No
ML11023	City of Rancho Cucamonga	4/20/2012	12/19/2018	9/19/2020	\$260,000.00	\$60,000.00	Expand Existing CNG Station, 2 H.D. Vehicl	\$200,000.00	No
ML11025	County of Los Angeles Department o	3/14/2014	9/13/2021		\$150,000.00	\$0.00	Purchase 5 Nat. Gas H.D. Vehicles	\$150,000.00	No
ML11027	City of Los Angeles, Dept. of Genera	5/4/2012	7/3/2015		\$300,000.00	\$0.00	Maintenance Facility Modifications	\$300,000.00	No
ML11029	City of Santa Ana	9/7/2012	3/6/2020		\$262,500.00	\$0.00	Expansion of Existing CNG Station, Install N	\$262,500.00	No
ML11032	City of Gardena	3/2/2012	9/1/2018		\$102,500.00	\$0.00	Modify Maint. Facility, Expand CNG station,	\$102,500.00	No
ML11034	City of Los Angeles, Department of	5/4/2012	1/3/2019		\$630,000.00	\$0.00	Purchase 21 H.D. CNG Vehicles	\$630,000.00	No
ML11036	City of Riverside	1/27/2012	1/26/2019		\$670,000.00	\$0.00	Install New CNG Station, Purchase 9 H.D. N	\$670,000.00	No
ML11038	City of Santa Monica	5/18/2012	7/17/2018		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML11040	City of South Pasadena	5/4/2012	1/3/2019		\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
ML11041	City of Santa Ana	9/7/2012	11/6/2018		\$265,000.00	\$34,651.86	Purchase 7 LPG H.D. Vehicles, Retrofit 6 H.	\$230,348.14	No
ML11045	City of Newport Beach	2/3/2012	8/2/2018	8/2/2019	\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No
MS11001	Mineral LLC	4/22/2011	4/30/2013	4/30/2015	\$111,827.00	\$97,286.83	Design, Develop, Host and Maintain MSRC	\$14,540.17	No
MS11010	Border Valley Trading	8/26/2011	10/25/2017	4/25/2020	\$150,000.00	\$0.00	New LNG Station	\$150,000.00	No
MS11016	CR&R Incorporated	4/12/2013	10/11/2019		\$100,000.00	\$90,000.00	New CNG Station - Perris	\$10,000.00	No
MS11019	City of Corona	11/29/2012	4/28/2020		\$225,000.00	\$0.00	Expansion of Existing CNG Station	\$225,000.00	No
MS11055	KEC Engineering	2/3/2012	8/2/2018		\$250,000.00	\$135,000.00	Repower 5 H.D. Off-Road Vehicles	\$115,000.00	No
MS11056	The Better World Group	12/30/2011	12/29/2013	12/29/2015	\$196,836.00	\$137,172.69	Programmatic Outreach Services	\$59,663.31	No
MS11060	Rowland Unified School District	8/17/2012	1/16/2019	1/16/2020	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11061	Eastern Municipal Water District	3/29/2012	5/28/2015		\$11,659.00	\$1,450.00	Retrofit One Off-Road Vehicle under Showc	\$10,209.00	No
MS11062	Load Center	9/7/2012	1/6/2016	12/6/2016	\$175,384.00	\$169,883.00	Retrofit Six Off-Road Vehicles under Showc	\$5,501.00	No
MS11065	Temecula Valley Unified School Distr	8/11/2012	1/10/2019		\$50,000.00	\$0.00	Expansion of Existing CNG Station	\$50,000.00	No
MS11067	City of Redlands	5/24/2012	11/23/2018	11/23/2019	\$85,000.00	\$0.00	Expansion of Existing CNG Station	\$85,000.00	No
MS11068	Ryder System Inc.	7/28/2012	10/27/2018		\$175,000.00	\$157,500.00	New Public Access L/CNG Station (Fontana	\$17,500.00	No
MS11069	Ryder System Inc.	7/28/2012	8/27/2018		\$175,000.00	\$157,500.00	New Public Access L/CNG Station (Orange)	\$17,500.00	No
MS11071	City of Torrance Transit Department	12/22/2012	1/21/2019	1/21/2020	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11076	SA Recycling, LLC	5/24/2012	9/23/2015		\$424,801.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$424,801.00	No
MS11081	Metropolitan Stevedore Company	9/7/2012	1/6/2016		\$45,416.00	\$0.00	Install DECS on Two Off-Road Vehicles	\$45,416.00	No
MS11082	Baumot North America, LLC	8/2/2012	12/1/2015		\$65,958.00	\$0.00	Install DECS on Four Off-Road Vehicles	\$65,958.00	No
MS11085	City of Long Beach Fleet Services B	8/23/2013	12/22/2016		\$159,012.00	\$0.00	Retrofit Seven H.D. Off-Road Vehicles Unde	\$159,012.00	No
MS11086	DCL America Inc.	6/7/2013	10/6/2016		\$500,000.00	\$0.00	Retrofit Eight H.D. Off-Road Vehicles Under	\$500,000.00	No
MS11091	California Cartage Company, LLC	4/5/2013	8/4/2016		\$55,000.00	\$0.00	Retrofit Two H.D. Off-Road Vehicles Under	\$55,000.00	No
MS11092	Griffith Company	2/5/2013	6/4/2016		\$390,521.00	\$0.00	Retrofit 17 H.D. Off-Road Vehicles Under Sh	\$390,521.00	No

Total: 33

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Pending Execution Contracts									
ML11024	County of Los Angeles, Dept of Publi				\$90,000.00	\$0.00	Purchase 3 Nat. Gas H.D. Vehicles	\$90,000.00	No
MS11073	Los Angeles Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS11084	Ivanhoe Energy Services and Develo				\$66,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$66,750.00	No
Total: 3									
Declined/Cancelled Contracts									
MS11013	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Huntington Beach	\$150,000.00	No
MS11014	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Santa Ana	\$150,000.00	No
MS11015	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Inglewood	\$150,000.00	No
MS11046	Luis Castro				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11047	Ivan Borjas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11048	Phase II Transportation				\$1,080,000.00	\$0.00	Repower 27 Heavy-Duty Vehicles	\$1,080,000.00	No
MS11049	Ruben Caceras				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11050	Carlos Arrue				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11051	Francisco Vargas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11053	Jose Ivan Soltero				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11054	Albino Meza				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11059	Go Natural Gas				\$150,000.00	\$0.00	New Public Access CNG Station - Paramou	\$150,000.00	No
MS11063	Standard Concrete Products				\$310,825.00	\$0.00	Retrofit Two Off-Road Vehicles under Show	\$310,825.00	No
MS11070	American Honda Motor Company				\$100,000.00	\$0.00	Expansion of Existing CNG Station	\$100,000.00	No
MS11072	Trillium USA Company DBA Californi				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS11077	DCL America Inc.				\$263,107.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$263,107.00	No
MS11083	Catrac Construction, Inc.				\$500,000.00	\$0.00	Install DECS on Eight Off-Road Vehicles	\$500,000.00	No
MS11088	Diesel Emission Technologies				\$32,750.00	\$0.00	Retrofit Three H.D. Off-Road Vehicles Under	\$32,750.00	No
MS11089	Diesel Emission Technologies				\$9,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$9,750.00	No
MS11090	Diesel Emission Technologies				\$14,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$14,750.00	No
Total: 20									
Closed Contracts									
ML11007	Coachella Valley Association of Gov	7/29/2011	7/28/2012		\$250,000.00	\$249,999.96	Regional PM10 Street Sweeping Program	\$0.04	Yes
ML11035	City of La Quinta	11/18/2011	11/17/2012		\$25,368.00	\$25,368.00	Retrofit 3 On-Road Vehicles w/DECS	\$0.00	Yes
MS11002	A-Z Bus Sales, Inc.	7/15/2011	12/31/2011	6/30/2013	\$1,705,000.00	\$1,705,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS11003	BusWest	7/26/2011	12/31/2011	12/31/2012	\$1,305,000.00	\$1,305,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	Yes
MS11004	Los Angeles County MTA	9/9/2011	2/29/2012		\$450,000.00	\$299,743.34	Clean Fuel Transit Service to Dodger Stadiu	\$150,256.66	Yes
MS11006	Orange County Transportation Autho	10/7/2011	2/29/2012	8/31/2012	\$268,207.00	\$160,713.00	Metrolink Service to Angel Stadium	\$107,494.00	Yes
MS11018	Orange County Transportation Autho	10/14/2011	1/31/2012		\$211,360.00	\$211,360.00	Express Bus Service to Orange County Fair	\$0.00	Yes
MS11052	Krisda Inc	9/27/2012	6/26/2013		\$120,000.00	\$120,000.00	Repower Three Heavy-Duty Vehicles	\$0.00	Yes
MS11057	Riverside County Transportation Co	7/28/2012	3/27/2013		\$100,000.00	\$89,159.40	Develop and Implement 511 "Smart Phone"	\$10,840.60	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS11058	L A Service Authority for Freeway E	5/31/2013	4/30/2014		\$123,395.00	\$123,395.00	Implement 511 "Smart Phone" Application	\$0.00	No
MS11074	SunLine Transit Agency	5/11/2012	7/31/2012		\$41,849.00	\$22,391.00	Transit Service for Coachella Valley Festival	\$19,458.00	Yes
MS11080	Southern California Regional Rail Au	4/6/2012	7/31/2012		\$26,000.00	\$26,000.00	Metrolink Service to Auto Club Speedway	\$0.00	Yes

Total: 12

Closed/Incomplete Contracts

MS11064	City of Hawthorne	7/28/2012	8/27/2018	8/27/2019	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
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Total: 1

Open/Complete Contracts

ML11021	City of Whittier	1/27/2012	9/26/2018	6/26/2019	\$210,000.00	\$210,000.00	Purchase 7 Nat. Gas H.D. Vehicles	\$0.00	No
ML11022	City of Anaheim	3/16/2012	7/15/2018		\$150,000.00	\$150,000.00	Purchase of 5 H.D. Vehicles	\$0.00	No
ML11026	City of Redlands	3/2/2012	10/1/2018		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11028	City of Glendale	1/13/2012	5/12/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. CNG Vehicles	\$0.00	Yes
ML11030	City of Fullerton	2/3/2012	3/2/2018		\$109,200.00	\$109,200.00	Purchase 2 Nat. Gas H.D. Vehicles, Retrofit	\$0.00	Yes
ML11031	City of Culver City Transportation De	12/2/2011	12/1/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML11033	City of Los Angeles, Bureau of Sanit	3/16/2012	1/15/2019		\$1,080,000.00	\$1,080,000.00	Purchase 36 LNG H.D. Vehicles	\$0.00	Yes
ML11037	City of Anaheim	12/22/2012	12/21/2019		\$300,000.00	\$300,000.00	Purchase 12 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11039	City of Ontario	1/27/2012	9/26/2018		\$180,000.00	\$180,000.00	Purchase 6 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11042	City of Chino	2/17/2012	4/16/2018		\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle, Repower	\$0.00	No
ML11043	City of Hemet Public Works	2/3/2012	2/2/2019		\$60,000.00	\$60,000.00	Purchase 2 H.D. Nat. Gas Vehicles	\$0.00	No
ML11044	City of Ontario	1/27/2012	6/26/2019		\$400,000.00	\$400,000.00	Expand Existing CNG Station	\$0.00	Yes
MS11008	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11009	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11011	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Signal Hill	\$0.00	Yes
MS11012	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Buena Park	\$0.00	Yes
MS11017	CR&R, Inc.	3/2/2012	2/1/2018		\$100,000.00	\$100,000.00	Expansion of existing station - Garden Grov	\$0.00	Yes
MS11066	Torrance Unified School District	11/19/2012	9/18/2018		\$42,296.00	\$42,296.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11079	Bear Valley Unified School District	2/5/2013	10/4/2019		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11087	Cemex Construction Material Pacific,	10/16/2012	2/15/2016		\$448,766.00	\$448,760.80	Retrofit 13 H.D. Off-Road Vehicles Under Sh	\$5.20	Yes

Total: 20

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2011-2012 Contracts									
Open Contracts									
ML12013	City of Pasadena	10/19/2012	3/18/2015		\$200,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$200,000.00	No
ML12014	City of Santa Ana	11/8/2013	8/7/2020		\$384,000.00	\$4,709.00	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$379,291.00	No
ML12015	City of Fullerton	4/25/2013	11/24/2020		\$40,000.00	\$10,000.00	HD CNG Vehicle, Expand CNG Station	\$30,000.00	No
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
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020		\$950,000.00	\$0.00	32 H.D. Nat. Gas Vehicles	\$950,000.00	No
ML12018	City of West Covina	10/18/2013	10/17/2020		\$300,000.00	\$0.00	Expansion of Existing CNG Station	\$300,000.00	No
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$0.00	EV Charging Infrastructure	\$38,000.00	No
ML12020	City of Los Angeles, Department of	9/27/2012	3/26/2019		\$450,000.00	\$0.00	15 H.D. Nat. Gas Vehicles	\$450,000.00	No
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$30,000.00	Four Medium-Duty Nat. Gas Vehicles	\$10,000.00	No
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$0.00	2 Medium-Duty and Three Heavy-Duty CNG	\$110,000.00	No
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$0.00	EV Charging Infrastructure	\$250,000.00	No
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	No
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	10/3/2015		\$68,977.00	\$0.00	EV Charging Infrastructure	\$68,977.00	No
ML12043	City of Hemet	6/24/2013	9/23/2019		\$60,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$60,000.00	No
ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020		\$400,000.00	\$0.00	Install New CNG Station	\$400,000.00	No
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	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
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$0.00	EV Charging Infrastructure	\$30,432.00	No
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$0.00	EV Charging Infrastructure	\$402,400.00	No
ML12051	City of Bellflower	2/7/2014	2/6/2016		\$270,000.00	\$0.00	EV Charging Infrastructure	\$270,000.00	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
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$0.00	EV Charging Infrastructure	\$77,385.00	No
ML12057	City of Coachella	8/28/2013	8/27/2019		\$57,456.00	\$0.00	Purchase One Nat. Gas H.D. Vehicle/Street	\$57,456.00	No
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$0.00	Electric Vehicle Charging Infrastructure	\$5,900.00	No
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$0.00	Clean Fuel Transit Service to Dodger Stadiu	\$300,000.00	No
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$0.00	Construct New Limited-Access CNG Station	\$175,000.00	No
MS12008	Bonita Unified School District	7/12/2013	12/11/2019		\$175,000.00	\$0.00	Construct New Limited-Acess CNG Station	\$175,000.00	No
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$0.00	Construct New Public-Access CNG Station	\$150,000.00	No
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	6/13/2020	\$150,000.00	\$0.00	Construct New Public-Access CNG Station -	\$150,000.00	No
MS12024	Southern California Gas Company	6/13/2013	12/12/2019		\$150,000.00	\$0.00	Construct New Public-Access CNG Station -	\$150,000.00	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
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	No
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$100,000.00	\$29,201.40	Purchase 4 Medium-Heavy Duty Vehicles	\$70,798.60	No
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018		\$500,000.00	\$21,735.00	Purchase 20 Medium-Heavy Duty Vehicles	\$478,265.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018		\$133,070.00	\$74,763.00	Purchase 8 Medium-Heavy Duty Vehicles	\$58,307.00	No
MS12060	City of Santa Monica	4/4/2014	8/3/2017		\$500,000.00	\$0.00	Transit-Oriented Bicycle Sharing Program	\$500,000.00	No
MS12061	Orange County Transportation Autho	3/14/2014	3/13/2017		\$224,000.00	\$81,604.80	Transit-Oriented Bicycle Sharing Program	\$142,395.20	No
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$46,944.56	Implement Anaheim Circulator Service	\$80,351.44	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
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$0.00	Construct New CNG Station	\$100,000.00	No
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$0.00	Construct New CNG Station	\$150,000.00	No
MS12075	CR&R Incorporated	7/27/2013	1/26/2021		\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS12076	City of Ontario	3/8/2013	4/7/2015		\$75,000.00	\$0.00	Maintenance Facilities Modification	\$75,000.00	No
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Vernon	\$75,000.00	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
MS12080	City of Pasadena	11/8/2013	8/7/2020		\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Santa A	\$75,000.00	No
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021		\$175,000.00	\$0.00	Install New CNG Infrastructure	\$175,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$202,500.00	Purchase 23 Medium-Heavy Duty Vehicles	\$22,500.00	No
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	\$0.00	Implement Rideshare Incentives Program	\$125,000.00	No
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$250,000.00	\$0.00	Implement Rideshare Incentives Program	\$250,000.00	No
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	No

Total: 55

Pending Execution Contracts

MS12083	Brea Olinda Unified School District				\$59,454.00	\$0.00	Install New CNG Infrastructure	\$59,454.00	No
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Total: 1

Declined/Cancelled Contracts

ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte Transit				\$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
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Access CNG Station	\$100,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No

Total: 7

Closed Contracts

ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$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

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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 Stadiu	\$67,003.88	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
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
MS12059	Orange County Transportation Autho	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	No
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
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 Au	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
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes

Total: 13

Open/Complete Contracts

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
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	No
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
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	No
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
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 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/VS	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
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
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
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No

Total: 14

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2012-2014 Contracts									
Open Contracts									
ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$0.00	Street Sweeping Operations	\$25,000.00	No
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$0.00	Bicycle Racks, Bicycle Outreach & Educatio	\$79,000.00	No
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$0.00	EV Charging Infrastructure	\$56,000.00	No
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14020	County of Los Angeles Dept of Publi	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improvem	\$150,000.00	No
ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016		\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$0.00	Expansion of Existing CNG Infrastructure	\$126,950.00	No
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$0.00	Bicycle Trail Improvements	\$90,500.00	No
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$0.00	Purchase 3 H.D. CNG Vehicles	\$90,000.00	No
ML14033	City of Irvine	7/11/2014	2/10/2021		\$60,000.00	\$0.00	Purchase 2 H.D. CNG Vehicles	\$60,000.00	No
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$0.00	EV Charging Stations	\$56,700.00	No
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$0.00	One HD Nat Gas Vehicle, EV Charging, Bicy	\$105,000.00	No
ML14050	City of Yucaipa	7/11/2014	9/10/2015		\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14051	City of Brea	9/5/2014	1/4/2017		\$450,000.00	\$0.00	Installation of Bicycle Trail	\$450,000.00	No
ML14056	City of Redlands	9/5/2014	5/4/2016		\$125,000.00	\$0.00	Bicycle Lanes	\$125,000.00	No
ML14064	City of Claremont	7/11/2014	7/10/2020		\$60,000.00	\$0.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$60,000.00	No
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,000.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016		\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015		\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14072	City of Cathedral City	8/13/2014	1/12/2021		\$136,000.00	\$0.00	Medium & H.D. Vehicles, EV Charging, Bike	\$136,000.00	No
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	No
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$0.00	Implement Metrolink Service to Angel Stadiu	\$194,235.00	No
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	No
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$253,920.00	Provide Expanded Shuttle Service to Hollyw	\$261,280.00	No
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$0.00	Implement Special Metrolink Service to Ang	\$208,520.00	No
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$0.00	Implement Clean Fuel Bus Service to Orang	\$601,187.00	No
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014		\$250,000.00	\$250,000.00	Alternative Fuel School Bus Incentive Progr	\$0.00	No
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$0.00	Expansion of Existing CNG Station	\$150,000.00	No
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$0.00	New Public-Access CNG Station in Inglewoo	\$150,000.00	No
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020		\$150,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$150,000.00	No
MS14047	Southern California Regional Rail Au	3/7/2014	9/30/2014		\$49,203.00	\$0.00	Special Metrolink Service to Autoclub Speed	\$49,203.00	No
MS14048	BusWest	3/14/2014	12/31/2014		\$444,850.00	\$444,850.00	Alternative Fuel School Bus Incentive Progr	\$0.00	No
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$0.00	Expansion of an Existing CNG Fueling Statio	\$78,000.00	No
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018		\$939,625.00	\$0.00	Implement Various Signal Synchronization P	\$939,625.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 34									
Pending Execution Contracts									
ML14012	City of Santa Ana				\$244,000.00	\$0.00	EV Charging and 7 H.D. LPG Vehicles	\$244,000.00	No
ML14013	City of Los Angeles, Bureau of Sanit				\$3,840,000.00	\$0.00	Purchase 128 H.D. Nat. Gas Vehicles	\$3,840,000.00	No
ML14016	City of Anaheim				\$380,000.00	\$0.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$380,000.00	No
ML14018	City of Los Angeles, Department of				\$810,000.00	\$0.00	Purchase 27 H.D. Nat. Gas Vehicles	\$810,000.00	No
ML14019	City of Corona Public Works				\$178,263.00	\$0.00	EV Charging, Bicycle Racks, Bicycle Locker	\$178,263.00	No
ML14022	County of Los Angeles Department o				\$300,000.00	\$0.00	Purchase 10 H.D. Nat. Gas Vehicles	\$300,000.00	No
ML14023	County of Los Angeles Department o				\$230,000.00	\$0.00	Maintenance Fac. Modifications-Westcheste	\$230,000.00	No
ML14024	County of Los Angeles Department o				\$230,000.00	\$0.00	Maintenance Fac. Modifications-Baldwin Par	\$230,000.00	No
ML14025	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Malibu	\$500,000.00	No
ML14026	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Castaic	\$500,000.00	No
ML14027	County of Los Angeles Dept of Publi				\$500,000.00	\$0.00	Construct New CNG Station in Downey	\$500,000.00	No
ML14030	County of Los Angeles Internal Servi				\$425,000.00	\$0.00	Bicycle Racks, Outreach & Education	\$425,000.00	No
ML14032	City of Rancho Cucamonga				\$226,770.00	\$0.00	Expansion of Existing CNG Infrass., Bicycle L	\$226,770.00	No
ML14054	City of Torrance				\$350,000.00	\$0.00	Upgrade Maintenance Facility	\$350,000.00	No
ML14055	City of Highland				\$500,000.00	\$0.00	Bicycle Lanes and Outreach	\$500,000.00	No
ML14060	County of Los Angeles Internal Servi				\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14061	City of La Habra				\$60,000.00	\$0.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$60,000.00	No
ML14062	City of San Fernando				\$500,000.00	\$0.00	Construct New CNG Fueling Station	\$500,000.00	No
ML14067	City of Duarte Transit				\$60,000.00	\$0.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$60,000.00	No
ML14069	City of Beaumont				\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
ML14070	City of Rancho Cucamonga				\$365,245.00	\$0.00	Bicycle Trail Improvements	\$365,245.00	No
ML14071	City of Manhattan Beach				\$22,485.00	\$0.00	Electric Vehicle Charging Infrastructure	\$22,485.00	No
MS14001	Los Angeles County MTA				\$1,227,450.00	\$0.00	Clean Fuel Transit Service to Dodger Stadiu	\$1,227,450.00	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
MS14037	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Carson	\$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
MS14039	Waste Management Collection and				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Irvine	\$75,000.00	No
MS14040	Waste Management Collection and				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Santa An	\$75,000.00	No
MS14041	USA Waste of California, Inc.				\$175,000.00	\$0.00	Limited-Access CNG Station, Vehicle Maint.	\$175,000.00	No
MS14053	Upland Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS14057	Los Angeles County MTA				\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14058	Orange County Transportation Autho				\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14072	San Bernardino Associated Govern				\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14073	Anaheim Transportation Network				\$221,312.00	\$0.00	Anaheim Resort Circulator Service	\$221,312.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 35									
<i>Declined/Cancelled Contracts</i>									
ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existng CNG Infrastructure	\$32,000.00	No
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
Total: 2									
<i>Open/Complete Contracts</i>									
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
Total: 1									

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 22

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on October 23 and 24, 2014 in Diamond Bar. The following is a summary of this meeting.

RECOMMENDED ACTION:
Receive and file.

Judith Mitchell, Member
SCAQMD Governing Board

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The Air Resources Board's (ARB or Board) October meeting was held on October 23 and 24 in Diamond Bar at the South Coast Air Quality Management District Building. Key items presented are summarized below.

1. Update to the Board on the Advanced Clean Cars Program Midterm Review

The Board heard an update on the status of the ongoing Advanced Clean Cars (ACC) Program Midterm Review, a three-part review program that includes an evaluation of particulate matter (PM) measurement capabilities, an investigation of the Zero Emission Vehicle (ZEV) market status, and a joint evaluation of greenhouse gas emission reductions together with U.S. Environmental Protection Agency (U.S. EPA), the National Highway Transportation Safety Administration (NHTSA), and the U.S. Department of Energy (DOE). Staff will finish their evaluation of PM measurement capabilities next year, but reported that progress to date strongly suggests that existing measurement technologies will be able to accommodate the requirements of the ACC regulation. Staff reported that ZEV sales trends are exceeding benchmarks of the estimated regulatory compliance schedule. The joint greenhouse gas emissions reductions review with U.S. EPA, NHTSA, and DOE continues to investigate vehicle technology, costs, safety, and consumer response, and is on track to provide a full evaluation in 2016.

SCAQMD Staff Comments/Testimony: Dr. Barry Wallerstein commented on the accomplishments made to-date on advanced vehicle technologies and stressed the need to continue progress in reducing emissions. Dr. Wallerstein indicated that the items being considered by the CARB Board maintain or strengthen the efforts to reduce emissions further. Dr. Wallerstein provided comments regarding the South Coast Air Basin's challenge in meeting future ambient air quality standards. In the near-term, an additional 65% reduction in NOx emissions will be needed in the 2022/2023 timeframe to meet the federal 1-hr and 8-hr ozone air quality standards. He indicated that an additional 75% reduction in NOx emissions will be needed to meet the federal 8-hour ozone air quality standard by 2032. He indicated the need for doubling efforts to identify additional emission reductions and that the technologies showcased show a potential path to helping meet attainment. Dr. Wallerstein indicated that results from the recent MATES IV study indicate that air toxic exposure levels have decreased significantly since the MATES III study back in 2005. However, OEHHA will be revising the health risk factors and the level of estimated risk will increase by almost a factor of 3, bringing the risk levels back to the levels seen in the MATES III study. Dr. Wallerstein concluded by urging CARB to keep its mind on the future in getting clean air for Californians.

2. Amendments to the Low Emission Vehicle III Requirements for Light-and Medium-Duty Vehicles and the Hybrid Electric Vehicle Test Procedures

The Board approved technical changes to the Low Emission Vehicle III (LEV III) regulation that align program requirements with U.S. EPA Tier 3 light-duty vehicle regulation. These changes streamline requirements for the manufacturers to meet both standards while continuing to maintain the air quality benefits of the LEV III program in California. Key differences do remain between the LEV III and U.S. EPA Tier 3 programs including a more stringent PM emission standard for the LEV III program beginning in model year 2025, and a shorter credit life for emission trading credits.

SCAQMD Staff Comments/Testimony: Dr. Wallerstein indicated staff's support for the proposed amendments and noted that the CARB staff is not recommending extension of the credit allowance beyond five years, with which the SCAQMD staff concurs.

3. Zero Emission Vehicle Showcase

The ZEV showcase was a display of a wide variety of ZEVs, including passenger cars, motorcycles, buses and heavy-duty trucks, plus a first look at several not-yet-available models. Board members joined with representatives of eight other states who have signed the ZEV Memorandum of Understanding to hold a press conference highlighting a

significant ZEV milestone—250,000 ZEVs on the roads in the U.S.—and to update the press on ZEV activities in partner states.

4. Public Meeting on the Plug In Vehicle Infrastructure Evaluation

The Board heard an update on ARB staff's ongoing evaluation of plug in vehicle infrastructure in California. The evaluation has involved extensive stakeholder collaboration and is examining the availability of public charging stations and how consumers are interacting with them. California currently has more than 4,500 public charging stations, with the majority located in South Coast and the Bay Area. Challenges identified in the evaluation so far include establishing charging solutions and effective business models for multi-unit dwellings, workplaces, and interregional connections, and supporting infrastructure in underserved areas. ARB staff will present the final evaluation to the Board in 2015.

5. Public Hearing to Consider 2014 Amendments to the Zero Emission Vehicle Regulation

The Board discussed amendments to the ZEV regulation without taking action. 2012 amendments to the regulation changed the way vehicle manufacturers were classified, and required manufacturers formerly classified as Intermediate Volume Manufacturers (IVM), (total sales in California between 20,000-60,000 vehicles annually), to transition to the requirements for Large Volume Manufacturers (LVM) (total California sales of more than 60,000 vehicles per year). The amendments under current consideration would change the classification criteria to consider global revenue in addition to California vehicle sales. The amendments would allow IVMs more time to comply with LVM requirements and include other provisions to allow compliance flexibility. The Board directed staff to make revisions to staff's proposed amendments to minimize the loss of zero emission vehicles delivered. The Board will consider the revised amendments at a future meeting. The Board also directed staff to develop amendments and sunset one of the ZEV credit-earning mechanisms, the battery swap provision, as soon as possible.

As part of the item the Board heard an update from representatives from partner states on progress in implementing the Multi-State ZEV Action Plan. The Action Plan was developed earlier this year to help realize the goals of the Multi-State ZEV Memorandum of Understanding. Partner states reported good progress in implementing the Action Plan, but stressed the importance of manufacturers providing additional vehicle choices in their states.

SCAQMD Staff Comments/Testimony: Dr. Wallerstein asked the CARB Board to “stay the course” and send the right signals to industry to produce the vehicles and get the vehicles to California. If anything, we need to accelerate the deployment of the new vehicles. The SCAQMD staff will work with the CARB staff during the interim period and go through any details on proposals for the regulation. SCAQMD staff will be back with any comments at that time.

6. CoolCalifornia City Challenge Awards

The Board awarded the city of Riverside the title of “Coolest California City” in the 2014 CoolCalifornia City Challenge. The annual Challenge creates a city-to-city competition that encourages city governments and community-based organizations to work together toward household greenhouse gas reductions. Second place in the 2014 challenge was awarded to the city of Claremont and third place to the city of Rancho Cucamonga. Other participating cities from the South Coast AQMD region included the cities of Corona, Long Beach, Lynwood and Mission Viejo.

7. Update to the Board on California’s Heavy-Duty Truck Program: Past, Present, and Future

The Board heard an update on California’s Heavy-Duty Truck Program, including findings from a staff evaluation of ARB’s existing program and an update on ARB’s collaboration with U.S. EPA and NHTSA on the federal Phase 2 Heavy-Duty Truck Standards.

The staff evaluation demonstrated that aftermarket diesel particulate filters are working as designed, but that engine durability is a concern. The evaluation also identified opportunities for improvement of in-use NO_x control. U.S. EPA plans to issue a notice of proposed rulemaking for the federal Phase 2 standards in early 2015 that will target further improvement in fuel economy and reductions in greenhouse gas emissions in model years 2018 and beyond ARB will consider a complement rule in 2016.

SCAQMD Staff Comments/Testimony: Staff provided oral comments on the need for zero and near-zero emission truck technologies. In order to achieve the federal standards, both “technology push” mechanisms, using regulations and policies, as well as “market pull” mechanisms, through incentives, are necessary. Staff requested that CARB work closely with SCAQMD and other stakeholders to not only commercialize the technologies under development but accelerate fleet turnover.

8. Public Meeting to Consider a Report on Reductions Achieved from Incentive-Based Emission Reduction Measures in the San Joaquin Valley

The Board approved a report documenting emissions reductions achieved through incentive-based measures in the San Joaquin Valley. The report demonstrates how emissions reductions from the Carl Moyer and Proposition 1B incentive programs meet U.S. EPA criteria for credit toward reductions required to meet federal clean air standards. The report will be submitted to U.S. EPA as a revision to the California State Implementation Plan.

9. Briefing on Process for Updating Senate Bill 375 Greenhouse Gas Emission Reduction Targets

The Board heard a briefing on the proposed methodology and timeline for updating the greenhouse gas emissions reductions targets under Senate Bill 375. The Staff presentation emphasized the importance of implementing the currently adopted Regional Transportation Plan / Sustainable Communities Strategies Plans (RTP/SCSs) and the limited availability of funding for this purpose. A timeline was presented for updating targets for all 18 Metropolitan Planning Organizations (MPOs). For the Southern California Association of Governments (SCAG) region, ARB staff will work with them as it develops alternative planning scenarios, and use these scenarios to help inform the target-setting process for the SCAG region. The Board will consider adopting updated targets for SCAG in late 2015, and the updated targets will apply to SCAG's 2020 RTP/SCS. The ARB staff will follow the same process to update targets for the other large MPOs due in 2015. As part of their deliberations the Board members discussed the importance of strategic investment of Cap-and-Trade revenues to implement adopted RTP/SCSs.

Consent Items

1. Public Meeting to Consider Minor Updates to 1997 8-Hour Ozone Standard State Implementation Plans: Coachella Valley and Western Mojave Desert Ozone Nonattainment Areas

The Board approved minor updates to the 1997 8-hour Ozone Standard State Implementation Plan for the Coachella Valley and Western Mojave Desert Nonattainment areas. The updates incorporate revised emission inventories that account for the implementation of recently-adopted rules, the effects of the recession, and updated transportation activity. The updates will be submitted to U.S. EPA as a revision to the California State Implementation Plan.

2. Public Meeting to Consider the Supplemental Document for the San Joaquin Valley 24-hour PM2.5 State Implementation Plan

The Board approved a demonstration that all of the elements in the existing 2012 San Joaquin Valley 24-hour PM2.5 State Implementation Plan meet the requirements under subpart 4 of the federal Clean Air Act. The Board also approved a San Joaquin Valley Air Pollution Control District request for classification as a serious nonattainment area, consistent with the attainment demonstration in the State Implementation Plan. These items will be submitted to U.S. EPA as a revision to the California State Implementation Plan.

Attachment

CARB October 23 & 24, 2014 Meeting Agenda

LOCATION:

South Coast Air Quality Management District
Auditorium
21865 E. Copley Drive
Diamond Bar, California 91765-4182

PUBLIC MEETING AGENDA

**Thursday, October 23, 2014
and
Friday, October 24, 2014
(Diamond Bar, CA)**

This facility is accessible by public transit. For transit information, call: (800) 743-3463, <http://www.foothilltransit.org/> (This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO: <http://www.arb.ca.gov/lispub/comm/bclist.php>

[Webcast](#)

**Thursday
October 23, 2014
9:30 a.m.**

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

14-8-2: Update to the Board on the Advanced Clean Cars Program Mid-Term Review

Staff will present to the Board an update on on-going work related to the Advanced Clean Cars mid-term review, including updates on work with Federal agencies, research contracts related to consumers, and the feasibility of particulate matter measurement.

[More Information](#)

[Staff Presentation](#)

14-8-1: Public Hearing to Consider Proposed Amendments to the Low Emission Vehicle III Criteria Pollutant Requirements for Light- and Medium-Duty Vehicles, the Hybrid Electric Vehicle Test Procedures, and the Heavy-Duty Otto-Cycle and Heavy-Duty Diesel Test Procedures

Staff will present to the Board amendments to California's Low Emission Vehicle III (LEV III) regulations to control criteria pollutant emissions from new light- and medium-duty vehicles in order to ensure that emission reductions from the LEV III program are achieved while allowing vehicle manufacturers to continue to demonstrate compliance with both California and Federal regulations by using closely aligned test procedures. Staff will also propose modifications to the hybrid electric vehicle test procedures to facilitate the testing of today's commercially available vehicles. Finally, staff will present a number of conforming and editorial modifications to the non-methane organic gas test procedures, heavy-duty Otto-cycle test procedures, heavy-duty diesel test procedures, and Environmental Performance Label specifications.

[More Information](#)

[Staff Presentation](#)

14-8-3: Zero Emission Vehicle Showcase

Staff will present to the Board an informational item describing the Zero Emission Showcase that will be taking place concurrently outside the Board Hearing room. Staff will provide context for the Showcase as well as a brief description of the vehicles that will be on display.

[Staff Presentation](#)

14-8-4: Public Meeting on the Plug In Vehicle Infrastructure Evaluation

Staff will present to the Board a status report on plug in vehicle infrastructure in California.

[More Information](#)

[Staff Presentation](#)

14-8-5: Public Hearing to Consider 2014 Amendments to the Zero Emission Vehicle Regulation

Staff will present to the Board amendments to the Zero Emission Vehicle (ZEV) Regulation primarily focused on requirements for intermediate volume manufacturers. Prior to the introduction of this item, several Section 177 ZEV state representatives will be providing short presentations to the Board on the first year of implementation of the Multi-State ZEV Memorandum of Understanding in their respective states.

[More Information](#)

[Staff Presentation](#)

[177 States' Presentation](#)

14-8-6: CoolCalifornia City Challenge Awards

The Air Resources Board will announce the winner and two other finalist cities of the CoolCalifornia City Challenge, a statewide competition between California cities to reduce greenhouse gas emissions and earn the title of "Coolest California City."

[More Information](#)

[Staff Presentation](#)

Friday
October 24, 2014
8:30 a.m.

CONSENT CALENDAR:

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak on it.

Consent Item #**14-8-7: Public Meeting to Consider Minor Updates to 1997 8-Hour Ozone Standard State Implementation Plans: Coachella Valley and Western Mojave Desert Ozone Nonattainment Areas**

Staff will present to the Board minor updates to the 1997 8-hour ozone State Implementation Plans (SIP) for Coachella Valley and Western Mojave Desert Nonattainment Areas. These updates incorporate revised emissions inventories that account for the implementation of recently adopted rules and regulations, the effects of the recession, and updated transportation

activity. The updates will be submitted to the United States Environmental Protection Agency for approval of the plans as revisions to the California SIP.

[More Information](#)

[Proposed Resolution](#)

14-8-8: Public Meeting to Consider the Supplemental Document for the San Joaquin Valley 24-hour PM2.5 State Implementation Plan

Staff will present to the Board the supplemental document showing that all of the elements in the existing 2012 San Joaquin Valley 24-hour PM2.5 State Implementation Plan (SIP) meet the requirements under the Subpart 4 provisions of the federal Clean Air Act. The document also includes the San Joaquin Valley Air Pollution Control District request for a serious classification consistent with the attainment demonstration in the SIP. The updated information will be submitted to the United States Environmental Protection Agency for approval of the plan as a revision to the California SIP.

[More Information](#)

[Proposed Resolution](#)

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

14-8-9: Update to the Board on California's Heavy-Duty Truck Program: Past, Present, and Future

Staff will provide an informational update to the Board on current efforts and future plans to reduce oxides of nitrogen (NOx) and greenhouse gas (GHG) emissions from on-road heavy-duty vehicles. The update will include plans for strengthening the current NOx certification standards, including addressing off-cycle emissions, improving engine durability, and addressing emissions from high emitters with malfunctioning aftertreatment systems. Staff will also discuss developing future lower NOx standards, as well as current work to develop proposed federal Phase 2 heavy-duty vehicle GHG standards in cooperation with the United States Environmental Protection Agency and the National Highway Traffic Safety Administration.

[Staff Presentation](#)

14-8-10: Public Meeting to Consider a Report on Reductions Achieved from Incentive-Based Emission Reduction Measures in the San Joaquin Valley

Staff will present to the Board for its consideration a State Implementation Plan amendment documenting inventory updates and implementation of the San Joaquin Valley Annual Average PM 2.5 Plan. The update will be submitted to the United States Environmental Protection Agency for approval as a revision to the California SIP.

[More Information](#)

[Staff Presentation](#)

14-8-11: Briefing on Process for Updating Senate Bill 375 Greenhouse Gas Emission Reduction Targets

Staff will present a report to the Board that identifies factors to be considered in a future update of the greenhouse gas (GHG) emission reduction targets pursuant to Senate Bill (SB) 375, the Sustainable Communities and Climate Protection Act of 2008. The Board adopted GHG emission reduction targets for passenger vehicle emissions in 2010, applicable to each of the

State's 18 Metropolitan Planning Organizations. SB 375 directs the Air Resources Board to update the targets every eight years, or every four years based on changes in factors such as vehicle emission standards, fuel composition, or other measures that are anticipated to reduce GHG emissions from the transportation sector. The staff presentation will focus on the policy, technical, and timing considerations in updating the SB 375 targets. Staff will seek direction from the Board on a preferred approach for a target update process.

[More Information](#)

[Staff Presentation](#)

CLOSED SESSION

The Board will 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, and as authorized by Government Code section 11126(a):

POET, LLC, et al. v. Corey, et al., Superior Court of California (Fresno County), Case No. 09CECG04850; plaintiffs' appeal, California Court of Appeal, Fifth District, Case No. F064045; California Supreme Court, Case No. S213394.

Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; ARB interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 09-CV-02234.

American Fuels and Petrochemical Manufacturing Associations, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; ARB's interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 10-CV-00163.

California Dump Truck Owners Association v. Nichols, U.S. District Court (E.D. Cal. Sacramento), Case No. 2:11-CV-00384-MCE-GGH; plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 13-15175.

Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2010-00082774; ARB's appeal, California Court of Appeal, Third District, Case No. C071891.

Truck and Engine Manufacturers Association v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2013-00150733.

Alliance of Automobile Manufacturers v. California Air Resources Board; Sacramento Superior Court, Case No. 34-2013-00152974.

Citizens Climate Lobby and Our Children's Earth Foundation v. California Air Resources Board, San Francisco Superior Court, Case No. CGC-12-519554, plaintiffs' appeal, California Court of Appeal, First District, Case No. A138830.

California Chamber of Commerce et al. v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2012-80001313; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075930.

Morning Star Packing Company, et al. v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2013-800001464; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075954.

Delta Construction Company, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 11-1428.

City of Los Angeles through Department of Water and Power v. California Air Resources Board, et al., Los Angeles Superior Court, Case No. BS140620 (transferred to Sacramento Superior Court, Case No. 34-2013-80001451-CU-WM-GDS).

Alliance for California Business v. Nichols et al., Glenn County Superior Court, Case No. 13CV01232.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283.

Owner-Operator Independent Drivers Association Inc. et al. v. Richard W. Corey et al., U.S. District Court, (E.D. Cal. Fresno) Case No. 1:13-CV-01998-LJO-SAB (transferred by court to E.D.Cal. Sacramento, Case No. 2:14-CV-00186-MCE-AC).

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494.

Transportation Solutions Defense and Education Fund v. California Air Resources Board, Fresno County Superior Court, Case No. 14CECG01788.

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 three minutes to ensure that everyone has a chance to speak.

TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:

1001 I Street, 23rd Floor, Sacramento, California 95814

(916) 322-5594

ARB 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 Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 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.

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 alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 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.

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 23

PROPOSAL: Review of SCAQMD Socioeconomic Assessment

SYNOPSIS: In adopting the 2012 AQMP, the Board requested a review of SCAQMD socioeconomic analyses. An RFP was released and Abt Associates, Inc. (Abt) was selected to conduct a comprehensive review of SCAQMD's socioeconomic analyses in comparison to other agencies and to evaluate the scope, tools and practices employed. Abt has completed their review and concluded that the SCAQMD socioeconomic assessments are more comprehensive than the majority of other agencies examined, and uses a sound methodology in its impact analyses. Abt's report provides a set of recommendations to enhance the agency's credibility and reliability, including additional research and studies to further refine the analyses. Staff has prepared an initial response and proposed actions to implement Abt's recommendations. This action is to: 1) receive and file the report; and 2) provide direction to staff on the implementation of Abt's recommendations.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Receive and file Abt's final report.
2. Direct staff to implement enhancements as outlined in Attachment A, columns 5 and 6.

Barry R. Wallerstein, D.Env.
Executive Officer

EC:JC:FG:ES

Background

SCAQMD regularly conducts socioeconomic assessments of its rules to analyze potential costs and job impacts. In addition, for the AQMP, a more comprehensive

analysis is performed that includes costs, benefits (health, visibility, material, agriculture, and congestion relief), and macroeconomic impacts (including employment) in the four-county region. A review of staff's socioeconomic assessments was conducted by Massachusetts Institute of Technology (MIT) in 1992. MIT found at that time that SCAQMD was utilizing appropriate methodologies and models in their assessments. Staff has worked with the regulated community and socioeconomic experts to continue to refine assessments and implement MIT recommendations. The Socioeconomic report for the 2012 AQMP represents the most recent analysis in this regard.

During adoption of the 2012 AQMP, the Board passed a resolution calling for a review of the socioeconomic analysis methods with the goal of providing recommendations that could be implemented to support the 2016 AQMP. In June 2013, RFP #P2013-24 was released to solicit proposals from qualified independent contractors to review existing socioeconomic assessments and make recommendations for future improvements. At its October 2013 public meeting, the Board awarded a contract to Abt Associates, Inc. (Abt).

During this past year, Abt reviewed recent SCAQMD and other public agencies assessments, surveyed analysts at comparable agencies, and interviewed a broad range of stakeholders. Abt completed their review in August 2014 and a link to Abt's report and findings is available on SCAQMD's website (<http://www.aqmd.gov/docs/default-source/Agendas/aqmp/scaqmd-report---review-socioeconomic-assessments.pdf>). Staff has reviewed Abt's report and prepared initial responses and an action plan, including estimated implementation schedules and resource impacts (attached here and also available at <http://www.aqmd.gov/docs/default-source/Agendas/aqmp/abt-response-matrix-final.pdf>).

Abt's Findings and Recommendations

Abt reviewed over 60 regulatory impact analyses conducted by SCAQMD, U. S. EPA, and 12 other state and/or regional agencies/organizations and found that the SCAQMD's socioeconomic assessments "are more comprehensive in both breadth and depth in comparison to those conducted by the majority of other agencies considered in this evaluation effort" and that "the SCAQMD also uses a sound methodology in its health benefits, compliance cost, and economic impacts analyses."

To further improve SCAQMD's socioeconomic assessments, Abt lists several recommendations as detailed in the attached summary matrix. Key recommendations include--better definition and documentation of the baseline and policy scenarios being analyzed; additional modeling tools and analysis methods for small industry sectors and small businesses; improve REMI amenity input values; and, monitor U.S. EPA's development of methods for applying benefits in economy-wide models. Additional

recommendations are to improve uncertainty analysis, expand Environmental Justice (EJ) analysis, and institute a systematic process to review and update recent literature in specific areas. In order to increase transparency of the analyses, SCAQMD is recommended to 1) involve to a greater extent the Scientific, Technical & Modeling Peer Review Advisory Group (STMPR), 2) increase public outreach, 3) make the peer review process more transparent, and 4) enhance documentation clarity by redesigning the reporting system to consider different types of audiences.

Staff has reviewed Abt's findings and recommendations and compiled initial responses and an action plan for each recommendation, as detailed in the attached summary matrix. In large part, staff agrees with Abt's key recommendations and proposed implementation actions, including working with other agencies and utilizing consultants for periodic reviews of the latest socioeconomic assessment tools available; working with REMI to review REMI model assumptions; additional research efforts for updating literature, expanding EJ analysis, and assessing uncertainties; enhance transparency; and restructuring the socioeconomic report and improving documentation for clarity.

Stakeholder Review and Comments

Staff has presented Abt's report and the staff's proposed action plan to three Board advisory groups for discussion and comments--the Scientific, Technical & Modeling Peer Review Advisory Group (October 21, 2014), the Home Rule Advisory Group (October 22, 2014) and the AQMP Advisory Group (October 28, 2014). Key comments from various members on Abt's report and staff action plan include:

STMPR Advisory Group Meeting

- Write the report so that the content is accessible to stakeholders without a technical background.
- Better characterize uncertainties in a series of scenarios rather than a quantitative statistical analysis. The scenario analysis could provide an estimate for a range of possible outcomes.
- Work closely with the advisory group to enhance the baseline definition, especially the method for inclusion/exclusion of SCAG's Transportation Control Measures (TCMs).
- Clearly identify any potential issues associated with REMI amenity; improve the amenity adjustment method if deemed necessary.
- Collaborate with CARB and SCAG to ensure consistency on the use of REMI model.

Staff Response: These comments are largely consistent with the consultant recommendations and staff will implement them as outlined in Attachment A.

Home Rule Advisory Group Meeting

- Recommend the use of an economic decision-making model to supplement SCAQMD's socioeconomic assessment. The model would inform the policy makers on how an industry would make a business decision on whether to expand, retreat or relocate. (Comment repeated at the AQMP Advisory Group meeting.)
- Support additional resources to augment small business impact analysis in the overall socioeconomic analysis. (Comment repeated at the AQMP Advisory Group meeting.)
- Although not explicitly reflected in the consultant report, staff should conduct a retrospective analysis of compliance costs to compare with staff's initial estimates.

Staff Response: Staff will investigate economic decision-making model(s) referenced by the commentor to assess whether and how it could be used for the AQMP or rulemakings to provide additional information as part of the socioeconomic assessment. Staff is also recommending to implement the consultant's recommendation to enhance the small business impact analysis. Regarding retrospective analysis, staff will review past studies on regulatory compliance costs to develop ways to best collect the compliance costs information retrospectively, and will return to the Administrative Committee the first quarter of 2015 with an evaluation of how such data could be collected and analyzed. Staff will also review the matter with the STMPR prior to reporting back to the Administrative Committee.

AQMP Advisory Group Meeting

- When expanding its EJ analysis, staff needs to carefully use EJ screening tools acknowledging a tool's strengths and limitations.
- Urge the SCAQMD to take a leadership role at looking into poverty, unemployment, and health impacts as part of EJ cumulative analysis.
- A business representative reiterated the desire to have an independent third party perform SCAQMD's socioeconomic analysis.

Staff response: As part of the EJ analysis, staff will investigate the availability of data and analytical tools to address health issues related to poverty and unemployment attributable to regulatory program and other factors. Based on this effort, recommendations will be made to the Administrative Committee, after consultation with the STMPR, regarding future activities in this area. With respect to the third party independent socioeconomic analysis, staff is recommending third party independent peer review when there is a significant SIP revision or a rulemaking resulting in an average cost effectiveness exceeding the thresholds established in the 2012 AQMP.

Action Plan and Resource Impacts

Several recommended actions can be implemented this quarter with minimal resource impacts, for example, conducting additional cost-effectiveness analysis using Levelized Cash Flow methodology. Aside from these, two recommendations calling for literature updates to benefits analysis (approximately \$150,000) and expanding EJ analysis (\$50,000-\$70,000), can be initiated and RFPs issued this quarter as funding is available in Planning, Rule Development, and Area Sources FY 2014-15 Adopted Budget, Professional and Special Services account. The majority of other recommended actions are expected to be implemented in 2015 and incorporated into the development of the 2016 AQMP. For these recommended actions, the staff estimates that a minimum of \$400,000, in addition to more staff time, would be required for implementation. Following the SCAQMD procurement procedures, many of the contract studies will come back to the Board for approval.

Attachments

A. Summary of Abt Recommendations with Staff Response and Action Plan

ATTACHMENT A

Summary of Abt Recommendations
with Staff Response and Action Plan

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
Clearly define the baseline and policy scenarios & attribute benefits and costs of regulation appropriately.	6.1.1	<p>Establish a consistent definition of the baseline and exactly what changes are attributed to each policy scenario.</p> <p>For AQMP, the preferred recommendation is:</p> <ul style="list-style-type: none"> • remove TCM costs. • remove congestion impacts from REMI analyses. <ul style="list-style-type: none"> - remove congestion benefits. - Clarify the exclusion of emissions reduction-related benefits (health, visibility & material) that are results of TCM implementation. <p><u>Alternatively</u>, if SIP-committed TCMs are to be analyzed as part of AQMP:</p> <ul style="list-style-type: none"> • assume non SIP-committed TCMs in baseline. • Include costs and benefits of SIP-committed TCMs . 	<p><i>Agree:</i> The 2012 AQMP socioeconomic assessments included two analyses: with and without SIP committed TCMs. A policy decision was made two decades ago that the AQMP would include the costs of SIP committed TCMs to present the total plan costs and benefits. Since TCMs have significant costs with minimal emission reductions, including the TCM costs without the congestion benefits will skew the results.</p> <p>Arguments can also be made to exclude the costs and benefits for SIP committed TCMs, since they are part of the RTP and such costs and benefits are analyzed by SCAG.</p>	<p>For consistency, the 2016 AQMP will, in consultation with SCAG, contain cost and benefit analysis for both with and without SIP committed TCMs. When analyzed, TCM congestion benefits will be listed separately for tracking purposes. Staff will request SCAG to provide traffic model outputs with and without SIP committed TCMs.</p>	<p>Implementation Schedule: 1st Quarter, 2015 Resource Impacts: SCAQMD and SCAG staff time</p>
Have a strategy for updating literature for benefit analysis.	6.1.2	<p>Institute a systematic process to review recent publications in specific areas and determine which ones are relevant to its socioeconomic assessments. At the minimum, the SCAQMD should examine or review articles/documents periodically (e.g., every 3-5 years) for the important elements of the recent analyses (e.g., Value of Statistical Life studies, epidemiological studies, USEPA job impact studies).</p> <p>Technical Advisory Group should lead effort & suggest relevant literature to staff.</p>	<p><i>Agree</i></p>	<p>Will implement Abt's recommendations for the 2016 AQMP through contract studies for key subject areas. Studies & results will be reviewed with STMPR and AQMP Advisory Groups.</p>	<p>Implementation Schedule: Issue RFP in Winter, 2014/15 Resource Impacts: \$150,000 contract studies</p>

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
Improve methodology of health benefits transfer and valuation.	6.1.3	Benefits transfer needs clear discussion about: * CR function that relies on non-local studies * Income elasticity and the use of it to adjust benefits intertemporally for income growth; adjustments across sub-regions not recommended * Choice of real income year/inflation factors * Choice of discount rate; a range of rates is recommended with sensitivity analysis	<i>Agree:</i> 2007 and 2012 AQMP retained consultants to perform the review and provide recommendations which were subsequently presented to STMPR and AQMP Advisory Groups.	For the 2016 AQMP and onwards, staff will review and document more completely the process by STMPR and AQMP Advisory Groups and how recommendations are derived for identified subject areas. Staff will perform sensitivity analysis for key variables for the 2016 AQMP and key rulemakings.	Implementation Schedule: Incorporate into the 2016 AQMP work plan on an appropriate schedule Resource Impacts: SCAQMD staff time
Continue to appropriately consider useful life of pollution control equipment.	6.1.4	Review rules to ensure that compliance deadlines are set such that control equipment is not required to be replaced before end of useful life; if equipment has to be replaced, account for the value of the equipment required to be replaced as a cost of the rule.	<i>Agree:</i> Where applicable staff considers equipment life on a case by case basis and attempts to avoid stranded assets; in cases of stranded assets, equipment replacement costs and salvage values are included in the analyses, e.g Rule 1421.	Continue to review and evaluate data and methodologies for estimating equipment life and also prepare better documentation for policy recommendation.	Implementation Schedule: 4 th Quarter 2014 and ongoing Resource Impacts: Minimal
For cost-effectiveness analysis, if AQMD continues using DCF, also conduct separate analysis using LCF.	6.1.5	AQMD's C-E estimates cannot be compared with most other agencies/org's that use LCF. Choice of DCF vs LCF does not affect ranking. Include LCF analysis in an appendix.	<i>Agree:</i> Concur that DCF vs LCF does not affect ranking of control measures. DCF is used for consistency purposes to be able to compare with previous cost-effectiveness values.	Will present both DCF and LCF methods for AQMP and rulemakings. Will provide more explanation about choice of discount rate. Will prepare a technical appendix to explain the difference between DCF and LCF methods as part of the 2016 AQMP socioeconomic assessment.	Implementation Schedule: 4 th Quarter 2014 and ongoing Resource Impacts: Minimal
Continue using REMI for economic impact analysis, but also evaluate REMI vs. alternative modeling tools.	6.1.6	Recommend to continue using customized REMI model, with an updated review of the parameters and assumptions.	<i>Agree:</i> This is one of the purposes of the current review to ensure the best tool is used. The comments related to REMI assumptions on non-market benefits need to be addressed by REMI. <i>Agree:</i> Periodic review of available	Will perform periodic review of latest socioeconomic assessment tools to enhance staff's capability to assess impacts.	Implementation Schedule: 2015 Resource Impacts: \$50k

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
	6.1.6 (cont.)	<p>Collaborate with USEPA to launch a modeling forum to evaluate REMI versus alternative modeling tools (as part of outreach effort).</p> <p>Initiate research task to evaluate relative weighting (importance) of air quality changes compared to other area specific amenities.</p> <p>Evaluate the proper scaling of estimated air quality benefits to be consistent with REMI and with the literature on the relative contributions of environmental and other amenities to the relative attractiveness of different areas.</p> <p>Over longer term, evaluate REMI's logic for incorporating amenities using the migration equation vs migration linkages to the equilibriums in labor and housing markets.</p>	<p>models and possible improvements to REMI is appropriate</p> <p><i>Agree:</i> Additional research is appropriate to determine if further refinement is possible and if appropriate, work with REMI to analyze further.</p> <p><i>Agree:</i> (Same as above)</p> <p>Requires further discussion with REMI since it represents a fundamental change to the model structure</p>	<p>Work with REMI to review model assumptions, in particular migration linkages related to modeling amenity within REMI. Analysis of available models for SCAQMD's purpose will be conducted every 3 years.</p> <p>Will initiate the review and present findings to STMPRAG.</p> <p>Based on the review above, staff will, in consultation with STMPRAG, potentially conduct sensitivity analysis to assess the variations.</p> <p>Work with REMI and discuss with STMPRAG and report back to Board</p>	<p>Implementation Schedule: Periodically to coincide with future AQMP cycles. Resource Impacts: \$50k</p> <p>Implementation Schedule: 2015 Resource Impacts: \$25k</p> <p>Implementation Schedule: 3rd Quarter 2015 Resource Impacts: \$25k</p> <p>Implementation Schedule: Mid-year 2016 initiate work Resource Impacts: unknown</p>
Expand welfare analysis.	6.2.1	Pay attention to climate change health effects. Include ecological benefits and damages to welfare associated with climate change in the literature review process and also as a future consideration to be included in socioeconomic assessment.	<i>Agree:</i> GHG co-benefits are currently included in the cost analysis as avoided costs based on the CARB auction price. To include ecological and welfare co-benefits from the AQMP on climate change will have to be a long-term goal.	Where practical, continue the existing practice to reflect the concurrent impacts of GHG emissions in the socioeconomic analysis.	Implementation Schedule: TBD Resource Impacts: TBD

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
<p>Have a better EJ definition and expand EJ analysis; conduct more screening analyses; explore distributional analysis.</p>	<p>6.2.2</p>	<p>Review & use appropriate EJ screening tools/methods to identify vulnerable populations & locations and examine whether the regulations worsen or improve their current status. Review recent studies on distributional benefits analysis--visual displays, sub-group specific summary statistics, regression techniques, inequality indices.</p>	<p><i>Agree:</i> Abt lists 6 EJ screening tools for identification of vulnerable communities, and a number of methods/tools for distributional analysis for us to evaluate.</p> <p>The recommended screening tools provided by EPA are similar to OEHHA's CalEnviroScreen. However, the latter is a more comprehensive program for the E.J. analysis than tools such as RSEI. Indications are that all existing tools have inherent advantages and limitations.</p> <p>There is a UCLA proposal submitted by Prof. Paul Ong (UCLA) on enhancing our EJ analysis for the AQMP.</p>	<p>Proceed with a contract study on how to improve and use CalEnviroScreen model and other tools to augment current EJ analysis.</p>	<p>Implementation Schedule: Issue RFP in Winter, 2014/2015 Resource Impacts: \$50k-\$75k</p>
<p>Ensure control costs of new regulations include estimate of retrofitting existing controls. Clearly cite and include all sources of control cost estimates.</p>	<p>6.2.3</p>	<p>Include underlying sources used to estimate a range of control costs, or at least refer to the staff report that has more in-depth discussion.</p> <p>Setup mechanism to monitor & evaluate new methods to estimate control costs. Cost estimates should be validated with other cost data, published literature, and expert opinion. Discuss with EPA how cost analyses should be prepared for broad regulations.</p>	<p><i>Agree:</i> As currently formatted, cost estimates are contained in the staff report, which is released much earlier than the socioeconomic report.</p> <p><i>Agree:</i> The staff report provides early review and feedback from stakeholders regarding the cost assumptions.</p> <p>Costs are derived from information gathered from equipment manufacturers, engineering staff, field visits, and other stakeholders.</p>	<p>Will provide more explicit reference in the socio report to the staff report on the cost analysis. Staff report will better document and add clarity on assumptions used for cost estimates. Will consult with US EPA and other information on cost analysis as suggested.</p>	<p>Implementation Schedule: 4th Quarter, 2014 and ongoing Resource Impacts: Minimal</p>

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
Complement REMI analysis with partial equilibrium models for smaller scale sectors than REMI provides; additional small business analysis. Analyze cumulative effect of all rules that affect an industry.	6.2.4	<p>Use partial-equilibrium models of affected industries (e.g., RFF's Haiku) so as to examine regulatory impacts at a small scale for which REMI is not suitable.</p> <p>Additional small business analysis that may be qualitative, such as industry-specific studies, case studies, and surveys.</p> <p>Specify baseline forecast to include rules that are already in place.</p>	<p><i>Agree:</i> Concur with the consultant that small scale socio impact analysis (i.e., less than \$1 million per year) is currently not performed well by REMI. Currently, staff performs only qualitative analysis in these situations.</p> <p><i>Agree:</i> Similarly, small business impact analyses are can be enhanced.</p> <p><i>Partially agree:</i> However, it is not clear from Abt's recommendation how far back to look at cumulative impacts affecting the industry, and if it is possible to include "all rules" since data may not exist.</p>	<p>Conduct a contract study to develop methodology to perform small scale impact studies where REMI is limited and explore other tools for small business or small scale impact analysis.</p> <p>Perform a pilot study based on consultant recommendation for a district proposed regulation that impacts primarily small businesses. Provide a third-party review on the study. Based on lessons learned from the pilot study, staff will formulate a standardized approach to assess small business impacts in the future.</p> <p>Conduct a contract study to develop methodology to better address cumulative cost impacts to an appropriate and practical degree.</p>	<p>Implementation Schedule: 2nd Quarter 2015 Resource Impacts: \$150,000</p> <p>Implementation Schedule: Beginning 2015 Resource Impacts: TBD</p> <p>Implementation Schedule: 2017 Resource Impacts: TBD</p>
Improve uncertainty analysis.	6.3	Provide confidence intervals for the point estimates where possible; conduct sensitivity/scenario analyses to estimate the lower and upper bound of the impact; and provide detailed qualitative discussion for unquantifiable uncertainties. Abt gives examples for BenMAP, VSL, congestion relief, control costs, equipment life, discount rate, unquantifiable costs/measures, jobs.	<i>Partially Agree:</i> Abt cites 2007 AQMP socioeconomic assessment for sensitivity analysis to estimate unquantifiable control costs. However, unquantifiable control costs stem from the "black box" of future unknown technologies.	Qualitatively discuss uncertainty at minimum. Will not be able to model every single variable. Can run sensitivity analysis for control costs and health benefits. Will consider sensitivity analysis using different discount rates or other factors as appropriate.	Implementation Schedule: Incorporate into 2016 AQMP schedule Resource Impacts: Potentially significant depending on the number of scenarios

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
Redesign documentation and reporting to consider different audiences and to increase transparency.	6.4	<p>Documentation-- Include three types of documentation: a methodology guidebook, a summary for laymen and a detailed report with an informative executive summary for a technical audience.</p> <p>Reporting-- Clearly list the critical inputs. Explain/justify data sources, methodologies, assumptions, rationales used throughout the report, especially those they are "non-standard" or require the analysts' judgments, avoid false precision of results by rounding or expressing as percentages.</p>	<p><i>Agree:</i> The current report structure, executive summary, main report, technical appendices, is meant to address various needs of the interested parties.</p> <p><i>Agree:</i> Staff is open to redesign the report format, type and level of information presented.</p>	Will attempt to implement the consultant recommendations for the 2016 AQMP to update REMI methodology document, document all input parameters, and restructure the report for clarity. Based on the feedback, the revised report organization will be implemented for rulemaking as well.	Implementation Schedule: 1 st Quarter, 2015 for rulemaking and incorporate into AQMP schedule for 2016 AQMP Resource Impacts: SCAQMD staff time
Improve transparency.	6.5.1	District should continue doing socioeconomic analyses with support from external consultants when necessary. STMPRAG should have more important role: technical experts, formal involvement similar to EPA's Science Advisory Board (SAB), review major rule assessments & key topics. Submit charge questions to group, get public formal responses, make public actions by the group.	<i>Agree:</i> STMPRAG is currently not involved in specific rulemaking; however the methodology or assumptions developed for the AQMP under its advice are continued to be used for rule development.	Will expand external advisory review for the 2016 AQMP and future rulemaking where cost effectiveness exceeds the AQMP threshold for VOC or NOx. Will review EPA's SAB process.	Implementation Schedule: 1 st Quarter, 2015 and ongoing Resource Impacts: \$100k+

Summary of Abt Recommendations & SCAQMD Staff Response

Recommendation	Section	Description	Staff's Response/Comment	Staff's Recommended Action	Implementation Schedule/ Resource Impact
Strengthen public participation through outreach.	6.5.2	Continue and expand current outreach efforts to strengthen public participation--do more educational outreach about socioeconomic assessments and involve stakeholders in multiple stages of socioeconomic assessment via surveys, interviews or roundtables.	<i>Agree:</i> Outreach and stakeholder input are an important part of the AQMP and rule development process.	Will expand the current CEQA scoping meeting to include socio scoping meeting to identify industry key socioeconomic issues and potential alternatives. Commit to at least 45 day review period for the draft socio report for a SIP related rule or 60 days for AQMP and provide response to comments Will enhance narrative of industry affected including facility profile, state of economy, recent regulations, etc.	Implementation Schedule: 1 st Quarter, 2015 Resource Impacts: SCAQMD staff time
Improve transparency through external peer reviews.	6.5.3	Continue AQMP socioeconomic external peer reviews & expand reviews to major rules; reviewers should not be model developer (e.g., not by REMI); mention the reviews in the executive summary.	<i>Partially agree:</i> Expand peer reviewer in the future and will include economists from academia and other experts. Include REMI or other model developers as appropriate.	Perform external peer review for AQMP and major rules when the cost effectiveness exceeds the AQMP thresholds for a two-step hearing.	Implementation Schedule: 1 st Quarter, 2015 Resource Impacts: TBD

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 24

(Continued from October 3, 2014 Board Meeting)

PROPOSAL: Adopt Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

SYNOPSIS: Staff is proposing a new rule which reduces NO_x emissions from food ovens, equipment that is currently subject to Rule 1147. Proposed Rule (PR) 1153.1 has higher NO_x emission limits than Rule 1147. Compared with Rule 1147, PR 1153.1 delays NO_x emission limit compliance dates for existing (in-use) permitted equipment and includes a carbon monoxide emission limit. PR 1153.1 also establishes test methods and provides alternate compliance options. Other proposed requirements include equipment maintenance and recordkeeping. PR 1153.1 is expected to result in a maximum of 120 pounds per day of NO_x emission reductions forgone in 2023.

COMMITTEE: Stationary Source, March 21, 2014 and July 25, 2014, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached resolution:

- 1) Certifying the Final Environmental Assessment for Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens; and,
- 2) Adopting Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens.

Barry R. Wallerstein, D. Env.
Executive Officer

EC:PF:JC:GQ:WB

Background

The purpose of Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (PR 1153.1) is to limit emissions of nitrogen oxides (NO_x) and carbon monoxide (CO) from the combustion of gaseous and liquid fuels in food ovens, dry roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO_x Reductions from Miscellaneous Sources and Regulation

XIII – New Source Review (NSR). Rule 1147 limits emissions of NO_x from gaseous and liquid fuel fired combustion equipment that are not specifically addressed in SCAQMD Regulation XI – Source Specific Standards. However, control technologies have not matured in a timely manner for commercial food ovens. In response, staff has proposed to remove food ovens, including roasters and smokehouses, from Rule 1147 applicability and subject them to a new rule with different emission limits and compliance dates.

Rule 1147 was adopted in 2008 to address NO_x emissions from miscellaneous sources not regulated by other SCAQMD rules within Regulation XI. Due to the numbers of equipment types and widely varying source categories, a top down assessment was conducted to determine emissions limits based on thermal process characteristics. Commercial food ovens, roasters and smokehouses were grouped with kilns, dryers, heaters, crematories, among others, with a NO_x emissions limit of either 30 ppm or 60 ppm dependent upon an operating temperature threshold equaling or exceeding 1200 °F. Rule 1147 was amended in 2011 to delay compliance dates, remove a mandatory requirement for fuel or time meters, and provide additional compliance options.

At that time, staff committed to continue the evaluation of Rule 1147 implementation, focusing on the technical feasibility of meeting emission limits in more specific categories of equipment and thermal operating profiles. In addition, staff is reviewing the costs of compliance for several categories of equipment covered by the rule. As an initial result of the evaluation, SCAQMD Rules 219 and 222 were amended in May 2013 to exempt specific small equipment from Rule 1147 permit requirements including food ovens with low emissions of VOCs. The Rule 219 amendment moved some small ovens from the permit program into the Rule 222 registration program which exempts them from Rule 1147 and Proposed Rule 1153.1.

Based on stakeholder input, permit reviews and site visits, staff focused its evaluation on advances in low NO_x ribbon burner technology and its adaptability to older, process-specific equipment operating at temperatures between 500 °F and 900 °F. Concurrently, manufacturers and a research institute had started projects to lower NO_x emissions from ribbon burners and were expected to achieve the Rule 1147 emission limits by 2014. Because these projects have not been completed and there are many older ovens heated with ribbon burners in the SCAQMD operating at a temperature threshold well below 1200 °F, staff is proposing to remove existing (in-use) food ovens, dry roasters and smokehouses from Rule 1147 and make them subject to a new rule specific to these equipment. Staff is recommending higher NO_x emission limits and a delay of the emission limit compliance dates for in-use SCAQMD permitted food ovens. New food ovens will be subject to the BACT requirements of new source review. Staff is also proposing a carbon monoxide emission limit for units to be regulated by PR 1153.1 to ensure that the NO_x emission limit is not circumvented by adjusting the burners during emissions testing so that the NO_x emissions are artificially lower and the CO emissions are artificially high. Compliant burners do not need such adjustments.

Public Process

The rule development effort for PR1153.1 is part of an ongoing process to evaluate low NOx technologies for combustion equipment subject to SCAQMD Rule 1147. To date, SCAQMD staff has held three PR 1153.1 Task Force meetings to discuss burner technology, implementation issues, compliance schedules, emission limits, emissions testing, and other topics with representatives from affected manufacturers, trade organizations, and other interested parties. In addition, a Public Workshop for PR 1153.1 was held on April 2, 2014 and PR 1153.1 was discussed at the SCAQMD Stationary Source Committee meetings on March 21 and July 25, 2014.

Affected Facilities

Proposed Rule 1153.1 affects manufacturers of ovens, roasters and smokehouses (NAICS 333) and manufacturers of food and beverage products (NAICS 311 and 312). In addition, PR 1153.1 will affect the owner/operators of the affected equipment. Staff has identified 94 facilities with 210 total units that would be regulated by PR 1153.1. Out of these 210 units, 135 of the units are small with emissions less than or equal to one pound per day NOx which are exempt from rule emission limits but must comply with maintenance and recordkeeping requirements. Approximately 70% of the units are food ovens and the remainder are roasters and smokehouses.

Summary of Proposal

PR 1153.1 sets NOx emission limits of 40 to 60 ppm and a CO limit of 800 ppm. The 800 ppm CO emission limit will ensure that the NOx limit is not circumvented by extreme adjustment of burners during emissions testing. However, the proposed CO limit is set at a level that will provide operators flexibility for equipment that process more than one type of product.

PR 1153.1 phases in compliance based on a 20 year equipment life instead of the 15 years used in Rule 1147. The proposed rule delays compliance dates for at least 2 additional years beyond the dates for Rule 1147. PR 1153.1 also includes an emissions testing requirement.

In addition, PR 1153.1 provides three alternate compliance options and an option for manufacturers to certify emissions. One alternate compliance option allows facilities with multiple units to phase in compliance over three to five years. A second alternate compliance option allows facilities to delay the emission limit compliance date up to ten additional years beyond the 20 year equipment life if they recently replaced all of the burners in an oven. A mitigation fee option provides facilities a third option to delay compliance by up to three years by paying a mitigation fee which will be used to fund emission reduction projects.

PR 1153.1 also includes exemptions from the emission limits and from emissions testing for existing in-use small and low-use units with NOx emissions of one pound per day or less. These small and low-use units would be subject to maintenance and

recordkeeping requirements of the proposed rule. In addition, the proposed rule includes a testing exemption for units that only have infrared burners which have significantly lower NOx emissions than the limits in PR 1153.1.

Emissions Reductions

Emissions of CO, VOC and PM are not expected to change relative to the existing requirements of Rule 1147. However, NOx emissions reductions for PR 1153.1 are delayed compared to Rule 1147, and will result in about 0.06 tons per day of NOx emissions forgone by 2023. PR 1153.1 is not anticipated to have any additional significant environmental impacts.

Cost Effectiveness

The proposed rule amendment provides less stringent emission limits relative to the requirements of Rule 1147 and thus provides regulatory relief. As such, a cost effectiveness analysis for PR 1153.1 is not applicable. However, staff has reviewed and reaffirmed the applicability of the cost and cost effectiveness estimates for Rule 1147.

Key Issues

SCAQMD staff received comments on Proposed Rule 1153.1 at the public workshop and working group meetings. In addition, staff met with individual stakeholders and stakeholders provided letters summarizing their concerns and recommendations. From these comments, the following key issues have been identified:

- Owner/Operators requested less stringent NOx emission limits than those in Rule 1147 and additional time to comply with the limits. PR 1153.1 provides manufacturers with two or more years of delay and higher NOx emission limits based on temperature ranges applicable to food ovens.
- Stakeholders have requested the proposed CO limit be removed because the SCAQMD is in compliance with the carbon monoxide ambient air quality standards. The proposed CO limit will ensure that the NOx emission limit is not circumvented by extreme adjustment of burners during emissions testing. The proposed 800 ppm CO emission limit is a reasonable upper bound for burner adjustments based on NOx and CO emission test results submitted to the SCAQMD. The 800 ppm CO limit is also high enough to provide operators flexibility for operating equipment that process more than one type of product.
- One stakeholder requested a later compliance date for units with recent burner replacements. PR 1153.1 was revised by staff to provide owner/operators of units with recent burner replacements up to ten years additional time before the owner/operator must demonstrate compliance with the proposed rule emission limits. The proposed delay of up to 10 additional years is based on equipment manufacturers' estimates of burner life for small businesses and multiple shift operations in larger businesses.

AQMP and Legal Mandates

The California Health and Safety Code requires the SCAQMD to adopt an Air Quality Management Plan to meet state and federal ambient air quality standards and adopt rules and regulations that carry out the objectives of the AQMP. The Health and Safety Code also requires the SCAQMD to implement all feasible measures to reduce air pollution. Adoption of PR 1153.1 will result in a few years delay relative to Rule 1147 compliance dates in implementing Control Measures CMB-01 and MCS-01 of the 2007 AQMP. Because it is not currently technically feasible for all older ovens using ribbon burners to meet Rule 1147 emission limits, PR 1153.1 will result in forgone emission reductions, estimated to be 0.06 tons per day. The 2007 and 2012 AQMPs have accounted for potential emission reductions foregone due to technology assessments of future compliance limits and schedules.

California Environmental Quality Act (CEQA) Analysis

Pursuant to California Environmental Quality Act (CEQA) Guidelines § 15252 and SCAQMD Rule 110, the SCAQMD has prepared an Environmental Assessment (EA) for proposed Rule 1153.1. The Draft EA was released for a 45-day public review and comment period from July 29, 2014 to September 16, 2014. No comment letters were received from the public regarding the Draft EA.

The quantity of peak daily NO_x emission reductions forgone exceeds the NO_x significance threshold for operation of 55 pounds per day. Thus, proposed Rule 1153.1 will result in adverse significant operational air quality impacts. Proposed Rule 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option that currently exists in Rule 1147. In Rule 1147, all mitigation fees are used to reduce NO_x emissions through the SCAQMD's leaf blower exchange program. The fees collected as a result of the implementation of proposed Rule 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and corresponding GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time. No further feasible mitigation measures are identified at this time that would reduce or eliminate the expected forgone emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be determined to be mitigated to less than significant. No other environmental topic area was determined to have a significant adverse impact as a result of the proposed project.

Pursuant to CEQA Guidelines §15091, findings have been prepared for each of the significant environmental effects accompanied by a brief explanation of the rationale for each finding. In addition, a Statement of Overriding Considerations has been prepared

in accordance with CEQA Guidelines §15093 that discusses the benefits of the proposed project against unavoidable environmental risk when determining whether to approve the project. If the benefits outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered acceptable.

Since the release of the Draft EA, minor modifications have been made to the document. However, none of the modifications alter any conclusions reached in the Draft EA, nor provide new information of substantial importance relative to the draft document. As a result, these minor revisions do not require recirculation of the Draft EA pursuant to CEQA Guidelines § 15073.5. Therefore, the Draft EA is now a Final EA and is included as an attachment to this Board package.

