

BOARD MEETING DATE: October 2, 2020

AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting remotely on Friday, September 18, 2020. 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)
Board Member Gideon Kracov
Council Member Judith Mitchell
Supervisor V. Manuel Perez

Absent: Senator Vanessa Delgado (Ret)
Supervisor Janice Rutherford

Call to Order

Chair Benoit called the meeting to order at 10:00 a.m.

INFORMATIONAL ITEMS:

1. Annual Progress Report for AB 617 Community Emissions Reduction Plans

Dr. Jo Kay Ghosh, Director of Community Air Programs and Health Effects Officer/Planning, Rule Development and Area Sources, presented a summary of the Annual Progress Report for AB 617 Community Emissions Reduction Plans (CERPs). The presentation highlighted the report framework, community outreach, and a summary of the commitments and actions taken from September 2019 to June 2020 to further reduce emissions in AB 617 communities designated in 2018.

Council Member Benoit asked when the MATES V study is expected to be released. Dr. Ghosh stated that the draft report is expected to be released by the end

of this year, with the expectation to have the final report considered by the Board in early 2021.

Bill LaMarr, California Small Business Alliance, asked what type of incentives have been allocated for the East Los Angeles, Boyle Heights, West Commerce (ELABHWC) community. Dr. Ghosh stated that these incentive projects included mobile source incentives as well as projects to decrease emissions from metal processing facilities and school air filtration projects in the ELABHWC community.

Angie Balderas, San Bernardino/Muscoy Community Steering Committee, requested a copy of the presentation. Dr. Ghosh committed to provide that to her.

Board Member Kracov asked the Board's role and responsibility to approve the various rule development projects included in the CERPs to achieve the emission reduction commitments for the AB 617 program. Executive Officer Wayne Nastri clarified that staff cannot presume what the Board will decide, nor can staff commit on behalf of the Board to adopt these rules, but staff commits to making the Board aware of the projects identified in the plans as part of our rulemaking efforts. Board Member Kracov emphasized the importance of implementing these plans and thanked staff for their work. Dr. Ghosh also clarified that the commitments in the San Bernardino/Muscoy community around aggregate plants were related to outreach and enforcement of existing rules, rather than for rule development for that industry. Board Member Kracov asked if Rule 1147 was included in the rule forecast calendar. Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, confirmed that Rule 1147 is on the rule forecast calendar and noted that there may be some overlap for that industry and the applicability of that rule.

Council Member Mitchell stated that she frequently attends AB 617 meetings and that Board Member Kracov has also attended these meetings. She noted an issue mentioned at the CARB Board meeting when they are considering approval of the CERP regarding the connection between land use and how it impacts air quality in these communities. Council Member Mitchell urged the Committee members to attend the AB 617 community meetings so that they may hear the community concerns so that they may work to encourage land use authorities to be involved in the program voluntarily, without requiring legislation to be amended to require their participation.

2. Recommendation for Year 3 Implementation of Assembly Bill 617

Dr. Ghosh presented a summary of the community identification and prioritization process, additional considerations, and staff's recommendation for Year 3 implementation of the AB 617 program. The presentation highlighted community characteristics and existing community efforts that demonstrate South Los Angeles's readiness for the AB 617 program. In addition to recommending South

Los Angeles for Year 3 implementation, staff recommended seeking additional funding to support the development and implementation of the community plans.

Board Member Kracov asked what the Board's role was in determining the community boundary for this recommendation. Dr. Ghosh stated that the Board approves the preliminary boundary and then after the community is designated, staff works with the community steering committee to finalize the community boundary. Board Member Kracov also asked what South Coast AQMD's authority is over oil production facilities in relation to other agencies like California Geologic Energy Management Division (CalGEM, previously DOGGR). Dr. Fine responded that the Year 1 community of Wilmington, Carson, West Long Beach had prioritized oil production sites in their CERP. He noted that other regulatory agencies such as CalGEM and the City of Los Angeles have important roles and he confirmed that South Coast AQMD has regulations and permitting requirements applicable to this industry.

Council Member Mitchell acknowledged the impact of oil production and oil well activity, such as from AllenCo, given their proximity to homes in the community. Council Member Mitchell agreed that South Los Angeles is a strong candidate for the program, noting that the community is well organized around these issues.

