

BOARD MEETING DATE: February 2, 2018

AGENDA NO. 27

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, January 19, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Committee Members

Present: Mayor Ben Benoit/Chair, Dr. Joseph Lyou/Vice Chair, Mayor Pro Tem Judith Mitchell, Supervisor Janice Rutherford (videoconference), Supervisor Nelson (arrived at 11:50 via videoconference), and Supervisor Hilda Solis

Call to Order

Chair Benoit called the meeting to order at 10:30 a.m.

ACTION ITEM:

1. Determine Proposed Amendments to BACT Guidelines Are Exempt from CEQA and Amend BACT Guidelines

Staff provided a presentation of the activities since the last Board-approved update of the BACT Guidelines in December 2016. At the December 2016 Board meeting the Board also 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 Stationary Source Committee (SSC) by June 2017. Staff presented proposed updates to the BACT Guidelines at the June 2017 SSC meeting and at four public BACT SRC meetings. There have been two 30-day comment periods and staff has addressed comments from 13 comment letters. The proposed updates to the BACT Guidelines include categories of Printing (graphic arts), Food Ovens, Flares (landfill and biogas), Furnace, Boiler, stationary and portable Engines and improvements to the BACT

webpage to make it more informative and user friendly. In addition, the proposed amendments to the BACT Guidelines are to make them consistent with current requirements of SCAQMD rules and regulations, as well as state requirements.

Dr. Lyou asked what the criteria is for determining BACT. Staff stated that for Major Source LAER, it has be commercially available, achieved in practice, and in compliance with air quality permits for at least six months. For Minor Source BACT, it's similar to LAER but we also need to comply with state Health & Safety codes, which include cost effectiveness studies.

Dr. Lyou asked about the proposed LAER/BACT listings in Part B, Section 3 - Emerging Technologies, since they have permits and are achieved in practice, why are they not proposed for LAER in Section 1. Staff replied that further proof of reliability is still needed before they can be moved to Section 1.

Dr. Lyou commented that there needs to be a balance as a listing that is too specific may make it difficult for users to match their equipment category. Staff agreed.

Dr. Lyou asked why the UV/EB ink listing has a 180 g/L VOC limit, when permits are already showing limits of 50 g/L. Staff explained that this BACT determination is for the purpose of including the UV/EB ink as an alternative to other low VOC inks. The lowering of the VOC content will be visited separately. Staff also stated that the UV/EB ink may not suitable for all printing processes, higher limits are needed for process that cannot utilize this technology.

Dr. Laki Tisopulos, Deputy Executive Officer/Engineering & Permitting, added that many of these users are small businesses, so costs must be factored in, and technological neutrality is provided to give other technologies a chance.

Dr. Lyou stated that he understands but would still like to see the overall limit trending lower.

Rita Loof representing Radtech International thanked staff for including UV/EB inks, and stated that the inks can meet the 50 g/L if needed, and they are cost effective. On the subject of screening for new BACT determinations, she stated that the process of the permit engineer sending the latest BACT determinations to the BACT team seem to have slowed down.

Mayor Pro Tem Mitchell asked staff to address the comment regarding a delay in identifying BACT between permitting and the BACT team. Dr. Tisopulos said that staff will work on improving the communication between the two groups.

Bill LaMarr of California Small Business Alliance thanked staff for the work on updating the guidelines. He stated that UV/EB is a niche market; it's a high solvent application and the business needs to have sufficient margin to demand the quality. Mr. LaMarr stated there were no BACT SRC meetings for ten years and he hopes this group will continue to meet.

David Rothbart, representing Southern California Alliance of Publicly Owned Treatment Works (SCAP), thanked staff for their work in updating the BACT Guidelines. He stated that staff is making progress and much more work needs to be done. He hopes that the BACT guidelines will reach a point where the user can click on the equipment listed and get specific instructions.

Harvey Eder of the Public Solar Power Coalition stated he provided a study to staff a year ago comparing solar technology to other technologies, and asked why solar technology was not included in BACT. He stated that fuel combustion emits PM and ultrafines that goes directly to the lungs. He said that more cities should have performed solar conversions by now. Mr. Eder has provided staff with studies on solar conversion and energy strategies.

Moved by Lyou; seconded by Mitchell; unanimously approved.

Ayes: Benoit, Lyou, Mitchell, Rutherford, Solis

Noes: None

Absent: Nelson

INFORMATIONAL ITEMS:

2. Proposed Amendments to Rule 1111 – Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Tracy Goss, Planning and Rules Manager/Planning, Rule Development and Area Sources, presented a summary of the proposed rule, a proposed companion rebate program, and stakeholders' comments and key issues. This was an update to the proposal presented to the November 17, 2017 SSC meeting.

Dr. Lyou asked if there will be more certified compliant units. Staff informed that additional certifications for high efficiency units are expected in the next few months. In addition, there are a few more manufacturers intending to have compliant non-condensing units by October 1, 2018.

Dr. Lyou stated that Board Members received a letter from a distributor stating that a particular manufacturer that they distribute units for would not have compliant units. Staff responded that the proposal addresses the concern by extending the mitigation fee option. With regards to sell-through of existing inventory, distributors would be able to plan with their manufacturer based on the extended mitigation fee period.

Supervisor Solis asked for clarification of the proposal related to low income consumers and commented that smaller units are not equivalent to low income consumers, and suggested that staff could seek some more targeted solutions for low income consumers.

Mr. Mark Woodruff of Ingersoll Rand commented that Ingersoll Rand expects to seek certification for compliant products in the near future. The company supports

the proposal giving manufacturers more time to comply. Ingersoll Rand requested: (1) aligning the start time of the rebate program with the mitigation fee increase effective time; and (2) providing a longer sell-through period for distributors' inventory.

Mr. Dave Wunningham of Lennox distributed handouts to the committee and stated that Lennox will have compliant products by the current compliant dates. Mr. Wunningham commented that the current proposal would negatively impact emission reductions and that low income areas actually need extra emission reductions. He noted that there are currently a number of programs through CARB, CEC and other to help low income consumers.

Mr. Jeff Winter of Howard Industries (local distributor) commented that Lennox models are too expensive for the majority of consumers. Mr. Winter requested that distributors be given more time to move inventory and that the rebate program should start later, with the fee increase.

Mr. Ryan Teschner of Rheem stated that his company has certified non-condensing products for low end users and will be in the market by the current compliance date. Mr. Teschner commented that: (1) Rheem does not support any further changes to the proposal; (2) the fee increase effective date for condensing furnaces on April 1, 2018 would be too soon; (3) the tiered approach was too complex for contractors to understand; and (4) they had concerns about propane furnaces.

Mr. Nathan Walker of Goodman commented that Goodman supports the current proposal and manufacturers could find ways to adapt to the complexity of the tiered approach.

Mr. Daniel McGivney of Southern California Gas Company appreciated staff working with stakeholders developing the proposal.

Mr. Harvey Eder of the Public Solar Power Coalition voiced caution of backsliding from BACT, and also advocated for a low income solar program.

Dr. Lyou asked about emissions forgone and the SIP. Staff responded that the currently collected fee is dedicated to mitigate the forgone emissions, which are part of the fund for a RFP that was recently released. With regards to the SIP, there are some emissions foregone. The main reason for the emissions forgone was that the compliant products were not available.

Mayor Pro Tem Mitchell asked for staff's comment on the concerns raised on the tiered approach being too complex for contractors, a sell through provision, and propane furnaces. The mitigation fee collection would be placed on the manufacturers, while the contractors would only see the current mitigation fee. It is expected that once the mitigation fee is established for the different tiers, the regulated community can make the proper adjustments. The tiered mitigation fee is similar to the San Joaquin Valley Air Pollution Control District. With regards to the sell though provision, the mitigation fee extension allows additional time for

manufacturers and distributors to reduce their inventories. For propane furnace, the purpose of the proposal was to prevent circumvention by selling a propane furnace and using a conversion kit to convert to a non-compliant natural gas furnace. Staff is still working for a better solution, which could be through rule language, enforcement, or labeling.

Supervisor Solis left the meeting at approximately 11:20 a.m.

3. Proposed Rule 120 – Credible Evidence

Due to time constraints, this item was deferred to the February meeting.

4. Proposed Rule 408 – Circumvention

Due to time constraints, this item was deferred to the February meeting.

5. Update on the Assessment of tertiary-Butyl Acetate (tBAc)

Heather Farr, Program Supervisor/Planning, Rule Development, and Area Sources, presented an update on the final findings of the Scientific Review Panel's assessment of tBAc's cancer potency factor (CPF), the final CPF from the Office of Environmental Health Hazard Assessment (OEHHA), and the determination that tBAc is a carcinogen. The regulatory status of other exempt compounds, para-Chlorobenzotrifluoride (pCBtF) and methylene chloride, were also discussed. The staff recommendations were to remove the existing tBAc exemptions in Rules 1113 and 1151, request that OEHHA assess pCBtF, and more forward to evaluate a potential methylene chloride phase out or restriction.

Dave Darling with the American Coatings Association opposes the removal of the exemption because it will have an adverse impact on the coatings industry. He states that the staff estimates of tBAc usage are too low for Rules 1113 and 1151. He offered to help provide inventory numbers from the manufacturers and expressed that a great deal of time has already been put into reformulating coatings, which takes three years to complete. He expressed concern that there would be stranded products and highlighted that the removal of pCBtF and tBAc would be devastating to the industry and there may be no products available.