Socioeconomic Analysis

PR 1153.1 is expected to lower compliance costs for owner/operators of food ovens, roasters, and smokehouse ovens. The reduced equipment replacement cost (savings) for the 135 small and low use ovens exempt from the PR 1153.1 emission limits will be on the order of \$2,500 to \$7,500 per burner. The proposed rules' maintenance, recordkeeping and testing requirements are the same as in Rule 1147 and will result in the same cost. Testing cost will vary from \$2,000 to \$5,000 depending upon the type of equipment. Since most of the food ovens are small or low use, they will not be required to do emissions testing and will avoid this cost. PR 1153.1 also has later compliance dates compared to Rule 1147 which delays the costs from equipment replacement and testing for larger units.

Resource Impacts

Existing staff resources are adequate to implement the proposed amendments.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution with Attachment 1 – Statement of Findings
- F. Proposed Amended Rule
- G. Final Staff Report with Socioeconomic Impact Assessment
- H. Final Environmental Assessment

ATTACHMENT A
SUMMARY OF PROPOSAL

**Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from
Commercial Food Ovens**

- Moves food ovens, roasters and smokehouse ovens from Rule 1147 to a new rule with higher NO_x emission limits specific to these types of equipment.
- Adds a carbon monoxide (CO) emission limit
- Delays compliance dates for at least two years until July 1, 2016 or later
- Provides alternate compliance options including a provision for units with recent burner replacement
- Requires emission testing, equipment maintenance and recordkeeping

ATTACHMENT B

KEY ISSUES AND RESPONSES

Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

Issue – NO_x emission limits and compliance dates: Owner/Operators requested less stringent NO_x emission limits than Rule 1147 and additional time to comply with limits.

Response: *Proposed Rule (PR) 1153.1 provides manufacturers with two or more years of delay and higher NO_x emission limits based on temperature ranges applicable to food ovens. The proposed rule also provides later compliance dates for some types of units and processes that will require additional time to achieve compliance with the proposed emission limits.*

Issue – Carbon monoxide (CO) emission limit: Stakeholders have requested the proposed CO limit be removed because the SCAQMD is in compliance with the ambient air quality standard for CO.

Response: *The 800 ppm CO emission limit will ensure that the NO_x limit is not circumvented by extreme adjustment of burners during emissions testing. However, the proposed limit will provide operators flexibility in operating equipment that process more than one type of product.*

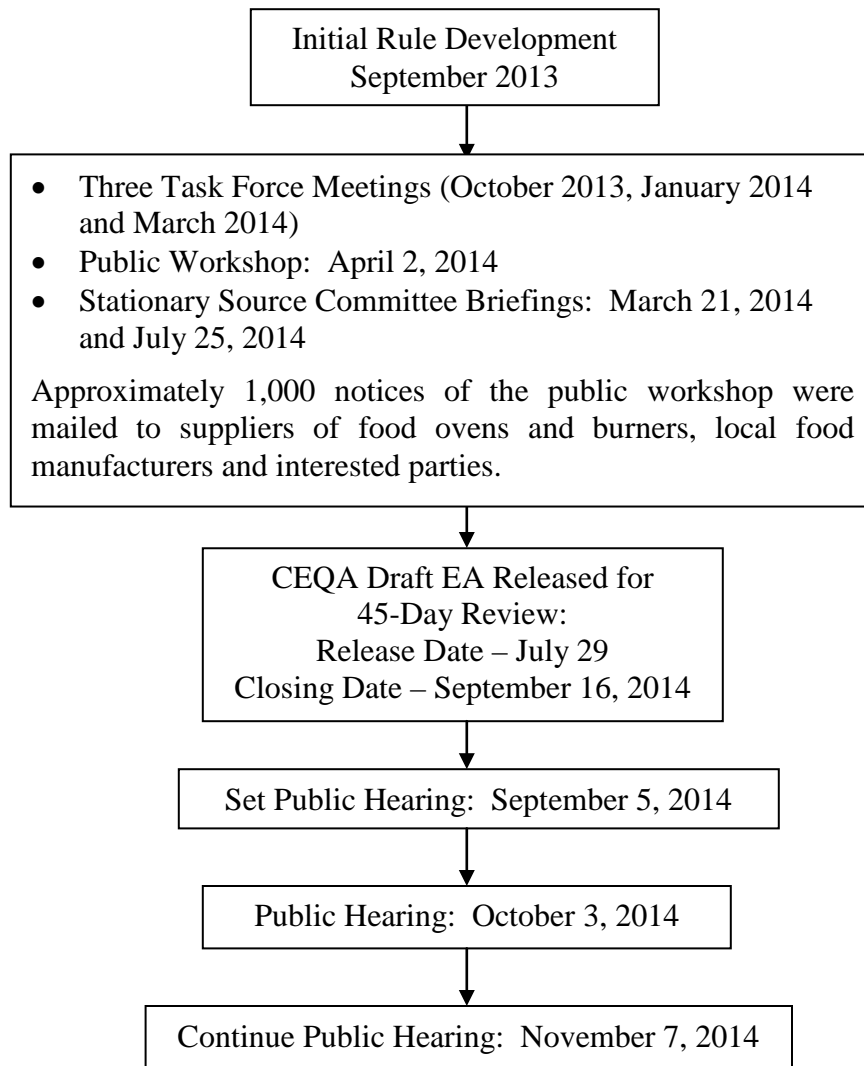
Issue – Units with recent burner replacements: Because compliance dates are based on age of equipment but some units have recently replaced burners, stakeholders requested a later compliance date for units with recent burner replacements.

Response: *PR 1153.1 was revised to provide owner/operators of units with recent burner replacements up to 10 additional years before they must demonstrate compliance with the rule emission limits. The proposed compliance delays for recent burner replacements are based on equipment manufacturers' estimates of burner life for small businesses and larger businesses with multiple shift operations.*

ATTACHMENT C

RULE DEVELOPMENT PROCESS

Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens



Twelve (12) months spent in rule development.

ATTACHMENT D
KEY CONTACTS LIST

Aryzta
Banner-Day
Bimbo
Eclipse
ERB Ensign
Flynn Burner
Maxon
Midco
SELAS
SEMPRA/The Gas Company

ATTACHMENT E

RESOLUTION NO. 2014 -

A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board adopting Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens.

A Resolution of the SCAQMD Governing Board certifying the Final Environmental Assessment for Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens.

WHEREAS, the SCAQMD Governing Board has determined with certainty that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, is a “project” pursuant to the California Environmental Quality Act (CEQA); and

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code § 21080.5 and has conducted CEQA review and analysis pursuant to such program (SCAQMD Rule 110); and

WHEREAS, SCAQMD staff has prepared a Draft Environmental Assessment (EA) pursuant to its certified regulatory program and pursuant to CEQA Guidelines §15252, setting forth the potential environmental consequences of Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens; and

WHEREAS, the Draft EA was circulated for 45-day public review and comment period from July 29, 2014 to September 16, 2014; and

WHEREAS, no comment letters were received relative to the analysis presented in the Draft EA and the Draft EA has been revised such that it is now a Final EA; and

WHEREAS, it is necessary that the adequacy of the Final EA be determined by the SCAQMD Governing Board prior to its certification; and

WHEREAS, it is necessary that the SCAQMD prepare Findings and a Statement of Overriding Considerations pursuant to CEQA Guidelines §15091 and §15093, respectively, regarding potentially significant adverse environmental impacts that cannot be mitigated to insignificance; and

WHEREAS, no feasible mitigation measures were identified to reduce or eliminate significant adverse operational air quality impacts to less than significant and,

as such, a Mitigation Monitoring Plan pursuant to Public Resources Code §21081.6 was not required; and

WHEREAS, the SCAQMD Governing Board considering adoption of Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens has reviewed and considered the Final EA prior to its certification; and

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in § (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D) of the Administrative Code), that the modifications which have been made to Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, since notice of public hearing was published do not significantly change the meaning of the proposed project within the meaning of Health and Safety Code § 40726 and would not constitute significant new information requiring recirculation of the Draft CEQA document pursuant to CEQA Guidelines § 15073.5; and

WHEREAS, California Health and Safety Code § 40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD 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; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from §§ 39002, 40000, 40001, 40440, 40441, 40702, 40725 through 40728, 41508, and 41700 of the California Health and Safety Code; and

WHEREAS, the SCAQMD Governing Board has determined that there is a problem that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens will help alleviate by delaying the NOx emission limit compliance date and providing alternate compliance options; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to adopt Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens to delay the NOx emission limit compliance dates and provide alternate compliance options; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, as proposed is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, as proposed is in harmony with, and not in conflict with or contradictory to, existing federal or state statutes, court decisions, or regulations; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, as proposed does not impose the same requirements as any existing state or federal regulation and the proposed rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the District; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, as proposed, references the following statutes which the SCAQMD hereby implements, interprets or makes specific: Health and Safety Code 40001(a) (rules to meet air quality standards); 40440(a) (rules to carry out the plan); 40702 (adoption of rules and regulations); and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens does not make an existing emission limit or standard more stringent, and therefore the requirements of Health and Safety Code § 40727.2 are satisfied; and

WHEREAS, the SCAQMD Governing Board has determined that the Socioeconomic Impact Assessment of PR 1153.1 is consistent with the March 17, 1989 and October 14, 1994 Governing Board Socioeconomic Resolutions for rule adoption; and

WHEREAS, the SCAQMD Governing Board has determined that PR 1153.1 will result in savings to the affected owner/operators and manufacturers of ovens, roasters, and smokehouses (currently regulated under Rule 1147) with a range of cost savings as specified in the Socioeconomic Impact Assessment; and

WHEREAS, the SCAQMD Board has actively considered the Socioeconomic Impact Assessment and has made a good faith effort to minimize such impacts; and

WHEREAS, the SCAQMD Governing Board has determined that the Socioeconomic Impact Assessment is consistent with the provisions of the California Health and Safety Code Sections 40440.8, 40728.5, 40920.6; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens will not result in increased costs; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens will not result in emission reductions, and therefore no incremental cost analysis is required under Health and Safety Code § 40920.6; and

WHEREAS, a public hearing has been properly noticed in accordance with the provisions of Health and Safety Code § 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD Governing Board specifies the Manager of Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens 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

WHEREAS, the SCAQMD Governing Board has determined that Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, should be adopted for the reasons contained in the Final Staff Report; and

NOW, THEREFORE, BE IT RESOLVED, that the SCAQMD Governing Board does hereby certify that the Final EA for Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens was completed in compliance with CEQA and Rule 110 provisions; and that the Final EA was presented to the Governing Board, whose members reviewed, considered and approved the information therein prior to acting on Proposed Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board adopts the Findings and Statement of Overriding Considerations pursuant to CEQA Guidelines §15091 and §15093, respectively; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board requests that Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens be submitted into the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Rule 1153.1 - Emissions of Oxides of

Nitrogen from Commercial Food Ovens to the California Air Resources Board for approval and subsequent submittal to the U.S. Environmental Protection Agency for inclusion into the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Rule 1153.1 - Emissions of Oxides of Nitrogen from Commercial Food Ovens, as set forth in the attached and incorporated herein by reference.

Attachment:

Findings and Statement of Overriding Considerations

Dated: _____

Clerk of the Board

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Attachment 1 to the Governing Board Resolution for:
Final Environmental Assessment for Proposed Rule 1153.1 – Electrical Generating
Facility Fee For Use of Offset Exemption**

Findings and Statement of Overriding Considerations

**SCAQMD No. 140717JI
State Clearinghouse No: 2014041103**

October 2014

Executive Officer

Barry R. Wallerstein, D. Env.

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Speaker of the Assembly Appointee

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Cities Representative, San Bernardino County

MEMBERS:

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INTRODUCTION

Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen From Commercial Food Ovens, is considered a “project” as defined by the California Environmental Quality Act (CEQA) (California Public Resources Code §§21000 et seq.). The South Coast Air Quality Management District (SCAQMD) as Lead Agency for the proposed project, prepared a Notice of Preparation/Initial Study (NOP/IS) which identified environmental topics to be analyzed in a Draft Environmental Assessment (EA). The NOP/IS provided information about the proposed project to other public agencies and interested parties prior to the release of the Draft EA. The initial evaluation in the NOP/IS identified the topic of air quality as potentially being adversely affected by the proposed project. The NOP/IS was distributed to responsible agencies and interested parties for a 30-day review and comment period from April 29, 2014, to May 28, 2014. During that public comment period, the SCAQMD received no comment letters.

The Draft EA was prepared as a public disclosure document intended to: (a) provide the lead agency, responsible agencies, decision makers and the general public with information on the environmental impacts of the proposed project; and, (b) be used as a tool by decision makers to facilitate decision making on the proposed project. The Draft EA was released for a 50-day public review and comment period from July 29, 2014 to September 16, 2014. The Draft EA, was prepared pursuant to CEQA Guidelines §15161, and evaluated the topic of air quality as an area that may be adversely affected by the proposed project. The Draft EA concluded that only the topic of operational air quality emission impacts would have significant adverse impacts. During that public comment period, the SCAQMD received no comment letters.

CERTIFICATION OF THE FINAL EA

The SCAQMD Governing Board certifies that it has been presented with the Final EA for Proposed Rule (PR) 1153.1 and that it has reviewed and considered the information contained in the Final EA prior to making the following certifications and findings. Pursuant to CEQA Guidelines §15090 (Title 14 of the California Code of Regulations, §15090), the SCAQMD Governing Board certifies that the Final EA has been completed in compliance with the CEQA statutes and the CEQA Guidelines. The SCAQMD Governing Board certifies the Final EA for the actions described in these findings and in the Final EA, i.e., the proposed project. The SCAQMD Governing Board further certifies that the Final EA reflects its independent judgment and analysis. The Governing Board Resolution includes the certification of the Final EA.

SUMMARY OF THE PROPOSED PROJECT

PR 1153.1 would limit emissions of nitrogen oxides (NO_x) and carbon monoxide (CO) from the combustion of gaseous and liquid fuels in commercial food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO_x Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). However, because control technologies have not matured in a timely manner for commercial food ovens, SCAQMD staff proposed to regulate these sources separately from the other Rule 1147 sources. Under this proposed rule, the commercial food ovens would be placed on a more suitable compliance schedule with achievable emission limitations. NO_x emission reductions for PR 1153.1 are delayed compared with Rule 1147, and will result in approximately 118 pounds per day of peak daily NO_x emissions foregone by 2023 as a result of an increase in the allowable NO_x ppm limit

and exemption of smaller units. The quantity of peak daily NO_x emission reductions foregone exceeds the NO_x significance threshold for operation of 55 pounds per day. Thus, PR 1153.1 will result in adverse significant operational air quality impacts. PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option that currently exists in Rule 1147. In Rule 1147, all mitigation fees are used to reduce NO_x emissions through the SCAQMD's leaf blower exchange program. The fees collected as a result of the implementation of PR 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and corresponding GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time. No further feasible mitigation measures are identified at this time that would reduce or eliminate the expected foregone emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be mitigated to less than significant.

Project Objectives

The project objectives identified in the following bullet points have been developed: 1) in compliance with CEQA Guidelines §15124 (b); and, 2) to be consistent with policy objectives of the SCAQMD's New Source Review program. The project objectives are as follows:

- to limit NO_x and CO emissions from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses;
- to place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment (food ovens, roasters and smokehouses).

SIGNIFICANT ADVERSE IMPACTS WHICH CAN BE REDUCED BELOW A SIGNIFICANT LEVEL OR WERE CONCLUDED TO BE INSIGNIFICANT

The Final EA identified air quality as an area that may be adversely affected by the proposed project. The proposed project was evaluated according to the CEQA environmental checklist of approximately 17 environmental topics for potential adverse impacts from a proposed project. The screening analysis concluded that the following environmental areas would not be significantly adversely affected by the proposed project:

- aesthetics
- agriculture and forestry resources
- biological resources
- cultural resources
- energy
- geology and soils
- hazards and hazardous materials
- hydrology and water quality
- land use and planning
- mineral resources
- noise

- population and housing
- public services
- recreation
- solid/hazardous waste
- transportation/traffic

POTENTIAL SIGNIFICANT ADVERSE IMPACTS THAT CANNOT BE REDUCED BELOW A SIGNIFICANT LEVEL

The Final EA identified the topic of operational air quality as the only area that may be significantly adversely affected by the proposed project and could not identify and quantify enough feasible mitigation measures to adequately reduce potential impacts to less than significant.

Operational Air Quality

NOx emission reductions from PR 1153.1 are delayed compared with Rule 1147 (current applicable rule for food oven equipment), and will result in approximately 118 pounds per day of peak daily NOx emissions permanently foregone by 2023 as a result of an increase in the allowable NOx ppm limit and exemption of smaller units. The quantity of peak daily NOx emission reductions foregone exceeds the NOx significance threshold for operation of 55 pounds per day. Thus, PR 1153.1 will result in adverse significant operational air quality impacts.

It should be noted, however, PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option that currently exists in Rule 1147. In Rule 1147, all mitigation fees are used to reduce NOx emissions through the SCAQMD's leaf blower exchange program. The fees collected as a result of the implementation of PR 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and corresponding GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time. No further feasible mitigation measures are identified at this time that would reduce or eliminate the expected foregone emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be mitigated to less than significant.

Even though the proposed project could result in emission reductions foregone during operation that exceeds the applicable operational air quality significance thresholds, for the following reasons they are not expected to interfere with the air quality progress and attainment demonstration projected in the AQMP. Based on regional modeling analyses performed for the 2012 AQMP, implementing control measures contained in the 2012 AQMP, in addition to the air quality benefits of the existing rules, is anticipated to bring the SCAQMD into attainment with all national and most state ambient air quality standards by the year 2023. Therefore, when cumulative operational air quality impacts from the proposed project, previous amendments, and all other AQMP control measures are considered together, cumulative impacts are not expected to be significant because implementation of all AQMP control measures is expected to result in net emission reductions and overall air quality improvement. This determination is consistent with the conclusion in the 2012 AQMP Final Program EIR that direct cumulative air quality

impacts from implementing all AQMP control measures are not expected to be significant (SCAQMD, 2012). For these aforementioned reasons, the proposed project would not result in irreversible environmental changes or an irretrievable commitment of resources.

FINDINGS

Public Resources Code §21081 and CEQA Guidelines §15091(a) state that no public agency shall approve or carry out a project for which a CEQA document has been completed which identifies one or more significant adverse environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. Additionally, the findings must be supported by substantial evidence in the record (CEQA Guidelines §15091(b)). As identified in the Final EA and summarized above, the proposed project has the potential to create significant adverse operational air quality impacts. The SCAQMD Governing Board, therefore, makes the following findings regarding the proposed project. The findings are supported by substantial evidence in the record as explained in each finding. The Findings will be included in the record of project approval and will also be noted in the Notice of Decision. The Findings made by the SCAQMD Governing Board are based on the following significant adverse impact identified in the Final EA.

NOx emission reductions from PR 1153.1 are delayed compared with Rule 1147 (current applicable rule for food oven equipment), and will result in approximately 118 pounds per day of peak daily NOx emissions permanently foregone by 2023 as a result of an increase in the allowable NOx ppm limit and exemption of smaller units.

Finding and Explanation:

PR 1153.1 is concluded to result in adverse significant operational NOx air quality impacts as a result of a “worst case” scenario analysis. If significant adverse environmental impacts are identified in a CEQA document, the CEQA document shall describe all feasible measures that could minimize the impacts of the proposed project.

The affected equipment consists of commercial food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NOx Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Due to the fact that control technologies have not matured in a timely manner for retrofit or burner replacement in commercial food ovens, the proposed project would place the affected equipment on a more suitable compliance schedule with achievable emission limitations under a new proposed rule. The proposed project would delay the compliance dates outlined in Rule 1147, and therefore, there would be adjustments to the annual operational NOx emission reductions during the varying compliance years. The proposed project will result in approximately 118 pounds per day of peak daily NOx emissions permanently foregone by 2023 as a result of an increase in the allowable NOx ppm limit and delay in compliance dates.

PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option to delay compliance. The alternate compliance option allows facilities to phase in compliance over three to five years for equipment with manufacture dates in two consecutive years. The mitigation fee option provides facilities an option to delay compliance by

up to three years. However, the air quality analysis presented in the Final EA represents a “worst-case” analysis and accounts for these potential additional delays in compliance.

The mitigation fee option for PR 1153.1 is the same mitigation fee program that currently exists in Rule 1147 and available to the affected sources. In Rule 1147, all mitigation fees are used to reduce NOx emissions through the SCAQMD’s leaf blower exchange program. The fees collected as a result of the implementation of PR 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. Emission reductions funded through the mitigation fee alternative compliance option can be achieved through a variety of projects including but not limited to replacement of commercial leaf blowers with low emission or electric units, replacement of gas powered lawnmowers with electric mowers, automobile scrapping, co-funding with Carl Moyer or similar programs or purchasing of emission reduction credits or mobile source emission reduction credits for the relevant time period. By funding this program, emission reductions will be generated that provide a regional air quality improvement and GHG co-benefit, to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time. However, it could be anticipated that those taking advantage of the mitigation fee option under Rule 1147 would also participate under PR 1153.1, thus similar emission reductions would result. There are no further feasible mitigation measures identified at this time that would reduce or eliminate the expected delay in emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be mitigated to less than significant.

The Governing Board finds that no feasible mitigation measures have been identified that would mitigate the potentially significant adverse impacts to operational air quality to less than significant levels. CEQA defines "feasible" as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors" (Public Resources Code §21061.1).

The Governing Board finds further that the Final EA considered alternatives, pursuant to CEQA Guidelines §15126.6. The proposed project was considered to provide the best balance between meeting the objectives of the project while minimizing potentially significant adverse environmental impacts. The administrative record for the CEQA document and adoption of the rule is maintained by the SCAQMD Office of Planning, Rule Development and Area Sources.

Conclusion

The Governing Board finds that the findings required by CEQA Guidelines §15091(a) are supported by substantial evidence in the record. The record of approval for this project may be found in the SCAQMD’s Clerk of the Board’s Office located at SCAQMD headquarters in Diamond Bar, California.

STATEMENT OF OVERRIDING CONSIDERATIONS

If significant adverse impacts of a proposed project remain after incorporating mitigation measures, or no measures or alternatives to mitigate the adverse impacts are identified, the lead agency must make a determination that the benefits of the project outweigh the unavoidable adverse environmental effects if it is to approve the project. CEQA requires the decision-making

agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project [CEQA Guidelines §15093(a)]. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable” [CEQA Guidelines §15093 (a)]. Accordingly, a Statement of Overriding Considerations regarding potentially significant adverse operational NOx air quality impacts resulting from the “worst case” analysis of the proposed project has been prepared. This Statement of Overriding Considerations is included as part of the record of the project approval for the proposed project. Pursuant to CEQA Guidelines §15093(c), the Statement of Overriding Considerations will also be noted in the Notice of Decision for the proposed project.

Despite the inability to incorporate changes into the proposed project that will mitigate potentially significant adverse operational air quality impacts to a level of insignificance, the SCAQMD's Governing Board finds that the following benefits and considerations outweigh the potentially significant unavoidable adverse environmental impacts:

1. The analysis of potential adverse environmental impacts incorporates a “worst-case” approach. This entails the premise that whenever the analysis requires that assumptions be made, those assumptions that result in the greatest adverse impacts are typically chosen. This method likely overestimates the actual emission reductions delayed from the proposed project.
2. PR 1153.1 would place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment (food ovens, roasters and smokehouses).
3. The fees collected from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and corresponding GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time.
4. Supplemental projects funded by the mitigation fee option will reduce emissions from the proposed project and will aid the advancement of technology, which will facilitate compliance with the 8-hour ozone standard and the new annual PM2.5 standard.
5. By maximizing funding for air quality improvement programs with the mitigation fee from the proposed project, emission reductions will be generated that provide local and regional air quality benefits to reduce the impact of the potential delay in emission reductions from those facilities choosing to delay compliance.

The SCAQMD's Governing Board finds that the aforementioned considerations outweigh the unavoidable significant effects to the environment as a result of the proposed project.

MITIGATION

CEQA requires an agency to prepare a plan for reporting and monitoring compliance with the implementation of measures to mitigate significant adverse environmental impacts. Mitigation monitoring requirements are included in CEQA Guidelines §15097 and Public Resources Code §21081.6, which specifically state:

When making findings as required by subdivision (a) of Public Resources Code §21081 or when adopting a negative declaration pursuant to paragraph (2) of subdivision (c) of Public Resources Code §21080, the public agency shall adopt a reporting or monitoring program for the changes to the project which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment (Public Resources Code §21081.6). The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of an agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program.

The provisions of CEQA Guidelines §15097 and Public Resources Code §21081.6 are triggered when the lead agency certifies a CEQA document in which mitigation measures, changes, or alterations have been required or incorporated into the project to avoid or lessen the significance of adverse impacts identified in the CEQA document. However, since no feasible mitigation measures to reduce significant adverse operational NO_x air quality impacts were identified, a mitigation monitoring and reporting plan for operations is not required.

CONCLUSION

Based on a “worst-case” analysis, the potential adverse operational air quality impacts from the adoption and implementation of the proposed project are considered significant and unavoidable.

NO_x emission reductions from PR 1153.1 are delayed compared with Rule 1147, and will result in approximately 118 pounds per day of peak daily NO_x emissions permanently foregone by 2023 as a result of an increase in the allowable NO_x ppm limit and exemption of smaller units.

However, PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option that currently exists in Rule 1147. In Rule 1147, all mitigation fees are used to reduce NO_x emissions through the SCAQMD’s leaf blower exchange program. The fees collected as a result of the implementation of PR 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. Emission reductions funded through the mitigation fee alternative compliance option can be achieved through a variety of projects including but not limited to replacement of commercial leaf blowers with low emission or electric units, replacement of gas powered lawnmowers with electric mowers, automobile scrapping, co-funding with Carl Moyer or similar programs or purchasing of emission reduction credits or mobile source emission reduction credits for the relevant time period. By funding this program, emission reductions will be generated that provide a regional air quality and corresponding GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality

impact, but this cannot be foreseen at this time. No additional feasible mitigation measures or project alternatives have been identified that would reduce these impacts to insignificance.

ATTACHMENT F

~~.(Draft—September 3, 2014)~~(Adopted (Date of Adoption))

~~PROPOSED~~ RULE 1153.1 – EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS

(a) Purpose and Applicability

The purpose of this rule is to reduce nitrogen oxide emissions from gaseous and liquid fuel-fired combustion equipment as defined in this rule. This rule applies to in-use ovens, dryers, smokers, and dry roasters with nitrogen oxide (NOx) emissions from fuel combustion that require South Coast Air Quality Management District (SCAQMD) permits and are used to prepare food or products for making beverages for human consumption. As of (date of adoption), 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). ~~This rule does not apply to solid fuel-fired combustion equipment, fryers, char broilers, or boilers, water heaters, thermal fluid heaters, and process heaters subject to SCAQMD Rules 1146, 1146.1, or 1146.2.~~

(b) 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.
- (2) BTU means British thermal unit(s) ~~or units~~.
- (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, application for certification pursuant to subdivision (e) of this rule, or SCAQMD permit, if applicable.
- (5) FOOD OVEN means an oven used to heat, cook, dry, or prepare food or products for making beverages for human consumption.
- (6) 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 fuels ~~transported by pipeline or containers as a gas or in liquefied form, where the fuel~~ that is a gas at ambient temperature and atmospheric pressure.

Proposed Rule 1153.1 (Cont.)~~(Draft—September 3, 2014)~~**(Adopted (Date of Adoption))**

- (7) HEAT INPUT means the higher heating value of the fuel to the burner or UNIT measured as BTU per hour.
- (8) HEAT OUTPUT means the enthalpy of the working fluid output of a burner or UNIT.
- (9) INFRARED BURNER means a burner with ceramic, metal fiber, sintered metal, or perforated metal flame-holding surface; with more than 50% of the 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 per square foot of flame holding surface of 100,000 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 (date of adoption).
- (11) NO_x EMISSIONS means the sum of nitrogen oxide and nitrogen dioxide in flue gas, collectively expressed as nitrogen dioxide.
- (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) RATED HEAT INPUT CAPACITY 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.
- (15) 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) ROASTER means an oven used to dry roast nuts, coffee beans, or other plant seeds. ROASTER includes coffee roasting units with an integrated afterburner that is the only heat source, which also provides heat to roast the coffee beans. ~~ROASTER does not include fryers used for oil roasting of nuts or other seeds.~~

(17) THERM means 100,000 BTU.

(18) UNIT means any oven, dryer, smoker, or ROASTER requiring a SCAQMD permit and used to prepare food or products for making beverages for human consumption. ~~UNIT does not mean any solid fuel-fired combustion equipment, fryer, including fryers used for nut roasting; char broiler; or boiler, water heater, thermal fluid heater, or process heater subject to SCAQMD Rules 1146, 1146.1, or 1146.2 that provides heat to a UNIT through a heat exchange system.~~

(c) Requirements

(1) In accordance with the compliance schedule in Table 2, any person owning or operating an in-use unit subject to this rule shall not operate the 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.

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	
<i>≤ 500° F</i>	<i>> 500° F</i>
40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Griddle ovens and ovens Ovens used solely for making pita bread and manufactured prior to 1999	October 1, 2017	July 1, 2018
<u>Griddle ovens manufactured prior to 1999</u>	<u>October 1, 2017</u>	<u>July 1, 2018</u>
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) 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) ~~In accordance with the schedule in the unit permit,~~ 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~~New Manufactured Units
 The ~~manufacturer~~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

~~manufacturer~~ 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 ~~based on~~ 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 ~~by the manufacturer or installer~~. The permanent supplemental rating plates shall include the date the unit and burners were modified and the date any replacement burners were manufactured. ~~If a unit is modified, the rated heat input capacity shall be calculated pursuant to subparagraph (e)(4)(B).~~ 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 ~~subparagraph (c)(4)(B)~~.
- (6) On or after (date of adoption), any person owning or operating a unit subject to this rule shall perform combustion system maintenance in accordance with 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 subject to this rule complying with an emission limit in Table 1 expressed as pounds per million BTU shall install and maintain in service non-resettable, totalizing fuel meters for each unit's fuel(s) prior to the compliance determination specified in paragraph (c)(3). Owners or operators of a unit with a combustion system that operates at only one firing rate that complies with an emission limit using pounds per million BTU shall install a non-resettable, totalizing time or fuel meter for each fuel.
- (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 ~~and associated equipment~~ 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 ~~and~~ or is shut down ~~for maintenance~~ 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 (c)(1) and demonstration

requirement of paragraph (c)(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 ~~determination~~-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 (c)(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), ~~and~~ identification that the request is for a Rule 1153.1 (c)(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)₂ and the proposed alternate compliance schedule;
- (D) Filing fee payment (Rule 306 (c)); 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 (date of adoption) 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 (date of adoption) 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 (c)); 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 (c)(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 (c)(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 to the SCAQMD 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 (c)(1) within 270 days of the date they replace more than 50% of the burners identified in the alternate compliance plan.

(d) Compliance Determination

- (1) All compliance determinations pursuant to paragraphs (c)(1), (c)(3), ~~(e)(7)~~, (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.

Proposed Rule 1153.1 (Cont.)~~(Draft—September 3, 2014)~~**(Adopted (Date of Adoption))**

- (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.
- (3) Compliance with the NO_x and CO emission limits of subdivision (c) and determination of stack-gas oxygen and carbon dioxide concentrations for this rule shall be determined according to the following procedures:
 - (A) SCAQMD Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989);
 - (B) 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) 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) SCAQMD Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989);
 - (E) SCAQMD 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);
 - (F) Any alternative test method determined approved before the test in writing by the Executive Officers of the SCAQMD, and the California Air Resources Board, and by the United States Environmental Protection Agency.
- (4) For any owner or operator who chooses to comply using pound per million BTU, NO_x emissions in pounds per million BTU of heat input shall be calculated 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, ~~including afterburners and other VOC, toxics, or PM control equipment subject to SCAQMD Rule 1147,~~ or multiple units with a common exhaust, the owner or operator may demonstrate compliance with the emission limits in Table 1 by one of the following:
 - (A) Test each unit separately and demonstrate each unit's compliance with the applicable limit; or
 - (B) Test only after the last unit in the series and at the end of a common exhaust for multiple units, when all units are operating, and demonstrate that the series of units ~~either meet~~ either:
 - (i) The lowest emission limit in Table 1 applicable to any of the units in series; or
 - (ii) A heat input weighted average of all the applicable emission limits in Table 1 using the following calculation.

$$\text{Weighted Limit} = \frac{\sum_1^N [(EL_X) * (Q_X)]}{\sum_1^N [Q_X]}$$

Where:

- N = total number of units or processes
- X = each individual unit or process
- EL_X = emission limit for unit or process X
- Q_X = heat input for unit or process X during test

(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 determinations testing shall be made-conducted at greater than 90% rated heat input capacity and ~~an~~ additional emission determination testing shall be made-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:

(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 (c) 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. ~~The source test shall have been conducted no more than ninety (90) days prior to the date of submittal to the Executive Officer.~~
- (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).
- (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 emission compliance determinations, as specified in paragraphs (d)(1) through (d)(4), (d)(6), and (d)(7).

~~Proposed~~ Rule 1153.1 (Cont.)~~(Draft—September 3, 2014)~~ (Adopted (Date of Adoption))

- (2) ~~An emission~~ 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.
- (g) Exemptions
- (1) The provisions of this rule shall not apply to ~~units~~:
- (A) Boilers, water heaters, thermal fluid heaters, or process heaters subject to SCAQMD Rules 1146, 1146.1, or 1146.2, including but not limited to those that provide heat to a unit through a heat exchange system~~Subject to the nitrogen oxide limits of SCAQMD Rules 1109, 1110.2, 1111, 1112, 1117, 1121, 1134, 1135, 1146, 1146.1, 1146.2, 1147; or~~
- (B) Units~~S~~ subject to registration pursuant to SCAQMD Rule 222; ~~or~~
- (C) Units~~R~~ regulated under Regulation XX~~;~~
- ~~(2)~~ The provisions of this rule shall not apply to Solid fuel-fired combustion equipment;
- (E) Cchar broilers;
- (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.
- ~~(3)~~ 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:
- (A) A rated heat input capacity of less than 325,000 BTU per hour;
- (B) Compliance with a~~A~~ permit condition that limits NOx emissions to 1 pound per day or less, ~~including but not limited to, fuel usage limit, time of use limit, or process limit that results in NOx emissions of 1 pound per day or less and daily recordkeeping of unit operation;~~
- (C) Daily recordkeeping of unit operation, an installed unit specific non-resettable time meter, and the following specified rated heat input capacities operating the specified number of hours every day:
- (i) Less than or equal to 400,000 BTU per hour and operating less than or equal to 16 hours per day; or

- (ii) Less than or equal to 800,000 BTU per hour and operating less than or equal to 8 hours per day; or
 - (iii) Less than or equal to 1,200,000 BTU per hour and operating less than or equal to 5 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 and the letter shall be signed by the person performing the test.
- (43) 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 emission 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~~3~~ and
 - (B) Maintain on-site ~~a copy of~~ 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

Proposed Rule 1153.1 (Cont.)~~(Draft—September 3, 2014)~~**(Adopted (Date of Adoption))**

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), ~~and~~ 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)

L_1 = Default NO_x emission factor: 0.136 lbs of NO_x/mmBTU for gaseous fuels and 0.160 lb/mmBTU for fuel oils

L_0 = Applicable NO_x emission limit specified in Table 1 in lbs/mmBTU

AF = Annual average fuel usage of unit for previous 5 years, mmscf/yr for natural gas or gallons for liquid fuel

k = unit conversion for cubic feet of natural gas to BTU = 1,050 BTU/scf; 95,500 BTU/gallon for LPG; and 138,700 BTU/gallon for fuel oil

- (4) Rule 1147 Mitigation Fee Plan Submittal

~~Proposed~~ Rule 1153.1 (Cont.)~~(Draft—September 3, 2014)~~(Adopted (Date of 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

Draft Staff Report

Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

September-October 2014

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CHAPTER 1: BACKGROUND

INTRODUCTION

REGULATORY HISTORY

~~EQUIPMENT AND PROCESS~~

TECHNOLOGY ASSESSMENT

AFFECTED INDUSTRIES

PUBLIC PROCESS

INTRODUCTION

The purpose of Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (PR 1153.1) is to limit emissions of nitrogen oxides (NOx) and carbon monoxide (CO) from the combustion of gaseous and liquid fuels in food ovens, dry roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NOx Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Rule 1147 limits emissions of NOx from gaseous and liquid fuel fired combustion equipment that are not specifically addressed in other SCAQMD Regulation XI – Source Specific Standards. However, because control technologies have not matured in a timely manner for commercial food ovens, it was decided to regulate these sources separately from the other Rule 1147 sources. In this way the commercial food ovens could be placed on a more suitable compliance schedule with achievable emission limitations.

The equipment addressed by Rule 1147 is used in a variety of industrial and commercial applications. Based on stakeholder input and further evaluation of the technical feasibility of retrofit technologies applicable to older units of this class of equipment, staff has proposed to move food ovens, including roasters and smokehouses, from Rule 1147 and place them in a proposed new rule with different emission limits and compliance dates.

REGULATORY HISTORY

The equipment proposed to be regulated by PR 1153.1 is currently regulated under SCAQMD Rule 1147. Rule 1147 is based on two control measures from the South Coast Air Quality Management District 2007 Air Quality Management Plan (AQMP): Control Measure MCS-01 – Facility Modernization and Control Measure CMB-01 – NOx Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces. Emission reductions from the equipment addressed by Rule 1147 and Control Measure CMB-01 of the 2007 AQMP were proposed to be regulated in earlier AQMPs (e.g., Control Measure 97CMB-092 from the 1997 AQMP).

Control measure MCS-01 was a new control measure developed for the 2007 AQMP that proposes companies upgrade their current technology to best available control technology (BACT) – the cleanest technology available. The facility modernization control measure proposes that equipment operators meet best available control technology (BACT) emission limits at the end of the equipment’s useful life. For equipment regulated by Rule 1147, modernization requires burner upgrades, replacement of burner systems or replacement of equipment when the equipment reaches 15 to 20 years of age.

Equipment that is regulated by Rule 1147 and PR 1153.1 must also meet the requirements of SCAQMD Regulation XIII – New Source Review (NSR) and SCAQMD Regulation IV – Prohibitions. Equipment subject to NSR must meet BACT requirements and offset emission increases. Regulation IV limits emissions of particulate matter, carbon monoxide and NOx from combustion sources. However, NOx emission limits required by BACT are significantly more stringent than the emission limits in Regulation IV. For example, Rule 474 – Fuel Burning equipment – Oxides of Nitrogen has emission limits that vary from 125 ppm to 400 ppm

(referenced to 3% oxygen) depending upon the fuel and heat input rating of the equipment. NOx emission limits under BACT for combustion equipment subject to Rule 1147 vary from 30 ppm to 60 ppm (referenced to 3% oxygen). Rule 407 in Regulation IV also has a CO limit of 2,000 ppm.

Rule 1147 was adopted in 2008 to address NOx emissions from miscellaneous sources not regulated by other SCAQMD rules within Regulation XI. Due to the numbers of pieces of equipment and varying source categories a top down assessment* was conducted to determine emissions limits based on thermal process characteristics and establish implementation dates. This process resulted in several categories of equipment that had similar burner profiles being grouped together with a common set of emissions limits for defined process temperatures. As a result of the common burner traits, food ovens, roasters and smokehouses were grouped in the same category as dehydrators, dryers, heater, kilns, crematories, incinerators, calciners, furnace and heated storage tanks. BACT for ovens and dryers had been 30 ppm NOx since 1998 and the Rule 1147 NOx limit of 30 ppm or 60 ppm if the process temperature is above 1,200 °F was consistent with applications for the other categories of equipment. —However, stakeholders were concerned that achieving an emission concentration of 30 ppm would be difficult in older food oven, roaster and smokehouse equipment using ribbon burners. Responding to stakeholder concerns, Rule 1147 provided a later compliance date, until 2014, for food ovens.

In June of 2012, staff began an evaluation of Rule 1147 implementation. The evaluation focused on the costs associated with and the availability of burner technologies for several categories of equipment covered by the rule. In May 2013 SCAQMD Rules 219 and 222 were amended to exempt specific small equipment from permit requirements including food ovens with low emissions of VOCs. One of the reasons cited for the rule amendment was the lack of cost effective -compatible low NOx burners available to meet the requirements of Rule 1147. The Rule 219 amendment moved some small ovens from the permit program into the Rule 222 registration program which exempts them from Rule 1147 and PR 1153.1.

Concurrently, manufacturers and a research institute had started projects to lower NOx emissions from these types of burners and were expected to achieve the Rule 1147 emission limits by 2014. Because these projects have not been completed and there are many older ovens heated with ribbon burners in the SCAQMD, staff proposed to move existing (in-use) food ovens, dry roasters and smokehouses from Rule 1147 and place them in a new rule specific to these equipment. Staff is recommending a new rule with higher NOx emission limits and delay of the emission limit compliance dates for in-use SCAQMD permitted food ovens. New food ovens will be subject to the BACT requirements of new source review. Staff is also proposing a carbon monoxide emission limit for units regulated by PR 1153.1.

* In a top down assessment an overview of the system of equipment is formulated specifying but not detailing any first level of equipment subsystems. Each subsystem is then refined in yet greater detail. This type of assessment is typically used whenever there are thousands of equipment of differing processes such as equipment subject to SCAQMD Rule 1147.

TECHNOLOGY ASSESSMENT

There are several options for reducing NO_x emissions from combustion equipment subject to PR 1153.1. Some ovens may be able to change their process so heat is generated by electricity. Many ovens use heat generated by electricity. Other ovens may be able to use heat generated by a boiler or thermal fluid heater. Heat transfer from steam or thermal fluids can be an efficient and cost effective way to heat a process. However, heat transfer from a boiler or thermal fluid heater requires the use of a heat exchange system to warm air and the process chamber that heats the product. For the majority of processes however, the preferred option to reduce NO_x emissions will be tuning or replacing the burner system. The following sections describe the typical burner designs used in food ovens, roasters and smokehouses and the methods to reduce NO_x.

Process Equipment

PR 1153.1 regulates ovens, roasters, and smokehouses used to prepare food and beverages for human consumption. There are two main types of ovens – batch and conveyor ovens. Roasters and smokehouses are typically batch operations where product is placed in the oven and removed when the process is complete. Conveyor ovens continuously take in food items, cook them and delivery the cooked product to an area where it can cool and then be packaged. Regardless of the type of food oven, they operate in three temperature ranges – less than 500 °F, 500 to 900 °F and greater than 900 °F.

Both batch and conveyor ovens may be manufactured with ribbon burners or one of two types of air heating burners. Air heating burners are used in convection ovens where the burner is not in close proximity to the product being cooked. One type of air heating burner is a line or duct burner that is often made up of one foot sections that can be put together in a variety of shapes but in food ovens are typically put together end to end. The other type of air heating burner has a cylindrical housing projecting into the oven in which the burner flame is contained. Both of these types of burners may fire into a small space and air is moved through that space by blowers to be heated and moved on to the main chamber of the oven.

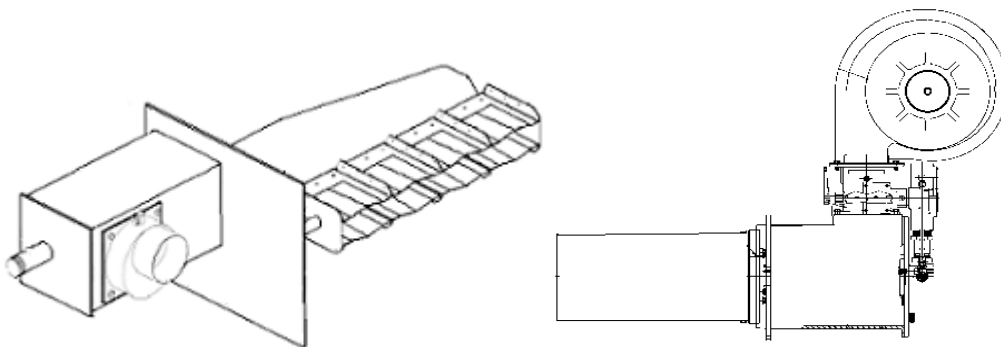


Figure 1 – Air Heating Burners

Many oven burners have historically been long sections of pipe with rows of holes down the length of the pipe. Gas and a small amount of air is introduced into the pipe and that mixture exits through the holes in the pipe where it is lit with a pilot flame. Most of the air for combustion is secondary air which is inside the oven and mixes with the gas as it exits the holes in the pipe.

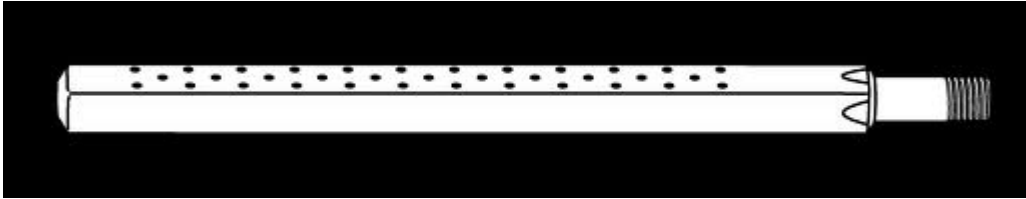


Figure 2 – Pipe Burner

Ribbon burners are similar to this older style of pipe burner but they have an insert along the length of the pipe that allows better control of the flame. They are also designed to provide premixing of air with fuel for more efficient and better control of combustion. The newest types of ribbon burners are made in a variety of ways, but they have better mixing of air with the fuel inside the body of the burner and better control of the distribution of fuel gas in the burner which result in lower NO_x emissions and better efficiency. The lower emissions are also achieved because the flame that is produced has lower peak flame temperature which results in less NO_x. Some versions of newer ribbon burners also include water cooling which can also help lower emissions. Together with modern control systems, ribbon burners have lower emissions than pipe and older ribbon burners.

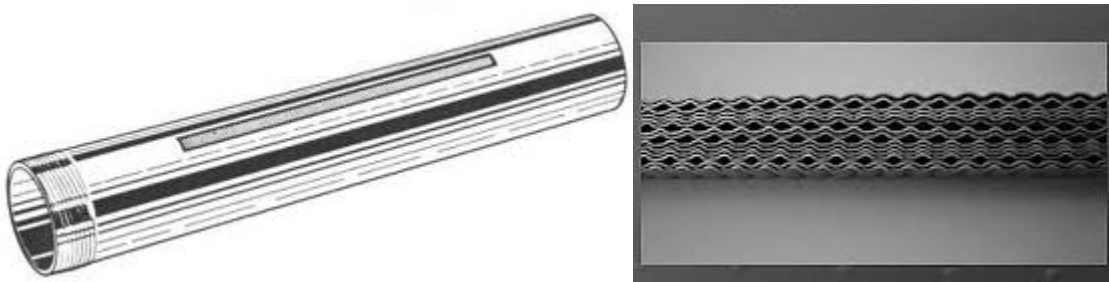


Figure 3 – Ribbon Burner Pipe and Flame Holding Surface

Food ovens can also use radiant systems to provide heat. One type of burner, made with ceramic or metal fiber flame holding surfaces, produces most of their heat as infrared radiation; they produce a red glow, and have very low NO_x emissions. These are often called infrared burners and directly heat the product in the oven. Another type of unit has burners which heat the inside of tubes and the tubes then radiate heat to the process. This indirect heating system is called radiant tube heating.



Figure 4 – Infrared Burners

Emission Reduction Technology

Low NO_x burners in some applications can achieve less than 10 ppm NO_x. There are many types of burners with emission in the range of 20 to 60 ppm NO_x. The manufacturers of these burners use a variety of techniques to achieve lower emissions. The principal technique is better premixing of fuel and air before combustion takes place. This results in more efficient combustion of fuel and a more uniform flame temperature. A more uniform flame temperature results in fewer hot spots and reduced formation of NO_x.

Many premix burners require the aid of a blower to mix the fuel with air before combustion takes place (primary air). However, residential tank type water heaters, some small boilers and other equipment are now made with atmospheric premix burners that achieve NO_x emissions in the range of 15 to 60 ppm. Atmospheric burners do not use a blower to mix fuel and air. The burners in these units combine premixing with specially designed burner heads that reduce flame temperature and NO_x emissions by spreading the flame over a larger area. Premixing of fuel and air is accomplished using a jet of fuel gas exiting a specially designed nozzle. The velocity of the fuel leaving the nozzle draws air into a mixing zone and mixing is completed before the fuel and air mixture leaves the burner.

A variety of burners are designed to spread flames over a larger area to reduce hot spots and lower NO_x emissions. One type, radiant premix burners, has been available for several decades. Radiant premix burners are made with ceramic, sintered metal, metal screen or metal fiber heads that spread the flame over a larger surface. These burners can be run in either radiant or blue flame modes. When a burner runs in radiant mode, the flame surface is red instead of blue and it produces more radiant heat. These burners come in a variety of shapes including flat and cylindrical.

To further reduce NO_x emissions, some premix burners also use staged combustion. This technique produces two combustion zones with differing air-fuel mixtures. The burner produces a fuel rich zone to start combustion and stabilize the flame and a fuel lean zone to complete combustion and reduce the peak flame temperature. In combination, these two zones reduce the formation of NO_x. This technique incorporates premixing and can be used in combination with other techniques.

Burner Technology for Food Ovens

Rule 1147 requires food oven, roasters and smokehouse equipment to meet NO_x emission limits in the range of 30 ppm to 60 ppm (referenced to 3% oxygen) depending upon the process and process temperature. The emissions limit is segregated by temperature equaling or exceeding 1200 °F where the higher 60 ppm limit applies. The NO_x emissions limit for all other oven operations at temperatures less than 1200 °F is set at 30 ppm. The emission limits are based on SCAQMD and other air district's determinations for BACT, availability of burners that can achieve these emission levels and recent emission limits decisions for SCAQMD permits. BACT determinations since 1998 have resulted in emission limits of 30 to 60 ppm for equipment ranging from low temperature ovens to very high temperature metal melting and heat treating furnaces. The BACT NO_x limit since 1998 for most ovens and dryers, including food ovens, has been 30 ppm. Currently, the typical emission for low NO_x burners applicable to equipment subject to Rule 1147 varies from less than 20 ppm to 60 ppm depending upon the burner, process temperature and nature of the process.

Prior to 1998, NO_x emissions limits for food ovens were typically established as an operating condition of the equipment permit. Many of the food ovens subject to Rule 1147 that are currently operating in the SCAQMD predate the 1998 timeframe when BACT was established for the equipment category. As a consequence, the Rule 1147 NO_x emissions limits based on the post 1998 BACT analyses have presented the older and more process specific equipment with a significant compliance challenge. It is also important to note that the Rule 1147 1200 °F temperature threshold represented a consensus for several categories of equipment, not restricted only to food ovens, roasters or smokehouses. A review of the sources for which PR 1153.1 would apply indicated that a lower temperature threshold combined with a minor relaxation in the emissions limit from 30 ppm to 40 ppm for the cooler operating processes would better fit the operational characteristics of the impacted equipment.

Food ovens are designed with a specific type of burner so that the oven can produce specific food products. Many ovens use ribbon burners. Changing the type of burner and the operational characteristics of the oven and burners can result in changes in taste, texture, appearance and other qualities of the product. Individual manufacturers of food products set up their ovens differently in order to produce their unique product. This situation has resulted in manufacturers using ovens that are 20 to 50 years old. Because food producers require specific types of oven and burner combinations and most ovens are decades old, it is often technically infeasible for these older units to comply with the emission limits for Rule 1147 and produce an identical food product.

PR 1153.1 has proposed NO_x emission limits for existing in-use equipment of 40 to 60 ppm for processes below and above 500 °F. These proposed NO_x emission limits are based on comments from equipment and burner manufacturers and local businesses. For older in-use food ovens fired with ribbon burners, local businesses and a major customer of ribbon burner manufacturers proposed NO_x emission limits in the range of 30 to 35 ppm for process temperatures less than about 500 °F, 45 ppm for process temperatures between 500 °F and 700 °F and 60 ppm for temperatures above 700 °F. Ribbon burner manufacturers have suggested temperature based NO_x emission limits for new food ovens as low as 30 ppm for lower process

temperatures below about 500 °F and 60 ppm for higher process temperatures above about 900 °F. For process temperatures between about 500 and 900 °F an emission limit of 45 ppm was suggested. The PR 1153.1 NOx emission limit for existing in-use equipment of 40 ppm for processes below 500 °F has been set to bridge the suggested range proposed by the stakeholders between 35 and 45 ppm. Similarly, providing a higher 60 ppm limit for the 500 °F to 1200 °F range of operation will provide flexibility for units operating for variable temperature requirements in cooking. New and relocated food ovens will be subject to SCAQMD new source review requirements and BACT guidelines.

The Gas Company and the Gas Technology Institute have a project to reduce emissions from ribbon burners. The design goal is to achieve NOx emissions of 30 ppm across a wide range of temperatures. The project is currently moving from testing of burners to installation of the modified burners into test ovens. The project is expected to be completed in 2016. Individual burner manufacturers also have developed new burners to achieve NOx emissions of 30 ppm across a wide range of process temperatures.

To meet PR 1153.1 emission limits, some ovens with ribbon burners will only require tuning and regular maintenance. In other cases, compliance with the emission limits will require replacement with newer design lower emitting burners and/or upgrades to burner control systems.

Air heating and infrared burners used in food ovens can easily achieve the emission limits of PR 1153.1 and are the basis for the BACT NOx limit of 30 ppm for most ovens and dryers. These burners are readily available. These burners and some older design air heating burners will achieve the emission limits in PR 1153.1.

Radiant tube heating systems can also achieve the emission limits of PR 1153.1 but would require replacement with larger diameter heating tubes in order to use burners that will meet the proposed NOx limits. Alternatively, these types of ovens have an option from the manufacturer to use a thermal fluid radiant tube heating system where the thermal fluid in the radiant tubes is heated by a small process heater subject to Rules 1146.1 or 1146.2. In addition, some of these radiant tube heating ovens have an option from the manufacturer to be heated with direct fired air heating burners. Both of these types of heating systems achieve NOx emissions levels of 15 to 30 ppm based on existing in-use permitted units in the SCAQMD permit database.

There are many suppliers of ribbon burners for food ovens and many manufactures of air heating and radiant burners used in food ovens and roasters. Currently suppliers of ribbon burners for food ovens have products that will achieve the proposed NOx limits for the equipment regulated by PR 1153.1. The suppliers of other types of burners which are typically found in food ovens also produce burners that meet the NOx limits in Rule 1147 and PR 1153.1.

AFFECTED INDUSTRIES

Proposed Rule 1153.1 affects manufacturers of ovens, roasters and smokehouses (NAICS 333) and manufacturers of food and beverage products (NAICS 311 and 312). Staff has identified 94 facilities with 210 total units that are expected to be regulated by PR 1153.1. 135 of the units are

small with emissions less than or equal to one pound per day NOx. Approximately 70 % of the units are food ovens and the remainder is roasters and smokehouses.

PUBLIC PROCESS

The rule development effort for PR1153.1 is part of an ongoing process to evaluate low NOx technologies for combustion equipment subject to SCAQMD Rule 1147. To date, SCAQMD staff has held three PR 1153.1 Task Force meetings to discuss burner technology, implementation issues, compliance schedules, emission limits, emission testing, and other topics with representatives from affected manufacturers, trade organizations, and other interested parties. PR 1153.1 Task Force meetings were held on October 23, 2013, January 9, 2014, and March 6, 2014 in combination with Rule 1147 Task Force meetings. In addition, a Public Workshop for PR 1153.1 was held on April 2, 2014 and PR 1153.1 was discussed at the Stationary Source Committee on March 21 and July 25, 2014.

CHAPTER 2: SUMMARY OF PROPOSED RULE 1153.1

PROPOSED AMENDED RULE REQUIREMENTS

PROPOSED RULE REQUIREMENTS

AQMP Control Measure

Control measure CMB-01 – NOx Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces and control measure MCS-01 – Facility Modernization provide a framework for Rule 1147 and PR 1153.1. Control measure MCS-01 proposes that equipment operators meet best available control technology (BACT) emission limits at the end of the equipment’s useful life. Control measure CMB-01 proposes emission NOx limits in the range of 20 ppm to 60 ppm (referenced to 3% oxygen) for ovens, dryers, kilns, furnaces and other miscellaneous combustion equipment based on BACT limits. Unlike Rule 1147, PR 1153.1 is based on best available retrofit control technology (BARCT) and has less stringent NOx emission limits than Rule 1147. To meet PR 1153.1 emission limits, equipment will require tuning and regular maintenance and in some cases, replacement with lower emitting burners or upgrades to burner control systems.

Purpose and Applicability

The purpose of PR 1153.1 is to limit nitrogen oxide emissions from gaseous and liquid fuel fired combustion equipment as defined in this rule. This rule applies to in-use ovens, dryers, smokers and dry roasters with nitrogen oxide emissions from fuel combustion that require a District permit and are used to prepare food or beverages for human consumption. This rule does not apply to solid fuel-fired combustion equipment, fryers (including those used for oil roasting of nuts, seeds and other products), char broilers, or boilers, water heaters, thermal fluid heaters and process heaters subject to District Rules 1146, 1146.1, or 1146.2.

Requirements

PR 1153.1 sets NOx emission limits of 40 to 60 ppm and a CO limit of 800 ppm. A CO emission limit will ensure that ~~burners are operated consistent with manufacturers operating guidelines~~ compliance with NOx limits are not circumvented by extreme adjustments of burner fuel and combustion air during emissions testing. The temperature of the oven will vary depending upon the product baked. The NOx and CO levels will vary depending upon the heat output of the burner. The 800 ppm CO emission limit will ~~also~~ provide operators flexibility for operating equipment that process more than one type of product.

Category	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18	Jul-19	Jul-20	Beyond
Rule 1147								
> 1 lb/day & Mft < 1998								
> 1 lb/day & Unit 15 yrs old								
≤ 1 lb/day & Mft < 1998								
≤ 1 lb/day & Unit 20 yrs old								
Propose Rule 1153.1								
In Use & Mft < 1992 (25 yrs old)*								
In Use Pita and griddle & Mft < 1994								
In Use & Mft < 2000 (20 years old)								
In Use & 20 years old								

Figure 5 – Proposed Rule 1153.1 Compliance Schedule

The proposed rule also includes an emission testing requirement but delays compliance dates for at least 2 additional years beyond the dates for Rule 1147. PR 1153.1 phases in compliance based on a 20 year equipment life instead of the 15 years used in Rule 1147. Figure 5 compares the compliance schedules of Rule 1147 and PR 1153.1.

PR 1153.1 also provides three alternate compliance options and an option for manufacturers to certify emissions. One alternate compliance option allows facilities with multiple units to phase in compliance over three to five years. A second alternate compliance option allows facilities to delay the emission limit compliance date ~~by 5 or~~ up to 10 years beyond an equipment life of 20 years if they recently replaced all of the burners in an oven. A mitigation fee option provides facilities a third option to delay compliance by up to three years by paying a mitigation fee which will be used to fund emission reduction projects.

The following two tables indicate the NO_x emission limits and compliance dates for PR 1153.1.

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	
<i>≤ 500° F</i>	<i>> 500° F</i>
40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Griddle ovens and ovens Ovens used solely for making pita bread and manufactured prior to 1999	October 1, 2017	July 1, 2018
<u>Griddle ovens manufactured prior to 1999</u>	<u>October 1, 2017</u>	<u>July 1, 2018</u>
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

PR 1153.1 will provide a later compliance date for existing (in-use) units making pita bread or using small diameter indirect fired radiant tube heating. New ovens built with radiant tube

heating have options from the manufacturer to be built with a thermal fluid radiant tube heating system using a small process heater subject to SCAQMD Rules 1146.1 or 1146.2. In addition, some of these ovens also have an option from the manufacturer for direct fired heating systems using air heating burners which can meet the proposed NO_x emission limits. Information from the SCAQMD permit system indicates that both types of heating systems achieve NO_x emissions in the range of 15 to 30 ppm and low CO emissions in these types of applications. In addition, there are burners available for larger diameter radiant tubes which can also meet emission levels of less than 30 ppm NO_x.

Exemptions

PR 1153.1 includes exemptions from the emission limits and testing for small and low-use units with NO_x emissions of one pound per day or less. In addition, the proposed rule includes a testing exemption for units that only have infrared burners which have significantly lower NO_x emissions than the limits in PR 1153.1.

CHAPTER 3: IMPACT ASSESSMENT

IMPACT ANALYSIS

COST EFFECTIVENESS

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ANALYSIS

SOCIOECONOMIC ASSESSMENT

INCREMENTAL COST-EFFECTIVENESS

COMPARATIVE ANALYSIS

IMPACT ANALYSIS

PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities. The proposed rule will exempt two thirds of the ovens from emission limit requirements (small and low use units). The owners and operators of these units are still subject to the combustion system maintenance and recordkeeping requirements that are carried over from Rule 1147. The maintenance requirements will help limit NO_x, CO, VOC and PM emissions from these units. An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of the larger ovens will be able to comply with the proposed emission limits without changing burner systems.

Emissions of CO, VOC and PM are not expected to change compared with Rules 1147. However, NO_x emission reductions for PR 1153.1 are delayed compared with Rule 1147 and will result in about 120 pounds per day of NO_x emissions forgone by 2023. PR 1153.1 is not anticipated to have any additional significant environmental impacts.

COST EFFECTIVENESS

The proposed rule amendment provides less stringent emission limits compared with Rule 1147 and provides regulatory relief. As such, a cost effectiveness analysis for PR 1153.1 is not applicable. However, staff has reviewed and reaffirmed the applicability of the cost and cost effectiveness estimates for Rule 1147. The cost for ovens to comply with PR 1153.1 emission limits will vary depending upon the type of burners used in the oven.

A few ovens with air heating burners may need to replace burners in order to meet PR 1153.1 emission limits. For those ovens the cost and cost effectiveness estimated for Rule 1147 is applicable. However, for higher temperature ovens and many other ovens, the cost will be less than for Rule 1147 because their current burners can meet the PR 1153.1 NO_x emission limits of 40 and 60 ppm. The following table lists Rule 1147 average cost for air heating burners in the size range used by food ovens.

Burner Size (mmBtu/hr)	30 ppm	60 ppm
Less than 0.5	\$6,800	\$2,500
1	\$3,500	\$2,000
2.5	\$5,500	\$3,500
5	\$5,000	\$5,000

Table 3 – Average Burner Cost for Rule 1147 Adoption

Rule 1147 cost effectiveness is based on replacement of burners and other related costs. The average cost effectiveness for burner replacement for Rule 1147 was up to \$20,000 per ton. This is an average cost effectiveness based on the wide range of burners and equipment subject to Rule 1147 emission limits. However, staff does not anticipate that most of the ovens using air heating burners will need to replace their burners. Newer ovens in the SCAQMD with air

heating burners have permits limits of 30 ppm NO_x (the current SCAQMD NO_x BACT limit for ovens and dryers).

Food ovens using ribbon burners require regular replacement of burners on a frequency that varies from every year to every 10 years depending upon use and type of burner. The cost effectiveness of installing new burners with lower NO_x emissions is the price difference between a new type of burner and the older style burners. The typical cost of individual ribbon burners for ovens cooking cookies, crackers and bread is in the range of \$250 to \$800. If ribbon burners are replaced with infrared/radiant pipe burners designed as a direct replacement for ribbon burners, the cost per burner would be \$315 to \$1000. The cost difference between ribbon burners and the infrared burners for an oven rated at 2 million Btu per year would be in the range of \$12,000 to \$17,000. With a NO_x emission reduction of 4 tons or more over 20 years, the average cost effectiveness is around \$3,000 to \$4,000 per ton NO_x reduced.

In some cases an owner may choose to use a new updated control system with ribbon burners in order to meet the emission limit. Depending upon the size of the oven and number of burners, a modern burner control system can cost \$25,000 to \$75,000 dollars. However, with an emission reduction of at least 4 tons of NO_x over 20 years for a conveyor oven and an average cost of \$50,000 for a new control system on a large oven, the average cost effectiveness of the control system is about \$12,500/ton NO_x reduced. This control systems cost and cost difference is in the range for other Rule 1147 equipment.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ANALYSIS

Pursuant to California Environmental Quality Act (CEQA) Guidelines § 15252 and SCAQMD Rule 110, the SCAQMD has prepared an Environmental Assessment (EA) for proposed Rule 1153.1. The Draft EA was released for a 45-day public review and comment period from July 29, 2014 to September 16, 2014. No comment letters were received from the public regarding the Draft EA.

The quantity of peak daily NO_x emission reductions foregone exceeds the NO_x significance threshold for operation of 55 pounds per day. Thus, proposed Rule 1153.1 will result in adverse significant operational air quality impacts. Proposed Rule 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option that currently exists in Rule 1147. In Rule 1147, all mitigation fees are used to reduce NO_x emissions through the SCAQMD's leaf blower exchange program. The fees collected as a result of the implementation of proposed Rule 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and corresponding GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time. No further feasible mitigation measures are identified at this time that would reduce or eliminate the expected foregone emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be determined to be mitigated to less than significant. No other environmental topic area was determined to have a significant adverse impact as a result of the proposed project.

Pursuant to CEQA Guidelines §15091, Findings have been prepared for each of the significant environmental effects accompanied by a brief explanation of the rationale for each finding. In addition, a Statement of Overriding Considerations has been prepared in accordance with CEQA Guidelines §15093 that discusses the benefits of the proposed project against unavoidable environmental risk when determining whether to approve the project. If the benefits outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered acceptable.

Since the release of the Draft EA, minor modifications have been made to the document. However, none of the modifications alter any conclusions reached in the Draft EA, nor provide new information of substantial importance relative to the draft document. As a result, these minor revisions do not require recirculation of the Draft EA pursuant to CEQA Guidelines § 15073.5. Therefore, the Draft EA is now a Final EA and is included as an attachment to this Board package.

~~Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD's Certified Regulatory Program (Rule 110), the SCAQMD has prepared a Draft Environmental Assessment (EA) for Proposed Rule 1153.1. The Draft EA was released for a 45-day public review and comment period on July 29 through September 16, 2014. The Draft EA concluded that significant environmental impacts in the topic area of air quality would result from implementing the proposed project. The proposed project may have statewide, regional or area-wide significance; therefore, a CEQA scoping meeting was required (pursuant to Public Resources Code §21083.9(a)(2)). The public workshop conducted on April 2, 2014 also served as a CEQA scoping meeting for the proposed actions. Upon completion of the public review and comment period for the Draft EA, responses to comments received relative to the Draft EA will be prepared and incorporated into the Final EA.~~

SOCIOECONOMIC ASSESSMENT

Based on stakeholder input and evaluation of the technical feasibility of technologies applicable to older food ovens, staff has proposed to move existing in-use food ovens, including roasters and smokehouses, from Rule 1147 and place them in a proposed new rule with less stringent emission limits and later compliance dates.

As such, PR 1153.1 is expected to impose lower costs than Rule 1147 on owner/operators of food ovens, roasters and smokehouse ovens. The reduced equipment replacement cost (savings) for small and low use ovens exempt from the PR 1153.1 emission limits will be on the order of \$2,500 to \$7,500 per burner. The proposed rules' maintenance, recordkeeping and testing requirements, which apply to all food ovens, are the same as in Rule 1147 and will result in the same cost. Similar to Rule 1147, PR 1153.1 has a testing requirement. Testing cost will vary from \$2,000 to \$5,000 depending upon the type of equipment. Most of the food ovens are small or low use, they will not be required to do emissions testing, and will therefore see this cost savings. PR 1153.1 also has later compliance dates compared with Rule 1147 which delays the costs from equipment replacement and testing for larger units.

Operators of large ovens with ribbon burners may choose to replace older design ribbon burners with new design burners or upgrade to a new control systems. As discussed in the previous section on cost effectiveness in this staff report, these costs are similar to the costs estimated for Rule 1147. The cost difference for lower emission burners for a 2 million Btu per hour oven is

estimated to be less than \$20,000 and the cost of a new control system averages about \$50,000. Which option an owner/operator chooses will depend on the variety of products made in the oven and other operational factors.

~~DRAFT FINDINGS UNDER CALIFORNIA HEALTH & SAFETY CODE SECTION 40727~~

~~California Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD 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. In order to determine compliance with Sections 40727, 40727.2 require a written analysis comparing the proposed amended rule with existing regulations.~~

~~The following provides the draft findings.~~

~~**Necessity:** A need exists to adopt PR 1153.1 to address technical infeasibility and the need for additional time to retrofit food ovens, roasters and smokehouses to meet the new less stringent proposed NOx emission limits.~~

~~**Authority:** The SCAQMD obtains its authority to adopt, amend, or repeal rules and regulations from California Health and Safety Code Sections 39002, 40000, 40001, 40440, 40440.1, 40702, 40725 through 40728, 41508, and 41700.~~

~~**Clarity:** PR 1153.1 has been written or displayed so that its meaning can be easily understood by the persons affected by the rule.~~

~~**Consistency:** PR 1153.1 is in harmony with, and not in conflict with or contradictory to, existing federal or state statutes, court decisions or federal regulations.~~

~~**Non-Duplication:** PR 1153.1 does not impose the same requirement as any existing state or federal regulation, and is necessary and proper to execute the powers and duties granted to, and imposed upon the SCAQMD.~~

~~**Reference:** In amending this rule, the following statues which the SCAQMD hereby implements, interprets or makes specific are referenced: Health and Safety Code sections 39002, 40001, 40702, 40440(a), and 40725 through 40728.5.~~

INCREMENTAL COST-EFFECTIVENESS

Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for Best Available Retrofit Control Technology (BARCT) rules or emission reduction strategies when there is more than one control option that would achieve the emission reduction objective of the proposed amendments, relative to ozone, CO, SOx, NOx, and their precursors.

The proposal to adopt PR 1153.1 does not require additional emission controls or emission reduction strategies beyond those required under SCAQMD Rule 1147. However, PR 1153.1 does require a less stringent emission limit and later compliance dates compared with Rule 1147

which currently applies to this equipment. Therefore, the incremental cost-effectiveness analysis requirement does not apply.

The only other options for reducing NO_x emission from equipment affected by PR 1153.1 is replacement of burners with other sources of heat. Some ovens do use electricity to provide heat and other units provide heat through a heat exchanger with heated water or other fluid from a small boiler or process heater. However, this equipment is either not regulated for NO_x emissions by the SCAQMD (electric ovens) or is regulated by other SCAQMD rules (Rules 1146, 1146.1 and 1146.2).

Staff has evaluated the incremental cost effectiveness as compared to a less stringent emission limit. The same technology used to achieve the proposed NO_x limit can also be used to achieve less stringent limits. For these less stringent limits the cost of the technology is the same but because emission reductions are less, the cost effectiveness increases. In other words, a less stringent option is less cost-effective.

COMPARATIVE ANALYSIS

Under Health and Safety Code Section 40727.2, the SCAQMD 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 SCAQMD rules and air pollution control requirements and guidelines which are applicable to industrial, institutional, and commercial water heaters, boilers, steam generators, and process heaters.

The SCAQMD staff is not aware of any state or federal requirements regulating air pollution that are applicable to PR 1153.1 type units. PR 1153.1 does not make an existing limit or standard more stringent, or impose more stringent monitoring, reporting or recordkeeping requirements. However, PR 1153.1 does include a less stringent emission limit and later compliance dates compared with Rule 1147 which currently applies to this equipment. Since PR 1153.1 is only applicable to existing in-use ovens, roasters and smokehouses it does not conflict with Best Available Control Technology requirements under the SCAQMD's New Source Review Program.

REFERENCES

REFERENCES

EPA, 2002. *EPA Air Pollution Control Cost Manual, Sixth Edition (EPA-452-02-001)*, United States Environmental Protection Agency, January 2002

SCAQMD, 2008. *Staff Report: Proposed Rule 1147 - NOx Reductions from Miscellaneous Sources*. South Coast Air Quality Management District, December 2008.

SCAQMD, 2007. *Air Quality Management Plan, Final 2007 AQMP Appendix IV-A, District's Stationary and Mobile Source Control Measures*, South Coast Air Quality Management District, June 2007.

SCAQMD, 1996. *1997 Air Quality Management Plan, Appendix IV-A, Stationary and Mobile Source Control Measures*, South Coast Air Quality Management District, November 1996.

RESPONSE TO COMMENTS

RESPONSE TO COMMENTS

Comment: Because Rule 1147 is an approved rule in the state implementation plan (SIP), forgone emissions reductions associated with PR1153.1 could interfere with demonstration of attainment or reasonable further progress under section 110(1) of the federal Clean Air Act (CAA) or other provisions of the CAA. In addition, PR 1153.1 may undermine the rules enforceability and preclude reliance on it for SIP emission reduction credit in accordance with USEPA policy on economic incentive programs (EIPs) and other nontraditional emission reduction measures. USEPA approval of PR 1153.1 depends upon demonstration that its provisions, including fee provisions, result in emission reductions that are surplus, quantifiable, enforceable, permanent and consistent with all applicable CAA requirements.

Response: The SCAQMD 2007 and 2012 Air Quality Management Plan SIPs set aside sufficient NO_x emissions reductions to offset potential emission reduction shortfalls resulting from delays in implementing technology forcing rules. Therefore, the potential SIP reductions forgone/delayed are addressed- via the SIP set aside, not incentive programs.

Comment: Ovens using indirect fired radiant tube heating with small diameter tubes will not be able to meet the proposed NO_x and CO emission limits.

Response: Staff has revised PR 1153.1 to provide existing (in-use) units using indirect fired radiant tube heating additional time to meet the rule emission limits and testing requirement. Until the compliance date, these units must comply with the other requirements of PR 1153.1 including combustion system maintenance and recordkeeping. These ovens have options from the manufacturer to convert to a thermal fluid radiant tube heating system, and some ovens also have an option from the manufacturer for direct fired heating systems using air heating burners. Staff recognizes that units with small diameter indirect fired heating tubes do not currently have burners available that meet the proposed emission limits. However, units can be built with thermal fluid heating using a small process heater subject to SCAQMD Rules 1146.1 or 1146.2 or with direct fired air heating burners which can meet the proposed emission limits. Information from the SCAQMD permit system indicates that both of these types of heating systems achieve NO_x emissions in the range of 15 to 30 ppm and low CO emissions in these types of applications. In addition, there are burners available for larger diameter radiant tubes which can meet emission levels of less than 30 ppm NO_x.

Comment: Ovens with recently installed burners should have more time to comply with the emission limits regardless of the equipment age. This option is available in Rule 1147.

Response: Staff has revised PR 1153.1 to allow additional time for units that recently changed burners. Units with recent changes of burners will have 5 or 10 years from the date of the modification to comply with the emission limits. The 5 or 10 year time frame is based on industry provided information on the maximum lifetime of ribbon burners in small and large baking operations and is based upon the hours of operation of the oven.

Comment: Why is a carbon monoxide (CO) limit included in PR 1153.1 and what is the basis for the limit?

Response: A CO limit is included in the proposed rule to assure that the burner is tuned and operated in a manner consistent with manufacturer's recommendations. [The CO limit will help](#)

prevent circumvention of the NOx limit by extreme adjustments of burner fuel and combustion air during emission testing. Staff has found that some equipment subject to Rule 1147 have burners that were never designed to meet rule emission limits, but they have been tuned to meet the NOx limit during the test with very high CO levels. The CO emission level is set at a capping level to allow owner/operators flexibility during normal operations and at the same time assure that burners are tuned and operated as they were designed.

Comment: Are the PR 1153.1 testing and compliance requirements different than those for Rule 1147 equipment with more than one section and with more than one section connected to one exhaust manifold?

Response: The test methods (sampling and analysis) are the same for both rules. The protocol for sampling for Rule 1147 and PR 1153.1 compliance demonstrations must be discussed between the owner/operator and SCAQMD staff and ultimately approved by SCAQMD staff. The owner/operator and their testing contractor should address this, and other issues that affect sampling, with SCAQMD staff to reach a consensus on how to sample for the compliance demonstration. Compliance demonstration for units with individual sections and with their own exhaust stacks are subject to long established Engineering and Compliance Division policy regarding compliance demonstration. This policy requires that all sections of a piece of equipment with individual manifolds must comply with federal and SCAQMD regulatory requirements (e.g., federal new source performance standards, BACT emission limits, and SCAQMD Rules).

Comment: Is it possible to get refunds on permit and alternate compliance applications for Rule 1147 if they are no longer necessary? Will there be a cost to change a permit condition applicable to Rule 1147?

Response: The request is being addressed by SCAQMD Engineering and Compliance Division. The SCAQMD Small Business Assistance staff can also be contacted for business assistance at (800) 388-2121.