The public commenters included South Los Angeles residents, South Central Los Angeles PUSH program ambassadors, as well as staff from Strategic Concepts in Organizing and Policy Education (SCOPE) and Physicians for Social Responsibility-Los Angeles (PSR-LA):

Storm Hopkins
Ruth Andrade
Manuel Hernandez
Ignacio Gutierrez
Iretha

Laura Muraida
Gina Charusombat
Oscar Morales
Guadalupe
Elba Lilian Pleitez

The public all provided testimony regarding the various industries in the community, environmental and health conditions experienced by community members, community efforts that demonstrate community readiness and their experience working with key agency partners. Each speaker expressed support for the recommendation of South Los Angeles for Year 3 implementation of the AB 617 program.

Gloria Medina, SCOPE, supported the recommendation of South Los Angeles, and noted that the SCLA-PUSH program allowed residents to take data collection into their own hands.

Erica Blyther, City of Los Angeles Office of Petroleum and Natural Gas Administration, supported the recommendation of South Los Angeles noting the

community is being impacted by three drill sites in the area: Jefferson, Murphy, and AllenCo. Ms. Blyther stated that they welcome the advanced air monitoring that South Coast AQMD can provide for this community.

Marco A Sanchez, resident near AllenCo, spoke to a discharge from the facility in 2019 and expressed concern regarding the compliance history of the facility. Mr. Sanchez requested that monitoring be conducted 24/7 given the nearby college and high school for disabled children. Dr. Jason Low, Assistant Deputy Executive Officer/Office of Science and Technology Advancement, explained the history of monitoring efforts for this area, noting that air toxics have been within typical levels. Dr. Low also explained that in addition to the sampling that inspectors obtain as part of complaint response, the monitoring strategy has been updated to be able to activate sampling remotely. Dr. Low also discussed staff's efforts to provide air canisters to community members so that they may also obtain samples.

Martha Dina Arguello, Physicians for Social Responsibility-Los Angeles (PSR-LA) and Standing Together Against Neighborhood Drilling (STAND), expressed commitment and readiness of the community to participate in this program by highlighting current community efforts. Ms. Arguello shared appreciation for Council Member Mitchell's comment acknowledging the importance of land use agency participation in the program and shared PSR-LA's experience working with land use agencies and their policies and remain committed to ensure that work is implemented.

Board Member Kracov complimented Ms. Arguello's efforts in the community and her participation in the AB 617 consultation group. He emphasized the limited funds for the program, and asked Ms. Arguello how her organization may help seek additional funding if South Los Angeles is included in the AB 617 program. Ms. Arguello spoke to the strength of networking and experience her coalition has had in the community to ensure there is reinvestment in this community. She highlighted that her organizations' partners are also experienced in seeking additional funding sources, fighting for resources for the community, and reaffirmed her commitment to ensure the budget is utilized to create real change in the community.

A member of the public requested that companies and their employees are educated and that they use equipment that produce the least amount of emissions possible. He stated that community members must also be educated as to what they can do in their own home and to clean their community as well. He also asked what resources South Coast AQMD has to educate the community on air quality concerns. Council Member Benoit stated that the education will be a part of the AB 617 program. He stated the process is to first come into the area, identify the issues, address those, and get more funding from the state so that this work can be done in the community.

Council Member Mitchell acknowledged that the public comments demonstrate that the community is well organized. She also acknowledged that oil drilling has been an issue in the community for years and stated that this industry should be a focus for the agency. Council Member Mitchell corrected her previous reference to Baldwin Park which should have been Baldwin Hills and the Inglewood Oil Field area. She confirmed that this recommendation would be presented to the Board in October and stated that this community is deserving of AB 617 protections.

Council Member Benoit thanked staff and committed to join the fight to seek additional funding for this community and other AB 617 communities in the program. He acknowledged that this community should be prioritized for the program, emphasized the importance to find funds to support the program, and stated that he was encouraged by public speakers who participated.

3. Summary of Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

Michael Morris, Planning and Rules Manager, provided a summary on Proposed Amended Rule 1178.

Council Member Mitchell expressed support for the amendment.

4. Status Update on the Development of Proposed Rule 1109.1

Michael Krause, Planning and Rules Manager, presented an update on the development of Proposed Rule 1109.1, including the rule background, affected facilities, development process, BARCT assessment steps, proposed BARCT limits and considerations for implementation schedule.