Mayor Pro Tem Mitchell expressed concern that no replacement products would be available if the VOC exemption is removed for tBAc and pCBtF. Ms. Farr responded that 90 percent of the coatings available in our jurisdiction are water-based coatings, but reformulation would be addressed in the rulemaking process.

Dr. Lyou asked staff to confirm the inventory and stated that if it is not significant, then the removal should not have much of an impact. He stated that the pathway that staff identified was defensible and suggested that staff request OEHHA look into pCBtF toxicity.

Supervisor Nelson joined the meeting [at 11:50 a.m.] while this item was in progress.

6. Status Report on Reg. XIII – New Source Review

Dr. Tisopulos waved the presentation and stated that it was a standard report. SCAQMD is in equivalency with the federal New Source Review program.

WRITTEN REPORTS:

7. Home Rule Advisory Group – November 2017 Meeting Minutes and the 2017 Accomplishments and 2018 Goals & Objectives

The report was acknowledged by the Committee.

8. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

9. Twelve-month and Three-month Rolling Price of RTCs for Compliance Years 2017 and 2018

The report was acknowledged by the Committee.

OTHER MATTERS:

10. Other Business

There was no other business.

11. Public Comment Period

Mr. Harvey Eder stated that there needs to be a toxicology study on natural gas, pre- and post- combustion for all toxics, including ultrafine PM. Dr. Lyou asked Mr. Nastri to have Health Effects Officer Dr. Jo Kay Ghosh look at literature on natural gas to see if there is any information on ultrafine particles.

12. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, February 16, 2018.

Adjournment

The meeting was adjourned at 12:00 p.m.

Attachments

1. Attendance Record
2. Home Rule Advisory Group – Bi-Monthly Report for November 2017 Meeting Minutes and the 2017 Accomplishments and 2018 Goals & Objectives Notice of
3. Notice of Violation Penalty Summary
4. Twelve-month and Three-month Rolling Price of RTCs for Compliance Years 2017 and 2018

ATTACHMENT 1

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

Attendance – January 19, 2018

Mayor Ben Benoit	SCAQMD Governing Board
Dr. Joseph Lyou.....	SCAQMD Governing Board
Mayor Pro Tem Judith Mitchell	SCAQMD Governing Board
Supervisor Shawn Nelson (Videoconference).....	SCAQMD Governing Board
Supervisor Janice Rutherford (Videoconference)	SCAQMD Governing Board
Supervisor Hilda L. Solis	SCAQMD Governing Board
David Czamanske	Board Consultant (Cacciotti)
Ron Ketcham	Board Consultant (McCallon)
Dave Darling	American Coatings Association
Marnie Dorsz	MAQS
Harvey Eder.....	Public Solar Power Coalition
Bill LaMarr.....	California Small Business Alliance
Rita Loof.....	RadTech
Daniel McGivney	SoCalGas
David Rothbart	L.A. County Sanitation Districts
David Stephens.....	Johnson Controls
Ryan Teschner	Rheem
Nathan Walker.....	Goodman
Peter Whitingham.....	WPAA
Dave Wunningham.....	Lennox
Jeff Winter	Howard Industries
Mark Woodruff.....	Ingersoll Rand
Al Baez	SCAQMD staff
Barbara Baird.....	SCAQMD staff
Heather Farr	SCAQMD staff
Philip Fine	SCAQMD staff
Bayron Gilchrist	SCAQMD staff
Tracy Goss.....	SCAQMD staff
Susan Nakamura.....	SCAQMD staff
Wayne Nastri	SCAQMD staff
Laki Tisopulos	SCAQMD staff
Kurt Weise.....	SCAQMD staff
Jill Whynot	SCAQMD staff
Bill Wong	SCAQMD staff



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Air Quality Management District**
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**HOME RULE ADVISORY GROUP
Wednesday, November 8, 2017
MEETING MINUTES**

CHAIR:

Dr. Joseph Lyou, Governing Board member

MEMBERS PRESENT:

Curt Coleman (Southern California Air Quality Alliance); Michael Downs (Downs Energy);-Jaclyn Ferlita (Air Quality Consultants); Bill LaMarr (California Small Business Alliance); Lauren Nevitt (Southern California Gas); Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Rongsheng Luo (SCAG) and Janet Whittick (California Council for Environmental & Economic Balance).

MEMBERS ABSENT:

Micah Ali (Compton Unified School District Board of Trustees); Mike Carroll (Regulatory Flexibility Group); Nan Harrold (Orange County Waste & Recycling); Art Montez (AMA International); Penny Newman (Center for Community Action and Environmental Justice); Larry Rubio (Riverside Transit Agency); Larry Smith (Cal Portland Cement); and Amy Zimpfer (EPA).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Charlene Contreras (Los Angeles County Department of Public Health); Johnny Raymond (CARB); and Weinke Tax (EPA).

SCAQMD STAFF:

Philip Fine	Deputy Executive Officer
Sarah Rees	Assistant Deputy Executive Officer
William Wong	Principal Deputy District Counsel
Philip Crabbe	Community Relations Manager
Pedro Piqueras	Air Quality Specialist
Ann Scagliola	Administrative Secretary

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF SEPTEMBER 2017 MEETING MINUTES

Dr. Lyou asked for comments on the September 13, 2017 meeting minutes. Bill LaMarr inquired if Matt Miyasato was advised of the Tribal DERA funding. Dr. Fine responded that he spoke with Dr. Miyasato about this. Mr. LaMarr also requested clarification on the Rule 1466 presentation

summary (page 5), and the word provided was deleted. Mr. LaMarr requested further clarification on the Report to and from Stationary Source Committee discussion (page 7), as to which Committee was being referenced. Dr. Lyou indicated that the discussion was for the Stationary Source Committee. Once the correction and clarifications were provided, the meeting minutes were approved and finalized.

EPA AND FEDERAL ACTIVITIES

Weinke Tax-provided an update on recent U.S. Environmental Protection Agency (EPA) and federal activities.

National Updates

- There is no political appointee yet for Region 9 Regional Administrator;
- Bill Wehrum was nominated as EPA Assistant Administrator for the Office of Air and Radiation and the vote is scheduled for November 9, 2017; and
- On November 6, 2017, there were some initial designations for attainment areas for the national ambient air quality standard (NAAQS) for ozone. Fact sheets are available.

Air Planning and Rulemaking

- On September 14, 2017, there was a final approval of the most recent set of RECLAIM rules. This allowed EPA, in combination with another submittal from South Coast Air Quality Management District (SCAQMD), on September 20, 2017 to publish a final approval of the 2008 Ozone RACT SIP. On October 10, 2017 there was a proposed approval of the RACM/RACT demonstration for 2006 Moderate Area PM2.5 Plan. Also signed was an interim final notice to defer sanctions with a comment period end date of November 9, 2017; and
- On October 23, 2017, a completeness letter was issued for SCAQMD and Coachella Valley VMT offset and for SCAQMD refuels for boilers. This action turned off the sanctions clock related to failure to submit.

Air Permitting

- On September 25, 2017, a synthetic minor permit was issued for the San Manuel Casino under the Tribal Minor New Source Review Program; and
- On June 20, 2017; EPA concluded that Federal PFC permitting revisions do not apply to the Tesoro Los Angeles Refinery integration and compliance project.

Grants

- There were six DERA competitive grants awarded in the Fall of 2017;
- Tribal DERA Program request for proposal period will close on January 18, 2018; and
- Targeted Air Shed Grants request for proposal period closed on October 18, 2017.

Technology and Toxics

- Media event on November 8, 2017 for the Siemens ehighway demo project;
- San Joaquin co-hosted an electric truck refrigeration unit demonstration project on October 11, 2017;
- EPA is working with state and federal partners in California, Oregon and Washington to facilitate alternate fuel infrastructure planning and deployment to support low and zero emission medium and heavy duty fleet operations; and
- EPA's National Air Toxics Assessment is scheduled to be released during the summer of 2018.

Discussion

Rongsheng Luo inquired if any comments were received on the actions for the exemptions. Weinke Tax indicated that four comments were received.

Dr. Lyou inquired if SCAQMD is good for the immediate future on sanction clock issues. Weinke Tax replied that there are still a few remaining NSR issues related to ozone, but EPA is working closely with SCAQMD and CARB to resolve.

AB 617 IMPLEMENTATION

Karen Magliano and Dr. Philip Fine provided presentations regarding AB 617 implementation for CARB and SCAQMD.

Discussion

Bill LaMarr commented that 99.2 percent of the businesses in California are small businesses, these businesses employ members of the community and the business owners usually live within the community. Mr. LaMarr suggested that CARB include the small business community in meetings with business organizations and groups, for what they can offer. Ms. Magliano indicated that in initial meetings community members expressed these concerns and that while incentive funding in the initial round is mainly focused on the Carl Moyer Program, when they get into the communities there may be financial assistance needed for emission reduction costs. Dr. Fine added that the legislation and discussions for working and advisory groups will include industry and business representatives.

Janet Whittick asked if the working groups would be formed before or after the concept paper, and if after what is the best way to scope out the initial concept. Ms. Magliano indicated that the working or advisory groups would be formed before the concept paper.