Comment: Does this proposed rule affect equipment at RECLAIM facilities?

Response: Equipment at RECLAIM facilities is exempt from PR1153.1.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FINAL ENVIRONMENTAL ASSESSMENT FOR:

**PROPOSED RULE 1153.1 – EMISSIONS OF OXIDES OF NITROGEN
FROM COMMERCIAL FOOD OVENS**

October 2014

**SCAQMD No. 140717JI
State Clearinghouse No: 2014041103**

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PREFACE

This document constitutes the Final Environmental Assessment (EA) for Proposed Rule (PR) 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens. The Draft EA was released for a 50-day public review and comment period from July 29, 2014 to September 16, 2014. No comment letters were received from the public relative to the environmental analysis in the Draft EA. The environmental analysis in the Draft EA concluded that PR 1153.1 would generate adverse significant operational air quality impacts. There are no further feasible mitigation measures identified at this time that would reduce or eliminate the estimated foregone emission reductions.

Minor modifications were made to the proposed rule subsequent to release of the Draft EA for public review. To facilitate identifying modifications to the document, added and/or modified text is underlined. Staff has reviewed these minor modifications and concluded that they do not make any impacts substantially worse or change any conclusions reached in the Draft EA. As a result, these minor revisions do not require recirculation of the document pursuant to CEQA Guidelines §15088.5. Therefore, this document now constitutes the Final EA for Proposed Rule 1153.1.

CHAPTER 1

INTRODUCTION AND EXECUTIVE SUMMARY

Introduction

California Environmental Quality Act (CEQA)

Areas of Controversy

Executive Summary

INTRODUCTION

The California Legislature adopted the Lewis-Presley Air Quality Act in 1976, creating the South Coast Air Quality Management District (SCAQMD) from a voluntary association of air pollution control districts in Los Angeles, Orange, Riverside, and San Bernardino counties. The agency was charged with developing uniform plans and programs for the South Coast Air Basin (Basin) to attain federal air quality standards by the dates specified in federal law. While the Basin has one of the worst air quality problems in the nation, there have been significant improvements in air quality in the Basin over the last three decades. Still, some air quality standards are exceeded relatively frequently, and by a wide margin. The agency was also required to meet state standards by the earliest date achievable through the use of reasonably available or all feasible control measures.

The SCAQMD is proposing to adopt a new rule, Proposed Rule (PR) 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens. If adopted, PR 1153.1 would limit emissions of nitrogen oxides (NO_x) and carbon monoxide (CO) from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO_x Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Rule 1147 limits emissions of NO_x from gaseous and liquid fuel fired combustion equipment that are not specifically addressed in other rules contained in SCAQMD Regulation XI – Source Specific Standards. However, because control technologies have not matured in a timely manner for commercial food ovens, SCAQMD staff proposed to regulate these sources separately from the other Rule 1147 sources. Under a separate regulation, the commercial food ovens would be placed on a more suitable compliance schedule with achievable emission limitations. The new rule would delay emission reductions from commercial food ovens previously subject to Rule 1147. The foregone emission reductions are greater than the SCAQMD's significance threshold, thus the air quality impact from the new rule is significant. However, some emission reductions will be met over time, so the foregone reductions are not permanent.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (CEQA), this ~~Draft~~ Final Environmental Assessment (EA) has been prepared to address the potential environmental impacts associated with the SCAQMD's adoption of PR 1153.1. PR 1153.1 comprises a "project" as defined by CEQA (Cal. Public Resources Code §21000, *et. seq.*). The SCAQMD is the lead agency for the proposed project and has prepared an appropriate environmental analysis pursuant to its certified regulatory program under California Public Resources Code §21080.5. That statute allows public agencies with certified regulatory programs to prepare a plan or other written document that is the functional equivalent of an environmental impact report once the Secretary of the Resources Agency has certified the regulatory program. The SCAQMD's regulatory program was certified by the Secretary of the Resources Agency on March 1, 1989, and is codified as SCAQMD Rule 110. Cal. Public Resources Code § 21000 *et seq.*, requires that the potential environmental impacts of proposed projects be evaluated and that feasible methods to reduce or avoid identified significant adverse environmental impact from these projects be identified.

SCAQMD staff previously prepared an initial study (IS) and concluded that an EIR or EIR-equivalent CEQA document was warranted. The IS, along with a Notice of Preparation (NOP), was circulated for a 30-day public review period to solicit comments from public agencies and

the public in general, on potential impacts from the proposed project. No comment letters were received by the SCAQMD during the public comment period on the NOP/IS.

Previous CEQA Documentation

An NOP/IS was prepared and distributed to responsible agencies and interested parties for a 30-day review and comment period on April 29 through May 28, 2014. No comment letters were received during the public comment period. The NOP/IS identified potential adverse impacts in the following one environmental topic: air quality and greenhouse gas emissions as a result of delaying compliance with existing lower NOx emission limit requirements.

Intended Uses of this Document

In general, a CEQA document is an informational document that informs a public agency's decision-makers and the public generally of potentially significant environmental effects of a project, identifies possible ways to avoid or minimize the significant effects, and describes reasonable alternatives to the project (CEQA Guidelines §15121). A public agency's decision-makers must consider the information in a CEQA document prior to making a decision on the project. Accordingly, this ~~Draft~~ Final EA is intended to: a) provide the SCAQMD Governing Board and the public with information on the environmental effects of the proposed project; and, b) be used as a tool by the SCAQMD Governing Board to facilitate decision making on the proposed project.

AREAS OF CONTROVERSY

In accordance with CEQA Guidelines §15123 (b)(2), the areas of controversy known to the lead agency, including issues raised by agencies and the public, shall be identified in the CEQA document. The following discussion identifies potential areas of controversy relating to PR 1153.1.

The purpose of PR 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens, is to limit emissions of NOx and CO from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NOx Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). The affected industry has raised concerns with meeting the Rule 1147 requirements because control technologies have not matured in a timely manner for commercial food ovens, so SCAQMD staff is proposing to regulate these sources separately from the other Rule 1147 sources. Under a separate regulation (PR 1153.1), the commercial food ovens would be placed on a more suitable compliance schedule with achievable emission limitations. Emissions of CO, VOC and PM are not expected to change compared with Rule 1147. However, due to the proposed delayed compliance schedule and higher emission limit, NOx emission reductions for PR 1153.1 are delayed compared with Rule 1147 and will result in about 118 pounds per day of NOx emission reductions forgone by 2023.

EXECUTIVE SUMMARY

Chapter 2 – Project Description and Project Objectives

The proposed project consists of adopting PR 1153.1, which would transfer NOx emission limit requirements for commercial food ovens, including roasters and smokehouses, from Rule 1147 and place them in a proposed new rule with different emission limits and compliance dates.

Stakeholders have been concerned throughout the rulemaking process that achieving an emission concentration of 30 ppm (emission limit in Rule 1147) was not achievable in older equipment using ribbon burners, a common burner used in commercial ovens. Manufacturers and a research institute have been conducting research and tests to lower NOx emissions from these types of burners and were expected to achieve the Rule 1147 emission limits by 2014. Because these projects have not been completed and there are many older ovens heated with ribbon burners in the SCAQMD, staff proposed to move food ovens, roasters and smokehouses from Rule 1147 and place them in a new rule specific to these equipment. Staff is recommending a new rule (PR 1153.1) with slightly higher, more achievable NOx emission limits and delay of the emission limit compliance dates for existing (in-use) permitted food ovens.

PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option to delay compliance. The alternate compliance option allows facilities to phase in compliance over three to five years for equipment with manufacture dates in two consecutive years. The mitigation fee option provides facilities an option to delay compliance by up to three years.

The project objectives are as follows:

- to limit NOx and CO emissions from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses;
- to place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment (food ovens, roasters and smokehouses).

Chapter 3 – Existing Setting

Pursuant to the CEQA Guidelines §15125, Chapter 3 – Existing Setting, includes descriptions of those environmental areas that could be adversely affected by the proposed project as identified in the NOP/IS (Appendix B). The following subsection briefly highlights the existing setting for the topic of air quality which has been identified as having potentially significant adverse affects from implementing the proposed project.

Air Quality

This section provides an overview of air quality in the District whose region could be affected by the proposed project. Air quality in the area of the SCAQMD's jurisdiction has shown substantial improvement over the last two decades. Nevertheless, some federal and state air quality standards are still exceeded frequently and by a wide margin. Of the National Ambient Air Quality Standards (NAAQS) established for seven criteria pollutants (ozone, lead, sulfur dioxide, nitrogen dioxide, carbon monoxide, PM10 and PM2.5), the area within the SCAQMD's jurisdiction is only in attainment with carbon monoxide, PM10, sulfur dioxide, and nitrogen dioxide standards. Air monitoring for PM10 indicates that SCAQMD has attained the NAAQS and the USEPA published approval of SCAQMD's PM10 attainment plan on June 26, 2013, with an implementation date of July 26, 2013. Effective December 31, 2010, the Los Angeles County portion of the SCAQMD has been designated as non-attainment for the new federal standard for lead, based on emissions from two specific

facilities. Chapter 3 provides a brief description of the existing air quality setting for each criteria pollutant, as well as the human health effects resulting from exposure to each criteria pollutant. In addition, this section includes a discussion on greenhouse gas (GHG) emissions, climate change and toxic air contaminants (TACs).

Chapter 4 – Environmental Impacts

The CEQA Guidelines require environmental documents to identify significant environmental effects that may result from a proposed project [CEQA Guidelines §15126.2 (a)]. Direct and indirect significant effects of a project on the environment should be identified and described, with consideration given to both short- and long-term impacts. The following subsection briefly highlights the environmental impacts and mitigation measures for the topic of air quality which has been identified as having potentially significant adverse effects from implementing the proposed project.

Air Quality

This section provides an overview of the potential adverse air quality emissions impacts from the proposed project. The initial evaluation in the NOP/IS (see Appendix B) identified the topic of air quality as potentially being adversely affected by the proposed project. The affected equipment consists of food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO_x Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Due to the fact that control technologies have not matured in a timely manner for commercial food ovens, the proposed project would place the affected equipment on a more suitable compliance schedule with achievable emission limitations.

PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities. The proposed project will exempt approximately two thirds of the ovens from the emission limit requirements (small and low use units- see Table 4-3). An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of these larger ovens will be able to comply with the proposed emission limits without changing burner systems. Further, no add-on control equipment is expected to be used to comply with the new emission limits. The methods of compliance will be to meet the proposed NO_x emission limits or choose to pay a mitigation fee option. Therefore, no potential construction-related impacts are expected.

PR 1153.1 is based on SCAQMD Rule 1147 but with higher NO_x emission limits of 40 to 60 parts per million (ppm) and a CO limit of 800 ppm. PR 1153.1 phases in compliance based on a 20 year equipment life instead of the 15 to 20 years used in Rule 1147. Rule 1147 emission reduction estimates for each rule category were based upon the number of units in that rule category and an average emission reduction per unit. Yearly reduction estimates were based on the percentage of equipment that was anticipated to be subject to the emission limits in that year. The new proposed project NO_x emission limit and compliance schedule are provided in Tables 4-2 and 4-3, respectively.

NO_x emission reductions for PR 1153.1 are delayed compared with Rule 1147 and will result in approximately 118 pounds per day of NO_x emission reductions foregone by 2023 as a result of an increase in the allowable NO_x ppm limit and delay in compliance dates. The

quantity of NOx emission reductions delayed exceeds the NOx significance threshold for operation of 55 pounds per day. Thus, PR 1153.1 will result in adverse significant operational air quality impacts. The air quality analysis presented in Chapter 4 represents a “worst-case” analysis and accounts for these potential additional delays in compliance.

The mitigation fee option for PR 1153.1 is the same mitigation fee program that currently exists in Rule 1147. In Rule 1147, all mitigation fees are used to reduce NOx emissions through the SCAQMD’s leaf blower exchange program. The fees collected as a result of the implementation of PR 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and GHG benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be guaranteed at this time. There are no further feasible mitigation measures that have been identified at this time that would reduce or eliminate the expected delay in emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be mitigated to less than significant.

Chapter 5 – Alternatives

The proposed project and four alternatives to the proposed project are summarized below in Table 1-1: Alternative A (No Project), Alternative B (Additional Delayed Compliance), Alternative C (Expedited Compliance) and Alternative D (Lower Emission Limits). Pursuant to CEQA Guidelines §15126.6 (b), the purpose of an alternatives analysis is to reduce or avoid potentially significant adverse effects that a project may have on the environment. The environmental topic area identified in the NOP/IS that may be adversely affected by the proposed project was air quality impacts. A comprehensive analysis of air quality impacts are included in Chapter 4 of this document. In addition to identifying project alternatives, Chapter 5 provides a comparison of the potential operational impacts to air quality emissions from each of the project alternatives relative to the proposed project, which are summarized below in Table 1-2. Aside from these topics, no other potential significant adverse impacts were identified for the proposed project or any of the project alternatives. As indicated in the following discussions, the proposed project is considered to provide the best balance between meeting the objectives of the project while minimizing potentially significant adverse environmental impacts.

**TABLE 1-1
Summary of PR 1153.1 and Project Alternatives**

Project	Project Description
<p>Proposed Project</p>	<p>The proposed project includes NOx emission limits of 40 to 60 ppm, a CO limit of 800 ppm, and an emission testing requirement for commercial food ovens, roasters and smokehouses. However, the proposed project delays compliance dates for at least 2 additional years beyond the dates currently set in Rule 1147, currently applicable to the same sources. In addition, PR 1153.1 phases in compliance based on a longer 20 year equipment life instead of the 15 years used in Rule 1147.</p>

TABLE 1-1 (concluded)
Summary of PR 1153.1 and Project Alternatives

Project	Project Description
Alternative A (No Project)	The proposed project would not be adopted and the current universe of equipment will continue to be subject to the NOx emission limits according to the current compliance schedule in Rule 1147.
Alternative B (Additional Delayed Compliance)	Provides a higher emission limit and an additional delay of NOx emission limit compliance requirements and for affected facilities beyond the proposed project. All other requirements and conditions in the proposed project would be applicable.
Alternative C (Expedited Compliance)	Requires expedited compliance of NOx emission limits compared to the proposed project, but allows a delay of NOx emission limit compliance requirements compared to Rule 1147. All other requirements and conditions in the proposed project would be applicable.
Alternative D (Lower Emission Limits)	Requires affected facilities to meet lower, more stringent NOx emission limits than the emission compliance limits of the proposed project. All other requirements and conditions in the proposed project would be applicable.

TABLE 1-2
Comparison of Adverse Environmental Impacts of the Alternatives

Category	Proposed Project	Alternative A: No Project	Alternative B: Additional Delayed Compliance	Alternative C: Expedited Compliance	Alternative D: Lower Emission Limits
Air Quality Impacts	Approximately 118 lbs of NOx peak daily emission reductions foregone by 2023; increases emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	Fewer emissions than proposed project due to no delay in emission reductions from proposed project; similar anticipated emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	More emission reductions foregone than proposed project due to higher emission limit and additional compliance delay; potentially less emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	Fewer emissions than proposed project due to less delay in emission reductions; potentially more emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	Less significant than proposed project due to lower emission limits; potentially more emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.
Significant?	Yes	No	Yes	Yes	No

Appendix A – Proposed Rule 1153.1

Appendix A contains a complete version of Proposed Rule 1153.1.

Appendix B – Notice of Preparation / Initial Study

SCAQMD staff previously prepared an initial study (IS) and concluded that an EIR or EIR-equivalent CEQA document was warranted. The IS, along with a Notice of Preparation (NOP), was circulated for a 30-day public review period to solicit comments from public agencies and the public in general, on potential impacts from the proposed project. No comment letters were received on the NOP/IS. The NOP/IS is included in Appendix B of this ~~Draft~~ Final EA.

CHAPTER 2

PROJECT DESCRIPTION

Project Location

Project Background

Project Description

Project Objectives

PROJECT LOCATION

The proposed project consists of adopting PR 1153.1, which would transfer NOx emission limit requirements for commercial food ovens, including roasters and smokehouses, from Rule 1147 and place them in a proposed new rule with different emission limits and compliance dates. As mentioned above, this equipment is currently regulated by SCAQMD Rule 1147 – NOx Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR), which regulate new and modified stationary sources of air pollution located within and throughout the SCAQMD’s jurisdiction (e.g., the entire district).

The SCAQMD has jurisdiction over an area of 10,473 square miles, consisting of the four-county South Coast Air Basin (Basin) and the Riverside County portions of the Salton Sea Air Basin (SSAB) and the Mojave Desert Air Basin (MDAB). The Basin, which is a sub area of the SCAQMD’s jurisdiction, is bounded by the Pacific Ocean to the west and the San Gabriel, San Bernardino, and San Jacinto Mountains to the north and east. The 6,745 square-mile Basin includes all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties. The Riverside County portions of the SSAB and MDAB are bounded by the San Jacinto Mountains to the west and span eastward up to the Palo Verde Valley. The federal nonattainment area (known as the Coachella Valley Planning Area) is a sub region of both Riverside County and the SSAB and is bounded by the San Jacinto Mountains to the west and the eastern boundary of the Coachella Valley to the east. The SCAQMD’s jurisdictional area is depicted in Figure 2-1. The proposed project would be in effect in the entire area of the SCAQMD’s jurisdiction.

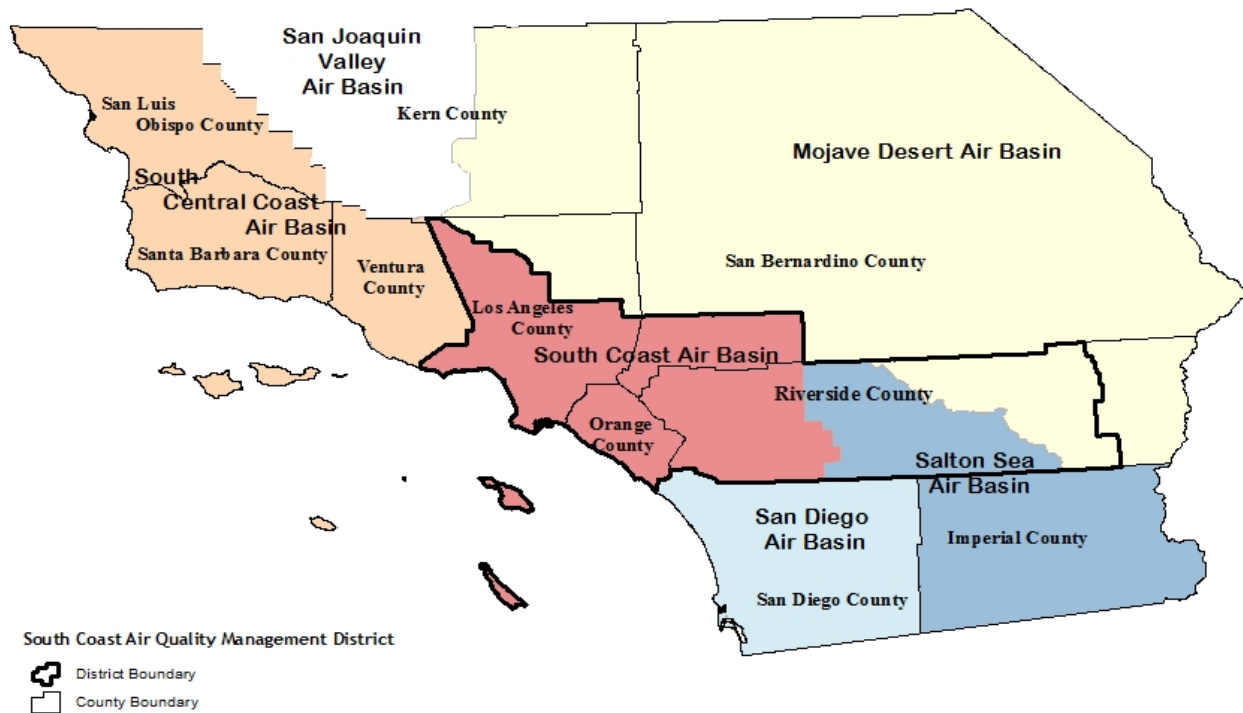


FIGURE 2-1
South Coast Air Quality Management District Boundaries

PROJECT BACKGROUND

The equipment proposed to be regulated by PR 1153.1 is currently regulated under SCAQMD Rule 1147. Rule 1147 is based on two control measures from the SCAQMD 2007 AQMP: Control Measure MCS-01 – Facility Modernization and Control Measure CMB-01 – NO_x Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces. Emission reductions from the equipment addressed by Rule 1147 and Control Measure CMB-01 of the 2007 AQMP were proposed to be regulated in earlier AQMPs (e.g., Control Measure 97CMB-092 from the 1997 AQMP).

Control measure MCS-01 was a new control measure developed for the 2007 AQMP that proposes companies to upgrade their current technology to best available control technology (BACT) – the cleanest technology available. The facility modernization control measure proposes that equipment operators meet BACT emission limits at the end of the equipment's useful life. For equipment regulated by Rule 1147, modernization requires burner upgrades, replacement of burner systems or replacement of other combustion equipment when the equipment reaches 15 to 20 years of age.

Equipment that is regulated by Rule 1147 and PR 1153.1 must also meet the requirements of SCAQMD Regulation XIII – New Source Review (NSR) and SCAQMD Regulation IV – Prohibitions. Equipment subject to NSR must meet BACT requirements and offset emission increases. The SCAQMD's NSR program includes pre-construction permit review requirements for equipment and processes subject to permit requirements. Permit applications subject to NSR are required to utilize BACT for installation of new equipment, relocation of existing permitted equipment, or modification of existing permitted equipment when the equipment has a potential to emit more than one pound per day of NO_x. BACT is defined as the most stringent emission limitation or control technique that: has been achieved in practice, is contained in any state implementation plan (SIP) approved by U.S. EPA, or is any other emission limitation or control technique found by the Executive Officer to be technologically feasible and is cost-effective as compared to adopted rules or measures listed in the AQMP.

Regulation IV limits emissions of particulate matter, carbon monoxide and NO_x from combustion sources. However, NO_x emission limits required by BACT are significantly more stringent than the emission limits in Regulation IV. For example, Rule 474 – Fuel Burning equipment – Oxides of Nitrogen has emission limits that vary from 125 parts per million (ppm) to 400 ppm (referenced to 3% oxygen) depending upon the fuel and heat input rating of the equipment. NO_x emission limits under BACT for combustion equipment subject to Rule 1147 vary from 30 ppm to 60 ppm (referenced to 3% oxygen). Rule 407 in Regulation IV also has a CO limit of 2,000 ppm.

In May 2013 SCAQMD Rules 219 and 222 were amended to exempt specific small equipment from permit requirements including food ovens with low emissions of VOCs. These amendments moved some small ovens from the permit program into the Rule 222 registration program which exempts them from Rule 1147 and PR 1153.1.

Because of information provided by stakeholders at the time of adoption (as amended September 9, 2011), Rule 1147 provides a later compliance date, until 2014, for food ovens. BACT for

ovens and dryers has been 30 ppm NO_x since 1998 and the Rule 1147 NO_x limit is also 30 ppm, or 60 ppm if the process temperature is above 1,200 °F. However, stakeholders were concerned that achieving an emission concentration of 30 ppm was not achievable in older equipment using ribbon burners, a common burner used in commercial ovens.

PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities. The proposed rule will exempt two thirds of the ovens from emission limit requirements (small and low use units). The owners and operators of these units are still subject to the combustion system maintenance and recordkeeping requirements that are carried over from Rule 1147. The maintenance requirements will help limit NO_x, CO, VOC and PM emissions from these units. An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of the larger ovens will be able to comply with the proposed emission limits without changing burner systems.

Manufacturers and a research institute have been conducting research and tests to lower NO_x emissions from these types of burners and were expected to achieve the Rule 1147 emission limits by 2014. Because these projects have not been completed and there are many older ovens heated with ribbon burners in the SCAQMD, staff is proposing to move NO_x emission limit requirements for commercial food ovens, roasters and smokehouses from Rule 1147 and place them in a new rule specific to these equipment. Staff is recommending a new rule (PR 1153.1) with slightly higher more achievable NO_x emission limits and delay of the emission limit compliance dates for existing (in-use) permitted food ovens. Staff is also recommending a carbon monoxide emission limit in PR 1153.1.

PROJECT DESCRIPTION

The proposed project consists of adopting PR 1153.1. The purpose of the proposed project is to limit NO_x emissions from gaseous and liquid fuel fired combustion equipment as defined in PR 1153.1. PR 1153.1 applies to existing, active ovens, dryers, smokers and roasters with NO_x emissions from fuel combustion that require a SCAQMD permit and are used to prepare food or beverages for human consumption. The proposed rule does not apply to solid fuel-fired combustion equipment, fryers, char broilers, or boilers, water heaters, thermal fluid heaters and process heaters subject to District Rules 1146, 1146.1, or 1146.2.

The following is a summary of the key components of PR 1153.1. A detailed copy of PR 1153.1 can be found in Appendix A. PR 1153.1 includes the following:

- NO_x emission limits of 40 to 60 ppm and a CO limit of 800 ppm (please see Table 2-1 for a specific breakdown of equipment categories);
- An emission testing requirement but delays compliance dates for at least 2 additional years beyond the dates currently set in Rule 1147;
- An exemption from the emission limit and testing for small and low-use units with NO_x emissions of one pound per day or less;
- Options for alternate compliance plans, equipment certification and a mitigation fee option to delay compliance;

- Phasing in compliance based on a longer 20 year equipment life instead of the 15 to 20 years used in Rule 1147. Figure 2-1 compares the compliance schedules of Rule 1147 and PR 1153.1;

Category	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18	Jul-19	Jul-20	Beyond
Rule 1147								
> 1 lb/day & Mft < 1998								
> 1 lb/day & Unit 15 yrs old								
≤ 1 lb/day & Mft < 1998								
≤ 1 lb/day & Unit 20 yrs old								
Propose Rule 1153.1								
In Use & Mft < 1992 (25 yrs old)*								
In Use Pita and griddle & Mft < 1994								
In Use & Mft < 2000 (20 years old)								
In Use & 20 years old								

Figure 2-2 – Proposed Rule 1153.1 Compliance Schedule Compared to Rule 1147

The following two tables indicate the NO_x emission limits and compliance dates for PR 1153.1:

Table 2-1 – NO_x Emission Limit

NO_x Emission Limit	
PPM @ 3% O ₂ , dry or Pound/mmBTU heat input	
Process Temperature	
<i>≤ 500° F</i>	<i>> 500° F</i>
<u>40 ppm or 0.042 lb/mmBTU</u>	60 ppm or 0.073 lb/mmBTU

Table 2-2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Griddle ovens and ovens Ovens used solely for making pita bread and manufactured prior to 1999	October 1, 2017	July 1, 2018
<u>Griddle ovens manufactured prior to 1999</u>	<u>October 1, 2017</u>	<u>July 1, 2018</u>
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

In addition, the proposed rule includes a testing exemption for infrared burners that have substantially lower NOx emissions than the limits in PR 1153.1.

PROJECT OBJECTIVES

CEQA Guidelines §15124(b) requires the project description to include a statement of objectives sought by the proposed project, including the underlying purpose of the proposed project. Compatibility with project objectives is one criterion for selecting a range of reasonable project alternatives and provides a standard against which to measure project alternatives. The project objectives identified in the following bullet points have been developed: 1) in compliance with CEQA Guidelines §15124 (b); and, 2) to be consistent with policy objectives of the SCAQMD’s New Source Review program. The project objectives are as follows:

- to limit NOx and CO emissions from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses;
- to place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment (food ovens, roasters and smokehouses).

CHAPTER 3

EXISTING SETTING

Introduction

Air Quality

3.1 INTRODUCTION

CEQA Guidelines §15360 (Public Resources Code §21060.5) defines “environment” as “the physical conditions that exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance.” According to CEQA Guidelines §15125, a CEQA document will normally include a description of the physical environment in the vicinity of the project, as it exists at the time the NOP is published from both a local and regional perspective. This environmental setting will normally constitute the baseline physical conditions by which a lead agency determines whether an impact is significant. The description of the environmental setting shall be no longer than is necessary to provide an understanding of the significant effects of the proposed project and its alternatives. Since this ~~Draft~~ Final EA covers the SCAQMD’s entire jurisdiction, the existing setting for each category of impact is described on a regional level.

The following section summarizes the existing setting for air quality (including GHG emissions), which is the only environmental topic area identified in the NOP/IS (see Appendix B) that may be adversely affected by the proposed project.

3.2 AIR QUALITY

This subchapter provides an overview of the existing air quality setting for each criteria pollutant and their precursors, as well as the human health effects resulting from exposure to these pollutants. In addition, this subchapter includes a discussion of non-criteria pollutants such as toxic air contaminants (TACs) and GHGs, and climate change.

3.2.1 Criteria Air Pollutants and Identification of Health Effects

It is the responsibility of the SCAQMD to ensure that state and federal ambient air quality standards are achieved and maintained in its geographical jurisdiction. Health-based air quality standards have been established by California and the federal government for the following criteria air pollutants: ozone, carbon monoxide (CO), nitrogen dioxide (NO₂), PM₁₀, PM_{2.5}, sulfur dioxide (SO₂), and lead. These standards were established to protect sensitive receptors with a margin of safety from adverse health impacts due to exposure to air pollution. The California standards are more stringent than the federal standards and in the case of PM₁₀ and SO₂, far more stringent. California has also established standards for sulfates, visibility reducing particles, hydrogen sulfide, and vinyl chloride. SCAQMD also has a general responsibility pursuant to Health & Safety Code (HSC) §41700 to control emissions of air contaminants and prevent endangerment to public health.

3.2.1.1 Regional Baseline

Air quality in the area of the SCAQMD's jurisdiction has shown substantial improvement over the last three decades. Nevertheless, some federal and state air quality standards are still exceeded frequently and by a wide margin. Of the National Ambient Air Quality Standards (NAAQS) established for seven criteria pollutants (ozone, CO, NO₂, PM₁₀, PM_{2.5}, SO₂, and lead), the area within the SCAQMD's jurisdiction is only in attainment with CO, SO₂, PM₁₀ and NO₂ standards. Because the South Coast area has not violated the 24-hour PM₁₀ standard ($150 \mu\text{g}/\text{m}^3$) since 2008, the SCAQMD submitted a request for the

re-designation of the South Coast area to attainment along with maintenance plan to the USEPA on April 28, 2010. The USEPA issued a proposed approval of the re-designation in May 2013 and finalized the re-designation in June 2013.

Recent air quality is projecting the 1997 PM_{2.5} standard ($15 \mu\text{g}/\text{m}^3$) is being met, but falls short in attaining the 2012 annual PM_{2.5} standard of $12 \mu\text{g}/\text{m}^3$. The upcoming 2016 AQMP will evaluate PM_{2.5} emissions and possible control measures to attain the 2012 standard by 2020-2025. The 2016 AQMP will also demonstrate attainment of the 2008 8-hour ozone standard (75 ppb) by year 2032, and provide an update to the previous 1997 8-hour standard (80 ppb) to be met by 2023. The 2016 is required to be submitted to the USEPA by July 20, 2016.

In 2010, a portion of Los Angeles County was designated as not attaining the NAAQS of $0.15 \mu\text{g}/\text{m}^3$ for lead. SCAQMD identified two large lead-acid battery recycling facilities as possible sources of lead. One of the facilities was the main contributor to the area's nonattainment status. In response to the nonattainment designation, the State submitted the *Final 2012 Lead State Implementation Plan – Los Angeles County* to the USEPA on June 20, 2012. The plan outlines steps that will bring the area into attainment with the standard. As of February 11, 2014, the USEPA announced in the Federal Register (FR) final approval of the lead air quality plan, effective 30 days after publication (e.g., March 12, 2014).

The state and national ambient air quality standards for each of these pollutants and their effects on health are summarized in Table 3.2-1. The SCAQMD monitors levels of various criteria pollutants at 36 monitoring stations. The 2012 air quality data from SCAQMD's monitoring stations are presented in Table 3.2-2 for ozone, CO, NO₂, PM₁₀, PM_{2.5}, SO₂ total suspended particulates (TSP), lead and PM₁₀ sulfate.

TABLE 3-1
State and Federal Ambient Air Quality Standards

Pollutant	Averaging Time	State Standard ^a	Federal Primary Standard ^b	Most Relevant Effects
Ozone (O ₃)	1-hour	0.090 ppm ($180 \mu\text{g}/\text{m}^3$)	No Federal Standard	(a) Short-term exposures: <ol style="list-style-type: none"> 1) Pulmonary function decrements and localized lung edema in humans and animals; and, 2) Risk to public health implied by alterations in pulmonary morphology and host defense in animals; (b) Long-term exposures: Risk to public health implied by altered connective tissue metabolism and altered pulmonary morphology in animals after long-term exposures and pulmonary function decrements in chronically exposed humans; (c) Vegetation damage; and, (d) Property damage.
	8-hour	0.070 ppm ($137 \mu\text{g}/\text{m}^3$)	0.075 ppm ($147 \mu\text{g}/\text{m}^3$)	

TABLE 3-1 (continued)
State and Federal Ambient Air Quality Standards

Pollutant	Averaging Time	State Standard ^a	Federal Primary Standard ^b	Most Relevant Effects
Suspended Particulate Matter (PM10)	24-hour	50 µg/m ³	150 µg/m ³	(a) Excess deaths from short-term exposures and exacerbation of symptoms in sensitive patients with respiratory disease; and, (b) Excess seasonal declines in pulmonary function, especially in children.
	Annual Arithmetic Mean	20 µg/m ³	No Federal Standard	
Suspended Particulate Matter (PM2.5)	24-hour	No State Standard	35 µg/m ³	(a) Increased hospital admissions and emergency room visits for heart and lung disease; (b) Increased respiratory symptoms and disease; and, (c) Decreased lung functions and premature death.
	Annual Arithmetic Mean	12 µg/m ³	12 µg/m ³	
Carbon Monoxide (CO)	1-Hour	20 ppm (23 mg/m ³)	35 ppm (40 mg/m ³)	(a) Aggravation of angina pectoris and other aspects of coronary heart disease; (b) Decreased exercise tolerance in persons with peripheral vascular disease and lung disease; (c) Impairment of central nervous system functions; and, (d) Possible increased risk to fetuses.
	8-Hour	9 ppm (10 mg/m ³)	9 ppm (10 mg/m ³)	
Nitrogen Dioxide (NO₂)	1-Hour	0.180 ppm (339 µg/m ³)	0.100 ppm (188 µg/m ³)	(a) Potential to aggravate chronic respiratory disease and respiratory symptoms in sensitive groups; (b) Risk to public health implied by pulmonary and extra-pulmonary biochemical and cellular changes and pulmonary structural changes; and, (c) Contribution to atmospheric discoloration.
	Annual Arithmetic Mean	0.030 ppm (57 µg/m ³)	0.053 ppm (100 µg/m ³)	
Sulfur Dioxide (SO₂)	1-Hour	0.250 ppm (655 µg/m ³)	75 ppb (196 µg/m ³)	Broncho-constriction accompanied by symptoms which may include wheezing, shortness of breath and chest tightness, during exercise or physical activity in persons with asthma.
	24-Hour	0.040 ppm (105 µg/m ³)	No Federal Standard	
Sulfates	24-Hour	25 µg/m ³	No Federal Standard	(a) Decrease in ventilatory function; (b) Aggravation of asthmatic symptoms; (c) Aggravation of cardio-pulmonary disease; (d) Vegetation damage; (e) Degradation of visibility; and, (f) Property damage.
Hydrogen Sulfide (H₂S)	1-Hour	0.030 ppm (42 µg/m ³)	No Federal Standard	Odor annoyance.

TABLE 3-1 (concluded)
State and Federal Ambient Air Quality Standards

Pollutant	Averaging Time	State Standard ^a	Federal Primary Standard ^b	Most Relevant Effects
Lead (Pb)	30-Day Average	1.5 µg/m ³	No Federal Standard	(a) Increased body burden; and (b) Impairment of blood formation and nerve conduction.
	Calendar Quarter	No State Standard	1.5 µg/m ³	
	Rolling 3-Month Average	No State Standard	0.150 µg/m ³	
Visibility Reducing Particles	8-Hour	Extinction coefficient of 0.23 per kilometer - visibility of ten miles or more due to particles when relative humidity is less than 70 percent.	No Federal Standard	The State standard is a visibility based standard not a health based standard and is intended to limit the frequency and severity of visibility impairment due to regional haze. Nephelometry and AISI Tape Sampler; instrumental measurement on days when relative humidity is less than 70 percent.
Vinyl Chloride	24-Hour	0.010 ppm (26 µg/m ³)	No Federal Standard	Highly toxic and a known carcinogen that causes a rare cancer of the liver.

a The California ambient air quality standards for O₃, CO, SO₂ (1-hour and 24-hour), NO₂, PM₁₀, and PM_{2.5} are values not to be exceeded. All other California standards shown are values not to be equaled or exceeded.

b The NAAQS, other than O₃ and those based on annual averages, are not to be exceeded more than once a year. The O₃ standard is attained when the expected number of days per calendar year with maximum hourly average concentrations above the standards is equal to or less than one.

KEY: ppb = parts per billion parts of air, by volume ppm = parts per million parts of air, by volume µg/m³ = micrograms per cubic meter mg/ m³ = milligrams per cubic meter

TABLE 3-2
2012 Air Quality Data for SCAQMD

CARBON MONOXIDE (CO)^a			
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. Conc. ppm, 8-hour
LOS ANGELES COUNTY			
1	Central Los Angeles	365	1.9
2	Northwest Coastal Los Angeles County	366	1.4
3	Southwest Coastal Los Angeles County	366	2.5
4	South Coastal Los Angeles County 1	363	2.2
4	South Coastal Los Angeles County 2	--	--
4	South Coastal LA County 3	214*	2.6
6	West San Fernando Valley	366	2.8
7	East San Fernando Valley	366	2.4
8	West San Gabriel Valley	319	1.6
9	East San Gabriel Valley 1	366	1.2
9	East San Gabriel Valley 2	366	1.1
10	Pomona/Walnut Valley	364	1.5
11	South San Gabriel Valley	366	2.2
12	South Central Los Angeles County	366	4.0
13	Santa Clarita Valley	353	1.1
ORANGE COUNTY			
16	North Orange County	348	2.4
17	Central Orange County	366	2.3
18	North Coastal Orange County	366	1.7
19	Saddleback Valley	366	1.1.8
22	Norco/Corona	--	--
23	Metropolitan Riverside County 1	366	1.6
23	Metropolitan Riverside County 2	365	1.5
23	Mira Loma	355	1.9
24	Perris Valley	--	--
25	Lake Elsinore	366	0.7
26	Temecula	--	--
29	Banning Airport	--	--
30	Coachella Valley 1**	366	0.5
30	Coachella Valley 2**	--	--
SAN BERNARDINO COUNTY			
32	Northwest San Bernardino Valley	360	1.3
33	Southwest San Bernardino Valley	--	--
34	Central San Bernardino Valley 1	366	1.1
34	Central San Bernardino Valley 2	362	1.7
35	East San Bernardino Valley	--	--
37	Central San Bernardino Mountains	--	--
38	East San Bernardino Mountains	--	--
DISTRICT MAXIMUM			4.0
SOUTH COAST AIR BASIN			4.0

*Incomplete Data

KEY: ppm = parts per million

-- = Pollutant not monitored

** Salton Sea Air Basin

^a The federal 8-hour standard (8-hour average CO > 9 ppm) and state 8-hour standard (8-hour average CO > 9.0 ppm) were not exceeded. The federal and state 1-hour standards (35 ppm and 20 ppm) were not exceeded either.

TABLE 3-2 (Continued)
2012 Air Quality Data for SCAQMD

OZONE (O ₃)									
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. Conc. in ppm 1-hr	Max. Conc. in ppm 8-hr	4th High Conc. ppm 8-hr	No. Days Standard Exceeded			
						Federal		State	
						Old > 0.124 ppm 1-hr	Current > 0.075 ppm 8-hr	Current > 0.09 ppm 1-hr	Current > 0.070 ppm 8-hr
LOS ANGELES COUNTY									
1	Central Los Angeles	364	0.093	0.077	0.068	0	1	0	2
2	Northwest Coastal Los Angeles County	351	0.093	0.073	0.065	0	0	0	1
3	Southwest Coastal Los Angeles County	366	0.106	0.075	0.059	0	0	1	1
4	South Coastal Los Angeles County 1	366	0.084	0.067	0.060	0	0	0	0
4	South Coastal Los Angeles County 2	--	--	--	--	--	--	--	--
4	South Coastal LA County 3	212*	0.08	0.066	0.054	0	0	0	0
6	West San Fernando Valley	366	0.129	0.098	0.095	1	23	18	38
7	East San Fernando Valley	366	0.117	0.088	0.081	0	8	8	15
8	West San Gabriel Valley	318	0.111	0.086	0.08	0	9	8	20
9	East San Gabriel Valley 1	366	0.134	0.095	0.079	1	10	18	18
9	East San Gabriel Valley 2	366	0.147	0.11	0.095	3	45	45	57
10	Pomona/Walnut Valley	364	0.117	0.092	0.085	0	15	21	28
11	South San Gabriel Valley	357	0.106	0.075	0.071	0	0	5	6
12	South Central Los Angeles County	357	0.086	0.07	0.064	0	0	0	0
13	Santa Clarita Valley	366	0.134	0.112	0.102	6	57	45	81
ORANGE COUNTY									
16	North Orange County	365	0.100	0.078	0.070	0	2	3	3
17	Central Orange County	366	0.079	0.067	0.065	0	0	0	0
18	North Coastal Orange County	366	0.090	0.076	0.060	0	1	2	1
19	Saddleback Valley	336	0.096	0.078	0.071	0	1	0	4
RIVERSIDE COUNTY									
22	Norco/Corona	--	--	--	--	--	--	--	--
23	Metropolitan Riverside County 1	357	0.126	0.102	0.096	1	47	27	70
23	Metropolitan Riverside County 2	--	--	--	--	--	--	--	--
23	Mira Loma	360	0.124	0.102	0.095	0	47	31	70
24	Perris Valley	321	0.111	0.093	0.090	0	46	28	64
25	Lake Elsinore	366	0.111	0.089	0.087	0	17	10	29
26	Temecula	306	0.104	0.082	0.077	0	4	1	22
29	Banning Airport	338	0.117	0.098	0.095	0	53	40	71
30	Coachella Valley 1**	366	0.126	0.100	0.094	1	51	17	76
30	Coachella Valley 2**	364	0.102	0.089	0.085	0	24	2	43
SAN BERNARDINO COUNTY									
32	Northwest San Bernardino Valley	336	0.136	0.111	0.102	4	45	42	66
33	Southwest San Bernardino Valley	--	--	--	--	--	--	--	--
34	Central San Bernardino Valley 1	366	0.142	0.11	0.106	5	62	60	85
34	Central San Bernardino Valley 2	366	0.124	0.109	0.100	0	54	41	74
35	East San Bernardino Valley	366	0.136	0.109	0.105	3	79	66	98
37	Central San Bernardino Mountains	364	0.140	0.112	0.103	2	86	56	100
38	East San Bernardino Mountains	--	--	--	--	--	--	--	--
DISTRICT MAXIMUM			0.147	0.112	0.106	6	86	66	100
SOUTH COAST AIR BASIN			0.147	0.112	0.106	12	111	98	138

*Incomplete Data

KEY: ppm = parts per million

-- = Pollutant not monitored

** Salton Sea Air Basin

TABLE 3-2 (Continued)
2012 Air Quality Data for SCAQMD

NITROGEN DIOXIDE (NO₂)^b					
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	1-hour Max. Conc. ppb	1-hour 98 th Percentile Conc. ppb	Annual Average AAM Conc. ppb
LOS ANGELES COUNTY					
1	Central Los Angeles	240*	77.3	68.9	24.8
2	Northwest Coastal Los Angeles County	324*	61.3	53.6	13.7
3	Southwest Coastal Los Angeles County	268*	61.7	55	10.4
4	South Coastal Los Angeles County 1	221*	77.2	62.5	20.8
4	South Coastal Los Angeles County 2	--	--	--	--
4	South Coastal LA County 3	213*	90.5	77.4	25.3
6	West San Fernando Valley	261*	70.9	48.7	14.9
7	East San Fernando Valley	295*	79.5	57	21.9
8	West San Gabriel Valley	280*	71.2	55.8	17.2
9	East San Gabriel Valley 1	352	71.8	61.5	19.5
9	East San Gabriel Valley 2	287*	60	53.3	14.2
10	Pomona/Walnut Valley	364	81.6	60.6	21.4
11	South San Gabriel Valley	204*	80.8	55.2	20.4
12	South Central Los Angeles County	337*	79.3	63.1	17.2
13	Santa Clarita Valley	366	66.1	50.7	13.6
ORANGE COUNTY					
16	North Orange County	332*	67.5	53.2	18.0
17	Central Orange County	366	67.3	53.5	14.6
18	North Coastal Orange County	348	74.4	50.6	10.4
19	Saddleback Valley	--	--	--	--
RIVERSIDE COUNTY					
22	Norco/Corona	--	--	--	--
23	Metropolitan Riverside County 1	333*	61.7	54.6	15.5
23	Metropolitan Riverside County 2	246*	60.3	53.7	16.5
23	Mira Loma	301*	60.7	49.7	13.9
24	Perris Valley	--	--	--	--
25	Lake Elsinore	366	48.3	40.9	10.2
26	Temecula	--	--	--	--
29	Banning Airport	321*	72.0	49.7	9.5
30	Coachella Valley 1**	353	45.1	39.3	7.8
30	Coachella Valley 2**	--	--	--	--
SAN BERNARDINO COUNTY					
32	Northwest San Bernardino Valley	328*	66.7	60.2	19.5
33	Southwest San Bernardino Valley	--	--	--	--
34	Central San Bernardino Valley 1	359	69.1	61.2	22.1
34	Central San Bernardino Valley 2	315*	67.0	59.7	18.8
35	East San Bernardino Valley	--	--	--	--
37	Central San Bernardino Mountains	--	--	--	--
38	East San Bernardino Mountains	--	--	--	--
DISTRICT MAXIMUM			90.5	77.4	25.3
SOUTH COAST AIR BASIN			90.5	77.4	25.3

*Incomplete data

KEY: ppb = parts per billion AAM = Annual Arithmetic Mean -- = Pollutant not monitored

** Salton Sea Air Basin

^b The NO₂ federal 1-hour standard is 100 ppb and the annual standard is annual arithmetic mean NO₂ > 0.0534 ppm. The state 1-hour and annual standards are 0.18 ppm (180 ppb) and 0.030 ppm (30 ppb).

TABLE 3-2 (Continued)
2012 Air Quality Data for SCAQMD

SULFUR DIOXIDE (SO₂)^c				
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Maximum Conc. ppb, 1-hour	Maximum Conc. ppb, 24-hour
LOS ANGELES COUNTY				
1	Central Los Angeles	235*	5.2	5.0
2	Northwest Coastal Los Angeles County	--	--	--
3	Southwest Coastal Los Angeles County	203*	4.9	4.7
4	South Coastal Los Angeles County 1	285*	22.2	14.3
4	South Coastal Los Angeles County 2	--	--	--
4	South Coastal LA County 3	213*	22.7	21.3
6	West San Fernando Valley	--	--	--
7	East San Fernando Valley	366	6.5	2.9
8	West San Gabriel Valley	--	--	--
9	East San Gabriel Valley 1	--	--	--
9	East San Gabriel Valley 2	--	--	--
10	Pomona/Walnut Valley	--	--	--
11	South San Gabriel Valley	--	--	--
12	South Central Los Angeles County	--	--	--
13	Santa Clarita Valley	--	--	--
ORANGE COUNTY				
16	North Orange County	--	--	--
17	Central Orange County	--	--	--
18	North Coastal Orange County	350	6.2	2
19	Saddleback Valley	--	--	--
RIVERSIDE COUNTY				
22	Norco/Corona	--	--	--
23	Metropolitan Riverside County 1	321*	4.3.3	2
23	Metropolitan Riverside County 2	--	--	--
23	Mira Loma	--	--	--
24	Perris Valley	--	--	--
25	Lake Elsinore	--	--	--
26	Temecula	--	--	--
29	Banning Airport	--	--	--
30	Coachella Valley 1**	--	--	--
30	Coachella Valley 2**	--	--	--
32	Northwest San Bernardino Valley	--	--	--
33	Southwest San Bernardino Valley	--	--	--
34	Central San Bernardino Valley 1	366	22.5	4.3
34	Central San Bernardino Valley 2	--	--	--
35	East San Bernardino Valley	--	--	--
37	Central San Bernardino Mountains	--	--	--
38	East San Bernardino Mountains	--	--	--
DISTRICT MAXIMUM			22.7	21.3
SOUTH COAST AIR BASIN			22.7	21.3

*Incomplete data

KEY: ppb = parts per billion

-- = Pollutant not monitored

** Salton Sea Air Basin

^c The federal SO₂ 1-hour standard is 75 ppb (0.075 ppm). The state standards are 1-hour average SO₂ > 0.25 ppm (250 ppb) and 24-hour average SO₂ > 0.04 ppm (40 ppb).

TABLE 3-2 (Continued)
2012 Air Quality Data for SCAQMD

SUSPENDED PARTICULATE MATTER PM10 ^{d,f}						
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. Conc. $\mu\text{g}/\text{m}^3$, 24-hour	No. (%) Samples Exceeding Standard		Annual Average AAM Conc. ^e $\mu\text{g}/\text{m}^3$
				Federal $> 150 \mu\text{g}/\text{m}^3$, 24-hour	State $> 50 \mu\text{g}/\text{m}^3$, 24-hour	
LOS ANGELES COUNTY						
1	Central Los Angeles	60	80	0	4	30.2
2	Northwest Coastal Los Angeles County	--	--	--	--	--
3	Southwest Coastal Los Angeles County	57	31	0	0	19.8
4	South Coastal Los Angeles County 1	60	45	0	0	23.3
4	South Coastal Los Angeles County 2	60	54	0	1	25.5
4	South Coastal LA County 3	--	--	--	--	--
6	West San Fernando Valley	--	--	--	--	--
7	East San Fernando Valley	60	55	0	1	26.4
8	West San Gabriel Valley	--	--	--	--	--
9	East San Gabriel Valley 1	61	78	0	6	30.3
9	East San Gabriel Valley 2	--	--	--	--	--
10	Pomona/Walnut Valley	--	--	--	--	--
11	South San Gabriel Valley	--	--	--	--	--
12	South Central Los Angeles County	--	--	--	--	--
13	Santa Clarita Valley	55	37	0	0	19.6
ORANGE COUNTY						
16	North Orange County	--	--	--	--	--
17	Central Orange County	61	48	0	0	22.4
18	North Coastal Orange County	--	--	--	--	--
19	Saddleback Valley	60	37	0	0	17.3
RIVERSIDE COUNTY0						
22	Norco/Corona	59	52	0	1	26.6
23	Metropolitan Riverside County 1	121	67	0	19	34.5
23	Metropolitan Riverside County 2	--	--	--	--	--
23	Mira Loma	56	78	0	15	39.9
24	Perris Valley	60	62	0	1	26.5
25	Lake Elsinore	--	--	--	--	--
26	Temecula	--	--	--	--	--
29	Banning Airport	60	45	0	0	19.1
30	Coachella Valley 1**	60	37	0	0	16.4
30	Coachella Valley 2**	121	124	0	7	29.5
SAN BERNARDINO COUNTY						
32	Northwest San Bernardino Valley	--	--	--	--	--
33	Southwest San Bernardino Valley	61	57	0	4	30.8
34	Central San Bernardino Valley 1	60	67	0	9	34.3
34	Central San Bernardino Valley 2	55	53	0	1	29.2
35	East San Bernardino Valley	61	48	0	0	23.4
37	Central San Bernardino Mountains	57	54	0	0	18.9
38	East San Bernardino Mountains	--	--	--	--	--
DISTRICT MAXIMUM			124	0	19	39.9
SOUTH COAST AIR BASIN			80	0		39.9

^d Federal Reference Method (FRM) PM10 samples were collected every 6 days at all sites except for Areas 23 and 30, where samples were collected every three days. PM10 statistics listed above are for the FRM data only. Federal Equivalent Method (FEM) PM10 continuous monitoring instruments were operated at some of the above locations. Max 24-hour average PM10 concentration at site with FEM monitoring was $142 \mu\text{g}/\text{m}^3$ at Palm Springs in Coachella Valley.

^e Federal annual PM10 standard (AAM $> 50 \mu\text{g}/\text{m}^3$) was revoked in 2006. State standard is annual average (AAM) $> 20 \mu\text{g}/\text{m}^3$

^f High PM10 and PM2.5 data samples occurred due to special events (i.e., high wind, firework activities, etc.) were excluded in accordance with the EPA Exceptional Event Regulation are as follows: PM10 (FEM) data recorded August 9 ($0270 \mu\text{g}/\text{m}^3$) and January 21 ($207 \mu\text{g}/\text{m}^3$) both at Indio; PM2.5 (FRM) at Azusa ($39.6 \mu\text{g}/\text{m}^3$) and Fontana ($39.9 \mu\text{g}/\text{m}^3$) both recorded on July 5.

TABLE 3-2 (Continued)
2012 Air Quality Data for SCAQMD

FINE PARTICULATE MATTER PM2.5 ^g						
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. Conc. $\mu\text{g}/\text{m}^3$, 24-hour	98 th Percentile Conc. in $\mu\text{g}/\text{m}^3$, 24-hr	No. (%) Samples Exceeding Federal Std $> 35 \mu\text{g}/\text{m}^3$, 24-hour	Annual Average AAM Conc. $\mu\text{g}/\text{m}^3$
LOS ANGELES COUNTY						
1	Central Los Angeles	342	58.7	31.8	4	12.5
2	Northwest Coastal Los Angeles County	--	--	--	--	--
3	Southwest Coastal Los Angeles County	--	--	--	--	--
4	South Coastal Los Angeles County 1	349	49.8	26.4	4	10.4
4	South Coastal Los Angeles County 2	340	46.7	25.1	4	10.6
4	South Coastal LA County 3	--	--	--	--	--
6	West San Fernando Valley	110	41.6	31.2	2	10.5
7	East San Fernando Valley	355	54.2	28.2	2	12.2
8	West San Gabriel Valley	96	30.5	24.2	0	10.1
9	East San Gabriel Valley 1	118	39.6	25.6	1	11.0
9	East San Gabriel Valley 2	--	--	--	--	--
10	Pomona/Walnut Valley	--	--	--	--	--
11	South San Gabriel Valley	119	45.3	28.5	1	11.9
12	South Central Los Angeles County	115	51.2	30.3	1	11.7
13	Santa Clarita Valley	--	--	--	--	--
ORANGE COUNTY						
16	North Orange County	--	--	--	--	--
17	Central Orange County	347	50.1	24.9	4	10.8
18	North Coastal Orange County	--	--	--	--	--
19	Saddleback Valley	123	27.6	17.6	0	7.9
RIVERSIDE COUNTY						
22	Norco/Corona	--	--	--	--	--
23	Metropolitan Riverside County 1	352	38.1	33.7	7	13.5
23	Metropolitan Riverside County 2	104	30.2	26.8	0	11.4
23	Mira Loma	351	39.3	35.1	7	15.1
24	Perris Valley	--	--	--	--	--
25	Lake Elsinore	--	--	--	--	--
26	Temecula	--	--	--	--	--
29	Banning Airport	--	--	--	--	--
30	Coachella Valley 1**	117	15.5	13.7	0	6.5
30	Coachella Valley 2**	117	20	16.4	0	7.6
SAN BERNARDINO COUNTY						
32	Northwest San Bernardino Valley	--	--	--	--	--
33	Southwest San Bernardino Valley	120	35.2	28.6	0	12.4
34	Central San Bernardino Valley 1	110	39.9	35.6	3	12.8
34	Central San Bernardino Valley 2	107	34.8	27.1	0	11.8
35	East San Bernardino Valley	--	--	--	--	--
37	Central San Bernardino Mountains	--	--	--	--	--
38	East San Bernardino Mountains	52	36.4	27.4	1	8.0
DISTRICT MAXIMUM			58.7	35.6	7	15.1
SOUTH COAST AIR BASIN			58.7	35.6	15	15.1

KEY: $\mu\text{g}/\text{m}^3$ = micrograms per cubic meter of air

AAM = Annual Arithmetic Mean

-- = Pollutant not monitored

** Salton Sea Air Basin

^g PM2.5 samples were collected every three days at all sites except for Areas 1, 4, 7, 17 and 23, where samples were taken daily, and Area 38 where samples were taken every six days. USEPA has revised the federal annual PM2.5 standard from annual average (AAM) $> 15.0 \mu\text{g}/\text{m}^3$ to $12 \mu\text{g}/\text{m}^3$, effective March 18, 2013. State standard is annual average (AAM) $> 12 \mu\text{g}/\text{m}^3$.

TABLE 3-2 (Continued)
2012 Air Quality Data for SCAQMD

TOTAL SUSPENDED PARTICULATES TSP				
Source Receptor Area No.	Location of Air Monitoring Station	No. Days of Data	Max. Conc. $\mu\text{g}/\text{m}^3$, 24-hour	Annual Average AAM Conc. $\mu\text{g}/\text{m}^3$
LOS ANGELES COUNTY				
1	Central Los Angeles	60	80	30.2
2	Northwest Coastal Los Angeles County	--	--	--
3	Southwest Coastal Los Angeles County	57	31	19.8
4	South Coastal Los Angeles County 1	60	45	23.3
4	South Coastal Los Angeles County 2	60	54	25.5
4	South Coastal LA County 3	--	--	--
6	West San Fernando Valley	--	--	--
7	East San Fernando Valley	60	55	26.4
8	West San Gabriel Valley	--	--	--
9	East San Gabriel Valley 1	61	78	30.3
9	East San Gabriel Valley 2	--	--	--
10	Pomona/Walnut Valley	--	--	--
11	South San Gabriel Valley	--	--	--
12	South Central Los Angeles County	--	--	--
13	Santa Clarita Valley	55	37	19.6
ORANGE COUNTY				
16	North Orange County	-	-	-
17	Central Orange County	61	43	22.4
18	North Coastal Orange County	-	-	-
19	Saddleback Valley	60	37	17.3
RIVERSIDE COUNTY				
22	Norco/Corona	59	52	26.6
23	Metropolitan Riverside County 1	121	67	34.5
23	Metropolitan Riverside County 2	--	--	--
23	Mira Loma	56	78	39.9
24	Perris Valley	60	62	26.5
25	Lake Elsinore	--	--	--
26	Temecula	--	--	--
29	Banning Airport	60	45	19.1
30	Coachella Valley 1**	60	37	16.4
30	Coachella Valley 2**	121	124	29.5
SAN BERNARDINO COUNTY				
32	Northwest San Bernardino Valley	--	--	--
33	Southwest San Bernardino Valley	61	57	30.8
34	Central San Bernardino Valley 1	60	67	34.3
34	Central San Bernardino Valley 2	55	53	29.2
35	East San Bernardino Valley	61	48	23.4
37	Central San Bernardino Mountains	57	43	18.9
38	East San Bernardino Mountains	--	--	--
DISTRICT MAXIMUM			124	39.9
SOUTH COAST AIR BASIN			80	39.9

KEY: $\mu\text{g}/\text{m}^3$ = micrograms per cubic meter of air

AAM = Annual Arithmetic Mean

-- = Pollutant not monitored

** Salton Sea Air Basin

TABLE 3-2 (Concluded)
2012 Air Quality Data for SCAQMD

Source Receptor Area No.	Location of Air Monitoring Station	LEAD ^a		PM10 SULFATES ^b	
		Max. Monthly Average Conc. ^{m)} µg/m ³	Max. 3-Months Rolling Averages, µg/m ³	No. Days of Data	Max. Conc. µg/m ³ , 24-hour
LOS ANGELES COUNTY					
1	Central Los Angeles	0.014	0.011	60	5.7
2	Northwest Coastal Los Angeles County	--	--	--	--
3	Southwest Coastal Los Angeles County	0.005	0.003	57	5.4
4	South Coastal Los Angeles County 1	0.005	0.005	60	5.2
4	South Coastal Los Angeles County 2	0.007	0.005	60	4.9
4	South Coastal LA County 3	--	--	--	--
6	West San Fernando Valley	--	--	--	--
7	East San Fernando Valley	--	--	60	6.2
8	West San Gabriel Valley	--	--	--	--
9	East San Gabriel Valley 1	--	--	61	5.2
9	East San Gabriel Valley 2	--	--	--	--
10	Pomona/Walnut Valley	--	--	--	--
11	South San Gabriel Valley	0.007	0.007	--	--
12	South Central Los Angeles County	0.009	0.008	--	--
13	Santa Clarita Valley	--	--	55	4.9
ORANGE COUNTY					
16	North Orange County	--	--	--	--
17	Central Orange County	--	--	61	4.4
18	North Coastal Orange County	--	--	--	--
19	Saddleback Valley	--	--	60	4.2
RIVERSIDE COUNTY					
22	Norco/Corona	--	--	59	4.4
23	Metropolitan Riverside County 1	0.008	0.007	120	7.7
23	Metropolitan Riverside County 2	0.006	0.005	--	--
23	Mira Loma	--	--	56	4.7
24	Perris Valley	--	--	60	3.8
25	Lake Elsinore	--	--	--	--
26	Temecula	--	--	--	--
29	Banning Airport	--	--	60	5.0
30	Coachella Valley 1**	--	--	60	5.9
30	Coachella Valley 2**	--	--	121	7.6
SAN BERNARDINO COUNTY					
32	Northwest San Bernardino Valley	0.007	0.006	--	--
33	Southwest San Bernardino Valley	--	--	61	5.1
34	Central San Bernardino Valley 1	--	--	60	4.6
34	Central San Bernardino Valley 2	0.008	0.007	55	4.4
35	East San Bernardino Valley	--	--	61	4.2
37	Central San Bernardino Mountains	--	--	57	3.7
38	East San Bernardino Mountains	--	--	--	--
DISTRICT MAXIMUM		0.014	0.011		7.7
SOUTH COAST AIR BASIN		0.014	0.011		7.7

KEY: µg/m³ = micrograms per cubic meter of air

-- = Pollutant not monitored

** Salton Sea Air Basin

^a Federal lead standard is 3-months rolling average > 0.15 µg/m³; and state standard is monthly average ≥ 1.5 µg/m³. No regular monitoring location exceeded lead standards. Standards exceeded at special monitoring sites immediately downwind of stationary lead sources. Maximum monthly and 3-month rolling averages at special monitoring sites were 0.52 µg/m³ and 0.45 µg/m³, respectively..

^b State sulfate standard is 24-hour ≥ 25 µg/m³. There is no federal standard for sulfate.

Carbon Monoxide

Carbon monoxide (CO) is a colorless, odorless, relatively inert gas. It is a trace constituent in the unpolluted troposphere, and is produced by both natural processes and human activities. In remote areas far from human habitation, CO occurs in the atmosphere at an average background concentration of 0.04 parts per million (ppm), primarily as a result of natural processes such as forest fires and the oxidation of methane. Global atmospheric mixing of CO from urban and industrial sources creates higher background concentrations (up to 0.20 ppm) near urban areas. The major source of CO in urban areas is incomplete combustion of carbon-containing fuels, mainly gasoline. Approximately 98 percent of the CO emitted into the Basin's atmosphere is from mobile sources. Consequently, CO concentrations are generally highest in the vicinity of major concentrations of vehicular traffic.

CO is a primary pollutant, meaning that it is directly emitted into the air, not formed in the atmosphere by chemical reaction of precursors, as is the case with ozone and other secondary pollutants. Ambient concentrations of CO in the Basin exhibit large spatial and temporal variations due to variations in the rate at which CO is emitted and in the meteorological conditions that govern transport and dilution. Unlike ozone, CO tends to reach high concentrations in the fall and winter months. The highest concentrations frequently occur on weekdays at times consistent with rush hour traffic and late night during the coolest, most stable portion of the day.

Individuals with a deficient blood supply to the heart are the most susceptible to the adverse effects of CO exposure. The effects observed include earlier onset of chest pain with exercise, and electrocardiograph changes indicative of worsening oxygen supply to the heart.

Inhaled CO has no direct toxic effect on the lungs, but exerts its effect on tissues by interfering with oxygen transport by competing with oxygen to combine with hemoglobin present in the blood to form carboxyhemoglobin (COHb). Hence, conditions with an increased demand for oxygen supply can be adversely affected by exposure to CO. Individuals most at risk include patients with diseases involving heart and blood vessels, fetuses (unborn babies), and patients with chronic hypoxemia (oxygen deficiency) as seen in high altitudes.

Reductions in birth weight and impaired neurobehavioral development have been observed in animals chronically exposed to CO resulting in COHb levels similar to those observed in smokers. Recent studies have found increased risks for adverse birth outcomes with exposure to elevated CO levels. These include pre-term births and heart abnormalities.

CO concentrations were measured at 26 locations in the Basin and neighboring Salton Sea Air Basin (SSAB) areas in 2012. Carbon monoxide concentrations did not exceed the standards in 2012. The highest eight-hour average carbon monoxide concentration recorded (4.0 ppm in the South Central Los Angeles County area) was 44 percent of the federal eight-hour carbon monoxide standard of 9.0 ppm. The state one-hour standard is also 9.0 ppm.

The highest eight-hour average carbon monoxide concentration is 20 percent of the state eight-hour carbon monoxide standard of 20 ppm.

The 2003 AQMP revisions to the SCAQMD's CO Plan served two purposes: 1) it replaced the 1997 attainment demonstration that lapsed at the end of 2000; and, 2) it provided the basis for a CO maintenance plan in the future. In 2004, the SCAQMD formally requested the USEPA to re-designate the Basin from non-attainment to attainment with the CO National Ambient Air Quality Standards. On February 24, 2007, USEPA published in the FR its proposed decision to re-designate the Basin from non-attainment to attainment for CO. The comment period on the re-designation proposal closed on March 16, 2007 with no comments received by the USEPA. On May 11, 2007, USEPA published in the FR its final decision to approve the SCAQMD's request for re-designation from non-attainment to attainment for CO, effective June 11, 2007.

Ozone

Ozone (O₃), a colorless gas with a sharp odor, is a highly reactive form of oxygen. High ozone concentrations exist naturally in the stratosphere. Some mixing of stratospheric ozone downward through the troposphere to the earth's surface does occur; however, the extent of ozone transport is limited. At the earth's surface in sites remote from urban areas ozone concentrations are normally very low (e.g., from 0.03 ppm to 0.05 ppm).

While ozone is beneficial in the stratosphere because it filters out skin-cancer-causing ultraviolet radiation, it is a highly reactive oxidant. It is this reactivity which accounts for its damaging effects on materials, plants, and human health at the earth's surface.

The propensity of ozone for reacting with organic materials causes it to be damaging to living cells and ambient ozone concentrations in the Basin are frequently sufficient to cause health effects. Ozone enters the human body primarily through the respiratory tract and causes respiratory irritation and discomfort, makes breathing more difficult during exercise, and reduces the respiratory system's ability to remove inhaled particles and fight infection.

Individuals exercising outdoors, children and people with preexisting lung disease, such as asthma and chronic pulmonary lung disease, are considered to be the most susceptible subgroups for ozone effects. Short-term exposures (lasting for a few hours) to ozone at levels typically observed in southern California can result in breathing pattern changes, reduction of breathing capacity, increased susceptibility to infections, inflammation of the lung tissue, and some immunological changes. In recent years, a correlation between elevated ambient ozone levels and increases in daily hospital admission rates, as well as mortality, has also been reported. An increased risk for asthma has been found in children who participate in multiple sports and live in high ozone communities. Elevated ozone levels are also associated with increased school absences.

Ozone exposure under exercising conditions is known to increase the severity of the abovementioned observed responses. Animal studies suggest that exposures to a combination of pollutants which include ozone may be more toxic than exposure to ozone alone. Although lung volume and resistance changes observed after a single exposure

diminish with repeated exposures, biochemical and cellular changes appear to persist, which can lead to subsequent lung structural changes.

In 2012, the SCAQMD regularly monitored ozone concentrations at 31 locations in the Basin and SSAB. Maximum ozone concentrations for all areas monitored were below the stage 1 episode level (0.20 ppm). Maximum ozone concentrations in the SSAB areas monitored by the SCAQMD were lower than in the Basin.

In 2012, the maximum ozone concentrations in the Basin continued to exceed federal standards by wide margins. Maximum one-hour ozone concentration were 0.147 ppm recorded in East San Gabriel Valley 2 area and eight-hour average ozone concentrations were 0.106 ppm recorded in the Central San Bernardino Mountains area. The federal one-hour ozone standard was revoked and replaced by the eight-hour average ozone standard effective June 15, 2005. USEPA has revised the federal eight-hour ozone standard from 0.84 ppm to 0.075 ppm, effective May 27, 2008. The maximum eight-hour concentration was 141 percent of the new federal standard. The maximum one-hour concentration was 163 percent of the one-hour state ozone standard of 0.09 ppm. The maximum eight-hour concentration was 151 percent of the eight-hour state ozone standard of 0.070 ppm.

Nitrogen Dioxide

Nitrogen Dioxide (NO₂) is a reddish-brown gas with a bleach-like odor. Nitric oxide (NO) is a colorless gas, formed from the nitrogen (N₂) and oxygen (O₂) in air under conditions of high temperature and pressure which are generally present during combustion of fuels; NO reacts rapidly with the oxygen in air to form NO₂. NO₂ is responsible for the brownish tinge of polluted air. The two gases, NO and NO₂, are referred to collectively as NO_x. In the presence of sunlight, NO₂ reacts to form nitric oxide and an oxygen atom. The oxygen atom can react further to form ozone, via a complex series of chemical reactions involving hydrocarbons. Nitrogen dioxide may also react to form nitric acid (HNO₃) which reacts further to form nitrates, components of PM_{2.5} and PM₁₀.

Population-based studies suggest that an increase in acute respiratory illness, including infections and respiratory symptoms in children (not infants), is associated with long-term exposures to NO₂ at levels found in homes with gas stoves, which are higher than ambient levels found in southern California. Increase in resistance to air flow and airway contraction is observed after short-term exposure to NO₂ in healthy subjects. Larger decreases in lung functions are observed in individuals with asthma and/or chronic obstructive pulmonary disease (e.g., chronic bronchitis, emphysema) than in healthy individuals, indicating a greater susceptibility of these sub-groups. More recent studies have found associations between NO₂ exposures and cardiopulmonary mortality, decreased lung function, respiratory symptoms and emergency room asthma visits.

In animals, exposure to levels of NO₂ considerably higher than ambient concentrations results in increased susceptibility to infections, possibly due to the observed changes in cells involved in maintaining immune functions. The severity of lung tissue damage associated with high levels of ozone exposure increases when animals are exposed to a combination of ozone and NO₂.

In 2012, NO₂ concentrations were monitored at 26 locations. No area of the Basin or SSAB exceeded the federal or state standards for nitrogen dioxide. The Basin has not exceeded the federal standard for nitrogen dioxide (0.0534 ppm) since 1991, when the Los Angeles County portion of the Basin recorded the last exceedance of the standard in any county within the U.S.

In 2012, the maximum annual average concentration was 25.3 parts per billion (ppb) recorded in the South Coastal Los Angeles County 3 area. Effective March 20, 2008, CARB revised the nitrogen dioxide one-hour standard from 0.25 ppm to 0.18 ppm and established a new annual standard of 0.30 ppm. In addition, USEPA has established a new federal one-hour NO₂ standard of 100 ppb (98th percentile concentration), effective April 7, 2010. The highest one-hour average concentration recorded in 2012 (90.5 ppb in South Coastal Los Angeles County 3 area) was 50 percent of the state one-hour standard and the highest annual average concentration recorded was 84 percent of the state annual average standard. However, the 98th percentile concentration in 2012 did not exceed the new Federal 1-hour NO₂ standard. NO_x emission reductions continue to be necessary because it is a precursor to both ozone and PM (PM_{2.5} and PM₁₀) concentrations.

Sulfur Dioxide

Sulfur dioxide (SO₂) is a colorless gas with a sharp odor. It reacts in the air to form sulfuric acid (H₂SO₄), which contributes to acid precipitation, and sulfates, which are components of PM₁₀ and PM_{2.5}. Most of the SO₂ emitted into the atmosphere is produced by burning sulfur-containing fuels.

Exposure of a few minutes to low levels of SO₂ can result in airway constriction in some asthmatics. All asthmatics are sensitive to the effects of SO₂. In asthmatics, increase in resistance to air flow, as well as reduction in breathing capacity leading to severe breathing difficulties, is observed after acute higher exposure to SO₂. In contrast, healthy individuals do not exhibit similar acute responses even after exposure to higher concentrations of SO₂.

Animal studies suggest that despite SO₂ being a respiratory irritant, it does not cause substantial lung injury at ambient concentrations. However, very high levels of exposure can cause lung edema (fluid accumulation), lung tissue damage, and sloughing off of cells lining the respiratory tract.

Some population-based studies indicate that the mortality and morbidity effects associated with fine particles show a similar association with ambient SO₂ levels. In these studies, efforts to separate the effects of SO₂ from those of fine particles have not been successful. It is not clear whether the two pollutants act synergistically or one pollutant alone is the predominant factor.

No exceedances of federal or state standards for SO₂ occurred in 2012 at any of the eight monitoring locations. The maximum one-hour SO₂ concentration was 22.7 ppb, as recorded in the South Coastal Los Angeles County 3 area. The USEPA revised the federal sulfur dioxide standard by establishing a new one-hour standard of 0.075 ppm (75 ppb) and revoking the existing annual arithmetic mean (0.03 ppm) and the 24-hour average (0.14

ppm), effective August 2, 2010. The state standards are 0.25 ppm (250 ppb) for the one-hour average and 0.04 ppm (40 ppb) for the 24-hour average. Though SO₂ concentrations remain well below the standards, SO₂ is a precursor to sulfate, which is a component of fine particulate matter, PM₁₀, and PM_{2.5}. Historical measurements showed concentrations to be well below standards and monitoring has been discontinued.

Particulate Matter (PM₁₀ and PM_{2.5})

Of great concern to public health are the particles small enough to be inhaled into the deepest parts of the lung. Respirable particles (particulate matter less than about 10 micrometers in diameter) can accumulate in the respiratory system and aggravate health problems such as asthma, bronchitis and other lung diseases. Children, the elderly, exercising adults, and those suffering from asthma are especially vulnerable to adverse health effects of PM₁₀ and PM_{2.5}.

A consistent correlation between elevated ambient fine particulate matter (PM₁₀ and PM_{2.5}) levels and an increase in mortality rates, respiratory infections, number and severity of asthma attacks and the number of hospital admissions has been observed in different parts of the U.S. and various areas around the world. Studies have reported an association between long-term exposure to air pollution dominated by fine particles (PM_{2.5}) and increased mortality, reduction in life-span, and an increased mortality from lung cancer.

Daily fluctuations in fine particulate matter concentration levels have also been related to hospital admissions for acute respiratory conditions, to school and kindergarten absences, to a decrease in respiratory function in normal children and to increased medication use in children and adults with asthma. Studies have also shown lung function growth in children is reduced with long-term exposure to particulate matter. In addition to children, the elderly, and people with pre-existing respiratory and/or cardiovascular disease appear to be more susceptible to the effects of PM₁₀ and PM_{2.5}.

The SCAQMD monitored PM₁₀ concentrations at 21 locations in 2012. The federal 24-hour PM₁₀ standard (150 µg/m³) was not exceeded at any of the locations monitored in 2012. The federal annual PM₁₀ standard has been revoked, effective 2006. A maximum 24-hour PM₁₀ concentration of 124 µg/m³ was recorded in the Coachella Valley No. 2 area and was 83 percent of the federal standard and 248 percent of the much more stringent state 24-hour PM₁₀ standard (50 µg/m³). The state 24-hour PM₁₀ standard was exceeded at 12 of the 21 monitoring stations. A maximum annual average PM₁₀ concentration of 39.9 µg/m³ was recorded in Mira Loma. The maximum annual average PM₁₀ concentration in Mira Loma was 200 percent of the state standard of 20 µg/m³. The USEPA published approval of SCAQMD's PM₁₀ request for redesignation for attainment on June 26, 2013, with an implementation date of July 26, 2013.

