

BOARD MEETING DATE: December 2, 2022

AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a remote meeting on Friday, November 18, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben J. Benoit, Chair  
Stationary Source Committee

JA:cr

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### **Committee Members**

Present: Mayor Ben J. Benoit, Committee Chair  
Supervisor Sheila Kuehl, Committee Vice Chair  
Senator Vanessa Delgado (Ret.)  
Board Member Veronica Padilla-Campos  
Supervisor Janice Rutherford

Absent: Vice Mayor Rex Richardson

### **Call to Order**

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

For additional information of the Stationary Source Committee Meeting, please refer to the [Webcast](#).

### **INFORMATIONAL ITEMS:**

#### **1. Summary of Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and Proposed Amended Rule 1107 – Coating of Metal Parts and Products**

Heather Farr, Planning and Rules Manager/Planning, Rule Development and Implementation, provided a summary of Proposed Amended Rules 1106 and 1107 that will address U.S. EPA's proposed limited State Implementation Plan (SIP) disapproval due to the inclusion of an unapproved test method. Board Member

Padilla-Campos asked for clarification on the limited SIP disapproval and staff explained that with the exception of the test method the rules can be approved.

There were no comments received from the public. For additional details, please refer to the [Webcast](#) beginning at 1:11.

**2. Summary of Proposed Amended Rule 1118 – Control of Emissions From Refinery Flares**

Michael Krause, Assistant Deputy Executive Officer/Planning, Planning, Rule Development and Implementation, presented a summary of Proposed Amended Rule 1118 to specifically address U.S. EPA’s limited disapproval by including U.S. EPA and CARB as part of the approval process for test methods not specified in the rule.

There were no comments received from Committee members or from the public. For additional details, please refer to the [Webcast](#) beginning at 7:11.

**WRITTEN REPORTS:**

**3. Monthly Update of Staff’s Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program**

The report was acknowledged by the committee.

**4. Notice of Violation Penalty Summary**

The report was acknowledged by the committee.

**OTHER MATTERS:**

**5. Other Business**

There was no other business to report.

**6. Public Comment Period**

Several public comments were raised regarding the Revised Draft 2022 AQMP:

Sarah Wiltfong, BizFed, Nayiri Baghdassarian, San Gabriel Valley Economic Partnership, Bill LaMarr, California Small Business Alliance and Elias Garcia, Los Angeles Chamber of Commerce, raised concerns on the electrification strategy and urged fuel and technology neutrality. They also commented on the capacity and resilience of the electric grid to support the proposed zero emission strategy and requested to include the costs associated with upgrading infrastructure in the 2022 AQMP’s socioeconomic analysis. Mr. LaMarr requested to delay the adoption of the 2022 AQMP to perform an in-depth socioeconomic analysis including the costs for infrastructure and the possibility of an economic recession in 2023.

Michael Carroll, Latham and Watkins representing WSPA, stated an AQMP is a legally binding document with repercussions of economic penalties in case of failure to attain; therefore, it should contain a contingency plan if the assumptions used to develop the 2022 AQMP are no longer valid.

Wayne Nastri, Executive Officer, responded that the 2022 AQMP's socioeconomic analysis reflects the best available information and that quantifying all costs related with infrastructure is not possible, because some information is not available. Mr. Nastri clarified that the 2022 AQMP is technology neutral, and any fuel can be used that meets a zero emissions standard. Dr. Sarah Rees, Deputy Executive Officer/Planning, Planning, Rule Development and Implementation, stated that the federal CAA requires South Coast AQMD to identify specific technologies three years prior to the attainment due date for the emission reductions accounted for under Section 182(e)(5).

Supervisor Rutherford stated that it is challenging for a policymaker to vote on the 2022 AQMP because there are uncertainties with its implementation such as electrical grid capacity and associated costs. She also questioned if additional time would allow staff to address those uncertainties.

Mr. Nastri responded that a few extra months would not change the results of the analysis and explained that while it is difficult to plan the next 15 years with certainty, there will be technological progress over time and the CAA allows flexibility to rely on future technologies to achieve attainment. Dr. Rees commented on the difficulty of quantifying the cost for infrastructure upgrades even with additional time, since the costs needs be borne not only by South Coast AQMD, but also by other state and federal agencies. She also emphasized a legal obligation to develop the AQMP and submittal due date, which has passed already.

Supervisor Kuehl stated that there could be more generation of electricity locally over the next 15 years and electricity demand could be managed differently. For example, electricity used to bring water to the region could be spared by water recycling and water conservation. She emphasized the importance of adopting the AQMP.

For additional details, please refer to the [Webcast](#) beginning at 11:16.

## **7. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, January 20, 2023 at 10:30 a.m.

## **Adjournment**

The meeting was adjourned at 11:02 a.m.