Council Member Mitchell requested clarification as to the two proposed BARCT limits numbers for the smaller heater categories. Mr. Krause explained that the larger number represents the NOx limit which was determined to be cost-effective and achievable, and the second limit (smaller number) is achievable through the application of emerging technology proposed by vendors to be more fully developed at a future time.

Council Member Mitchell expressed concern about the application of one BARCT limit for all refineries that might have different operations for the same equipment. Mr. Krause clarified that the BARCT analysis was conducted based on the class and category of equipment. Ms. Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, added that the analysis was conducted as part of a “bottom-up” approach which comprises of cost-effectiveness calculation for each piece of equipment, averaging the cost-effectiveness over class and category, and including cost estimates for unique limitations at specific facilities.

Council Member Mitchell also inquired about the interpretation of the Assembly Bill 617 requirement to implement BARCT by 2023. Dr. Fine responded that the maximum NOx emission reductions would be sought as soon as practicable, but recognizing implementation considerations such as multiple concurrent emission reduction projects with concurrent construction activities, turnaround schedules, and availability of engineering and resources need to be considered and are part of determining the feasibility to implement BARCT.

Board Member Kracov asked when the rule is scheduled to be considered by the Board and whether the project will be evaluated under CEQA. Mr. Krause stated that the rule is scheduled to be presented to the Board in March 2021 and confirmed that a CEQA evaluation is required. Staff is currently working on an environmental assessment evaluating potential impacts from the new requirements.

5. 2019 Annual Report on AB 2588 Program

The Committee did not have time to review this item and therefore recommended that it be forwarded to the Board for consideration.

6. RECLAIM Quarterly Report – 8th Update

Due to time constraints, the presentation was waived. There were no questions or comments.

WRITTEN REPORT:

7. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

OTHER MATTERS:

8. Other Business

There was no other business.

9. Public Comment Period

There were no public comments.

10. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, October 16, 2020.

Adjournment

The meeting was adjourned at 11:50 a.m.

Attachments

1. Attendance Record
2. Draft Notice of Violation Penalty Summary

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
SEPTEMBER 18, 2020
ATTENDANCE ROSTER**

Council Member Ben Benoit	South Coast AQMD Governing Board
Board Member Gideon Kracov	South Coast AQMD Governing Board
Council Member Judith Mitchell	South Coast AQMD Governing Board
Supervisor V. Manuel Perez	South Coast AQMD Governing Board
Tom Gross.....	Board Consultant (Benoit)
Fred Minassian.....	Board Consultant (Mitchell)
Andy Silva	Board Consultant (Rutherford)
Mark Taylor	Board Consultant (Rutherford)
Ross Zelen.....	Board Consultant (Kracov)
Martha Dina Arguello.....	PSR-LA and STAND
Angie Balderas.....	San Bernardino, Muscoy Community Steering Committee
Erica Blyther.....	City of Los Angeles Office of Petroleum and Natural Gas Administration
Linda Cedillo	California Air Resources Board
Curtis Coleman	Southern California Air Quality Alliance
Frances Keeler	CCEEB
Bill LaMarr	California Small Business Alliance
Guo Quan Lim	CARB
Dan McGivney.....	Southern California Gas Co
Gloria Medina.....	SCOPE
Noel Muyco	Southern California Gas Co
Liliana Nunez.....	CARB
Helena Rhim	CARB
David Rothbart.....	SCAP
Patty Senecal.....	Western States Petroleum Association
Scott Weaver.....	Ramboll
Peter Whittingham	Whittingham Public Affairs Advisors
Derrick Alatorre.....	South Coast AQMD staff
Jason Aspell	South Coast AQMD staff
Barbara Baird.....	South Coast AQMD staff
Naveen Berry	South Coast AQMD staff
Amir Dejbakhsh.....	South Coast AQMD staff
Philip Fine.....	South Coast AQMD staff
Jo Kay Ghosh.....	South Coast AQMD staff

Bayron Gilchrist..... South Coast AQMD staff
Tracy Goss South Coast AQMD staff
Sheri Hanizavareh..... South Coast AQMD staff
Mark Henninger South Coast AQMD staff
Michael Krause South Coast AQMD staff
Jason Low South Coast AQMD staff
Terrence Mann South Coast AQMD staff
Matt Miyasato South Coast AQMD staff
Michael Morris..... South Coast AQMD staff
Ron Moskowitz..... South Coast AQMD staff
Susan Nakamura South Coast AQMD staff
Wayne Nastri South Coast AQMD staff
Sarah Rees..... South Coast AQMD staff
Lisa Tanaka O' Malley South Coast AQMD staff
Anthony Tang South Coast AQMD staff
Jill Whynot..... South Coast AQMD staff
William Wong..... South Coast AQMD staff
Paul Wright South Coast AQMD staff
Victor Yip South Coast AQMD staff