In 2012, PM_{2.5} concentrations were monitored at 20 locations throughout the district. USEPA revised the federal 24-hour PM_{2.5} standard from 65 µg/m³ to 35 µg/m³, effective December 17, 2006. In 2012, the maximum PM_{2.5} concentrations in the Basin exceeded the new federal 24-hour PM_{2.5} standard in all but seven locations. A maximum 24-hour PM_{2.5} concentration of 58.7 µg/m³ was recorded in the Central Los Angeles area, which

represents 168 percent of the federal standard of 35 $\mu\text{g}/\text{m}^3$. A maximum annual average concentration of 15.1 $\mu\text{g}/\text{m}^3$ was recorded in Mira Loma, which represents 101 percent of the federal standard of 15 $\mu\text{g}/\text{m}^3$ and 126 percent of the state standard of 12 $\mu\text{g}/\text{m}^3$. At a 98th percentile concentration of PM_{2.5} in $\mu\text{g}/\text{m}^3$, only one location exceeded the federal standard of 35 $\mu\text{g}/\text{m}^3$. In December 2012, EPA promulgated a new annual average PM_{2.5} standard, 12 $\mu\text{g}/\text{m}^3$.

Similar to PM₁₀ concentrations, PM_{2.5} concentrations were higher in the inland valley areas of San Bernardino and Metropolitan Riverside counties. However, PM_{2.5} concentrations were also high in Central Los Angeles County and East San Gabriel Valley. The high PM_{2.5} concentrations in Los Angeles County are mainly due to the secondary formation of smaller particulates resulting from mobile and stationary source activities. In contrast to PM₁₀, PM_{2.5} concentrations were low in the Coachella Valley area of SSAB. PM₁₀ concentrations are normally higher in the desert areas due to windblown and fugitive dust emissions.

Lead

Lead in the atmosphere is present as a mixture of a number of lead compounds. Leaded gasoline and lead smelters have been the main sources of lead emitted into the air. Due to the phasing out of leaded gasoline, there was a dramatic reduction in atmospheric lead in the Basin over the past three decades.

Fetuses, infants, and children are more sensitive than others to the adverse effects of lead exposure. Exposure to low levels of lead can adversely affect the development and function of the central nervous system, leading to learning disorders, distractibility, inability to follow simple commands, and lower intelligence quotient. In adults, increased lead levels are associated with increased blood pressure.

Lead poisoning can cause anemia, lethargy, seizures, and death. It appears that there are no direct effects of lead on the respiratory system. Lead can be stored in the bone from early-age environmental exposure, and elevated blood lead levels can occur due to breakdown of bone tissue during pregnancy, hyperthyroidism (increased secretion of hormones from the thyroid gland), and osteoporosis (breakdown of bone tissue). Fetuses and breast-fed babies can be exposed to higher levels of lead because of previous environmental lead exposure of their mothers.

The federal and current state standards for lead were not exceeded in any area of the district in 2012. There have been no violations of these standards at the SCAQMD's regular air monitoring stations since 1982, as a result of removal of lead from gasoline.

On November 12, 2008, USEPA published new NAAQS for lead, which became effective January 12, 2010. The existing national lead standard, 1.5 $\mu\text{g}/\text{m}^3$, was reduced to 0.15 $\mu\text{g}/\text{m}^3$, averaged over a rolling three-month period.

The maximum 3-month rolling average lead concentration (0.011 $\mu\text{g}/\text{m}^3$ at monitoring stations in Central Los Angeles) was 7 percent of the federal 3-month rolling lead standard (0.15 $\mu\text{g}/\text{m}^3$). The maximum monthly average lead concentration (0.014 $\mu\text{g}/\text{m}^3$ in Central

Los Angeles), measured at special monitoring sites immediately adjacent to stationary sources of lead was 0.9 percent of the state monthly average lead standard (1.5 $\mu\text{g}/\text{m}^3$). No lead data were obtained at SSAB and Orange County stations in 2012. Because historical lead data showed concentrations in SSAB and Orange County areas to be well below the standard, measurements have been discontinued at these locations.

In 2010, a portion of Los Angeles County was designated as not attaining the NAAQS of 0.15 $\mu\text{g}/\text{m}^3$ for lead. SCAQMD identified two large lead-acid battery recycling facilities as possible sources of lead. One of the facilities was the main contributor to the area's nonattainment status. However, the new federal standard was not exceeded at any source/receptor location in 2011. Nevertheless, USEPA designated the Los Angeles County portion of the Basin as non-attainment for the new lead standard, effective December 31, 2010, primarily based on emissions from two battery recycling facilities. In response to the new federal lead standard, the SCAQMD adopted Rule 1420.1 – Emissions Standard for Lead from Large Lead-Acid Battery Recycling Facilities, in November 2010, to ensure that lead emissions do not exceed the new federal standard.

In response to the nonattainment designation, the State submitted the *Final 2012 Lead State Implementation Plan – Los Angeles County* (2012 Lead SIP) to the USEPA on June 20, 2012. The plan outlines steps that will bring the area into attainment with the federal lead standard before December 31, 2015. As of February 11, 2014, the USEPA announced in the Federal Register (FR) final approval of the lead air quality plan, to be effective 30 days after publication (e.g., March 12, 2014).

Sulfates

Sulfates (SO_x) are chemical compounds which contain the sulfate ion and are part of the mixture of solid materials which make up PM_{10} . Most of the sulfates in the atmosphere are produced by oxidation of SO_2 . Oxidation of sulfur dioxide yields sulfur trioxide (SO_3) which reacts with water to form sulfuric acid, which contributes to acid deposition. The reaction of sulfuric acid with basic substances such as ammonia yields sulfates, a component of PM_{10} and $\text{PM}_{2.5}$.

Most of the health effects associated with fine particles and SO_2 at ambient levels are also associated with SO_x . Thus, both mortality and morbidity effects have been observed with an increase in ambient SO_x concentrations. However, efforts to separate the effects of SO_x from the effects of other pollutants have generally not been successful.

Clinical studies of asthmatics exposed to sulfuric acid suggest that adolescent asthmatics are possibly a subgroup susceptible to acid aerosol exposure. Animal studies suggest that acidic particles such as sulfuric acid aerosol and ammonium bisulfate are more toxic than non-acidic particles like ammonium sulfate. Whether the effects are attributable to acidity or to particles remains unresolved.

In 2012, the state 24-hour sulfate standard (25 $\mu\text{g}/\text{m}^3$) was not exceeded in any of the monitoring locations in the district. There are no federal sulfate standards.

Hydrogen Sulfide

Hydrogen Sulfide (H₂S) is a colorless gas with the characteristic foul odor of rotten eggs. H₂S is heavier than air, very poisonous, corrosive, flammable, and explosive. H₂S is naturally occurring in crude oil and natural gas, but H₂S can also be created from the bacterial breakdown of organic matter in the absence of oxygen (e.g., in swamps and sewers). For example, on September 9, 2012, a thunderstorm over the Salton Sea caused odors to be released across the Coachella Valley. The SCAQMD received over 235 complaints of sulfur and rotten egg type odors in response to this natural event. Air samples were taken at several locations around the Salton Sea area to confirm source of odors and results of sampling showed total sulfur gas concentration of 149 ppb. The State air quality standard for H₂S is 30 ppb, averaged over one-hour, and the odor threshold for H₂S is approximately eight ppb. In response to potential for increasing odor complaints in the future, in October 2013, the SCAQMD installed two H₂S monitors in the Coachella Valley to monitor the presence of H₂S during odor events at the Salton Sea. The monitors are located at Saul Martinez Elementary School in Mecca and on the Torres Martinez Desert Cahuilla Indian Tribal land near the north end of the Salton Sea.

Vinyl Chloride

Vinyl chloride is a colorless, flammable gas at ambient temperature and pressure. It is also highly toxic and is classified by the American Conference of Governmental Industrial Hygienists (ACGIH) as A1 (confirmed carcinogen in humans) and by the International Agency for Research on Cancer (IARC) as 1 (known to be a human carcinogen) (Air Gas, 2010). At room temperature, vinyl chloride is a gas with a sickly sweet odor that is easily condensed. However, it is stored as a liquid. Due to the hazardous nature of vinyl chloride to human health there are no end products that use vinyl chloride in its monomer form. Vinyl chloride is a chemical intermediate, not a final product. It is an important industrial chemical chiefly used to produce the polymer polyvinyl chloride (PVC). The process involves vinyl chloride liquid fed to polymerization reactors where it is converted from a monomer to a polymer PVC. The final product of the polymerization process is PVC in either a flake or pellet form. Billions of pounds of PVC are sold on the global market each year. From its flake or pellet form, PVC is sold to companies that heat and mold the PVC into end products such as PVC pipe and bottles.

In the past, vinyl chloride emissions have been associated primarily with sources such as landfills. Risks from exposure to vinyl chloride are considered to be a localized impacts rather than regional impacts. Because landfills in the district are subject to SCAQMD 1150.1 – Control of Gaseous Emissions from Municipal Solid Waste Landfills, which contains stringent requirements for landfill gas collection and control, potential vinyl chloride emissions are below the level of detection. Therefore, the SCAQMD does not monitor for vinyl chloride at its monitoring stations.

Volatile Organic Compounds

It should be noted that there are no state or national ambient air quality standards for volatile organic compounds (VOCs) because they are not classified as criteria pollutants. VOCs are regulated, however, because limiting VOC emissions reduces the rate of photochemical reactions that contribute to the formation of O₃, which is a criteria pollutant. VOCs are also transformed into organic aerosols in the atmosphere, contributing to higher PM₁₀ and lower visibility levels.

Although health-based standards have not been established for VOCs, health effects can occur from exposures to high concentrations of VOCs because of interference with oxygen uptake. In general, ambient VOC concentrations in the atmosphere are suspected to cause coughing, sneezing, headaches, weakness, laryngitis, and bronchitis, even at low concentrations. Some hydrocarbon components classified as VOC emissions are thought or known to be hazardous. Benzene, for example, one hydrocarbon component of VOC emissions, is known to be a human carcinogen.

Visibility

In 2005, annual average visibility at Rubidoux (Riverside), the worst case, was just over 10 miles. With the exception of Lake County, which is designated in attainment, all of the air districts in California are currently designated as unclassified with respect to the CAAQS for visibility reducing particles.

In Class-I wilderness areas, which typically have visual range measured in tens of miles the deciview metric is used to estimate an individual's perception of visibility. The deciview index works inversely to visual range which is measured in miles or kilometers whereby a lower deciview is optimal. In the South Coast Air Basin, the Class-I areas are typically restricted to higher elevations (greater than 6,000 feet above sea level) or far downwind of the metropolitan emission source areas. Visibility in these areas is typically unrestricted due to regional haze despite being in close proximity to the urban setting. The 2005 baseline deciview mapping of the Basin is presented in Figure 3-1. All of the Class-I wilderness areas reside in areas having average deciview values less than 20 with many portions of those areas having average deciview values less than 10. By contrast, Rubidoux, in the Basin has a deciview value exceeding 30.

Federal Regional Haze Rule: The federal Regional Haze Rule, established by the USEPA pursuant to CAA §169A establishes the national goal to prevent future and remedy existing impairment of visibility in federal Class I areas (such as federal wilderness areas and national parks). USEPA's visibility regulations (40 CFR Parts 51.300 - 51.309), require states to develop measures necessary to make reasonable progress towards remedying visibility impairment in these federal Class I areas. CAA §169A and USEPA's visibility regulations also require Best Available Retrofit Technology (BART) for certain large stationary sources that were put in place between 1962 and 1977. (See Regional Haze Regulations and Guidelines for BART Determinations, 70 FR 39104, July 6, 2005).

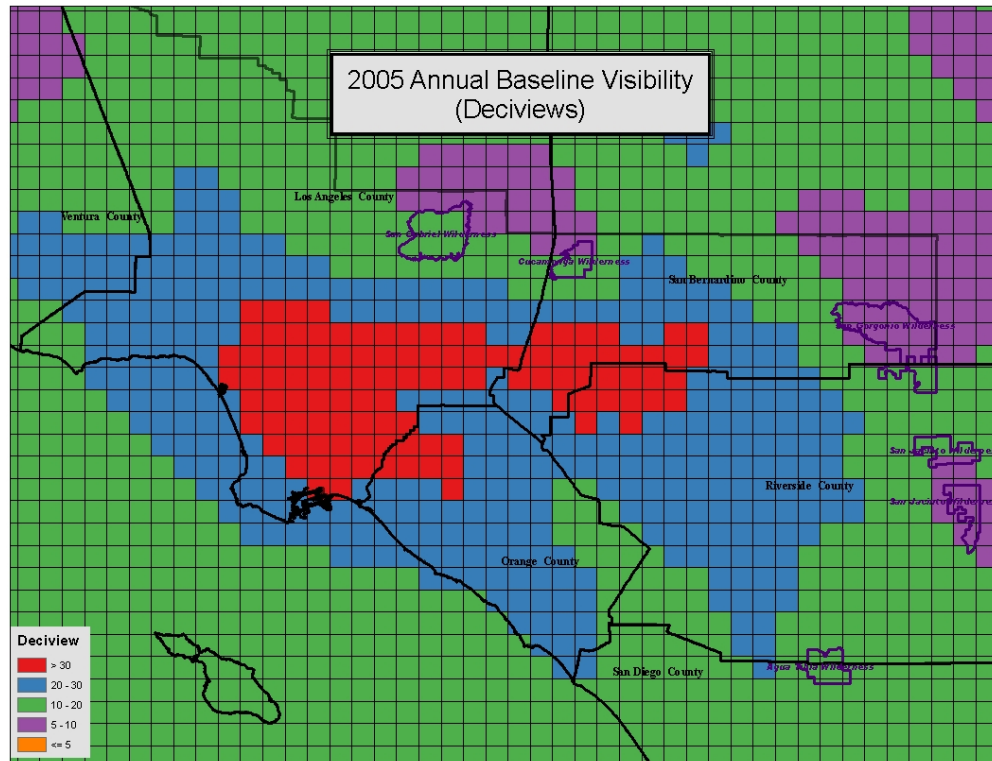


FIGURE 3-1
2005 Annual Baseline Visibility

California Air Resources Board: Since deterioration of visibility is one of the most obvious manifestations of air pollution and plays a major role in the public's perception of air quality, the state of California has adopted a standard for visibility or visual range. Until 1989, the standard was based on visibility estimates made by human observers. The standard was changed to require measurement of visual range using instruments that measure light scattering and absorption by suspended particles.

The visibility standard is based on the distance that atmospheric conditions allow a person to see at a given time and location. Visibility reduction from air pollution is often due to the presence of sulfur and nitrogen oxides, as well as particulate matter. Visibility degradation occurs when visibility reducing particles are produced in sufficient amounts such that the extinction coefficient is greater than 0.23 inverse kilometers (to reduce the visual range to less than 10 miles) at relative humidity less than 70 percent, 8-hour average (from 10:00 a.m. to 6:00 p.m.) according to the state standard. Future-year visibility in the Basin is projected empirically using the results derived from a regression analysis of visibility with air quality measurements. The regression data set consisted of aerosol composition data collected during a special monitoring program conducted concurrently with visibility data collection (prevailing visibility observations from airports and visibility measurements from district monitoring stations). A full description of the visibility analysis is given in Appendix V of the 2012 AQMP.

With future year reductions of PM_{2.5} from implementation of all proposed emission controls for 2015, the annual average visibility would improve from 10 miles (calculated for 2008) to over 20 miles at Rubidoux, for example. Visual range in 2021 at all other Basin sites is expected to equal or exceed the Rubidoux visual range. Visual range is expected to double from the 2008 baseline due to reductions of secondary PM_{2.5}, directly emitted PM_{2.5} (including diesel soot) and lower NO₂ concentrations as a result of 2007 AQMP controls.

To meet Federal Regional Haze Rule requirements, CARB adopted the California Regional Haze Plan on January 22, 2009, addressing California’s visibility goals through 2018. As shown in Table 3-1, California’s statewide standard (applicable outside of the Lake Tahoe area) for Visibility Reducing Particles is an extinction coefficient of 0.23 per kilometer over an 8-hour averaging period. This translates to visibility of ten miles or more due to particles when relative humidity is less than 70 percent.

3.2.2 Non-Criteria Pollutants

Although the SCAQMD’s primary mandate is attaining the State and National Ambient Air Quality Standards for criteria pollutants within the district, SCAQMD also has a general responsibility pursuant to HSC §41700 to control emissions of air contaminants and prevent endangerment to public health. Additionally, state law requires the SCAQMD to implement airborne toxic control measures (ATCM) adopted by CARB, and to implement the Air Toxics “Hot Spots” Act. As a result, the SCAQMD has regulated pollutants other than criteria pollutants such as TACs, greenhouse gases and stratospheric ozone depleting compounds. The SCAQMD has developed a number of rules to control non-criteria pollutants from both new and existing sources. These rules originated through state directives, CAA requirements, or the SCAQMD rulemaking process.

In addition to promulgating non-criteria pollutant rules, the SCAQMD has been evaluating AQMP control measures as well as existing rules to determine whether or not they would affect, either positively or negatively, emissions of non-criteria pollutants. For example, rules in which VOC components of coating materials are replaced by a non-photochemically reactive chlorinated substance would reduce the impacts resulting from ozone formation, but could increase emissions of toxic compounds or other substances that may have adverse impacts on human health.

The following subsections summarize the existing setting for the two major categories of non-criteria pollutants: compounds that contribute to TACs, global climate change, and stratospheric ozone depletion.

3.2.2.1 Air Quality – Toxic Air Contaminants

Federal

Under the CAA §112, the USEPA is required to regulate sources that emit one or more of the 187 federally listed hazardous air pollutants (HAPs). HAPs are air toxic pollutants identified in the CAA, which are known or suspected of causing cancer or other serious health effects. The federal HAPs are listed on the USEPA website at <http://www.epa.gov/ttn/atw/orig189.html>. In order to implement the CAA, approximately 100 National Emission Standards for Hazardous Air Pollutants (NESHAPs) have been promulgated by USEPA for major sources (sources emitting greater than 10 tons per year of a single HAP or greater than 25 tons per year of multiple HAPs). The SCAQMD can either directly implement NESHAPs or adopt rules that contain requirements at least as stringent as the NESHAP requirements. However, since NESHAPs often apply to sources in the district that are already controlled by state-mandated air toxics control measures or by local district rules, many of the sources that would have been subject to federal requirements already comply.

In addition to the major source NESHAPs, USEPA has also controlled HAPs from urban areas by developing Area Source NESHAPs under their Urban Air Toxics Strategy. USEPA defines an area source as a source that emits less than 10 tons annually of any single hazardous air pollutant or less than 25 tons annually of a combination of hazardous air pollutants. The CAA requires the USEPA to identify a list of at least 30 air toxics that pose the greatest potential health threat in urban areas. USEPA is further required to identify and establish a list of area source categories that represent 90 percent of the emissions of the 30 urban air toxics associated with area sources, for which Area Source NESHAPs are to be developed under the CAA. USEPA has identified a total of 70 area source categories with regulations promulgated for more than 30 categories so far.

The federal toxics program recognizes diesel engine exhaust as a health hazard, however, diesel particulate matter itself is not one of their listed toxic air contaminants (TACs). Rather, each toxic compound in the speciated list of compounds in exhaust is considered separately. Although there are no specific NESHAP regulations for diesel PM, diesel particulate emission reductions are realized through federal regulations including diesel fuel standards and emission standards for stationary, marine, and locomotive engines; and idling controls for locomotives.

State

The California air toxics program was based on the CAA and the original federal list of hazardous air pollutants. The state program was established in 1983 under the Toxic Air Contaminant (TAC) Identification and Control Act, Assembly Bill (AB) 1807, Tanner. Under the state program, TACs are identified through a two-step process of risk identification and risk management. This two-step process was designed to protect residents from the health effects of toxic substances in the air.

Control of TACs under the TAC Identification and Control Program: California's TAC identification and control program, adopted in 1983 as AB 1807, is a two-step program in which substances are identified as TACs, and air toxic control measures (ATCMs) are adopted to control emissions from specific sources. CARB has adopted a regulation designating all 187 federal HAPs as TACs.

ATCMs are developed by CARB and implemented by the SCAQMD and other air districts through direct implementation or the adoption of regulations of equal or greater stringency. Generally, the ATCMs reduce emissions to achieve exposure levels below a determined health threshold. If no such threshold levels are determined, emissions are reduced to the lowest level achievable through the best available control technology unless it is determined that an alternative level of emission reduction is adequate to protect public health.

Under California law, a federal NESHAP automatically becomes a state ATCM, unless CARB has already adopted an ATCM for the source category. Once a NESHAP becomes an ATCM, CARB and each air pollution control or air quality management district have certain responsibilities related to adoption or implementation and enforcement of the NESHAP/ATCM.

Control of TACs under the Air Toxics "Hot Spots" Act: The Air Toxics Hot Spots Information and Assessment Act of 1987 (AB 2588) establishes a state-wide program to inventory and assess the risks from facilities that emit TACs and to notify the public about significant health risks associated with the emissions. Facilities are phased into the AB 2588 program based on their emissions of criteria pollutants or their occurrence on lists of toxic emitters compiled by the SCAQMD. Phase I consists of facilities that emit over 25 tons per year of any criteria pollutant and facilities present on the SCAQMD's toxics list. Phase I facilities entered the program by reporting their air TAC emissions for calendar year 1989. Phase II consists of facilities that emit between 10 and 25 tons per year of any criteria pollutant, and submitted air toxic inventory reports for calendar year 1990 emissions. Phase III consists of certain designated types of facilities which emit less than 10 tons per year of any criteria pollutant, and submitted inventory reports for calendar year 1991 emissions. Inventory reports are required to be updated every four years under the state law.

Air Toxics Control Measures: As part of its risk management efforts, CARB has passed state ATCMs to address air toxics from mobile and stationary sources. Some key ATCMs for stationary sources include reductions of benzene emissions from service stations, hexavalent chromium emissions from chrome plating, perchloroethylene emissions from dry cleaning, ethylene oxide emissions from sterilizers, and multiple air toxics from the automotive painting and repair industries.

Many of CARB's recent ATCMs are part of the CARB Risk Reduction Plan to Reduce Particulate Matter Emissions from Diesel-Fueled Engines and Vehicles (DRRP) which was adopted in September 2000 (<http://www.arb.ca.gov/diesel/documents/rrpapp.htm>) with the goal of reducing diesel particulate matter emissions from compression ignition engines and associated health risk by 75 percent by 2010 and 85 percent by 2020. The

DRRP includes strategies to reduce emissions from new and existing engines through the use of ultra-low sulfur diesel fuel, add-on controls, and engine replacement. In addition to stationary source engines, the plan addresses diesel PM emissions from mobile sources such as trucks, buses, construction equipment, locomotives, and ships.

SCAQMD

SCAQMD has regulated criteria air pollutants using either a technology-based or an emissions limit approach. The technology-based approach defines specific control technologies that may be installed to reduce pollutant emissions. The emission limit approach establishes an emission limit, and allows industry to use any emission control equipment, as long as the emission requirements are met. The regulation of TACs often uses a health risk-based approach, but may also require a regulatory approach similar to criteria pollutants, as explained in the following subsections.

Rules and Regulations: Under the SCAQMD's toxic regulatory program there are 15 source-specific rules that target toxic emission reductions that regulate over 10,000 sources such as metal finishing, spraying operations, dry cleaners, film cleaning, gasoline dispensing, and diesel-fueled stationary engines to name a few. In addition, other source-specific rules targeting criteria pollutant reductions also reduce toxic emissions, such as SCAQMD Rule 461 – Gasoline Transfer and Dispensing, which reduces benzene emissions from gasoline dispensing and SCAQMD Rule 1124 – Aerospace Assembly and Component Manufacturing Operations, which reduces perchloroethylene, trichloroethylene, and methylene chloride emissions from aerospace operations.

New and modified sources of TACs in the district are subject to SCAQMD Rule 1401 - New Source Review of Toxic Air Contaminants and SCAQMD Rule 212 - Standards for Approving Permits. Rule 212 requires notification of the SCAQMD's intent to grant a permit to construct a significant project, defined as a new or modified permit unit located within 1000 feet of a school (a state law requirement under AB 3205), a new or modified permit unit posing an maximum individual cancer risk of one in one million (1×10^{-6}) or greater, or a new or modified facility with criteria pollutant emissions exceeding specified daily maximums. Distribution of notice is required to all addresses within a 1/4-mile radius, or other area deemed appropriate by the SCAQMD. Rule 1401 currently controls emissions of carcinogenic and non-carcinogenic (health effects other than cancer) air contaminants from new, modified and relocated sources by specifying limits on cancer risk and hazard index (explained further in the following discussion), respectively. Rule 1401 lists nearly 300 TACs that are evaluated during the SCAQMD's permitting process for new, modified or relocated sources. During the past decade, more than 80 compounds have been added or had risk values amended. The addition of diesel particulate matter from diesel-fueled internal combustion engines as a TAC in March 2008 was one of the most substantial amendments to the rule. SCAQMD Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools, sets risk thresholds for new and relocated facilities near schools. The requirements are more stringent than those for other air toxics rules in order to provide additional protection to school children.

Air Toxics Control Plan: In March 2000, the SCAQMD Governing Board approved the Air Toxics Control Plan (ATCP) which was the first comprehensive plan in the nation to guide future toxic rulemaking and programs. The ATCP was developed to lay out the SCAQMD's air toxics control program which built upon existing federal, state, and local toxic control programs as well as co-benefits from implementation of State Implementation Plan (SIP) measures. The concept for the plan was an outgrowth of the Environmental Justice principles and the Environmental Justice Initiatives adopted by the SCAQMD Governing Board in October 1997. Monitoring studies and air toxics regulations that were created from these initiatives emphasized the need for a more systematic approach to reducing TACs. The intent of the plan was to reduce exposure to air toxics in an equitable and cost-effective manner that promotes clean, healthful air in the district. The plan proposed control strategies to reduce TACs in the district implemented between years 2000 and 2010 through cooperative efforts of the SCAQMD, local governments, CARB and USEPA.

2003 Cumulative Impact Reduction Strategies: The SCAQMD Governing Board approved a cumulative impacts reduction strategy in September 2003. The resulting 25 cumulative impacts strategies were a key element of the 2004 Addendum to the ATCP (see next section). The strategies included rules, policies, funding, education, and cooperation with other agencies. Some of the key SCAQMD accomplishments related to the cumulative impacts reduction strategies were:

- SCAQMD Rule 1401.1 - Requirements for New and Relocated Facilities Near Schools, which set more stringent health risk requirements for new and relocated facilities near schools
- SCAQMD Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines, which established diesel PM emission limits and other requirements for diesel-fueled engines
- SCAQMD Rule 1469.1 – Spraying Operations Using Coatings Containing Chromium, which regulated chrome spraying operations
- SCAQMD Rule 410 – Odors From Transfer Stations and Material Recovery Facilities, which addresses odors from transfer stations and material recovery facilities
- Intergovernmental Review comment letters for CEQA documents
- SCAQMD's land use guidance document
- Additional protection in toxics rules for sensitive receptors, such as more stringent requirements for chrome plating operations and diesel engines located near schools

2004 Addendum to the ATCP: An addendum to the ATCP was adopted by the SCAQMD Governing Board in 2004 (referred to herein as the 2004 Addendum to the ATCP) and served as a status report regarding implementation of the various mobile and stationary source strategies in the 2000 ATCP and introduced new measures to further address air toxics. The main elements of the 2004 Addendum to the ATCP were to

address the progress made in implementation of the 2000 ATCP control strategies; provide a historical perspective of air toxic emissions and current air toxic levels; incorporate the Cumulative Impact Reduction Strategies approved by the SCAQMD Governing Board in 2003 and additional measures identified in the 2003 AQMP; project future air toxic levels to the extent feasible; and, summarize future efforts to develop the next ATCP. Significant progress had been made in implementing most of the SCAQMD strategies from the 2000 ATCP and the 2004 Addendum to the ATCP. CARB has also made notable progress in mobile source measures via its Diesel Risk Reduction Plan, especially for goods movement related sources, while the USEPA continued to implement their air toxic programs applicable to stationary sources

Clean Communities Plan: On November 5, 2010, the SCAQMD Governing Board approved the 2010 Clean Communities Plan (CCP). The CCP was an update to the 2000 Air Toxics Control Plan (ATCP) and the 2004 Addendum. The objective of the 2010 CCP is to reduce the exposure to air toxics and air-related nuisances throughout the district, with emphasis on cumulative impacts. The elements of the 2010 CCP are community exposure reduction, community participation, communication and outreach, agency coordination, monitoring and compliance, source-specific programs, and nuisance. The centerpiece of the 2010 CCP is a pilot study through which the SCAQMD staff will work with community stakeholders to identify and develop solutions community-specific to air quality issues in two communities: 1) the City of San Bernardino; and, 2) Boyle Heights and surrounding areas.

Control of TACs under the Air Toxics "Hot Spots" Act: In October 1992, the SCAQMD Governing Board adopted public notification procedures for Phase I and II facilities. These procedures specify that AB 2588 facilities must provide public notice when exceeding the following risk levels:

- Maximum Individual Cancer Risk (MICR): greater than 10 in one million (10×10^{-6})
- Total Hazard Index (HI): greater than 1.0 for TACs except lead, or > 0.5 for lead

Public notice is to be provided by letters mailed to all addresses and all parents of children attending school in the impacted area. In addition, facilities must hold a public meeting and provide copies of the facility risk assessment in all school libraries and a public library in the impacted area.

The AB2588 Toxics “Hot Spots” Program is implemented through SCAQMD Rule 1402 – Control of Toxic Air Contaminants from Existing Sources. The SCAQMD continues to review health risk assessments submitted. Notification is required from facilities with a significant risk under the AB 2588 program based on their initial approved health risk assessments and will continue on an ongoing basis as additional and subsequent health risk assessments are reviewed and approved.

There are currently about 600 facilities in the SCAQMD’s AB2588 program. Since 1992 when the state Health and Safety Code incorporated a risk reduction requirement in the program, the SCAQMD has reviewed and approved over 300 HRAs, 44 facilities were

required to do a public notice, and 21 facilities were subject to risk reduction. Currently, over 96 percent of the facilities in the program have cancer risks below ten in a million and over 98 percent have acute and chronic hazard indices of less than one.

CEQA Intergovernmental Review Program: The SCAQMD staff, through its Intergovernmental Review (IGR) provides comments to lead agencies on air quality analyses and mitigation measures in CEQA documents. The following are some key programs and tools that have been developed more recently to strengthen air quality analyses, specifically as they relate to exposure of mobile source air toxics:

- SCAQMD’s Mobile Source Committee approved the “Health Risk Assessment Guidance for Analyzing Cancer Risks from Mobile Source Diesel Emissions” (August 2002). This document provides guidance for analyzing cancer risks from diesel particulate matter from truck idling and movement (e.g., truck stops, warehouse and distribution centers, or transit centers), ship hotelling at ports, and train idling.
- CalEPA and CARB’s “Air Quality and Land Use Handbook: A Community Health Perspective” (April 2005), provides recommended siting distances for incompatible land uses.
- Western Riverside Council of Governments Air Quality Task Force developed a policy document titled, “Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities” (September 2005). This document provides guidance to local government on preventive measures to reduce neighborhood exposure to TACs from warehousing facilities.

Environmental Justice: Environmental justice (EJ) has long been a focus of the SCAQMD. In 1990, the SCAQMD formed an Ethnic Community Advisory Group that has since been restructured as the Environmental Justice Advisory Group (EJAG). EJAG’s mission is to advise and assist SCAQMD in protecting and improving public health in SCAQMD’s most impacted communities through the reduction and prevention of air pollution.

In 1997, the SCAQMD Governing Board adopted four guiding principles and ten initiatives (<http://www.aqmd.gov/ej/history.htm>) to ensure environmental equity. Also in 1997, the SCAQMD Governing Board expanded the initiatives to include the “Children’s Air Quality Agenda” focusing on the disproportionate impacts of poor air quality on children. Some key initiatives that have been implemented were the Multiple Air Toxics Exposure Studies (MATES, MATES II and MATES III); the Clean Fleet Rules, the Cumulative Impacts strategies; funding for lower emitting technologies under the Carl Moyer Program; the Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning; a guidance document on Air Quality Issues in School Site Selection; and the 2000 ATCP and the 2004 Addendum to the ATCP. Key initiatives focusing on communities and residents include the Clean Air Congress; the Clean School Bus Program; Asthma and Air Quality Consortium; Brain and Lung Tumor and Air Pollution Foundation; air quality presentations to schools and community and civic

groups; and Town Hall meetings. Technological and scientific projects and programs have been a large part of the SCAQMD's EJ program since its inception. Over time, the EJ program's focus on public education, outreach, and opportunities for public participation have greatly increased. Public education materials and other resources for the public are available on the SCAQMD's website (www.aqmd.gov).

AB 2766 Subvention Funds: AB2766 subvention funds are monies collected by the state as part of vehicle registration and passed through to the SCAQMD for funding projects of local cities, among others, that reduce motor vehicle air pollutants. The Clean Fuels Program, funded by a surcharge on motor vehicle registrations in the SCAQMD, reduces TAC emissions through co-funding projects to develop and demonstrate low-emission clean fuels and advanced technologies, and to promote commercialization and deployment of promising or proven technologies in Southern California.

Carl Moyer Program: Another program that targets diesel emission reductions is the Carl Moyer Program which provides grants for projects that achieve early or extra emission reductions beyond what is required by regulations. Examples of eligible projects include cleaner on-road, off-road, marine, locomotive, and stationary agricultural pump engines. Other endeavors of the SCAQMD's Technology Advancement Office help to reduce diesel PM emissions through co-funding research and demonstration projects of clean technologies, such as low-emitting locomotives.

Control of TACs with Risk Reduction Audits and Plans: SB 1731, enacted in 1992 and codified at HSC §44390 et seq., amended AB 2588 to include a requirement for facilities with significant risks to prepare and implement a risk reduction plan which will reduce the risk below a defined significant risk level within specified time limits. SCAQMD Rule 1402 was adopted on April 8, 1994 to implement the requirements of SB 1731.

In addition to the TAC rules adopted by SCAQMD under authority of AB 1807 and SB 1731, the SCAQMD has adopted source-specific TAC rules, based on the specific level of TAC emitted and the needs of the area. These rules are similar to the state's ATCMs because they are source-specific and only address emissions and risk from specific compounds and operations.

Multiple Air Toxics Exposure Studies (MATES): In 1986, SCAQMD conducted the first MATES Study to determine the Basin-wide risks associated with major airborne carcinogens. At the time, the state of technology was such that only twenty known air toxic compounds could be analyzed and diesel exhaust particulate did not have an agency accepted carcinogenic health risk value. TACs are determined by the USEPA, and by the CalEPA, including the Office of Environmental Health Hazard Assessment and the ARB. For purposes of MATES, the California carcinogenic health risk factors were used. The maximum combined individual health risk for simultaneous exposure to pollutants under the study was estimated to be 600 to 5,000 in one million.

Multiple Air Toxics Exposure Study II (MATES II): At its October 10, 1997 meeting, the SCAQMD Governing Board directed staff to conduct a follow up to the MATES study to quantify the magnitude of population exposure risk from existing sources of

selected air toxic contaminants at that time. The follow up study, MATES II, included a monitoring program of 40 known air toxic compounds, an updated emissions inventory of TACs (including microinventories around each of the 14 microscale sites), and a modeling effort to characterize health risks from hazardous air pollutants. The estimated basin-wide carcinogenic health risk from ambient measurements was 1,400 per million people. About 70 percent of the basin wide health risk was attributed to diesel particulate emissions; about 20 percent to other toxics associated with mobile sources (including benzene, butadiene, and formaldehyde); about 10 percent of basin wide health risk was attributed to stationary sources (which include industrial sources and other certain specifically identified commercial businesses such as dry cleaners and print shops.)

Multiple Air Toxics Exposure Study III (MATES III): MATES III was a follow up to previous air toxics studies in the Basin and was part of the SCAQMD Governing Board's 2003-04 Environmental Justice Workplan. The MATES III Study consists of several elements including a monitoring program, an updated emissions inventory of TACs, and a modeling effort to characterize carcinogenic health risk across the Basin. Besides toxics, additional measurements include organic carbon, elemental carbon, and total carbon, as well as, PM, including PM_{2.5}. It did not estimate mortality or other health effects from particulate exposures. MATES III revealed a general downward trend in air toxic pollutant concentrations with an estimated basin-wide lifetime carcinogenic health risk of 1,200 in one million. Mobile sources accounted for 94 percent of the basin-wide lifetime carcinogenic health risk with diesel exhaust particulate contributing to 84 percent of the mobile source basin-wide lifetime carcinogenic health risk. Non-diesel carcinogenic health risk declined by 50 percent from the MATES II values.

Multiple Air Toxics Exposure Study IV (MATES IV): Monitoring began in June 2012 and a Technical Advisory Group formed. The 10 sites from Mates III would continue to be monitored for trends in the data. A new focus of Mates IV is the inclusion of measurements of ultrafine particle concentrations and localized impacts of combustion sources. The focus of these measurements will be on assessing the exposures to ultrafine particles and black carbon very near sources such as airports, freeways, railyards, busy intersections and warehouse operations.

Carcinogenic Health Risks from Toxic Air Contaminants: One of the primary health risks of concern due to exposure to TACs is the risk of contracting cancer. The carcinogenic potential of TACs is a particular public health concern because it is currently believed by many scientists that there is no "safe" level of exposure to carcinogens. Any exposure to a carcinogen poses some risk of causing cancer. It is currently estimated that about one in four deaths in the U.S. is attributable to cancer. About two percent of cancer deaths in the U.S. may be attributable to environmental pollution (Doll and Peto 1981). The proportion of cancer deaths attributable to air pollution has not been estimated using epidemiological methods.

Non-Cancer Health Risks from Toxic Air Contaminants: Unlike carcinogens, for most TAC non-carcinogens it is believed that there is a threshold level of exposure to the compound below which it will not pose a health risk. CalEPA's Office of Environmental Health Hazard Assessment (OEHHA) develops Reference Exposure Levels (RELs) for

TACs which are health-conservative estimates of the levels of exposure at or below which health effects are not expected. The non-cancer health risk due to exposure to a TAC is assessed by comparing the estimated level of exposure to the REL. The comparison is expressed as the ratio of the estimated exposure level to the REL, called the hazard index (HI).

3.2.2.2 Climate Change

Global climate change is a change in the average weather of the earth, which can be measured by wind patterns, storms, precipitation, and temperature. Historical records have shown that temperature changes have occurred in the past, such as during previous ice ages. Data indicate that the current temperature record differs from previous climate changes in rate and magnitude.

Gases that trap heat in the atmosphere are often called greenhouse gases (GHGs), comparable to a greenhouse, which captures and traps radiant energy. GHGs are emitted by natural processes and human activities. The accumulation of greenhouse gases in the atmosphere regulates the earth's temperature. Global warming is the observed increase in average temperature of the earth's surface and atmosphere. The primary cause of global warming is an increase of GHGs in the atmosphere. The six major GHGs are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), and perfluorocarbon (PFCs). The GHGs absorb longwave radiant energy emitted by the Earth, which warms the atmosphere. The GHGs also emit longwave radiation both upward to space and back down toward the surface of the Earth. The downward part of this longwave radiation emitted by the atmosphere is known as the "greenhouse effect." Emissions from human activities such as fossil fuel combustion for electricity production and vehicles have elevated the concentration of these gases in the atmosphere.

CO₂ is an odorless, colorless greenhouse gas. Natural sources include the following: decomposition of dead organic matter; respiration of bacteria, plants, animals, and fungus; evaporation from oceans; and volcanic outgassing. Anthropogenic (human caused) sources of CO₂ include burning coal, oil, gasoline, natural gas, and wood.

CH₄ is a flammable gas and is the main component of natural gas. N₂O, also known as laughing gas, is a colorless greenhouse gas. Some industrial processes such as fossil fuel-fired power plants, nylon production, nitric acid production, and vehicle emissions also contribute to the atmospheric load of N₂O. HFCs are synthetic man-made chemicals that are used as a substitute for chlorofluorocarbons (whose production was stopped as required by the Montreal Protocol) for automobile air conditioners and refrigerants. The two main sources of PFCs are primary aluminum production and semiconductor manufacture. SF₆ is an inorganic, odorless, colorless, nontoxic, nonflammable gas. SF₆ is used for insulation in electric power transmission and distribution equipment, in the magnesium industry, in semiconductor manufacturing, and as a tracer gas for leak detection.

Scientific consensus, as reflected in recent reports issued by the United Nations Intergovernmental Panel on Climate Change, is that the majority of the observed warming over the last 50 years can be attributable to increased concentration of GHGs in the atmosphere due to human activities. Industrial activities, particularly increased consumption of fossil fuels (e.g., gasoline, diesel, wood, coal, etc.), have heavily contributed to the increase in atmospheric levels

of GHGs. The United Nations Intergovernmental Panel on Climate Change constructed several emission trajectories of greenhouse gases needed to stabilize global temperatures and climate change impacts. It concluded that a stabilization of greenhouse gases at 400 to 450 ppm carbon dioxide-equivalent concentration is required to keep global mean warming below two degrees Celsius, which has been identified as necessary to avoid dangerous impacts from climate change.

The potential health effects from global climate change may arise from temperature increases, climate-sensitive diseases, extreme events, air quality impacts, and sea level rise. There may be direct temperature effects through increases in average temperature leading to more extreme heat waves and less extreme cold spells. Those living in warmer climates are likely to experience more stress and heat-related problems (e.g., heat rash and heat stroke). In addition, climate sensitive diseases may increase, such as those spread by mosquitoes and other disease carrying insects. Those diseases include malaria, dengue fever, yellow fever, and encephalitis. Extreme events such as flooding, hurricanes, and wildfires can displace people and agriculture, which would have negative consequences. Drought in some areas may increase, which would decrease water and food availability. Global warming may also contribute to air quality problems from increased frequency of smog and particulate air pollution.

The impacts of climate change will also affect projects in various ways. Effects of climate change are rising sea levels and changes in snow pack. The extent of climate change impacts at specific locations remains unclear. It is expected that Federal, State and local agencies will more precisely quantify impacts in various regions. As an example, it is expected that the California Department of Water Resources will formalize a list of foreseeable water quality issues associated with various degrees of climate change. Once state government agencies make these lists available, they could be used to more precisely determine to what extent a project creates global climate change impacts.

Federal

Greenhouse Gas Endangerment Findings: On December 7, 2009, the USEPA Administrator signed two distinct findings regarding greenhouse gases pursuant to CAA §202 (a). The Endangerment Finding stated that CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆ taken in combination endanger both the public health and the public welfare of current and future generations. The *Cause or Contribute Finding* stated that the combined emissions from motor vehicles and motor vehicle engines contribute to the greenhouse gas air pollution that endangers public health and welfare. These findings were a prerequisite for implementing GHG standards for vehicles. The USEPA and the National Highway Traffic Safety Administration (NHTSA) finalized emission standards for light-duty vehicles in May 2010 and for heavy-duty vehicles in August of 2011.

Renewable Fuel Standard: The Renewable Fuel Standard (RFS) program was established under the Energy Policy Act (EPAAct) of 2005, and required 7.5 billion gallons of renewable-fuel to be blended into gasoline by 2012. Under the Energy Independence and Security Act (EISA) of 2007, the RFS program was expanded to include diesel, required the volume of renewable fuel blended into transportation fuel be increased from nine billion gallons in 2008 to 36 billion gallons by 2022, established new categories of renewable fuel and required USEPA to apply lifecycle GHG performance threshold

standards so that each category of renewable fuel emits fewer greenhouse gases than the petroleum fuel it replaces. The RFS is expected to reduce greenhouse gas emissions by 138 million metric tons³, about the annual emissions of 27 million passenger vehicles, replacing about seven percent of expected annual diesel consumption and decreasing oil imports by \$41.5 billion.

GHG Tailoring Rule: On May 13, 2010, USEPA finalized the GHG Tailoring Rule to phase in the applicability of the Prevention of Significant Deterioration (PSD) and Title V operating permit programs for GHGs. The GHG Tailoring Rule was tailored to include the largest GHG emitters, while excluding smaller sources (restaurants, commercial facilities and small farms). The first phase (from January 2, 2011 to June 30, 2011) addressed the largest sources that contributed 65 percent of the stationary GHG sources. Title V GHG requirements were triggered only when affected facility owners/operators were applying, renewing or revising their permits for non-GHG pollutants. PSD GHG requirements were applicable only if sources were undergoing permitting actions for other non-GHG pollutants and the permitted action would increase GHG emission by 75,000 metric tons of CO₂ equivalent emissions (CO₂e) per year or more.

The second phase (from July 1, 2011 to June 30, 2013) included sources that emit or have the potential to emit 100,000 of CO₂e metric tons per year or more. Newly constructed sources that are not major sources for non-GHG pollutants would not be subject to PSD GHG requirements unless it emits 100,000 metric tons of CO₂e per year or more. Modifications to a major source would not be subject to PSD GHG requirements unless it generates a net increase of 75,000 metric tons of CO₂e per year or more. Sources not subject to Title V would not be subject to Title V GHG requirements unless 100,000 metric tons of CO₂e per year or more would be emitted.

The third phase of the GHG Tailoring Rule, finalized on July 12, 2012, determined not to lower the current PSD and Title V applicability thresholds for GHG-emitting sources established in the GHG Tailoring Rule for phases 1 and 2. The GHG Tailoring Rule also promulgated regulatory revisions for better implementation of the federal program for establishing plantwide applicability limitations (PALs) for GHG emissions, which will improve the administration of the GHG PSD permitting programs.

GHG Reporting Program: USEPA issued the Mandatory Reporting of Greenhouse Gases Rule (40 CFR Part 98) under the 2008 Consolidated Appropriations Act. The Mandatory Reporting of Greenhouse Gases Rule requires reporting of GHG data from large sources and suppliers under the Greenhouse Gas Reporting Program (GHGRP). Suppliers of certain products that would result in GHG emissions if released, combusted or oxidized; direct emitting source categories; and facilities that inject CO₂ underground for geologic sequestration or any purpose other than geologic sequestration are included. Facilities that emit 25,000 metric tons or more per year of GHGs as CO₂e are required to

³ One metric ton is equal to 2,205 pounds.

submit annual reports to USEPA. For the 2010 calendar, there were 6,260 entities that reported GHG data under this program, and 467 of the entities were from California. Of the 3,200 million metric tons of CO₂e that were reported nationally, 112 million metric tons of CO₂e were from California. Power plants were the largest stationary source of direct U.S. GHG emissions with 2,326 million metric tons of CO₂e, followed by refineries with 183 million metric tons of CO₂e. CO₂ emissions accounted for largest share of direct emissions with 95 percent, followed by CH₄ with four percent, and N₂O and fluorinated gases representing the remaining one percent.

State

Executive Order S-3-05: In June 2005, Governor Schwarzenegger signed Executive Order S-3-05, which established emission reduction targets. The goals would reduce GHG emissions to 2000 levels by 2010, then to 1990 levels by 2020, and to 80 percent below 1990 levels by 2050.

AB 32 - Global Warming Solutions Act: On September 27, 2006, AB 32, the California Global Warming Solutions Act of 2006, was signed by Governor Schwarzenegger. AB 32 expanded on Executive Order S-3-05. The California legislature stated that “global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California.” AB 32 represents the first enforceable state-wide program in the U.S. to cap all GHG emissions from major industries that includes penalties for non-compliance. While acknowledging that national and international actions will be necessary to fully address the issue of global warming, AB 32 lays out a program to inventory and reduce greenhouse gas emissions in California and from power generation facilities located outside the state that serve California residents and businesses. AB 32 requires CARB to:

- Establish a statewide GHG emissions cap for 2020, based on 1990 emissions by January 1, 2008;
- Adopt mandatory reporting rules for significant sources of GHG by January 1, 2008;
- Adopt a GHG emissions reduction plan by January 1, 2009, indicating how the GHG emissions reductions will be achieved via regulations, market mechanisms, and other actions; and
- Adopt regulations to achieve the maximum technologically feasible and cost-effective reductions of GHG by January 1, 2011.

The combination of Executive Order S-3-05 and AB 32 will require significant development and implementation of energy efficient technologies and shifting of energy production to renewable sources.

Consistent with the requirement to develop an emission reduction plan, CARB prepared a Scoping Plan indicating how GHG emission reductions will be achieved through regulations, market mechanisms, and other actions. The Scoping Plan was released for public review and comment in October 2008 and approved by CARB on December 11,

2008. The Scoping Plan calls for reducing GHG emissions to 1990 levels by 2020. This means cutting approximately 30 percent from business-as-usual (BAU) emission levels projected for 2020, or about 15 percent from today’s levels. Key elements of CARB staff’s recommendations for reducing California’s GHG emissions to 1990 levels by 2020 contained in the Scoping Plan include the following:

- Expansion and strengthening of existing energy efficiency programs and building and appliance standards;
- Expansion of the Renewables Portfolio Standard to 33 percent;
- Development of a California cap-and-trade program that links with other Western Climate Initiative (WCI) partner programs to create a regional market system;
- Establishing targets for transportation-related greenhouse gases and pursuing policies and incentives to achieve those targets;
- Adoption and implementation of existing state laws and policies, including California’s clean car standards, goods movement measures, and the Low Carbon Fuel Standard (LCFS); and
- Targeted fees, including a public good charge on water use, fees on high global warming potential (GWP) gases and a fee to fund the state’s long-term commitment to AB 32 administration.

In response to the comments received on the Draft Scoping Plan and at the November 2008 public hearing, CARB made a few changes to the Draft Scoping Plan, primarily to:

- State that California “will transition to 100 percent auction” of allowances and expects to “auction significantly more [allowances] than the Western Climate Initiative minimum;”
- Make clear that allowance set-asides could be used to provide incentives for voluntary renewable power purchases by businesses and individuals and for increased energy efficiency;
- Make clear that allowance set-asides can be used to ensure that voluntary actions, such as renewable power purchases, can be used to reduce greenhouse gas emissions under the cap;
- Provide allowances are not required from carbon neutral projects; and
- Mandate that commercial recycling be implemented to replace virgin raw materials with recyclables.

SB 97 – CEQA, Greenhouse Gas Emissions: On August 24, 2007, Governor Schwarzenegger signed into law SB 97 – CEQA: Greenhouse Gas Emissions, and stated, “This bill advances a coordinated policy for reducing greenhouse gas emissions by directing the Office of Planning and Research (OPR) and the Resources Agency to develop CEQA guidelines on how state and local agencies should analyze, and when

necessary, mitigate greenhouse gas emissions.” As directed by SB 97, the Natural Resources Agency adopted amendments to the CEQA Guidelines for GHG emissions on December 30, 2009 to provide guidance to public agencies regarding the analysis and mitigation of the effects of GHG emissions in draft CEQA documents. The amendments did not establish a threshold for significance for GHG emissions. The amendments became effective on March 18, 2010.

OPR - Technical Advisory on CEQA and Climate Change: Consistent with SB 97, on June 19, 2008, OPR released its “Technical Advisory on CEQA and Climate Change,” which was developed in cooperation with the Resources Agency, the CalEPA, and the CARB. According to OPR, the “Technical Advisory” offers the informal interim guidance regarding the steps lead agencies should take to address climate change in their CEQA documents, until CEQA guidelines are developed pursuant to SB 97 on how state and local agencies should analyze, and when necessary, mitigate greenhouse gas emissions.

According to OPR, lead agencies should determine whether greenhouse gases may be generated by a proposed project, and if so, quantify or estimate the GHG emissions by type and source. Second, the lead agency must assess whether those emissions are individually or cumulatively significant. When assessing whether a project’s effects on climate change are “cumulatively considerable” even though its GHG contribution may be individually limited, the lead agency must consider the impact of the project when viewed in connection with the effects of past, current, and probable future projects. Finally, if the lead agency determines that the GHG emissions from the project as proposed are potentially significant, it must investigate and implement ways to avoid, reduce, or otherwise mitigate the impacts of those emissions.

In 2009, total California greenhouse gas emissions were 457 million metric tons of CO₂e (MMT_{CO2e}); net emissions were 453 MMT_{CO2e}, reflecting the influence of sinks (net CO₂ flux from forestry). While total emissions have increased by 5.5 percent from 1990 to 2009, emissions decreased by 5.8 percent from 2008 to 2009 (485 to 457 MMT_{CO2e}). The total net emissions between 2000 and 2009 decreased from 459 to 453 MMT_{CO2e}, representing a 1.3 percent decrease from 2000 and a 6.1 percent increase from the 1990 emissions level. The transportation sector accounted for approximately 38 percent of the total emissions, while the industrial sector accounted for approximately 20 percent. Emissions from electricity generation were about 23 percent with almost equal contributions from in-state and imported electricity.

Per capita emissions in California have slightly declined from 2000 to 2009 (by 9.7 percent), but the overall nine percent increase in population during the same period offsets the emission reductions. From a per capita sector perspective, industrial per capita emissions have declined 21 percent from 2000 to 2009, while per capita emissions for ozone depleting substance (ODS) substitutes saw the highest increase (52 percent).

From a broader geographical perspective, the state of California ranked second in the U.S. for 2007 greenhouse gas emissions, only behind Texas. However, from a per capita standpoint, California had the 46th lowest GHG emissions. On a global scale, California

had the 14th largest carbon dioxide emissions and the 19th largest per capita emissions. The GHG inventory is divided into three categories: stationary sources, on-road mobile sources, and off-road mobile sources.

AB 1493 Vehicular Emissions - CO₂: Prior to the USEPA and NHTSA joint rulemaking, Governor Schwarzenegger signed Assembly Bill AB 1493 (2002). AB 1493 requires that CARB develop and adopt, by January 1, 2005, regulations that achieve “the maximum feasible reduction of greenhouse gases emitted by passenger vehicles and light-duty trucks and other vehicles determined by CARB to be vehicles whose primary use is noncommercial personal transportation in the state.”

CARB originally approved regulations to reduce GHGs from passenger vehicles in September 2004, with the regulations to take effect in 2009 (see amendments to CCR Title 13 §§1900 and 1961 (13 CCR 1900, 1961), and the adoption of CCR Title 13 §1961.1 (13 CCR 1961.1)). California’s first request to the USEPA to implement GHG standards for passenger vehicles was made in December 2005 and subsequently denied by the USEPA in March 2008. The USEPA then granted California the authority to implement GHG emission reduction standards for new passenger cars, pickup trucks and sport utility vehicles on June 30, 2009.

On April 1, 2010, CARB filed amended regulations for passenger vehicles as part of California’s commitment toward the national program to reduce new passenger vehicle GHGs from 2012 through 2016. The amendments will prepare California to harmonize its rules with the federal Light-Duty Vehicle GHG Standards and CAFE Standards.

SB 1368: SB 1368 is the companion bill of AB 32 and was signed by Governor Schwarzenegger in September 2006. SB 1368 required the CPUC to establish a GHG emission performance standard for baseload generation from investor owned utilities by February 1, 2007. The CEC was also required to establish a similar standard for local publicly owned utilities by June 30, 2007. These standards cannot exceed the greenhouse gas emission rate from a baseload combined-cycle natural gas fired plant. The legislation further required that all electricity provided to California, including imported electricity, must be generated from plants that meet the standards set by the PUC and CEC.

Executive Order S-1-07: Governor Schwarzenegger signed Executive Order S-1-07 in 2007 which established the transportation sector as the main source of GHG emissions in California. Executive Order S-1-07 proclaims that the transportation sector accounts for over 40 percent of statewide GHG emissions. Executive Order S-1-07 also establishes a goal to reduce the carbon intensity of transportation fuels sold in California by a minimum of 10 percent by 2020.

In particular, Executive Order S-1-07 established the LCFS and directed the Secretary for Environmental Protection to coordinate the actions of the CEC, CARB, the University of California, and other agencies to develop and propose protocols for measuring the “life-cycle carbon intensity” of transportation fuels. The analysis supporting development of the protocols was included in the SIP for alternative fuels (State Alternative Fuels Plan

adopted by CEC on December 24, 2007) and was submitted to CARB for consideration as an “early action” item under AB 32. CARB adopted the LCFS on April 23, 2009.

SB 375: SB 375, signed into law in September 2008, aligns regional transportation planning efforts, regional GHG reduction targets, and land use and housing allocation. As part of the alignment, SB 375 requires Metropolitan Planning Organizations (MPOs) to adopt a Sustainable Communities Strategy (SCS) or Alternative Planning Strategy (APS) which prescribes land use allocation in that MPO’s Regional Transportation Plan (RTP). CARB, in consultation with MPOs, is required to provide each affected region with reduction targets for GHGs emitted by passenger cars and light trucks in the region for the years 2020 and 2035. These reduction targets will be updated every eight years but can be updated every four years if advancements in emissions technologies affect the reduction strategies to achieve the targets. CARB is also charged with reviewing each MPO’s SCS or APS for consistency with its assigned GHG emission reduction targets. If MPOs do not meet the GHG reduction targets, transportation projects located in the MPO boundaries would not be eligible for funding programmed after January 1, 2012.

CARB appointed the Regional Targets Advisory Committee (RTAC), as required under SB 375, on January 23, 2009. The RTAC’s charge was to advise CARB on the factors to be considered and methodologies to be used for establishing regional targets. The RTAC provided its recommendation to CARB on September 29, 2009. CARB was required to adopt final targets by September 30, 2010.

Executive Order S-13-08: Governor Schwarzenegger signed Executive Order S-13-08 on November 14, 2008 which directed California to develop methods for adapting to climate change through preparation of a statewide plan. Executive Order S-13-08 directed OPR, in cooperation with the Resources Agency, to provide land use planning guidance related to sea level rise and other climate change impacts by May 30, 2009. Executive Order S-13-08 also directed the Resources Agency to develop a state Climate Adaptation Strategy by June 30, 2009 and to convene an independent panel to complete the first California Sea Level Rise Assessment Report. The assessment report was required to be completed by December 1, 2010 and required to meet the following four criteria:

1. Project the relative sea level rise specific to California by taking into account issues such as coastal erosion rates, tidal impacts, El Niño and La Niña events, storm surge, and land subsidence rates;
2. Identify the range of uncertainty in selected sea level rise projections;
3. Synthesize existing information on projected sea level rise impacts to state infrastructure (e.g., roads, public facilities, beaches), natural areas, and coastal and marine ecosystems; and
4. Discuss future research needs relating to sea level rise in California.

SB 1078, SB 107 and Executive Order S-14-08: SB 1078 (Chapter 516, Statutes of 2002) requires retail sellers of electricity, including investor owned utilities and community choice aggregators, to provide at least 20 percent of their supply from

renewable sources by 2017. SB 107 (Chapter 464, Statutes of 2006) changed the target date to 2010. In November 2008, Governor Schwarzenegger signed Executive Order S-14-08, which expands the state's Renewable Portfolio Standard to 33 percent renewable power by 2020.

SB X-1-2: SB X1-2 was signed by Governor Brown in April 2011. SB X1-2 created a new Renewables Portfolio Standard (RPS), which pre-empted CARB's 33 percent Renewable Electricity Standard. The new RPS applies to all electricity retailers in the state including publicly owned utilities (POUs), investor-owned utilities, electricity service providers, and community choice aggregators. These entities must adopt the new RPS goals of 20 percent of retail sales from renewables by the end of 2013, 25 percent by the end of 2016, and the 33 percent requirement by the end of 2020.

SCAQMD

The SCAQMD adopted a "Policy on Global Warming and Stratospheric Ozone Depletion" on April 6, 1990. The policy commits the SCAQMD to consider global impacts in rulemaking and in drafting revisions to the AQMP. In March 1992, the SCAQMD Governing Board reaffirmed this policy and adopted amendments to the policy to include support of the adoption of a California GHG emission reduction goal.

Basin GHG Policy and Inventory: The SCAQMD has established a policy, adopted by the SCAQMD Governing Board at its September 5, 2008 meeting, to actively seek opportunities to reduce emissions of criteria, toxic, and climate change pollutants. The policy includes the intent to assist businesses and local governments implementing climate change measures, decrease the agency's carbon footprint, and provide climate change information to the public. The SCAQMD will take the following actions:

1. Work cooperatively with other agencies/entities to develop quantification protocols, rules, and programs related to greenhouse gases;
2. Share experiences and lessons learned relative to SCAQMD Regulation XX - Regional Clean Air Incentives Market (RECLAIM), to help inform state, multi-state, and federal development of effective, enforceable cap-and-trade programs. To the extent practicable, staff will actively engage in current and future regulatory development to ensure that early actions taken by local businesses to reduce greenhouse gases will be treated fairly and equitably. SCAQMD staff will seek to streamline administrative procedures to the extent feasible to facilitate the implementation of AB 32 measures;
3. Review and comment on proposed legislation related to climate change and greenhouse gases, pursuant to the 'Guiding Principles for SCAQMD Staff Comments on Legislation Relating to Climate Change' approved at the SCAQMD Governing Board's Special Meeting in April 2008;
4. Provide higher priority to funding Technology Advancement Office (TAO) projects or contracts that also reduce greenhouse gas emissions;

5. Develop recommendations through a public process for an interim greenhouse gas CEQA significance threshold, until such time that an applicable and appropriate statewide greenhouse gas significance level is established. Provide guidance on analyzing greenhouse gas emissions and identify mitigation measures. Continue to consider GHG impacts and mitigation in SCAQMD lead agency documents and in comments when SCAQMD is a responsible agency;
6. Revise the SCAQMD's Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning to include information on greenhouse gas strategies as a resource for local governments. The Guidance Document will be consistent with state guidance, including CARB's Scoping Plan;
7. Update the Basin's greenhouse gas inventory in conjunction with each Air Quality Management Plan. Information and data used will be determined in consultation with CARB, to ensure consistency with state programs. Staff will also assist local governments in developing greenhouse gas inventories;
8. Bring recommendations to the SCAQMD Governing Board on how the agency can reduce its own carbon footprint, including drafting a Green Building Policy with recommendations regarding SCAQMD purchases, building maintenance, and other areas of products and services. Assess employee travel as well as other activities that are not part of a GHG inventory and determine what greenhouse gas emissions these activities represent, how they could be reduced, and what it would cost to offset the emissions;
9. Provide educational materials concerning climate change and available actions to reduce greenhouse gas emissions on the SCAQMD website, in brochures, and other venues to help cities and counties, businesses, households, schools, and others learn about ways to reduce their electricity and water use through conservation or other efforts, improve energy efficiency, reduce vehicle miles traveled, access alternative mobility resources, utilize low emission vehicles and implement other climate friendly strategies; and
10. Conduct conferences, or include topics in other conferences, as appropriate, related to various aspects of climate change, including understanding impacts, technology advancement, public education, and other emerging aspects of climate change science.

On December 5, 2008, the SCAQMD Governing Board adopted the staff proposal for an interim GHG significance threshold for projects where the SCAQMD is lead agency. SCAQMD's recommended interim GHG significance threshold proposal uses a tiered approach to determining significance. Tier 1 consists of evaluating whether or not the project qualifies for any applicable exemption under CEQA. Tier 2 consists of determining whether or not the project is consistent with a GHG reduction plan that may be part of a local general plan, for example. Tier 3 establishes a screening significance threshold level to determine significance using a 90 percent emission capture rate approach, which corresponds to 10,000 metric tons of CO₂ equivalent emissions per year (MTCO_{2e}/year). Tier 4, to be based on performance standards, is yet to be developed. Under Tier 5 the project proponent would allow offsets to reduce GHG emission impacts to less than the proposed screening level. If CARB adopts statewide significance

thresholds, SCAQMD staff plans to report back to the SCAQMD Governing Board regarding any recommended changes or additions to the SCAQMD’s interim threshold.

Table 3-5 presents the GHG emission inventory by major source categories in calendar year 2008, as identified in the 2012 AQMP for the South Coast Air Basin. The emissions reported herein are based on in-basin energy consumption and do not include out-of-basin energy production (e.g., power plants, crude oil production) or delivery emissions (e.g., natural gas pipeline loss). Three major GHG pollutants have been included: CO₂, N₂O, and CH₄. These GHG emissions are reported in MMTCO₂e. Mobile sources generate 59.4 percent of the emissions, and include airport equipment, and oil and gas drilling equipment. The remaining 40.6 percent of the total Basin GHG emissions are from stationary and area sources. The largest stationary/area source is fuel combustion, which is 27.8 percent of the total Basin GHG emissions (68.6 percent of the GHG emissions from the stationary and area source category).

3.2.2.3 Air Quality – Ozone Depletion

The Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol) is an international treaty designed to phase out halogenated hydrocarbons such as chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs), which are considered ODSs. The Montreal Protocol was first signed in September 16, 1987 and has been revised seven times. The U.S. ratified the original Montreal Protocol and each of its revisions.

Federal

Under the CAA Title VI, the USEPA is assigned responsibility for implementing programs that protect the stratospheric ozone layer. 40 CFR Part 82 contains USEPA’s regulations specific to protecting the ozone layer. These USEPA regulations phase out the production and import of ozone depleting substances (ODSs) consistent with the Montreal Protocol. ODSs are typically used as refrigerants or as foam blowing agents. ODS are regulated as Class I or Class II controlled substances. Class I substances have a higher ozone-depleting potential and have been completely phased out in the U.S., except for exemptions allowed under the Montreal Protocol. Class II substances are HCFCs, which are transitional substitutes for many Class I substances and are being phased out.

State

AB 32 - Global Warming Solutions Act: Some ODSs exhibit high global warming potentials. CARB developed a cap and trade regulation under AB 32. The cap and trade regulation includes the Compliance Offset Protocol Ozone Depleting Substances Projects, which provides methods to quantify and report GHG emission reductions associated with the destruction of high global warming potential ODS sourced from and destroyed within the U.S. that would have otherwise been released to the atmosphere. The protocol must be used to quantify and report GHG reductions under the ARB’s GHG Cap and Trade Regulation.

Refrigerant Management Program: As part implementing AB 32, CARB also adopted a Refrigerant Management Program in 2009. The Refrigerant Management Program is designed to reduce GHG emissions from stationary sources through refrigerant leak detection

and monitoring, leak repair, system retirement and retrofitting, reporting and recordkeeping, and proper refrigerant cylinder use, sale, and disposal.

TABLE 3-3
2008 GHG Emissions for the South Coast Air Basin

CODE	Source Category	Emission (TPD)			Emission (TPY)			MMTONS
		CO2	N2O	CH4	CO2	N2O	CH4	CO2e
Fuel Combustion								
10	Electric Utilities	34,303	.08	0.71	12,520,562	29.0	258	11.4
20	Cogeneration	872	.00	0.02	318,340	0.60	6.00	0.29
30	Oil and Gas Production (combustion)	2,908	.01	0.08	1,061,470	4.71	29.5	0.96
40	Petroleum Refining (Combustion)	44,654	.06	0.57	16,298,766	20.7	207	14.8
50	Manufacturing and Industrial	22,182	.06	0.48	8,096,396	20.9	174	7.35
52	Food and Agricultural Processing	927	00	0.02	338,516	0.84	7.16	0.31
60	Service and Commercial	21,889	0.08	0.59	7,989,416	30.8	215	7.26
99	Other (Fuel Combustion)	2,241	0.2	0.16	818,057	8.58	58	0.75
Total Fuel Combustion		129,977	0.32	2.62	47,441,523	116	956	43.1
Waste Disposal								
110	Sewage Treatment	26.4	0.00	0.00	9,653	0.12	1.50	0.01
120	Landfills	3,166	0.04	505	1,155,509	14.0	184,451	4.57
130	Incineration	580	0.00	0.02	211,708	0.81	5.48	0.19
199	Other (Waste Disposal)			2.25	0	0.00	820	0.02
Total Waste Disposal		3,772	0.04	508	1,376,870	14.9	185,278	4.78
Cleaning and Surface Coatings								
210	Laundering							
220	Degreasing							
230	Coatings and Related Processes	27.1	0.00	0.21	9,890	0.02	78.0	0.01
240	Printing			0.00	0	0.00	0.00	0.00
250	Adhesives and Sealants			0.00	0	0.00	0.00	0.00
299	Other (Cleaning and Surface Coatings)	2,621	0.00	0.12	956,739	1.20	43.9	0.87
Total Cleaning and Surface Coatings		2,648	0.00	0.33	966,628	1.22	122	0.88
Petroleum Production and Marketing								
310	Oil and Gas Production	92.1	0.00	0.92	33,605	0.06	336	0.04
320	Petroleum Refining	770	0.00	1.65	280,932	0.36	603	0.27
330	Petroleum Marketing			83.8	0	0.00	30,598	0.58
399	Other (Petroleum Production and Marketing)			0.00	0	0.00	0	0.00
Total Petroleum Production and Marketing		862	0.00	86.4	314,536	0.42	31,537	0.89

TABLE 3-3 (Continued)
2008 GHG Emissions for the South Coast Air Basin

CODE	Source Category	Emission (TPD)			Emission (TPY)			MMTONS
		CO2	N2O	CH4	CO2	N2O	CH4	CO2e
Industrial Processes								
410	Chemical			0.92	0	0.00	337	0.01
420	Food and Agriculture			0.02	0	0.00	7.10	0.00
430	Mineral Processes	279	0.00	0.05	101,804	0.19	17.3	0.09
440	Metal Processes			0.02	0	0.00	9.10	0.00
450	Wood and Paper			0.00	0	0.00	0.00	0.00
460	Glass and Related Products			0.00	0	0.00	0.90	0.00
470	Electronics			0.00	0	0.00	0.00	0.00
499	Other (Industrial Processes)	0.08	0.00	0.47	28	0.00	172	0.00
Total Industrial Processes		279	0.00	1.49	101,832	0.19	543	0.10
Solvent Evaporation								
510	Consumer Products			0.00	0.00	0.00	0.00	0.00
520	Architectural Coatings and Related Solvent			0.00	0.00	0.00	0.00	0.00
530	Pesticides/Fertilizers			0.00	0.00	0.00	0.00	0.00
540	Asphalt Paving/Roofing			0.07	0.00	0.00	24.20	0.00
Total Solvent Evaporation		0.00	0.00	0.07	0.00	0.00	24.20	0.00
Miscellaneous Processes								
610	Residential Fuel Combustion	38,850	0.12	0.95	14,180,326	45.3	347	12.9
620	Farming Operations			25.6	0.00	0.00	9,354	0.18
630	Construction and Demolition			0.00	0.00	0.00	0	0.00
640	Paved Road Dust			0.00	0.00	0.00	0	0.00
645	Unpaved Road Dust			0.00	0.00	0.00	0	0.00
650	Fugitive Windblown Dust			0.00	0.00	0.00	0	0.00
660	Fires			0.08	0.00	0.00	30.9	0.00
670	Waste Burning and Disposal			0.58	0.00	0.00	212	0.00
680	Utility Equipment				0.00	0.00		0.00
690	Cooking			0.64	0.00	0.00	235	0.00
699	Other (Miscellaneous Processes)			0.00	0.00	0.00	0	0.00
Total Miscellaneous Processes		38,850	0.12	27.9	14,180,326	45.3	10,179	13.1

TABLE 3-3 (Concluded)
2008 GHG Emissions for the South Coast Air Basin

CODE	Source Category	Emission (TPD)			Emission (TPY)			MMTONS
		CO2	N2O	CH4	CO2	N2O	CH4	CO2e
On-Road Motor Vehicles								
710	Light Duty Passenger Auto (LDA)	84,679	2.72	3.62	30,907,957	993	1,321	28.3
722	Light Duty Trucks 1 (T1 : up to 3750 lb.)	22,319	0.72	0.96	8,146,321	263	350	7.47
723	Light Duty Trucks 2 (T2 : 3751-5750 lb.)	33,495	1.08	1.43	12,225,619	392	523	11.2
724	Medium Duty Trucks (T3 : 5751-8500 lb.)	29,415	0.94	1.25	10,736,309	343	456	9.85
732	Light Heavy Duty Gas Trucks 1 (T4 : 8501-10000 lb.)	8,195	0.16	0.21	2,991,059	57.3	76.7	2.73
733	Light Heavy Duty Gas Trucks 2 (T5 : 10001-14000 lb.)	1,116	0.05	0.07	407,174	19.0	25.6	0.38
734	Medium Heavy Duty Gas Trucks (T6 : 14001-33000 lb.)	727	0.02	0.20	265,506	5.48	73.0	0.24
736	Heavy Heavy Duty Gas Trucks ((HHDGT > 33000 lb.)	102	0.01	0.01	37,198	2.19	2.56	0.03
742	Light Heavy Duty Diesel Trucks 1 (T4 : 8501-10000 lb.)	2,166	0.02	0.02	790,600	6.94	7.30	0.72
743	Light Heavy Duty Diesel Trucks 2 (T5 : 10001-14000 lb.)	735	0.01	0.01	268,413	2.56	2.92	0.24
744	Medium Heavy Duty Diesel Truck (T6 : 14001-33000 lb.)	5,422	0.02	0.02	1,978,974	8.40	8.76	1.80
746	Heavy Heavy Duty Diesel Trucks (HHDDT > 33000 lb.)	17,017	0.05	0.05	6,211,247	17.5	16.4	5.64
750	Motorcycles (MCY)	7,959	0.26	0.34	2,904,910	94.9	124	2.66
760	Diesel Urban Buses (UB)	2,135	0.00	0.00	779,389	1.46	1.46	0.71
762	Gas Urban Buses (UB)	166	0.02	0.02	60,654	8.40	6.94	0.06
770	School Buses (SB)	337	0.00	0.00	122,995	1.46	1.46	0.11
776	Other Buses (OB)	927	0.00	0.00	338,430	0.73	0.73	0.31
780	Motor Homes (MH)	568	0.03	0.04	207,431	11.0	14.6	0.19
Total On-Road Motor Vehicles		217,480	6.11	8.26	79,380,188	155	187	72.7
Other Mobile Sources								
810	Aircraft	37,455	0.10	0.09	13,670,930	36.5	31.8	12.4
820	Trains	586	0.00	0.00	213,835	0.45	1.38	0.19
830	Ships and Commercial Boats	3,452	0.01	0.02	1,259,927	2.64	8.13	1.14
	Other Off-road sources (construction equipment, airport equipment, oil and gas drilling equipment)	16,080	1.72	8.84	5,869,123	628	3,226	5.56
Total Other Mobile Sources		57,572	1.83	8.95	21,013,816	668	3,268	19.3
Total Stationary and Area Sources		176,388	0.49	626	64,381,716	178	228,639	63
Total On-Road Vehicles		217,480	6.11	8.26	79,380,188	155	187	73
Total Other Mobile*		57,572	1.83	8.95	21,013,816	668	3,268	19
Total 2008 Baseline GHG Emissions for Basin		451,440	8.42	644	164,775,719	1,001	232,094	155

HFC Emission Reduction Measures for Mobile Air Conditioning - Regulation for Small Containers of Automotive Refrigerant: The Regulation for Small Containers of Automotive Refrigerant applies to the sale, use, and disposal of small containers of automotive refrigerant with a GWP greater than 150. Emission reductions are achieved through implementation of four requirements: 1) use of a self-sealing valve on the container, 2) improved labeling instructions, 3) a deposit and recycling program for small containers, and 4) an education program that emphasizes best practices for vehicle recharging. This regulation went into effect on January 1, 2010 with a one-year sell-through period for containers manufactured before January 1, 2010. The target recycle rate is initially set at 90 percent, and rose to 95 percent beginning January 1, 2012.

SCAQMD

The SCAQMD adopted a "Policy on Global Warming and Stratospheric Ozone Depletion" on April 6, 1990. The policy targeted a transition away from CFCs as an industrial refrigerant and propellant in aerosol cans. In March 1992, the SCAQMD Governing Board reaffirmed this policy and adopted amendments to the policy to include the following directives for ODSs:

- phase out the use and corresponding emissions of CFCs, methyl chloroform (1,1,1-trichloroethane or TCA), carbon tetrachloride, and halons by December 1995;
- phase out the large quantity use and corresponding emissions of HCFCs by the year 2000;
- develop recycling regulations for HCFCs; and
- develop an emissions inventory and control strategy for methyl bromide.

SCAQMD Rule 1122 – Solvent Degreasers: SCAQMD Rule 1122 applies to all persons who own or operate batch-loaded cold cleaners, open-top vapor degreasers, all types of conveyORIZED degreasers, and air-tight and airless cleaning systems that carry out solvent degreasing operations with a solvent containing VOCs or with a NESHAP halogenated solvent. Some ODSs such as carbon tetrachloride and TCA are NESHAP halogenated solvents.

SCAQMD Rule 1171 – Solvent Cleaning Operations: SCAQMD Rule 1171 reduces emissions of VOCs, TACs, and stratospheric ozone-depleting or globalwarming compounds from the use, storage and disposal of solvent cleaning materials in solvent cleaning operations and activities

SCAQMD Rule 1411 - Recovery or Recycling of Refrigerants from Motor Vehicle Air Conditioners: Rule 1411 prohibits release or disposal of refrigerants used in motor vehicle air conditioners and prohibits the sale of refrigerants in containers which contain less than 20 pounds of refrigerant.

SCAQMD Rule 1415 - Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems: Rule 1415 reduces emissions of high-global warming potential

refrigerants from stationary air conditioning systems by requiring persons subject to this rule to reclaim, recover, or recycle refrigerant and to minimize refrigerant leakage.

