

BOARD MEETING DATE: October 4, 2019

AGENDA NO. 27

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, September 20, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

AD:cr

Committee Members

Present: Council Member Ben Benoit/Chair (videoconference)
Senator Vanessa Delgado (Ret.) (arrived at 10:50 a.m. via videoconference)
Mayor Judith Mitchell (arrived at 10:35 a.m. via videoconference)
Supervisor V. Manuel Perez (arrived at 10:35 a.m. via videoconference)
Supervisor Rutherford (videoconference)

Absent: Supervisor Janice Hahn

Call to Order

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

INFORMATIONAL ITEMS:

1. Summary of Proposed Amended Rules 1110.2 – Emissions From Gaseous-and Liquid-Fueled Engines, and 1100 – Implementation Schedule for NOx Facilities

Michael Morris, Planning and Rules Manager, provided a summary of the proposed amendments.

Daniel McGivney, SoCalGas, commented that he appreciated efforts by the South Coast AQMD staff to work with SoCalGas. There are still two items that he will discuss with staff. He expressed support for the development of new technologies, such as the linear generator system, as a benefit to reduce emissions.

Adam Simpson, EtaGen, commented on his company's development of the linear generator technology. He stated that linear generators should be considered as a new category of power generation and he provided a description of the process. Council Member Ben Benoit asked Mr. Simpson to address the Volatile Organic Compound (VOC) issue associated with this technology. Mr. Simpson explained that their process uses a low-temperature reaction which does not provide enough heat for an oxidation catalyst to eliminate propane, a VOC, from the engine's exhaust. He stated that EtaGen is working on this issue and hopes to address the VOC emissions.

Supervisor Rutherford suggested the creation of a new category to include this technology and additional time to figure out a path forward to allow this technology.

Mayor Mitchell did not support any potential increases in VOC emissions. Council Member Benoit requested additional information from staff on this technology and suggested a separate rule development for this technology, if needed. Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, stated that staff will work to develop an option that could be incorporated in Proposed Amended Rule 1110.2 for the November Public Hearing.

Executive Officer Wayne Natri expressed support for all new cleaner technologies as long as they meet the emission limits for all pollutants. Mr. Natri also asked staff about the current and future potential impacts of this technology. Amir Dejbakhsh, Acting Deputy Executive Officer/Engineering and Permitting, stated that only one permit has been submitted for one unit and there are no installed linear generators in the South Coast AQMD at this time. Dr. Fine stated that it was difficult to predict the overall impacts since it was uncertain how many engines would be installed. Mr. Natri stated that staff will continue to work with EtaGen.

Mayor Mitchell and Supervisor Perez arrived at 10:35 a.m., and Senator Delgado arrived at 10:50 a.m.

2. Summary of Proposed Amended Rule 1407 – Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Chromium Metal Melting Operations

Mr. Morris presented a summary of the proposed amendments to Rule 1407.

Supervisor Rutherford asked where the four large facilities subject to the rule are located. Mr. Morris responded the facilities are located in Azusa, Vernon, Ontario, and Rancho Cucamonga.

Supervisor Rutherford asked if staff has discussed incentives with these facilities and asked why they are not currently taking advantage of the incentives. Mr. Morris explained that current Rule 1407 exemptions do not have a concentration limit for toxics and that the proposed amendments revise these exemptions. The estimated

costs are conservative and assumes that no facilities will be using the incentives to reduce contaminants in their processes. However, staff believes that facilities will likely change their raw materials to minimize toxics which will lower actual implementation costs.

3. Proposed Amended Rule 1403 – Asbestos Emissions from Demolition/Renovation Activities

Dr. Sarah Rees, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, presented an update on the proposed amendments to Rule 1403.

The following speakers provided public comment.

