

BOARD MEETING DATE: July 7, 2017

AGENDA NO. 29B

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, June 16, 2017.
Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Attendance

The meeting began at 10:00 a.m. In attendance at SCAQMD Headquarters in Diamond Bar were Committee Chair Ben Benoit and Committee Members Judith Mitchell, Dr. Joseph Lyou, and Sheila Kuehl. Committee Members Shawn Nelson (arrived at 10:15 a.m.) and Janice Rutherford (arrived at 10:30 a.m.) participated via videoconference.

ACTION ITEM

1. Issue Request for Information to Evaluate Optical Remote Sensing Instruments to Evaluate Emissions from Refinery Flares

Ian MacMillan, Planning and Rules Manager, provided an update on the Request for Information on Optical Remote Sensing (ORS) Instruments to Evaluate Flaring Emissions targeted to commercial vendors and technology developers of ORS instruments; and focused on single stack monitoring. Dr. Lyou asked how this supplements work already conducted by the SCAQMD. Staff replied that this will supplement previous work by focusing on a single stack instead of facility-wide monitoring, as evaluated in previous studies. Supervisor Kuehl inquired on how outreach is done to reach potential respondents to the Request for Information. Staff responded that the Request for Information will be on the SCAQMD website as well as working with existing SCAQMD contacts in the monitoring instrumentation industry and technology developers.

Moved (Kuehl), seconded (Lyou); approved as recommended by the following vote.

Ayes: Benoit, Kuehl, Lyou, Mitchell,

Noes: None

Absent: Nelson, Rutherford

INFORMATIONAL ITEMS

2. Update on Implementation of Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Planning and Rules Manager Tracy Goss provided an update on the status of availability of compliant furnaces for Rule 1111, use of the mitigation fee and initial recommendations for future rulemaking. With the impending April 1, 2018 compliance date for high-efficiency furnaces, staff recommends initiating rule development to delay compliance dates for the different categories of heating furnaces and extend the mitigation fee program. Staff also proposed to consider extending the early compliance incentive option included with the 2011 rule amendment. Council Member Mitchell asked staff to elaborate on the mitigation fee. Staff responded that the mitigation fee was designed to level the playing field for manufacturers that did not have compliant units, assuming that some manufacturers had compliant units. However, because all of the manufacturers did not have compliant units, they were passing the cost of the mitigation fee to the consumer. In response to comments from the Committee Members regarding how the mitigation fee works, staff explained that the mitigation fee is per unit and is collected annually from the manufacturer. Supervisor Kuehl asked if there was a way to tag or label a compliant unit, and staff responded labeling can be done to inform the consumer that a unit is air quality compliant and this has been done with water heaters. In response to Council Member Mitchell's comment asking if there is a rebate or incentive program, staff is considering using the mitigation fees as a rebate or incentive for compliance. Executive Officer Wayne Nastri commented on the need to make sure the consumer is protected, to ensure there is certainty for the business community regarding compliance limits, and to ensure that those manufacturers who are doing everything they can are being rewarded. Chairman Benoit stated it would be beneficial to have pop-up ads, such as with Google, for when consumers research furnaces on the internet. Dr. Lyou suggested consideration of rebating manufacturers for compliant product development after units are available in the market. In response to a question from Dr. Lyou, staff did not have an estimate for the average differential cost for a compliant unit, but noted that DOE estimated that costs go up 2-3 times from the manufacturer to the consumer. Dr. Lyou commented that he is supportive of those businesses that take a risk to provide early implementation of clean technologies. In addition, Committee Members requested that staff implement outreach efforts to educate consumers on benefits of the new low-NOx technologies. A representative of furnace

manufacturers Rheem and Lennox supported staff's assessment. Rheem supported the one-year extension so that they could continue field trials for one more heating season. They intend on bringing more products forward to offer an array of furnaces to consumers. Lennox endorsed the one-year extension as well and requested the rulemaking be expedited to give certainty for moving forward with further product development. Both representatives support an incentive program for early compliance that was more apparent to consumers, but also to acknowledge the efforts toward developing compliant products. The Committee agreed that staff should initiate rule development to extend the mitigation fee program and to provide manufacturers with incentive opportunities to introduce compliant units as soon as possible.