SCAQMD Rule 1418 - Halon Emissions from Fire Extinguishing Equipment: Rule 1418 reduce halon emissions by requiring the recovery and recycling of halon from fire extinguishing systems, by limiting the use of halon to specified necessary applications, and by prohibiting the sale of portable halon fire extinguishers that contain less than five pounds of halon.

CHAPTER 4

ENVIRONMENTAL IMPACTS

Introduction

Potential Environmental Impacts and Mitigation Measures

Health Affects Analysis

Potential Environmental Impacts Found Not to Be Significant

Significant Irreversible Environmental Changes

Potential Growth-Inducing Impacts

Consistency

INTRODUCTION

The CEQA Guidelines require environmental documents to identify significant environmental effects that may result from a proposed project [CEQA Guidelines §15126.2 (a)]. Direct and indirect significant effects of a project on the environment should be identified and described, with consideration given to both short- and long-term impacts. The discussion of environmental impacts may include, but is not limited to: the resources involved; physical changes; alterations of ecological systems; health and safety problems caused by physical changes; and, other aspects of the resource base, including water, scenic quality, and public services. If significant adverse environmental impacts are identified, the CEQA Guidelines require a discussion of measures that could either avoid or substantially reduce any adverse environmental impacts to the greatest extent feasible [CEQA Guidelines §15126.4].

The CEQA Guidelines indicate that the degree of specificity required in a CEQA document depends on the type of project being proposed [CEQA Guidelines §15146]. The detail of the environmental analysis for certain types of projects cannot be as great as for others. Accordingly, this ~~Draft~~ Final EA analyzes impacts on a regional level and impacts on the level of individual industries or individual facilities only where feasible.

The categories of environmental impacts to be studied in a CEQA document are established by CEQA [Public Resources Code, §21000 et seq.], and the CEQA Guidelines, as promulgated by the State of California Secretary of Natural Resources. Under the CEQA Guidelines, there are approximately 17 environmental categories in which potential adverse impacts from a project are evaluated. The Initial Study evaluated the project against the environmental categories to determine those environmental categories that may be adversely affected by the proposed project, which will be further analyzed in the appropriate CEQA document.

POTENTIAL ENVIRONMENTAL IMPACTS AND MITIGATION MEASURES

Pursuant to CEQA, an Initial Study, including an environmental checklist, was prepared for this project (see Appendix B). Of the 17 potential environmental impact categories, one topic (air quality) was identified as being potentially adversely affected by the proposed project for potential foregone air quality emission reductions. No comment letters were received during the 30-day public comment period for the Initial Study.

The topic of air quality emissions is further evaluated in detail in this ~~Draft~~ Final EA. The environmental impact analysis for this environmental topic incorporates a “worst-case” approach. This approach entails the premise that whenever the analysis requires that assumptions be made, those assumptions that result in the greatest adverse impacts are typically chosen. This method ensures that all potential effects of the proposed project are documented for the decision-makers and the public. Accordingly, the following analyses use a conservative “worst-case” approach for analyzing the potentially significant adverse environmental impacts associated with the implementation of the proposed project.

AIR QUALITY AND GHG EMISSIONS

The initial evaluation in the NOP/IS (see Appendix B) identified the topic of air quality as potentially being adversely affected by the proposed project. The affected equipment consists of commercial food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO_x Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Due to the fact that control technologies have not matured in a timely manner for retrofit or burner replacement in commercial food ovens, the proposed project

would place the affected equipment on a more suitable compliance schedule with achievable emission limitations under a new proposed rule.

Significance Criteria

To determine whether air quality impacts from adopting and implementing the proposed project are significant, impacts will be evaluated and compared to the following criteria. If impacts exceed any of the significance thresholds in Table 4-1, they will be considered significant. All feasible mitigation measures will be identified and implemented to reduce significant impacts to the maximum extent feasible. The proposed project will be considered to have significant adverse air quality impacts if any one of the thresholds in Table 4-1 are equaled or exceeded.

The SCAQMD makes significance determinations for construction impacts based on the maximum or peak daily emissions during the construction period, which provides a “worst-case” analysis of the construction emissions. Similarly, significance determinations for operational emissions are based on the maximum or peak daily allowable emissions during the operational phase.

**TABLE 4-1
SCAQMD Air Quality Significance Thresholds**

Mass Daily Thresholds ^a		
Pollutant	Construction ^b	Operation ^c
NOx	100 lbs/day	55 lbs/day
VOC	75 lbs/day	55 lbs/day
PM10	150 lbs/day	150 lbs/day
PM2.5	55 lbs/day	55 lbs/day
SOx	150 lbs/day	150 lbs/day
CO	550 lbs/day	550 lbs/day
Lead	3 lbs/day	3 lbs/day
Toxic Air Contaminants (TACs), Odor, and GHG Thresholds		
TACs (including carcinogens and non-carcinogens)	Maximum Incremental Cancer Risk \geq 10 in 1 million Cancer Burden > 0.5 excess cancer cases (in areas \geq 1 in 1 million) Chronic & Acute Hazard Index \geq 1.0 (project increment)	
Odor	Project creates an odor nuisance pursuant to SCAQMD Rule 402	
GHG	10,000 MT/yr CO ₂ eq for industrial facilities	
Ambient Air Quality Standards for Criteria Pollutants ^d		
NO₂ 1-hour average annual arithmetic mean	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal)	
PM10 24-hour average annual average	10.4 $\mu\text{g}/\text{m}^3$ (construction) ^e & 2.5 $\mu\text{g}/\text{m}^3$ (operation) 1.0 $\mu\text{g}/\text{m}^3$	
PM2.5 24-hour average	10.4 $\mu\text{g}/\text{m}^3$ (construction) ^e & 2.5 $\mu\text{g}/\text{m}^3$ (operation)	

**TABLE 4-1 (concluded)
SCAQMD Air Quality Significance Thresholds**

Ambient Air Quality Standards for Criteria Pollutants^d	
SO₂ 1-hour average 24-hour average	0.25 ppm (state) & 0.075 ppm (federal – 99 th percentile) 0.04 ppm (state)
Sulfate 24-hour average	25 µg/m ³ (state)
CO 1-hour average 8-hour average	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal)
Lead 30-day Average Rolling 3-month average Quarterly average	1.5 µg/m ³ (state) 0.15 µg/m ³ (federal) 1.5 µg/m ³ (federal)

^a Source: SCAQMD CEQA Handbook (SCAQMD, 1993)

^b Construction thresholds apply to both the South Coast Air Basin and Coachella Valley (Salton Sea and Mojave Desert Air Basins).

^c For Coachella Valley, the mass daily thresholds for operation are the same as the construction thresholds.

^d Ambient air quality thresholds for criteria pollutants based on SCAQMD Rule 1303, Table A-2 unless otherwise stated.

^e Ambient air quality threshold based on SCAQMD Rule 403.

KEY: lbs/day = pounds per day ppm = parts per million µg/m³ = microgram per cubic meter ≥ = greater than or equal to
MT/yr CO₂eq = metric tons per year of CO₂ equivalents > = greater than

Project-Specific Air Quality and GHG Emissions Impacts:

PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities located throughout the SCAQMD jurisdiction (see Figure 2-1). The proposed project will exempt approximately two thirds of the ovens from the emission limit requirements (small and low use units- see Table 4-3). An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of these larger ovens will be able to comply with the proposed emission limits without changing burner systems. Further, no add-on control equipment is expected to be needed to comply with the new emission limits. Therefore, no potential construction-related impacts are expected. See Chapter 1 of the NOP/IS (Appendix B) for a more detailed description of the operation of burner equipment and the lowering of NOx emissions.

The criteria pollutant affected by the proposed project and delay of emission reductions is nitrogen oxides (NOx). Emissions of particulate matter (PM10), volatile organic compounds (VOCs), sulfur oxides (SOx) and carbon monoxide (CO) are not expected to change compared with the requirements of Rule 1147. Any potential air quality impact from the proposed rule is considered in a CEQA analysis.

PR 1153.1 is based on SCAQMD Rule 1147 but with higher NOx emission limits of 40 to 60 parts per million (ppm) and a CO limit of 800 ppm. PR 1153.1 phases in compliance based on a 20 year equipment life instead of the 15 years used in Rule 1147. Rule 1147 emission reduction estimates for each rule category were based upon the number of units in that rule category and an average emission reduction per unit. Yearly reduction estimates were based on the percentage of equipment that was anticipated to be subject to the emission limits in that year. The new

proposed project NOx emission limit and compliance schedule are provided in Tables 4-2 and 4-3, respectively.

Table 4-2 – Proposed Rule 1153.1 NO_x Emission Limit

Equipment Category(ies)	NO _x Emission Limit PPM @ 3% O ₂ , dry or Pound/mmBTU heat input		
	Process Temperature		
	≤ 500° F	> 500° F and < 900° F	≥ 900° F
In-use units with only radiant tube heating	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU
Other in-use units	40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 4-3 – Proposed Rule 1153.1 Compliance Schedule for In-Use Units

Equipment Category(ies)	Submit Permit Application	Unit Shall Be in Compliance
Griddle ovens and ovens used solely for making pita bread and manufactured prior to 1994	October 1, 2017	July 1, 2018
Other UNIT manufactured prior to 1992	October 1, 2015	July 1, 2016
Other UNIT manufactured prior to 2000	October 1, 2018	July 1, 2019
Any UNIT manufactured after 2000	October 1 of the year prior to the compliance date	July 1 of the year the unit is 20 years old

The proposed project would delay the compliance dates outlined in Rule 1147, and therefore, there would be adjustments to the annual operational NOx emission reductions during the varying compliance years. Tables 4-4 and 4-5 summarize the total NOx emissions for both large and small units and the amount of emission reductions from the proposed project compared to current Rule 1147. Table 4-6 summarizes the total NOx emission reductions foregone as a result of the implementation of PR 1153.1.

Table 4-4 – NOx Emissions for Affected Large Units (>1 lb/day)

	Year 2014 Emissions	Rule Reductions (2014-2023)	Remaining Emissions (2023)
Rule 1147 (lb/day)	247.3	154.6	92.7
PR 1153.1 (lb/day)	247.3	77.3	170.0

Shortfall of Emission Reductions (1b/day foregone): **77.3**

Table 4-5 – NOx Emissions for Affected Small Units (≤1 lb/day)

	Year 2014 Emissions	Rule Reductions (2014-2023)	Remaining Emissions (2023)
Rule 1147 (lb/day)	57.2	40.4	16.8
PR 1153.1 (lb/day)	57.2	0	57.2

Shortfall of Emission Reductions (1b/day foregone): **40.4**

Table 4-6 – Proposed Project Air Quality Impacts

	Emissions Foregone
Affected Large Units (>1 lb/day)	77.3
Affected Small Units (≤1 lb/day)	40.4

TOTAL: **117.7 lbs/day**

NOx emission reductions for PR 1153.1 are delayed over time compared with Rule 1147, but not all are permanently foregone. However, as noted in Table 4-6, the proposed project will result in approximately 118 pounds per day of peak daily NOx emissions foregone by 2023 as a result of an increase in the allowable NOx ppm limit and delay in compliance dates. The quantity of peak daily NOx emission reductions delayed exceeds the NOx significance threshold for operation of 55 pounds per day. Thus, PR 1153.1 will result in adverse significant operational air quality impacts.

GHG Emissions Impacts:

The analysis of GHG emissions is a different analysis than for criteria pollutants for the following reasons. For criteria pollutant, significance thresholds are based on daily emissions because attainment or non-attainment is primarily based on daily exceedances of applicable ambient air quality standards. Further, several ambient air quality standards are based on relatively short-term exposure effects to human health (one-hour and eight-hour standards). Since the half-life of CO2 is approximately 100 years, for example, the effects of GHGs occur over a longer timeframe than a single day (e.g., annual emissions). GHG emissions are typically considered to be cumulative impacts because they contribute to global climate change.

Based on the type and size of equipment affected by PR 1153.1, CO2e emissions (e.g., GHGs) from the operation of the equipment are likely to decrease from current levels due to improved fuel efficiency. Further, there is no fuel penalty associated with operating equipment with ultra-low NOx emissions technology due to improvement in air-to-fuel ratio. In addition, as noted in the Staff Report for Rule 1146.2, which was regulating uncontrolled NOx units down to 30 ppm, “reducing NOx can also have the added benefit of reducing natural gas usage. Fuel savings of 10 to 13 percent have been reported by the California Energy Commission (CEC).” Since there are more challenges in controlling NOx units from 60 ppm to 30 ppm, the fuel savings are anticipated to be half (five percent) of what was estimated by the CEC study.

The delay in compliance dates means any reductions in GHG emissions will also be delayed, or, in the case of Rule 1153.1, there are 118 lbs per day of NOx emission reductions forgone. So there will likely be a forgone GHG emission reductions based on foregoing the fuel savings achieved by the operation of ultra-low NOx emissions technology that will not take place from some sources. To determine the level of fuel usage (in million British Thermal Units (MMBTU)), the current fuel usage from the affected sources needs to be determined. As noted in Tables 4-8 and 4-9, by year 2023, affected sources would be emitting 109.5 lbs per day (92.7

+ 16.8) at a rate of 30 ppm (0.036 lbs/MMBTU) under the current Rule 1147. Affected facilities operate approximately 6 days per week or 300 days per year. Thus, the baseline fuel usage would be 913,500 MMBTU/year (109.5 lbs per day /0.036 lbs/MMBTU x 300 days per year). Applying a five percent fuel savings should generate a reduction of 45,625 MMBTU/year (913,500 MMBTU/year x 0.05) that would not be achieved because of the foregone requirements.

Table 4-7 applies the annual foregone fuel usage savings (45,625 MMBTU/year) to the GHG emission factors in order to determine the total foregone GHG emission reductions as a result to the proposed project. It is necessary to apply a global warming potential factor in order to allow the GHG elements to be additive. As expected CO2 emissions is the majority of the CO2 equivalence total.

**TABLE 4-7
Foregone GHG Emission Reductions**

GHG	Emission Factor ^a (kg/MMBTU)	Convert to Metric Tons (kg = 0.001 MT) (MT/MMBTU)	Global Warming Potential ^b	CO2 equivalence (MT/MMBTU)	MMBTU/year	MT CO2e/year ^c
CO2	53.06	0.05306	1	0.05306	45,625	2,421
CH4	0.001	1 x 10 ⁻⁶	25	2.5 x 10 ⁻⁵	45,625	1.1
N2O	0.0001	1 x 10 ⁻⁷	298	3.0 x 10 ⁻⁵	45,625	1.4
TOTAL GHG EMISSION REDUCTIONS FORGONE (MT/year):						2,424

- a. <http://www.epa.gov/climateleadership/documents/emission-factors.pdf>
- b. Source: Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment
- c. MT CO2e/year = CO2e (MT/ MMBTU) x MMBTU/year

The total forgone GHG emission reductions from the proposed project is 2,424 MT CO2e per year, which is less than the SCAQMD CEQA GHG significance threshold of 10,000 MT CO2e per year (SCAQMD, 2008). Based upon this calculation, it has been determined that no significant adverse GHG emissions impacts are expected from the proposed project during operation. In addition, projects with incremental increases below the significance threshold are not cumulatively considerable.

Project-Specific Mitigation for Air Quality and GHG Emissions Impacts:

As concluded above, the air quality analysis for the proposed project indicates that NOx emission reductions foregone during operation could exceed the applicable operational significance threshold and are concluded to be significant. If significant adverse environmental impacts are identified in a CEQA document, the CEQA document shall describe feasible measures that could minimize the impacts of the proposed project. PR 1153.1 is a compliance date/emission limit adjustment rule and alternatives to the project are adjustments to the compliance dates and emission limits, which are addressed in the alternatives analysis found in Chapter 5.

PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option to delay compliance. The alternate compliance option allows facilities to phase in compliance over three to five years for equipment with manufacture dates in two consecutive years. The mitigation fee option provides facilities an option to delay compliance by

up to three years. However, the air quality analysis presented above represents a “worst-case” analysis and accounts for these potential additional delays in compliance.

The mitigation fee option for PR 1153.1 is the same mitigation fee program that currently exists in Rule 1147 and available to the affected sources. In Rule 1147, all mitigation fees are used to reduce NOx emissions through the SCAQMD’s leaf blower exchange program. The fees collected as a result of the implementation of PR 1153.1 from the affected facilities electing to use the mitigation fee option will be used in the same manner as fees collected for Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality improvement and GHG co-benefit, to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact, but this cannot be foreseen at this time. However, it could be anticipated that those taking advantage of the mitigation fee option under Rule 1147 would also participate under PR 1153.1, thus similar emission reductions. There are no further feasible mitigation measures identified at this time that would reduce or eliminate the expected delay in emission reductions. Consequently, the operational air quality emissions impacts from the proposed project cannot be mitigated to less than significant. In addition, Findings and a Statement of Overriding Considerations will be prepared for the Governing Board's consideration and approval prior to the public hearings for the proposed amendments. Impacts from implementing the mitigation option were analyzed as part of the environmental assessment conducted for PAR 1147 in 2011 (<http://www.aqmd.gov/docs/default-source/ceqa/documents/aqmd-projects/2011/final-subsequent-environmental-assessment-for-proposed-amended-rule-1147.pdf>). Because the affected facilities are located throughout the SCAQMD jurisdiction, localized impacts could not be determined at this level of analysis.

Remaining Air Quality and GHG Emissions Impacts:

The air quality analysis concluded that significant adverse operational air quality impacts could be created by the proposed amendments because approximately 118 pounds per day of NOx emission reductions will be permanently foregone.

As stated above, PR 1153.1 utilizes the same mitigation fee program that currently exists in Rule 1147. By funding this program, emission reductions will be generated that provide a regional air quality and GHG co-benefit to reduce the impact from the potential delay in emission reductions from those facilities choosing to delay compliance. It is possible that the use of these fees will fully offset the adverse air quality impact but this cannot be foreseen at this time. There are no further feasible mitigation measures identified at this time that would reduce or eliminate the expected delay in emission reductions. A Statement of Findings and a Statement of Overriding Considerations will be prepared for the Governing Board's consideration and approval prior to the public hearings for the proposed rule.

Cumulative Air Quality and GHG Emissions Impacts: The preceding project-specific analysis concluded that air quality and GHG emissions impacts during operation could be significant from implementing the proposed project. Specifically, NOx emission reductions foregone could exceed the SCAQMD’s significance threshold for operation. Thus, the air quality and GHG emissions impacts during operation are considered to be cumulatively considerable pursuant to CEQA Guidelines §15064 (h)(1). It should be noted, however, that the air quality analysis is a conservative, "worst-case" analysis so the actual operation impacts may not be as great as estimated here if facility operators meet the compliance schedule earlier than planned.

Even though the proposed project could result in significant adverse project-specific emission reductions foregone during operation, they are not expected to interfere with the air quality progress and attainment demonstration projected in the 2012 AQMP. Further, based on regional modeling analyses performed for the 2012 AQMP, implementing control measures contained in the 2012 AQMP, in addition to the air quality benefits of the existing rules with future compliance dates, is anticipated to bring the district into attainment with all national and most state ambient air quality standards by the year 2014 for the federal 24-hour PM_{2.5} standard and by the year 2023 for the federal eight-hour ozone standard. Therefore, cumulative operational air quality impacts from the proposed project, previous amendments and all other AQMP control measures considered together, are not expected to be significant because implementation of all AQMP control measures is expected to result in net emission reductions and overall air quality improvement. This determination is consistent with the conclusion in the 2012 AQMP Final Program EIR that cumulative air quality and GHG emissions impacts from all AQMP control measures are not expected to be significant (SCAQMD, 2012). Therefore, there would be no significant adverse cumulative adverse operational air quality and GHG emissions impacts from implementing the proposed project.

Cumulative Mitigation Measures: The analysis indicates that the proposed project could result in a delay of NO_x emission reductions during operation of the proposed project, but the delay would not result in permanent adverse significant cumulative air quality and GHG emissions impacts because of existing backstop measures and regulatory requirements along with AQMP control measures considered together. Thus, no cumulative air quality and GHG emissions mitigation measures for operation are required.

HEALTH EFFECTS ANALYSIS

Ozone formation is primarily the result of the two criteria pollutants, volatile organic compounds (VOCs) and nitrous oxides (NO_x), mixing with sunlight to create a chemical reaction. The proposed project will generate significant foregone NO_x emissions, thus forego the health benefit from NO_x emission reductions originally expected under Rule 1147 from the affected sources. Because the affected facilities are located throughout the SCAQMD jurisdiction, localized health effects could not be determined at this level of analysis. However, due to extensive knowledge of the health effects from ozone and localized studies of those effects, the following analysis could be provided in determining, qualitatively, the health effects from the significant operational NO_x emissions impact.

Ozone is a highly reactive compound, and is a strong oxidizing agent. When ozone comes into contact with the respiratory tract, it can react with tissues and cause damage in the airways. Since it is a gas, it can penetrate into the gas exchange region of the deep lung.

The U.S. EPA primary federal standard for ozone, adopted in 2008, is 75 ppb averaged over eight hours. The California Air Resources Board (CARB) has established state standards of 90 ppb averaged over one hour and at 70 ppb averaged over eight hours. The approved 2007 Air Quality Management Plan (AQMP) provides a blueprint as to how and when the SCAQMD will attain the 1997 8-hour ozone standard (80 ppb) by year 2023, and the upcoming 2016 AQMP will propose a control strategy to be implemented to demonstrate attainment of the 75 ppb 8-hour ozone standard by 2032.

A number of population groups are potentially at increased risk for ozone exposure effects. In the ongoing review of ozone, the U.S. EPA has identified populations as having adequate evidence for increased risk from ozone exposures include individuals with asthma, younger and older age groups, individuals with reduced intake of certain nutrients such as Vitamins C and E, and outdoor workers. There is suggestive evidence for other potential factors, such as variations in genes related to oxidative metabolism or inflammation, gender, socioeconomic status, and obesity. However further evidence is needed.

The adverse effects reported with short-term ozone exposure are greater with increased activity because activity increases the breathing rate and the volume of air reaching the lungs, resulting in an increased amount of ozone reaching the lungs. Children may be a particularly vulnerable population to air pollution effects because they spend more time outdoors, are generally more active, and have a higher specific ventilation rate than adults (i.e. after normalization for body mass).

A number of adverse health effects associated with ambient ozone levels have been identified from laboratory and epidemiological studies¹. These include increased respiratory symptoms, damage to cells of the respiratory tract, decrease in lung function, increased susceptibility to respiratory infection, an increased risk of hospitalization, and increased risk of mortality.

Increases in ozone levels are associated with increased numbers of absences from school. The Children's Health Study, conducted by researchers at the University of Southern California, followed a cohort of children that live in 12 communities in Southern California with differing levels of air pollution for several years. A publication from this study reported that school absences in fourth graders for respiratory illnesses were positively associated with ambient ozone levels. An increase of 20 ppb ozone was associated with an 83% increase in illness-related absence rates².

The number of hospital admissions and emergency room visits for all respiratory causes (infections, respiratory failure, chronic bronchitis, etc.) including asthma shows a consistent increase as ambient ozone levels increase in a community. These excess hospital admissions and emergency room visits are observed when hourly ozone concentrations are as low as 60 to 100 ppb.

Numerous recent studies have found positive associations between increases in ozone levels and excess risk of mortality. These associations are strongest during warmer months but overall persist even when other variables including season and levels of particulate matter are accounted for. This indicates that ozone mortality effects may be independent of other pollutants³.

¹ U.S. EPA. (2006) Air Quality Criteria for Ozone and Related Photochemical Oxidants (2006 Final). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-05/004aF-cF

¹ American Thoracic Society (ATS), Committee of the Environmental and Occupational Health Assembly of the American Thoracic Society. (1996). "Health Effects of Outdoor Air Pollution." American Journal Respiratory and Critical Care Medicine, Parts 1 and 2. 153:3-50 and 153:477-498

² Gilliland FD, Berhane K, Rappaport EB, Thomas DC, Avol E, Gauderman WJ, London SJ, Margolis HG, McConnell R, Islam KT, Peters JM. (2001). "The Effects of Ambient Air Pollution on School Absenteeism Due to Respiratory Illnesses." Epidemiology, 12(1):43-54.

³ Bell ML, McDermott A, Zeger SL, Samet, JM, Dominici, F. (2004). "Ozone and Short-Term Mortality in 95 US Urban Communities, 1987-2000." JAMA 292:2372-2378.

Multicity studies of short-term ozone exposures (days) and mortality have also examined regional differences. Evidence was provided that there were generally higher ozone-mortality risk estimates in northeastern U.S. cities, with the southwest and urban mid-west cities showing lower or no associations⁴. Another long-term study of a national cohort found that long-term exposures to ozone were associated with respiratory-related causes of mortality, but not cardiovascular-related causes, when PM2.5 exposure was also included in the analysis.

In the ongoing U.S. EPA review, it was concluded that there is adequate evidence for asthmatics to be a potentially at risk population⁵. Several population-based studies suggest that asthmatics are at risk from ambient ozone levels, as evidenced by changes in lung function, increased hospitalizations and emergency room visits.

Laboratory studies have also compared the degree of lung function change seen in age and gender-matched healthy individuals versus asthmatics and those with chronic obstructive pulmonary disease. In studies of individuals with chronic obstructive pulmonary disease, the degree of change evidenced did not differ significantly. That finding, however, may not accurately reflect the true impact of exposure on these respiration-compromised individuals. Since the respiration-compromised group may have lower lung function to begin with, the same total change may represent a substantially greater relative adverse effect overall. Other studies have found that subjects with asthma are more sensitive to the short-term effects of ozone in terms of lung function and inflammatory response.

Another publication from the Children's Health Study focused on children and outdoor exercise. In Southern California communities with high ozone concentrations, the relative risk of developing asthma in children playing three or more sports was found to be over three times higher than in children playing no sports⁶. These findings indicate that new cases of asthma in children may be associated with performance of heavy exercise in communities with high levels of ozone. While it has long been known that air pollution can exacerbate symptoms in individuals with preexisting respiratory disease, this is among the first studies that indicate ozone exposure may be causally linked to asthma onset.

The evidence linking these effects to air pollutants is derived from population-based observational and field studies (epidemiological) as well as controlled laboratory studies involving human subjects and animals. There have been an increasing number of studies focusing on the mechanisms (that is, on learning how specific organs, cell types, and biomarkers are involved in the human body's response to air pollution) and specific pollutants responsible for individual effects.

In addition, human and animal studies involving both short-term (few hours) and long-term (months to years) exposures indicate a wide range of effects induced or associated with ambient ozone exposure. These are summarized in Table 4-7.

⁴ Smith, RL; Xu, B; Switzer, P. (2009). Reassessing the relationship between ozone and short-term mortality in U.S. urban communities. *Inhal Toxicol* 21: 37-61;

⁴ Bell, ML; Dominici, F. (2008). Effect modification by community characteristics on the short-term effects of ozone exposure and mortality in 98 US communities. *Am J Epidemiol* 167: 986-997.

⁵ U.S. EPA. (2012) Integrated Science Assessment of Ozone and Related Photochemical Oxidants (Third External Review Draft). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-10/076C

⁶ McConnell R, Berhane K, Gilliland F, London SJ, Islam T, Gauderman WJ, Avol E, Margolis HG, Peters JM. (2002). "Asthma in exercising children exposed to ozone: a cohort study." *Lancet*, 359:386-91.

Some lung function responses (volume and airway resistance changes) observed after a single exposure to ozone exhibit attenuation or a reduction in magnitude with repeated exposures. Although it has been argued that the observed shift in response is evidence of a probable adaptation phenomenon, it appears that while functional changes may exhibit attenuation, biochemical and cellular changes which may be associated with episodic and chronic exposure effects may not exhibit similar adaptation. That is, internal damage to the respiratory system may continue with repeated ozone exposures, even if externally observable effects (chest symptoms and reduced lung function) disappear. Additional argument against adaptation is that after several days or weeks without ozone exposures, the responsiveness in terms of lung function as well as symptoms returns.

In a laboratory, exposure of human subjects to low levels of ozone causes reversible decrease in lung function as assessed by various measures such as respiratory volumes, airway resistance and reactivity, irritative cough and chest discomfort. Lung function changes have been observed with ozone exposure as low as 60 to 120 ppb for 6-8 hours under moderate exercising conditions. Similar lung volume changes have also been observed in adults and children under ambient exposure conditions (100 - 150 ppb 1-hour average). The responses reported are indicative of decreased breathing capacity and are reversible.

**TABLE 4 -8
Adverse Health Effects of Ozone (O3) - Summary of Key Findings**

OZONE CONCENTRATION AND EXPOSURE (ppm, hr)	HEALTH EFFECT
Ambient air containing 0.10 - 0.15 ppm daily 1-hr max over days to weeks; < 0.06 ppm (Max 8-hour average) < 0.069 ppm (Mean 8-hour average)	Decreased breathing capacity in children, adolescents, and adults exposed to O3 outdoors. Positive associations of ambient O3 with respiratory hospital admissions and Emergency Department (ED) visits in the U.S., Europe, and Canada with supporting evidence from single-city studies. Generally, these studies had mean 8-h max O3 concentrations less than 0.06 ppm. Positive associations between short-term exposure to ambient O3 and respiratory symptoms (e.g., cough, wheeze, and shortness of breath) in children with asthma. Generally, these studies had mean 8-hr max O3 concentrations less than 0.069 ppm.
≥0.12 ppm (1-3hr) ≥0.06 ppm (6.6hr) (chamber exposures)	Decrements in lung function (reduced ability to take a deep breath), increased respiratory symptoms (cough, shortness of breath, pain upon deep inspiration), increased airway responsiveness and increased airway inflammation in exercising adults. Effects are similar in individuals with preexisting disease except for a greater increase in airway responsiveness for asthmatic and allergic subjects. Older subjects (>50 yrs old) have smaller and less reproducible changes in lung function. Attenuation of response with repeated exposure.
≥0.12 ppm with prolonged, repeated exposure (chamber exposures)	Changes in lung structure, function, elasticity, and biochemistry in laboratory animals that are indicative of airway irritation and inflammation with possible development of chronic lung disease.

	Increased susceptibility to bacterial respiratory infections in laboratory animals.
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From: U.S. EPA. (2012) Integrated Science Assessment of Ozone and Related Photochemical Oxidants (Third External Review Draft). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-10/076C

The results of several studies where human volunteers were exposed to ozone for 6.6 hours at levels between 40 and 120 ppb were recently summarized⁷.

In addition to controlled laboratory conditions, studies of individuals exercising outdoors, including children attending summer camp, have shown associations of reduced lung function with ozone exposure. There were wide ranges in responses among individuals. U.S. EPA's recent review indicates reductions of <1 to 4% in lung function when standardized to an increase of 30 ppb for an 8-hour maximum⁸.

Results of epidemiology studies support the relationship between ozone exposure and respiratory effects. Several, but not all, studies have found associations of short-term ozone levels and hospital admissions and emergency department admissions for respiratory-related conditions⁹.

In laboratory studies, cellular and biochemical changes associated with respiratory tract inflammation have also been consistently found in the airway lining after low-level exposure to ozone. These changes include an increase in specific cell types and in the concentration of biochemical mediators of inflammation and injury such as Interleukin-1, Tumor Necrosis Factor α , and fibronectin. Indications of lung injury and inflammatory changes have been observed in healthy adults exposed to ozone in the range of 60 to 100 ppb for up to 6.6 hours with intermittent moderate exercise.

There may be interactions between ozone and other ambient pollutants. The susceptibility to ozone observed under ambient conditions could be modified due to the combination of pollutants that coexist in the atmosphere or ozone might sensitize these subgroups to the effects of other pollutants.

Some animal studies show results that indicate possible chronic effects including functional and structural changes of the lung. These changes indicate that repeated inflammation associated with ozone exposure over a lifetime may result in cumulative damage to respiratory tissue such that individuals later in life may experience a reduced quality of life in terms of respiratory function and activity level achievable. An autopsy study involving Los Angeles County residents, although conducted many years ago when pollutant levels were higher than currently measured, provided supportive evidence of lung tissue damage (structural changes) attributable to air pollution.

⁷ Brown JS, Bateson TF, McDonnell WF (2008). Effects of Exposure to 0.06 ppm Ozone on FEV1 in Humans: A Secondary Analysis of Existing Data. *Environ Health Perspect* 116:1023-1026.

⁸ U.S. EPA. (2012) Integrated Science Assessment of Ozone and Related Photochemical Oxidants (Third External Review Draft). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-10/076C.

⁹ U.S. EPA (2012) Policy Assessment for the Review of the Ozone National Ambient Air Quality Standards First External Review Draft EPA-452/P-12-002, August 2012

A study of birth outcomes in Southern California found an increased risk for birth defects in the aortic and pulmonary arteries associated with ozone exposure in the second month of pregnancy¹⁰. This was the first study linking ambient air pollutants to birth defects in humans. Studies conducted since mostly focusing on cardiac and oral cleft defects have found mixed results, with some showing associations, but others did not.

In summary, adverse effects associated with ozone exposures have been well documented. Although the specific mechanisms of actions are not fully identified, there is a strong likelihood that oxidation of key enzymes and proteins and inflammatory responses play important roles.

U.S. EPA staff has provided conclusions on the causality on ozone health effects for the health outcomes¹¹ evaluated (provided in Tables 4-9 and 4-10). To understand the meaning of the causal relationship between air pollution and health, Tables 4-8 below shows the five descriptors used by U.S. EPA.

**TABLE 4 -9
Weight of Evidence Descriptions for Causal Determination**

DETERMINATION	WEIGHT OF EVIDENCE
Causal Relationship	Evidence is sufficient to conclude that there is a causal relationship with relevant pollutant exposures. That is, the pollutant has been shown to result in health effects in studies in which chance, bias, and confounding could be ruled out with reasonable confidence. For example: a) controlled human exposure studies that demonstrate consistent effects; or b) observational studies that cannot be explained by plausible alternatives or are supported by other lines of evidence (e.g., animal studies or mode of action information). Evidence includes replicated and consistent high-quality studies by multiple investigators. Evidence is sufficient to conclude that there is a causal relationship with relevant pollutant exposures. That is, the pollutant has been shown to result in effects in studies in which chance, bias, and confounding could be ruled out with reasonable confidence. Controlled exposure studies (laboratory or small- to medium-scale field studies) provide the strongest evidence for causality, but the scope of inference may be limited. Generally, determination is based on multiple studies conducted by multiple research groups, and evidence that is considered sufficient to infer a causal relationship is usually obtained from the joint consideration of many lines of evidence that reinforce each other.
Likely To Be A Causal Relationship	Evidence is sufficient to conclude that a causal relationship is likely to exist with relevant pollutant exposures, but important uncertainties remain. That is, the pollutant has been shown to result in health effects in studies in which chance and bias can be ruled out with reasonable confidence but potential issues remain. For example: a) observational studies show an association, but copollutant exposures are difficult to address and/or other lines of evidence (controlled human exposure, animal, or mode of action information) are limited or inconsistent; or b) animal toxicological evidence from multiple studies from different laboratories that demonstrate effects, but limited or no human data are available. Evidence generally includes replicated and high-quality studies by multiple investigators.
Suggestive Of A Causal Relationship	Evidence is suggestive of a causal relationship with relevant pollutant exposures, but is limited because chance, bias and confounding cannot be ruled out. For example, at least one high-quality epidemiologic study shows an association with a given health outcome but the results of other studies are inconsistent.

¹⁰ Ritz B, Yu F, Fruin S, Chapa G, Shaw GM, Harris JA. (2002). "Ambient Air Pollution and Risk of Birth Defects in Southern California." *Am J Epidemiol*, 155(1):17-25

¹¹ U.S. EPA. (2012) Integrated Science Assessment of Ozone and Related Photochemical Oxidants (Third External Review Draft). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-10/076C

DETERMINATION	WEIGHT OF EVIDENCE
Inadequate To Infer A Causal Relationship	Evidence is inadequate to determine that a causal relationship exists with relevant pollutant exposures. The available studies are of insufficient quantity, quality, consistency or statistical power to permit a conclusion regarding the presence or absence of an effect.
Not Likely To Be A Causal Relationship	Evidence is suggestive of no causal relationship with relevant pollutant exposures. Several adequate studies, covering the full range of levels of exposure that human beings are known to encounter and considering susceptible populations, are mutually consistent in not showing an effect at any level of exposure.

Adapted from U.S. EPA. (2009) Integrated Science Assessment for Particulate Matter (Final Report). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-08/139F

TABLE 4-10
Summary of Causal Determinations for Short-Term Exposures to Ozone

HEALTH CATEGORY	CAUSAL DETERMINATION
Respiratory Effects	Causal relationship
Cardiovascular Effects	Suggestive of a causal relationship
Central Nervous System Effects	Suggestive of a causal relationship
Effects on Liver and Xenobiotic Metabolism	Inadequate to infer a causal relationship
Effects on Cutaneous and Ocular Tissues	Inadequate to infer a causal relationship
Mortality	Likely to be a causal relationship

TABLE 4-11
Summary of Causal Determinations for Long-Term Exposures to Ozone

HEALTH CATEGORY	CAUSAL DETERMINATION
Respiratory Effects	Likely to be a causal relationship
Cardiovascular Effects	Suggestive of a causal relationship
Reproductive and Developmental Effects	Suggestive of a causal relationship
Central Nervous System Effects	Suggestive of a causal relationship
Carcinogenicity and Genotoxicity	Inadequate to infer a causal relationship
Mortality	Suggestive of a causal relationship

POTENTIAL ENVIRONMENTAL IMPACTS FOUND NOT TO BE SIGNIFICANT

While all the environmental topics required to be analyzed under CEQA were reviewed in the NOP/IS (see Appendix B) to determine if the proposed project could create significant impacts, the screening analysis concluded that the following environmental areas would not be significantly adversely affected by the proposed project: aesthetics, agriculture and forestry resources, biological resources, cultural resources, energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, solid/hazardous waste, and transportation/traffic. Please refer to the NOP/IS in Appendix B for the detailed analysis and conclusions for the environmental topic impacts found to be not significant and not further analyzed.

SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

CEQA Guidelines §15126 (c) requires an environmental analysis to consider "any significant irreversible environmental changes which would be involved if the proposed action should be implemented." This EA identified the topic of air quality during operation as the only environmental area potentially adversely affected by the proposed project.

Even though the proposed project could result in emission reductions foregone during operation that exceeds the applicable operational air quality significance threshold, they could for the following reasons not be expected to interfere with the air quality progress and attainment demonstration projected in the AQMP. Based on regional modeling analyses performed for the 2012 AQMP, implementing control measures contained in the 2012 AQMP, in addition to the air quality benefits of the existing rules, is anticipated to bring the district into attainment with all national and most state ambient air quality standards by the year 2023. Therefore, cumulative operational air quality impacts from the proposed project, previous amendments and all other AQMP control measures considered together, are not expected to be significant because implementation of all AQMP control measures is expected to result in net emission reductions and overall air quality improvement. This determination is consistent with the conclusion in the 2012 AQMP Final Program EIR that direct cumulative air quality impacts from all AQMP control measures are not expected to be significant (SCAQMD, 2012). For these reasons, the proposed project would not result in irreversible environmental changes or irretrievable commitment of resources.

POTENTIAL GROWTH-INDUCING IMPACTS

CEQA Guidelines §15126(d) requires an environmental analysis to consider the "growth inducing impact of the proposed action." Implementing the proposed project will not, by itself, have any direct or indirect growth-inducing impacts on businesses in the SCAQMD's jurisdiction because it is not expected to foster economic or population growth or the construction of additional housing and primarily affects existing food oven, roasting and smokehouse facilities.

CONSISTENCY

CEQA Guidelines §15125(d) requires an EIR to discuss any inconsistencies between a proposed project and any applicable general plans or regional plans. SCAG and the SCAQMD have developed, with input from representatives of local government, the industry community, public health agencies, the USEPA - Region IX and CARB, guidance on how to assess consistency within the existing general development planning process in the Basin. Pursuant to the development and adoption of its Regional Comprehensive Plan Guide (RCPG), SCAG has developed an Intergovernmental Review Procedures Handbook (June 1, 1995). The SCAQMD also adopted criteria for assessing consistency with regional plans and the AQMP in its CEQA Air Quality Handbook. The following sections address the consistency between the proposed project and relevant regional plans pursuant to the SCAG Handbook and SCAQMD Handbook.

Consistency with Regional Comprehensive Plan and Guide (RCPG) Policies

The RCPG provides the primary reference for SCAG's project review activity. The RCPG serves as a regional framework for decision making for the growth and change that is anticipated during the next 20 years and beyond. The Growth Management Chapter (GMC) of the RCPG contains population, housing, and jobs forecasts, which are adopted by SCAG's Regional Council and that reflect local plans and policies, shall be used by SCAG in all phases of implementation and review. It states that the overall goals for the region are to: 1) re-invigorate the region's economy; 2) avoid social and economic inequities and the geographical isolation of communities; and, 3) maintain the region's quality of life.

Consistency with Growth Management Chapter (GMC) to Improve the Regional Standard of Living

The Growth Management goals are to develop urban forms that enable individuals to spend less income on housing cost, that minimize public and private development costs, and that enable

firms to be more competitive, strengthen the regional strategic goal to stimulate the regional economy. The proposed project in relation to the GMC would not interfere with the achievement of such goals, nor would it interfere with any powers exercised by local land use agencies. Further, the proposed project will not interfere with efforts to minimize red tape and expedite the permitting process to maintain economic vitality and competitiveness.

Consistency with Growth Management Chapter (GMC) to Provide Social, Political and Cultural Equity

The Growth Management goals to develop urban forms that avoid economic and social polarization promotes the regional strategic goals of minimizing social and geographic disparities and of reaching equity among all segments of society. Consistent with the Growth Management goals, local jurisdictions, employers and service agencies should provide adequate training and retraining of workers, and prepare the labor force to meet the challenges of the regional economy. Growth Management goals also includes encouraging employment development in job-poor localities through support of labor force retraining programs and other economic development measures. Local jurisdictions and other service providers are responsible to develop sustainable communities and provide, equally to all members of society, accessible and effective services such as: public education, housing, health care, social services, recreational facilities, law enforcement, and fire protection. Implementing the proposed project has no effect on and, therefore, is not expected to interfere with the goals of providing social, political and cultural equity.

Consistency with Growth Management Chapter (GMC) to Improve the Regional Quality of Life

The Growth Management goals also include attaining mobility and clean air goals and developing urban forms that enhance quality of life, accommodate a diversity of life styles, preserve open space and natural resources, are aesthetically pleasing, preserve the character of communities, and enhance the regional strategic goal of maintaining the regional quality of life. The RCPG encourages planned development in locations least likely to cause environmental impacts, as well as supports the protection of vital resources such as wetlands, groundwater recharge areas, woodlands, production lands, and land containing unique and endangered plants and animals. While encouraging the implementation of measures aimed at the preservation and protection of recorded and unrecorded cultural resources and archaeological sites, the plan discourages development in areas with steep slopes, high fire, flood and seismic hazards, unless complying with special design requirements. Finally, the plan encourages mitigation measures that reduce noise in certain locations, measures aimed at preservation of biological and ecological resources, measures that could reduce exposure to seismic hazards, minimize earthquake damage, and develop emergency response and recovery plans. The proposed project has no impact on any of these issues except air quality. However, since the project would not interfere with the AQMP, it will not be inconsistent with the goal of improving the regional quality of life. Therefore, in relation to the GMC, the proposed project is not expected to interfere, but rather help with attaining and maintaining the air quality portion of these goals.

Consistency with Regional Mobility Element (RMP) and Congestion Management Plan (CMP)

PR 1153.1 is consistent with the RMP and CMP since no significant adverse impact to transportation/circulation will result from the temporary delay of NO_x emission reductions within the District. Because affected facilities will not increase their handling capacities, there will not be an increase in material transport trips associated with the implementation of PR

1153.1. Therefore, PR 1153.1 is not expected to adversely affect circulation patterns or congestion management.

CHAPTER 5

ALTERNATIVES

Introduction

Alternatives Rejected as Infeasible

Description of Alternatives

Comparison of Alternatives

Lowest Toxic and Environmentally Superior Alternatives

Conclusion

INTRODUCTION

This ~~Draft~~ Final EA provides a discussion of alternatives to the proposed project as required by CEQA. A range of reasonable alternatives to the proposed project shall include measures that feasibly attain most of the project objectives and provide a means for evaluating the comparative merits of each alternative. A 'no project' alternative must also be evaluated. The range of alternatives must be sufficient to permit a reasoned choice, but need not include every conceivable project alternative. CEQA Guidelines §15126.6 (c) specifically notes that the range of alternatives required in a CEQA document is governed by a 'rule of reason' and only necessitates that the CEQA document set forth those alternatives necessary to permit a reasoned choice. The key issue is whether the selection and discussion of alternatives fosters informed decision making and meaningful public participation. A CEQA document need not consider an alternative whose effect cannot be reasonably ascertained and whose implementation is remote and speculative. SCAQMD Rule 110 (the rule which implements the SCAQMD's certified regulatory program) does not impose any greater requirements for a discussion of project alternatives in an environmental assessment than is required for an EIR under CEQA.

PROJECT OBJECTIVES

As noted in Chapter 2, CEQA Guidelines §15124(b) requires the project description to include a statement of objectives sought by the proposed project, including the underlying purpose of the proposed project. Compatibility with project objectives is one criterion for selecting a range of reasonable project alternatives and provides a standard against which to measure project alternatives. The project objectives identified in the following bullet points have been developed: 1) in compliance with CEQA Guidelines §15124 (b); and, 2) to be consistent with policy objectives of the SCAQMD's New Source Review program. The project objectives are as follows:

- to limit NO_x and CO emissions from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses;
- to place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment (food ovens, roasters and smokehouses).

ALTERNATIVES SUMMARY

The proposed project and four alternatives to the proposed project are summarized in Table 5-1: Alternative A (No Project), Alternative B (Additional Delayed Compliance and Higher Emission Limit of 60 ppm for all categories), Alternative C (Expedited Compliance) and Alternative D (Lower Emission Limits). Pursuant to CEQA Guidelines §15126.6 (b), the purpose of an alternatives analysis is to reduce or avoid potentially significant adverse effects that a project may have on the environment. The environmental topic area identified in the NOP/IS that may be adversely affected by the proposed project was air quality impacts. A comprehensive analysis of potential air quality impacts is included in Chapter 4 of this document. This chapter provides a comparison of the potential air quality impacts from each of the project alternatives relative to the proposed project, which are summarized in Table 5-2. That analysis concluded that only air quality impacts have the potential to be significant. Aside from air quality, no other significant adverse impacts were identified for the proposed project or any of the project alternatives. As indicated in the following discussions, the proposed project is considered to provide the best balance between meeting the objectives of the project while minimizing potentially significant adverse environmental impacts.

TABLE 5-1
Summary of PR 1153.1 and Project Alternatives

Project	Project Description
Proposed Project	The proposed project includes NOx emission limits of 40 to 60 ppm, a CO limit of 800 ppm, and an emission testing requirement for food ovens, roasters and smokehouses. However, the proposed project delays compliance with the lower NOx limit for at least 2 additional years beyond the dates currently set in Rule 1147 currently applicable to the same affected sources. In addition, PR 1153.1 phases in compliance based on a longer 20 year equipment life instead of the 15 years used in Rule 1147.
Alternative A (No Project)	The proposed project would not be adopted and the current universe of equipment will continue to be subject to the NOx emission limits according to the current compliance schedule in Rule 1147.
Alternative B (Additional Delayed Compliance and Higher Emission Limit)	Provides an additional delay of NOx emission limit compliance requirements and a higher NOx emission limit of 60 ppm for all categories of equipment for affected facilities beyond the proposed project. All other requirements and conditions in the proposed project would be applicable.
Alternative C (Expedited Compliance)	Requires expedited compliance of NOx emission limits compared to the proposed project, but allows a delay of NOx emission limit compliance requirements compared to Rule 1147. All other requirements and conditions in the proposed project would be applicable.
Alternative D (Lower Emission Limits)	Requires affected facilities to meet lower, more stringent NOx emission limits than the emission compliance limits of the proposed project. All other requirements and conditions in the proposed project would be applicable.

TABLE 5-2
Comparison of Adverse Environmental Impacts of the Alternatives

Category	Proposed Project	Alternative A: No Project	Alternative B: Additional Delayed Compliance	Alternative C: Expedited Compliance	Alternative D: Lower Emission Limits
Air Quality Impacts	Approximately 118 lbs of NOx daily emission reductions foregone by 2023; increases emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	Fewer emissions than proposed project due to no delay in emission reductions from proposed project; anticipated equivalent emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	More emission reductions foregone than proposed project due to additional compliance delay and higher emission limit; potentially less emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	Fewer emissions than proposed project due to less delay in emission reductions; potentially more emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.	Fewer emissions than proposed project due to lower emission limits; potentially more emission reductions from air quality improvement projects funded by mitigation fee in Rule 1147.
Significant?	Yes	No	Yes	Yes	No

ALTERNATIVES REJECTED AS INFEASIBLE

A CEQA document should identify any alternatives that were considered by the lead agency, but were rejected as infeasible during the scoping process and explain the reasons underlying the lead agency's determination (CEQA Guidelines §15126.6(c)). While the scope and goals of proposed projects may be relatively specific, a variety of options can be considered as alternatives to the proposed project. The following alternatives have been eliminated from further detailed consideration in the EA for the following reasons: 1) they fail to meet the most basic project objectives, 2) they are infeasible as defined by CEQA (CEQA Guidelines §15364), or 3) they are unable to avoid significant impacts (CEQA Guidelines §15126.6(c)).

Alternative D: Lower Emission Limits

This potential alternative would require affected facilities to meet lower, more stringent emission limits than the emission compliance limits of the proposed project (40 to 60 ppm for NOx; 800 ppm for CO). While this potential alternative would limit NOx and CO emissions from the combustion of gaseous and liquid fuels in commercial food ovens, roasters and smokehouses generating an air quality benefit, this alternative has been eliminated from consideration because it does not meet the second basic project objective to place commercial food ovens on a more suitable compliance schedule with achievable emission limitations. Throughout the rulemaking process, stakeholders have been concerned that achieving an emission concentration of 30 ppm (current limit in Rule 1147 for 2014) was not achievable in older equipment using ribbon burners, a common burner used in commercial food ovens. It should be noted that affected sources have expressed the infeasibility of the current schedule, so to make more stringent requirements would not be productive. Manufacturers and a research institute have been conducting due diligence research and tests to lower NOx emissions from these types of burners and were expected to achieve the Rule 1147 emission limits by 2014. But these projects have

not been completed and there are many older ovens still operating with ribbon burners in the SCAQMD, so lowering the emission compliance limits further is not technologically feasible. Finally, the alternative does not avoid potentially significant air quality impacts. Based on these reasons, this alternative will not be further considered.

DESCRIPTION OF PROJECT ALTERNATIVES

The project alternatives described in the following subsections were developed by modifying specific components of the proposed project. The rationale for selecting and modifying specific components of the proposed project to generate feasible alternatives for the analysis is based on CEQA's requirement to present "realistic" and "potentially feasible" alternatives: that is, alternatives that can actually be implemented. When considering approval of the proposed project, the SCAQMD's Governing Board may choose all of or portions of any of the alternatives analyzed, as well as variations on the alternatives, since the comparative merits of the project alternatives have been analyzed and circulated for public review and comment along with the analysis of the proposed project. The main components of the proposed project and each project alternative are summarized in Table 5-3. A complete description of the proposed project can be found in Chapter 2 (Project Description) and any element of the proposed project not listed will remain the same for Alternatives B and C.

TABLE 5-3
Comparison of Key Components of the Proposed Project to the Alternatives

Proposed Project (Key Components)	Alternative A: No Project	Alternative B: Additional Delayed Compliance and Higher Emission Limit	Alternative C: Expedited Compliance
Delays compliance with lower NOx emission limits for at least 2 additional years beyond the dates currently set in Rule 1147	No change in current NOx emission reductions pursuant to Rule 1147	Additional delay in NOx emission reductions would occur beyond the proposed project	Less delay in NOx emission reductions would occur than proposed project
NOx emission limits of 40 to 60 ppm and a CO limit of 800 ppm	Rule 1147 emission limits would apply (eg.- 30 ppm NOx limit for ribbon burners in 2014)	60 ppm NOx emission limit for all categories of units	Same as proposed project
Includes options for alternate compliance plans, equipment certification and a mitigation fee option to delay compliance	Rule 1147 alternate compliance plans, equipment certification and mitigation fee would still be applicable	Same as proposed project	Same as proposed project

**TABLE 5-3 (concluded)
Comparison of Key Components of the Proposed Project to the Alternatives**

Includes an exemption from the emission limit and testing for small and low-use units with NOx emissions of one pound per day or less projects	All equipment would be subject to Rule 1147 emission limits	Same as proposed project	Same as proposed project
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Alternative A - No Project

CEQA Guidelines §15126.6 requires evaluation of a no project alternative to allow decision makers to compare the impacts of approving the proposed project with the impacts of not approving the proposed project. The No Project Alternative assumes that the proposed project or Alternatives B or C would not be adopted.

Alternative A or ‘no project’ means that the current universe of affected equipment (e.g., commercial food ovens, etc.) will continue to be subject to the NOx emission limits according to the current compliance schedule in Rule 1147. By not delaying the compliance schedule for certain in-use equipment categories, some equipment owners/operators will continue to experience compliance challenges, in particular, with certain effective dates in Rule 1147. The no project alternative is technically not feasible. Thus, under Alternative A, owners/operators of equipment not able to meet the applicable NOx emission limit by the applicable compliance date will need to shut down the equipment or apply for a variance to comply. No adverse significant air quality impacts would occur from shutting down noncompliant equipment under Alternative A because the equipment would not be generating NOx emissions. Even though Alternative A, the ‘no project’ alternative, does not achieve the goals of the proposed project, it is the environmentally superior alternative in accordance with CEQA Guidelines §15126.6(e)(2) because it will result in the lowest level of NOx emissions either with early compliance with lower NOx limits per Rule 1147, or by the shutting down of noncompliant equipment, thus, improve air quality in the District.

Alternative B – Additional Delayed Compliance and Higher Emission Limit

Alternative B is the additional delayed compliance alternative because it would provide an additional delay in the compliance schedule beyond what is proposed in PR 1153.1, for meeting the NOx emission limits from affected sources. The proposed rule sets various deadlines to comply with lower NOx emissions limits from the different types and sizes of equipment. Alternative B would provide six months to one year delay beyond the dates with the proposed rule. The extra time will further assist the development of new technology and ensure affected sources will comply with the lower NOx limits. Alternative B would also provide a higher NOx emission limit of 60 ppm for all categories of units. Alternative B would also include alternate compliance plans, equipment certification options and the mitigation fee option, which are all currently included in Rule 1147. However, with the additional time to comply with the lower NOx limits, it is likely less affected sources will take advantage of alternative compliance

options, such as the mitigation fee option. Lastly, Alternative B contains a provision that would exempt certain in-use equipment emitting less than one pound of NO_x per day from the NO_x limits and compliance schedule, similar to the proposed project. Under Alternative B, the amount of NO_x emission reductions delayed will vary by equipment category and compliance year. The amount of NO_x emission reductions to be delayed overall would exceed the air quality significance threshold for NO_x during operation and thus, would create significant adverse air quality impacts for NO_x during operation.

Alternative C – Expedited Compliance

Alternative C is the expedited compliance alternative because it contains less of a delay in the compliance schedule than what is proposed in PR 1153.1 for meeting the NO_x emission limits (e.g., from six-months to 1.5 years, depending on the equipment category), but provides more flexibility than the emission limits currently required by Rule 1147. Alternative C would also include alternate compliance plans, equipment certification options and the mitigation fee option, which are all currently included in Rule 1147. Alternative C also contains a provision that would exempt certain in-use equipment emitting less than one pound of NO_x per day from the NO_x limits and compliance schedule. Under Alternative C, the amount of NO_x emission reductions delayed will vary by equipment category and compliance year. In addition, the amount of NO_x emission reductions to be delayed overall would likely exceed the air quality significance threshold for NO_x during operation and thus, would create significant adverse air quality impacts for NO_x during operation.

COMPARISON OF THE ALTERNATIVES

The Environmental Checklist (see Chapter 2 of the Initial Study in Appendix B) identified only air quality during operations as the environmental area that could be significantly adversely affected by the proposed project. The following section describes the potential adverse operational air quality impacts that may be generated by each project alternative compared to the proposed project. A summary of the adverse operational air quality impacts for the proposed project and each project alternative are also provided in Table 5-2. No other environmental topics other than operational air quality were determined to be potentially significantly adversely affected by implementing any project alternative.

AIR QUALITY AND GHG EMISSIONS

Alternative A - No Project

Unlike the proposed project, it is not anticipated that Alternative A would generate significant adverse impacts during operation because the owners/operators of affected equipment would be expected to comply with the applicable NO_x limits in accordance with the current compliance schedule for existing (in-use) equipment in Rule 1147. Instead, owners/operators of the affected equipment would continue existing operations in compliance with the current NO_x limits as well as complying with all other applicable SCAQMD, CARB and USEPA requirements and non-compliant equipment would need to be shutdown. By not adopting the proposed project, current operations mean that each owner/operator of affected equipment would not be able to delay the compliance schedule (e.g., retrofitting existing equipment by installing ultra-low NO_x burners or replacing old equipment with new equipment at a later time). Further, by not adopting the proposed project, the projected NO_x emission reductions would be expected to occur according to the original schedule.

This means that there will be no delay in obtaining NO_x reductions and the corresponding health

benefits that result from the NO_x reductions. Implementing the NO_x emission reductions according to the current schedule in Rule 1147 would achieve the NO_x reduction goals and compliance objectives in accordance with the following compliance dates: 2014 to achieve the federal PM 2.5 standard and 2023 to achieve the federal 8-hour ozone standard.

Alternative A will achieve the NO_x emission reduction goals of Rule 1147; however, it does not achieve all of the goals of the proposed project because it does not acknowledge that for some affected equipment, the current emission limits of Rule 1147 are not technologically achievable in older equipment using ribbon burners.

Alternative B – Additional Delayed Compliance and Higher Emission Limit

Because Alternative B would provide an additional delay in the compliance schedule beyond the proposed project and a higher NO_x emission limit of 60 ppm for all categories of units, it would result in additional NO_x emission reductions delayed and foregone, thus would create significant adverse air quality impacts for NO_x during operation. With less affected sources likely to need the alternative compliance options, emission reductions from the mitigation fee option would be less than anticipated under the proposed project. If Alternative B were implemented, less NO_x reductions would be achieved and less corresponding health benefits from reducing NO_x overall will be realized between compliance years 2015 and 2023. Alternative B does not minimize the delay in NO_x emission reductions as compared to the proposed project.

Alternative C – Expedited Compliance

Alternative C proposes the same NO_x emission limits as the proposed project but on a more expedited schedule (e.g., delayed compliance by 6 months to 1.5 years for certain equipment categories). So, NO_x emission reductions will be realized earlier than under the proposed project. The amount of NO_x emission reductions delayed will vary by equipment category and compliance year under Alternative C. In addition, the amount of NO_x emission reductions to be delayed overall would still create significant adverse air quality impacts for NO_x during operation under Alternative C. When compared to the proposed project, the expedited compliance schedule under Alternative C will shorten the delay in which NO_x emissions reductions will occur. As a result, an expedited compliance schedule under Alternative C will result in less NO_x emission reductions delayed for each compliance year as the proposed project. Alternative C would also have fewer delays to reach the benchmark attainment year of 2023. If Alternative C were implemented, potentially more NO_x reductions would be achieved and greater health benefits from reducing NO_x overall will be realized when compared to the proposed project.

LOWEST TOXIC AND ENVIRONMENTALLY SUPERIOR ALTERNATIVES

In accordance with SCAQMD's policy document Environmental Justice Program Enhancements for FY 2002-03, Enhancement II-1 recommends that all SCAQMD CEQA assessments include a feasible project alternative with the lowest air toxics emissions. In other words, for any major equipment or process type under the scope of the proposed project that creates a significant environmental impact, at least one alternative, where feasible, shall be considered from a "least harmful" perspective with regard to hazardous air emissions.

Implementing Alternative A means that there would be no emission reductions foregone and the corresponding health benefits that result from the emission reductions would occur compared to the proposed project and Alternatives B and C. Thus, Alternative A is considered to be the

environmentally superior alternative. However, Alternative A would not fulfill one of the two objectives of the proposed project as listed earlier in this chapter. Alternative A would not place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment. Some equipment owners/operators will continue to experience compliance challenges, in particular, with certain effective dates in Rule 1147. Thus, under Alternative A, owners/operators of equipment not able to meet the applicable NO_x emission limit by the applicable compliance date will need to shut down the equipment.

If the “no project” alternative is determined to be the environmentally superior alternative, then the CEQA document shall identify an environmentally superior alternative among the other alternatives (CEQA Guidelines §15126.6 (e)(2)). Of the remaining alternatives evaluated, Alternative C is considered to be the environmentally superior alternative because it will result in less NO_x emission reductions delayed when compared with Alternative B. However, owners/operators may continue to experience compliance challenges due to the expedited compliance schedule. Additionally, the amount of NO_x emission reductions to be delayed overall would still likely exceed the air quality significance threshold for NO_x during operation and thus, would create significant adverse air quality impacts for NO_x during operation.

CONCLUSION

By not adopting the proposed project, Alternative A would not delay the operational NO_x emission reductions and will achieve the same emission reductions currently required under Rule 1147. However, Alternative A would not achieve one of the project objectives for the proposed project because Alternative A will not place commercial food ovens on a more suitable compliance schedule with achievable emission limitations due to the fact that control technologies have not matured in a timely manner for this particular category of equipment.

If Alternative B were implemented, less NO_x reductions would be achieved and less health benefits from reducing NO_x overall will be achieved. Alternative B provides fewer benefits to air quality and public health compared to the proposed project. Of the adverse environmental impacts that would be generated under Alternative B, the impacts would be more initially than the proposed project and significant for air quality.

If Alternative C were implemented, more NO_x reductions would be achieved and greater health benefits from reducing NO_x overall will be realized sooner when compared to the proposed project. Alternative C would also have fewer delays to reach the benchmark attainment year of 2023. However, owners/operators may continue to experience compliance challenges due to the expedited compliance schedule.

Thus, when comparing the environmental effects of the project alternatives with the proposed project and evaluating the effectiveness of achieving the project objectives of the proposed project versus the project alternatives, the proposed project provides the best balance in achieving the project objectives while minimizing the adverse environmental impacts to air quality.

APPENDIX A

PROPOSED RULE 1153.1 (SEPTEMBER VERSION)

RULE 1153.1 EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS

(a) Purpose and Applicability

The purpose of this rule is to reduce nitrogen oxide emissions from gaseous and liquid fuel-fired combustion equipment as defined in this rule. This rule applies to in-use ovens, dryers, smokers, and roasters with nitrogen oxide emissions from fuel combustion that require a South Coast Air Quality Management District permit and are used to prepare food or beverages for human consumption. This rule does not apply to solid fuel-fired combustion equipment, fryers, char broilers, or boilers, water heaters, thermal fluid heaters, and process heaters subject to District Rules 1146, 1146.1, or 1146.2.

(b) 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.
- (2) BTU means British thermal unit or units.
- (3) COMBUSTION MODIFICATION means replacement of a burner, burners, fuel or combustion air delivery systems, or burner control systems.
- (4) COMBUSTION SYSTEM means a specific combination of burner, fuel supply, combustion air supply, and control system components identified in a permit application to the District, application for certification pursuant to subdivision (e) of this rule, or District permit.
- (5) FOOD OVEN means an oven used to heat, cook, dry, or prepare food or beverages for human consumption.
- (6) GASEOUS FUEL means natural gas; compressed natural gas (CNG); liquefied petroleum gasses (LPG), including but not limited to propane and butane; synthetic natural gas (SNG); or other fuels transported by pipeline or containers as a gas or in liquefied form, where the fuel is a gas at ambient temperature and atmospheric pressure.
- (7) HEAT INPUT means the higher heating value of the fuel to the burner or UNIT measured as BTU per hour.

- (8) HEAT OUTPUT means the enthalpy of the working fluid output of a burner or UNIT.
- (9) INFRARED BURNER means a burner with ceramic, metal fiber, sintered metal, or perforated metal flame-holding surface; with more than 50% of the 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 per square foot of flame holding surface of 100,000 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 July 1, 2014.
- (11) NO_x EMISSIONS means the sum of nitrogen oxide and nitrogen dioxide in flue gas, collectively expressed as nitrogen dioxide.
- (12) PROTOCOL means a South Coast Air Quality Management District 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; 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) RATED HEAT INPUT CAPACITY 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.
- (15) 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) **ROASTER** means an oven used to dry roast nuts, coffee beans, or other plant seeds. **ROASTER** includes coffee roasting units with an integrated afterburner that is the only heat source, which also provides heat to roast the coffee beans. **ROASTER** does not include fryers used for oil roasting of nuts or other seeds.
- (17) **THERM** means 100,000 BTU.
- (18) **UNIT** means any oven, dryer, smoker, or **ROASTER** requiring a District permit and used to prepare food or beverages for human consumption. **UNIT** does not mean any solid fuel-fired combustion equipment; fryer, including fryers used for nut roasting; char broiler; or boiler, water heater, thermal fluid heater, or process heater subject to District Rules 1146, 1146.1, or 1146.2 that provides heat to a **UNIT** through a heat exchange system.
- (c) **Requirements**
 - (1) In accordance with the compliance schedule in Table 2, any person owning or operating an in-use unit subject to this rule shall not operate the 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.

Table 1 – NO_x Emission Limit

Equipment Category(ies)	NO_x Emission Limit		
	PPM @ 3% O ₂ , dry or Pound/mmBTU heat input		
	Process Temperature		
	<i>≤ 500° F</i>	<i>> 500° F and < 900° F</i>	<i>≥ 900° F</i>
In-use units with only radiant tube heating	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU
Other in-use units	40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Griddle ovens and ovens used solely for making pita bread and manufactured prior to 1994	October 1, 2017	July 1, 2018
Other unit manufactured prior to 1992	October 1, 2015	July 1, 2016
Other unit manufactured between 1992 to 2000	October 1, 2018	July 1, 2019
Any unit manufactured after 2000	October 1 of the year prior to the compliance date	July 1 of the year the unit is 20 years old

- (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 AQMD with prior permit applications for the specific unit. If not available, then;
 - (iv) Unit shall be deemed by AQMD to be 20 years old.
- (3) In accordance with the schedule in the permit, 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 District approved test protocol. The test protocol shall be submitted to the District at least 150 days prior to the scheduled test and approved by the District Source Testing Division.
- (4) Identification of Units
- (A) New Manufactured Units
- The manufacturer shall display the model number and the rated heat input capacity of the unit complying with subdivision (c) on a permanent rating plate. The manufacturer shall also display the District 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 based on 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 by the manufacturer or installer. The permanent rating plates shall include the date the unit and burners were modified and the date any replacement burners were manufactured. If a unit is modified, the rated heat input capacity shall be calculated pursuant to subparagraph (c)(4)(B). 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 subparagraph (c)(4)(B).
- (6) On or after (date of adoption), any person owning or operating a unit subject to this rule shall perform combustion system maintenance in accordance with 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 District certification or District approved source test reports, conducted by an independent third party, demonstrating the specific unit complies with the emission limit. The source test report(s) must identify that the source test was conducted pursuant to a District 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 rating plate. The maintenance instructions, maintenance records, and the source test report(s) or District certification shall be made available to the Executive Officer upon request.

- (7) Any person owning or operating a unit subject to this rule complying with an emission limit in Table 1 expressed as pounds per million BTU shall install and maintain in service non-resettable, totalizing, fuel meters for each unit's fuel(s) prior to the compliance determination specified in paragraph (c)(3). Owners or operators of a unit with a combustion system that operates at only one firing rate that complies with an emission limit using pounds per million BTU shall install a non-resettable, totalizing, time or fuel meter for each fuel.
- (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 and associated equipment or the unit's safety shut-off switch. Any person operating a unit subject to this rule shall not shut off electric power to a unit meter unless the unit is not operating and is shut down for maintenance or 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 District. Any unit or combustion system certified pursuant to subdivision (e) shall be deemed in compliance with the emission limit in Table 1 and demonstration requirement of this subdivision, unless a District conducted or required source test shows non-compliance.
- (10) **Alternate Compliance Plan**
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 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 a schedule identifying when the compliance determination for each unit will be completed and when each unit will comply with the emission limit. All units must demonstrate compliance with the applicable emission limit of this rule before the end of the term of the alternate compliance plan.

(d) Compliance Determination

- (1) All compliance determinations pursuant to paragraphs (c)(1), (c)(3), (c)(7), (c)(9), (c)(10) and this subdivision shall be calculated:
 - (A) Using a District 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 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) are referenced at 3 percent volume stack gas oxygen on a dry basis.
- (3) Compliance with the NO_x and CO emission limits of subdivision (c) and determination of stack-gas oxygen and carbon dioxide concentrations for this rule shall be determined according to the following procedures:
 - (A) District Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989);

- (B) 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) 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) District Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989);
 - (E) District 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);
 - (F) Any alternative test method determined approved before the test in writing by the Executive Officers of the District, the California Air Resources Board, and the United States Environmental Protection Agency.
- (4) For any operator who chooses to comply using pound per million BTU, NO_x emissions in pounds per million BTU of heat input shall be calculated 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 District 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 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, including afterburners and other VOC, toxics, or PM control equipment subject the SCAQMD Rule 1147, or multiple units with a common exhaust, the owner or operator may

demonstrate compliance with the emission limits in Table 1 by one of the following:

- (A) Test each unit separately and demonstrate each unit’s compliance with the applicable limit; or
- (B) Test only after the last unit in the series and at the end of a common exhaust for multiple units, when all units are operating, and demonstrate that the series of units either meet:
 - (i) The lowest emission limit in Table 1 applicable to any of the units in series; or
 - (ii) A heat input weighted average of all the applicable emission limits in Table 1 using the following calculation.

$$\text{Weighted Limit} = \frac{\sum [(EL_X) * (Q_X)]}{\sum [Q_X]}$$

Where:

X is any and all units or processes

EL_X = emission limit for unit or process X

Q_X = heat input for unit or process X during test

(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 District may elect to apply to the Executive Officer to certify such units or combustion systems as compliant with subdivision (c).

(2) Manufacturer Confirmation of Emissions

Any manufacturer’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 District approved emission tests. A District 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 emission determinations shall be made at greater than 90% rated heat input capacity and an additional emission determination shall be made 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 shall submit to the Executive Officer the following:
 - (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 responsible official and shall attest to the accuracy of all statements;
 - (B) General Information
 - (i) Name and address of manufacturer;
 - (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 (c) 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 District approved Protocol for each unit tested. The source test shall have been conducted no more than ninety (90) days prior to the date of submittal to the Executive Officer.
- (4) When applying for unit or combustion system certification, the manufacturer 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 District 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).

(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 District, and conduct such tests as are deemed necessary to ensure compliance with this rule. Tests shall include emission determinations, as specified in paragraphs (d)(1) through (d)(4), (d)(6) and (d)(7).
- (2) An emission determination specified under paragraph (f)(1) that finds emissions in excess of those allowed by this rule or permit conditions shall constitute a violation of this rule.

(g) Exemptions

- (1) The provisions of this rule shall not apply to units:
 - (A) Subject to the nitrogen oxide limits of District Rules 1109, 1110.2, 1111, 1112, 1117, 1121, 1134, 1135, 1146, 1146.1, 1146.2, 1147; or
 - (B) Subject to registration pursuant to District Rule 222; or
 - (C) Located at RECLAIM facilities.
- (2) The provisions of this rule shall not apply to char broilers; fryers, including fryers used for nut or other seed roasting; and emission control equipment including but not limited to afterburners.
- (3) The provisions of paragraphs (c)(1) and (c)(3) of this rule shall not apply to units with daily emissions of 1 pound per day or less as documented by:
 - (A) A rated heat input capacity of less than 325,000 BTU per hour;

- (B) A permit condition that limits emissions to 1 pound per day or less, including but not limited to, fuel usage limit, time of use limit, or process limit that results in emissions of 1 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 operating the specified number of hours every day:
 - (i) Less than or equal to 400,000 BTU per hour and operating less than or equal to 16 hours per day; or
 - (ii) Less than or equal to 800,000 BTU per hour and operating less than or equal to 8 hours per day; or
 - (iii) Less than or equal to 1,200,000 BTU per hour and operating less than or equal to 5 hours per day.
 - (D) Daily recordkeeping of unit use, including but not limited to time records of unit operation using an installed unit specific non-resettable time meter, daily fuel consumption, and daily process rate.
- (4) 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 District in lieu of meeting the applicable NO_x emission 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
 - (B) Maintain on-site a copy of verification of mitigation fee payment and AQMD approval of the alternate compliance plan that shall be made available upon request to AQMD staff.

(3) Plan Submittal

The alternate compliance plan submitted pursuant to paragraphs (h)(1) and (h)(2) shall include:

- (A) A completed AQMD Form 400A with company name, AQMD Facility ID, identification that the application is for a compliance plan (section 7 of form), and identification that the request is for the Rule 1153.1 mitigation fee compliance option (section 9 of the form);
- (B) 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;
- (C) Filing fee payment; and
- (D) 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 emission limit specified in Table 1 in lbs/mmBTU

AF = Annual average fuel usage of unit for previous 5 years, mmscf/yr for natural gas or gallons for liquid fuel

k = unit conversion for cubic feet of natural gas to BTU = 1,050 BTU/scf, 95,500 BTU/gallon for LPG, and 138,700 BTU/gallon for fuel oil

(4) Rule 1147 Mitigation Fee Plan Submittal

A mitigation fee compliance plan submitted pursuant to District 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 in Table 2.

APPENDIX B

NOTICE OF PREPARATION / INITIAL STUDY



South Coast Air Quality Management District

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

**SUBJECT: NOTICE OF PREPARATION OF A DRAFT
ENVIRONMENTAL ASSESSMENT**

**PROJECT TITLE: PROPOSED RULE 1153.1 – EMISSIONS OF OXIDES OF
NITROGEN FROM FOOD OVENS**

In accordance with the California Environmental Quality Act (CEQA), the South Coast Air Quality Management District (SCAQMD), as the Lead Agency, must address the potential adverse affects of the proposed project on the environment and as such, has prepared a Notice of Preparation (NOP) and Initial Study (IS). The NOP/IS serves two purposes: 1) to solicit information on the scope of the environmental analysis for the proposed project, and 2) to notify the public that the SCAQMD will prepare a Draft Environmental Assessment (EA) to further assess potential adverse environmental impacts that may result from implementing the proposed project.

This letter and NOP/IS are not SCAQMD applications or forms requiring a response from you. Their purpose is simply to provide information to you on the above project. If the proposed project has no bearing on you or your organization, no action on your part is necessary.

Comments focusing on issues relative to the environmental analysis for the proposed project should be sent to Mr. Jeffrey Inabinet (c/o Planning - CEQA) at the above address, by fax to (909) 396-3324, or by email to jinabinet@aqmd.gov. Comments must be received no later than 5:00 p.m. on May 28, 2014. Please include the name, phone number, and email address of the contact person for your organization, if applicable. Questions on the proposed rule should be directed to Mr. Wayne Barcikowski by calling (909) 396-3077 or by sending an email to wbarcikowski@aqmd.gov.

The Public Hearing for the proposed rule is scheduled for September 5, 2014. (Note: Public meeting dates are subject to change).

Date: April 25, 2014

Signature: _____

A handwritten signature in blue ink that reads "Michael Krause".

Michael Krause
Program Supervisor, CEQA
Planning, Rule Development and Area
Sources

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
21865 Copley Drive, Diamond Bar, CA 91765-4178

NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL ASSESSMENT

Project Title:

Draft Environmental Assessment for Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Food Ovens

Project Location:

South Coast Air Quality Management District (SCAQMD) area of jurisdiction consisting of the four-county South Coast Air Basin (Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin and the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

SCAQMD staff is proposing to adopt Rule 1153.1 – Emissions of Oxides of Nitrogen from Food Ovens. If adopted, Proposed Rule (PR) 1153.1 would limit emissions of nitrogen oxides (NO_x) and carbon monoxide (CO) from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO_x Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Rule 1147 limits emissions of NO_x from gaseous and liquid fuel fired combustion equipment that are not specifically addressed in other SCAQMD Regulation XI – Source Specific Standards. However, because control technologies have not matured in a timely manner for commercial food ovens, SCAQMD staff proposed to regulate these sources separately from the other Rule 1147 sources. Under a separate regulation, the commercial food ovens would be placed on a more suitable compliance schedule with achievable emission limitations. Impacts to any adversely affected environmental areas will be further analyzed in the Draft Environmental Assessment.