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

Settlement Penalties Report (08/01/2020 - 08/31/2020)

Total Penalties

Civil Settlement : \$1,145,492.00
Hearing Board Settlement : \$30,000.00
MSPAP Settlement : \$31,408.00

Total Cash Settlements: \$1,206,900.00

Fiscal Year through 08/31/2020 Cash Total : \$3,242,607.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
183832	AST TEXTILE GROUP, INC.	2004, 2005, 2012	08/14/2020	DH	P65379, P66906, P66912, P66916	\$49,992.00
188623	CAL RETROFIT	1403, 40 CFR 60, QQQ	08/14/2020	BT	P67458, P67459	\$2,900.00
119219	CHIQUITA CANYON LLC	203, 3002	08/11/2020	DH	P67616	\$1,000.00
800037	DEMENNO-KERDOON DBA WORLD OIL RECYCLING	2004	08/14/2020	DH	P64424	\$1,200.00
189467	NAM AUTO BODY	109, 201, 203(a), 1151(e)(1)	08/27/2020	KER	P68610	\$500.00
8547	QUEMETCO INC	1420.1, 2004, 3002, 40 CFR 60, QQQ	08/27/2020* *Date payment received; case settled 4/30/20	NSF	P52420, P64422, P67052, P67053, P67054	\$600,000.00
15504	SCHLOSSER FORGE COMPANY	1155, 1430, 2004, 3002(c)(1)	08/14/2020	VT	P63874, P64143, P67363	\$6,500.00
184301	SENTINEL PEAK RESOURCES CALIFORNIA, LLC	463(c), 2004(f)(1)	08/20/2020	DH	P67907	\$3,400.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
181667	TORRANCE REFINING COMPANY LLC	401, 1114, 1118, 1173, 1176, 3002, 40 CFR 60, QQQ	08/20/2020	DH	P65605	\$350,000.00
800026	ULTRAMAR INC	3002(c)(1)	08/14/2020	TB	P63377	\$30,000.00
111176	WESTERN RIVERSIDE CO REG WASTEWATER AUTH	402, H&S 41700	08/14/2020	MR	P52412, P52419, P61120, P63163, P63465, P63466, P63467, P63468, P63469, P63918, P64517, P64518, P64570, P64571, P64572, P64573, P64853, P65853, P65884, P66255, P66275, P66292, P66424, P66427, P66430, P67051	\$100,000.00

?

Total Civil Settlements : \$1,145,492.00

Hearing Board

104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	8/20/2020	KCM	5400-4	\$25,000.00
10966	WEBER METALS INC	1430	08/27/2019	DH	6136-1	\$5,000.00