Supervisor Nelson joined the meeting at 10:15 a.m., and Supervisor Rutherford joined at 10:30 a.m.).

3. Proposed Amended Rule 1118 – Control of Emissions from Refinery Flares

Ian MacMillan, Planning and Rules Manager, provided an update on Proposed Amended Rule 1118. Council Member Mitchell asked for more information about the proposed updates to notification and Specific Cause Analysis requirements. Staff responded that the amendments will increase the number of notifications and Specific Cause Analyses provided by facilities, from about 1-3 per week to about 4-7 per week. Dr. Lyou suggested that more information be provided in the flare notification emails along with a follow-up notice with updated information. Staff is seeking to enhance the public notification for flaring events in conjunction with the rulemaking, but this will not be incorporated in rule language.

4. Update on Proposed Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development & Area Sources, presented an update on Proposed Rule 1466, focusing on the provisions regarding schools, early education centers, joint use agreement properties, the provision for the Executive Officer to designate a site, and an additional exemption for excavation of less than 500 cubic yards of soil. Dr. Lyou questioned why the rule applies only to a subset of toxic air contaminants and does not include pesticides, herbicides, other metals, and persistent bio-cumulative toxics. Ms. Nakamura responded that the toxic air contaminants chosen are the ones that are the most prevalent. Ms. Nakamura also explained that if the list of toxic air contaminants were to expand, then the hearing would have to be delayed because the hearing would have to be re-noticed. Chief Deputy Counsel Barbara Baird proposed two options: one would have Proposed Rule 1466 staying on the July agenda but then getting a recommendation for a continuance; and the other would be to adopt Proposed Rule 1466 in July and then add additional amendments in September. Dr.

Lyou would like to have the toxic air contaminants list expanded to include more compounds and asked staff to further examine the two options.

Mr. Bill Piazza of the Los Angeles Unified School District (LAUSD) commented that LAUSD does not want to put staff and students at risk and seeks to ensure their health and safety, but needs to be able to do earth-moving activities during school hours. Mr. Piazza likes the provision that allows an owner/operator to include health risk information to the Executive Officer to prove that the rule should not be applicable. Florence Gharibian of the Del Amo Action Committee believes this rule is important and needed, and encourages the California Department of Toxic Substances Control (DTSC) to utilize the provisions in the proposal. Mr. Frank Caponi representing the Los Angeles County Sanitation Districts and Southern California Alliance of Publicly Owned Treatment Works requests language to avoid unnecessary interruptions of projects due to complaints without evidence. Dr. Lyou asked if there are any provisions in the rule that would shut a project down and thought the provisions were mainly monitoring and mitigation requirements. Mr. Nastri confirmed and added that the applicability is to already-designated sites and he doesn't understand why applicability is a concern. Mr. Caponi clarified he was referring to the Executive Officer designated sites. Mr. Nastri responded that SCAQMD would not take action unless there was data. Mr. Caponi agreed and just wanted to ensure the Executive Officer designation was based on solid evidence. Ms. Nakamura stated that staff has added clarifying language. Mr. William Pearce from The Boeing Company thanked staff for working with him on issues.

In response to the various public comments received, Ms. Nakamura clarified that staff did not want to remove the school provisions because LAUSD wants to voluntarily comply with all of the provisions except the school provision. Ms. Nakamura explained that if there is a school that is subject to the proposed rule, they will not be allowed to move soil with toxic air contaminants while school is session. In response to Ms. Gharibian, Ms. Nakamura stated that DTSC has been very involved in the rule development process and it is staff's understanding that DTSC intends to incorporate the provisions of Proposed Rule 1466 into their remediation plans. Supervisor Kuehl wanted the applicability clarified. Mr. Nastri clarified and added that Proposed Rule 1466 will be used by designating agencies and oversight agencies will incorporate provisions of Proposed Rule 1466 in their action plans. Supervisor Kuehl would like to move forward in July with the proposed rule language and then assess additional amendments in September. Dr. Lyou added that there was demolition activity near Exide where the area is not designated by another agency and that is an example of a situation where our agency may take action. Chairman Benoit wanted to ensure that the school provisions were expanded beyond just school hours and to include school-sponsored activities also; Ms. Nakamura confirmed. Chairman Benoit asked Mr. Piazza how many of LAUSD's sites would be subject to the rule. Mr. Piazza responded zero. Chairman Benoit is concerned