David Rothbart inquired about the coordination between CARB and the air districts, specifically the potential overlap in requirements and if there were discussions on where there could be duplicative regulations. Ms. Magliano indicated that inter-agency discussions have already started, specifically on emissions reporting, and to avoid dual reporting systems.

Kristen Pawling commented that she had invited Charlene Contreras from the Los Angeles Public Health Department to the meeting to address prior comments made regarding the role of the Public Health Department, to share the work that the Public Health Department is involved on environmental justice issues and the desire to build a bridge with Los Angeles County on AB 617 issues and to encourage the District to do the same. Charlene Contreras, Environmental Health Services Manager, introduced herself and expressed that the Los Angeles County Department of Public Health Board has a priority of environmental health oversight to engage in environmental justice efforts. Ms. Contreras also indicated that there are communities that have already been targeted for risk reductions and expressed appreciation for the approach and the willingness by CARB and SCAQMD to work with local initiatives and to possibly leverage some of the work that they are already doing.

Dr. Lyou asked Ms. Contreras if she was aware of the motion being brought forward by Supervisors Hahn and Barger to explore the enforcement authority of the Department of Public Health. He also explained that the Health and Safety Code which indicates that local agencies can adopt more stringent, non-vehicular standards, and then offered the assistance of the SCAQMD legal counsel. Curt Coleman indicated that the motion does state that the District staff is supposed to provide assistance, if the Department of Public Health lacks the technical expertise.

Lauren Nevitt commented that the stakeholders are not aware how quickly that implementation will happen, it would be helpful to focus people on the timeframe and the community identification process. Ms. Nevitt also inquired if there is criteria on how the community will be selected, and the nomination process. Dr. Fine replied that this is an active point of discussion with the agencies working groups.

Lauren Nevitt indicated that a pressure point is the funding. Dr. Fine replied that there is a strong desire by all the districts to get the money out quickly and there are active discussions on how to do this.

Dr. Lyou inquired where the funds would come from since separate sources of funds were appropriated and the \$250M seems to be appropriated directly to the districts, not through the Air Resources Board. Ms. Magliano said that the \$250M and the \$27M were appropriated by the legislature through slightly different funding mechanisms and both would come through CARB first and then they would be allocated out to the air districts. Ms. Magliano further indicated that CARB will continue to work with CAPCOA and the air districts to expedite the distribution process.

Bill LaMarr inquired about the additional personnel needed at CARB and the District. Ms. Magliano indicated around 72 full time employees (FTEs) for CARB, some of which would be intermittent. Dr. Fine added that it could be anywhere from 20 to 30 new FTEs for SCAQMD, which does not take into account the funding budget for future years. Mr. LaMarr also expressed, with funding for only one year, are there discussions for an increase in fees or charges to individual businesses for the additional mandated services. Dr. Fine commented that initially legislators considered for regulated entities to cover the related costs, but the District continues to explore cost recovery mechanisms and at this time nothing has been finalized. Mr. LaMarr further commented that the funding has to come from somewhere. Dr. Lyou encouraged Mr. LaMarr to bring this topic up at the next Budget Workshop.

David Rothbart inquired about the regulation framework which would determine who is responsible for doing what, the levels of responsibility and whether it will be reviewed as part of the public review process. Dr. Fine indicated that CARBs obligation is to create a statewide framework on how districts would develop their community reduction plans and there will be some flexibility on how a community reduction plan would be implemented. Dr. Fine further explained how mobile sources are the primary toxic risk where strategy assistance will be needed. Ms. Magliano added that if you look at the federal Clean Air Act where EPA sets out broad requirements, benchmarks, and there are the state and local development and review, within California there will be a similar review concept with a focus on the challenges in specific communities.

Lauren Nevitt inquired if the Clean Communities Plan would be a possible blueprint model and if other air districts have made similar efforts. Dr. Fine indicated that the Bay Area has made similar efforts and that the Clean Communities Plan would be a good model for SCAQMD for community outreach, identification of specific air quality issues and the coordination with other entities. Dr. Fine further clarified that the AB 617 implementation process will be more formal, similar to mini-Air Quality Management Plans.

Bill LaMarr commented that Clean Communities Plan did involve business representatives and it also helped identify many unpermitted sources within communities, which were good features.

Janet Whittick inquired if the districts were going to nominate and prioritize within regions and would CARB look to prioritize statewide or within the regions. Ms. Magliano indicated that it would ultimately be a little of both.

Rongsheng Luo asked if CARB planned to develop guidelines on AB 617 implementation. Ms. Magliano expressed that there will be guidelines within the statewide and monitoring strategies. Mr. Luo also inquired if the \$250M is only for mobile sources or will stationary sources be included. Ms. Magliano indicated the first round is statutorily focused on Moyer and Proposition 1B, but going forward there is the possibility that the incentive funding would be expanded. Dr. Fine commented that the District is working towards identifying available funding to put together a package on stationary source incentive funding. Mr. Luo further inquired how AB 617 relates to the implementation of the 2016 AQMP, specifically in terms of the SIP credits and how it relates to the facility-based measures. Dr. Fine indicated there are some overlaps in the incentives with a community geographical focus and on the regulatory side it is less clear on how this will tie together, since there could be regulations at the state or local level that may help achieve AQMP goals.

Dr. Lyou expressed the following thoughts, ideas and considerations.

- For the BARCT and BACT requirements, this is an opportunity for businesses to be recognized for their retro-fit technology, and we should point this out the good actors to the communities.
- In terms of timing, it seems communities may not be identified by the time that the money needs to be spent. *Dr. Fine indicated for the long term this is true, but there are on-going discussions for the first round to identify communities impacted by mobile sources, staff would then work with CARB to get that money out quicker.*
- Some communities may feel like they are being left behind and we need to take a long view of this, because it will take time to get to all of the communities that we think are deserving.
- Everyone needs to recognize that this is not happening overnight and it may take a longer period of time to get the focused attention that the first identified communities will be getting.
- You need to already have some degree of community engagement for those being considered and familiarity to what is going on.
- As we have seen with the Clean Communities Program, it is very difficult to start from building and supporting a community to capacity, get them up to speed and being engaged, and for them to stay engaged over time.
- There are many communities who are very deserving and are already well organized and already engaged, and we want to take advantage of those communities.
- We need to make sure that we get going on this as soon as possible and we also need to consider what the existing community capacity engagement is. *Dr. Fine indicated that this is one of the criteria that CARB has on their preliminary list.*
- Could the analytical and data system used in the Torrance area for refineries be used for other communities? *Dr. Fine indicated that this was a possibility, since this is the platform that we are already using for our data management systems.*
- We should also make sure that other people can access the data, because this could result in cost savings. *Dr. Fine indicated that we would like to have one system that collects the data from the Basin, that CARB can have access to and possibly a statewide website that people can choose what community data they want to look at.*
- To achieve SIP credit and emission reductions is the objective.
- We have to appreciate that some of the data will be qualitative and will be difficult, but we need to know that there are benefits.
- We should measure, track and quantify what we can, but also not be afraid to pursue things that we inherently know will lead to qualitatively better situations for the communities.

Kristen Pawling commented that she could extend invitations to the Local Governments for the County and City of Los Angeles Planning Departments to possibly attend a future meeting to update members on jurisdictions where future discussions may be needed on land use. Dr. Lyou indicated that even though this is not explicit in AB 617, this is something that should be addressed.

CARB REGULATORY ACTIVITIES

Johnnie Raymond provided a report on the following items scheduled to go before CARB's Board in November 2017.

- Approval of the 2016 Ozone SIP for the Sacramento nonattainment region;
- Approval of the Chico PM2.5 Maintenance Plan;
- Proposed Fiscal Year 2017-18 Funding Plan for low carbon transportation investments and the Air Quality Improvement Plan; and
- Proposed amendments to the Statewide Portable Equipment Registration Program regulation and the airborne toxic control measures for diesel-fueled portable engines.

Additional Related Efforts

- Environmental Justice Advisory Committee meeting on November 13, 2017, to form recommendations to the AB 32 Scoping Plan;
- Public Meeting on November 14, 2017, to discuss air quality monitoring in neighborhoods near oil and gas facilities
- AB 617 San Diego community meeting on November 28, 2017, to discuss freight activities.

Discussion

Kristen Torres Pawling reported that the SB 375 update is being delayed and will not go before CARB's Board in November.

LEGISLATIVE UPDATE

Philip Crabbe provided a recap of the October 13, 2017 Legislative Committee meeting.

Federal Legislative Issues

SCAQMD's federal legislative consultants each provided a written report on various key Washington, D.C. issues. Copies of those are available as part of the Legislative Committee package. The consultants also provided verbal updates.

With regard to possible future infrastructure legislation, it was stated that President Trump could potentially be amenable to putting more federal money into the package. However, the public focus is on tax reform right now, but infrastructure will likely be the next big thing after that, either later this year or early next year.

Also, the EPA has come out with a repeal notice on the Clean Power Plan from the Obama Administration. While this action was not unexpected, the EPA is taking a different approach to what the Clean Air Act allows and what the authority is with regard to regulating power plants. The EPA adjusted the cost-benefit analysis, which was a major announcement in Washington, D.C.