Total Hearing Board Settlements : \$30,000.00

MSPAP

109142	AGRISCAPE SOILS	203(a)	08/05/2020	GC	P67426	\$800.00
134482	ALEX CLEANERS	203(a), 1421	08/27/2020	GC	P69507	\$850.00
168966	ALI'S ENTERPRISES, INC. 2	461, H&S 41960	08/05/2020	GC	P68415	\$360.00
167321	ANABI OIL, DBA WILLIAM HAWATMEH, PASADENA	461	08/06/2020	TCF	P70059	\$300.00
127384	CIRCLE K STORES INC. #2705786	461	08/27/2020	GC	P68126	\$1,063.00
181985	DINO STATION	461, H&S 41960	08/27/2020	GC	P68405	\$960.00
7018	L & N COSTUME SERVICES	1146	08/06/2020	TCF	P68755	\$750.00
164968	L.A.N. TESTING	1166	08/07/2020	TCF	P70355	\$1,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
126273	LUCKY CENTER CLEANERS, BYOUNG M LEE DBA	1421	08/07/2020	TCF	P68703	\$100.00
91211	MOBIL DLR, AMIR BARHOMA	461, H&S 41960.2	08/20/2020	TCF	P69050	\$900.00
191046	NAVARCHUS, LLC	1403, 40 CFR 60, QQQ	08/20/2020	TCF	P69204, P69212	\$1,600.00
143533	NEW CINGULAR WIRELESS PCS LLC	1470	08/07/2020	TCF	P69395	\$800.00
117724	OIL OPERATORS INC.	203(b)	08/07/2020	TCF	P66843	\$1,600.00
145971	PACIFIC MINI MARKET, PHILIP J. LAO DBA	461, H&S 41960.2	08/27/2020	TCF	P68454	\$2,000.00
102355	PCM INC/GOLDEN RAIN FOUNDATION	461(c)(3)(Q)	08/07/2020	TCF	P68764	\$300.00
177201	PREMIER INV GRP, INC. VENICE CHEVRON	201, 203(a)	08/27/2020	TCF	P68429	\$400.00
168554	PRISTINE FIDELITY ENTERPRISES	461, H&S 41960.2	08/27/2020	TCF	P69603	\$800.00
179739	PROPEL FUELS CMSI #109	461	08/27/2020	TCF	P69043	\$375.00
142501	PROSPECT CLEANERS, YANG KON KIM DBA	1421	08/27/2020	TCF	P68760	\$375.00
128235	PUENTE HILLS TOYOTA, INC.	203(b)	08/27/2020	TCF	P70259	\$375.00
190240	R A CONSTRUCTION	403(d)(2)	08/27/2020	TCF	P68858	\$800.00
149378	RIVERSIDE CO TRAVEL ZONE CENTER INC	461(c)(3)(Q)	08/27/2020	TCF	P66396	\$500.00
100806	ROBINSON HELICOPTER CO INC	3002	08/28/2020	TCF	P69954	\$500.00
175999	RUBBER RECOVERY, INC	203(b)	08/28/2020	TCF	P69390	\$1,000.00
100	RUSS BASSETT COMPANY	201, 203(a)	08/28/2020	TCF	P70253	\$1,000.00
184292	SENTINEL PEAK RESOURCES CALIFORNIA LLC	203	08/28/2020	TCF	P66511	\$1,000.00
159612	SIGNATURE FLIGHT SUPPORT-VNY	461	08/28/2020	TCF	P67717	\$500.00
171593	SOUTH SHORE MOBIL NABIL KHEIR	461(c)(3)(Q)	08/28/2020	TCF	P69032	\$300.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
181224	SUNSET FUELS, INC	461(e)(2)(C)	08/28/2020	TCF	P69034	\$800.00
71051	SYSTEM TRANSPORT	1146.1	08/28/2020	TCF	P63898	\$3,200.00
171612	TESORO (US) 63270, TESORO REFINING & MAR	461, H&S 41960.2	08/20/2020	TCF	P69026	\$800.00
171549	TESORO (USA) 63133	461, H&S 41960.2	08/20/2020	TCF	P70352	\$800.00
117466	THREE SISTERS TRUCK STOP	461(e)(2)	08/20/2020	TCF	P66386	\$500.00
143057	UNITED NO. 1, LLC	461, H&S 41960	08/20/2020	TCF	P68430	\$800.00
151073	V-T WEST, INC. CALIFORNIA DIV.	203(b)	08/20/2020	TCF	P65900	\$500.00
175260	W & M, INC	1166	08/20/2020	TCF	P69048	\$500.00
189371	WHITTIER UNION HIGH SCHOOL DISTRICT	461(c)(3)(Q)	08/28/2020	TCF	P65874	\$300.00
27306	WINALL OIL CO #9	461	08/20/2020	TCF	P68432	\$1,600.00
31923	WORTMANN OIL COMPANY, INC.	461	08/20/2020	TCF	P70057	\$300.00
Total MSPAP Settlements : \$31,408.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR AUGUST 2020 PENALTY REPORT**

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

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions
Rule 402 Nuisance
Rule 403 Fugitive Dust
Rule 461 Gasoline Transfer and Dispensing
Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1114 Petroleum Refinery Coking Operations (MCS-01)
Rule 1118 Emissions from Refinery Flares
Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
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 (10-08)
Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil
Rule 1173 Fugitive Emissions of Volatile Organic Compounds
Rule 1176 Sumps and Wastewater Separators

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
Rule 1420.1 Emissions Standards for Lead from Large Lead-Acid Battery Recycling Facilities
Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations
Rule 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

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

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 RECLAIM Program Requirements

Rule 2005 New Source Review for RECLAIM

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

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits

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