Ron Alexander, Coachella Valley Water District (via videoconference)
Ken Barker, Sully-Miller Contracting Company
Charles Busslinger, Municipal Water District of Orange County
Gabriel Dima-Smith, CalMutuals
Michael Friend, Association of California Cities-Orange County
Bill Gedney, Golden State Water Company
Priscilla Hamilton, SoCalGas
Steve Jepsen, Southern California Alliance of Publicly Owned Treatment Works (SCAP)
Jim Leach, Santa Margarita Water District
Timothy Miller, California American Water
Rick Olson, BUC/El Toro Water District
Cindy Parsons, Los Angeles Department of Water and Power
Frank Prewoznik, Irvine Ranch Water District
David Rothbart, Southern California Alliance of Publicly Owned Treatment Works (SCAP)
Jon Sanks, Anaheim Public Utilities
Stacy Taylor, Mesa Water District
Alison Torres, Eastern Municipal Water District
Jake Vollebregt, Moulton Niguel Water District
Peter Whittingham, BUC
Greg Wolffe, Buried Utilities Coalition (BUC)
Tammy Yamasaki, Southern California Edison

Stakeholders from various water districts and their associations provided comments that focused on survey requirements relative to who can assess the presence of asbestos, the need for simplified procedures for underground pipe, and the need to form an ad hoc committee to address the recently discovered issue of asbestos in some asphalt samples. Overall, the commenters appreciated the proposed “call and go” concept to allow immediate work to proceed without delay when dealing with an emergency situation and the other flexibilities for underground pipe, but believe additional changes are still warranted.

Senator Delgado commented that stakeholders are saying that the underground pipes are unique relative to aboveground structures and using as-built surveys as a basis for determining procedures and a new standard sounds reasonable. She urged staff to continue to work to find a compromise, keeping the health of the workers and the public in mind. She also asked for an explanation of the asphalt issue.

Dr. Rees responded that asphalt is not part of the current rule, but during the rulemaking process, staff became aware that asbestos had been discovered in some samples of asphalt, including in samples from a parking lot in West Hollywood. She stated that since becoming aware of those instances, staff has been requiring sampling of asphalt during rule-related work, and is currently collecting data to determine how big of a problem it is and how to proceed.

Mayor Mitchell stated that a number of commenters mentioned a California Division of Occupational Safety and Health Administration (Cal/OSHA) rule that covers the certification of asbestos inspectors and whether staff reviewed and investigated that.

Dr. Rees responded that staff talked with Cal/OSHA about the minimum training and certification requirements they believe are appropriate for assessing asbestos. Based on these discussions, staff developed proposed language allowing Asbestos Hazard Emergency Response Act (AHERA) trained building inspectors to conduct surveys. This is in response to stakeholder requests that individuals with certifications other than a Certified Asbestos Consultant (CAC) be authorized to conduct asbestos surveys. She noted that the AHERA certification is a 24-hour one-time training with an annual 8-hour refresher training compared to the extensive training to get a CAC license. In contrast, the asbestos pipework training suggested by stakeholders is a 4 hour training. Cal/OSHA was comfortable with the 24-hour AHERA training but not the 4-hour A/C pipe workers training.

Mayor Mitchell asked if it would be possible to synchronize the rule with Cal/OSHA's separate requirements for different types of inspections. Dr. Rees stated that staff would continue to work with Cal/OSHA on ensuring workers are qualified to identify the variety of materials containing asbestos as well as assess the condition of these materials.

Mayor Mitchell inquired about exemptions for small jobs and the issue of what is in the rule. Dr. Rees responded that both the National Emission Standards for Hazardous Air Pollutants (NESHAP) and South Coast AQMD's rule have de minimis levels, and that South Coast AQMD's rule is more stringent than the NESHAP. The NESHAP allows for an exemption for jobs that total less than 260 linear feet in a year. By contrast, Rule 1403 provides an exemption for jobs less than 100 square feet, which is less than the NESHAP. Dr. Rees noted that this difference has been in Rule 1403 since it was promulgated in 1989.

Mayor Mitchell commented that almost everyone wants more time on the rule and asked whether the November Public Hearing date is too soon. Mr. Nastri stated that staff is going to request to pull the item and bring it back to the Stationary Source Committee after the first of the year, and that staff will continue to work on the issues with stakeholders. Mayor Mitchell recommend that as well and Council Member Benoit agreed.

Senator Delgado suggested that staff talk to Cal/OSHA again, regarding the certification for pipe workers and the ability to conduct surveys, and perhaps add an hour to the 4-hour certification so that people could be qualified to do this type of work. Dr. Rees responded that staff would take that suggestion back to Cal/OSHA.

WRITTEN REPORTS:

4. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

The report was acknowledged by the Committee.

5. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

OTHER MATTERS:

6. Other Business

There was no other business.

7. Public Comment Period

There were no public comments.

8. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, October 18, 2019.

Adjournment

The meeting was adjourned at 11:47 a.m.

Attachments

1. Attendance Record
2. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition
3. Draft Notice of Violation Penalty Summary

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
Attendance – September 20, 2019**

Council Member Ben Benoit (videoconference)South Coast AQMD Governing Board
Senator Vanessa Delgado (Ret.) (videoconference) ..South Coast AQMD Governing Board
Mayor Judith Mitchell (videoconference)South Coast AQMD Governing Board
Supervisor V. Manuel Perez (videoconference)South Coast AQMD Governing Board
Supervisor Janice Rutherford (videoconference).....South Coast AQMD Governing Board

Andy SilvaBoard Consultant (Rutherford)

Ron Alexander(videoconference)Coachella Valley Water District
Ken BarkerSully-Miller Contracting Company
Charles BusslingerMunicipal Water District of Orange County
Michael FriendAssociation of California Cities-Orange County
Naro Kuch.....Sierra Aluminum
Bill LaMarrCalifornia Small Business Alliance
Jim LeachSanta Margarita Water District
Tim MillerCalifornia American Water
Cindy ParsonsLos Angeles Department of Water and Power
Frank PrewoznikIrvine Ranch Water District
Jon SanksCity of Anaheim
Stacy TaylorMesa Water District
Jake VollebregtMoulton Niguel Water District
Peter WhittinghamWhittingham Public Affairs Advisors
Tammy YamasakiSouthern California Edison

Barbara BairdSouth Coast AQMD staff
Amir DejbakhshSouth Coast AQMD staff
Marian Coleman.....South Coast AQMD staff
Philip Fine.....South Coast AQMD staff
Bayron Gilchrist.....South Coast AQMD staff
Terrence MannSouth Coast AQMD staff
Michael Morris.....South Coast AQMD staff
Susan NakamuraSouth Coast AQMD staff
Wayne NastriSouth Coast AQMD staff
Sarah Rees.....South Coast AQMD staff
Jill Whynot.....South Coast AQMD staff

September 2019 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018 Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff’s work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command and control regulatory structure. The table below summarizes key activities over the past month.

Item	Discussion
Teleconference with U.S. EPA – August 8, 2019	<ul style="list-style-type: none"> • Discussed South Coast AQMD’s preliminary NSR applicability test and offsetting recommendations for modified major sources • Discussed initial concepts for a one-time programmatic equivalency demonstration for the RECLAIM transition needed for Federal CAA 110(l)
Teleconference with U.S. EPA – August 13, 2019	<ul style="list-style-type: none"> • Discussed with U.S. EPA possibilities for reducing the demand for offsets
In person meeting with U.S. EPA – August 15, 2019	<ul style="list-style-type: none"> • Discussed the following topics with regards to the RECLAIM transition <ul style="list-style-type: none"> ○ Recommendations for NSR applicability and offsetting ○ Federal equivalency demonstrations ○ Concepts for reducing the demand for offsets ○ Status of RECLAIM landing rules and the RECLAIM transition
RECLAIM and Regulation XIII (New Source Review) Working Group Meeting – September 12, 2019	<ul style="list-style-type: none"> • This was the first working group meeting for Regulation XIII (New Source Review) <ul style="list-style-type: none"> ○ U.S. EPA has identified issues that are not unique to RECLAIM and have broader implications ○ Regulation XIII working group has been formed to address NSR issues post-RECLAIM, while providing an opportunity to conduct a full evaluation of new source review

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
DRAFT
July 2019 Settlement Penalty Report**