It was also reported that the Department of Energy released a proposal which would potentially provide the ability to charge higher rates for energy generation from coal and nuclear facilities. It was stated that this proposal is in the form of a petition before the Federal Energy Regulatory Commission (FERC) and is not legislative. It is believed that this would put at a disadvantage any type of energy developers other than that for coal and nuclear. Further, there are tight timelines on

this proposal. The proposal's potential impacts to the energy market would be very significant. However, predicting the outcome of this highly unusual proposal is very difficult.

Also, the Senate Appropriations Committee announced that its markup of the interior appropriations bill which oversees the EPA budget will occur soon. The U.S. House of Representatives (House) has completed its appropriations work and is waiting for the Senate's version of the bill. The Congressional session runs through December 8, 2017. However, there is talk by Congressional leadership that Congress may stay in session until Christmas in an effort to get a tax bill completed.

In October 2017, there was staff trip to Washington, D.C. to visit the Vice President's office as well as Congressional members' offices, for discussions on the glider kit issue, truck retrofit rules, DERA reauthorization and the effort to add clean air funding to any future infrastructure legislation.

State Legislative Issues

SCAQMD's state legislative consultants provided written reports along with verbal updates at the meeting.

It was stated that the Legislature adjourned on September 15, 2017, but not before sending Governor Brown over 1,300 bills for consideration. The Governor had until October 15, 2017, to take action on those bills.

At the committee a Summary End-of-Year Report on State Legislature's and Governor's Action on 2017 Legislation was presented.

Philip Crabbe stated that both bills sponsored by SCAQMD, AB 1274 and AB 1132, passed the Legislature and were signed by Governor Brown. AB 1274, by Assembly Member O'Donnell, will redirect funds to the Carl Moyer Program, including about \$30 million per year that will benefit the South Coast region starting in 2019, and there is no sunset date on this funding source. Mr. Crabbe further explained that AB 1132, by Assembly Member Cristina Garcia, creates a critical new tool that will help protect disadvantaged communities from serious toxic emissions.

Further, the cap-and-trade program was extended until 2030 by AB 398, authored by Assemblyman Eduardo Garcia. The bill aims to meet greenhouse gas reduction targets of 40 percent below 1990 levels by 2030 and has already begun to reaffirm the cap-and-trade auction process to ensure that future GGRF funding will be generated in the coming years.

The committee was also updated on two budget trailer bills, AB 109 and AB 134, which allocated \$1.5 billion in GGRF monies. From AB 109, SCAQMD will receive a portion of \$27 million made available statewide to local air districts to fund initial implementation of the new duties and responsibilities mandated by AB 617 for the first year; from AB 134, the South Coast region will receive \$107.5 million of increased Carl Moyer funding.

Philip Crabbe noted that AB 134 also provides \$645 million in additional statewide funding, including: \$180 million for Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program; \$140 million for the Clean Vehicle Rebate Program for rebates for light-duty vehicles; \$140 million for equipment and improvements at ports; \$100 million for the Enhanced Fleet Modernization Program and \$85 million for reducing agricultural emissions through agricultural equipment, heavy-duty truck and tractor retrofit and replacement. In addition, SB 132, provided \$50 million for a competitive zero and near-zero emission warehouse program.

Other Bills of Interest

AB 615 (Cooper), was signed into law. AB 615 extended the income caps for the Clean Vehicle Rebate Project.

AB 739 (Chau), signed by the Governor, would require at least 15 percent of heavy-duty vehicles purchased by state agencies to be zero-emission beginning in 2025, and at least 30 percent of those vehicles to be ZEV beginning in 2030.

AB 1647 (Muratsuchi) which was discussed previously and deals with monitoring at and around refineries, was signed into law and will affect SCAQMD's Proposed Rule 1180.

The Legislative Committee also considered H.R. 3682 (Lowenthal) Blue Whales and Blue Skies Act. This bill calls on the National Oceanic and Atmospheric Administration's (NOAA) Office of National Marine Sanctuaries to establish annual Blue Whales and Blue Skies Excellence Awards to recognize shipping companies for voluntarily reducing speeds in the Santa Barbara Channel region below 12 knots, or for participating in the Port of Los Angeles' or Port of Long Beach's voluntary vessel speed reduction programs. The goal of the bill is to reduce both air pollution emissions and the risk of fatal ship strikes on whales. Within the next four years, NOAA would assess the feasibility of extending the voluntary program to encompass all shipping channels along the U.S. Pacific Coast between Canada and Mexico. If the program were to be extended to all shipping channels along the Pacific coast, it would help reduce NOx emissions within the South Coast region. Staff recommended a position of SUPPORT on this bill. However, the Legislative Committee made a recommendation to not support this bill.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong proved an update to the litigation status report handout.

- Case #9 – There was a tentative decision, however the decision is not final.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

Lauren Nevitt provided updates on the following items.

- The San Pedro Bay Port Draft Clean Air Action Plan (CAAP) was adopted November 2, 2017;
- The new heavy-duty 12 liter Cummins engine will be available in 2018; and
- The draft California Rail Plan was released for public review on October 11, 2017 and the comment end date is December 11, 2017, upcoming workshops will be held in San Bernardino and Los Angeles.

B. Small Business Considerations (Bill LaMarr)

Bill LaMarr provided a summary of the following Small Business Considerations Subcommittee activities.

- Participated in working group meetings for RECLAIM, Rule 1469 and AQMP Funding;
- Arranged a demonstration/walk-through for the Korean and California Cleaner Associations on the District's new epermit online application process.

C. Environmental Justice (Curt Coleman)

There was no report.

D. Climate Change (David Rothbart)

David Rothbart reported that CARB released the latest draft of the 2017 Climate Change Scoping Plan in October 2017, which will then go to the CARB Board at their December 14, 2017 meeting.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a recap of items from the October meeting and on the November 2017 agenda.

October

- Update report on the permit backlog and automation efforts;
- Updates on proposed amendments to Rules 1466 and 1180;
- Removal of 1148.3 from the agenda;
- Quarterly report on the RECLAIM; and
- Update on tBac white paper.

November

- Action Item – proposed amendments to Rule 1111 and issuance of RFP for Consumer Rebate Program for compliant natural gas-fired, fan-type central furnaces; and
- Updates on proposed amendments to Rules 1111, 2001, 2002 and 1469.

Discussion

Dr. Lyou commented that CARB is working with the San Joaquin Valley Air Pollution Control District on their PM2.5 SIP submission, for commitments on under-fired charbroilers. Staff indicated that they have noted this and there are on-going efforts with the College of Engineering, Center for Environmental Research and Technology (CE-CERT) to locate additional cost-effective controls.

APPROVAL OF THE 2018 HOME RULE ADVISORY SCHEDULE

The Home Rule Advisory Group confirmed and Dr. Lyou approved the following meeting schedule for 2018.

January 10	May 9	September 12
March 14	July 11	November 14

Note: All meetings are scheduled to begin at 10:00 a.m. and will be held in Conference Room CC-8.

2017 ACCOMPLISHMENTS AND 2018 GOALS & OBJECTIVES

Dr. Lyou requested any recommendations or changes for the provided Home Rule Advisory Group 2017 Accomplishments and the 2018 Goals and Objectives.

Discussion

Bill LaMarr commented that not all of the submitted 2017 Small Business Considerations accomplishments were included. Staff assured Mr. LaMarr that the report is in draft format and all submitted accomplishments will be included.

OTHER BUSINESS

There were no comments.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 12:08 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on January 10, 2018, and will be held at SCAQMD in Conference Room CC-8.



SCAQMD AB 617 Implementation

HOME RULE ADVISORY GROUP

NOVEMBER 8, 2017

Key Components of AB 617

Monitoring

- Identification of Communities
- Statewide Monitoring Plan
- District and Community operated networks
- Statewide data display

Community Emission Reduction Plans

- Identification of Communities
- Statewide Strategy
- District Community Emission Reduction Plans
- State and District emission reduction strategies

Best Available Retrofit Control Technology

- Development of Statewide BACT/BARCT Clearinghouse
- Develop mechanisms to input new determinations
- Implement BARCT

Emissions Reporting

- Uniform Statewide Reporting
- Statewide Pollution Mapping Tool

Timing

Monitoring

- Monitoring Plan by October **2018**
- Deploy networks in identified communities by July **2019**
- updated January every year thereafter

Community Emission Reduction Plans

- Identification of Communities by October **2018**
- Statewide Strategy by October **2018**
- District Community Emission Reduction Plans by October **2019**
- updated every 5 years

Best Available Retrofit Control Technology

- Development of Statewide BACT/BARCT Clearinghouse
- District schedule for BARCT by end of **2018**
- Implement BARCT by end of **2023**

Emissions Reporting

- No timelines in statute, but anticipated actions by **2019**

Key Implementation Issues for SCAQMD

- ▶ Funding
 - ▶ \$27 million statewide for AB617 Implementation
 - ▶ \$250 million statewide for mobile source emission reduction
- ▶ Staffing
 - ▶ Monitoring
 - ▶ Community Emission Reduction Plans
 - ▶ BARCT rules and implementation
 - ▶ Emission Inventory, BARCT, and BACT work with CARB
- ▶ Timing and Deadlines
 - ▶ Very challenging in every case