## **Attachments**

1. Attendance Record
2. Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program
3. Notice of Violation Penalty Summary

# ATTACHMENT 1

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

**Attendance –November 18, 2022**

Mayor Ben J. Benoit .....	South Coast AQMD Board Member
Senator Vanessa Delgado.....	South Coast AQMD Board Member
Supervisor Sheila Kuehl.....	South Coast AQMD Board Member
Board Member Padilla-Campos .....	South Coast AQMD Board Member
Supervisor Janice Rutherford .....	South Coast AQMD Board Member
Tricia Almiron .....	Board Consultant (Benoit)
Ruthanne Taylor Berger.....	Board Consultant (Benoit)
Tom Gross .....	Board Consultant (Benoit)
Loraine Lundquist.....	Board Consultant (Kuehl)
Debra Mendelsohn.....	Board Consultant (Rutherford)
Mark Taylor.....	Board Consultant (Rutherford)
Amy Wong .....	Board Consultant (Padilla-Campos)
Mark Abramowitz.....	Community Environmental Services
Nayiri Baghdassarian .....	San Gabriel Valley Economic Partnership
Curtis Coleman.....	Southern California Air Quality Alliance
Michael Carroll.....	Latham and Watkins
Elias Garcia .....	Los Angeles Chamber of Commerce
Bill LaMarr.....	California Small Business Alliance
Rongsheng Luo.....	SCAG
Dan McGivney .....	SoCalGas
Patty Senecal .....	WSPA
Peter Whittingham.....	Whittingham Public Affairs Advisors
Sarah Wiltfong.....	BizFed
Derrick Alatorre.....	South Coast AQMD staff
Jason Aspell.....	South Coast AQMD staff
Barbara Baird .....	South Coast AQMD staff
Heather Farr.....	South Coast AQMD staff
Bayron Gilchrist .....	South Coast AQMD staff
Sheri Hanizavareh.....	South Coast AQMD staff
Anissa Heard-Johnson .....	South Coast AQMD staff
Mark Henninger.....	South Coast AQMD staff
Sujata Jain .....	South Coast AQMD staff
Aaron Katzenstein .....	South Coast AQMD staff
Michael Krause.....	South Coast AQMD staff
Jason Low.....	South Coast AQMD staff
Terrence Mann.....	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
Jillian Wong .....	South Coast AQMD staff
Paul Wright .....	South Coast AQMD staff
Victor Yip.....	South Coast AQMD staff

## November 2022 Update on Work with U.S. EPA and CARB 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 with U.S. EPA and CARB since the last report.

Item	Discussion
Video Conference with U.S. EPA and CARB – November 3, 2022	<ul style="list-style-type: none"><li data-bbox="678 583 1406 655">• Reviewed presentations for the upcoming November RECLAIM and Regulation XIII working group meetings</li></ul>

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

**Settlement Penalty Report (10/01/2022 - 10/31/2022)**

Total Penalties

Civil Settlement:                 \$270,166.92

**Total Cash Settlements:**         \$270,166.92

**Fiscal Year through 10/31/2022 Cash Total:**     \$2,137,423.63

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Numbers	Total Settlement
<b>Civil</b>						
23752	AEROCRAFT HEAT TREATING CO, INC.	2004	10/05/2022	NS	P68658	\$5,455.00
152099	AUTO-TECH BODY SHOP	203(a)	10/07/2022	JL	P69584	\$1,200.00
170905	CALIFORNIA DEPT. OF TRANSPORTATION	403	10/12/2022	JL	P74170	\$8,458.00
59461	EDELBROCK CORP.	2202	10/05/2022	JL	P67024	\$13,782.92
190069	GRIFFITH COMPANY	403	10/20/2022	DH	P62179, P65892, P66565, P67712, P67713	\$9,500.00
800313	LAXFUEL CORP	3002, 3003	10/20/2022	KCM	P73656	\$200,000.00
192474	MIRANDA LOGISTICS ENTERPRISES, INC.	403, 13 CCR 2454	10/26/2022	JL	P74171	\$3,273.00
194444	MYERS & SONS CONSTRUCTION	403, 1157	10/12/2022	JL	P63492	\$23,998.00
188183	TEMECULA QUALITY PLATING, INC.	201, 203	10/05/2022	NS	P67414	\$4,000.00
144681	WARREN E&P, INC.	203, 463, 1148.2, 1173	10/18/2022	KER	P66505, P66508, P66521	\$500.00
<b>Total Civil Settlements: \$270,166.92</b>						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR OCTOBER 2022 PENALTY REPORT**

**REGULATION II - PERMITS**

Rule 201            Permit to Construct  
Rule 203            Permit to Operate

**REGULATION IV - PROHIBITIONS**

Rule 403            Fugitive Dust  
Rule 463            Storage of Organic Liquids

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1148.2        Hydraulic Fracturing of Oil and Gas Wells  
Rule 1157            PM10 Emission Reductions from Aggregate and Related Operations  
Rule 1173            Fugitive Emissions of Volatile Organic Compounds

**REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET**

Rule 2004            Requirements

**REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION**

Rule 2202            On-Road Motor Vehicle Mitigation Options

**REGULATION XXX TITLE V PERMITS**

Rule 3002            Requirements  
Rule 3003            Applications

**CALIFORNIA CODE OF REGULATIONS**

13 CCR 2454        Portable Equipment Registration Process