that if LAUSD wants to remove provisions for moving contaminated soil when students are present because LAUSD wants to voluntarily comply with other provisions of the proposed rule, then other schools would be allowed to move contaminated soil when students are present and while school is in session. Chairman Benoit stated that the LAUSD would not have to comply for their entire school modernization project because those sites have not been designated by another agency or the Executive Officer.

5. Best Available Control Technology Guidelines Status Update

Al Baez, Program Supervisor/Science & Technology Advancement, provided a status update of the BACT Guidelines activities since December 2016. At the December 2016 Board meeting, the Board approved amendments to the BACT Guidelines and directed staff to continue work on updating the BACT Guidelines, reviewing BACT determinations done by other air districts with an emphasis on UV/EB inks and coatings technology and report back to the Stationary Source Committee by June 2017. Staff held two public BACT SRC meetings, along with a 30-day comment period, to present proposed updates to the BACT Guidelines and address comments from nine comment letters. Mr. Baez described the proposed updates. Staff is also proposing to make the BACT Guidelines webpage more user friendly, with the addition of an equipment category search link. The BACT guidelines will be brought before the Stationary Source Committee for review again, and are scheduled for Board consideration in late Fall 2017.

Rita Loof, representing Radtech International, thanked staff for their efforts towards the proposal to recognize UV/EB inks and coating technologies as an option for BACT compliance. She stated that 46% of materials that RadTech association members manufacture go to the printing industry. Ms. Loof discussed a case study of a facility that saved \$230,000 by switching to UV-LED bulbs.

6. 2016 Annual Report on AB 2588 Air Toxics Hot Spots Program

In the interest of time, the presentation for this item was waived. There were no questions from the Committee Members or public on this item.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

OTHER BUSINESS

There was no other business.

PUBLIC COMMENTS

Florence Gharibian stated that she attended the Proposed Rule 1410 - Hydrogen Fluoride Storage and Use at Petroleum Refineries working group meeting on June 15 and expressed displeasure with two attorneys at the meeting “cross examining” Dr. Sally Hayati, President of the Torrance Refinery Action Alliance. She requested that other voices have equal opportunity to comment. She also commented that SCAQMD should form a community-based working group for the indirect source control measures.

The next Stationary Source Committee meeting is scheduled for July 21, 2017. The meeting was adjourned at 12:00 noon.

Attachment

Attendance Roster

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

June 16, 2017

Attendance Roster (Voluntary)

Mayor Pro Tem Ben Benoit	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Council Member Judith Mitchell	SCAQMD Governing Board
Supervisor Sheila Kuehl.....	SCAQMD Governing Board
Supervisor Janice Rutherford_(videoconference).....	SCAQMD Governing Board
Supervisor Shawn Nelson (videoconference)	SCAQMD Governing Board
Board Consultant David Czamanske.....	SCAQMD Governing Board (Cacciotti)
Board Consultant Ron Ketcham.....	SCAQMD Governing Board (McCallon)
Wayne Nastri	SCAQMD staff
Barbara Baird	SCAQMD staff
Philip Fine	SCAQMD staff
Laki Tisopulos.....	SCAQMD staff
Jill Whynot	SCAQMD staff
Amir Dejbakhsh	SCAQMD staff
Susan Nakamura.....	SCAQMD staff
Bill LaMarr.....	California Small Business Alliance
Bill Pearce	The Boeing Company
Rita Loof.....	RadTech
Cynthia Carter	L.A. County Sanitation Districts
Bridget McCann	Western States Petroleum Association
Florence Gharibian	Del Amo Action Committee
Frank Caponi	Los Angeles Unified School District
Dave Winningham.....	Lennox International
Susan Stark	Tesoro