Lead Agency:

South Coast Air Quality Management District

Division:

Planning, Rule Development and Area Sources

Initial Study and all supporting documentation are available at:

SCAQMD Headquarters
21865 Copley Drive
Diamond Bar, CA 91765

or by calling:

(909) 396-2039

or by accessing the SCAQMD's website at:

<http://www.aqmd.gov/ceqa/aqmd.html>

The Public Notice of Preparation is provided through the following:

Los Angeles Times (April 29, 2014) SCAQMD Website SCAQMD Mailing List

Initial Study 30-day Review Period:

April 29, 2014 – May 28, 2014

The proposed project may have statewide, regional or areawide significance; therefore, a CEQA scoping meeting was held on April 2, 2014 at SCAQMD Headquarters (pursuant to Public Resources Code §21083.9 (a)(2)). A second scoping meeting is scheduled for May 14, 2014 during the comment period for the NOP/IS.

Scheduled Public Meeting Dates (subject to change):

SCAQMD Governing Board Hearing: September 5, 2014, 9:00 a.m.; SCAQMD Headquarters

Send CEQA Comments to:

Mr. Jeffrey Inabinet

Phone:

(909) 396-2453

Email:

jinabinet@aqmd.gov

Fax:

(909) 396-3324

Direct Questions on Proposed

Rule:

Mr. Wayne Barcikowski

Phone:

(909) 396-3077

Email:

wbarcikowski@aqmd.gov

Fax:

(909) 396-3324

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Initial Study for Proposed Rule 1153.1 – Emissions of Oxides of Nitrogen from Food Ovens

April 2014

SCAQMD No. 04082014JI
State Clearinghouse No: To Be Determined

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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JAN PERRY
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City of Los Angeles

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Mayor, Santa Ana
Cities of Orange County

EXECUTIVE OFFICER:
BARRY R. WALLERSTEIN, D.Env.

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CHAPTER 1 - PROJECT DESCRIPTION

Introduction

Affected Facilities

California Environmental Quality Act

Project Location

Project Background

Technology Overview and Assessment

Project Description

Alternatives

INTRODUCTION

The California Legislature created the South Coast Air Quality Management District (SCAQMD) in 1977¹ as the agency responsible for developing and enforcing air pollution control rules and regulations in the South Coast Air Basin (Basin) and portions of the Salton Sea Air Basin and Mojave Desert Air Basin referred to herein as the District. By statute, the SCAQMD is required to adopt an air quality management plan (AQMP) demonstrating compliance with the national ambient air quality standards (NAAQS) for the district.² Furthermore, the SCAQMD must adopt rules and regulations that carry out the AQMP.³ The 2012 AQMP concluded that major reductions in emissions of particulate matter (PM), oxides of sulfur (SOx) and oxides of nitrogen (NOx) are necessary to attain the state and national ambient air quality standards for ozone, and particulate matter with an aerodynamic diameter of 2.5 microns or less (PM2.5). More emphasis is placed on NOx and SOx emission reductions because they provide greater ozone and PM emission reduction benefits than volatile organic compound (VOC) emission reductions. VOC emission reductions, along with NOx emission reductions, continue to be necessary, because emission reductions of both of these ozone precursors are necessary to meet the ozone standards.

The equipment proposed to be regulated by Proposed Rule (PR) 1153.1 are currently regulated under SCAQMD Rule 1147 – NOx Reductions from Miscellaneous Sources. Rule 1147 is based on two control measures from the SCAQMD 2007 AQMP: Control Measure MCS-01 – Facility Modernization and Control Measure CMB-01 – NOx Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces. Emission reductions from the equipment addressed by Rule 1147 and Control Measure CMB-01 of the 2007 AQMP were proposed to be regulated in earlier AQMPs (e.g., Control Measure 97CMB-092 from the 1997 AQMP). Because the 1997 8-hour ozone NAAQS (80 parts per billion (ppb)) has not yet been met for the region, NOx reductions are still necessary and required.

Ozone, a criteria pollutant that is formed when NOx and VOCs react in the atmosphere, has been shown to adversely affect human health. In 2012, the SCAQMD regularly monitored ozone concentrations at 31 locations in the Basin and the Salton Sea Air Basin (SSAB). Maximum ozone concentrations for all areas monitored were below the stage 1 episode level (0.20 parts per million (ppm)). Maximum ozone concentrations in the SSAB areas monitored by the SCAQMD were lower than in the Basin.

In 2012, the maximum ozone concentrations in the Basin continued to exceed federal standards by wide margins. Maximum one-hour ozone concentrations were 0.147 ppm recorded in East San Gabriel Valley 2 area and eight-hour average ozone concentrations were 0.106 ppm recorded in the Central San Bernardino Mountains area. The federal one-hour ozone standard was revoked and replaced by the eight-hour average ozone standard effective June 15, 2005. USEPA has revised the federal eight-hour ozone standard from 0.84 ppm to 0.075 ppm, effective May 27, 2008. The maximum eight-hour concentration was 141 percent of the new federal standard. The maximum one-hour concentration was 163 percent of the one-hour state ozone standard of

¹ The Lewis-Presley Air Quality Management Act, 1976 Cal. Stats., ch 324 (codified at Health and Safety Code, §§40400-40540).

² Health and Safety Code, §40460 (a).

³ Health and Safety Code, §40440 (a).

0.09 ppm. The maximum eight-hour concentration was 151 percent of the eight-hour state ozone standard of 0.070 ppm.

The California Clean Air Act (CCAA) requires districts to achieve and maintain state standards by the earliest practicable date and for extreme non-attainment areas, to include all feasible measures pursuant to Health and Safety Code §§40913, 40914, and 40920.5. The term “feasible” is defined in Title 14 of the California Code of Regulations §15364 as a measure “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.”

AFFECTED FACILITIES

PR 1153.1 affects manufacturers of ovens, roasters and smokehouses (NAICS 333) and manufacturers of food and beverage products (NAICS 311 and 312) located throughout the SCAQMD jurisdiction (see Project Location). PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities. The proposed rule will exempt approximately two thirds of the ovens from emission limit requirements (small and low use units). The owners and operators of these units are still subject to the combustion system maintenance and recordkeeping requirements that are carried over from Rule 1147. The maintenance requirements will help limit NO_x, CO, VOC and PM emissions from these units. An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of the larger ovens will be able to comply with the proposed emission limits without changing burner systems.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Amending Rule 1153.1 is considered a “project” as defined by CEQA. CEQA requires that the potential adverse environmental impacts of proposed projects be evaluated and that methods to reduce or avoid identified significant adverse environmental impacts of these projects be implemented if feasible. The purpose of the CEQA process is to inform the SCAQMD Governing Board, public agencies, and interested parties of potential adverse environmental impacts that could result from implementing the proposed project and to identify feasible mitigation measures or alternatives, when an impact is significant.

California Public Resources Code §21080.5 allows public agencies with regulatory programs to prepare a plan or other written documents in lieu of an environmental impact report once the secretary of the resources agency has certified the regulatory program. The SCAQMD's regulatory program was certified by the secretary of resources agency on March 1, 1989, and is codified as SCAQMD Rule 110. Pursuant to Rule 110 (the rule which implements the SCAQMD's certified regulatory program), SCAQMD is preparing a Draft Environmental Assessment (EA) to evaluate potential adverse impacts from the proposed project.

The SCAQMD, as lead agency for the proposed project, has prepared this initial study that includes an environmental checklist and project description. The environmental checklist provides a standard evaluation tool to identify a project's adverse environmental impacts. The initial study is also intended to provide information about the proposed project to other public agencies and interested parties prior to the release of the Draft EA. SCAQMD's review of the proposed project shows that PR 1153.1 may have a significant adverse effect on the environment. Because PR 1153.1 may have statewide, regional or areawide significance, a CEQA scoping meeting was held for the proposed project on April 2, 2014 pursuant to Public

Resources Code §21083.9 (a)(2), and another will be held during the comment period of the Notice of Preparation/Initial Study (NOP/IS). Written comments on the scope of the environmental analysis will be considered (if received by the SCAQMD during the 30-day public review period) when preparing the Draft EA. Responses to comments on the NOP/IS will be included in the Draft EA.

PROJECT LOCATION

The SCAQMD has jurisdiction over an area of 10,473 square miles (referred to hereafter as the District), consisting of the four-county South Coast Air Basin and the Riverside County portions of the Salton Sea Air Basin (SSAB) and the Mojave Desert Air Basin (MDAB). The Basin, which is a subarea of the SCAQMD’s jurisdiction, is bounded by the Pacific Ocean to the west and the San Gabriel, San Bernardino, and San Jacinto Mountains to the north and east. The 6,745 square-mile Basin includes all of Orange County and the nondesert portions of Los Angeles, Riverside, and San Bernardino counties. The Riverside County portion of the SSAB and MDAB is bounded by the San Jacinto Mountains in the west and spans eastward up to the Palo Verde Valley. The federal nonattainment area (known as the Coachella Valley Planning Area) is a subregion of both Riverside County and the SSAB and is bounded by the San Jacinto Mountains to the west and the eastern boundary of the Coachella Valley to the east (Figure 1).



Figure 1-1

Boundaries of the South Coast Air Quality Management District

PROJECT BACKGROUND

The equipment proposed to be regulated by PR 1153.1 is currently regulated under SCAQMD Rule 1147. Rule 1147 is based on two control measures from the SCAQMD 2007 AQMP: Control Measure MCS-01 – Facility Modernization and Control Measure CMB-01 – NOx

Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces. Emission reductions from the equipment addressed by Rule 1147 and Control Measure CMB-01 of the 2007 AQMP were proposed to be regulated in earlier AQMPs (e.g., Control Measure 97CMB-092 from the 1997 AQMP).

Control measure MCS-01 was a new control measure developed for the 2007 AQMP that proposes companies to upgrade their current technology to best available control technology (BACT) – the cleanest technology available. The facility modernization control measure proposes that equipment operators meet BACT emission limits at the end of the equipment's useful life. For equipment regulated by Rule 1147, modernization requires burner upgrades, replacement of burner systems or replacement of other combustion equipment when the equipment reaches 15 to 20 years of age.

Equipment that is regulated by Rule 1147 and PR 1153.1 must also meet the requirements of SCAQMD Regulation XIII – New Source Review (NSR) and SCAQMD Regulation IV – Prohibitions. Equipment subject to NSR must meet BACT requirements and offset emission increases. The SCAQMD's NSR program includes pre-construction permit review requirements for equipment and processes subject to permit requirements. Permit applications subject to NSR are required to utilize BACT for installation of new equipment, relocation of existing permitted equipment, or modification of existing permitted equipment when the equipment has a potential to emit more than one pound per day of NO_x. BACT is defined as the most stringent emission limitation or control technique that: has been achieved in practice, is contained in any state implementation plan (SIP) approved by U.S. EPA, or is any other emission limitation or control technique found by the Executive Officer to be technologically feasible and is cost-effective as compared to adopted rules or measured listed in the AQMP.

Regulation IV limits emissions of particulate matter, carbon monoxide and NO_x from combustion sources. However, NO_x emission limits required by BACT are significantly more stringent than the emission limits in Regulation IV. For example, Rule 474 – Fuel Burning equipment – Oxides of Nitrogen has emission limits that vary from 125 per million (ppm) to 400 parts ppm (referenced to 3% oxygen) depending upon the fuel and heat input rating of the equipment. NO_x emission limits under BACT for combustion equipment subject to Rule 1147 vary from 30 ppm to 60 ppm (referenced to 3% oxygen). Rule 407 in Regulation IV also has a CO limit of 2,000 ppm.

In May 2013 SCAQMD Rules 219 and 222 were amended to exempt specific small equipment from permit requirements including food ovens with low emissions of VOCs. These amendments moved some small ovens from the permit program into the Rule 222 registration program which exempts them from Rule 1147 and PR 1153.1.

Because of information provided by stakeholders at the time of adoption (amended September 9, 2011), Rule 1147 provides a later compliance date, until 2014, for food ovens. BACT for ovens and dryers has been 30 ppm NO_x since 1998 and the Rule 1147 NO_x limit is also 30 ppm, or 60 ppm if the process temperature is above 1,200 °F. However, stakeholders were concerned that achieving an emission concentration of 30 ppm was not achievable in older equipment using ribbon burners, a common burner used in commercial ovens.

Manufacturers and a research institute have been conducting research and tests to lower NOx emissions from these types of burners and were expected to achieve the Rule 1147 emission limits by 2014. Because these projects have not been completed and there are many older ovens heated with ribbon burners in the SCAQMD, staff proposed to move food ovens, roasters and smokehouses from Rule 1147 and place them in a new rule specific to these equipment. Staff is recommending a new rule (PR 1153.1) with slightly higher more achievable NOx emission limits and delay of the emission limit compliance dates for existing (in-use) permitted food ovens to comply with the lower limits. Staff is also recommending a carbon monoxide emission limit in PR 1153.1.

TECHNOLOGY OVERVIEW AND ASSESSMENT

PR 1153.1 regulates ovens, roasters, and smokehouses used to prepare food and beverages for human consumption. There are two main types of ovens – batch and conveyor ovens. Roasters and smokehouses are typically batch operations in which product is placed in the oven and removed when the process is complete. Conveyor ovens continuously take in food items, cook them and delivery the cooked product to an area where it can cool and then be packaged. Regardless of the type of food oven, they operate in three temperature ranges – less than 500 °F, 500 to 900 °F and greater than 900 °F.

Both batch and conveyor ovens may be manufactured with ribbon burners or one of two types of air heating burners. Air heating burners are used in convection ovens where the burner is not in close proximity to the product being cooked. One type of air heating burner is a line burner made up of one foot sections that can be put together in a variety of shapes, but in food ovens, they are typically aligned end to end. The other type of air heating burner has a cylindrical housing placed into the oven in which the burner flame is contained. Both of these types of burners may fire into a small space and air is moved through that space by blowers to be heated and moved on to the main chamber of the oven.

Many oven burners have historically been long sections of pipe with rows of holes down the length of the pipe. Gas and a small amount of air is introduced into the pipe and that mixture exits through the holes in the pipe where it is lit with a pilot flame. Most of the air for combustion is secondary air which is inside the oven and mixes with the gas as it exits the holes in the pipe.

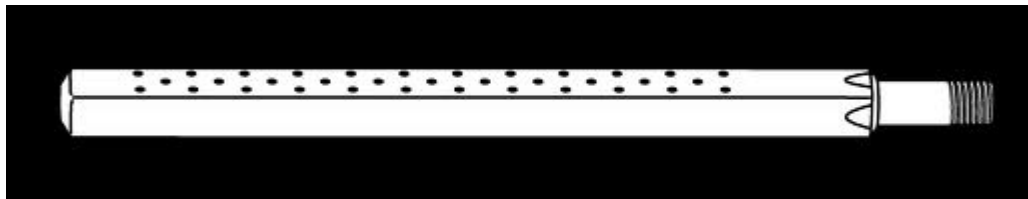


Figure 1-2 – Pipe Burner

Ribbon burners are similar to this older style of pipe burner but they have an insert along the length of the pipe that allows better control of the flame. They are also designed to provide premixing of air with fuel for more efficient and better control of combustion. The newest types of ribbon burners are made in a variety of ways, but they have more efficient mixing of air with the fuel inside the body of the burner and better control of the distribution of fuel gas in the

burner which result in lower NOx emissions. The lower emissions are also achieved because the flame that is produced has lower peak flame temperature which results in less NOx emissions. Some versions of newer ribbon burners also include water cooling which can also help lower emissions. Together with modern control systems, ribbon burners have lower emissions than traditional pipe and older ribbon burners.

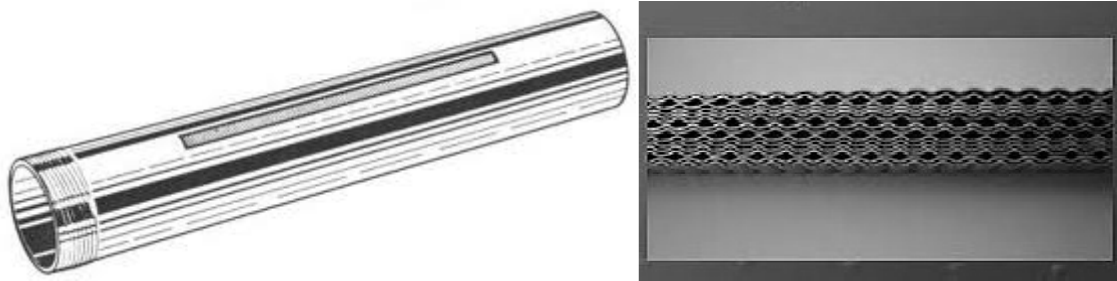


Figure 1-3 – Ribbon Burner Pipe and Flame Holding Surface

Food ovens can also use radiant systems to provide heat. One type of burner, made with ceramic or metal fiber flame holding surfaces, produces most of their heat as infrared radiation; they produce a red glow, and have very low NOx emissions. These are often called infrared burners and directly heat the product in the oven. Another type of unit has burners which heat the inside of tubes and the tubes then radiate heat to the process. This indirect heating system is called radiant tube heating.



Figure 1-4 – Infrared Burners

There are several options for reducing NOx emissions from combustion equipment subject to PR 1153.1. Some ovens may be able change their process so heat is generated by electricity. Many ovens currently use heat generated by electricity, so the process is not new. Other ovens may be able to use heat generated by a boiler or thermal fluid heater. Heat transfer from steam or thermal fluids can be an efficient and cost effective way to heat a process. However, heat transfer from a boiler or thermal fluid heater requires the use of a heat exchange system to warm air and the process chamber that heats the product. This option is time-consuming and costly. For the majority of processes however, the preferred option to reduce NOx emissions will be tuning or replacing the burner system.

In general, low NOx burners can achieve less than 10 ppm NOx. There are many types of burners with emission in the range of 20 to 60 ppm NOx. The manufacturers of these burners use a variety of techniques to achieve lower emissions. The principal technique is better premixing of fuel and air before combustion takes place. This results in more efficient

combustion of fuel and a more uniform flame temperature. A more uniform flame temperature results in fewer hot spots and reduced formation of NO_x.

Many premix burners require the aid of a blower to mix the fuel with air before combustion takes place (primary air). However, residential tank type water heaters, some small boilers and other equipment are now made with atmospheric premix burners that achieve NO_x emissions in the range of 15 to 60 ppm. Atmospheric burners do not use a blower to mix fuel and air. The burners in these units combine premixing with specially designed burner heads that reduce flame temperature and NO_x emissions by spreading the flame over a larger area. Premixing of fuel and air is accomplished using a jet of fuel gas exiting a specially designed nozzle. The velocity of the fuel leaving the nozzle draws air into a mixing zone and mixing is completed before the fuel and air mixture leaves the burner.

A variety of burners are designed to spread flames over a larger area to reduce hot spots and lower NO_x emissions. One type, radiant premix burners, has been available for several decades. Radiant premix burners are made with ceramic, sintered metal, metal screen or metal fiber heads that spread the flame over a larger surface. These burners can be run in either radiant or blue flame modes. When a burner runs in radiant mode, the flame surface is red instead of blue and it produces more radiant heat. These burners come in a variety of shapes including flat and cylindrical.

To further reduce NO_x emissions, some premix burners also use staged combustion. This technique produces two combustion zones with differing air-fuel mixtures. The burner produces a fuel rich zone to start combustion and stabilize the flame and a fuel lean zone to complete combustion and reduce the peak flame temperature. In combination, these two zones reduce the formation of NO_x. This technique incorporates premixing and can be used in combination with other techniques.

Current Technology

As previously mentioned, food ovens are currently regulated under Rule 1147. Rule 1147 NO_x emission limits are based on BACT. BACT determinations by the SCAQMD and other air districts since 1998 have resulted in emission limits of 30 to 60 ppm for equipment ranging from low temperature ovens to very high temperature metal melting and heat treating furnaces. The BACT NO_x limit since 1998 for most ovens and dryers, including food ovens, has been 30 ppm.

Rule 1147 requires equipment to meet NO_x emission limits in the range of 30 ppm to 60 ppm (referenced to 3% oxygen) depending upon the process and process temperature. The emission limits are based on SCAQMD and other air district's determinations for BACT, availability of burners that can achieve these emission levels and recent emission limits decisions for SCAQMD permits. Currently, the typical emission for low NO_x burners applicable to equipment subject to Rule 1147 varies from less than 20 ppm to 60 ppm depending upon the burner, process temperature and nature of the process.

PR 1153.1 has NO_x emission limits of 40 to 60 ppm based on process temperature. These proposed NO_x emission limits are based on comments from affected industry, equipment and burner manufacturers and local businesses. For existing technology, local businesses and a major customer of the burner manufacturers proposed NO_x emission limits in the range of 35 to

60 ppm depending upon process temperature. Burner manufacturers have recommended achievable NOx emission limits as low as 30 ppm for lower process temperatures below about 500 °F and 60 ppm for higher process temperatures above 900 °F. For process temperatures between about 500 and 900 °F an emission limit of 45 ppm was suggested, but was rejected. Based on these comments, PR 1153.1 is proposing NOx emission limits for existing in-use equipment at 40 ppm for processes below 500 °F and 60 ppm for processes above 500 °F, except only radiant tube heating which is 60 ppm for processes below 500 °F.

The Gas Company and the Gas Technology Institute are conducting a project to reduce emissions from ribbon burners. The design goal is to achieve NOx emissions of 30 ppm across a wide range of temperatures. The project is currently moving from the testing stage of burners to the installation of the modified burners into test ovens. The project is expected to be completed in 2016. Individual burner manufacturers also have developed new burners to achieve NOx emissions of 30 ppm across a wide range of process temperatures.

To meet PR 1153.1 emission limits, some ovens with ribbon burners will only need tuning and regular maintenance to comply. In other cases, compliance with the emission limits will require replacement with newer design lower emitting burners and/or upgrades to burner control systems.

Air heating and infrared burners used in food ovens can easily achieve the emission limits of PR 1153.1 and are the basis for the BACT NOx limit of 30 ppm for most ovens and dryers. These burners are readily available. These burners and some older design air heating burners will achieve the emission limits specified in PR 1153.1.

Radiant tube heating systems can also achieve the emission limits of PR 1153.1 but will require replacement with larger diameter tubes in order to use burners that will meet the proposed NOx limits. However, PR 1153.1 provides up to 20 years of use before an oven has to meet the emission limit. Because firing tubes eventually need to be replaced (boiler fire tubes are typically replaced every 8 to 12 years), the proposed rule provides sufficient time for the original heating system to be upgraded.

There are many suppliers of ribbon burners for food ovens and many manufactures of air heating and radiant burners used in food ovens and roasters. Currently suppliers of ribbon burners for food ovens have products that will achieve the proposed NOx limits for the equipment regulated by PR 1153.1. The suppliers of other types of burners which are typically found in food ovens also produce burners that meet the NOx limits in Rule 1147 and PR 1153.1.

PROJECT DESCRIPTION

The purpose of the proposed project is to limit NOx emissions from gaseous and liquid fuel fired combustion equipment as defined in PR 1153.1. PR 1153.1 applies to in-use ovens, dryers, smokers and roasters with NOx emissions from fuel combustion that require a District permit and are used to prepare food or beverages for human consumption. The proposed rule does not apply to solid fuel-fired combustion equipment, fryers, char broilers, or boilers, water heaters, thermal fluid heaters and process heaters subject to District Rules 1146, 1146.1, or 1146.2.

The following is a summary of the key components of PR 1153.1. A copy of PR 1153.1 can be found in Appendix A.

- PR 1153.1 includes NOx emission limits of 40 to 60 ppm and a CO limit of 800 ppm (please see Table 1-1 for a specific breakdown of equipment categories);
- PR 1153.1 includes an emission testing requirement but delays compliance dates for at least 2 additional years beyond the dates currently set in Rule 1147;
- PR 1153.1 phases in compliance based on a longer 20 year equipment life instead of the 15 years used in Rule 1147. Figure 1-5 compares the compliance schedules of Rule 1147 and PR 1153.1;

Category	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18	Jul-19	Jul-20	Beyond
Rule 1147								
> 1 lb/day & Mft < 1998								
> 1 lb/day & Unit 15 yrs old								
≤ 1 lb/day & Mft < 1998								
≤ 1 lb/day & Unit 20 yrs old								
Propose Rule 1153.1								
In Use & Mft < 1992 (25 yrs old)*								
In Use Pita and griddle & Mft < 1994								
In Use & Mft < 2000 (20 years old)								
In Use & 20 years old								

Figure 1-5 – Proposed Rule 1153.1 Compliance Schedule

- PR 1153.1 also includes options for alternate compliance plans, equipment certification and a mitigation fee option to delay compliance;
- The following two tables indicate the NOx emission limits and compliance dates for PR 1153.1;

Table 1-1 – NO_x Emission Limit

Equipment Category(ies)	NO _x Emission Limit		
	PPM @ 3% O ₂ , dry or Pound/mmBTU heat input		
	Process Temperature		
	≤ 500° F	> 500° F and < 900° F	≥ 900° F
In-use units with only radiant tube heating	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU
Other in-use units	40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 1-2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Submit Permit Application	Unit Shall Be in Compliance
Griddle ovens and ovens used solely for making pita bread and manufactured prior to 1994	October 1, 2017	July 1, 2018
Other UNIT manufactured prior to 1992	October 1, 2015	July 1, 2016
Other UNIT manufactured prior to 2000	October 1, 2018	July 1, 2019
Any UNIT manufactured after 2000	October 1 of the year prior to the compliance date	July 1 of the year the unit is 20 years old

- PR 1153.1 includes an exemption from the emission limit and testing for small and low-use units with NO_x emissions of one pound per day or less;
- In addition, the proposed rule includes a testing exemption for infrared burners that have significantly lower NO_x emission than the limits in PR 1153.1.

ALTERNATIVES

The Draft EA will discuss and compare a reasonable range of alternatives to the proposed project as required by CEQA and by SCAQMD Rule 110 where there are potential significant adverse impacts. Alternatives must include realistic measures for attaining the basic objectives of the proposed project and provide a means for evaluating the comparative merits of each alternative. In addition, the range of alternatives must be sufficient to permit a reasoned choice and it need not include every conceivable project alternative. The key issue is whether the selection and discussion of alternatives fosters informed decision making and public participation. A CEQA document need not consider an alternative whose effect cannot be reasonably ascertained and whose implementation is remote and speculative.

SCAQMD Rule 110 does not impose any greater requirements for a discussion of project alternatives in an environmental assessment than are required for an Environmental Impact Report under CEQA. Alternatives will be developed based in part on the major components of the proposed rule. The rationale for selecting alternatives rests on CEQA's requirement to present "realistic" alternatives; that is alternatives that can actually be implemented. CEQA also requires an evaluation of a "No Project Alternative."

SCAQMD's policy document Environmental Justice Program Enhancements for fiscal year (FY) 2002-03, Enhancement II-1 recommends that all SCAQMD CEQA assessments include a feasible project alternative with the lowest air toxics emissions. In other words, for any major equipment or process type under the scope of the proposed project that creates a significant environmental impact, at least one alternative, where feasible, shall be considered from a "least harmful" perspective with regard to hazardous air emissions.

The SCAQMD may choose to adopt any portion or the entirety of any alternative presented in the EA because the impacts of each alternative will be fully disclosed to the public and the public will have the opportunity to comment on the alternatives and impacts generated by each alternative. Written suggestions on potential project alternatives received during the comment period for the Initial Study will be considered when preparing the Draft EA.

CHAPTER 2 - ENVIRONMENTAL CHECKLIST

Introduction

General Information

Environmental Factors Potentially Affected

Determination

Environmental Checklist and Discussion

INTRODUCTION

The environmental checklist provides a standard evaluation tool to identify a project's potential adverse environmental impacts. This checklist identifies and evaluates potential adverse environmental impacts that may be created by the proposed project.

GENERAL INFORMATION

Project Title:	Initial Study (IS) for Proposed Rule (PR) 1153.1 – Emissions of Oxides of Nitrogen from Food Ovens
Lead Agency Name:	South Coast Air Quality Management District
Lead Agency Address:	21865 Copley Drive Diamond Bar, CA 91765
CEQA Contact Person:	Mr. Jeff Inabinet (909) 396-2453
PR 1153.1 Contact Person	Mr. Wayne Barcikowski (909) 396-3077
Project Sponsor's Name:	South Coast Air Quality Management District
Project Sponsor's Address:	21865 Copley Drive Diamond Bar, CA 91765
General Plan Designation:	Not applicable
Zoning:	Not applicable
Description of Project:	PR 1153.1 would limit emissions of nitrogen oxides (NO _x) and carbon monoxide (CO) from the combustion of gaseous and liquid fuels in food ovens, roasters and smokehouses. This equipment is currently regulated by SCAQMD Rule 1147 – NO _x Reductions from Miscellaneous Sources and Regulation XIII – New Source Review (NSR). Rule 1147 limits emissions of NO _x from gaseous and liquid fuel fired combustion equipment that are not specifically addressed in other SCAQMD Regulation XI – Source Specific Standards. However, because control technologies have not matured in a timely manner for commercial food ovens, SCAQMD staff proposed to regulate these sources separately from the other Rule 1147 sources. Under a separate regulation, the commercial food ovens would be placed on a more suitable compliance schedule with achievable emission limitations.
Surrounding Land Uses and Setting:	Not applicable
Other Public Agencies Whose Approval is Required:	Not applicable

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The following environmental impact areas have been assessed to determine their potential to be affected by the proposed project. As indicated by the checklist on the following pages, environmental topics marked with an "✓" may be adversely affected by the proposed project.

An explanation relative to the determination of impacts can be found following the checklist for each area.

- | | | |
|--|--|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Geology and Soils | <input type="checkbox"/> Population and Housing |
| <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Public Services |
| <input checked="" type="checkbox"/> Air Quality and Greenhouse Gas Emissions | <input type="checkbox"/> Hydrology and Water Quality | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Solid/Hazardous Waste |
| <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Noise | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION

On the basis of this initial evaluation:

- I find the proposed project, in accordance with those findings made pursuant to CEQA Guideline §15252, COULD NOT have a significant effect on the environment, and that an ENVIRONMENTAL ASSESSMENT with no significant impacts has been prepared.
- I find that although the proposed project could have a significant effect on the environment, there will NOT be significant effects in this case because revisions in the project have been made by or agreed to by the project proponent. An ENVIRONMENTAL ASSESSMENT with no significant impacts will be prepared.
- I find that the proposed project MAY have a significant effect(s) on the environment, and an ENVIRONMENTAL ASSESSMENT will be prepared.
- I find that the proposed project MAY have a "potentially significant impact" on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL ASSESSMENT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier ENVIRONMENTAL ASSESSMENT pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier ENVIRONMENTAL ASSESSMENT, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Date: April 24, 2014

Signature: 
Michael Krause
Program Supervisor

ENVIRONMENTAL CHECKLIST AND DISCUSSION

As discussed in Chapter 1, the main focus of PR 1153.1 is to limit NOx and CO emissions from gaseous and liquid fuel fired combustion equipment as defined in PR 1153.1 (food ovens, roasters and smokehouses).

PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities. The proposed project will exempt approximately two thirds of the ovens from the emission limit requirements (small and low use units). An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of the larger ovens will be able to comply with the proposed emission limits without changing burner systems. Further, no add-on control equipment is expected to be used to comply with the new emission limits. See Chapter 1 for a more detailed description of the operation of burner equipment and the lowering of NOx emissions.

Emissions of VOCs and PM are not expected to change compared with Rule 1147. However, NOx emission reductions for PR 1153.1 are delayed compared with Rule 1147 and will result in approximately 120 pounds per day of NOx emissions foregone by 2023 as a result of an increase in the allowable NOx ppm limit. This is considered a significant air quality impact and will be further evaluated in an environmental assessment.

PR 1153.1 is not anticipated to have the potential to create any other potential significant adverse environmental impacts.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
I. AESTHETICS. Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

The proposed project impacts on aesthetics will be considered significant if:

- The project will block views from a scenic highway or corridor.

- The project will adversely affect the visual continuity of the surrounding area.
- The impacts on light and glare will be considered significant if the project adds lighting which would add glare to residential areas or sensitive receptors.

Discussion

I. a), b), c) & d) Adoption of PR 1153.1 would implement higher NO_x emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. The proposed project is expected to affect facilities at existing locations. The proposed project does not require construction of new buildings or new add-on controls. Therefore, adoption of PR 1153.1 would not require the construction of new buildings or other structures that would obstruct scenic resources or degrade the existing visual character of a site, including but not limited to, trees, rock outcroppings, or historic buildings. Further, PR 1153.1 would not involve the demolition of any existing buildings or facilities, require any subsurface activities, require the acquisition of any new land or the surrendering of existing land, or the modification of any existing land use designations or zoning ordinances. Thus, the proposed project is not expected to degrade the visual character of any site where a facility is located or its surroundings, affect any scenic vista or damage scenic resources. Since the proposed project does not require existing facilities to operate at night, it is not expected to create any new source of substantial light or glare.

Based upon these considerations, significant adverse aesthetics impacts are not anticipated and will not be further analyzed in this Draft EA. Since no significant adverse aesthetics impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
II. AGRICULTURE AND FORESTRY RESOURCES. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland mapping and Monitoring Program of the California Resources Agency, to non- agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code §12220(g)), timberland (as defined by Public Resources Code §4526), or timberland zoned Timberland Production (as defined by Government Code §51104 (g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Project-related impacts on agriculture and forestry resources will be considered significant if any of the following conditions are met:

- The proposed project conflicts with existing zoning or agricultural use or Williamson Act contracts.
- The proposed project will convert prime farmland, unique farmland or farmland of statewide importance as shown on the maps prepared pursuant to the farmland mapping and monitoring program of the California Resources Agency, to non-agricultural use.
- The proposed project conflicts with existing zoning for, or causes rezoning of, forest land (as defined in Public Resources Code §12220(g)), timberland (as defined in Public Resources Code §4526), or timberland zoned Timberland Production (as defined by Government Code § 51104 (g)).
- The proposed project would involve changes in the existing environment, which due to their location or nature, could result in conversion of farmland to non-agricultural use or conversion of forest land to non-forest use.

Discussion

II. a), b), c) & d) The existing industrial or commercial businesses that may be affected by the adoption of PR 1153.1 are primarily located within urbanized areas that are typically designated as industrial or commercial. The proposed project would not result in any new construction of buildings or other structures that would convert farmland to non-agricultural use or conflict with zoning for agricultural use or a Williamson Act contract. The proposed project would not require converting farmland to non-agricultural uses because the affected food oven, roaster and smokehouse operations are expected to occur completely within the confines of existing affected commercial and industrial facilities. For the same reasons, PR 1153.1 would not result in the loss of forest land or conversion of forest land to non-forest use.

Based upon these considerations, significant adverse agricultural and forestry resource impacts are not anticipated and will not be further analyzed in the Draft EA. Since no significant agriculture and forestry resource impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
III. AIR QUALITY AND GREENHOUSE GAS EMISSIONS.				
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute to an existing or projected air quality violation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Diminish an existing air quality rule or future compliance requirement resulting in a significant increase in air pollutant(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
g) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Air Quality Significance Criteria

To determine whether or not air quality impacts from adopting and implementing PR 1153.1 are significant, impacts will be evaluated and compared to the criteria in Table 2-1. The project will be considered to have significant adverse air quality impacts if any one of the thresholds in Table 2-1 are equaled or exceeded.

To determine whether or not greenhouse gas emissions from the proposed project may be significant, impacts will be evaluated and compared to the 10,000 MT CO₂/year threshold for industrial sources.

**TABLE 2-1
SCAQMD Air Quality Significance Thresholds**

Mass Daily Thresholds ^a		
Pollutant	Construction ^b	Operation ^c
NO _x	100 lbs/day	55 lbs/day
VOC	75 lbs/day	55 lbs/day
PM ₁₀	150 lbs/day	150 lbs/day
PM _{2.5}	55 lbs/day	55 lbs/day
SO _x	150 lbs/day	150 lbs/day
CO	550 lbs/day	550 lbs/day
Lead	3 lbs/day	3 lbs/day
Toxic Air Contaminants (TACs), Odor, and GHG Thresholds		
TACs (including carcinogens and non-carcinogens)	Maximum Incremental Cancer Risk ≥ 10 in 1 million Cancer Burden > 0.5 excess cancer cases (in areas ≥ 1 in 1 million) Chronic & Acute Hazard Index ≥ 1.0 (project increment)	
Odor	Project creates an odor nuisance pursuant to SCAQMD Rule 402	
GHG	10,000 MT/yr CO ₂ eq for industrial facilities	

TABLE 2-1
SCAQMD Air Quality Significance Thresholds (concluded)

Ambient Air Quality Standards for Criteria Pollutants^d	
NO₂ 1-hour average annual arithmetic mean	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal)
PM₁₀ 24-hour average annual average	10.4 µg/m ³ (construction) ^e & 2.5 µg/m ³ (operation) 1.0 µg/m ³
PM_{2.5} 24-hour average	10.4 µg/m ³ (construction) ^e & 2.5 µg/m ³ (operation)
SO₂ 1-hour average 24-hour average	0.25 ppm (state) & 0.075 ppm (federal – 99 th percentile) 0.04 ppm (state)
Sulfate 24-hour average	25 µg/m ³ (state)
CO 1-hour average 8-hour average	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal)
Lead 30-day Average Rolling 3-month average Quarterly average	1.5 µg/m ³ (state) 0.15 µg/m ³ (federal) 1.5 µg/m ³ (federal)

^a Source: SCAQMD CEQA Handbook (SCAQMD, 1993)

^b Construction thresholds apply to both the South Coast Air Basin and Coachella Valley (Salton Sea and Mojave Desert Air Basins).

^c For Coachella Valley, the mass daily thresholds for operation are the same as the construction thresholds.

^d Ambient air quality thresholds for criteria pollutants based on SCAQMD Rule 1303, Table A-2 unless otherwise stated.

^e Ambient air quality threshold based on SCAQMD Rule 403.

KEY: lbs/day = pounds per day ppm = parts per million µg/m³ = microgram per cubic meter ≥ = greater than or equal to
MT/yr CO₂eq = metric tons per year of CO₂ equivalents > = greater than

III. a) The equipment proposed to be regulated by PR 1153.1 are currently regulated under SCAQMD Rule 1147. Rule 1147 was based on two control measures from the SCAQMD 2007 AQMP: Control Measure MCS-01 – Facility Modernization and Control Measure CMB-01 – NOx Reductions from Non-RECLAIM Ovens, Dryers, and Furnaces.

Control measure MCS-01 was a new control measure developed for the 2007 AQMP that proposed companies upgrade their current technology to best available control technology (BACT) – the cleanest technology available. The facility modernization control measure proposed that equipment operators meet BACT emission limits at the end of the equipment's useful life. For equipment regulated by Rule 1147, modernization requires burner upgrades, replacement of burner systems or replacement of equipment when the equipment reaches 15 to 20 years of age. PR 1153.1 would affect food oven, roaster and smokehouse operations. Since affected facilities/operations are anticipated to already comply with the proposed requirements, the proposed rule is not expected to achieve additional NOx reductions to be credited toward CMB-01 or MCS-01.

Implementing PR 1153.1 is not expected to significantly conflict with or obstruct implementation of the applicable air quality control plan because the 2012 AQMP demonstrates that the effects of all existing rules, in combination with implementing all AQMP control measures (including “black box” measures not specifically described in the 2012 AQMP) would bring the District into attainment with all applicable national and state ambient air quality standards. PR 1153.1 will allow a higher NO_x limit than under Rule 1147 but the foregone emissions are expected to be achieved through other control measures addressed in the AQMP. Therefore, PR 1153.1 is not expected to significantly conflict or obstruct implementation of the applicable air quality plan, but instead, when lower NO_x limits are met, would contribute to attaining and maintaining the ozone and PM standards.

So, while PR 1153.1 will have a potential to obstruct the AQMP by not achieving all reductions committed in 2007, implementation of all other SCAQMD NO_x rules along with AQMP control measures, when considered together, is expected to reduce NO_x emissions throughout the region overall by 2023. Therefore, implementing the proposed project will not conflict or obstruct the overall implementation of the 2012 AQMP.

III. b) For a discussion of these items, refer to the following analysis:

Facility Applicability

The main objective of PR 1153.1 is to limit NO_x and CO emissions from gaseous and liquid fuel fired combustion equipment as defined in PR 1153.1 (food ovens, roasters and smokehouses).

PR 1153.1 affects manufacturers of ovens, roasters and smokehouses (NAICS 333) and manufacturers of food and beverage products (NAICS 311 and 312) located throughout the SCAQMD jurisdiction (see Project Location in Chapter 1). PR 1153.1 impacts over 200 ovens, roasters and smokehouses at approximately 100 facilities. The proposed rule will exempt approximately two thirds of the ovens from emission limit requirements (small and low use units). The owners and operators of these units are still subject to the combustion system maintenance and recordkeeping requirements that are carried over from Rule 1147. The maintenance requirements will help limit NO_x, CO, VOC and PM emissions from these units. An estimated 75 units would still be required to meet PR 1153.1 emission limits and demonstrate compliance through source testing. It is expected that most of the larger ovens will be able to comply with the proposed emission limits without changing burner systems.

Construction Impacts

Adoption of PR 1153.1 would implement higher NO_x emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. The proposed project is expected to affect facilities at existing locations. The proposed project does not require construction of new buildings and any potential equipment replacement would require minimum construction, as burners are pre-manufactured items that typically drop into place. Therefore, adoption of PR 1153.1 would not require the construction of new buildings or other structures that would generate construction emissions. Although there could be a delivery truck if a facility chooses to install a new burner, the adverse impact is not anticipated to be significant. Therefore, no additional vehicle trips would be generated by PR 1153.1 since equipment replacement is already expected to comply with Rule 1147. Thus, there would be no increase of emissions.

As a result, according to the above analysis of potential construction impacts, there would be no significant adverse construction air quality impacts resulting from the proposed project for criteria pollutants.

Operational Impacts- Criteria Pollutants

As mentioned above, PR 1153.1 would implement higher NO_x emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. Based on SCAQMD staff research, the affected facilities are already compliant with the proposed project. Therefore, there would be no change in operational emissions from the existing affected facilities. However, NO_x emission reductions for PR 1153.1 are delayed compared with Rule 1147 and will result in approximately 120 pounds per day of NO_x emissions forgone by 2023. Detailed analysis of the NO_x emissions foregone as a result of the proposed project will be included in the Draft EA.

Emissions of CO, VOC and PM are not expected to change as a result of the proposed project compared with the requirements for affected sources under Rule 1147.

Operational Impacts- Toxic Air Contaminants

In assessing potential impacts from the adoption of proposed rules, SCAQMD staff not only evaluates the potential air quality benefits, but also determines potential health risks associated with implementation of the proposed rule.

As stated previously, PR 1153.1 would implement higher NO_x emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses.

Based on SCAQMD staff research, the affected facilities are already compliant with the proposed project. Therefore, there would be no change in toxic operational emissions from the existing affected facilities. Therefore, no changes in toxicity are expected in comparison with Rule 1147. As a result, there will be no increase in toxic air contaminant emissions from the affected facilities due to the proposed rule.

III. c) PR 1153.1 will be evaluated for any potential cumulatively considerable air quality impacts in the Draft EA.

III. d) Affected facilities are also not expected to increase exposure by sensitive receptors to substantial pollutant concentrations from the implementation of PR 1153.1 for the following reasons: 1) the affected facilities are existing facilities located primarily in commercial/industrial areas; 2) no construction and operational emission increases are associated with the proposed project from the existing setting. Therefore, no significant adverse air quality impacts to sensitive receptors are expected from implementing PR 1153.1.

III. e) Odor problems depend on individual circumstances, materials involved, and individual odor sensitivities. For example, individuals can differ quite markedly from the population average in their sensitivity to odor due to any variety of innate, chronic or acute physiological

conditions. This includes olfactory adaptation or smell fatigue (i.e., continuing exposure to an odor usually results in a gradual diminution or even disappearance of the smell sensation).

As already noted, the proposed project does not result in the use of construction equipment. As a result, no odor impacts associated with diesel exhaust from either on-road or off-road mobile sources are expected to occur. Additionally, no change in operation at the affected facilities is expected to occur as a result of the adoption of PR 1153.1. Therefore, the proposed project is not expected to create new significant adverse objectionable odors.

III. f) The affected facilities would continue to be required to comply with all applicable SCAQMD, CARB, and USEPA rules and regulations. Based on SCAQMD staff research, the affected facilities are already compliant with the proposed project. Therefore, there would be no change in operational emissions from the existing affected facilities. However, NO_x emission reductions for PR 1153.1 are delayed compared with Rule 1147 and will result in approximately 120 pounds per day of NO_x emissions forgone by 2023. Detailed analysis of the NO_x emissions forgone as a result of the proposed project will be included in the Draft EA.

III. g) & h) Changes in global climate patterns have been associated with global warming, an average increase in the temperature of the atmosphere near the Earth's surface, recently attributed to accumulation of GHG emissions in the atmosphere. GHGs trap heat in the atmosphere, which in turn heats the surface of the Earth. Some GHGs occur naturally and are emitted to the atmosphere through natural processes, while others are created and emitted solely through human activities. The emission of GHGs through the combustion of fossil fuels (i.e., fuels containing carbon) in conjunction with other human activities, appears to be closely associated with global warming.¹ State law defines GHG to include the following: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆) (HSC §38505(g)). The most common GHG that results from human activity is CO₂, followed by CH₄ and N₂O.

GHGs and other global warming pollutants are often perceived as solely global in their impacts and that increasing emissions anywhere in the world contributes to climate change anywhere in the world. However, a study conducted on the health impacts of CO₂ "domes" that form over urban areas cause increases in local temperatures and local criteria pollutants, which have adverse health effects.²

The analysis of GHGs is a much different analysis than the analysis of criteria pollutants for the following reasons. For criteria pollutants, the significance thresholds are based on daily emissions because attainment or non-attainment is primarily based on daily exceedances of applicable ambient air quality standards. Further, several ambient air quality standards are based on relatively short-term exposure effects on human health (e.g., one-hour and eight-hour standards). Since the half-life of CO₂ is approximately 100 years, for example, the effects of

¹ Solomon, S., D. Qin, M. Manning, Z. Chen, M. Marquis, K.B. Averyt, M. Tignor and H.L. Miller (eds.). 2007. Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007. Cambridge University Press.
http://www.ipcc.ch/publications_and_data/ar4/wg1/en/contents.html

² Jacobsen, Mark Z. "Enhancement of Local Air Pollution by Urban CO₂ Domes," Environmental Science and Technology, as describe in Stanford University press release on March 16, 2010 available at:
<http://news.stanford.edu/news/2010/march/urban-carbon-domes-031610.html>.

GHGs occur over a longer term which means they affect the global climate over a relatively long time frame. As a result, the SCAQMD's current position is to evaluate the effects of GHGs over a longer timeframe than a single day (e.g., annual emissions). GHG emissions are typically considered to be cumulative impacts because they contribute to global climate effects.

On December 5, 2008, the SCAQMD adopted an interim CEQA GHG Significance Threshold for projects where SCAQMD is the lead agency (SCAQMD, 2008). This interim threshold is set at 10,000 metric tons of CO₂ equivalent emissions (MTCO₂eq) per year. Projects with incremental increases below this threshold will not be cumulatively considerable.

The proposed project does not introduce the need to directly emit GHG emissions beyond Rule 1147. PR 1153.1 is not expected to create significant cumulative adverse GHG emission impacts or conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs.

Conclusion

Potentially significant adverse air quality impacts from the adoption and implementation of PR 1153.1 will be further evaluated in the Draft EA.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
IV. BIOLOGICAL RESOURCES.				
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
c) Have a substantial adverse effect on federally protected wetlands as defined by §404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflicting with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on biological resources will be considered significant if any of the following criteria apply:

- The project results in a loss of plant communities or animal habitat considered to be rare, threatened or endangered by federal, state or local agencies.
- The project interferes substantially with the movement of any resident or migratory wildlife species.
- The project adversely affects aquatic communities through construction or operation of the project.

Discussion

IV. a), b), c), & d) PR 1153.1 would not require any new development or require major modifications to buildings or other structures to comply with the new requirements for food ovens, roasters and smokehouses beyond what is currently required in Rule 1147. The equipment affected is expected to be located at existing facilities that are already paved. As a result, PR 1153.1 would not directly or indirectly affect any species identified as a candidate, sensitive or special status species, riparian habitat, federally protected wetlands, or migratory

corridors. For this same reason, PR 1153.1 is not expected to adversely affect special status plants, animals, or natural communities.

IV. e) & f) PR 1153.1 would not conflict with local policies or ordinances protecting biological resources or local, regional, or state conservation plans because it would not cause new development. Additionally, PR 1153.1 would not conflict with any Habitat Conservation Plan, Natural Community Conservation Plan, or any other relevant habitat conservation plan for the same reason identified in Item IV. a), b), c), and d) above. Likewise, the proposed project would not in any way impact wildlife or wildlife habitat.

Based upon these considerations, significant adverse biological resources impacts are not anticipated and will not be further analyzed in the Draft EA. Since no significant adverse biological resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
V. CULTURAL RESOURCES. Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource, site, or feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to cultural resources will be considered significant if:

- The project results in the disturbance of a significant prehistoric or historic archaeological site or a property of historic or cultural significance to a community or ethnic or social group.
- Unique paleontological resources are present that could be disturbed by construction of the proposed project.
- The project would disturb human remains.

Discussion

V. a), b), c), & d) PR 1153.1 does not require construction of new facilities, increasing the floor space of existing facilities, or any other construction activities that would require disturbing

soil that may contain cultural resources beyond what is currently required in Rule 1147. The equipment affected is expected to be located at existing facilities that are already paved. Since no construction-related activities requiring soil disturbance would be associated with the implementation of PR 1153.1, no adverse impacts to historical or cultural resources are anticipated to occur. Further, PAR 1153.1 is not expected to require any physical changes to the environment, which may disturb paleontological or archaeological resources or disturb human remains interred outside of formal cemeteries.

Based upon these considerations, significant adverse cultural resources impacts are not expected from implementing PAR 1153.1 and will not be further assessed in the Draft EA. Since no significant cultural resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VI. ENERGY. Would the project:				
a) Conflict with adopted energy conservation plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the need for new or substantially altered power or natural gas utility systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Create any significant effects on local or regional energy supplies and on requirements for additional energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create any significant effects on peak and base period demands for electricity and other forms of energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Comply with existing energy standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to energy and mineral resources will be considered significant if any of the following criteria are met:

- The project conflicts with adopted energy conservation plans or standards.
- The project results in substantial depletion of existing energy resource supplies.
- An increase in demand for utilities impacts the current capacities of the electric and natural gas utilities.
- The project uses non-renewable resources in a wasteful and/or inefficient manner.

Discussion

VI. a) & e) Adoption of PR 1153.1 would implement higher NOx emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate

compliance plans and mitigation fee options for food ovens, roasters and smokehouses. The proposed rule amendments are not expected to create any additional demand for energy at any of the affected facilities beyond what is currently required in Rule 1147. Since it is unlikely that the affected facilities would require new equipment or modifications, it is unlikely that energy demand requirements would change. As a result, PR 1153.1 would not conflict with energy conservation plans, use non-renewable resources in a wasteful manner, or result in the need for new or substantially altered power or natural gas systems. Since PR 1153.1 would affect primarily existing facilities, it will not conflict with adopted energy conservation plans because existing facilities would be expected to continue implementing any existing energy conservation plans. Additionally, operators of affected facilities are expected to implement existing energy conservation plans or comply with energy standards to minimize operating costs. Accordingly these impact issues will not be further analyzed in the draft EA.

VI. b), c) & d) The proposed amendments are not expected to increase any electricity or natural gas demand in any way and would not create any significant effects on peak and base period demands for electricity and other forms of energy.

PR 1153.1 is not expected to generate significant adverse energy resources impacts and will not be discussed further in this Draft EA. Since no significant energy impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VII. GEOLOGY AND SOILS. Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
• Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on the geological environment will be considered significant if any of the following criteria apply:

- Topographic alterations would result in significant changes, disruptions, displacement, excavation, compaction or over covering of large amounts of soil.
- Unique geological resources (paleontological resources or unique outcrops) are present that could be disturbed by the construction of the proposed project.
- Exposure of people or structures to major geologic hazards such as earthquake surface rupture, ground shaking, liquefaction or landslides.
- Secondary seismic effects could occur which could damage facility structures, e.g., liquefaction.
- Other geological hazards exist which could adversely affect the facility, e.g., landslides, mudslides.

Discussion

VII. a) Southern California is an area of known seismic activity. Structures must be designed to comply with the Uniform Building Code Zone 4 requirements if they are located in a seismically active area. The local city or county is responsible for assuring that a proposed project complies with the Uniform Building Code as part of the issuance of the building permits and can conduct

inspections to ensure compliance. The Uniform Building Code is considered to be a standard safeguard against major structural failures and loss of life. The goal of the code is to provide structures that will: 1) resist minor earthquakes without damage; 2) resist moderate earthquakes without structural damage but with some non-structural damage; and 3) resist major earthquakes without collapse but with some structural and non-structural damage.

The Uniform Building Code bases seismic design on minimum lateral seismic forces (“ground shaking”). The Uniform Building Code requirements operate on the principle that providing appropriate foundations, among other aspects, helps to protect buildings from failure during earthquakes. The basic formulas used for the Uniform Building Code seismic design require determination of the seismic zone and site coefficient, which represent the foundation conditions at the site. Accordingly, buildings and equipment at existing affected facilities are likely to conform with the Uniform Building Code and all other applicable state codes in effect at the time they were constructed.

No new buildings or structures are expected to be constructed in response to the proposed project, so no change in geological existing setting is expected. Any equipment modification would not affect geology beyond what is currently required by Rule 1147. Therefore, PR 1153.1 is not expected to affect a facility’s ability to continue to comply with any applicable Uniform Building Code requirements. Consequently, PR 1153.1 is not expected to expose persons or property to geological hazards such as earthquakes, landslides, mudslides, ground failure, or other natural hazards. As a result, substantial exposure of people or structure to the risk of loss, injury, or death involving seismic-related activities is not anticipated and will not be further analyzed in this draft EA.

VII. b), c), d) & e) Since PR 1153.1 would affect primarily existing facilities, it is expected that the soil types present at the affected facilities that are susceptible to expansion or liquefaction would be considered part of the existing setting. New subsidence impacts are not anticipated since no excavation, grading, or fill activities will occur at affected facilities. Further, the proposed project does not involve drilling or removal of underground products (e.g., water, crude oil, et cetera) that could produce new, or make worse existing subsidence effects. Additionally, the affected areas are not envisioned to be prone to new risks from landslides or have unique geologic features, since the affected facilities are located in industrial or commercial areas where such features have already been altered or removed. Finally, since adoption of PR 1153.1 would be expected to affect operations at primarily existing facilities, the proposed project is not expected to alter or make worse any existing potential for subsidence, liquefaction, etc.

Based on the above discussion, the proposed project is not expected to have an adverse impact on geology or soils. Since no significant adverse impacts are anticipated, this environmental topic will not be further analyzed in the draft EA. No mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VIII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, and disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions, or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public use airport or a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Significantly increased fire hazard in areas with flammable materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts associated with hazards will be considered significant if any of the following occur:

- Non-compliance with any applicable design code or regulation.
- Non-conformance to National Fire Protection Association standards.
- Non-conformance to regulations or generally accepted industry practices related to operating policy and procedures concerning the design, construction, security, leak detection, spill containment or fire protection.
- Exposure to hazardous chemicals in concentrations equal to or greater than the Emergency Response Planning Guideline (ERPG) 2 levels.

Discussion

VIII. a, b) & c) The proposed project will not create a significant hazard to the public or the environment through the routine transport, use, and disposal of hazardous materials, due to the fact that the proposed amendments do not require the transport, use, and disposal of hazardous materials. Based on the fact that the proposed rules do not require the transport, use and disposal of hazardous materials, PR 1153.1 will not create a significant hazard to the public or environment through a reasonably foreseeable release of these materials into the environment.

Based on the facts, there is no additional formulation required, thus little likelihood that affected facilities will emit new hazardous emissions or handle hazardous materials, substances or waste within one-quarter mile of an existing or proposed school as a result of implementing the proposed project. The affected facilities are typically located in light industrial or commercial areas, but the proposed project does not introduce any hazardous materials, so the existing setting does not change. Further, the equipment affected by PR 1153.1 (food ovens, roasters and smokehouses) is not expected to use hazardous materials in normal operations. Therefore no hazardous wastes or emissions are expected to be generated that would affect any existing or proposed schools within one-quarter mile of affected facilities.

VIII. d) Government Code §65962.5 typically refers to a list of facilities that may be subject to Resource Conservation and Recovery Act (RCRA) permits. For any facilities affected by the proposed project that are on the Government Code §65962.5 list, it is anticipated that they would continue to manage any and all hazardous materials and hazardous waste, in accordance with federal, state and local regulations.

VIII. e) Since PR 1153.1 affects food ovens, roasters and smokehouses, implementation of PR 1153.1 is not expected to increase or create any new hazardous emissions in general, which could adversely affect public/private airports located in close proximity to the affected sites. Implementation of PR 1153.1 is not expected to create any additional safety hazards for people residing or working in the project area.

VIII. f) The proposed project will not impair implementation of, or physically interfere with any adopted emergency response plan or emergency evacuation plan. Any existing commercial or light industrial facilities affected by the proposed project will typically have their own emergency response plans. Any new facilities will be required to prepare emergency response and evacuation plans as part of the land use permit review and approval process conducted by local jurisdictions for new development. Emergency response plans are typically prepared in coordination with the local city or county emergency plans to ensure the safety of not only the public (surrounding local communities), but the facility employees as well. Since the proposed

project does not involve the change in current uses of any hazardous materials, or generate any new hazardous waste, no changes to emergency response plans are anticipated.

Health and Safety Code §25506 specifically requires all businesses handling hazardous materials to submit a business emergency response plan to assist local administering agencies in the emergency release or threatened release of a hazardous material. Business emergency response plans generally require the following:

1. Identification of individuals who are responsible for various actions, including reporting, assisting emergency response personnel and establishing an emergency response team;
2. Procedures to notify the administering agency, the appropriate local emergency rescue personnel, and the California Office of Emergency Services;
3. Procedures to mitigate a release or threatened release to minimize any potential harm or damage to persons, property or the environment;
4. Procedures to notify the necessary persons who can respond to an emergency within the facility;
5. Details of evacuation plans and procedures;
6. Descriptions of the emergency equipment available in the facility;
7. Identification of local emergency medical assistance; and
8. Training (initial and refresher) programs for employees in:
 - a. The safe handling of hazardous materials used by the business;
 - b. Methods of working with the local public emergency response agencies;
 - c. The use of emergency response resources under control of the handler; and
 - d. Other procedures and resources that will increase public safety and prevent or mitigate a release of hazardous materials.

In general, every county or city and all facilities using a minimum amount of hazardous materials are required to formulate detailed contingency plans to eliminate, or at least minimize, the possibility and effect of fires, explosion, or spills. In conjunction with the California Office of Emergency Services, local jurisdictions have enacted ordinances that set standards for area and business emergency response plans. These requirements include immediate notification, mitigation of an actual or threatened release of a hazardous material, and evacuation of the emergency area. Adopting PR 1153.1 is not expected to hinder in any way with the above business emergency response plan requirements.

VIII. g) Since the affected facilities are primarily located in industrial or commercial areas where wildlands are typically not prevalent, risk of loss or injury associated with wildland fires is not expected as a result of implementing PR 1153.1.

VIII. h) Affected food oven, roaster and smokehouse facilities must comply with all local and county requirements for fire prevention and safety. The proposed project does not require any activities which would be in conflict with fire prevention and safety requirements, and thus would not create or increase fire hazards at these existing facilities. Pursuant to local and county

fire prevention and safety requirements, facilities are required to maintain appropriate site management practices to prevent fire hazards. PR 1153.1 will not interfere with fire prevention practices.

In conclusion, potentially significant adverse hazard or hazardous material impacts resulting from adopting and implementing PR 1153.1 are not expected and will not be considered further. No mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
IX. HYDROLOGY AND WATER QUALITY. Would the project:				
a) Violate any water quality standards, waste discharge requirements, exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board, or otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g. the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in substantial erosion or siltation on- or off-site or flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
d) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Place housing or other structures within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam, or inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Require or result in the construction of new water or wastewater treatment facilities or new storm water drainage facilities, or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Potential impacts on water resources will be considered significant if any of the following criteria apply:

Water Demand:

- The existing water supply does not have the capacity to meet the increased demands of the project, or the project would use more than 262,820 gallons per day of potable water.
- The project increases demand for total water by more than five million gallons per day.

Water Quality:

- The project will cause degradation or depletion of ground water resources substantially affecting current or future uses.
- The project will cause the degradation of surface water substantially affecting current or future uses.
- The project will result in a violation of National Pollutant Discharge Elimination System (NPDES) permit requirements.
- The capacities of existing or proposed wastewater treatment facilities and the sanitary sewer system are not sufficient to meet the needs of the project.
- The project results in substantial increases in the area of impervious surfaces, such that interference with groundwater recharge efforts occurs.
- The project results in alterations to the course or flow of floodwaters.

Discussion

IX. a), b), c), d) & g) Adoption of PR 1153.1 would implement higher NO_x emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. Additional water usage will not result from operating the affected sources at higher NO_x emission levels, compared to existing Rule 1147.

No additional wastewater generation is expected to result from the proposed project. Further, PR 1153.1 has no provision that would require the construction of additional water resource facilities, increase the need for new or expanded water entitlements, or alter existing drainage patterns. The proposed project would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge. PR 1153.1 would not create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Further, the adoption of PR 1153.1 would not create a change in the current volume of existing wastewater streams from the affected facilities. In addition, the proposed amended rule is not expected to require additional wastewater disposal capacity, violate any water quality standard or wastewater discharge requirements, or otherwise substantially degrade water quality.

Adoption of PR 1153.1 could affect future operations at existing facilities that are typically located in industrial or commercial areas that are already paved and have drainage infrastructures in place. No new major construction is anticipated. Based on the current food oven, roaster and smokehouse facility inventory in the District, implementation of PR 1153.1 is not expected to involve major construction activities including site preparation, grading, etc., so no changes to storm water runoff, drainage patterns, groundwater characteristics, or flow are expected. Therefore, these impact areas are not expected to be affected by PR 1153.1.

PR 1153.1 is not expected to have significant adverse water demand or water quality impacts for the following reasons:

- The proposed project does not increase demand for water by more than 5,000,000 gallons per day.
- The proposed project does not require construction of new water conveyance infrastructure.
- The proposed project does not create a substantial increase in mass inflow of effluents to public wastewater treatment facilities.
- The proposed project does not result in a substantial degradation of surface water or groundwater quality.
- The proposed project does not result in substantial increases in the area of impervious surfaces, such that interference with groundwater recharge efforts occurs.
- The proposed project does not result in alterations to the course or flow of floodwaters.

IX. i) The proposed project is not expected to change existing operations at affected facilities, nor would it result in the generation of increased volumes of wastewater, because no increased water usage is expected due to the proposed project. As a result, there are no potential changes in wastewater volume expected from facilities as a result of the adoption of PR 1153.1. It is expected that facilities and operations will continue to handle wastewater generated in a similar manner and with the same equipment as the wastewater that is currently generated. Further, PR 1153.1 is not expected to cause affected facilities to violate any water quality standard or wastewater discharge requirements since there would be no additional wastewater volumes generated as a result of adopting PR 1153.1.

IX. e), f) & h) The proposed project would increase NO_x limits for food oven, roaster and smokehouse facilities, compared to existing Rule 1147. As a result, PR 1153.1 would not require construction of new housing, contribute to the construction of new building structures, or require major modifications or changes to existing structures. Further, PR 1153.1 is not expected to require additional workers at affected facilities because the proposed project does not affect how equipment is operated. Therefore, PR 1153.1 is not expected to generate construction of any new structures in 100-year flood areas as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood delineation map. As a result, PR 1153.1 is not expected to expose people or structures to significant new flooding risks, or make worse any existing flooding risks. Because PR 1153.1 would not require construction of new structures or the addition of new employees, the proposed project will not affect in any way any potential flood hazards inundation by seiche, tsunami, or mud flow that may already exist relative to existing facilities or create new hazards at existing facilities. Additionally, since PR 1153.1 does not require additional water usage or demand, sufficient water supplies are expected to be available to serve the project from existing entitlements and resources, and no new or expanded entitlements would be needed.

Based upon these considerations, significant hydrology and water quality impacts are not expected from the adoption of PR 1153.1 and will not be further analyzed in this draft EA. Since no significant hydrology and water quality impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
X. LAND USE AND PLANNING.				
Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Land use and planning impacts will be considered significant if the project conflicts with the land use and zoning designations established by local jurisdictions.

Discussion

X. a) PR 1153.1 would not require any new development or require major modifications to buildings or other structures to comply with the new requirements for food ovens, roasters and smokehouses at any of the currently existing facilities beyond what is currently required by Rule 1147. Therefore, PR 1153.1 does not include any components that would require physically dividing an established community.

X. b) There are no provisions in PR 1153.1 that would affect land use plans, policies, or regulations. Land use and other planning considerations are determined by local governments and no land use or planning requirements would be altered by the new requirements for food oven, roaster or smokehouse operations beyond what is currently required by Rule 1147. Therefore, as already noted in the discussion under “Biological Resources,” PR 1153.1 would not affect in any habitat conservation or natural community conservation plans, agricultural resources or operations, and would not create divisions in any existing communities. Present or planned land uses in the region would not be significantly adversely affected as a result of implementing the proposed rule.

Based upon these considerations, significant adverse land use and planning impacts are not expected from the implementation of PR 1153.1 and will not be further analyzed in this Draft

EA. Since no significant land use and planning impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XI. MINERAL RESOURCES. Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Project-related impacts on mineral resources will be considered significant if any of the following conditions are met:

- The project would result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state.
- The proposed project results in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

Discussion

XI. a) & b) There are no provisions in PR 1153.1 that would result in the loss of availability of a known mineral resource of value to the region and the residents of the state, or of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan. Some examples of mineral resources are gravel, asphalt, bauxite, and gypsum, which are commonly used for construction activities or industrial processes. Since the proposed project is likely only to affect currently existing food oven, roaster and smokehouse operations that do not use or duplicate mineral resources, PR 1153.1 does not require and would not have any effects on the use of important minerals, such as those described above. Therefore, no new demand for mineral resources is expected to occur and significant adverse mineral resources impacts from implementing PR 1153.1 are not anticipated.

Based upon these aforementioned considerations, significant mineral resources impacts are not expected from the implementation of PR 1153.1. Since no significant mineral resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XII. NOISE. Would the project result in:				
a) Exposure of persons to or generation of permanent noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public use airport or private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Noise impact will be considered significant if:

- Construction noise levels exceed the local noise ordinances or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three decibels (dBA) at the site boundary. Construction noise levels will be considered significant if they exceed federal Occupational Safety and Health Administration (OSHA) noise standards for workers.
- The proposed project operational noise levels exceed any of the local noise ordinances at the site boundary or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three dBA at the site boundary.

Discussion

XII. a) Adoption of PR 1153.1 would implement higher NOx emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. PR 1153.1 would not require any new development or require major modifications to buildings or other structures to comply with the proposed rule at any of the currently existing facilities beyond what is currently required by Rule 1147. All of the affected activities occur within existing facilities. Compliance with the

new requirements for food oven, roaster and smokehouse operations are not expected to adversely affect operations at affected facilities because the existing facilities meet the currently proposed requirements. Thus, the proposed project is not expected to expose persons to the generation of excessive noise levels above current facility levels because no change in current operations is expected to occur as a result of the proposed project. It is expected that any facility affected by PR 1153.1 would continue complying with all existing local noise control laws or ordinances.

In commercial environments, Occupational Safety and Health Administration (OSHA) and California-OSHA have established noise standards to protect worker health. It is expected that operators at affected facilities will continue complying with applicable OSHA or Cal/OSHA noise standards, which would limit noise impacts to workers, patrons and neighbors.

XII. b) PR 1153.1 is not anticipated to expose people to, or generate excessive groundborne vibration or groundborne noise levels since complying with PR 1153.1 is not expected to alter operations at affected facilities. Therefore, any existing noise or vibration levels at affected facilities are not expected to change as a result of implementing PR 1153.1. Since existing operations are not expected to generate excessive groundborne vibration or noise levels, and PR 1153.1 is not expected to alter physical operations, no groundborne vibrations or noise levels are expected from the proposed rule.

XII. c) No increase in periodic or temporary ambient noise levels in the vicinity of affected facilities above levels existing prior to implementing PR 1153.1 is anticipated because the proposed project would not require heavy-duty diesel-fueled construction-related activities nor would it change the existing activities currently performed by food oven, roaster or smokehouse operations. See also the response to items XII.a) and XII.b).

XII. d) Even if an affected facility is located near a public/private airport, there are no new noise impacts expected from any of the existing facilities as a result of complying with the proposed project. Similarly, any existing noise levels at affected facilities are not expected to increase appreciably. Thus, PR 1153.1 is not expected to expose people residing or working in the vicinities of public airports to excessive noise levels.

Based upon these considerations, significant adverse noise impacts are not expected from the implementation of PR 1153.1 and will not be further evaluated in the Draft EA. Since no significant noise impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XIII. POPULATION AND HOUSING.				
Would the project:				
a) Induce substantial growth in an area either directly (for example, by proposing new homes and businesses) or indirectly (e.g. through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of people or existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts of the proposed project on population and housing will be considered significant if the following criteria are exceeded:

- The demand for temporary or permanent housing exceeds the existing supply.
- The proposed project produces additional population, housing or employment inconsistent with adopted plans either in terms of overall amount or location.

Discussion

XIII. a) The proposed project is not anticipated to generate any significant adverse effects, either direct or indirect, on the district's population or population distribution as no additional workers are anticipated to be required for affected facilities to comply with the proposed rule. Human population within the jurisdiction of the SCAQMD is anticipated to grow regardless of implementing PR 1153.1. As such, PR 1153.1 would not result in changes in population densities or induce significant growth in population.

XIII. b) Because the proposed project affects food oven, roaster and smokehouse facilities but does not require additional employees, PR 1153.1 is not expected to result in the creation of any new industry that would affect population growth, directly or indirectly, induce the construction of single- or multiple-family units, or require the displacement of people elsewhere. Affected equipment is anticipated to be operated by the existing labor pool in southern California and would not warrant any new housing.

Based upon these considerations, significant adverse population and housing impacts are not expected from the implementation of PR 1153.1 and will not be further evaluated in the Draft EA. Since no significant population and housing impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
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XIV. PUBLIC SERVICES. Would the proposal result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:

- | | | | | |
|-----------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Parks? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Other public facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Significance Criteria

Impacts on public services will be considered significant if the project results in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response time or other performance objectives.

Discussion

XIV. a) & b) Adoption of PR 1153.1 would implement higher NOx emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. Since the proposed rule primarily affects existing equipment, PR 1153.1 will not require additional public services beyond what is currently required by Rule 1147. The proposed project does not require any action which would alter and, thereby, adversely affect existing public services, or require an increase in governmental facilities or services to support the affected existing facilities. Current fire, police and emergency services are adequate to serve existing facilities, and the proposed project will not result in the need for new or physically altered government facilities in order to maintain acceptable service ratios, response times, or other performance objectives because no change in operations is expected to occur at affected facilities.

Because the proposed project does not require or involve the use of new hazardous materials or generate new hazardous waste, it will not generate an emergency situation that would require additional fire or police protection, or impact acceptable service ratios or response times.

XIV. c) & d) As indicated in discussion under item XIII. Population and Housing, implementing PR 1153.1 would not induce population growth or dispersion because no additional workers are expected to be needed at the existing affected facilities. Therefore, with no increase in local population anticipated as a result of adopting and implementing PR 1153.1, additional demand for new or expanded schools or parks is also not anticipated. As a result, no significant adverse impacts are expected to local schools or parks.

Based upon these considerations, significant adverse public services impacts are not expected from the implementation of PR 1153.1 and will not be further evaluated in the Draft EA. Since no significant public services impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XV. RECREATION.				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment or recreational services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to recreation will be considered significant if:

- The project results in an increased demand for neighborhood or regional parks or other recreational facilities.
- The project adversely affects existing recreational opportunities.

Discussion

XV. a) & b) As discussed under “Land Use and Planning” above, there are no provisions in PR 1153.1 that would affect land use plans, policies, or regulations. Land use and other planning considerations are determined by local governments. No land use or planning requirements would be altered by the adoption of PR 1153.1, which only affect food oven, roaster and smokehouse operations. Further, PR 1153.1 would not affect in any way district population growth or distribution (see Section XIII), in ways that could increase the demand for or use of existing neighborhood and regional parks or other recreational facilities or require the construction of new or expansion of existing recreational facilities that might have an adverse

physical effect on the environment because it would not directly or indirectly increase or redistribute population.

Based upon these considerations, significant recreation impacts are not expected from the implementation of PR 1153.1. Since no significant recreation impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVI. SOLID/HAZARDOUS WASTE.				
Would the project:				
a) Be served by a landfill with sufficient permitted capacity to accommodate the project’s solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Comply with federal, state, and local statutes and regulations related to solid and hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

The proposed project impacts on solid/hazardous waste will be considered significant if the following occurs:

- The generation and disposal of hazardous and non-hazardous waste exceeds the capacity of designated landfills.

Discussion

XVI. a) & b) Adoption of PR 1153.1 would implement higher NOx emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses.

PR 1153.1 is expected to require the replacement of burner equipment at affected facilities that could generate waste, however, the impacts would not be beyond what is currently required in Rule 1147; therefore, no new solid or hazardous waste impacts specifically associated with PR 1153.1 are expected. The affected facilities are currently primarily in compliance with the proposed rule, and as a result, no substantial change in the amount of solid or hazardous waste streams is expected to occur. The character of solid or hazardous waste streams are not expected to change as a result of the adoption of PR 1153.1. PR 1153.1 is not expected to increase the volume of solid or hazardous wastes from affected facilities, require additional waste disposal capacity, or generate waste that does not meet applicable local, state, or federal regulations. With regard to potential wastewater impacts, please see the discussion under item IX., “Hydrology and Water Quality.”

Based upon these considerations, PR 1153.1 is not expected to increase the volume of solid or hazardous wastes that cannot be handled by existing municipal or hazardous waste disposal facilities, or require additional waste disposal capacity. Further, adopting PR 1153.1 is not expected to interfere with any affected facility's ability to comply with applicable local, state, or federal waste disposal regulations. Since no solid/hazardous waste impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVII. TRANSPORTATION/TRAFFIC.				
Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on transportation/traffic will be considered significant if any of the following criteria apply:

- Peak period levels on major arterials are disrupted to a point where level of service (LOS) is reduced to D, E or F for more than one month.
- An intersection’s volume to capacity ratio increase by 0.02 (two percent) or more when the LOS is already D, E or F.
- A major roadway is closed to all through traffic, and no alternate route is available.
- The project conflicts with applicable policies, plans or programs establishing measures of effectiveness, thereby decreasing the performance or safety of any mode of transportation.
- There is an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system.
- The demand for parking facilities is substantially increased.
- Water borne, rail car or air traffic is substantially altered.
- Traffic hazards to motor vehicles, bicyclists or pedestrians are substantially increased.
- The need for more than 350 employees
- An increase in heavy-duty transport truck traffic to and/or from the facility by more than 350 truck round trips per day
- Increase customer traffic by more than 700 visits per day.

Discussion

XVII. a) & b) Adoption of PR 1153.1 would implement higher NOx emission limits, delay compliance dates, provide an exemption for small/low use units, and provide alternate compliance plans and mitigation fee options for food ovens, roasters and smokehouses. The adoption of PR 1153.1 would not change or cause additional transportation demands or services because no change in operations at affected facilities is expected to occur beyond what is currently required by Rule 1147. Therefore, the proposed project would not increase traffic or adversely impact the existing traffic load and capacity of the street system, as the amount of product to be delivered is not anticipated to change nor generate additional services to affect transportation demand. Because the current existing facilities are primarily in compliance with the proposed rule, no increase in material delivery trips is expected as a result of the proposed project.

Since no construction-related trips and no additional operational-related trips per facility are anticipated, the adoption of PR 1153.1 is not expected to significantly adversely affect circulation patterns on local roadways or the level of service at intersections near affected

facilities. Since no construction is required, no significant construction traffic impacts are anticipated.

XVII. c) PR 1153.1 will not require operators of existing facilities to construct buildings or other structures or change the height and appearance of the existing structures, such that they could interfere with flight patterns. Therefore, adoption of PR 1153.1 is not expected to adversely affect air traffic patterns. Further, PR 1153.1 will not affect in any way air traffic in the region because it will not require transport of any PR 1153.1 materials by air.

XVII. d) No physical modifications are expected to occur by adopting PR 1153.1 at the affected facilities. Additionally, no offsite modifications to roadways are anticipated for the proposed project that would result in an additional design hazard or incompatible uses.