Current SCAQMD Approach

- ▶ Close Coordination with CARB
 - ▶ High level meetings and ongoing staff Working Groups for topic areas
 - ▶ Funding, roles, outreach, timing, guidance documents, clearing house, etc.
- ▶ Utilize existing SCAQMD resources and experience to the maximum extent possible
- ▶ SCAQMD recommending a nomination process for communities through a public process
- ▶ Continue expedited schedule for BARCT rules and RECLAIM sunset
- ▶ Avoid double reporting of emissions to SCAQMD and CARB
- ▶ Continue to assess expected workload and resource needs
- ▶ Access funding ASAP for timely implementation
- ▶ Early action successes make case for continued funding
- ▶ Need to begin hiring process and start work immediately



Update on AB 617 Community Air Protection Program

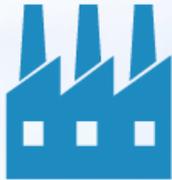


Delivering on AB 617 Goals

- Collaborative process involving CARB, air districts, and community representatives
- Clear goals and timelines for action
- Accountability and metrics for tracking progress
- Transparency and accessibility to information



IMPROVED
PUBLIC HEALTH



LOCAL TOXIC &
AIR POLLUTION
REDUCTIONS



COMMUNITY
ENGAGEMENT



OPEN &
TRANSPARENT
PROCESS



ACCESS TO
AIR QUALITY
MONITORING DATA

Community Identification

- Prioritize communities with highest exposure burdens
 - Deployment of community air monitoring
 - Development of community emission reduction programs
- Focus on disadvantaged communities and sensitive receptor locations



Statewide Monitoring Plan



By October 2018
with ongoing
updates

- Review capabilities of air monitoring technologies
- Review existing community air monitoring systems
- Provide recommendations for additional air monitoring
- Establish guidance on best practices

Statewide Reduction Strategy



By October 2018
with ongoing
updates

- Methods for assessment of community exposure and contributing sources
- Strategies for reducing emissions
- Criteria for community emissions reduction programs

\$5M for Community Assistance Grants

- Developing process for grant program
- Funding to support
 - Capacity building – training and support
 - Assistance for community led air monitoring
 - Technical assistance



Next Steps

Fall 2017

- Board Meeting Update; Informational and Community Meetings

Winter 2018

- Draft Concepts; Workshops and Community Meetings

Spring 2018

- Board Meeting Update; Draft Planning Documents

Summer 2018

- Workshops and Community Meetings; Final Draft Planning Documents

Fall 2018

- Board Meeting to consider Final Planning Documents

**South Coast Air Quality Management District
HOME RULE ADVISORY GROUP – Attendance Record – 2017**

	NAME (Term: 1/1/17 - 1/1/2019)	1/11	FEB	3/15	APR	5/10	JUN	7/12	AUG	9/13	OCT	11/8	DEC
	Board/Member, Business & Community Reps, SCAQMD Staff												
1	Dr. Joseph Lyou, Chairman	X		X		X		X		X		X	
2	Dr. Philip Fine (Agency Member) - SCAQMD	X*		X		X*		X		X		X	
3	Zimpfer, Amy (Agency Member) - EPA <i>Representing Elizabeth Adams</i>	T		A*		T		X		T*		T*	
4	Gallenstein, Chris (Agency Member) - CARB <i>Representing Richard Corey</i>	T*		T		T		A		T		T*	
5	Chang, Ping (Agency Member) - SCAG <i>Alternate – Rongsheng Luo</i>	T*											
6	Carroll, Mike (Business Representative) <i>Alternate – Robert Wyman</i>	A		A		A		X		A		A	
7	Coleman, Curtis (Business Representative) <i>Alternate – Susan Stark</i>	X		X		X		X		X		X	
8	McCann, Bridget (Business Representative) <i>Alternate – Patty Senecal</i>	A		A		A		A		X		A*	
	Joy, Jayne (Business Representative) <i>Alternate – Al Javier</i>	T		A*		X		T		T			
9	La Marr, Bill (Business Representative)	X		X		X		X		X		X	
10	McGivney, Dan (Business Representative) <i>Alternate – Lauren Nevitt</i>	X	dark	X*	dark	X	dark	A	dark	X	dark	X*	dark
11	Newman, Penny (Environmental Representative)	X		X		A		A		A		A	
12	Roberts, Terry (Environmental Representative)	X		X		X		X		X		X	
13	Quinn, Bill (Business Representative) <i>Alternate – Janet Whittick</i>	T		T		T		T		T		T*	
	Wyenn, Morgan (Environmental Representative)	A*		A*		A*		A*					
14	Ali, Micah (Community Representative - Parker)	T		A		A		A		A		A	
15	Downs, Michael (Community Representative - McCallon)	X		A		X		A		A		X	
16	Ferlita, Jaclyn (Community Representative - Lyou)	X		A*		X		A		X		X	
17	Harrold, Nan (Community Representative - Nelson)									X		A	
18	Montez, Art (Community Representative - Lyou)	A		X		X		A		A		A	
	Olson, Mark (Community Representative - Rutherford)	X		A*		X		A*					
19	Rothbart, David (Community Representative - Mitchell)	X		X		X		X		X		X	
20	Rubio, Larry (Community Representative - Ashley)	A*		T		T		A*		T		A*	
21	Smith, Larry (Community Representative - Benoit)	X		A		X		A		X		A	
22	Pawling Torres, Kristen (Community Representative - Kuehl)									X		X	
23	Turner, TyRon (Community Representative - Burke)	T		X		X		X		X		X	

Attendance Codes

X	Present	T	Teleconference	A	Absence
X*	Alternate in Attendance	T*	Alternate Teleconference	A*	Absence Excused

**South Coast Air Quality Management District
Home Rule Advisory Group
Membership Roster
(Term: 2017-2019)**

CHAIRPERSON

Dr. Joseph K. Lyou

BOARD MEMBER

Dr. Clark E. Parker, Sr. (interim)

AGENCY MEMBERS

Philip Fine
SCAQMD
pfine@aqmd.gov

Richard Corey, represented by Chris Gallenstein
Air Resources Board
cgallenstein@arb.ca.gov

Elizabeth Adams, represented by Amy Zimpfer
EPA, Region 9
zimpfer.amy@epa.gov

Ping Chang
Southern California Association of Governments
chang@scag.ca.gov
ALT: *Rongsheng Luo*

BUSINESS REPRESENTATIVES

Mike Carroll
Regulatory Flexibility Group
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ALT: *Bob Wyman*

Bridget McCann
Western States Petroleum Association
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ALT: *Patty Senecal*

Curtis Coleman
Southern California Air Quality Alliance
colemanlaw@earthlink.net
ALT: *Susan Stark (Tesoro)*

Daniel McGivney
Southern California Gas
dmcgivney@semprautilities.com
ALT: *Lauren Nevitt*

William R. La Marr
California Small Business Alliance
billamarr@msn.com

Bill Quinn
California Council for Environmental
& Economic Balance
billq@cceeb.org
ALT: *Janet Whittick*

ENVIRONMENTAL REPRESENTATIVES

Penny Newman
Center for Community Action and
Environmental Justice
penny.n@ccaej.org

Terry Roberts
American Lung Association in California
terry.roberts@lung.org

COMMUNITY REPRESENTATIVES – Recommended by Board Members

Michael Downs (McCallon)
Downs Energy
mike.downs@downsenergy.com

David Rothbart (Mitchell)
County Sanitation Districts of Los Angeles County
drothbart@lacsdc.org

Jaelyn Ferlita (Lyou)
Air Quality Consultants
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Larry Rubio (Ashley)
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Nan Harrold (Nelson)
Orange County Waste & Recycling
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Larry Smith (B. Benoit)
Cal Portland Cement
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Art Montez (Lyou)
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TyRon Turner (Burke)
Dakota Communications
tyronturner2002@yahoo.com

Kristen Torres Pawling (Kuehl)
County of Los Angeles, Chief Sustainability Office
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South Coast Air Quality Management District

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HOME RULE ADVISORY GROUP 2017 ACCOMPLISHMENTS

In 2017 the following important updates were provided to the Home Rule Advisory Group to keep the group informed and engender discussion on important, relevant issues.

- Current Incentive and Funding Goals and Actions for the 2016 AQMP
- Update on Efforts in Paramount to Address Hexavalent Chromium
- Outreach Efforts by the Legislative and Public Affairs staff in the local communities
- Facility-Based Mobile Source Measures
- Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants
- AB 617 Implementation

Climate Change (CC)

The Climate Change Subcommittee discussed greenhouse (GHG) programs and the potential to minimize duplicative regulatory efforts. The subcommittee tracked regulatory efforts by California Air Resources Board and Environmental Protection Agency efforts to reduce greenhouse gas emissions. The subcommittee monitored the sale of GHG allowances through the auction market. Various climate change bills seeking to reauthorize California's Cap-and-Trade Program, including AB 398, were also tracked. Regulatory and legislative developments were monitored to ensure that duplicative requirements would not be imposed on stationary sources.

Environmental Justice (EJ)

The Environmental Justice Subcommittee monitored and reported on environmental justice activities at CARB and OEHHA, including the release of CalEnviroScreen 3.0. It also monitored CARB's proposed use of funds generated by the GHG cap and trade program auctions and SCAQMD's staff development of revised AB 2588 guidance documents in light of OEHHA's revised Risk Assessment Guidelines.