<u>Total Penalties</u>	
Civil Settlements:	\$7,084,000.00
MSPAP Settlements:	\$1,998.00
Hearing Board Settlements:	\$27,750.00
Total Cash Settlements:	\$7,113,748.00
Total SEP Value:	\$0.00
Fiscal Year through 7 / 2019 Cash Total:	\$7,113,748.00
Fiscal Year through 7 / 2019 SEP Value Only Total:	\$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
166073	BETA OFFSHORE	203	7/25/2019	DH	P66506	\$1,000.00
62649	CALIFORNIA PORTLAND CEMENT CO.	2004	7/3/2019	NSF	P64386	\$7,500.00
150298	GEM MOBILE TREATMENT SERVICES, INC.	203(a)	7/3/2019	VKT	P63257	\$500.00
141424	HOME DEPOT USA INC	1143	7/23/2019	BST	P64673	\$7,000,000.00
182547	ROBERTSON'S READY MIX	203(a) 13 CCR 2453	7/12/2019	SMP	P59685	\$25,000.00
114568	UNITED PARCEL SERVICE	2202	7/23/2019	WBW	P64778	\$50,000.00
19754	UNITED PARCEL SERVICE				P64779	
27690	UNITED PARCEL SERVICE				P64780	
27785	UNITED PARCEL SERVICE				P66971	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
52027	UNITED PARCEL SERVICE				P66972	
7681	UNITED PARCEL SERVICE				P66973	
79193	UNITED PARCEL SERVICE				P67020	
79912	UNITED PARCEL SERVICE				P67021	
83876	UNITED PARCEL SERVICE				P69052	
87053	UNITED PARCEL SERVICE				P69053	

Total Civil Settlements: \$7,084,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
149913	H C INTERNATIONAL CORPORATION	461 41960.2	7/17/2019	GC	P64998	\$560.00
13557	HARBOR LAWN MEM PARK	203(b)	7/17/2019	GC	P64090	\$638.00
180640	MPSS INC., DBA PARAMOUNT 76	461	7/17/2019	TF	P68118	\$800.00
Total MSPAP Settlements: \$1,998.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	7/23/2019	KCM	5400-4	\$25,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	7/9/2019	TRB	6128-1	\$2,750.00

Total Hearing Board Settlements: \$27,750.00

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 General Counsel's Office
 DRAFT
 August 2019 Settlement Penalty Report**

<u>Total Penalties</u>	
Civil Settlements:	\$877,000.00
MSPAP Settlements:	\$23,615.00
Hearing Board Settlements:	\$38,500.00
Total Cash Settlements:	\$939,115.00
Total SEP Value:	\$0.00
Fiscal Year through 8 / 2019 Cash Total:	\$8,052,863.00
Fiscal Year through 8 / 2019 SEP Value Only Total:	\$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
800196	AMERICAN AIRLINES, INC,	2004 2012	8/20/2019	NSF	P66170 P66171	\$5,000.00
117290	B BRAUN MEDICAL, INC	2004 2012(c)(3)(A)	8/28/2019	DH	P66903 P68305	\$16,000.00
187196	CREATIVE HOME REMODELING GROUP INC	40 CFR 60, QQQ 1403	8/1/2019	DH	P66278	\$1,500.00
800189	DISNEYLAND RESORT	2004	8/21/2019	SH	P68254	\$750.00
180908	ECO SERVICES OPERATIONS CORP.	2004(f)(1)	8/21/2019	SH	P66201	\$6,000.00
14492	JOHNSON LAMINATING & COATING INC	3002	8/21/2019	SH	P50742	\$1,750.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
167143	M&M OIL INC	203(b) 461(c)(2)(B) H&S 41960.2	8/2/2019	KCM	P60093 P60094	\$7,000.00
131425	MATRIX OIL CORPORATION _ RIDEOUT HEIGHTS	1173	8/28/2019	SH	P65309	\$2,500.00
166078	PROPEL, INC.	203(b)	8/22/2019	MJR	P64287	\$2,500.00
169752	RDULAC	1403	8/1/2019	KCM	P63089	\$3,500.00
800129	SFPP, L.P.	462(d)(1)(F) 2004(f)(1) 3002(c)(1)	8/29/2019	RFL	P56575 P65326	\$3,500.00
131850	SHAW DIVERSIFIED SERVICES INC	2012	8/21/2019	SH	P65372	\$1,500.00
187500	STERLING BUILDERS GROUP	1403	8/30/2019	DH	P65037	\$20,000.00
187287	TAREK BUYS HOUSES LLC	1403	8/29/2019	NSF	P66463	\$25,000.00
21872	TROJAN BATTERY COMPANY, LLC	221 1420.2	8/28/2019	NSF	P66010 P66011 P66012 P66013 P66014 P66015	\$755,000.00
187171	TURNER	403	8/1/2019	DH	P65062 P68052 P68060 P68062	\$15,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
170895	WASTE MANAGEMENT OF ORANGE	203	8/7/2019	NAS	P65403	\$10,000.00
		402			P66466	
		1155			P66469	
		H&S 41700			P66476	
					P66482	
					P66483	
					P66485	