XVII. e) Equipment replacements or retrofits associated with adopting PR 1153.1 are not expected to occur at the potentially affected existing facilities. Therefore, no changes to emergency access at or in the vicinity of the affected facilities would be expected. As a result, PR 1153.1 is not expected to adversely impact emergency access.

XVII. f) No changes to the parking capacity at or in the vicinity of the affected facilities are expected with adopting PR 1153.1. Adoption of PR 1153.1 does not change existing operations, so no new workers at affected facilities or area sources are expected. Since adoption of PR 1153.1 is not expected to require additional workers, no traffic impacts are expected to occur and additional parking capacity will not be required. Therefore, PR 1153.1 is not expected to adversely impact on- or off-site parking capacity. PR 1153.1 has no provisions that would conflict with alternative transportation, such as bus turnouts, bicycle racks, et cetera.

Based upon these considerations, PR 1153.1 is not expected to generate significant adverse project-specific or cumulative transportation/traffic impacts and, therefore, this topic will not be considered further. Since no significant transportation/traffic impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XVIII. a) As discussed in the “Biological Resources” section, PR 1153.1 is not expected to significantly adversely affect plant or animal species or the habitat on which they rely because PR 1153.1 affects food oven, roaster and smokehouse operations, which are primarily conducted at existing established facilities. The installation of new equipment is anticipated to occur at existing affected facilities, but not beyond what is currently required by Rule 1147. In addition, all of the currently affected facilities are located at sites that have already been greatly disturbed and that currently do not support such habitats. PR 1153.1 is not expected to induce construction of any new land use projects that could affect biological resources.

XVIII. b) Based on the foregoing analyses, some project-specific significant adverse environmental impacts in the answers for air quality are marked significant for project-specific adverse impacts (see checklist in section III). The incremental effects of the proposed project for air quality answers marked potentially significant are not known at this time and will be evaluated for project-specific and cumulative adverse effects in the Draft EA. Therefore, air quality answers checked potentially significant for project-specific adverse impacts are potentially significant for cumulative adverse impacts.

No environmental topics were answered ‘Less Than Significant Impact’ or ‘Less Than Significant with Mitigation’. The environmental topics with ‘No Impact’ include aesthetics, agriculture and forestry resources, biological resources, cultural resources, energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, solid/hazardous waste, and transportation and traffic (see checklists in sections I., II., IV., V., VI., VII., VIII., IX., X., XI., XII., XIII., XIV., XV., XVI., and XVII.). SCAQMD significance thresholds are the same for project-specific impacts and cumulative impacts; therefore, environmental topic answers that are checked ‘No Impact’ for project-specific impacts would not be expected to make any contribution to potential cumulative impacts whatsoever. Therefore, environmental topic answered ‘No Impact’ for project-specific impacts are not expected to be significant for cumulative adverse impacts; therefore, no mitigation is necessary. Therefore, these topics will not be evaluated further in the Draft EA.

XVIII. c) Some air quality adverse impacts from implementing PR 1153.1 were identified as potentially significant and will be evaluated in the Draft EA (see checklist in section III.). The direct and indirect adverse effects upon human beings for these potentially significant adverse impacts will be evaluated in the Draft EA.

As discussed in items I through XVII above (with the exception of section III.), the proposed project would have no potential to cause significant adverse environmental effects in these topic areas.

APPENDIX A

PROPOSED RULE 1153.1

**RULE 1153.1 EMISSIONS OF OXIDES OF NITROGEN FROM
COMMERCIAL FOOD OVENS**

(a) Purpose and Applicability

The purpose of this rule is to reduce nitrogen oxide emissions from gaseous and liquid fuel-fired combustion equipment as defined in this rule. This rule applies to in-use ovens, dryers, smokers, and roasters with nitrogen oxide emissions from fuel combustion that require a South Coast Air Quality Management District permit and are used to prepare food or beverages for human consumption. This rule does not apply to solid fuel-fired combustion equipment, fryers, char broilers, or boilers, water heaters, thermal fluid heaters, and process heaters subject to District Rules 1146, 1146.1, or 1146.2.

(b) 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.
- (2) BTU means British thermal unit or units.
- (3) COMBUSTION MODIFICATION means replacement of a burner, burners, fuel or combustion air delivery systems, or burner control systems.
- (4) COMBUSTION SYSTEM means a specific combination of burner, fuel supply, combustion air supply, and control system components identified in a permit application to the District, application for certification pursuant to subdivision (e) of this rule, or District permit.
- (5) FOOD OVEN means an oven used to heat, cook, dry, or prepare food or beverages for human consumption.
- (6) GASEOUS FUEL means natural gas; compressed natural gas (CNG); liquefied petroleum gasses (LPG), including but not limited to propane and butane; synthetic natural gas (SNG); or other fuels transported by pipeline or containers as a gas or in liquefied form, where the fuel is a gas at ambient temperature and atmospheric pressure.
- (7) HEAT INPUT means the higher heating value of the fuel to the burner or UNIT measured as BTU per hour.

- (8) HEAT OUTPUT means the enthalpy of the working fluid output of a burner or UNIT.
- (9) INFRARED BURNER means a burner with ceramic, metal fiber, sintered metal, or perforated metal flame-holding surface; with more than 50% of the 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 per square foot of flame holding surface of 100,000 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 July 1, 2014.
- (11) NO_x EMISSIONS means the sum of nitrogen oxide and nitrogen dioxide in flue gas, collectively expressed as nitrogen dioxide.
- (12) PROTOCOL means a South Coast Air Quality Management District 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; 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) RATED HEAT INPUT CAPACITY 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.
- (15) 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) **ROASTER** means an oven used to dry roast nuts, coffee beans, or other plant seeds. **ROASTER** includes coffee roasting units with an integrated afterburner that is the only heat source, which also provides heat to roast the coffee beans. **ROASTER** does not include fryers used for oil roasting of nuts or other seeds.
- (17) **THERM** means 100,000 BTU.
- (18) **UNIT** means any oven, dryer, smoker, or **ROASTER** requiring a District permit and used to prepare food or beverages for human consumption. **UNIT** does not mean any solid fuel-fired combustion equipment; fryer, including fryers used for nut roasting; char broiler; or boiler, water heater, thermal fluid heater, or process heater subject to District Rules 1146, 1146.1, or 1146.2 that provides heat to a **UNIT** through a heat exchange system.
- (c) **Requirements**
 - (1) In accordance with the compliance schedule in Table 2, any person owning or operating an in-use unit subject to this rule shall not operate the 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.

Table 1 – NO_x Emission Limit

Equipment Category(ies)	NO_x Emission Limit		
	PPM @ 3% O ₂ , dry or Pound/mmBTU heat input		
	Process Temperature		
	<i>≤ 500° F</i>	<i>> 500° F and < 900° F</i>	<i>≥ 900° F</i>
In-use units with only radiant tube heating	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU
Other in-use units	40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Griddle ovens and ovens used solely for making pita bread and manufactured prior to 1994	October 1, 2017	July 1, 2018
Other unit manufactured prior to 1992	October 1, 2015	July 1, 2016
Other unit manufactured between 1992 to 2000	October 1, 2018	July 1, 2019
Any unit manufactured after 2000	October 1 of the year prior to the compliance date	July 1 of the year the unit is 20 years old

- (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 AQMD with prior permit applications for the specific unit. If not available, then;
 - (iv) Unit shall be deemed by AQMD to be 20 years old.
- (3) In accordance with the schedule in the permit, 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 District approved test protocol. The test protocol shall be submitted to the District at least 150 days prior to the scheduled test and approved by the District Source Testing Division.
- (4) Identification of Units
- (A) New Manufactured Units
- The manufacturer shall display the model number and the rated heat input capacity of the unit complying with subdivision (c) on a permanent rating plate. The manufacturer shall also display the District 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 based on 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 by the manufacturer or installer. The permanent rating plates shall include the date the unit and burners were modified and the date any replacement burners were manufactured. If a unit is modified, the rated heat input capacity shall be calculated pursuant to subparagraph (c)(4)(B). 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 subparagraph (c)(4)(B).
- (6) On or after (date of adoption), any person owning or operating a unit subject to this rule shall perform combustion system maintenance in accordance with 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 District certification or District approved source test reports, conducted by an independent third party, demonstrating the specific unit complies with the emission limit. The source test report(s) must identify that the source test was conducted pursuant to a District 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 rating plate. The maintenance instructions, maintenance records, and the source test report(s) or District certification shall be made available to the Executive Officer upon request.

- (7) Any person owning or operating a unit subject to this rule complying with an emission limit in Table 1 expressed as pounds per million BTU shall install and maintain in service non-resettable, totalizing, fuel meters for each unit's fuel(s) prior to the compliance determination specified in paragraph (c)(3). Owners or operators of a unit with a combustion system that operates at only one firing rate that complies with an emission limit using pounds per million BTU shall install a non-resettable, totalizing, time or fuel meter for each fuel.
- (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 and associated equipment or the unit's safety shut-off switch. Any person operating a unit subject to this rule shall not shut off electric power to a unit meter unless the unit is not operating and is shut down for maintenance or 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 District. Any unit or combustion system certified pursuant to subdivision (e) shall be deemed in compliance with the emission limit in Table 1 and demonstration requirement of this subdivision, unless a District conducted or required source test shows non-compliance.
- (10) **Alternate Compliance Plan**
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 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 a schedule identifying when the compliance determination for each unit will be completed and when each unit will comply with the emission limit. All units must demonstrate compliance with the applicable emission limit of this rule before the end of the term of the alternate compliance plan.

(d) Compliance Determination

- (1) All compliance determinations pursuant to paragraphs (c)(1), (c)(3), (c)(7), (c)(9), (c)(10) and this subdivision shall be calculated:
 - (A) Using a District 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 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) are referenced at 3 percent volume stack gas oxygen on a dry basis.
- (3) Compliance with the NO_x and CO emission limits of subdivision (c) and determination of stack-gas oxygen and carbon dioxide concentrations for this rule shall be determined according to the following procedures:
 - (A) District Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989);

- (B) 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) 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) District Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989);
 - (E) District 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);
 - (F) Any alternative test method determined approved before the test in writing by the Executive Officers of the District, the California Air Resources Board, and the United States Environmental Protection Agency.
- (4) For any operator who chooses to comply using pound per million BTU, NO_x emissions in pounds per million BTU of heat input shall be calculated 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 District 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 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, including afterburners and other VOC, toxics, or PM control equipment subject the SCAQMD Rule 1147, or multiple units with a common exhaust, the owner or operator may

demonstrate compliance with the emission limits in Table 1 by one of the following:

- (A) Test each unit separately and demonstrate each unit’s compliance with the applicable limit; or
- (B) Test only after the last unit in the series and at the end of a common exhaust for multiple units, when all units are operating, and demonstrate that the series of units either meet:
 - (i) The lowest emission limit in Table 1 applicable to any of the units in series; or
 - (ii) A heat input weighted average of all the applicable emission limits in Table 1 using the following calculation.

$$\text{Weighted Limit} = \frac{\sum [(EL_X) * (Q_X)]}{\sum [Q_X]}$$

Where:

X is any and all units or processes

EL_X = emission limit for unit or process X

Q_X = heat input for unit or process X during test

(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 District may elect to apply to the Executive Officer to certify such units or combustion systems as compliant with subdivision (c).

(2) Manufacturer Confirmation of Emissions

Any manufacturer’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 District approved emission tests. A District 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 emission determinations shall be made at greater than 90% rated heat input capacity and an additional emission determination shall be made 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 shall submit to the Executive Officer the following:
 - (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 responsible official and shall attest to the accuracy of all statements;
 - (B) General Information
 - (i) Name and address of manufacturer;
 - (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 (c) 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 District approved Protocol for each unit tested. The source test shall have been conducted no more than ninety (90) days prior to the date of submittal to the Executive Officer.
- (4) When applying for unit or combustion system certification, the manufacturer 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 District 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).

(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 District, and conduct such tests as are deemed necessary to ensure compliance with this rule. Tests shall include emission determinations, as specified in paragraphs (d)(1) through (d)(4), (d)(6) and (d)(7).
- (2) An emission determination specified under paragraph (f)(1) that finds emissions in excess of those allowed by this rule or permit conditions shall constitute a violation of this rule.

(g) Exemptions

- (1) The provisions of this rule shall not apply to units:
 - (A) Subject to the nitrogen oxide limits of District Rules 1109, 1110.2, 1111, 1112, 1117, 1121, 1134, 1135, 1146, 1146.1, 1146.2, 1147; or
 - (B) Subject to registration pursuant to District Rule 222; or
 - (C) Located at RECLAIM facilities.
- (2) The provisions of this rule shall not apply to char broilers; fryers, including fryers used for nut or other seed roasting; and emission control equipment including but not limited to afterburners.
- (3) The provisions of paragraphs (c)(1) and (c)(3) of this rule shall not apply to units with daily emissions of 1 pound per day or less as documented by:
 - (A) A rated heat input capacity of less than 325,000 BTU per hour;

- (B) A permit condition that limits emissions to 1 pound per day or less, including but not limited to, fuel usage limit, time of use limit, or process limit that results in emissions of 1 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 operating the specified number of hours every day:
 - (i) Less than or equal to 400,000 BTU per hour and operating less than or equal to 16 hours per day; or
 - (ii) Less than or equal to 800,000 BTU per hour and operating less than or equal to 8 hours per day; or
 - (iii) Less than or equal to 1,200,000 BTU per hour and operating less than or equal to 5 hours per day.
 - (D) Daily recordkeeping of unit use, including but not limited to time records of unit operation using an installed unit specific non-resettable time meter, daily fuel consumption, and daily process rate.
- (4) 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 District in lieu of meeting the applicable NO_x emission 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
 - (B) Maintain on-site a copy of verification of mitigation fee payment and AQMD approval of the alternate compliance plan that shall be made available upon request to AQMD staff.

(3) Plan Submittal

The alternate compliance plan submitted pursuant to paragraphs (h)(1) and (h)(2) shall include:

- (A) A completed AQMD Form 400A with company name, AQMD Facility ID, identification that the application is for a compliance plan (section 7 of form), and identification that the request is for the Rule 1153.1 mitigation fee compliance option (section 9 of the form);
- (B) 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;
- (C) Filing fee payment; and
- (D) 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)

L_1 = Default NO_x emission factor, 0.136 lbs of NO_x/mmBTU for gaseous fuels, and 0.160 lb/mmBTU for fuel oils

L_0 = Applicable NO_x emission limit specified in Table 1 in lbs/mmBTU

AF = Annual average fuel usage of unit for previous 5 years, mmscf/yr for natural gas or gallons for liquid fuel

k = unit conversion for cubic feet of natural gas to BTU = 1,050 BTU/scf, 95,500 BTU/gallon for LPG, and 138,700 BTU/gallon for fuel oil

(4) Rule 1147 Mitigation Fee Plan Submittal

A mitigation fee compliance plan submitted pursuant to District 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 in Table 2.

APPENDIX C

PROPOSED RULE 1153.1 (OCTOBER REVISION)

~~PROPOSED~~ RULE 1153.1 – EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS

(a) Purpose and Applicability

The purpose of this rule is to reduce nitrogen oxide emissions from gaseous and liquid fuel-fired combustion equipment as defined in this rule. This rule applies to in-use ovens, dryers, smokers, and dry roasters with nitrogen oxide (NOx) emissions from fuel combustion that require South Coast Air Quality Management District (SCAQMD) permits and are used to prepare food or products for making beverages for human consumption. As of (date of adoption), 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). ~~This rule does not apply to solid fuel-fired combustion equipment, fryers, char broilers, or boilers, water heaters, thermal fluid heaters, and process heaters subject to SCAQMD Rules 1146, 1146.1, or 1146.2.~~

(b) 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.
- (2) BTU means British thermal unit(s) ~~or units~~.
- (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, application for certification pursuant to subdivision (e) of this rule, or SCAQMD permit, if applicable.
- (5) FOOD OVEN means an oven used to heat, cook, dry, or prepare food or products for making beverages for human consumption.
- (6) 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 fuels ~~transported by pipeline or containers as a gas or in liquefied form, where the fuel~~ that is a gas at ambient temperature and atmospheric pressure.

- (7) HEAT INPUT means the higher heating value of the fuel to the burner or UNIT measured as BTU per hour.
- (8) HEAT OUTPUT means the enthalpy of the working fluid output of a burner or UNIT.
- (9) INFRARED BURNER means a burner with ceramic, metal fiber, sintered metal, or perforated metal flame-holding surface; with more than 50% of the 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 per square foot of flame holding surface of 100,000 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 (date of adoption).
- (11) NO_x EMISSIONS means the sum of nitrogen oxide and nitrogen dioxide in flue gas, collectively expressed as nitrogen dioxide.
- (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) RATED HEAT INPUT CAPACITY 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.
- (15) 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) ROASTER means an oven used to dry roast nuts, coffee beans, or other plant seeds. ROASTER includes coffee roasting units with an integrated afterburner that is the only heat source, which also provides heat to roast the coffee beans. ~~ROASTER does not include fryers used for oil roasting of nuts or other seeds.~~

(17) THERM means 100,000 BTU.

(18) UNIT means any oven, dryer, smoker, or ROASTER requiring a SCAQMD permit and used to prepare food or products for making beverages for human consumption. ~~UNIT does not mean any solid fuel-fired combustion equipment, fryer, including fryers used for nut roasting; char broiler; or boiler, water heater, thermal fluid heater, or process heater subject to SCAQMD Rules 1146, 1146.1, or 1146.2 that provides heat to a UNIT through a heat exchange system.~~

(c) Requirements

(1) In accordance with the compliance schedule in Table 2, any person owning or operating an in-use unit subject to this rule shall not operate the 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.

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	
<i>≤ 500° F</i>	<i>> 500° F</i>
40 ppm or 0.042 lb/mmBTU	60 ppm or 0.073 lb/mmBTU

Table 2 – Compliance Schedule for In-Use Units

Equipment Category(ies)	Permit Application Shall be Submitted By	Unit Shall Be in Compliance On and After
Griddle ovens and ovens Ovens used solely for making pita bread and manufactured prior to 1999	October 1, 2017	July 1, 2018
<u>Griddle ovens manufactured prior to 1999</u>	<u>October 1, 2017</u>	<u>July 1, 2018</u>
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) 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) ~~In accordance with the schedule in the unit permit,~~ 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~~New Manufactured~~ Units
 The ~~manufacturer—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

~~manufacturer~~ 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 ~~based on~~ 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 ~~by the manufacturer or installer~~. The permanent supplemental rating plates shall include the date the unit and burners were modified and the date any replacement burners were manufactured. ~~If a unit is modified, the rated heat input capacity shall be calculated pursuant to subparagraph (c)(4)(B).~~ 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 ~~subparagraph (c)(4)(B)~~.
- (6) On or after (date of adoption), any person owning or operating a unit subject to this rule shall perform combustion system maintenance in accordance with 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 subject to this rule complying with an emission limit in Table 1 expressed as pounds per million BTU shall install and maintain in service non-resettable, totalizing fuel meters for each unit's fuel(s) prior to the compliance determination specified in paragraph (c)(3). Owners or operators of a unit with a combustion system that operates at only one firing rate that complies with an emission limit using pounds per million BTU shall install a non-resettable, totalizing time or fuel meter for each fuel.
- (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 ~~and associated equipment~~ 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 ~~and~~ or is shut down ~~for maintenance~~ 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 (c)(1) and demonstration

requirement of paragraph (c)(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 ~~determination~~-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 (c)(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), ~~and~~ identification that the request is for a Rule 1153.1 (c)(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)₂ and the proposed alternate compliance schedule;
- (D) Filing fee payment (Rule 306 (c)); 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 (date of adoption) 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 (date of adoption) 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 (c)); 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 (c)(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 (c)(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 to the SCAQMD 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 (c)(1) within 270 days of the date they replace more than 50% of the burners identified in the alternate compliance plan.

(d) Compliance Determination

- (1) All compliance determinations pursuant to paragraphs (c)(1), (c)(3), ~~(c)(7)~~, (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.
- (3) Compliance with the NO_x and CO emission limits of subdivision (c) and determination of stack-gas oxygen and carbon dioxide concentrations for this rule shall be determined according to the following procedures:
 - (A) SCAQMD Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989);
 - (B) 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) 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) SCAQMD Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989);
 - (E) SCAQMD 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);
 - (F) Any alternative test method determined approved before the test in writing by the Executive Officers of the SCAQMD, and the California Air Resources Board, and by the United States Environmental Protection Agency.
- (4) For any owner or operator who chooses to comply using pound per million BTU, NO_x emissions in pounds per million BTU of heat input shall be calculated 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, ~~including afterburners and other VOC, toxics, or PM control equipment subject to SCAQMD Rule 1147,~~ or multiple units with a common exhaust, the owner or operator may demonstrate compliance with the emission limits in Table 1 by one of the following:
- (A) Test each unit separately and demonstrate each unit's compliance with the applicable limit; or
- (B) Test only after the last unit in the series and at the end of a common exhaust for multiple units, when all units are operating, and demonstrate that the series of units ~~either meet~~ either:
- (i) The lowest emission limit in Table 1 applicable to any of the units in series; or
- (ii) A heat input weighted average of all the applicable emission limits in Table 1 using the following calculation.

$$\text{Weighted Limit} = \frac{\sum_1^N [(EL_X) * (Q_X)]}{\sum_1^N [Q_X]}$$

Where:

N = total number of units or processes

X = each individual unit or process

EL_X = emission limit for unit or process X

Q_X = heat input for unit or process X during test

(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 ~~determinations~~ testing shall be ~~made~~ conducted at greater than 90% rated heat input capacity and ~~an~~ additional emission ~~determination~~ testing shall be ~~made~~ 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:

(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 (c) 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. ~~The source test shall have been conducted no more than ninety (90) days prior to the date of submittal to the Executive Officer.~~
- (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).
- (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 emission compliance determinations, as specified in paragraphs (d)(1) through (d)(4), (d)(6), and (d)(7).

- (2) ~~A n-emission~~ 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.

(g) Exemptions

- (1) The provisions of this rule shall not apply to ~~units~~:
- (A) Boilers, water heaters, thermal fluid heaters, or process heaters subject to SCAQMD Rules 1146, 1146.1, or 1146.2, including but not limited to those that provide heat to a unit through a heat exchange system ~~Subject to the nitrogen oxide limits of SCAQMD Rules 1109, 1110.2, 1111, 1112, 1117, 1121, 1134, 1135, 1146, 1146.1, 1146.2, 1147; or~~
 - (B) Units ~~S~~ subject to registration pursuant to SCAQMD Rule 222; ~~or~~
 - (C) Units ~~R~~ regulated under Regulation XX; ~~;~~
 - ~~(2D)~~ The provisions of this rule shall not apply to Solid fuel-fired combustion equipment;
 - (E) Cchar broilers;
 - (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.
- ~~(3)~~ (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:
- (A) A rated heat input capacity of less than 325,000 BTU per hour;
 - (B) Compliance with a ~~A~~ permit condition that limits NOx emissions to 1 pound per day or less, ~~including but not limited to, fuel usage limit, time of use limit, or process limit that results in NOx emissions of 1 pound per day or less and daily recordkeeping of unit operation;~~
 - (C) Daily recordkeeping of unit operation, an installed unit specific non-resettable time meter, and the following specified rated heat input capacities operating the specified number of hours every day:
 - (i) Less than or equal to 400,000 BTU per hour and operating less than or equal to 16 hours per day; or

- (ii) Less than or equal to 800,000 BTU per hour and operating less than or equal to 8 hours per day; or
 - (iii) Less than or equal to 1,200,000 BTU per hour and operating less than or equal to 5 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 and the letter shall be signed by the person performing the test.
- (43) 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 emission 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
 - (B) Maintain on-site ~~a copy of~~ 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), ~~and~~ 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 emission limit specified in Table 1 in lbs/mmBTU

AF = Annual average fuel usage of unit for previous 5 years, mmscf/yr for natural gas or gallons for liquid fuel

k = unit conversion for cubic feet of natural gas to BTU = 1,050 BTU/scf; 95,500 BTU/gallon for LPG; and 138,700 BTU/gallon for fuel oil

- (4) Rule 1147 Mitigation Fee Plan Submittal

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.

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 25

PROPOSAL: Report of RFPs Scheduled for Release in November

SYNOPSIS: This report summarizes the RFPs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of November.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Approve the release of RFPs for the month of November.

Barry R. Wallerstein, D.Env.
Executive Officer

MBO:lg

Background

At its January 8, 2010 meeting, the Board approved a revised Procurement Policy and Procedure. Under the revised policy, RFPs for budgeted items over \$75,000, which follow the Procurement Policy and Procedure, no longer require individual Board approval. However, a monthly report of all RFPs over \$75,000 is included as part of the Board agenda package and the Board may, if desired, take individual action on any item. The report provides the title and synopsis of the RFP, the budgeted funds available, and the name of the Deputy Executive Officer/Asst. Deputy Executive Officer responsible for that item. Further detail including closing dates, contact information, and detailed proposal criteria will be available online at <http://www.aqmd.gov/grants-bids> following Board approval on November 7, 2014.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFPs and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFPs will be e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Proposal Evaluation

Proposals received will be evaluated by applicable diverse panels of technically-qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector or academic community expertise.

Attachment

Report of RFPs Scheduled for Release in November 2014

**November 7, 2014 Board Meeting
Report on RFPs Scheduled for Release on November 7, 2014**

(For detailed information visit SCAQMD's website at
<http://www.aqmd.gov/grants-bids> following Board approval on November 7, 2014)

RESEARCH AND DEVELOPMENT OR SPECIAL TECHNICAL EXPERTISE

RFP #P2015-17 Issue Request for Proposal for Independent Audit Services O'KELLY/2828

A financial audit of the SCAQMD is annually performed in compliance with the Government Code and Single Audit Act of 1996. This audit is performed by independent Certified Public Accountants, and their reports are addressed to the Governing Board. The contract with SCAQMD's current auditors expires on March 31, 2015. This RFP is for financial audit services for FYs 2015, 2016, and 2017. Funds for this contract will be requested in the FY 2015-16 Budget and for each of the remaining fiscal years of the contract.

BOARD MEETING DATE: November 7, 2014

AGENDA NO. 26

PROPOSAL: TAMCO's Petition to Governing Board Requesting Hearing on Title V Permit Renewal

SYNOPSIS: TAMCO has petitioned the Governing Board to hold a hearing pursuant to District Regulation XII and Health & Safety Code § 40509 on TAMCO's Title V Permit Renewal. TAMCO argues that the District failed to grant SOx RECLAIM Trading Credits (RTCs) in accordance with TAMCO's interpretation of Rule 2002. TAMCO appealed the denial of RTCs on these grounds to the District's Hearing Board. The Hearing Board denied TAMCO's appeal. The Governing Board will consider whether to hold a hearing; if so, the hearing will occur at a later date specified by the Governing Board.

COMMITTEE: Not Applicable

RECOMMENDED ACTIONS:

That the Governing Board deny the petition as untimely or, in the alternative, to exercise its discretion to deny petitioner's request for a hearing.

Barry R. Wallerstein, D.Env.
Executive Officer

KRW:vmr

Background

The Governing Board's Rule 1201 and Health & Safety Code section 40509 provide that a party may petition the Governing Board to set and hold a hearing on a permit application. Both the statute and the rule are specific to permit applications only. The Board has discretion to conduct a hearing or to refuse to do so.

TAMCO argues that it should have been allocated RECLAIM Trading Credits (RTCs) in its Title V permit, which was renewed on December 10, 2013. TAMCO filed a timely

appeal to the District's Hearing Board, which issued its written decision on September 26, 2014, denying TAMCO's appeal. In addition, TAMCO has filed for judicial review of the Hearing Board decision in Superior Court. At this November Governing Board Meeting, the Board will consider whether to set a hearing. If so, the hearing will be held at a later date specified by the Board.

Section 40509 and Regulation XII

Health & Safety Code § 40509 states:

“any person may petition the south coast district board to hold a public hearing on any application to issue or renew a permit.”

The District Board has adopted Regulation XII to implement this section. Rule 1201 provides that the Governing Board will decide whether or not to set a hearing on a Regulation XII petition. If so, the hearing will be held at the next regular meeting or another date to be set by the Board. A Regulation XII hearing is not an appeal. Rather, Rule 1205 provides that in holding a hearing, the Governing Board acts “as the Executive Officer” in deciding whether to issue the permits and must apply all applicable District rules. If a hearing is scheduled, it may be before the District Board, one or more of its members, or a hearing officer designated by the Board. Regulation XII imposes numerous procedural requirements for holding what is essentially a trial-type hearing, with sworn testimony and cross-examination (Rule 1219).

Recommendation

Health and Safety Code section 40509 and Rule 1201 provide for a public hearing on a permit “application.” In this case, there is no longer an “application” pending which relates to TAMCO's SOx allocations. Furthermore, it is too late for the Board to act “as the Executive Officer” because the Executive Officer completed his action on TAMCO's application in December 2013. A Regulation XII hearing is to decide whether to issue a permit. In this case, that decision has already been made and subjected to the statutory appeal process. Therefore, staff's position is that this petition is untimely. Finally, there is nothing in Regulation XII or § 40509 that would allow the Governing Board to overturn the decision of the Hearing Board on a permit appeal. For these reasons, Legal staff recommends that the Board deny TAMCO's petition for a public hearing.

Attachments

Hearing Board Decision on TAMCO Appeal
TAMCO Petition for Hearing
SCAQMD Response

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**BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

In the Matter of

TAMCO,
[Facility ID #018931]

Petitioner,

vs.

SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT,

Respondent.

Case No. 5972-1

**FINDINGS AND DECISION OF THE
HEARING BOARD**

HEARING DATES: March 25, May 28-29,
June 5 and 19, and August 27, 2014 (final
decision and vote on August 27) and
September 18 and 24, 2014 (solely for
purpose of reducing decision to writing)
TIME: 9:00 a.m.
LOCATION: 21865 Copley Drive
Diamond Bar, CA 91765

On January 9, 2014, TAMCO, located at 12459-B Arrow Route, Rancho Cucamonga, CA 91739, filed an appeal of its Title V permit issued by the Executive Officer of the South Coast Air Quality Management District (District) providing for no RECLAIM (Regional Clean Air Incentives Market) SOx allocation for its electric arc furnace (EAF). Hearings were held on the following dates: March 25, May 28, May 29, June 5, June 19, and August 27. Five members of the Hearing Board heard the appeal: Edward Camarena, (Chair and Engineering Member)¹; Julie Prussack, (Vice Chair and Legal Member); Robert F. Wayner, M.D. (Alternate Medical Member); Patricia Byrd, (Public Member); and David Holtzman, (Public Member). Petitioner was represented by

¹ Health and Safety Code section 40501.1(a) specifies certain types of Hearing Board members and their required qualifications.

1 Thomas D. Long and Byron P. Gee, Attorneys-At-Law, Nossaman, LLP. Respondent, Executive
2 Officer, was represented by William B. Wong, Principal Deputy District Counsel. The public was
3 given the opportunity to testify. Evidence was received, and the case submitted. The Board
4 deliberated and made a final decision on August 27, 2014. On September 18 and 24 the Board held
5 two additional hearings for the sole purpose of publicly reducing its findings and decision to
6 writing. The Hearing Board finds and decides as follows:

7 **SUMMARY**

8 This case was brought by TAMCO, a steel minimill that recycles scrap metal to make steel
9 rebar. The scrap steel is melted in an electric arc furnace (EAF) that primarily uses high voltage
10 electricity as a heat source to melt the scrap metal. Oxygen and carbon² are injected into the steel
11 to promote the melting process. The oxygen reacts with the sulfur in the scrap steel and carbon to
12 form SO_x (sulfur oxides) that exits the EAF. (First Amended Petition (FAP), at 2.) TAMCO's
13 EAF has been in operation since decades before the October 15, 1993 adoption of RECLAIM,
14 which is further described below. (2 Transcript ("Tr.") 250.) District Rule 301 required TAMCO
15 to report the quantity of SO_x being emitted by its EAF on its annual emissions report (AER).
16 Nevertheless, TAMCO failed to report any SO_x emissions from its EAF for every year since the
17 start of its operation until sometime after May 31, 2012. Since that time, TAMCO has reported
18 about 30 tons/year of SO_x emissions from its EAF, including for prior years, dating back to at least
19 1989. According to District Rule 2001(b), TAMCO has thus exceeded the threshold 4 tons of
20 SO_x/year, requiring TAMCO to be placed into RECLAIM for SO_x emissions. See District Rule
21 2001(b) (stating, in relevant part, "the Executive Officer will include facilities [in RECLAIM]
22 if...emissions fee data...shows four tons per year or more of NO_x or SO_x...")³. This was a unique
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27 ² Carbon is introduced in the form of petroleum coke, which contains sulfur. (2 Tr. 272-73.)

28 ³ TAMCO was already in RECLAIM for its NO_x (oxides of nitrogen) emissions.

1 case for the District, involving a facility just entering into SOx RECLAIM when the facility should
2 have been entered at the start of the program decades earlier.⁴

3 The District determined that no SOx allocation could be issued to TAMCO for its EAF,
4 because under Rule 2002(c)(2)(D), TAMCO failed to report a SOx emission factor in its 1989
5 AER. (4 Tr. 518.) The District informed TAMCO that it would receive no SOx allocation for its
6 EAF in February 2013. (FAP, at Exh. B.)

7 On July 19, 2013, TAMCO submitted a revised 1989 AER indicating that its EAF had
8 emitted over 30 tons of SOx in that year. (FAP, at Exh. G.) The District has not approved the
9 revised 1989 AER. Rule 2002(c)(1) states that TAMCO's starting allocation would be calculated
10 by multiplying the throughput of TAMCO's EAF reported in 1989 with "the applicable starting
11 emission factor for the subject source or process unit as specified in . . . Table 2." After the
12 required engineering review, the District found no applicable emission factor on Table 2 for the
13 EAF.

14 On December 10, 2013, the District therefore issued TAMCO a final Title V permit (after
15 submission of a draft Title V permit renewal to EPA for its review) that contained no SOx
16 allocation for TAMCO's EAF. (Exh. I.) In this appeal, TAMCO challenged that decision and
17 requested that it be given a starting SOx allocation calculated and derived as if it had entered
18 RECLAIM at the start of the program, taking into account any reductions of its SOx allocation
19 required later by the RECLAIM rules.

20 PROCEDURAL BACKGROUND

21 On January 9, 2014, TAMCO filed its original petition, appealing the Executive Officer's
22 action, arguing that the Executive Officer was mandated to provide a starting SOx allocation to
23 TAMCO pursuant to Rule 2002(c)(1) based on the emission factor for the EAF as claimed by
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26 ⁴ There were a number of facilities that requested amendments to their SOx RECLAIM allocations
27 after the start of the program. However, those facilities made such requests within just a few years
28 of the program's inception. (Exh. K at II-1-2; 4 Tr. 557-58.) Only one other already-existing
facility entered SOx RECLAIM nearly 20 years after the program's start, but that facility did not
request a RECLAIM allocation for SOx. (See 2 Tr. 259; 3 Tr. 312-13.)

1 TAMCO in its recently revised 1989 AER. On March 4, 2014, the District filed a demurrer to
2 TAMCO's petition arguing that, even assuming TAMCO's factual allegations were true, TAMCO
3 would get no relief since the Executive Officer has no authority under Rule 2002 to create a new
4 category and emission factor not present on Table 2, and the Hearing Board has no authority to
5 require it. On March 25, 2014, the Hearing Board unanimously sustained the District's demurrer
6 with leave to amend.

7 On April 10, 2014, TAMCO filed its first amended petition, claiming this time that Rule
8 2002(c)(2)(C) mandated the Executive Officer to classify TAMCO's EAF in the same Table 2
9 category specified for a gray iron cupola⁵ or as a miscellaneous source. TAMCO also argued that
10 the starting emission factor to determine its allocations must be the one it used in its 1989 amended
11 AER.

12 On May 28, 2014, TAMCO called the same two witnesses to testify that had also
13 previously filed declarations on behalf of TAMCO: Carol Coy, a former deputy executive officer
14 for engineering and compliance with the District; and Joe Hower, a principal at ENVIRON. Their
15 testimony lasted through two days of hearings, ending on May 29, 2014. At the end of their
16 testimony, both parties agreed to enter TAMCO's Exhibits A-T, and the District's Exhibits 1-18
17 into evidence, and they were so entered. The District then made an oral motion to dismiss pursuant
18 to Hearing Board Rule 5(a)(3).

19 After both sides presented argument, the Hearing Board deliberated and rejected the motion
20 to dismiss, 4-1, with Ms. Prussack dissenting. As a result, the District put on four witnesses over
21 the course of three days of hearings: May 29, June 5, and June 19, 2014. The witnesses were Rudy
22 Eden, Laboratory Services and Source Test Engineering manager; Marco Polo, Air Quality

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26 ⁵ TAMCO specifically alleged that the District should have fit the EAF within Table 2's "Iron/Steel
27 Foundry" category. (FAP at 3.) The only equipment listed (as "fuel type") under this broad
28 industry category, however, is "gray iron cupola." We discuss later in this Decision the error in
relying solely on the descriptive words in Table 2 for categorization of equipment under Rule 2002.
For simplicity, we refer to this category as "gray iron cupola" throughout this Decision.

1 Engineer; Mohan Balagopalan, Senior Permitting Manager and Danny Luong, Senior Enforcement
2 Manager.

3 Over the course of these hearings, additional exhibits were submitted by both parties, and
4 TAMCO Exhibit U and District Exhibits 22 and 23 were received into evidence. The parties
5 submitted closing briefs on August 20, 2014, and made closing statements on August 27, 2014.
6 The Hearing Board deliberated that same day, and a majority voted to uphold the District's
7 issuance of the permit and deny TAMCO's appeal. Two Hearing Board members, Mr. Holtzman
8 and Dr. Wayner, voted in dissent.

9 CASE BACKGROUND

10 RECLAIM

11 On October 15, 1993, the District Governing Board adopted the Regional Clean Air
12 Incentives Market program, commonly known as RECLAIM. RECLAIM was an innovative
13 program, replacing command-and-control regulations with a market-based incentive program. That
14 is, command-and-control would be replaced with a system of facility caps on NOx and SOx
15 emissions with declining balances of allowable maximum emissions, expressed by the facility
16 permit's declining yearly allocation levels. In specifically authorizing the adoption of RECLAIM,
17 the Legislature required the District's Governing Board to design RECLAIM so that 7 findings
18 could be made expressly by the Board. Health and Safety Code §§ 39616(c)(1-7). The first
19 finding was that RECLAIM would result in equivalent or greater emission reductions at equivalent
20 or less cost than the command and control regulations and future air quality measures RECLAIM
21 would subsume. The second finding reinforced the first finding by ensuring RECLAIM had a level
22 of enforcement and monitoring to ensure compliance with the first finding's emission reduction
23 requirements.

24 The District commenced development of RECLAIM in 1990 with extensive studies,
25 committee oversight, and public outreach. (Exh. 13, at EX-6.) Because RECLAIM would start
26 during a recession, a facility's starting allocation could be based on production levels prior to the
27 recession, a period of time from 1989 to 1992. RECLAIM was also designed to be facility-

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1 specific, and as a result, hundreds of staff hours were spent developing emission factors for specific
2 equipment. (Exh. G, I-4-1.) Emissions surveys were sent to each facility (Exh. 14, II-D-1 to D-6),
3 as well as draft allocations for comments. (Exh. 13, II-E-1 to E-29.) Staff met with individual
4 facilities to discuss their proposed allocations. (Exh. G, I-4-1.)

5 To reflect the emission reductions to be achieved by command and control regulations, the
6 Governing Board specified starting emission factors in Tables 1 (for NOx) and 2 (for SOx) of
7 District Rule 2002 for all source categories, which had been reported to the District in a facility's
8 annual emissions report (AER). In addition, to reflect emission reductions to be achieved by future
9 air quality measures and rules, the Governing Board specified ending emission factors for those
10 same source categories in Tables 1 and 2. For SOx ending emission factors contained in Table 2,
11 there was a Tier I control measure A-F-1 reflecting a 20% allocation reduction from the year 2000
12 allocation level. (4 Tr. 495-497.)

13 To ensure that reductions were achieved, RECLAIM also required stringent monitoring and
14 reporting. Continuous Emission Monitoring Systems (CEMS) were required for major sources of
15 SOx, which include those emitting over ten tons per year. (Rule 2011(c)(1)(G).)

16 TAMCO specified 1989 as its selected production year for RECLAIM starting allocations.
17 In its 1989 AER, TAMCO only reported substantial NOx emissions from its EAF. As a result,
18 Table 1 (NOx) has a category for steel foundry, electric arc furnace. However, TAMCO failed to
19 report a SOx emission factor for the EAF and reported zero SOx emissions for it in its 1989 AER.⁶
20 As a result, Table 2 (SOx) has no similar category for TAMCO's EAF, and the District determined

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23 ⁶ District guidance on revising AERs required the submittal of a copy of the 1989 AER with
24 revisions marked by hand. (See FAP, Exh. G, Attachment B at 15.) Here in the row for the EAF,
25 entered as EO1913, in the Sulfur Oxides column, 0.20 is entered in the small box and 62,190 in the
26 larger box. Both are hand written. There is no other entry. This indicates that on this page of the
27 original 1989 AER, TAMCO left those boxes blank and thereby failed to report an emission factor
28 for the EAF and failed to report SOx emissions for the EAF. Further, on page 21 of Attachment B
to Exhibit G under the column for Sulfur Oxides in row D (for the EAF) there is a printed zero with
a strike through and 62,190 entered by hand. This shows that the 1990 AER reported zero SOx
emissions from the EAF and that the revised AER filed on or about July 19, 2013 reported 62,190
lbs/year SOx.

1 that no SOx allocation could be issued to TAMCO's EAF pursuant to Rule 2002(c)(2)(C). (4 Tr.
2 518.)

3 **DISCUSSION**

4 **I. ISSUE IN DISPUTE**⁷

5 The main issue to be decided is whether or not the Executive Officer properly issued
6 TAMCO's Title V permit with no SOx allocation for TAMCO's EAF. That answer hinges on the
7 answer to the following sub-question: whether or not District Rule 2002(c)(2)(C)⁸ mandates the
8 Executive Officer to fit TAMCO's EAF into a pre-existing category of Table 2, and in particular,
9 the gray iron cupola category?⁹

10 **II. STANDARD OF REVIEW**

11 Health and Safety Code § 42302.1 defines the standard of review applicable to permit
12 appeals such as this one: "The hearing board shall . . . render a decision on whether the permit was
13 properly issued." In an earlier appeal involving dairies, this Hearing Board dealt with the meaning
14 of "proper" in the similar context of Health and Safety Code § 40713, which addresses appeals of
15 disapprovals of emission reduction credit (ERC) applications. In that appeal, commonly referred to
16 as the dairy cases, the Hearing Board established legal guidance for determining whether Executive
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18 ⁷ The District actually raised another issue in the event that the Hearing Board ruled in favor of
19 TAMCO on the main issue. That is, whether or not laches bars consideration of TAMCO's
20 amended 1989 AER. Because the Hearing Board ruled in favor of the District on the main issue,
the Hearing Board did not address the District's laches argument.

21 ⁸ While the parties characterize the dispute as one over the starting emission factor; in practical
22 terms, because TAMCO is entering RECLAIM after the year 2000, the real battle is over the
ending emission factor, which takes effect in the year 2000. See District Rule 2002(d). However,
for purposes of this case, the legal difference is immaterial, since Rule 2002(d)(1)(C) is identical to
Rule 2002(c)(2)(C).

23 ⁹ In its Reply Brief filed on May 28, 2014, its Closing Brief, filed on August 20, 2014, and its
24 closing statement, TAMCO no longer argued that its EAF should be fitted into the miscellaneous
25 categories listed in Table 2. "Issues as to which an appellant provides no argument or discussion
26 are deemed waived and are properly disregarded." *Oviedo v. Windsor Twelve Properties, LLC*, 212
27 Cal. App. 4th 97, 108 (2012), as modified (Nov. 27, 2012), reh'g denied (Dec. 6, 2012), as
28 modified (Dec. 18, 2012), review denied (Apr. 10, 2013). While that issue is not relevant to the
decision of this case, we note that TAMCO may have waived the issue that its EAF should be fitted
into the miscellaneous category of Table 2. TAMCO certainly failed to pursue or prove these
claims as discussed further below.

1 Officer action was “proper.” The Hearing Board determined, based on that guidance, that
2 Executive Officer action in the dairy cases was “proper.” (A copy of that decision was attached as
3 District Exh. 24.) That decision was then appealed to the Los Angeles Superior Court, which
4 upheld the Hearing Board’s decision. (A copy of that court decision was attached as District Exh.
5 25.)

6 This Hearing Board finds that its legal guidance in the dairy cases is applicable here to
7 determine whether the Executive Officer’s action was proper under Health and Safety Code §
8 42302.1. Applying that guidance, TAMCO was required to prove that the Executive Officer’s
9 determination that the District was not mandated to fit TAMCO’s EAF into an existing Table 2
10 category was “wrong” – or in the language of Section 42302.1 not “proper” – in light of all of the
11 evidence before the Hearing Board.

12 That guidance provides that the use of “proper” does not allow the Hearing Board to
13 substitute its judgment for that of the Executive Officer, since he is possessed with the necessary
14 technical expertise and responsibility to evaluate and approve or disapprove permit applications.
15 The Hearing Board must also view the action of the Executive Officer in the context of the greater
16 regulatory program, which in this case is RECLAIM. And since the Executive Officer’s action is
17 presumed to be correct, petitioner has the burden by the preponderance of evidence that the
18 Executive Officer did not act properly.

19 Moreover, because this case hinges over the construction of District Rule 2002(c)(2)(C), we
20 follow the California Supreme Court directive that in construing statutes, “the appropriate mode of
21 review . . . is one in which the judiciary, although taking ultimate responsibility for the construction
22 of the statute, accords great weight and respect to the administrative construction.” *Am. Coatings*
23 *Assn., Inc. v. S. Coast Air Quality Dist.*, 54 Cal. 4th 446, 461 (2012)(citations omitted). In that
24 case, the Court deferred to the District’s reasonable construction of the statutory BARCT
25 requirements. *Id.* at 469. Here, TAMCO, while arguing for its construction of Rule 2002(c)(2)(C),
26 did not demonstrate by a preponderance of the evidence that the District’s construction was
27 “wrong.”

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1 **III. THE EXECUTIVE OFFICER PROPERLY ISSUED TAMCO'S TITLE V PERMIT**
2 **WITH NO SO_x ALLOCATION FOR THE EAF**

3 **A. Rule 2002(c)(2)(C) Need Not Be Construed as a Mandate to Place TAMCO's**
4 **EAF Into a Pre-existing Table 2 Category**

5 The stated purpose of Rule 2002 is "to establish a methodology for calculating facility
6 allocations ... for Oxides of Nitrogen and Oxides of Sulfur (SO_x)." (Rule 2002(a).) Rule
7 2002(c)(1) sets forth the basic methodology by which starting allocations are to be calculated. Rule
8 2002(c)(2)(C) further elaborates on this methodology, providing in relevant part, "To determine the
9 applicable emission factor in Table 1 or Table 2, the Executive Officer or designee will categorize
10 the equipment at each facility based on information relative to hours of operation, equipment size,
11 heating capacity, and permit information submitted pursuant to Rule 201 — Permit to Construct,
12 and other relevant parameters as determined by the Executive Officer or designee." TAMCO
13 alleged that this provision creates a mandatory duty on the part of the District to fit SO_x-emitting
14 equipment into an existing category on Table 2. (FAP at 10.)

15 The Executive Officer contended that, while Rule 2002(c)(2)(C) may require categorization
16 of equipment pursuant to an engineering review, the rule allows him to find no "applicable"
17 emission factor if that category does not exist in Table 2. As a result, if there is no applicable
18 emission factor in Table 2, there can be no SO_x allocation awarded pursuant to Rule 2002(c)(1).

19 In reading Rule 2002(c)(2)(C), we agree that by the Rule's own terms it requires the
20 Executive Officer to categorize equipment pursuant to the methodology set forth therein. We
21 further agree that the rule does not, by its terms, require the Executive Officer to place equipment
22 into an existing Table 2 category and use the associated emission factor, if none is found to be
23 "applicable." Petitioner failed to prove by a preponderance of the evidence that this reading of the
24 rule is "wrong." Thus, we conclude that the plain meaning of Rule 2002(c)(2)(C) does not require
25 equipment to be categorized into an existing Table 2 category.

26 In this case, Mr. Luong testified that District staff conducted the required Rule
27 2002(c)(2)(C) engineering analysis and determined that TAMCO's EAF did not fit in any existing
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1 category or emission factor on Table 2. (4 Tr. 488-489, 491-492.) Not having the authority to
2 create a new category, the Executive Officer granted no starting SOx allocation to TAMCO's EAF
3 in the Title V permit. This action was "proper" in light of the Executive Officer's reasonable
4 interpretation of the plain language of Rule 2002.

5 **B. The Executive Officer's Construction of Rule 2002(c)(2)(C) is Consistent with**
6 **The Purposes and Foundational Requirements of RECLAIM**

7 We further find that the Executive Officer's construction is consistent with the purposes and
8 foundational requirements of RECLAIM established in Health and Safety Code §§39616(c)(1) and
9 (2). One of the problems of forcibly fitting a piece of equipment into an existing category is that
10 the end result is likely to be that the associated emission factors do not fit, because they are either
11 too high or too low for the equipment at hand. Emission factors are important, because they ensure
12 the RECLAIM program achieves the Legislative mandate reflected in Health and Safety Code
13 §39616(c)(1) and (2) that emission reductions from RECLAIM sources be equivalent or greater
14 than what those sources would have been required to achieve through command-and-control and
15 future air quality measures. In that sense, it would be inconsistent with those requirements to
16 *mandate* the Executive Officer to forcibly fit new equipment into categories with associated
17 emission factors that the new equipment was not originally intended for.

18 In the present case, TAMCO seeks to be placed into the gray iron cupola category with an
19 ending emission factor of 0.72¹⁰. Yet this is over 3 times higher than the 0.2 factor TAMCO claims
20 to be the actual emission factor for the EAF (as was claimed in its revised AER, the FAP at 9, and
21 in witness testimony). And while TAMCO argues that District Rule 2002(d)(3) precludes an
22 ending emission allocation greater than its starting allocation, that rule does not affect the
23 comparative analysis (or the result of that analysis) required by Rule 2002(c)(2)(C). In any event,
24 TAMCO ignores the possibility that there may be an applicable control measure to further reduce
25 its ending allocation below the starting allocation. Here, that possibility is real, as Mr. Luong's

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27 ¹⁰ Emission factors stated throughout this Decision are expressed in terms of pounds of SOx per ton
28 of throughput.

1 testimony demonstrated the applicability of air quality measure A-F-1, which would further reduce
2 TAMCO's ending allocation to at least 20% below its starting allocation.

3 For these and other reasons expressed earlier, the Governing Board was concerned about
4 the assignment of emission factors. That concern is evident in District Rule 2015. (District Second
5 Request for Administrative Notice (RAN2), Exh. 3.) Rule 2015(a) explains the rule's purpose,
6 which is to specify RECLAIM audit requirements. Thus, extensive annual audits were required to
7 monitor the progress of RECLAIM pursuant to Rule 2015(b) to ensure RECLAIM was continuing
8 to meet its original requirements.

9 The Governing Board was also aware of certain industry concerns over the accuracy of
10 ending emission factors, and ordered the Executive Officer to re-evaluate them. Rule 2015(c)(3).
11 Significantly for this case, however, the Governing Board mandated only that "the Executive
12 Officer propose amendments to Rule 2002" if he believed it was appropriate. Rule 2015(c)(3)(A)
13 (emphasis added). The Executive Officer was given the authority to recalculate allocations only "if
14 amendments are adopted . . .," and was then required to offset any adjustments to allocations "in
15 the AQMP." *Ibid.* Clearly, had the Governing Board been solely concerned about the accuracy of
16 these emission factors, it could have easily instructed the Executive Officer to immediately
17 implement the new emission factors. It did not. The fact that it did not reveals an equal concern by
18 the Governing Board that it maintain control over the list of categories and associated emission
19 factors.

20 Thus, we do not find the Executive Officer's construction – that there could be a finding of
21 "no applicable emission factor in Table 2" – to be in error. The end result is that only the
22 Governing Board has the power to amend Table 2 to include the EAF category and its associated
23 emission factor. Indeed, this construction is consistent with the Governing Board's intent
24 expressed in Rule 2015, a part of the RECLAIM program.

25 Having found no mandate in Rule 2002(c)(2)(C) to fit equipment into a pre-existing Table
26 2 category, we could end our Decision here. However, we will go on to address TAMCO's claim
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1 that its EAF should be fitted within the gray iron cupola category in Table 2, as our response
2 further exemplifies why the Executive Officer's construction was not "wrong."

3 **C. The EAF Does Not Fit Within the Gray Iron Cupola or Miscellaneous**
4 **Categories of Table 2**

5 In its First Amended Petition, TAMCO originally alleged that its EAF could have (and thus
6 should have) been placed within the existing category of gray iron cupola or one of the two existing
7 "miscellaneous" categories of Table 2. Initially, we note that Mr. Luong's testimony demonstrated
8 that to do a proper Rule 2002(c)(2)(C) comparative analysis, an engineer needs to examine the
9 engineering parameters for both the equipment and the Table 2 source. (4 Tr. 487-489, 491-492.)
10 There is no evidence indicating that TAMCO examined the engineering parameters defining the
11 gray iron cupola category or miscellaneous categories. TAMCO did not submit to this Hearing
12 Board a proper Rule 2002(c)(2)(C) engineering comparative analysis between TAMCO's EAF and
13 the Table 2 existing categories of gray iron cupola or miscellaneous. And, in fact, TAMCO's
14 witnesses testified that no such analyses were prepared by TAMCO for its EAF. (2 Tr. 183-84; 3
15 Tr. 293.) Consequently, this Hearing Board finds that TAMCO has not conducted or submitted the
16 requisite Rule 2002(c)(2)(C) comparative engineering analysis to categorize TAMCO's EAF as a
17 gray iron cupola or miscellaneous.

18 Conversely, Mr. Luong testified that the District engineering staff conducted a Rule
19 2002(c)(2)(C) analysis for TAMCO's EAF and concluded that it was a unique piece of equipment
20 to be categorized as an EAF as it had been categorized for Table 1. (4 Tr. 487.) Mr. Luong also
21 explained why TAMCO's EAF could not fit within the pre-existing Table 2 gray iron cupola
22 category. (4 Tr. 488-489, 491-492.) Moreover, the ending emission factor for the gray iron cupola
23 is 0.72, more than 3 times the 0.2 factor claimed by TAMCO for its EAF. And as testified to by
24 Mr. Luong, that substantial difference is an indicator demonstrating that the results of the District's
25 Rule 2002(c)(2)(C) analysis is correct – that the EAF does not fit within the gray iron cupola
26 category. (4 Tr. 492.)

27 ///

1 Mr. Luong's testimony further highlights the error in relying solely on the descriptive words
2 in Table 2 to conduct a comparative Rule 2002(c)(2)(C) analysis. Yet, TAMCO claims that its
3 EAF should be classified in the gray iron cupola category merely because Table 2 lists the gray
4 iron cupola under the heading "Fuel" along with "Iron/Steel Foundry" as the basic equipment.

5 Despite these contentions and labels, "Iron/Steel Foundry" is plainly not "equipment." As with the
6 basic equipment category of "Miscellaneous" (discussed further below), Rule 2002(c)(2)(C) does
7 not end the comparative analysis with simply the descriptive terms of Table 2. Rather, the District
8 must look at the engineering parameters for both the equipment and the Table 2 category to
9 determine whether there is a fit.

10 TAMCO's new argument made on page 10 of its closing brief that even Table 2's words
11 describing a gray iron cupola should be disregarded as "simply examples" is similarly
12 unpersuasive. Table 2 broadly lists other industries as "Basic Equipment" with the actual
13 equipment under the "Fuel" heading. For example, Table 2 also lists the secondary lead industry as
14 basic equipment with the associated "Fuel" as the "Reverberatory Smelting Furnace." Rule
15 2002(c)(2)(C) simply does not require the Executive Officer to ignore the "Fuel" heading in Table
16 2, and rely solely the basic equipment listing.

17 As noted earlier, TAMCO failed to pursue in its Reply Brief, Closing Brief, or closing
18 statement its claim that the EAF should be fitted within Table 2's category of miscellaneous, and
19 thus it could be considered waived. Nevertheless, TAMCO failed to prove that its EAF fits within
20 either of these two categories. And while the EAF is arguably encompassed by the broad category
21 of miscellaneous, Mr. Luong testified that to do a Rule 2002(c)(2)(C) comparative analysis, he had
22 to research the origin of this miscellaneous category, particularly since Table 2 lists two
23 miscellaneous categories. In that research, he learned that the two miscellaneous categories
24 involved a "silicate melting furnace" and a "tail gas treating unit in a refinery." (4 Tr. 490.) Thus,
25 he concluded that TAMCO's EAF is a completely different operation than described by these two
26 miscellaneous categories. *Ibid.*

27 ///

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1 TAMCO did not challenge Mr. Luong's testimony that the District's Rule 2002(c)(2)(C)
2 analyses did not result in fitting TAMCO's EAF into any of the categories sought by TAMCO. As
3 a result, we find that TAMCO's EAF does not fit within the categories of gray iron cupola or
4 miscellaneous. Regardless, we are constrained by our standard of review and could not, in any
5 event, substitute our judgment for that of the District or its Executive Officer.

6 **D. There is No Long-Standing Practice or Interpretation to Fit Equipment Into**
7 **Tables 1 or 2 that the District Determines Cannot be Fit Under A Rule**
8 **2002(c)(2)(C) Analysis**

9 TAMCO further argued that the District has an alleged long-standing practice to fit all
10 equipment into Tables 1 or 2 regardless of the result of any Rule 2002 (c)(2)(C) analysis. As
11 explained above, the District spent hundreds of hours developing emission factors for all equipment
12 reported in the AERs, including sending notices to facilities and discussing allocations with many
13 of them. As such, it would not be atypical for the District to fit virtually all of the equipment in
14 specified categories.¹¹ Nevertheless, there were a number of examples raised by TAMCO's
15 witnesses of equipment that was added to Table 2 or reclassified after the start of RECLAIM.
16 These examples all occurred within the first few years of the start of the RECLAIM program,
17 however, and in our opinion did not establish a "long-standing practice" that applies to already-
18 existing equipment added to RECLAIM 20 years after its inception.

19 Moreover, contrary to TAMCO's claim of a long-standing practice, the District did go to
20 the Governing Board in July 1996, shortly after RECLAIM was adopted to add a new category of
21 equipment to Table 1, the delacquering furnace. (2 Tr. 193, 242.) In that case, after concerns were
22 raised by the facility, the District performed another Rule 2002(c)(2)(C) analysis and determined
23 that no existing category in Table 1 fit that equipment. As a result, the Executive Officer went to
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25 _____
26 ¹¹ TAMCO's claim that the District had never issued zero allocations for emitting equipment is
27 belied by TAMCO's own witness. As testified to by Mr. Hower, there was at least one somewhat
28 similar instance in the case of Lunday Thagard, where the District issued no RECLAIM SOx
allocations. (2 Tr. 259.) As a result, Lunday Thagard needs to purchase about 40,000 pounds of
SOx credits per year. (3 Tr. 312-13.)

1 the Governing Board to add a new category for delacquering furnaces, because “[t]here is no
2 equipment category in Table 1 of Rule 2002 for delacquering furnaces.” (Coy Supp. Decl., at Exh.
3 P, p.3.) If anything, this supports the District’s interpretation of Rule 2002 that there is no mandate
4 to fit equipment within a category on Table 1 or 2 if none fits.

5 TAMCO attempts to dismiss the outcome of the second Rule 2002(c)(2)(C) analysis by
6 arguing that the initial Rule 2002(c)(2)(C) analysis, albeit incorrect, nevertheless resulted in some
7 starting allocation for the delacquering furnace. However, taking TAMCO’s logic further,
8 TAMCO appears to argue that the alleged Rule 2002(c)(2)(C) mandate may easily be fulfilled by
9 an incorrect result.¹² However, we are uncomfortable in finding a mandate that is so easily fulfilled
10 by an erroneous result, and we decline to do so. Indeed, a practice of fitting equipment into the
11 categories of the Tables regardless of its fit according to a Rule 2002(c)(2)(C) analysis would
12 essentially eviscerate that requirement. As a result, we find no long-standing practice to fit
13 equipment into Tables 1 or 2 regardless of the Rule 2002(c)(2)(C) analysis.

14 Even if there were a long-standing practice, which we do not find here, courts have
15 acknowledged that “[a]n administrative agency is not disqualified from changing its mind”
16 *Californians for Political Reform Found. v. Fair Political Practices Comm’n.*, 61 Cal. App. 4th
17 472, 488 (1998)(citations omitted.) We recognized this principle, that the District may change its
18 policies, in the dairies case. (D. Exh. 24, at p. 24) Thus, the disputed existence of a long-standing
19 practice is irrelevant to our decision.

20 **CONCLUSION**

21 TAMCO failed to meet its burden of proof by a preponderance of evidence that Rule
22 2002(c)(2)(C) mandates the Executive Officer to fit equipment into an existing category of Tables
23 1 or 2 regardless of the results of a Rule 2002(c)(2)(C) comparative engineering analysis. In this
24 case, we defer to the Executive Officer’s construction of Rule 2002(c)(2)(C), as is proper pursuant
25

26 _____
27 ¹² We note some tension between TAMCO’s logic and the case of its billet rehear furnace, which
28 had also been initially improperly categorized. Under TAMCO’s logic, the Executive Officer
would have fulfilled his mandate and there would be no recourse to changing the categorization.

1 to the California Supreme Court's ruling in *Am. Coatings Assn., Inc. v. S. Coast Air Quality Dist.*,
2 54 Cal. 4th 446, 461 (2012). And as a result, the Hearing Board finds that the Executive Officer
3 properly issued TAMCO's Title V renewal permit with no SOx allocations for TAMCO's EAF.

4
5 BOARD MEMBER:


Julie Prussack, Vice Chair

6
7
8 DATED:

Sept. 25, 2014

9
10
11 I VOTE NO


David Holtzman

9/25/2014

12
13
14
15 I VOTE NO


Robert F. Wayne, M.D., Alternate Member

9/26/2014

16
17
18 Attachment: Dissent

Dissent

A facility in the RECLAIM program gets a starting allocation of emission credits based on its rate of emissions at the start of the program. That is how the program is structured. That is the clear letter and intent of the program's rules.

The program's rules do not provide for giving a facility no starting allocation (or a starting allocation of zero) if both agency staff and the facility's owners or operators failed at the outset of the program to discover or properly quantify certain emissions of sulfur oxides (SO_x). The program's rules make no provision for treating a longstanding and long-operating facility's new owners, who discover and duly report ongoing emissions, as if they had just opened an entirely new facility in the area, and as people required to make large cash payments.

Regarding South Coast Air Quality Management District Rule 2002, as amended November 5, 2010, I have come to the following conclusion:

Rule 2002's use of the words "the applicable starting emission factor" — without any hedging or limiting words such as "if any" — in Rule 2002(c)(1) and in Rule 2002(c)(2)(C) means that for every facility in the SO_x part of the RECLAIM program there is an applicable starting emission factor in Table 2 of the rule ("RECLAIM SO_x Emission Factors"). The rule does not allow the Respondent's "Executive Officer" (Rule 2002(c)(1)) or "Executive Officer or designee" (Rule 2002(c)(2)(A) thru (C)) to act otherwise. Since, in issuing the permit at issue in this matter, the Executive Officer (or designee) did act otherwise, the Executive Officer (or designee) acted improperly in issuing the permit at issue in this matter. Thus, the Hearing Board should have granted the Petitioner's appeal.

I am constrained in what I am writing in this dissent because a Hearing Board dissent is supposed to reflect only what was said in the hearing and deliberations on the matter at hand. I believe I expressed the thoughts above and below about the merits of the case during the proceedings, although not in precisely the same words.

I said on closing argument/deliberation day (note: transcripts and recordings of all proceedings are available) that I was surprised anyone could rule in this case that the Respondent's employees had properly implemented the rule. I was so surprised that I was not prepared to read into the record (to lay the groundwork for a written dissent) many of the reasons I could think of that the points raised in opposition to the appeal were wrong! (Before that day, I had the sense that the Hearing Board would vote to grant

the appeal. If the Board had granted the appeal, it could have used the Petitioner's pleadings for reasons why. Or, it could have asked the Petitioner to prepare a document to help it memorialize findings [as it eventually did with the Respondent].)

I did say I agreed with pretty much everything except for one thing in the Petitioner's closing brief. (Transcript page [Tr.] 712.) I shall not detail all the reasons I think denial of the appeal was wrong, since I did not state them all on the record. Instead I will highlight below some of the back-and-forth I remember from the Hearing Board's deliberations.

My colleagues focused on different things during the deliberation.

One said she was thinking of "If it doesn't fit, you must acquit," the infamous assertion from O.J. Simpson's criminal trial on murder charges. So she couldn't bring herself to find that the District's Executive Officer has not acted properly. I took issue in some way with using that standard, but did not pursue the matter in great detail.

She was also concerned that giving emission credits to the operators of the facility at issue might place the RECLAIM program out of compliance with a mandate from a different level of government, and she thought the program rules wouldn't have been written to allow that. I said that I did not think the District would be prejudiced in such a way if the Hearing Board granted the appeal in this case. (Tr. 768.) In questioning during the hearing, I sought but did not find evidence of any specific threat from another agency that the District would face if the Hearing Board granted the appeal.

Another colleague was concerned with the last column of Rule 2002's Table 2, although that column was not directly at issue in this case. Specifically, he was concerned that a number in that column on one of the rows might result in the Petitioner being entitled to receive a windfall of sorts of SOx emission credits. But I pointed out that Petitioner had no intention to accept such a windfall, and recalled that a portion of Rule 2002 (Rule 2002(d)(3)) would prevent such a windfall.

I also pointed out that the District's Governing Board could still amend the rule to address my colleague's concern if it wished. My colleague appeared to be of the mind, however, that it seemed too late for the Governing Board to do that, since the program was no longer new, and he said the only changes made to date came when the program was new. I protested that the SOx portion of the program was new with regard to the facility at issue, but my protest was to no avail. My colleague was not swayed.

During lunchtime on closing argument/deliberation day, another colleague found some language in the hearing transcripts that gave her pause. After lunch, she was eager to know whether the facility's amended annual emission report (AER) for an early program year had been approved by the District (Respondent). (Tr. 761.) (The Petitioner filed the amended AER to disclose what were, at the time, newly-discovered SOx emissions.)

Told the amended AER had not yet been approved, she expressed unwillingness to base her decision on it, citing a need to give deference to the District's Executive officer. (Tr. 762.)

About the amended AER, I had argued, however, that the District had sat on its hands for so long without taking any action that a form of laches could apply, and the Board could (and I did) consider the District (by its inaction) to have approved the amended AER. (Tr. 710-711.) I may not have made this point well enough, however.

I am sorry that the Hearing Board's deliberation was so brief.

But I think I made my basic point that I was surprised that anybody could read the rule at issue in a way that allows the Respondent's Executive Officer to refuse place a facility subject to the rule in one of the rule's categories. (To be fully precise, it is a facility's relevant operations [emission sources or process units], rather than the facility itself, that the District must categorize.)

The rule's Table 2 provides a starting emission factor for each category.

This case was really very simple from the start: To implement its own rule, the District must place the relevant operations of the facilities in the SOx part of the RECLAIM program into categories in a table that lists starting emission factors. Using "the applicable starting emission factor" (or for multiple operations, multiple factors), each facility in the RECLAIM program must get a starting allocation of emission credits based on its rate of emissions at the start of the program. That has not yet happened for TAMCO. The Hearing Board should have granted TAMCO's appeal.

For such reasons, I dissent.

- David Holtzman
Public Member

SOUTH COAST AQMD
CLERK OF THE BOARDS

'14 OCT 24 P2:38

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9
10 **BEFORE THE GOVERNING BOARD OF THE**
11 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

12 In the Matter of)

13 TAMCO,)

Petitioner,)

15 vs.)

16 SOUTH COAST AIR QUALITY)
17 MANAGEMENT DISTRICT,)

18 Respondent.)

CASE NO.:

**PETITION TO THE GOVERNING BOARD TO
REQUEST A HEARING ON TAMCO'S TITLE
V PERMIT RENEWAL**

Hearing Date: TBD
Time: TBD
Place: 21865 Copley Drive
Diamond Bar, CA 91765

1 **I. INTRODUCTION.**

2 On December 10, 2013, the Executive Officer of South Coast Air Quality Management District
3 (“District”) issued a Title V Permit Renewal (“Permit”) to TAMCO, a wholly-owned subsidiary of
4 Gerdau Ameristeel US, Inc. (“Gerdau”) that placed TAMCO in the District’s Regional Clean Air
5 Incentive Market (“RECLAIM”) program for sulfur oxides (“SOx”) emissions.¹ As detailed below, the
6 Executive Officer improperly issued the renewed Permit by failing to make any allocation of SOx
7 RECLAIM trading credits (“RTC”) to TAMCO for its electric arc furnace (“EAF”). TAMCO is the first
8 and, so far, the only existing facility placed into RECLAIM that was denied an allocation of any SOx
9 RTCs. Although the Executive Officer’s mandatory duty to categorize all equipment under Rule 2002 is
10 clear, the Hearing Board concluded that TAMCO’s EAF cannot be categorized and that only the
11 Governing Board can provide relief.

12 TAMCO filed a petition for appeal to the District’s Hearing Board to challenge the SOx RTCs
13 allocation in the Permit. The basis of TAMCO’s appeal was that:

- 14 1. Rule 2002(c)(1) requires the Executive Officer to use a specific method of calculating
15 TAMCO’s initial SOx RTCs allocation, which was not followed by the Executive
16 Officer;
- 17 2. Pursuant to Rule 2002, the Executive Officer must categorize equipment that places a
18 facility in the RECLAIM program using Table 1 or Table 2 of Rule 2002;
- 19 3. The District’s ordinary practice is to categorize equipment in the category on Table 1 or
20 Table 2 that is the “best fit”; and
- 21 4. The Executive Officer’s failure to categorize TAMCO’s Electric Arc Furnace (“EAF”)
22 and issue TAMCO an initial SOx RTCs allocation for its EAF is contrary to the language
23 of the District’s rules and the District’s normal interpretation and application of its rules.
24 TAMCO’s EAF is part of its iron steel foundry and is classified as such for NOx
25 emissions in Table 1 of Rule 2002 and so plainly should be categorized as part of an iron
26 steel foundry for SOx emissions in Table 2.

27
28 ¹ TAMCO is also a RECLAIM facility for nitrogen oxides (“NOx”) emissions.

1 The Hearing Board found that the Executive Officer has a mandatory duty to categorize the EAF
2 in accordance with the requirements of Rule 2002. However, the Hearing Board also found that it must
3 give deference to the Executive Officer's decision that Table 2 of Rule 2002 contains no category for
4 TAMCO's EAF. The Hearing Board would not place the EAF into an existing category or order the
5 Executive Officer to do so. Instead the Hearing Board concluded that only the Governing Board can
6 compel the Executive Officer to act or otherwise add a category to Table 2. Because the Hearing Board
7 specifically found that only the Governing Board may add a category to Table 2 for TAMCO's EAF,
8 TAMCO seeks relief directly from the Governing Board by this petition.²

9 TAMCO submits this petition to the Governing Board pursuant to Health and Safety Code §
10 40509 and the District's Rule 1201 to request that the Governing Board hold a hearing to review the
11 District's renewal of TAMCO's Title V Permit.³ Specifically, TAMCO requests that the Governing
12 Board exercise its authority under District Rule 1205 and find after the hearing that TAMCO's EAF
13 shall be classified as part of the listing of basic equipment of "iron/steel foundry" in Table 2 of Rule
14 2002. TAMCO further requests that the Governing Board hold that TAMCO's starting RTC allocation
15 must be determined in accordance with Rule 2002 (in its entirety) by using the reported value for SOx
16 emissions from TAMCO's EAF in TAMCO's amended 1989 Annual Emission Reports ("AERs")
17 (because TAMCO's original 1989 AER provided erroneous information about SOx emissions from its
18 EAF operations) and issue a corrected Title V Permit renewal to TAMCO for the five-year term
19 beginning December 10, 2013 and ending December 9, 2018 that includes an annual SOx RTCs
20 allocation starting in 2013 of not less than 40,523 SOx RTCs.

21 Alternatively, if the Governing Board finds that there is no applicable category in Table 2 for
22 TAMCO's EAF, TAMCO requests that the Governing Board amend Table 2 to place EAFs in an
23 appropriate category (such as iron/steel foundry) and further requests that the Governing Board issue
24 TAMCO's renewed Permit in accordance with the amended Table 2.

25
26 ² TAMCO is also filing a writ petition and complaint in San Bernardino Superior Court because the time to
27 seek judicial review of the Hearing Board's ruling expires shortly. If the Governing Board acts to provide
28 TAMCO relief it may eliminate the need for judicial review.

³ Attached hereto and incorporated herein by reference as Exhibit A is a list of the parties who shall be served
with all pleadings and other filings made in connection with this petition.

1 **II. RECLAIM RULE 2002.**

2 This petition concerns the Executive Officer's mandatory duty to calculate a facility's RTC
3 allocation based on the "starting allocation" methodology prescribed by Rule 2002 and to categorize
4 equipment at each facility placed in the RECLAIM program based on Table 1 or Table 2 of Rule 2002.
5 Rule 2002 provides in pertinent part:

6 [. . .]
(b) RECLAIM Allocations

7 [. . .]
8 **(4) The Facility Permit or relevant sections thereof shall be re-issued**
9 **at the beginning of each compliance year to include allocations**
10 **determined pursuant to subdivisions (c), (d), (e), and (f) and any**
11 **RECLAIM Trading Credits (RTC) obtained pursuant to Rule 2007 -**
12 **Trading Requirements for the next fifteen years thereafter and any other**
13 **modifications approved or required by the Executive Officer.**

14 (c) Establishment of Starting Allocations

15 (1) The starting Allocation for RECLAIM NOx and SOx facilities
16 initially permitted by the District prior to October 15, 1993, **shall** be
17 determined by the Executive Officer utilizing the following methodology:
18 Starting Allocation= $\Sigma[A \times B1]+ERCs+External\ Offsets$ where
19 A = the throughput for each NOx and SOx source or process unit in the
20 facility for the maximum throughput year from 1989 to 1992 inclusive;
21 and

22 **B1= the applicable starting emission factor for the subject source or**
23 **process unit as specified in Table 1 or Table 2**

24 [. . .]
25 **(2) (C) To determine the applicable starting emission factor in Table 1**
26 **or Table 2, the Executive Officer or designee will categorize the**
27 **equipment at each facility based on information relative to hours of**
28 **operation, equipment size, heating capacity, and permit information**
submitted pursuant to Rule 201 - Permit to Construct, and other relevant
parameters as determined by the Executive Officer or designee. No
information used for purposes of this subparagraph may be
inconsistent with any information or statement previously submitted
on behalf of the facility to the District, including but not limited to
information and statements previously submitted pursuant to Rule
301 - Permit Fees, unless the facility can demonstrate, by clear and
convincing documentation, that such information or statement was
inaccurate.

(Rule 2002(b)(4), (c)(1), (c)(1)(C); emphasis added.)

1 Rule 2002(c)(2)(C) requires the Executive Officer to categorize all SOx RECLAIM equipment
2 based on Table 2. Rule 2002 applies the same initial allocation methodology to facilities that entered
3 RECLAIM at the start of the program and to those that enter the RECLAIM program at any time after
4 the program's start.

5 Table 1 and Table 2 of Rule 2002 list the starting emissions factors for various RECLAIM
6 facilities. Table 1 relates to NOx emissions while Table 2 relates to SOx emissions. "Electric arc
7 furnace" appears as a fuel source in Table 1 of Rule 2002 under the listing for basic equipment of
8 "iron/steel foundry." Table 2 similarly contains a basic equipment listing of "iron/steel foundry" which,
9 like the Table 1 listing, requires the starting emissions factor to be based upon reported value (generally
10 based on a facility's AERs). "Electric arc furnace" does not appear on Table 2.