Freight Sustainability (FS)

During the past year, the Freight Sustainability Subcommittee has provided discussion and/or updates on the following items:

- California Freight Investment Program Guidelines for the programming and allocation of state and federal funds pursuant to SB 826 (Leno, 2016);
- The San Pedro Bay Ports Clean Air Action Plan;
- Facility-Based Mobile Source Measures; and
- Caltrans California Freight Advisory Committee activities.

Small Business Considerations (SB)

Permit Streamlining and Modernization

Throughout 2017, the Small Business Subcommittee participated in meeting of the Permit Streamlining Task Force, and contributed to the discussions between the district staff and industry stakeholders about recommending strategies for reducing the volume of backlogged permits and improving the efficiency by which future permits can be processed, approved and issued.

Additionally, the Small Business Subcommittee assisted the district staff in arranging for representatives of two major dry cleaning trade associations in Southern California to participate in a demonstration and assessment of the new E-Permit System.

NO_x RECLAIM Transition to Command and Control

Throughout 2017, the Small Business Subcommittee participated in the meetings and contributed to the discussions between the district staff and industry and community stakeholders on issues relating to the equitable “sunsetting” of RECLAIM, and the orderly transition to a command-and-control program.

Rule 1469 (Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing)

Throughout 2017, the Small Business Subcommittee participated in the meetings and public workshops, and contributed to the discussions pertinent to the district’s efforts to amend Rule 1469. The Subcommittee will continue its participation in these efforts as the proposed rule is not scheduled to be heard by the Governing Board until January 2018.

Rule 1147 (NO_x Reductions from Miscellaneous Sources)

The Small Business Subcommittee has reported on the measured pace of rulemaking involved in amending Rule 1147 for the past six (6) years. On July 7, when the Governing Board approved the proposed rule, they did so with stipulations that the staff begin or continue (as appropriate) to accomplish certain tasks that would: 1) mitigate the economic burden of bi-annual emissions testing on the less than 1 lb. NO_x/day facilities; 2) eliminate the monopoly that a single low-NO_x burner manufacturer has over all other burner manufacturers; and 3) publish an implementation guide that clearly explains to the regulated community how they can comply with the amended rule. Moreover, the board stressed that their stipulations to staff be carried out with a sense of immediacy, and in collaboration with business stakeholders.

Since the staff has yet to meet and collaborate with business community leaders on any of the aforementioned stipulations, the Subcommittee will only claim a partial accomplishment for our efforts and influence over the past 6 years leading up to approval of the rule. The Small Business Subcommittee will report on Rule 1147 post-adoption progress, whenever there is something of substance to report.



South Coast
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HOME RULE ADVISORY GROUP 2018 GOALS AND OBJECTIVES

The Home Rule Advisory Group (HRAG) was established April 14, 1995, by the SCAQMD Governing Board as one element of the Business Clean Air Partnership. The HRAG is a coalition of local business leaders, environmental representatives, regulated agency officials, and air quality regulators dedicated to seeking realistic approaches to attaining clean air goals.

The mission of the Home Rule Advisory Group is to seek consolidation and consistency of federal, state, and local regulations to streamline regulatory compliance while achieving and fulfilling air quality goals and requirements. The group will focus on regulatory proposals and compliance issues that impose duplicative, conflicting or burdensome requirements. These goals will be accomplished by making recommendations including alternatives to the Stationary Source Committee on those issues that the group identifies, as well as pending legislation, litigation and regulatory proposals that have the potential to impose an unreasonable compliance burden on local businesses. The anticipated result is the development of recommendations that support reasonable and efficient approaches to attaining clean air goals.

The term “Home Rule” refers to the process and mechanism of self-governance by local government jurisdictions.

The Home Rule Advisory Group hereby adopts the following 2018 goals and objectives. These goals and objectives may be amended and/or re-prioritized at any time to reflect emerging or changing issues.

The Home Rule Advisory Group will actively examine potential conflicting, duplicative, and/or overly burdensome regulatory activities at local, state, and federal levels, including issues concerning credits and offsets for new sources, relieving air emission burdens on local communities, release of air toxic emissions, best practices to achieve air quality goals, interactions between local air quality and greenhouse gas objectives, etc. The anticipated result is the development of improved strategies to attain clean air goals. .

Climate Change

The Home Rule Advisory Group Climate Change Subcommittee will monitor selected local, state, regional federal, and international climate change regulatory, legislative, and non-governmental organizations’ developments. The Climate Change Subcommittee will review selected rulemaking and actions taken by U.S. EPA, ARB, and others with an eye toward harmonization of the regulatory process and to prevent or eliminate duplicative, overlapping, and unnecessarily burdensome requirements, while maximizing co-benefits of emission reductions in criteria pollutants and air toxics.

Environmental Justice

The Home Rule Advisory Group Environmental Justice Subcommittee will continue to monitor and report on the development and implementation of environmental justice programs and cumulative impact assessments by federal, state, and local agencies for purposes of evaluating the consistency of those programs and assessments with federal law, state law, and SCAQMD policies. It will also monitor the SCAQMD's AB 617 implementation and seek effective ways to address cumulative and disproportionate impacts while providing regulatory certainty and avoiding duplicative and overlapping requirements. It will continue to monitor developments related to OEHHA's AB2588 Risk Assessment Guidelines and CalEnviroScreen Tool and EPA's EJ Screen Tool for assessing environmental justice communities. Finally, it will continue to provide quarterly updates on how proceeds from CARB's GHG auctions are proposed to be used.

Freight Sustainability

One of the largest sources of NO_x emissions in the SCAQMD are mobile sources associated with the movement of freight through our region. Currently, the California Air Resources Board and the SCAQMD are developing (for SIP and AQMP purposes) mobile source reduction strategies for development and implementation over the next few years. Additionally, the State of California, under the guidance of Caltrans, is updating the California State Rail Plan and the California Transportation Commission is developing guidelines for implementation of the California Freight Investment Program. The Subcommittee will monitor and report on these and other related activities during the upcoming year.

Small Business Considerations

The Small Business Considerations Subcommittee will continue to provide small business input in the review and undertaking of air quality-related programs and will assure that recommendations to the Stationary Source Committee by the HRAG reflect a balanced view from small businesses and other HRAG members. The Subcommittee will periodically monitor economic and air modeling data, and report on any significant changes that may occur during 2018 and beyond. The Subcommittee representatives will also continue their involvement in the discussions about RECLAIM.

**DISTRICT RULES AND REGULATIONS INDEX
FOR NOVEMBER 2017 PENALTY REPORT**

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions (*Amended 8/18/00*)

REGULATION II – PERMITS

Rule 201 Permit to Construct (*Amended 1/5/90*)

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

REGULATION IV - PROHIBITIONS

Rule 402 Nuisance (*Adopted 5/7/76*)

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

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 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)

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

Rule 1176 Sumps and Wastewater Separators (*Amended 9/13/96*)

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 XXII ON-ROAD MOTOR VEHICLE MITIGATION

Rule 2202 On-Road Motor Vehicle Mitigation Options (*Amended 10/9/98*)

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements (*Amended 11/14/97*)