Total Civil Settlements: \$877,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
175324	ANASTASI DEVELOPMENT COMPANY, LLC.	203(a)	8/15/2019	GC	P67301	\$800.00
184938	AW COLLISION OF LONG BEACH	109 203(a)	8/30/2019	GC	P63873	\$1,600.00
140720	BEVERLY 76	461 H&S 41960	8/1/2019	TF	P67219	\$800.00
186654	BROOKFIELD RESIDENTIAL, INC	203(a)	8/2/2019	GC	P67353	\$640.00
180593	CENTINELA GAS STATION, INC.	461 H&S 41960	8/2/2019	GC	P64928	\$470.00
180055	CIRCLE K #0514	203 461	8/30/2019	GC	P66361	\$1,800.00
13999	HUNTINGTON BEACH CITY, WATER DEPT	203(b)	8/30/2019	GC	P64086	\$1,200.00
4377	HUNTINGTON BEACH CITY, WATER DEPT	203(b)	8/30/2019	GC	P64087	\$600.00
19915	HUNTINGTON BEACH CITY, WATER DIVISION	203(b)	8/30/2019	GC	P64088	\$480.00
180192	NELSON NUTRACEUTICAL, LLC	201 203	8/30/2019	TF	P65794	\$1,600.00
98033	NEW ERA CLEANERS	203(b)	8/2/2019	TF	P63783	\$1,000.00
63967	NORDSTROM	1415	8/30/2019	TF	P65800	\$2,000.00
133751	OAK TREE PLAZA ASSOC. LLC,THE VILLAGE MA	461 H&S 41960.2	8/30/2019	TF	P68119	\$600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
160807	PRIMO POWDER COATING & SANDBLASTING	203(b)	8/15/2019	TF	P64095	\$1,650.00
181349	PRUKOPS AUTO BODY AND PAINT	1151(e)(1) 1171(c)(1)	8/15/2019	TF	P64098	\$800.00
163382	QUIKRETE OF SOUTHERN CALIFORNIA	203(a)	8/15/2019	TF	P65384	\$375.00
95189	RBC TRANSPORT DYNAMICS CORP	203(b)	8/30/2019	TF	P64093	\$500.00
152974	UNITED EXCAVATION	1403	8/30/2019	TF	P66464	\$1,200.00
152974	UNITED EXCAVATION	40 CFR 60, QQQ 1403	8/30/2019	TF	P65943	\$2,000.00
111301	WWF OPERATING COMPANY	203(b)	8/2/2019	TF	P65380	\$3,500.00

Total MSPAP Settlements: \$23,615.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	8/21/2019	KCM	5400-4	\$25,000.00
10966	WEBER METALS INC	1403	8/27/2019	DH	6136-1	\$13,500.00
Total Hearing Board Settlements: \$38,500.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR JULY AND AUGUST 2019 PENALTY REPORTS**

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 201 Permit to Construct
Rule 202 Temporary Permit to Operate
Rule 203 Permit to Operate
Rule 221 Plans

REGULATION IV - PROHIBITIONS

Rule 402 Nuisance
Rule 403 Fugitive Dust (*Pertains to solid particulate matter emitted from man-made activities*)
Rule 461 Gasoline Transfer and Dispensing
Rule 462 Organic Liquid Loading

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens
Rule 1155 Particulate Matter Control Devices
Rule 1171 Solvent Cleaning Operations

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
Rule 1420.2 Emission Standards for Lead from Metal Melting Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 RECLAIM Program Requirements

Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION

Rule 2202 On-Road Motor Vehicle Mitigation Options

REGULATION XXX TITLE V PERMITS

Rule 3002 Requirements

CALIFORNIA HEALTH AND SAFETY CODE

41700 Violation of General Limitations

41960 Certification of Gasoline Vapor Recovery System

41960.2 Gasoline Vapor Recovery

CODE OF FEDERAL REGULATIONS

40 CFR 60, QQQ Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater