BOARD MEETING DATE: March 4, 2022

REPORT: Stationary Source Committee

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

RECOMMENDED ACTION:
Receive and file.

Ben J. Benoit, Chair
Stationary Source Committee

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

Absent: Vice Mayor Rex Richardson

Call to Order
Chair Benoit called the meeting to order at 10:31 a.m.

INFORMATIONAL ITEM:
1. Summary of Proposed Amended Rule 1147 - NOx Reductions from Miscellaneous Sources
   Michael Krause, Assistant Deputy Executive Officer/Planning Rules Development and Implementation, provided a summary of Proposed Amended Rule including proposed emission limits, periodic monitoring requirements and the implementation schedule.

   There were no committee or public comments.
2. **Summary of Proposed Rule 1147.2 - NOx Reductions from Metal Melting and Heating Furnaces**

Michael Morris, Planning and Rules Manager/Planning Rules Development and Implementation, provided a summary on Proposed Rule 1147.2 including proposed emission limits, periodic monitoring requirements and implementation schedule.

Harvey Eder, Public Solar Power Coalition, commented that South Coast AQMD should include solar power technologies as part of the BARCT assessment.

3. **Update on Implementation of Rule 415 - Odors from Rendering Facilities**

Terrence Mann, Deputy Executive Officer/Compliance & Enforcement, presented an update on the implementation of Rule 415, the status of ongoing facility installations of enclosures, overview of Rule 402 and ongoing outreach and enforcement efforts. Statutory penalties for violations of air quality rules and potential improvement by legislative action were also discussed.

Board Member Padilla-Campos asked staff whether statutory penalty issues could be brought to the Legislative Committee. Executive Officer Wayne Nastri responded that the item could be brought before the Legislative Committee next month, as well as to members of the California Legislature now for a possible spot bill. Chair Benoit commented he would be meeting with the State Senator and would raise the issue.

Board Member Padilla-Campos asked whether six website complaints were needed for action or if complaint thresholds included both phone and website complaints. Mr. Mann clarified that the key is how many complaints can be verified in the field with community members.

Senator Delgado encouraged the committee to strengthen statutory penalties and expressed support in working to do so at the State level.

Chair Benoit asked if remote video monitoring would be helpful, such as through a recording requirement established by rulemaking. Chair Benoit asked if the next version of the South Coast AQMD Mobile App could include geotags for complaints. Mr. Nastri to report back on both inquires.

Senator Delgado asked whether a complaint from school administrative staff superseded the general requirement for six verified complaints. Mr. Mann confirmed that a teacher, administrator, or maintenance staff member could serve as a proxy for all students at a school, and a single verified complaint by that school employee would be sufficient to establish a public nuisance.
Curtis Coleman expressed concerns about seeking higher penalties. He commented that pushback is expected from industry stakeholders and recommended that any consideration of increased penalties be limited to public nuisance actions.

4. **Annual RECLAIM Audit Report for 2020 Compliance Year**
   Jason Aspell, Deputy Executive Officer/Engineering and Permitting, presented an overview of the RECLAIM NOx and SOx Annual Report for Compliance Year 2020, and the actions required under Rule 2002 - Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx) and Rule 2015 - Backstop Provisions resulting from NOx RECLAIM Trading Credits (RTC) price increases reflected in this most recent report. He indicated that the annual report continued to show programmatic and high individual facility compliance for annual emission rates for both NOx and SOx and met all other requirements.

   Supervisor Kuehl requested clarification on the Board’s role relative to actions required under Rule 2002 and Rule 2015. Staff clarified that if a report is required to be submitted to CARB and EPA, any decisions would be presented to the Board.

   Board Member Padilla-Campos requested clarification on the review of health risks under RECLAIM. Staff clarified that RECLAIM does not supersede the health protective requirements under separate toxic rules and regulations including Regulation XIV - Toxics and Other Non-Criteria Pollutants and AB2588 - Toxics Hot Spots.

   There were no public comments.

**WRITTEN REPORTS:**

5. **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.

6. **Notice of Violation Penalty Summary**
   The report was acknowledged by the committee.
OTHER MATTERS:
7. Other Business
   There was no other business to report.

8. Public Comment Period
   Mr. Eder expressed concern about the health of workers at rendering plants and that the numbers of premature deaths from emissions in South Coast AQMD are under reported in the socioeconomic plan.

   Rita Loof, RadTech, commented on the Rule 1115 amendments. She expressed concern that the proposal does not reflect the current state of their technology. She asked that staff incorporate past Board decisions that were made on other rules, such as graphic arts and adhesives into this amendment. She requested adding a definition for energy curable materials, providing incentives to businesses who voluntarily convert to lower emitting materials that would go above and beyond the rule’s requirements, and specifying a test method for their materials.

9. Next Meeting Date
   The next Stationary Source Committee meeting is scheduled for Friday, March 18, 2022 at 10:30 a.m.

Adjournment
The meeting was adjourned at 11:45 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
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
Attendance –February 18, 2022

Mayor Ben J. Benoit ..................................................... South Coast AQMD Board
Senator Delgado (Ret.) ................................................. South Coast AQMD Board
Supervisor Sheila Kuehl ........................................... South Coast AQMD Board
Board Member Veronica Padilla-Campos .................... South Coast AQMD Board
Supervisor Janice Rutherford .................................... South Coast AQMD Board

Teresa Acosta ......................................................... Board Consultant (Delgado)
Ruthanne Taylor Berger ........................................ Board Consultant (Benoit)
Tom Gross .............................................................. Board Consultant (Benoit)
Matthew Hamlett .................................................. Board Consultant (Richardson)
Loraine Lundquist .................................................. Board Consultant (Kuehl)
Debra Mendelsohn .................................................. Board Consultant (Rutherford)
Mark Taylor .......................................................... Board Consultant (Rutherford)
Amy Wong ........................................................... Board Consultant (Padilla-Campos)
Ross Zelen ............................................................ Board Consultant (Kracov)

Mark Abramowitz .................................................. Community Environmental Services
Ramine Cromartie .................................................. WSPA
Curtis Coleman ...................................................... Southern California Air Quality Alliance
Chris Chavez .......................................................... Coalition for Clean Air
Harvey Eder .......................................................... Public Solar Power Coalition
Bill Lamarr ............................................................ California Small Business Alliance
Rita Loof .............................................................. RadTech
Bethmarie Quiambao ............................................. Southern California Edison
Craig Sakamoto ..................................................... PBF
Janet Whittick ........................................................ CCEEB
Jason Henderson ..................................................... CCEEB
Peter Whittingham .................................................. Whittingham Public Affairs Advisors

Jason Aspell .......................................................... South Coast AQMD staff
Derrick Alatorre ..................................................... South Coast AQMD staff
Barbara Baird ......................................................... South Coast AQMD staff
Bayron Gilchrist ..................................................... South Coast AQMD staff
Anissa Heard-Johnson ............................................. South Coast AQMD staff
Mark Henninger ..................................................... South Coast AQMD staff
Aaron Katzenstein ................................................ South Coast AQMD staff
Michael Krause ..................................................... 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
Wayne Nastri ........................................................ South Coast AQMD staff
Susan Nakamura .................................................. South Coast AQMD staff
Lisa Tanaka O’Malley ............................................. South Coast AQMD staff
Sarah Rees ........................................................... South Coast AQMD staff
Jill Whynot ........................................................... South Coast AQMD staff
Jillian Wong .......................................................... South Coast AQMD staff
Paul Wright .......................................................... South Coast AQMD staff
Victor Yip .............................................................. South Coast AQMD staff
February 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.

<table>
<thead>
<tr>
<th>Item</th>
<th>Discussion</th>
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<tbody>
<tr>
<td>Video Conference with U.S. EPA and CARB – February 3, 2022</td>
<td>• Reviewed presentations for the February RECLAIM and Regulation XIII working group meetings</td>
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</table>
| RECLAIM and Regulation XIII Working Group Meetings – February 10, 2022 | • Provided updates on rulemakings for the RECLAIM transition  
  • Reported NOx RTC threshold exceedances  
  • Discussed Rule 2002 and Rule 2015 procedures to address NOx RTC prices  
  • Discussed ensuring the availability of offsets post-RECLAIM  
  • Presented concepts of Minor and Major Source Banks                                                                                       |
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
General Counsel's Office  

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

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<tr>
<th>Fac ID</th>
<th>Company Name</th>
<th>Rule Number</th>
<th>Settled Date</th>
<th>Init</th>
<th>Notice Nbrs</th>
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<td><strong>Total Civil Settlements</strong>: $175,308.00</td>
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Total Hearing Board Settlements: $10,000.00
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Total MSPAP Settlements: $12,750.00
REGULATION I - GENERAL PROVISIONS
Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS
Rule 202 Temporary Permit to Operate
Rule 203 Permit to Operate
Rule 221 Plans

REGULATION IV - PROHIBITIONS
Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS
Rule 1113 Architectural Coatings
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 1166 Volatile Organic Compound Emissions from Decontamination of Soil
Rule 1171 Solvent Cleaning Operations

REGULATION XIII - NEW SOURCE REVIEW
Rule 1303 Requirements

REGULATION XIV - TOXICS
Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)
Rule 2004 Requirements
Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) Emissions
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
Rule 3003 Applications
Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS
40 CFR 61.145 Standard for Demolition and Renovation