CALIFORNIA HEALTH AND SAFETY CODE § 41700

41960.2 Gasoline Vapor Recovery
41700 Violation of General Limitations

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

November 2017 Settlement Penalty Report

<u>Total Penalties</u>	
Civil Settlements:	\$128,673.00
MSPAP Settlements:	\$27,470.00
Total Cash Settlements:	\$156,143.00
Total SEP Value:	\$0.00
Fiscal Year through 11 / 2017 Cash Total:	\$2,753,532.97
Fiscal Year through 11 / 2017 SEP Value Only Total:	\$1,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
115536	AES REDONDO BEACH, LLC		11/7/2017	WBW		\$15,150.00
		2004			P60572	
		2012				
		203(b)				
		3002(c)(1)				
3704	ALL AMERICAN ASPHALT, UNIT NO.01		11/3/2017	ML		\$16,000.00
		2004			P14153	
		3002(c)(1)			P56328	
					P56333	
					P56341	
155474	BICENT (CALIFORNIA) MALBURG LLC		11/9/2017	BST		\$4,000.00
		2004			P62077	
		2012				
		3002				
178639	ECO SERVICES OPERATIONS LLC		11/1/2017	VKT		\$1,200.00
		2012 Appen A			P57824	
173033	GARDNERS COMMUNITY SERVICE		11/22/2017	WBW		\$3,000.00
		203(a)			P64552	
					P64563	
					P64566	
149473	GLIDEWELL LABORATORIES		11/29/2017	SH		\$750.00
		2202			P60343	
110581	GOLDEN STATE ENG., INC.		11/17/2017	DH		\$7,000.00
		203(a)			P63714	
164251	JR FUELING 2005		11/30/2017	NAS		\$200.00
		461(c)(2)(B)			P61667	
77266	JSL FOODS INC.		11/16/2017	BST		\$7,200.00
		1146			P64108	
		203(b)				
168205	KINDRED HOSPITAL BALDWIN PARK		11/17/2017	VKT		\$8,173.00
		2202			P60346	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
44287	PHIBRO-TECH INC		11/29/2017	BST		\$19,000.00
		203(b)			P64458	
137520	PLAINS WEST COAST TERMINALS LLC		11/28/2017	MJR		\$6,000.00
		2004(f)(1)			P56573	
		2012(d)(2)(A)			P57088	
		3002			P59390	
					P59392	
					P62954	
181119	QAI LABORATORIES		11/29/2017	BST		\$5,000.00
		402			P63961	
		41700				
19167	R J NOBLE COMPANY Suspended: during a period of one year commencing November 1, 2017 through November 1, 2018, if the facility is issued an NOV for any District fugitive dust rule or regulation, the facility shall pay a suspended penalty of \$1,000.00.		11/1/2017	NAS		\$1,000.00
		403(d)(1)			P60409	
		403(d)(2)				
800330	THUMS LONG BEACH		11/14/2017	WBW		\$4,000.00
		1176(e)(1)			P65301	
					P65302	
182050	TORRANCE VALLEY PIPELINE CO LLC		11/9/2017	BST		\$2,000.00
		2004			P62082	
18452	UNIVERSITY OF CALIFORNIA, LOS ANGELES		11/28/2017	MJR		\$2,000.00
		1146.2			P60142	
		3002(c)(1)			P60146	
					P60688	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
45973	UNIVERSITY OF REDLANDS	1110.2	11/16/2017	SH	P62008 P62026 P62044	\$27,000.00
Total Civil Settlements: \$128,673.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
178188	BIGGE CRANE		11/17/2017	JS		\$800.00
		203(a)			P66653	
180567	BOZAH, INC.		11/29/2017	JS		\$650.00
		41960.2			P65026	
		461(c)(2)(B)				
174177	CIRCLE K STORES INC #2709493		11/29/2017	JS		\$595.00
		41960			P64919	
		461				
182101	COMPLETE AUTOMOTIVE RECONDITIONING SPECI		11/29/2017	JS		\$2,800.00
		203(a)			P65558	
175084	DJ FOODS INC., HISHAM FARSAKH		11/29/2017	GC		\$1,100.00
		461			P64334	
		461(e)(5)				
175084	DJ FOODS INC., HISHAM FARSAKH		11/29/2017	GC		\$600.00
		461			P64339	
149485	FIVE POINTS GEN STORE, KISHORE RAMLAGAN		11/29/2017	GC		\$1,300.00
		203(a)			P63128	
		461(e)(1)				
		461 (e)(2)(A)				
176766	G & S STATION, GEHAN KHAFAGY		11/17/2017	GC		\$875.00
		41960.2			P60084	
		461(c)				
124776	H&S ENERGY, LLC. H&S 4		11/17/2017	GC		\$1,200.00
		203(a)			P65706	
		41960.2				
		461				
183626	HOLIDAY INN EXPRESS WEST LA		11/17/2017	GC		\$1,100.00
		1146.2			P62917	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
124529	HUSTLER CASINO		11/29/2017	GC		\$1,100.00
		1146.2			P64017	
129121	IRVINE TOYOTA		11/17/2017	GC		\$850.00
		461(e)(2)(A)			P63605	
		461(e)(2)(C)				
178426	LAKWOOD ARCO AM-PM		11/17/2017	GC		\$300.00
		41960.2			P65710	
		461				
184394	MR. HERNANDEZ CONCRETE PUMPING		11/17/2017	TF		\$300.00
		203(a)			P59693	
18294	NORTHROP GRUMMAN SYSTEMS CORP		11/3/2017	TF		\$1,300.00
		2004			P57098	
184199	ORANGE COATING AND SANDBLASTING		11/17/2017	TF		\$750.00
		109			P63861	
		203(a)				
181196	PARDEE HOMES		11/3/2017	TF		\$2,300.00
		403			P64368	
140997	QUIXTOP		11/3/2017	TF		\$1,650.00
		201			P65717	
		203				
		461				
166107	SHAHKOT GAS & MART, INC.		11/3/2017	GV		\$1,000.00
		41960.2			P65709	
		461				
140518	SHANCOR TESTING		11/3/2017	GV		\$200.00
		461(e)(3)			P65454	
43300	SKANSKA USA CIVIL WEST CA DISTRICT INC		11/3/2017	GV		\$1,700.00
		403			P65253	
183750	VALENIA CUSTOM FINISHER		11/2/2017	GV		\$1,100.00
		109			P62918	
		203 (a)				

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
180653	VATANI ENTERPRISES INC/DBA DAVE'S ARCO	203 (a) 461	11/17/2017	GC	P64664	\$3,500.00
167195	VIRSA FOOD MART	41960.2 461(c)(2)(B)	11/3/2017	GV	P65452	\$400.00

Total MSPAP Settlements: \$27,470.00

DISTRICT RULES AND REGULATIONS INDEX FOR NOVEMBER 2017 PENALTY REPORT

REGULATION II – PERMITS

- Rule 203 Permit to Operate (*Amended 1/5/90*)
- Rule 221 Plans (*Adopted 1/4/85*)
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written permit Pursuant to Regulation II. (*Amended 5/19/00*)

REGULATION III - FEES

- Rule 314 Fees for Architectural Coatings

REGULATION IV - PROHIBITIONS

- Rule 401 Visible Emissions (*Amended 9/11/98*)
- Rule 402 Nuisance (*Adopted 5/7/76*)
- Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*
- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)
- Rule 463 Storage of Organic Liquids (*Amended 3/11/94*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1105.1 Reduction of PM and Ammonia Emissions from Fluid Catalytic Cracking Units
- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines (*Amended 11/14/97*)
- Rule 1118 Emissions from Refinery Flares (*Adopted 2/13/98*)
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)
- Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)
- Rule 1149 Storage Tank Degassing (*Amended 7/14/95*)
- Rule 1158 Storage, Handling and Transport of Petroleum Coke (*Amended 6/11/99*)
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds (*Amended 5/13/94*)
- Rule 1176 Sumps and Wastewater Separators (*Amended 9/13/96*)
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities (*Amended 4/7/06*)
- 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 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities (*Adopted 3/3/17*)

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2005 New Source Review for RECLAIM (*Amended 4/20/01*)
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION

- Rule 2202 On-Road Motor Vehicle Mitigation Options (*Amended 10/9/98*)

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)

CALIFORNIA HEALTH AND SAFETY CODE § 41700

- 41960.2 Gasoline Vapor Recovery
- 41700 Violation of General Limitations

CODE OF FEDERAL REGULATIONS

- 40 CFR – Protection of the Environment

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

December 2017 Settlement Penalty Report

<u>Total Penalties</u>	
Civil Settlements:	\$882,575.00
Settlements including SEP	\$1,500,000.00
MSPAP Settlements:	\$36,595.00
Total Cash Settlements:	\$1,419,170.00
Total SEP Value:	\$1,000,000.00
Fiscal Year through 12 / 2017 Cash Total:	\$4,165,702.97
Fiscal Year through 12 / 2017 SEP Value Only Total:	\$2,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
115536	AES REDONDO BEACH, LLC	3002(c)(1) 40 CFR 2004(f)(1) 203 (b)	12/21/2017	WBW	P60582	\$2,875.00
164571	ALL ANIMAL VETERINARY GROUP \$1,000 is suspended commencing January 1, 2018 through January 1, 2019. If during this period the facility is issued an NOV for any District rule, the facility will pay a suspended penalty of \$1,000.00.	203 (a)	12/14/2017	NAS	6081-1 P61314	\$1,000.00
176339	BECKER SPECIALTY CORP.	3002(c)(1)	12/20/2017	BST	P63964	\$3,000.00
148895	CALIFORNIA RESOURCES PRODUCTION CORP	1173	12/5/2017	BST	P59396	\$6,500.00
148897	CALIFORNIA RESOURCES PRODUCTION CORP	1173		BST	P65303	
151899	CALIFORNIA RESOURCES PRODUCTION CORP	1173		BST	P65304	
164709	CALIFORNIA RESOURCES PRODUCTION CORP	1173		BST	P65305	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
16389	CEDARS-SINAI MEDICAL CTR		12/20/2017	NSF		\$41,000.00
		1146.2			P63668	
		1415				
		222				
		203			P63680	
		3002				
800030	CHEVRON PRODUCTS CO.		12/27/2017	TRB		\$375,500.00
		402			P26993	
		41700				
		2004			P48743	
		203				
		3002				
		401			P48744	
		1173				
		1176				
					P48745	
					P48746	
					P48748	
38440	COOPER & BRAIN - BREA		12/12/2017	ML		\$250.00
		2004			P62060	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
800089	EXXONMOBIL OIL CORPORATION	1158(d)(8) 1173 40 CFR 1118 221(b)	12/15/2017	DH	P56623 P61021	\$47,750.00
800066	HITCO CARBON COMPOSITES INC wire transfer	2012 Appen A	12/27/2017	BST	P62810	\$80,000.00
178689	HORSELESS CARRAIGE/NORTH COUNTY SAND & GRAVEL	203 42401	12/14/2017	NAS	P62012	\$3,500.00
92380	JB MARK ALLEN HOTEL VALET CLEANER'S	1146.2	12/19/2017	BST	P64004	\$5,000.00
182970	MATRIX OIL CORP	1173	12/7/2017	BST	P65310	\$3,200.00
18294	NORTHROP GRUMMAN SYSTEMS CORP	2004 2012(e)(2)(B)	12/26/2017	BST	P64414	\$2,500.00
181838	OSK MOBIL #2211214	203(a) 461	12/22/2017	WBW	P61993 P61996	\$1,000.00
157653	ROMAN DECORATING PRODUCTS	314	12/13/2017	NSF	P64815	\$1,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
174655	TESORO REFINING & MARKETING CO, LLC		12/5/2017	NSF		\$246,500.00
		1105.1			P45975	
		1118				
		1149				
		1173				
		1176(e)(1)				
		1178				
		2004(f)(1)				
		3002(c)(1)				
		401				
		463				
		1105.1			P45977	
		2005				
					P45978	
					P45979	
					P45980	
					P45981	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
13011	THE GILL CORPORATION		12/26/2017	BST		\$6,000.00
		3002(c)(1)			P60538	
160141	THOMAS SAFRAN & ASSOCIATES		12/1/2017	DH		\$5,500.00
		1403			P64852	
181667	TORRANCE REFINING COMPANY LLC		12/15/2017	DH		\$50,000.00
		402			P63409	
		41700				
Total Civil Settlements: \$882,575.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Settlements including SEP						
169754	SO CAL HOLDING, LLC		12/19/2017	TRB		\$1,500,000.00
	\$500,000 = cash settlement, \$1,000,000 = SEP - construct and operate a natural gas pipeline that will connect the Facility with the Southern California Gas Company Distribution System with a completion date of no later than January 31, 2020.	2004 2012			P37241 P37242 P37247 P62958	
Total Settlements including SEP: \$1,500,000.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
184393	ANTONIO HUERRERA		12/20/2017	JS		\$300.00
		203 (a)			P59692	
179857	APEX PARKS GROUP DBA BOOMERS		12/26/2017	JS		\$1,375.00
		461(c)(1)(B)			P65359	
184887	FULLMER CONSTRUCTION closes both 64760 Fullmer Construction, P64761 Metra Construction, Inc.		12/22/2017	TF		\$1,650.00
		403(d)(1)			P64760	
		403(d)(2)			P64761	
90847	KLUNE INDUSTRIES INC		12/20/2017	GC		\$1,275.00
		1147			P63672	
152675	MAGNOILIA VALERO, INC.		12/20/2017	GV		\$400.00
		41960			P64917	
		461				
172841	MSL ELECTRIC INC.		12/21/2017	TF		\$225.00
		203(a)			P66657	
26098	MULCAHY ENTERPRISES, INC.		12/21/2017	TF		\$1,000.00
		461			P65720	
165820	PACIFIC PALMS PETROLEUM, LLC		12/26/2017	TF		\$1,650.00
		203(a)			P56997	
		222				
138015	REDWOOD PRODUCTS INC		12/21/2017	TF		\$800.00
		203(a)			P66251	
13920	SAINT JOSEPH HOSPITAL		12/26/2017	GV		\$1,700.00
		3002(c)(1)			P63862	
155425	SANTA FE ENERGY, INC.		12/21/2017	GV		\$800.00
		461			P64976	
179724	SEYEDI PARTNERS		12/26/2017	GV		\$520.00
		41960.2			P65723	
		461				

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
181223	SIERRA ALLOYS COMPANY		12/26/2017	GV		\$2,400.00
		1430			P60689	
4477	SO CAL EDISON CO		12/21/2017	GV		\$2,000.00
		2004(f)(1)			P60585	
		203(b)				
		3002(c)(1)				
153780	SOUTH PASADENA SMOGPROS		12/21/2017	GV		\$1,000.00
		41960.2			P65023	
		461(c)(2)(B)				
118056	STRONG INC		12/21/2017	GV		\$450.00
		203(a)			P66901	
171660	TESORO (USA) 63311		12/26/2017	TF		\$14,850.00
		461			P64978	
185040	VERTEX TELECOM INC		12/21/2017	GV		\$800.00
		203(a)			P65555	
94488	WALT DISNEY PICTURES AND TELEVISION		12/26/2017	GV		\$2,400.00
		203			P57401	
		461(c)(3)(L)				
		461(e)(2)(A)				
153320	WALT'S CLEANERS		12/22/2017	GV		\$1,000.00
		1102			P63762	
Total MSPAP Settlements: \$36,595.00						



South Coast Air Quality Management District

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

Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2017 and 2018 NOx and SOx RTCs

January 2018 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	69.7	\$460,621	9	\$6,606
Feb-17	Feb-16 to Jan-17	94.7	\$610,693	11	\$6,446
Mar-17	Mar-16 to Feb-17	82.2	\$573,193	10	\$6,970
Apr-17	Apr-16 to Mar-17	125.3	\$824,493	12	\$6,581
May-17	May-16 to Apr-17	113.8	\$741,828	15	\$6,519
Jun-17	Jun-16 to May-17	113.8	\$741,828	15	\$6,519
Jul-17	Jul-16 to Jun-17	134.4	\$867,079	22	\$6,450
Aug-17	Aug-16 to Jul-17	144.8	\$920,041	29	\$6,355
Sep-17	Sep-16 to Aug-17	150.4	\$955,120	35	\$6,351
Oct-17	Oct-16 to Sep-17	151.2	\$956,005	36	\$6,323
Nov-17	Nov-16 to Oct-17	252.8	\$1,345,772	55	\$5,324
Dec-17	Dec-16 to Nov-17	267.1	\$1,376,674	58	\$5,155
Jan-18	Jan-17 to Dec-17	305.1	\$1,276,006	57	\$4,182

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-18	Jan-17 to Dec-17	91.6	\$974,592	3	\$10,639

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
Jan-17	Oct-16 to Dec-16	41.1	\$310,586	6	\$7,561
Feb-17	Nov-16 to Jan-17	66.1	\$460,658	8	\$6,971
Mar-17	Dec-16 to Feb-17	65.0	\$452,221	7	\$6,962
Apr-17	Jan-17 to Mar-17	68.1	\$401,372	4	\$5,897
May-17	Feb-17 to Apr-17	46.6	\$272,479	6	\$5,847
Jun-17	Mar-17 to May-17	46.6	\$272,479	6	\$5,847
Jul-17	Apr-17 to Jun-17	24.2	\$146,430	11	\$6,051
Aug-17	May-17 to Jul-17	31.0	\$178,213	14	\$5,753
Sep-17	Jun-17 to Aug-17	36.6	\$213,292	20	\$5,828
Oct-17	Jul-17 to Sep-17	17.9	\$97,616	15	\$5,468
Nov-17	Aug-17 to Oct-17	109.1	\$434,421	27	\$3,981
Dec-17	Sep-17 to Nov-17	118.9	\$438,682	25	\$3,689
Jan-18	Oct-17 to Dec-17	195.0	\$630,587	27	\$3,233

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
Jan-18	Oct-18 to Dec-18	38.1	\$400,092	1	\$10,500

Table V

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs
(Report to Governing Board if rolling average price after 2018 is less than \$200,000/ton)

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
May-16	May-15 to Apr-16	805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	301.9	\$114,731,605	20	\$380,057
Feb-17	Feb-16 to Jan-17	183.0	\$46,520,577	10	\$254,172
Mar-17	Mar-16 to Feb-17	174.3	\$41,738,077	7	\$239,491
Apr-17	Apr-16 to Mar-17	174.3	\$41,738,077	7	\$239,491
May-17	May-16 to Apr-17	176.8	\$42,113,977	8	\$238,223
Jun-17	Jun-16 to May-17	175.3	\$41,588,977	7	\$237,266
Jul-17	Jul-16 to Jun-17	172.2	\$40,437,201	6	\$234,802
Aug-17	Aug-16 to Jul-17	10.8	\$2,311,624	4	\$213,249
Sep-17	Sep-16 to Aug-17	4.1	\$624,124	3	\$152,598
Oct-17	Oct-16 to Sep-17	4.1	\$624,124	3	\$152,598
Nov-17	Nov-16 to Oct-17	4.1	\$624,124	3	\$152,598
Dec-17	Dec-16 to Nov-17	4.1	\$624,124	3	\$152,598
Jan-18	Jan-17 to Dec-17	31.8	\$1,262,801	6	\$39,673

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	0	0	0	-
Feb-17	Feb-16 to Jan-17	0	0	0	-
Mar-17	Mar-16 to Feb-17	0	0	0	-
Apr-17	Jan-17 to Mar-17	0	0	0	-
May-17	May-16 to Apr-17	0	0	0	-
Jun-17	Jun-16 to May-17	0	0	0	-
Jul-17	Jul-16 to Jun-17	0	0	0	-
Aug-17	Aug-16 to Jul-17	4.0	\$4,400	1	\$1,100
Sep-17	Sep-16 to Aug-17	14.0	\$19,400	2	\$1,386
Oct-17	Oct-16 to Sep-17	14.0	\$19,400	2	\$1,386
Nov-17	Nov-16 to Oct-17	14.0	\$19,400	2	\$1,386
Dec-17	Dec-16 to Nov-17	14.0	\$19,400	2	\$1,386
Jan-18	Jan-17 to Dec-17	14.0	\$19,400	2	\$1,386

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table VII

Twelve-Month Rolling Average Price Data for Compliance Year 2018 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price¹ (\$/ton)
Jan-18	Jan-17 to Dec-17	None	-	-	-

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.