11 **III. THE SOx RTCs ALLOCATION IN TAMCO'S TITLE V PERMIT RENEWAL.**

12 TAMCO was purchased by Gerdau in October 2010. At the time of the purchase, Gerdau
13 retained an environmental consultant to conduct a due diligence investigation and received
14 representation and warranties from the TAMCO sellers that the facility complied with all environmental
15 rules and regulations. Even with these precautions and assurances, Gerdau was not made aware of any
16 errors in TAMCO's permits, records, or reports. Following Gerdau's acquisition of the TAMCO facility
17 and the discovery of various environmental compliance issues, Gerdau retained ENVIRON International
18 Corporation ("ENVIRON") to conduct a comprehensive environmental audit of the TAMCO facility.
19 From ENVIRON's audit, TAMCO's new management first became aware that the AERs filed by
20 TAMCO did not include SOx emissions from the use of an EAF steel-making process, and included
21 only the small SOx emissions associated with natural gas combustion and diesel combustion.
22 TAMCO's representatives disclosed the audit findings to the District through a presentation on or about
23 May 31, 2012.

24 In a meeting on February 13, 2013 among TAMCO and District representatives, TAMCO's
25 representatives explained that the original 1989 AER submission for TAMCO was erroneous in failing
26 to report SOx emissions from its EAF. TAMCO addressed this finding because, among other things, in
27 accordance with Rule 2002, TAMCO's SOx RTC allocations are to be calculated based on its 1989
28

1 AER. Thus, TAMCO sought to notify the District that its SOx RTC allocations should be revised based
2 on an amended AER that accurately reflected TAMCO's SOx emissions.

3 On February 21, 2013, the District explained in correspondence to TAMCO that "[t]he amount
4 of SOx allocations [for the TAMCO's Title V permit renewal] will be determined using the information
5 in TAMCO's [original] 1989 annual emission report (AER), which was used to determine the NOx
6 [nitrogen dioxide] allocations for this facility." Yet, in the same letter, the District concluded that
7 "TAMCO has not been accurately reporting the facility's emissions in their Annual Emission Reports
8 (AERs) pursuant to Rule 301 and Annual Permit Emission Program (APEP) reports pursuant to Rule
9 2004. As a result, TAMCO will amend the facility's AER and APEP reports for the past 10 years
10 (starting with the Year 2002) to accurately report all emissions from the facility." To revise its reports
11 and reporting of future SOx emissions to the District, the District directed TAMCO to use the
12 Environmental Protection Agency's ("EPA") "AP-42 (best available and published), Table 12.5, 1-6,
13 SOx emission factor of 0.2 lb/ton of metal melted." The District also concluded that, based on
14 TAMCO's actual SOx emissions, TAMCO is subject to RECLAIM for SOx because it significantly
15 exceeds the four tons per year SOx RECLAIM threshold.

16 TAMCO responded to the District's February 21st letter in a letter dated March 8, 2013. In that
17 letter, TAMCO expressed concerns that the District planned to calculate TAMCO's SOx RTC
18 allocations based on TAMCO's original and erroneous 1989 AER, which failed to include SOx
19 emissions from the EAF. TAMCO further asserted that the District's Rules require the SOx RTC
20 allocation to be based on an updated 1989 AER, which would include emissions from the EAF.

21 On February 28, 2013, the District issued a draft renewed Title V permit to TAMCO. The draft
22 permit was attached to the District's letter to TAMCO dated February 28, 2013. The District's letter
23 indicated that there would be only a small SOx RTC allocation of 100 pounds and stated that the
24 allocations were calculated "pursuant to Rule 2002" and that "[t]his rule specifies that SOx allocations
25 for your facility are to be determined based on the throughput data in the facility's annual emissions
26 reports (AER) for the years 1987 through 1992, where available. SCAQMD has a complete AER report
27 from your facility for 1989 which was also used in calculating your facility's NOx allocations.

1 Therefore SOx allocations were determined according to the throughput data included in that report.”
2 The draft permit indicated that there would be no SOx allocation for TAMCO’s EAF operations but it
3 did not explain the manner in which the District arrived at that determination.

4 TAMCO submitted an amended 1989 AER to the District on July 19, 2013, which accurately
5 reflected the SOx emissions emitted by the EAF in 1989. ENVIRON calculated TAMCO’s throughput
6 of SOx emissions using an emission factor of 0.20 lbs of SOx per ton of steel produced for the EAF,
7 which is the emission factor listed in the EPA’s AP-42, Table 12.5.1-6 for Electric Arc Furnaces.
8 Source tests confirmed that 0.20 lbs of SOx per ton of steel produced is an appropriate emission factor
9 for TAMCO’s EAF and the EAF at TAMCO’s facility has remained substantially unchanged since
10 1989. TAMCO submitted a check in the amount of \$19,042.09 with the amended AER. The District
11 accepted TAMCO’s amended 1989 AER and cashed the accompanying check to cover fees due on
12 account of the amended submission.

13 Representatives of TAMCO met with a representative of the District on September 12, 2013 to
14 discuss, among other things, the starting emission factor for SOx for TAMCO’s EAF. During the
15 meeting, the District’s representative indicated that the District had “independently developed a SOx
16 allocation for TAMCO that was in the same general ballpark as [ENVIRON’s] calculated allocation.”
17 ENVIRON’s calculations of a SOx allocation for TAMCO was based upon TAMCO’s amended 1989
18 AER using the EPA’s AP-42 emission factor for EAF operations of 0.2 pounds per ton of steel
19 produced. ENVIRON further determined that TAMCO should receive an allocation of 40,523 SOx
20 RTCs for 2013.

21 Nevertheless, on December 10, 2013 and in disregard of TAMCO’s amended 1989 AER, the
22 Executive Officer issued the Permit based on the original 1989 AER. The Permit does not include a
23 SOx RTCs allocation for the SOx emissions from TAMCO’s EAF.

24 **IV. TAMCO’S APPEAL BEFORE THE HEARING BOARD.**

25 **A. TAMCO’s Arguments to the Hearing Board.**

26 On January 9, 2014, TAMCO filed a timely appeal of its Permit renewal to the Hearing Board
27 seeking a SOx RTCs allocation based on its amended 1989 AER. TAMCO argued that its SOx RTCs
28

1 allocation should be based on its amended 1989 AER because TAMCO established that its original 1989
2 AER was inaccurate based on clear and convincing evidence as required by Rule 2002. TAMCO further
3 argued that its SOx RTC allocation for its EAF should be based on its amended 1989 AER because the
4 amended 1989 AER used the appropriate emissions factor based on source tests of the EAF and the
5 District's guidance.

6 TAMCO asserted that the District's RECLAIM Rule 2002 establishes the methodology for
7 calculating allocations of RTCs for SOx. Under Rule 2002(c)(1), the Executive Officer is required to
8 establish TAMCO's starting allocation using actual SOx emissions⁴ for the maximum throughput year
9 from 1989 to 1992. This data must be based on AERs TAMCO has submitted to the District unless
10 TAMCO demonstrates, by clear and convincing documentation, that the submitted information was
11 erroneous.

12 TAMCO made the showing required to demonstrate that the original 1989 AER is clearly
13 erroneous and that the Executive Officer's initial allocation of SOx RTCs should be based on the
14 amended 1989 AER that TAMCO provided the District in July 2013. The original AER is inaccurate
15 because it omitted the SOx emissions from the EAF, the primary source of SOx emissions from the
16 TAMCO facility. TAMCO provided clear and convincing documentation of the errors in the original
17 1989 AER, and in fact, the District agrees that TAMCO has submitted erroneous AERs and requested
18 that TAMCO file revised reports for the past ten years.

19 Finally, TAMCO's amended 1989 AER uses the starting emission factor that the District
20 required it to use when revising its past 10 years of AER submissions. On this basis, TAMCO argued
21 that the Executive Officer issued the Permit with an incorrect allocation of SOx RTCs.

22 **B. District Counsel's Arguments to the Hearing Board.**

23 Prior to litigating TAMCO's appeal before the Hearing Board, the District repeatedly and
24 consistently stated that it determined TAMCO's SOx RTC allocation based on TAMCO's original 1989
25 AER. Further, after TAMCO notified the District that it had failed to report SOx emissions from its
26

27 ⁴ Rule 2000(c)(1) defines actual emissions as "the emissions of a pollutant from an affected source determined
28 by taking into account, actual emission rates and actual or representative production rates (i.e., capacity utilization
and hours of operation)."

1 EAF, the District required TAMCO to use the reported value for the SOx emission factor from the EAF
2 (which is equal to the value set forth in the EPA's AP-42, Table 12.5.1-6 for Electric Arc Furnaces) for
3 reporting SOx emissions from the EAF. For instance, in its May 2, 2013 letter to TAMCO, the District
4 confirmed that the appropriate emissions factor for the EAF is 0.2 lbs/ton steel produced.

5 The District did not challenge the accuracy of the amended 1989 AER, which used the EPA's
6 AP-42 emission factor, during the course of the Hearing Board proceeding nor did the District deny that
7 the 1989 AER erroneously omitted SOx emissions from TAMCO's EAF. Rather than addressing the
8 inconsistency of using the original 1989 AER to determine the SOx RTCs allocation for TAMCO's
9 Permit during the Hearing Board proceeding, the District's counsel changed the District's argument for
10 failing to issue TAMCO a RTCs allocation for its EAF operations. District's counsel argued that
11 because the EAF is not listed on Table 2 of Rule 2002, the Executive Officer must assign the EAF a
12 "zero allocation" or "null set." Thus, District's counsel argued that regardless of what the reported value
13 of SOx emissions for TAMCO's facility might be in the AERs and regardless of whether clear and
14 convincing evidence established a basis for amending TAMCO's original 1989 AER, the emissions
15 factor for the EAF operations at TAMCO's facility must be classified as "zero" or a "null set" because
16 the words "electric arc furnace" do not appear in Table 2 of Rule 2002. District's counsel further
17 asserted that TAMCO's request for a revised Permit improperly required the District's staff or the
18 Hearing Board to amend Table 2 of Rule 2002 without approval of the Governing Board.

19 **C. TAMCO's Response to the District's Litigation Position.**

20 In response, TAMCO asserted that the District's standard practice is to establish RTCs
21 allocations based on the most appropriate category in Table 2 when there is no category that specifically
22 applies to a facility, which here would be the "iron/steel foundry" category. TAMCO further asserted
23 that the Executive Officer has the authority to issue RTCs based on such categorization and that the
24 Hearing Board has the authority to require the Executive Officer make such categorization.

25 TAMCO presented evidence to the Hearing Board that shows that the District's normal practice
26 when faced with equipment that is not specifically listed in Table 1 or Table 2 of Rule 2002 is to classify
27 the equipment as closely as it can be classified so as to apply an emission factor and determine a RTCs
28

1 allocation that is reasonable for the equipment at issue. For example, in calculating a NOx RTCs
2 allocation for TAMCO's facility, the District is required to apply an emission factor for NOx to
3 TAMCO's "billet reheat furnace." The words "billet reheat furnace" appear nowhere in Table 1 of Rule
4 2002. The District initially assigned an emission factor listed on Table 1 of Rule 2002 for a "metal
5 melting furnace" to the billet reheat furnace, but subsequently decided to assign the emission factor for a
6 "steel hotplate furnace" because that emission factor is "more reflective" of a billet reheat furnace.⁵ In
7 reality, neither a metal melting furnace nor a steel hotplate furnace is the same as a billet reheat furnace.
8 Nonetheless, the District reasonably assigned an emission factor to TAMCO's billet reheat furnace using
9 analogous equipment. TAMCO argued that the District should apply similar methodology to the
10 categorization of its EAF.

11 Moreover, TAMCO argued that the Hearing Board has the authority to direct the Executive
12 Officer to issue TAMCO's SOx RTC allocation by categorizing EAF in the "iron/steel foundry"
13 category in Table 2. The RECLAIM rules specifically anticipate that the Hearing Board will take in
14 evidence on permit appeals and will periodically change RTCs allocations. Rule 2015(d)(4) provides
15 that "the Hearing Board will present a written report to the District Governing Board regarding any
16 increases in annual Allocations issued pursuant to permit appeals." The District's argument that the
17 Hearing Board does not have the power to change RTCs allocations is simply inconsistent with the
18 District's own rules.

19 Moreover, the Hearing Board has exercised its authority to modify RTCs allocations on many
20 occasions since the start of the RECLAIM Program. The District's report on the RECLAIM program,
21 entitled "*Over a Dozen Years of RECLAIM Implementation: Key Lessons Learned in California's First*
22 *Air Pollution Cap-and-Trade Program*," explains that the Hearing Board and/or the District's staff has
23 the authority to resolve many of the problems with implementation of the RECLAIM program:

24
25
26 ⁵ According to Carol Coy, former District Deputy Executive Officer of Compliance and Engineering, the
27 District's ordinary practice is to fit equipment into existing Table 1 and 2 categories. TAMCO served a subpoena
28 and Public Records Act request seeking other examples of "best fits." The District did not produce such
documents citing confidentiality concerns, and undue burden. The fact that producing such documents is an
"undue burden" supports Ms. Coy's testimony that using the "best fit" was very common.

1 “Facilities that did not agree with the allocations filed appeals to safeguard their legal rights to have the
2 allocations amended while working with District staff to resolve discrepancies. Agreement was reached
3 between the facilities and the District in almost all cases without going through an actual hearing.”
4 Based on the District’s rules and the history of the RECLAIM program, TAMCO asserted that its
5 request is within the preview of the Hearing Board’s authority.

6 **D. The Hearing Board’s Findings and Decision.**

7 On September 26, 2014, the Hearing Board issued its findings and decision on TAMCO’s
8 appeal. The Hearing Board held, based on a 3-2 vote, that Rule 2002 “requires the Executive Officer to
9 categorize equipment pursuant to the methodology set forth” in that Rule. However, the Hearing Board
10 held that the Executive Officer is not required “to place equipment into an existing Table 2 category and
11 use the associated emission factor, if none is found to be ‘applicable.’” Thus, the Hearing Board
12 concluded that “the plain meaning of Rule 2002(c)(2)(C) does not require equipment to be categorized
13 into an existing Table 2 category.” However, the Hearing Board did not reconcile its conclusion with
14 the Executive Officer’s mandatory duty to classify each piece of equipment into a Table 2 category,
15 which could be fulfilled by the Executive Officer seeking an amendment to Table 2 from the Governing
16 Board.

17 Additionally, the Hearing Board held that the Executive Officer does not have the authority to
18 create a new category on Table 2 for TAMCO’s EAF. The Hearing Board pointed to District Rule
19 2015(c)(3), which requires the Executive Officer to re-evaluate the accuracy of ending emission factors
20 and found significant that the Rule mandates that the Executive Officer propose amendments to Rule
21 2002 to the Governing Board. Based on the language of Rule 2015(c)(3), the Hearing Board concluded
22 that the Governing Board did not grant the Executive Officer the authority to implement new emissions
23 factors without approval from the Governing Board. Accordingly, the Hearing Board denied TAMCO’s
24 request in its petition for appeal to revise its SOx RTCs allocation.⁶

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27 ⁶ The Hearing Board also held that the EAF does not fit within the iron/steel foundry category on Table 2
28 and that the District does not have a long-standing practice of fitting equipment into the most suitable category on
Table 1 or Table 2 of Rule 2002. However, as the Hearing Board itself recognized, such findings were not
necessary to its decision. The findings were also contrary to largely uncontroverted evidence.

1 Two members of the Hearing Board dissented from the Hearing Board's decision. Member
2 Holtzman also filed a written dissent. Member Holtzman explained: "A facility in the RECLAIM
3 program gets a starting allocation of emission credits based on its rate of emissions at the start of the
4 program. That is how the program is structured. That is the clear letter and intent of the program's
5 rules." Member Holtzman further asserted that the RECLAIM program rules do not permit the
6 Executive Officer to issue a zero RTCs starting allocation for equipment that qualifies for a RTCs
7 allocation pursuant to the RECLAIM program. Member Holtzman concluded that Rule 2002 imposes a
8 mandatory duty on the Executive Officer to calculate a RTCs allocation based on the methodology in the
9 Rule and, accordingly, the Executive Officer acted improperly by failing to comply with that
10 methodology when issuing TAMCO's Permit.

11 **V. REQUEST FOR A HEARING.**

12 TAMCO petitions the Governing Board for a hearing on its Title V Permit renewal because the
13 Executive Officer failed to comply with his mandatory duty pursuant to Rule 2002 to categorize
14 TAMCO's EAF, a mandatory duty recognized by the Hearing Board in this matter. TAMCO was
15 unable to obtain relief pursuant to its appeal before the Hearing Board, and the Hearing Board
16 specifically held that it does not have the authority to add a new category to Table 2 of Rule 2002 or
17 order the Executive Officer to categorize TAMCO's EAF because the words "electric arc furnace" do
18 not appear on Table 2. Indeed, the Hearing Board's decision concludes that only the Governing Board
19 can provide TAMCO with relief from the Executive Officer's failure to provide TAMCO with a proper
20 allocation of SOx RTCs for its EAF.

21 Accordingly, TAMCO requests that the Governing Board hold a hearing on TAMCO's Permit⁷
22 and find after the hearing that TAMCO's EAF shall be classified as part of the listing of basic equipment
23 of "iron/steel foundry" on Table 2 of Rule 2002. TAMCO further requests that the Governing Board
24 find that TAMCO's starting RTCs allocation must be determined in accordance with Rule 2002 (in its
25

26 ⁷ Health and Safety Code § 40509 provides that "[a]ny person may petition the south coast district board to
27 hold a public hearing on any application to issue or renew a permit." The Governing Board has the authority to
28 hold a hearing on this petition because TAMCO was issued a permit with a condition that is inconsistent with the
District's Rules, in particular, Rule 2002.

1 entirety) by using the reported value for SOx emissions from TAMCO's EAF in TAMCO's amended
2 1989 AER and issue a corrected Title V permit renewal to TAMCO for the five-year term beginning
3 December 10, 2013 and ending December 9, 2018 that includes an annual SOx RTCs allocation starting
4 in 2013 of not less than 40,523 SOx RTCs.

5 Alternatively, if the Governing Board finds that there is no applicable category in Table 2 of
6 Rule 2002 for TAMCO's EAF, TAMCO requests that the Governing Board amend Table 2 to add a
7 category for EAFs by classifying them as a fuel source for the basic equipment of iron/steel foundry and
8 then issue TAMCO's renewed Title V Permit in accordance with the amended Table 2.

9 TAMCO further requests that the Governing Board grant TAMCO such other and further relief
10 as the Governing Board may determine is just and proper to provide TAMCO with a reasonable starting
11 RTCs allocation for SOx for TAMCO's EAF consistent with the purposes of the RECLAIM program.

12
13 DATED: October 24, 2014.

NOSSAMAN LLP


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15 By: 
16 _____
17 Thomas D. Long
18 Attorneys for Petitioner TAMCO
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EXHIBIT A

SERVICE LIST

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TAMCO may be contacted at the following mailing address:

Jeffrey Dambrun
TAMCO
12459-B Arrow Route
Rancho Cucamonga, CA 91739

With a copy to:

Byron P. Gee, Esq.
Nossaman LLP
777 S. Figueroa Street
34th Floor
Los Angeles, CA 90017

The District may be contacted at the following mailing addresses:

Mr. Edward Camarena
Chairman of the Hearing Board
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

William Wong, Esq.
Legal Department
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Clerk of the Governing Board
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

1 OFFICE OF THE GENERAL COUNSEL
2 SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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4 PRINCIPAL DEPUTY DISTRICT COUNSEL
5 Email: wwong@aqmd.gov
6 21865 Copley Drive
7 Diamond Bar, California 91765-0940
8 Telephone: 909.396.3535
9 Facsimile: 909.396.2961

SOUTH COAST AQMD
DISTRICT OF THE BOARDS

*14 OCT 31 A11 :43

6 Attorney for Respondent
7 South Coast Air Quality Management District

8 **BEFORE THE GOVERNING BOARD OF THE**
9 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

10 In the Matter of

11 TAMCO,
12 [Facility ID #018931]

13 Petitioner,

14 vs.

15 SOUTH COAST AIR QUALITY
16 MANAGEMENT DISTRICT,

17 Respondent.

**SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT'S
RESPONSE TO TAMCO'S PETITION
TO REQUEST A HEARING ON
TAMCO'S TITLE V PERMIT
RENEWAL**

HEARING DATE: November 7, 2014
TIME: 9:00 am
LOCATION: 21865 Copley Drive
Diamond Bar, CA
91765

18 Pursuant to Rule 1204, Respondent South Coast Air Quality Management District (District)
19 files this response to TAMCO's Petition to the Governing Board to Request a Hearing on
20 TAMCO's Title V Permit Renewal (Petition), filed on October 24, 2014.

21 **INTRODUCTION**

22 The Executive Officer determined that this Governing Board's Rule 2002(c)(2)(C) prevents
23 him from giving TAMCO the approximately 20 tons per year of SOx RTCs that TAMCO requests.
24 TAMCO disagreed, and argued that instead Rule 2002(c)(2)(C) mandated the Executive Officer to
25 give TAMCO the 20 tons. Pursuant to Health and Safety Code section 42302.1¹, this legal dispute

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27 ¹ Unless otherwise stated, all future section references are to the Health and Safety Code.
28

1 over the meaning of Rule 2002(c)(2)(C) was brought before the District’s Hearing Board. After 6
2 days of hearing; during which briefs and over 40 exhibits were filed, 6 witnesses testified, and oral
3 arguments were made; the majority of the Hearing Board upheld the Executive Officer’s
4 interpretation, finding it consistent with Board-adopted RECLAIM rules. (Findings and Decision
5 of the Hearing Board dated September 26, 2014 (HB F&D), at 10-12, attached hereto as Exh. A.)

6 In this Regulation XII Petition to the Governing Board, TAMCO raises the exact same
7 arguments it raised before the Hearing Board. However, the Hearing Board has already examined
8 those arguments and rejected all of them. TAMCO had the ability under section 40861 and Rule
9 7(h)(1) of the Hearing Board Rules and Procedures to request a rehearing, and was specifically
10 advised by the Legal Member of the Hearing Board of that right. TAMCO has declined to exercise
11 that right. Instead, pursuant to section 40864, TAMCO has filed a lawsuit in Superior Court
12 seeking review of the Executive Officer’s decision.² Judicial review will give TAMCO an
13 opportunity to have its legal interpretation of Rule 2002(c)(2)(C) reviewed by a superior court
14 judge.

15 Nevertheless, despite this legislatively crafted permit review process, TAMCO now seeks
16 this Regulation XII hearing before the Governing Board on the Executive Officer’s permit action.
17 However, in a Regulation XII hearing, the Governing Board does not review the Hearing Board’s
18 decision, but rather, pursuant to Rule 1205, the Governing Board acts “as the Executive Officer” in
19 order “to reach a decision on the permit” in accordance with all the applicable rules and laws. For
20 that reason, the Governing Board limited Rule 1201 to holding a hearing “on a permit application.”
21 Likewise, Rule 1201’s authorizing statute, section 40509, also limits the Governing Board to hold a
22 public hearing “on any application to issue or renew a permit.”³

23 _____
24 ² On the same day TAMCO served this Petition, TAMCO filed an action in Superior Court to
overturn the Executive Officer’s decision.

25 ³ Section 40509 was amended in 1987 to further clarify that the public hearing by the Governing
26 Board is on “any application to issue or renew” a permit. (Environmental Protection—South Coast
27 Air Quality Management District—Organization, 1987 Cal. Legis. Serv. 1301 (West), attached
28 hereto as Exh. B). Prior to that amendment, section 40509 read, “Any individual may petition the
South Coast District Board to hold a public hearing on a permit application.” (A true copy of
section 40509 in effect prior to the 1987 amendment is attached as Exh. C.)

1 As specified in the Board's regulations and policies, the Executive Officer has already taken
2 action on TAMCO's permit application, and as a result, there is simply no permit application for
3 the Governing Board to hold a hearing on. Consequently, the Executive Officer respectfully
4 requests the Board to deny this Petition on the grounds that Section 40509 does not allow a
5 petitioner to obtain a hearing on a permit application that has already been decided, appealed to the
6 Hearing Board, and further appealed to the courts.

7 **ARGUMENT**

8 **I.**

9 **TAMCO'S PETITION SHOULD BE DENIED BECAUSE STATE LAW AND THE**
10 **GOVERNING BOARD'S OWN RULE DO NOT PERMIT A HEARING**

11 As shown earlier, the Health and Safety Code sets out a carefully crafted process for
12 issuance or denial of permits, appeals of permit decisions, and then judicial review of that appeal.
13 Thus, section 42300(a) authorizes the District's air pollution control officer (here, the Executive
14 Officer to render decisions on permits.⁴ Section 42302.1 authorizes permit applicants to appeal the
15 Executive Officer's permit decision to the Hearing Board. Section 40864 authorizes the appellant
16 to seek judicial review of the Hearing Board decision.

17 Moreover, the Legislature sharply limited a permit applicant's time to challenge permit
18 decisions to 30 days after receipt of notice of the permit action. §§42302, 42302.1. The Hearing
19 Board itself is only given 30 days to hold a hearing on that permit challenge. §42308. Once the
20 Hearing Board renders a decision, any aggrieved party has only 10 days to seek a rehearing
21 (§40861) or 30 days to seek judicial review. §40864. Nowhere in this carefully crafted path is a
22 detour that allows the aggrieved party to go back to the beginning and recreate the permit review
23 process with a different body than the Executive Officer and thereby "shop" for the opinion the
24 permit applicant desires.

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27 ⁴ The Executive Officer may delegate this decision to staff. (Rule 102; Health and Safety Code
28 §40480).

1 If the Governing Board were to grant this Petition, it could open the floodgates to additional
2 Regulation XII petitions, since Rule 1201 contains no other deadline for filing these petitions other
3 than the Executive Officer having already taken action on the permit application. Thus,
4 conceivably any person can file for a Regulation XII hearing on any issued permit or pending
5 permit application.

6 For these reasons, Rule 1201 and section 40509 sensibly limit petitions to the Governing
7 Board to hold a hearing only on permit applications. Because TAMCO complains about a permit
8 application that has already been issued, appealed and further appealed to the courts, TAMCO
9 cannot properly file this Regulation XII petition to recreate the permit review process.

10 II.

11 THE GOVERNING BOARD SHOULD DEFER TO THE COURTS TO RESOLVE 12 DISPUTES OVER LEGAL INTERPRETATIONS

13 As stated by the California Supreme Court in a case challenging District Rule 1113, the
14 judiciary “tak[es] ultimate responsibility for the construction of [a] statute.” *Am. Coatings Assn.,*
15 *Inc. v. S. Coast Air Quality Dist.*, 54 Cal. 4th 446, 461, 278 P.3d 838, 848 (2012). Courts have the
16 same responsibility for ordinances, which are akin to District’s rules. *Stolman v. City of Los*
17 *Angeles*, 114 Cal. App. 4th 916, 928, 8 Cal. Rptr. 3d 178, 187 (2003). Since TAMCO’s claim
18 centers on its differing interpretation of Rule 2002(c)(2)(C), and TAMCO’s complaint against the
19 Hearing Board raises this differing legal interpretation issue before the courts, TAMCO now has
20 an opportunity to have this issue decided by a superior court judge.

21 Moreover, the Governing Board should not allow TAMCO to take two bites at the apple in
22 violation of the principle underlying res judicata . According to Witkin, a well-known and
23 respected analyst of California law, “The principle underlying the rule of [res judicata] is that a
24 party who once has had a chance to litigate a claim before an appropriate tribunal usually ought not
25 to have another chance to do so.” 7 Witkin, Cal. Proc. 5th (2008) Judgm, §338, p. 942.

26 As Witkin further elaborates, res judicata also applies against agencies making decisions
27 contrary to a previously and properly decided quasi-judicial decision of the same agency: “Hence,
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1 an order determining facts within its jurisdiction, and relating to individual rights, will often be
2 held binding in a subsequent proceeding before the agency itself, where the statute does not
3 expressly give the agency power to modify its decisions.” 7 Witkin, Cal. Proc. 5th (2008) Judgm,
4 §359, p. 975. *See also City & Cnty. of San Francisco v. Ang*, 97 Cal. App. 3d 673, 680, 159 Cal.
5 Rptr. 56, 60 (Ct. App. 1979)(finding the City’s quasi-judicial Board’s decision to be res judicata
6 against the City when no appeal of the Board’s decision was taken). Here, there is no such statute
7 giving the Governing Board authority to modify the Hearing Board’s decision. And while
8 TAMCO has appealed that Hearing Board decision; that decision is still in effect until that appeal
9 has been decided by the Court. Indeed, TAMCO is required under the doctrine of judicial
10 exhaustion to complete the judicial review process prescribed for reviewing Hearing Board
11 decisions. *See McDonald v. Antelope Valley Cmty. Coll. Dist.*, 45 Cal. 4th 88, 113 (2008)(finding
12 that once a proper quasi-judicial administrative decision is rendered “respect for the administrative
13 decisionmaking process requires that the prospective plaintiff continue that process to completion,
14 including exhausting any available judicial avenues for reversal of adverse findings.”

15 Thus, for the reasons stated above, this Governing Board should deny TAMCO’s attempts
16 to improperly re-litigate its claim before this Board.

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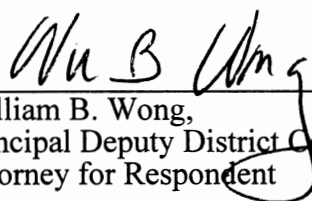
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CONCLUSION

This Governing Board should deny TAMCO's Petition, since both section 40509 and the Governing Board's own Rule 1201, do not permit a public hearing on a permit that has already been issued by the Executive Officer and appealed to the Hearing Board, whose decision is being appealed to the courts. Moreover, this Governing Board should also exercise its discretion to deny the Petition, since the deciding issue being re-raised by TAMCO is the same as previously considered by the Hearing Board. Further, the Hearing Board has thoroughly examined and rejected all of TAMCO's claims and the Governing Board lacks authority to modify that decision. Because that decision is still in effect, until revised by the Court, this Governing Board should deny the Petition to allow the Court to resolve TAMCO's claims.

Dated: October 31, 2014

SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT

By: 

William B. Wong,
Principal Deputy District Counsel
Attorney for Respondent

EXHIBIT A

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**BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

In the Matter of

Case No. 5972-1

TAMCO,
[Facility ID #018931]

**FINDINGS AND DECISION OF THE
HEARING BOARD**

Petitioner,

vs.

HEARING DATES: March 25, May 28-29,
June 5 and 19, and August 27, 2014 (final
decision and vote on August 27) and
September 18 and 24, 2014 (solely for
purpose of reducing decision to writing)

SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT,

TIME: 9:00 a.m.

Respondent.

LOCATION: 21865 Copley Drive
Diamond Bar, CA 91765

On January 9, 2014, TAMCO, located at 12459-B Arrow Route, Rancho Cucamonga, CA 91739, filed an appeal of its Title V permit issued by the Executive Officer of the South Coast Air Quality Management District (District) providing for no RECLAIM (Regional Clean Air Incentives Market) SOx allocation for its electric arc furnace (EAF). Hearings were held on the following dates: March 25, May 28, May 29, June 5, June 19, and August 27. Five members of the Hearing Board heard the appeal: Edward Camarena, (Chair and Engineering Member)¹; Julie Prussack, (Vice Chair and Legal Member); Robert F. Wayner, M.D. (Alternate Medical Member); Patricia Byrd, (Public Member); and David Holtzman, (Public Member). Petitioner was represented by

¹ Health and Safety Code section 40501.1(a) specifies certain types of Hearing Board members and their required qualifications.

1 Thomas D. Long and Byron P. Gee, Attorneys-At-Law, Nossaman, LLP. Respondent, Executive
2 Officer, was represented by William B. Wong, Principal Deputy District Counsel. The public was
3 given the opportunity to testify. Evidence was received, and the case submitted. The Board
4 deliberated and made a final decision on August 27, 2014. On September 18 and 24 the Board held
5 two additional hearings for the sole purpose of publicly reducing its findings and decision to
6 writing. The Hearing Board finds and decides as follows:

7 **SUMMARY**

8 This case was brought by TAMCO, a steel minimill that recycles scrap metal to make steel
9 rebar. The scrap steel is melted in an electric arc furnace (EAF) that primarily uses high voltage
10 electricity as a heat source to melt the scrap metal. Oxygen and carbon² are injected into the steel
11 to promote the melting process. The oxygen reacts with the sulfur in the scrap steel and carbon to
12 form SOx (sulfur oxides) that exits the EAF. (First Amended Petition (FAP), at 2.) TAMCO's
13 EAF has been in operation since decades before the October 15, 1993 adoption of RECLAIM,
14 which is further described below. (2 Transcript ("Tr.") 250.) District Rule 301 required TAMCO
15 to report the quantity of SOx being emitted by its EAF on its annual emissions report (AER).
16 Nevertheless, TAMCO failed to report any SOx emissions from its EAF for every year since the
17 start of its operation until sometime after May 31, 2012. Since that time, TAMCO has reported
18 about 30 tons/year of SOx emissions from its EAF, including for prior years, dating back to at least
19 1989. According to District Rule 2001(b), TAMCO has thus exceeded the threshold 4 tons of
20 SOx/year, requiring TAMCO to be placed into RECLAIM for SOx emissions. See District Rule
21 2001(b) (stating, in relevant part, "the Executive Officer will include facilities [in RECLAIM]
22 if...emissions fee data...shows four tons per year or more of NOx or SOx...")³. This was a unique

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27 ² Carbon is introduced in the form of petroleum coke, which contains sulfur. (2 Tr. 272-73.)
28 ³ TAMCO was already in RECLAIM for its NOx (oxides of nitrogen) emissions.

1 case for the District, involving a facility just entering into SOx RECLAIM when the facility should
2 have been entered at the start of the program decades earlier.⁴

3 The District determined that no SOx allocation could be issued to TAMCO for its EAF,
4 because under Rule 2002(c)(2)(D), TAMCO failed to report a SOx emission factor in its 1989
5 AER. (4 Tr. 518.) The District informed TAMCO that it would receive no SOx allocation for its
6 EAF in February 2013. (FAP, at Exh. B.)

7 On July 19, 2013, TAMCO submitted a revised 1989 AER indicating that its EAF had
8 emitted over 30 tons of SOx in that year. (FAP, at Exh. G.) The District has not approved the
9 revised 1989 AER. Rule 2002(c)(1) states that TAMCO's starting allocation would be calculated
10 by multiplying the throughput of TAMCO's EAF reported in 1989 with "the applicable starting
11 emission factor for the subject source or process unit as specified in . . . Table 2." After the
12 required engineering review, the District found no applicable emission factor on Table 2 for the
13 EAF.

14 On December 10, 2013, the District therefore issued TAMCO a final Title V permit (after
15 submission of a draft Title V permit renewal to EPA for its review) that contained no SOx
16 allocation for TAMCO's EAF. (Exh. I.) In this appeal, TAMCO challenged that decision and
17 requested that it be given a starting SOx allocation calculated and derived as if it had entered
18 RECLAIM at the start of the program, taking into account any reductions of its SOx allocation
19 required later by the RECLAIM rules.

20 **PROCEDURAL BACKGROUND**

21 On January 9, 2014, TAMCO filed its original petition, appealing the Executive Officer's
22 action, arguing that the Executive Officer was mandated to provide a starting SOx allocation to
23 TAMCO pursuant to Rule 2002(c)(1) based on the emission factor for the EAF as claimed by

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26 ⁴ There were a number of facilities that requested amendments to their SOx RECLAIM allocations
27 after the start of the program. However, those facilities made such requests within just a few years
28 of the program's inception. (Exh. K at II-1-2; 4 Tr. 557-58.) Only one other already-existing
facility entered SOx RECLAIM nearly 20 years after the program's start, but that facility did not
request a RECLAIM allocation for SOx. (See 2 Tr. 259; 3 Tr. 312-13.)

1 TAMCO in its recently revised 1989 AER. On March 4, 2014, the District filed a demurrer to
2 TAMCO's petition arguing that, even assuming TAMCO's factual allegations were true, TAMCO
3 would get no relief since the Executive Officer has no authority under Rule 2002 to create a new
4 category and emission factor not present on Table 2, and the Hearing Board has no authority to
5 require it. On March 25, 2014, the Hearing Board unanimously sustained the District's demurrer
6 with leave to amend.

7 On April 10, 2014, TAMCO filed its first amended petition, claiming this time that Rule
8 2002(c)(2)(C) mandated the Executive Officer to classify TAMCO's EAF in the same Table 2
9 category specified for a gray iron cupola⁵ or as a miscellaneous source. TAMCO also argued that
10 the starting emission factor to determine its allocations must be the one it used in its 1989 amended
11 AER.

12 On May 28, 2014, TAMCO called the same two witnesses to testify that had also
13 previously filed declarations on behalf of TAMCO: Carol Coy, a former deputy executive officer
14 for engineering and compliance with the District; and Joe Hower, a principal at ENVIRON. Their
15 testimony lasted through two days of hearings, ending on May 29, 2014. At the end of their
16 testimony, both parties agreed to enter TAMCO's Exhibits A-T, and the District's Exhibits 1-18
17 into evidence, and they were so entered. The District then made an oral motion to dismiss pursuant
18 to Hearing Board Rule 5(a)(3).

19 After both sides presented argument, the Hearing Board deliberated and rejected the motion
20 to dismiss, 4-1, with Ms. Prussack dissenting. As a result, the District put on four witnesses over
21 the course of three days of hearings: May 29, June 5, and June 19, 2014. The witnesses were Rudy
22 Eden, Laboratory Services and Source Test Engineering manager; Marco Polo, Air Quality

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26 ⁵ TAMCO specifically alleged that the District should have fit the EAF within Table 2's "Iron/Steel
27 Foundry" category. (FAP at 3.) The only equipment listed (as "fuel type") under this broad
28 industry category, however, is "gray iron cupola." We discuss later in this Decision the error in
relying solely on the descriptive words in Table 2 for categorization of equipment under Rule 2002.
For simplicity, we refer to this category as "gray iron cupola" throughout this Decision.

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1 Engineer; Mohan Balagopalan, Senior Permitting Manager and Danny Luong, Senior Enforcement
2 Manager.

3 Over the course of these hearings, additional exhibits were submitted by both parties, and
4 TAMCO Exhibit U and District Exhibits 22 and 23 were received into evidence. The parties
5 submitted closing briefs on August 20, 2014, and made closing statements on August 27, 2014.
6 The Hearing Board deliberated that same day, and a majority voted to uphold the District's
7 issuance of the permit and deny TAMCO's appeal. Two Hearing Board members, Mr. Holtzman
8 and Dr. Wayner, voted in dissent.

9 CASE BACKGROUND

10 RECLAIM

11 On October 15, 1993, the District Governing Board adopted the Regional Clean Air
12 Incentives Market program, commonly known as RECLAIM. RECLAIM was an innovative
13 program, replacing command-and-control regulations with a market-based incentive program. That
14 is, command-and-control would be replaced with a system of facility caps on NOx and SOx
15 emissions with declining balances of allowable maximum emissions, expressed by the facility
16 permit's declining yearly allocation levels. In specifically authorizing the adoption of RECLAIM,
17 the Legislature required the District's Governing Board to design RECLAIM so that 7 findings
18 could be made expressly by the Board. Health and Safety Code §§ 39616(c)(1-7). The first
19 finding was that RECLAIM would result in equivalent or greater emission reductions at equivalent
20 or less cost than the command and control regulations and future air quality measures RECLAIM
21 would subsume. The second finding reinforced the first finding by ensuring RECLAIM had a level
22 of enforcement and monitoring to ensure compliance with the first finding's emission reduction
23 requirements.

24 The District commenced development of RECLAIM in 1990 with extensive studies,
25 committee oversight, and public outreach. (Exh. 13, at EX-6.) Because RECLAIM would start
26 during a recession, a facility's starting allocation could be based on production levels prior to the
27 recession, a period of time from 1989 to 1992. RECLAIM was also designed to be facility-

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1 specific, and as a result, hundreds of staff hours were spent developing emission factors for specific
2 equipment. (Exh. G, I-4-1.) Emissions surveys were sent to each facility (Exh. 14, II-D-1 to D-6),
3 as well as draft allocations for comments. (Exh. 13, II-E-1 to E-29.) Staff met with individual
4 facilities to discuss their proposed allocations. (Exh. G, I-4-1.)

5 To reflect the emission reductions to be achieved by command and control regulations, the
6 Governing Board specified starting emission factors in Tables 1 (for NOx) and 2 (for SOx) of
7 District Rule 2002 for all source categories, which had been reported to the District in a facility's
8 annual emissions report (AER). In addition, to reflect emission reductions to be achieved by future
9 air quality measures and rules, the Governing Board specified ending emission factors for those
10 same source categories in Tables 1 and 2. For SOx ending emission factors contained in Table 2,
11 there was a Tier I control measure A-F-1 reflecting a 20% allocation reduction from the year 2000
12 allocation level. (4 Tr. 495-497.)

13 To ensure that reductions were achieved, RECLAIM also required stringent monitoring and
14 reporting. Continuous Emission Monitoring Systems (CEMS) were required for major sources of
15 SOx, which include those emitting over ten tons per year. (Rule 2011(c)(1)(G).)

16 TAMCO specified 1989 as its selected production year for RECLAIM starting allocations.
17 In its 1989 AER, TAMCO only reported substantial NOx emissions from its EAF. As a result,
18 Table 1 (NOx) has a category for steel foundry, electric arc furnace. However, TAMCO failed to
19 report a SOx emission factor for the EAF and reported zero SOx emissions for it in its 1989 AER.⁶
20 As a result, Table 2 (SOx) has no similar category for TAMCO's EAF, and the District determined
21
22

23 ⁶ District guidance on revising AERs required the submittal of a copy of the 1989 AER with
24 revisions marked by hand. (See FAP, Exh. G, Attachment B at 15.) Here in the row for the EAF,
25 entered as EO1913, in the Sulfur Oxides column, 0.20 is entered in the small box and 62,190 in the
26 larger box. Both are hand written. There is no other entry. This indicates that on this page of the
27 original 1989 AER, TAMCO left those boxes blank and thereby failed to report an emission factor
28 for the EAF and failed to report SOx emissions for the EAF. Further, on page 21 of Attachment B
to Exhibit G under the column for Sulfur Oxides in row D (for the EAF) there is a printed zero with
a strike through and 62,190 entered by hand. This shows that the 1990 AER reported zero SOx
emissions from the EAF and that the revised AER filed on or about July 19, 2013 reported 62,190
lbs/year SOx.

1 that no SOx allocation could be issued to TAMCO's EAF pursuant to Rule 2002(c)(2)(C). (4 Tr.
2 518.)

3 DISCUSSION

4 I. ISSUE IN DISPUTE⁷

5 The main issue to be decided is whether or not the Executive Officer properly issued
6 TAMCO's Title V permit with no SOx allocation for TAMCO's EAF. That answer hinges on the
7 answer to the following sub-question: whether or not District Rule 2002(c)(2)(C)⁸ mandates the
8 Executive Officer to fit TAMCO's EAF into a pre-existing category of Table 2, and in particular,
9 the gray iron cupola category?⁹

10 II. STANDARD OF REVIEW

11 Health and Safety Code § 42302.1 defines the standard of review applicable to permit
12 appeals such as this one: "The hearing board shall . . . render a decision on whether the permit was
13 properly issued." In an earlier appeal involving dairies, this Hearing Board dealt with the meaning
14 of "proper" in the similar context of Health and Safety Code § 40713, which addresses appeals of
15 disapprovals of emission reduction credit (ERC) applications. In that appeal, commonly referred to
16 as the dairy cases, the Hearing Board established legal guidance for determining whether Executive
17

18 ⁷ The District actually raised another issue in the event that the Hearing Board ruled in favor of
19 TAMCO on the main issue. That is, whether or not laches bars consideration of TAMCO's
20 amended 1989 AER. Because the Hearing Board ruled in favor of the District on the main issue,
the Hearing Board did not address the District's laches argument.

21 ⁸ While the parties characterize the dispute as one over the starting emission factor; in practical
22 terms, because TAMCO is entering RECLAIM after the year 2000, the real battle is over the
ending emission factor, which takes effect in the year 2000. See District Rule 2002(d). However,
23 for purposes of this case, the legal difference is immaterial, since Rule 2002(d)(1)(C) is identical to
Rule 2002(c)(2)(C).

24 ⁹ In its Reply Brief filed on May 28, 2014, its Closing Brief, filed on August 20, 2014, and its
closing statement, TAMCO no longer argued that its EAF should be fitted into the miscellaneous
25 categories listed in Table 2. "Issues as to which an appellant provides no argument or discussion
are deemed waived and are properly disregarded." *Oviedo v. Windsor Twelve Properties, LLC*, 212
26 Cal. App. 4th 97, 108 (2012), as modified (Nov. 27, 2012), reh'g denied (Dec. 6, 2012), as
modified (Dec. 18, 2012), review denied (Apr. 10, 2013). While that issue is not relevant to the
27 decision of this case, we note that TAMCO may have waived the issue that its EAF should be fitted
into the miscellaneous category of Table 2. TAMCO certainly failed to pursue or prove these
28 claims as discussed further below.

1 Officer action was “proper.” The Hearing Board determined, based on that guidance, that
2 Executive Officer action in the dairy cases was “proper.” (A copy of that decision was attached as
3 District Exh. 24.) That decision was then appealed to the Los Angeles Superior Court, which
4 upheld the Hearing Board’s decision. (A copy of that court decision was attached as District Exh.
5 25.)

6 This Hearing Board finds that its legal guidance in the dairy cases is applicable here to
7 determine whether the Executive Officer’s action was proper under Health and Safety Code §
8 42302.1. Applying that guidance, TAMCO was required to prove that the Executive Officer’s
9 determination that the District was not mandated to fit TAMCO’s EAF into an existing Table 2
10 category was “wrong” – or in the language of Section 42302.1 not “proper” – in light of all of the
11 evidence before the Hearing Board.

12 That guidance provides that the use of “proper” does not allow the Hearing Board to
13 substitute its judgment for that of the Executive Officer, since he is possessed with the necessary
14 technical expertise and responsibility to evaluate and approve or disapprove permit applications.
15 The Hearing Board must also view the action of the Executive Officer in the context of the greater
16 regulatory program, which in this case is RECLAIM. And since the Executive Officer’s action is
17 presumed to be correct, petitioner has the burden by the preponderance of evidence that the
18 Executive Officer did not act properly.

19 Moreover, because this case hinges over the construction of District Rule 2002(c)(2)(C), we
20 follow the California Supreme Court directive that in construing statutes, “the appropriate mode of
21 review . . . is one in which the judiciary, although taking ultimate responsibility for the construction
22 of the statute, accords great weight and respect to the administrative construction.” *Am. Coatings*
23 *Assn., Inc. v. S. Coast Air Quality Dist.*, 54 Cal. 4th 446, 461 (2012)(citations omitted). In that
24 case, the Court deferred to the District’s reasonable construction of the statutory BARCT
25 requirements. *Id.* at 469. Here, TAMCO, while arguing for its construction of Rule 2002(c)(2)(C),
26 did not demonstrate by a preponderance of the evidence that the District’s construction was
27 “wrong.”

28

1 **III. THE EXECUTIVE OFFICER PROPERLY ISSUED TAMCO'S TITLE V PERMIT**
2 **WITH NO SO_x ALLOCATION FOR THE EAF**

3 **A. Rule 2002(c)(2)(C) Need Not Be Construed as a Mandate to Place TAMCO's**
4 **EAF Into a Pre-existing Table 2 Category**

5 The stated purpose of Rule 2002 is "to establish a methodology for calculating facility
6 allocations ... for Oxides of Nitrogen and Oxides of Sulfur (SO_x)." (Rule 2002(a).) Rule
7 2002(c)(1) sets forth the basic methodology by which starting allocations are to be calculated. Rule
8 2002(c)(2)(C) further elaborates on this methodology, providing in relevant part, "To determine the
9 applicable emission factor in Table 1 or Table 2, the Executive Officer or designee will categorize
10 the equipment at each facility based on information relative to hours of operation, equipment size,
11 heating capacity, and permit information submitted pursuant to Rule 201 — Permit to Construct,
12 and other relevant parameters as determined by the Executive Officer or designee." TAMCO
13 alleged that this provision creates a mandatory duty on the part of the District to fit SO_x-emitting
14 equipment into an existing category on Table 2. (FAP at 10.)

15 The Executive Officer contended that, while Rule 2002(c)(2)(C) may require categorization
16 of equipment pursuant to an engineering review, the rule allows him to find no "applicable"
17 emission factor if that category does not exist in Table 2. As a result, if there is no applicable
18 emission factor in Table 2, there can be no SO_x allocation awarded pursuant to Rule 2002(c)(1).

19 In reading Rule 2002(c)(2)(C), we agree that by the Rule's own terms it requires the
20 *Executive Officer to categorize equipment pursuant to the methodology set forth therein.* We
21 further agree that the rule does not, by its terms, require the Executive Officer to place equipment
22 into an existing Table 2 category and use the associated emission factor, if none is found to be
23 "applicable." Petitioner failed to prove by a preponderance of the evidence that this reading of the
24 rule is "wrong." Thus, we conclude that the plain meaning of Rule 2002(c)(2)(C) does not require
25 equipment to be categorized into an existing Table 2 category.

26 In this case, Mr. Luong testified that District staff conducted the required Rule
27 2002(c)(2)(C) engineering analysis and determined that TAMCO's EAF did not fit in any existing
28

1 category or emission factor on Table 2. (4 Tr. 488-489, 491-492.) Not having the authority to
2 create a new category, the Executive Officer granted no starting SOx allocation to TAMCO's EAF
3 in the Title V permit. This action was "proper" in light of the Executive Officer's reasonable
4 interpretation of the plain language of Rule 2002.

5 **B. The Executive Officer's Construction of Rule 2002(c)(2)(C) is Consistent with**
6 **The Purposes and Foundational Requirements of RECLAIM**

7 We further find that the Executive Officer's construction is consistent with the purposes and
8 foundational requirements of RECLAIM established in Health and Safety Code §§39616(c)(1) and
9 (2). One of the problems of forcibly fitting a piece of equipment into an existing category is that
10 the end result is likely to be that the associated emission factors do not fit, because they are either
11 too high or too low for the equipment at hand. Emission factors are important, because they ensure
12 the RECLAIM program achieves the Legislative mandate reflected in Health and Safety Code
13 §39616(c)(1) and (2) that emission reductions from RECLAIM sources be equivalent or greater
14 than what those sources would have been required to achieve through command-and-control and
15 future air quality measures. In that sense, it would be inconsistent with those requirements to
16 *mandate* the Executive Officer to forcibly fit new equipment into categories with associated
17 emission factors that the new equipment was not originally intended for.

18 In the present case, TAMCO seeks to be placed into the gray iron cupola category with an
19 ending emission factor of 0.72¹⁰. Yet this is over 3 times higher than the 0.2 factor TAMCO claims
20 to be the actual emission factor for the EAF (as was claimed in its revised AER, the FAP at 9, and
21 in witness testimony). And while TAMCO argues that District Rule 2002(d)(3) precludes an
22 ending emission allocation greater than its starting allocation, that rule does not affect the
23 comparative analysis (or the result of that analysis) required by Rule 2002(c)(2)(C). In any event,
24 TAMCO ignores the possibility that there may be an applicable control measure to further reduce
25 its ending allocation below the starting allocation. Here, that possibility is real, as Mr. Luong's

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27 ¹⁰ Emission factors stated throughout this Decision are expressed in terms of pounds of SOx per ton
28 of throughput.

1 testimony demonstrated the applicability of air quality measure A-F-1, which would further reduce
2 TAMCO's ending allocation to at least 20% below its starting allocation.

3 For these and other reasons expressed earlier, the Governing Board was concerned about
4 the assignment of emission factors. That concern is evident in District Rule 2015. (District Second
5 Request for Administrative Notice (RAN2), Exh. 3.) Rule 2015(a) explains the rule's purpose,
6 which is to specify RECLAIM audit requirements. Thus, extensive annual audits were required to
7 monitor the progress of RECLAIM pursuant to Rule 2015(b) to ensure RECLAIM was continuing
8 to meet its original requirements.

9 The Governing Board was also aware of certain industry concerns over the accuracy of
10 ending emission factors, and ordered the Executive Officer to re-evaluate them. Rule 2015(c)(3).
11 Significantly for this case, however, the Governing Board mandated only that "the Executive
12 Officer propose amendments to Rule 2002" if he believed it was appropriate. Rule 2015(c)(3)(A)
13 (emphasis added). The Executive Officer was given the authority to recalculate allocations only "if
14 amendments are adopted . . .," and was then required to offset any adjustments to allocations "in
15 the AQMP." *Ibid.* Clearly, had the Governing Board been solely concerned about the accuracy of
16 these emission factors, it could have easily instructed the Executive Officer to immediately
17 implement the new emission factors. It did not. The fact that it did not reveals an equal concern by
18 the Governing Board that it maintain control over the list of categories and associated emission
19 factors.

20 Thus, we do not find the Executive Officer's construction – that there could be a finding of
21 "no applicable emission factor in Table 2" – to be in error. The end result is that only the
22 Governing Board has the power to amend Table 2 to include the EAF category and its associated
23 emission factor. Indeed, this construction is consistent with the Governing Board's intent
24 expressed in Rule 2015, a part of the RECLAIM program.

25 Having found no mandate in Rule 2002(c)(2)(C) to fit equipment into a pre-existing Table
26 2 category, we could end our Decision here. However, we will go on to address TAMCO's claim
27
28

1 that its EAF should be fitted within the gray iron cupola category in Table 2, as our response
2 further exemplifies why the Executive Officer's construction was not "wrong."

3 **C. The EAF Does Not Fit Within the Gray Iron Cupola or Miscellaneous**
4 **Categories of Table 2**

5 In its First Amended Petition, TAMCO originally alleged that its EAF could have (and thus
6 should have) been placed within the existing category of gray iron cupola or one of the two existing
7 "miscellaneous" categories of Table 2. Initially, we note that Mr. Luong's testimony demonstrated
8 that to do a proper Rule 2002(c)(2)(C) comparative analysis, an engineer needs to examine the
9 engineering parameters for both the equipment and the Table 2 source. (4 Tr. 487-489, 491-492.)
10 There is no evidence indicating that TAMCO examined the engineering parameters defining the
11 gray iron cupola category or miscellaneous categories. TAMCO did not submit to this Hearing
12 Board a proper Rule 2002(c)(2)(C) engineering comparative analysis between TAMCO's EAF and
13 the Table 2 existing categories of gray iron cupola or miscellaneous. And, in fact, TAMCO's
14 witnesses testified that no such analyses were prepared by TAMCO for its EAF. (2 Tr. 183-84; 3
15 Tr. 293.) Consequently, this Hearing Board finds that TAMCO has not conducted or submitted the
16 requisite Rule 2002(c)(2)(C) comparative engineering analysis to categorize TAMCO's EAF as a
17 gray iron cupola or miscellaneous.

18 Conversely, Mr. Luong testified that the District engineering staff conducted a Rule
19 2002(c)(2)(C) analysis for TAMCO's EAF and concluded that it was a unique piece of equipment
20 to be categorized as an EAF as it had been categorized for Table 1. (4 Tr. 487.) Mr. Luong also
21 explained why TAMCO's EAF could not fit within the pre-existing Table 2 gray iron cupola
22 category. (4 Tr. 488-489, 491-492.) Moreover, the ending emission factor for the gray iron cupola
23 is 0.72, more than 3 times the 0.2 factor claimed by TAMCO for its EAF. And as testified to by
24 Mr. Luong, that substantial difference is an indicator demonstrating that the results of the District's
25 Rule 2002(c)(2)(C) analysis is correct – that the EAF does not fit within the gray iron cupola
26 category. (4 Tr. 492.)

27 ///

1 Mr. Luong's testimony further highlights the error in relying solely on the descriptive words
2 in Table 2 to conduct a comparative Rule 2002(c)(2)(C) analysis. Yet, TAMCO claims that its
3 EAF should be classified in the gray iron cupola category merely because Table 2 lists the gray
4 iron cupola under the heading "Fuel" along with "Iron/Steel Foundry" as the basic equipment.

5 Despite these contentions and labels, "Iron/Steel Foundry" is plainly not "equipment." As with the
6 basic equipment category of "Miscellaneous" (discussed further below), Rule 2002(c)(2)(C) does
7 not end the comparative analysis with simply the descriptive terms of Table 2. Rather, the District
8 must look at the engineering parameters for both the equipment and the Table 2 category to
9 determine whether there is a fit.

10 TAMCO's new argument made on page 10 of its closing brief that even Table 2's words
11 describing a gray iron cupola should be disregarded as "simply examples" is similarly
12 unpersuasive. Table 2 broadly lists other industries as "Basic Equipment" with the actual
13 equipment under the "Fuel" heading. For example, Table 2 also lists the secondary lead industry as
14 basic equipment with the associated "Fuel" as the "Reverberatory Smelting Furnace." Rule
15 2002(c)(2)(C) simply does not require the Executive Officer to ignore the "Fuel" heading in Table
16 2, and rely solely the basic equipment listing.

17 As noted earlier, TAMCO failed to pursue in its Reply Brief, Closing Brief, or closing
18 statement its claim that the EAF should be fitted within Table 2's category of miscellaneous, and
19 thus it could be considered waived. Nevertheless, TAMCO failed to prove that its EAF fits within
20 either of these two categories. And while the EAF is arguably encompassed by the broad category
21 of miscellaneous, Mr. Luong testified that to do a Rule 2002(c)(2)(C) comparative analysis, he had
22 to research the origin of this miscellaneous category, particularly since Table 2 lists two
23 miscellaneous categories. In that research, he learned that the two miscellaneous categories
24 involved a "silicate melting furnace" and a "tail gas treating unit in a refinery." (4 Tr. 490.) Thus,
25 he concluded that TAMCO's EAF is a completely different operation than described by these two
26 miscellaneous categories. *Ibid.*

27 ///

28

1 TAMCO did not challenge Mr. Luong's testimony that the District's Rule 2002(c)(2)(C)
2 analyses did not result in fitting TAMCO's EAF into any of the categories sought by TAMCO. As
3 a result, we find that TAMCO's EAF does not fit within the categories of gray iron cupola or
4 miscellaneous. Regardless, we are constrained by our standard of review and could not, in any
5 event, substitute our judgment for that of the District or its Executive Officer.

6 **D. There is No Long-Standing Practice or Interpretation to Fit Equipment Into**
7 **Tables 1 or 2 that the District Determines Cannot be Fit Under A Rule**
8 **2002(c)(2)(C) Analysis**

9 TAMCO further argued that the District has an alleged long-standing practice to fit all
10 equipment into Tables 1 or 2 regardless of the result of any Rule 2002 (c)(2)(C) analysis. As
11 explained above, the District spent hundreds of hours developing emission factors for all equipment
12 reported in the AERs, including sending notices to facilities and discussing allocations with many
13 of them. As such, it would not be atypical for the District to fit virtually all of the equipment in
14 specified categories.¹¹ Nevertheless, there were a number of examples raised by TAMCO's
15 witnesses of equipment that was added to Table 2 or reclassified after the start of RECLAIM.
16 These examples all occurred within the first few years of the start of the RECLAIM program,
17 however, and in our opinion did not establish a "long-standing practice" that applies to already-
18 existing equipment added to RECLAIM 20 years after its inception.

19 Moreover, contrary to TAMCO's claim of a long-standing practice, the District did go to
20 the Governing Board in July 1996, shortly after RECLAIM was adopted to add a new category of
21 equipment to Table 1, the delacquering furnace. (2 Tr. 193, 242.) In that case, after concerns were
22 raised by the facility, the District performed another Rule 2002(c)(2)(C) analysis and determined
23 that no existing category in Table 1 fit that equipment. As a result, the Executive Officer went to
24

25 ¹¹ TAMCO's claim that the District had never issued zero allocations for emitting equipment is
26 belied by TAMCO's own witness. As testified to by Mr. Hower, there was at least one somewhat
27 similar instance in the case of Lunday Thagard, where the District issued no RECLAIM SOx
28 allocations. (2 Tr. 259.) As a result, Lunday Thagard needs to purchase about 40,000 pounds of
SOx credits per year. (3 Tr. 312-13.)

1 the Governing Board to add a new category for delacquering furnaces, because “[t]here is no
2 equipment category in Table 1 of Rule 2002 for delacquering furnaces.” (Coy Supp. Decl., at Exh.
3 P, p.3.) If anything, this supports the District’s interpretation of Rule 2002 that there is no mandate
4 to fit equipment within a category on Table 1 or 2 if none fits.

5 TAMCO attempts to dismiss the outcome of the second Rule 2002(c)(2)(C) analysis by
6 arguing that the initial Rule 2002(c)(2)(C) analysis, albeit incorrect, nevertheless resulted in some
7 starting allocation for the delacquering furnace. However, taking TAMCO’s logic further,
8 TAMCO appears to argue that the alleged Rule 2002(c)(2)(C) mandate may easily be fulfilled by
9 an incorrect result.¹² However, we are uncomfortable in finding a mandate that is so easily fulfilled
10 by an erroneous result, and we decline to do so. Indeed, a practice of fitting equipment into the
11 categories of the Tables regardless of its fit according to a Rule 2002(c)(2)(C) analysis would
12 essentially eviscerate that requirement. As a result, we find no long-standing practice to fit
13 equipment into Tables 1 or 2 regardless of the Rule 2002(c)(2)(C) analysis.

14 Even if there were a long-standing practice, which we do not find here, courts have
15 acknowledged that “[a]n administrative agency is not disqualified from changing its mind”
16 *Californians for Political Reform Found. v. Fair Political Practices Comm’n.*, 61 Cal. App. 4th
17 472, 488 (1998)(citations omitted.) We recognized this principle, that the District may change its
18 policies, in the dairies case. (D. Exh. 24, at p. 24) Thus, the disputed existence of a long-standing
19 practice is irrelevant to our decision.

20 CONCLUSION

21 TAMCO failed to meet its burden of proof by a preponderance of evidence that Rule
22 2002(c)(2)(C) mandates the Executive Officer to fit equipment into an existing category of Tables
23 1 or 2 regardless of the results of a Rule 2002(c)(2)(C) comparative engineering analysis. In this
24 case, we defer to the Executive Officer’s construction of Rule 2002(c)(2)(C), as is proper pursuant
25

26 _____
27 ¹² We note some tension between TAMCO’s logic and the case of its billet reheat furnace, which
28 had also been initially improperly categorized. Under TAMCO’s logic, the Executive Officer
would have fulfilled his mandate and there would be no recourse to changing the categorization.

1 to the California Supreme Court's ruling in *Am. Coatings Assn., Inc. v. S. Coast Air Quality Dist.*,
2 54 Cal. 4th 446, 461 (2012). And as a result, the Hearing Board finds that the Executive Officer
3 properly issued TAMCO's Title V renewal permit with no SOx allocations for TAMCO's EAF.

4
5 BOARD MEMBER: 
6 Julie Priddy, P.E., Chair

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8 DATED: Sept. 25, 2014

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10
11 I VOTE NO 
12 David Holzman 9/25/2014

13
14
15 I VOTE NO 
16 Robert F. Wayne, M.D., Alternate Member 9/26/2014

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18 Attachment: Dissent
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Dissent

A facility in the RECLAIM program gets a starting allocation of emission credits based on its rate of emissions at the start of the program. That is how the program is structured. That is the clear letter and intent of the program's rules.

The program's rules do not provide for giving a facility no starting allocation (or a starting allocation of zero) if both agency staff and the facility's owners or operators failed at the outset of the program to discover or properly quantify certain emissions of sulfur oxides (SO_x). The program's rules make no provision for treating a longstanding and long-operating facility's new owners, who discover and duly report ongoing emissions, as if they had just opened an entirely new facility in the area, and as people required to make large cash payments.

Regarding South Coast Air Quality Management District Rule 2002, as amended November 5, 2010, I have come to the following conclusion:

Rule 2002's use of the words "the applicable starting emission factor" — without any hedging or limiting words such as "if any" — in Rule 2002(c)(1) and in Rule 2002(c)(2)(C) means that for every facility in the SO_x part of the RECLAIM program there is an applicable starting emission factor in Table 2 of the rule ("RECLAIM SO_x Emission Factors"). The rule does not allow the Respondent's "Executive Officer" (Rule 2002(c)(1)) or "Executive Officer or designee" (Rule 2002(c)(2)(A) thru (C)) to act otherwise. Since, in issuing the permit at issue in this matter, the Executive Officer (or designee) did act otherwise, the Executive Officer (or designee) acted improperly in issuing the permit at issue in this matter. Thus, the Hearing Board should have granted the Petitioner's appeal.

I am constrained in what I am writing in this dissent because a Hearing Board dissent is supposed to reflect only what was said in the hearing and deliberations on the matter at hand. I believe I expressed the thoughts above and below about the merits of the case during the proceedings, although not in precisely the same words.

I said on closing argument/deliberation day (note: transcripts and recordings of all proceedings are available) that I was surprised anyone could rule in this case that the Respondent's employees had properly implemented the rule. I was so surprised that I was not prepared to read into the record (to lay the groundwork for a written dissent) many of the reasons I could think of that the points raised in opposition to the appeal were wrong! (Before that day, I had the sense that the Hearing Board would vote to grant

the appeal. If the Board had granted the appeal, it could have used the Petitioner's pleadings for reasons why. Or, it could have asked the Petitioner to prepare a document to help it memorialize findings [as it eventually did with the Respondent].)

I did say I agreed with pretty much everything except for one thing in the Petitioner's closing brief. (Transcript page [Tr.] 712.) I shall not detail all the reasons I think denial of the appeal was wrong, since I did not state them all on the record. Instead I will highlight below some of the back-and-forth I remember from the Hearing Board's deliberations.

My colleagues focused on different things during the deliberation.

One said she was thinking of "If it doesn't fit, you must acquit," the infamous assertion from O.J. Simpson's criminal trial on murder charges. So she couldn't bring herself to find that the District's Executive Officer has not acted properly. I took issue in some way with using that standard, but did not pursue the matter in great detail.

She was also concerned that giving emission credits to the operators of the facility at issue might place the RECLAIM program out of compliance with a mandate from a different level of government, and she thought the program rules wouldn't have been written to allow that. I said that I did not think the District would be prejudiced in such a way if the Hearing Board granted the appeal in this case. (Tr. 768.) In questioning during the hearing, I sought but did not find evidence of any specific threat from another agency that the District would face if the Hearing Board granted the appeal.

Another colleague was concerned with the last column of Rule 2002's Table 2, although that column was not directly at issue in this case. Specifically, he was concerned that a number in that column on one of the rows might result in the Petitioner being entitled to receive a windfall of sorts of SOx emission credits. But I pointed out that Petitioner had no intention to accept such a windfall, and recalled that a portion of Rule 2002 (Rule 2002(d)(3)) would prevent such a windfall.

I also pointed out that the District's Governing Board could still amend the rule to address my colleague's concern if it wished. My colleague appeared to be of the mind, however, that it seemed too late for the Governing Board to do that, since the program was no longer new, and he said the only changes made to date came when the program was new. I protested that the the SOx portion of the program was new with regard to the facility at issue, but my protest was to no avail. My colleague was not swayed.

During lunchtime on closing argument/deliberation day, another colleague found some language in the hearing transcripts that gave her pause. After lunch, she was eager to know whether the facility's amended annual emission report (AER) for an early program year had been approved by the District (Respondent). (Tr. 761.) (The Petitioner filed the amended AER to disclose what were, at the time, newly-discovered SO_x emissions.)

Told the amended AER had not yet been approved, she expressed unwillingness to base her decision on it, citing a need to give deference to the District's Executive officer. (Tr. 762.)

About the amended AER, I had argued, however, that the District had sat on its hands for so long without taking any action that a form of laches could apply, and the Board could (and I did) consider the District (by its inaction) to have approved the amended AER. (Tr. 710-711.) I may not have made this point well enough, however.

I am sorry that the Hearing Board's deliberation was so brief.

But I think I made my basic point that I was surprised that anybody could read the rule at issue in a way that allows the Respondent's Executive Officer to refuse place a facility subject to the rule in one of the rule's categories. (To be fully precise, it is a facility's relevant operations [emission sources or process units], rather than the facility itself, that the District must categorize.)

The rule's Table 2 provides a starting emission factor for each category.

This case was really very simple from the start: To implement its own rule, the District must place the relevant operations of the facilities in the SO_x part of the RECLAIM program into categories in a table that lists starting emission factors. Using "the applicable starting emission factor" (or for multiple operations, multiple factors), each facility in the RECLAIM program must get a starting allocation of emission credits based on its rate of emissions at the start of the program. That has not yet happened for TAMCO. The Hearing Board should have granted TAMCO's appeal.

For such reasons, I dissent.

- David Holtzman
Public Member

EXHIBIT B

(b) This section shall remain in effect only until the date that Assembly Bill 2595 of the 1987-88 Regular Session of the Legislature, if enacted, becomes operative and provides for appeals by any person concerning the issuance of permits by the south coast district, and on that date is repealed.

SEC. 18. Section 40504 of the Health and Safety Code is amended to read:

40504. The south coast district shall work with those persons granted variances to reduce emissions of air contaminants from their operations.

SEC. 19. Section 40506 of the Health and Safety Code is amended to read:

40506. (a) In accordance with the purposes of this chapter as set forth in Section 40402, the south coast district board shall adopt rules and regulations for the issuance by the south coast district board of permits authorizing the construction, alteration, replacement, operation, or use of any article, machine, equipment, or other contrivance for which a permit may be required by the south coast district board.

(b) The rules and regulations shall include a schedule of fees for the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits. All applicants, including, notwithstanding Section 6103 of the Government Code, an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations.

SEC. 20. Section 40509 of the Health and Safety Code is amended to read:

40509. Any person may petition the south coast district board to hold a public hearing on any application to issue or renew a permit.

SEC. 21. The South Coast Air Quality Management District shall prepare and submit to the Legislature and the State Air Resources Board, on or before September 1, 1988, a draft of rules and regulations for a system of emissions charges as an economic incentive system for reducing emissions and improving air quality in the South Coast Air Basin. This section does not authorize the adoption of any rules or regulations. The rules and regulations shall include, but not be limited to, all of the following:

(a) Reasonable assurances that significant air quality benefits will be achieved.

(b) A reasonable period of time for those benefits to be realized.

(c) The reduction or control of emissions from all sources coming under the district's jurisdiction through the equitable application of the requirements of the rules and regulations.

(d) A reasonable relationship of the economic costs of the program to the benefits realized.

SEC. 22. Section 14 of this bill incorporates amendments to Section 40462 of the Health and Safety Code proposed by both this bill and AB 222. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1988, (2) each bill amends Section 40462 of the Health and Safety Code, and (3) this bill is enacted after AB 222, in which case Section 13 of this bill shall not become operative.

EXHIBIT C

board shall appoint a hearing board, or may each county included, in whole or in part, into a hearing board in accordance with (1800). The hearing board shall have the board of a county district. In addition, the duties with respect to plans for the control by a district rule or regulation as it has operate any article, machine, equipment, south coast district board.

processed by the hearing board in the unless the applicant and the hearing board in conformance with the rules and and with Article 2 (commencing with with respect to the granting of variances.

er provision of this division, the south solution, the holding of single-member board and any other member or alternate he conditions specified in this section. authorized, when stipulated to by the or the purpose of hearing petitions for 42359.5, interim variances pursuant to ations of a schedule of increments of ys pursuant to Section 40825, interim 1.5, and modifications of variances odify the final compliance date.

member hearings shall be the same as legal requirements, including notice apply, except that the single member before the member.

may be contested by (1) any person ve, appeared at the single-member he air pollution control officer of the or (3) any person who for good cause on is contested under this subdivision, d within 10 days of the decision. The tioner, the executive officer, and all hearing of any contest of a decision. st-class mail, postage prepaid, to the ed, unless the right to the notice is

of fees adopted by the south coast variances shall be collected by the is filed. Each county hearing board ion 40501 shall be reimbursed from les and regulations for the issuance ict board. The revenues from these to the south coast district board at y prescribe.

work with those persons granted ants from their operation.

40505. Any form developed by the south coast district for use in filing an application for variance shall contain a notice to small businesses of the availability of assistance in filling out the form, developing compliance schedules, and obtaining low-cost financing for air pollution control equipment to meet its regulations.

40506. In accordance with the purposes of this chapter as set forth in Section 40402, the south coast district board shall establish rules and regulations for the issuance by the south coast district board of permits for authority to construct or operate any article, machine, equipment, or other contrivance for which a permit may be required by the south coast district board.

The rules and regulations shall include a schedule of fees for the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits. All applicants, including, notwithstanding the provisions of Section 6103 of the Government Code, an applicant that is a publicly owned public utility, shall pay the fees required by such rules and regulations.

40507. The south coast district board, in making any order granting a permit, may specify the time during which such order shall be effective, in no event to exceed one year, and the payment of such fees as established by the south coast district board.

40508. The revenues from the schedule of fees for the filing of applications for permits shall be collected by the south coast district board at the time that the application is filed.

40509. Any individual may petition the south coast district board to hold a public hearing on a permit application.

40510. The south coast district board may adopt a fee schedule for the issuance of variances and permits to cover the cost of planning, inspection, and monitoring related thereto. Every person applying for a variance or a permit, including, notwithstanding the provisions of Section 6103 of the Government Code, a person that is a publicly owned public utility, shall pay the fees required by the schedule.

The fees may be varied according to the quantity of emissions and the effect of such emissions on the ambient air quality within the south coast district.

40511. The south coast district board may increase its fee schedule to generate sufficient revenues to pay for any district costs associated with the implementation of Section 66796.53 of the Government Code or Section 41805.5.

Article 8. Financial Provisions

40520. Upon adoption of its budget for the next fiscal year, the south coast district board shall apportion the amount that each county included within the south coast district shall pay to finance the operation of the south coast district in that fiscal year.

The apportionment to a county, shall, as determined by the south coast district board, be that portion of the amount that the population of the portion of the county included within the south coast district bears to the total population of the south coast district, either as determined from the latest federal decennial census or as determined from the latest annual population estimate by the Department of Finance made pursuant to subdivision (g) of Section 13073.5 of the Government Code.

40521. (a) Excluding any increase in apportionments due to increases in the salaries or wages and fringe benefits to the south coast district employees pursuant to subdivision (a) of Section 40488, the apportionment levied on a county, for the

1 **PROOF OF SERVICE**

2 I am employed in the County of Los Angeles, State of California. I am over the age of 18
3 and not a party to the within action. My business address is 21865 Copely Drive, Diamond Bar,
CA 91765.

4 On October 31, 2014, I served the within document(s) described as **SOUTH COAST AIR**
5 **QUALITY MANAGEMENT DISTRICT'S RESPONSE TO TAMCO'S PETITION TO**
6 **REQUEST A HEARING ON TAMCO'S TITLE V RENEWAL PERMIT** on the interested
parties in this action as stated on the *attached mailing list*.

7 (BY MAIL) By placing a true copy of the foregoing document(s) in a sealed envelope
8 addressed as set forth above. I placed each such envelope for collection and mailing following
9 ordinary business practices. I am readily familiar with this District's practice for collection and
10 processing of correspondence for mailing. Under that practice, the correspondence would be
deposited with the United States Postal Service, with postage thereon fully prepaid at Diamond
Bar, California, in the ordinary course of business. I am aware that on motion of the party served,
service is presumed invalid if postal cancellation date or postage meter date is more than one day
after date of deposit for mailing in affidavit.

11 (BY OVERNIGHT DELIVERY) I deposited in a box or other facility regularly maintained
12 by Overnight Express, an express service carrier, or delivered to a courier or driver authorized by
13 said express service carrier to receive documents, a true copy of the foregoing document(s) in a
sealed envelope or package designated by the express service carrier, addressed as set forth above,
with fees for overnight delivery paid or provided for.

14 (BY FAX) By transmitting a true copy of the foregoing document(s) via facsimile
15 transmission from this District's sending facsimile machine, whose telephone number is
16 909.396.2961, to each interested party at the facsimile machine telephone number(s) set forth on
17 the attached mailing list. Said transmission(s) were completed on the aforesaid date at the time
18 stated on the transmission record issued by the District's sending facsimile machine. Each such
transmission was reported as complete and without error and a transmission report was properly
issued by the District's sending facsimile machine for each interested party served. A true copy of
each transmission report is attached to the office copy of this proof of service and will be provided
upon request.

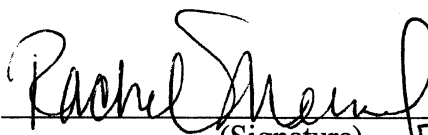
19 (BY PERSONAL SERVICE) I caused to be delivered a true copy of the foregoing
20 document(s) in a sealed envelope by hand to the offices of the addressee(s) on the attached service
list.

21 (BY E-MAIL) By transmitting a true .pdf copy of the foregoing document(s) by e-mail
22 transmission from rmendoza@aqmd.gov to each interested party at the e-mail address(es) set forth
23 on the attached mailing list. Said transmission(s) were completed on the aforesaid date at the time
stated on declarant's e-mail transmission record.

24 Executed on October 31, 2014, at Diamond Bar, California.

25 I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct.

26 Rachel Mendoza
27 _____
(Type or print name)

28 

(Signature)

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SERVICE LIST

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