



# South Coast Air Quality Management District

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

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## A G E N D A

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### MEETING, APRIL 1, 2022 HYBRID GOVERNING BOARD MEETING

Pursuant to Assembly Bill 361, a meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, April 1, 2022 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Given health and safety concerns, meeting format may be changed to full remote via webcast. Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

**Face coverings: State and local public health officials strongly recommend, but do not require, the wearing of face coverings while in an indoor public setting.**

#### **ELECTRONIC PARTICIPATION INFORMATION (Instructions provided at bottom of the agenda)**

**Join Zoom Meeting - from PC, Laptop or Phone**

<https://scaqmd.zoom.us/j/93128605044>

Meeting ID: **931 2860 5044** (applies to all)

Teleconference Dial In +1 669 900 6833 or +1 253 215 8782

One tap mobile +16699006833,,93128605044# or +12532158782,,93128605044#

**Spanish Language Only Audience (telephone)  
Número Telefónico para la Audiencia que Habla Español  
Teleconference Dial In/Numero para llamar: +1 669 900 6833  
Meeting ID/Identificación de la reunión: 932 0955 9643  
One tap mobile: +16699006833,,93209559643#**

**Audience will be allowed to provide public comment in person or through Zoom connection or telephone.**

#### **PUBLIC COMMENT WILL STILL BE TAKEN**

Phone controls for participants:

The following commands can be used on your phone's dial pad while in Zoom Webinar meeting:

- \*6 - Toggle mute/unmute
- \*9 - Raise hand

#### **Questions About an Agenda Item**

- The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.
- In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

*Cleaning the air that we breathe...*

## Meeting Procedures

- The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at South Coast AQMD's Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765 or web page at [www.aqmd.gov](http://www.aqmd.gov)

### **Americans with Disabilities Act and Language Accessibility**

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov. Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [cob@aqmd.gov](mailto:cob@aqmd.gov)

### **A webcast of the meeting is available for viewing at:**

<http://www.aqmd.gov/home/news-events/webcast>

## **CALL TO ORDER**

- Pledge of Allegiance
- Roll Call
- Opening Comments: Ben J. Benoit, Chair  
Other Board Members  
Wayne Nastri, Executive Officer

**PUBLIC COMMENT PERIOD** – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3) The public may comment on any subject within the South Coast AQMD's authority that **does not** appear on the agenda, during the Public Comment Period. Each speaker addressing non-agenda items may be limited to a total of (3) minutes.

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Staff/Phone (909) 396-

## **CONSENT AND BOARD CALENDAR (Items 1 through 23)**

Note: Consent and Board Calendar items held for discussion will be moved to Item No. 24.

### **Items 1 through 3 – Action Items/No Fiscal Impact**

1. Comply with AB 361 Requirements to Allow South Coast AQMD Board and South Coast AQMD Brown Act Committees to Continue to Meet Remotely **Gilchrist/3459**  
  
This action is to adopt the attached Resolution finding that the Board: 1) has reconsidered the circumstances of the state of emergency; and 2) State or local officials continue to impose or recommend measures to promote social distancing. See California Government Code Section 54953(e)(3). (No Committee Review)
2. Approve Minutes of March 4, 2022 Board Meeting **Thomas/3268**
3. Set Public Hearing May 6, 2022 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations: **Nastri/3131**  
  
Adopt Executive Officer's FY 2022-23 Proposed Goals and Priority Objectives, and Proposed Budget; Determine That Proposed Amendments to Regulation III – Fees and Rule 1480 – Ambient Monitoring and Sampling of Metal Toxic Air Contaminants, Are Exempt from CEQA; and Amend Regulation III and Rule 1480 **Jain/2804**  
  
The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2022-23 have been developed and are recommended for adoption. Proposed Amended Regulation III and Proposed Rule 1480 amendments include: an increase of most fees by 6.5 percent consistent with the Consumer Price Index and Rule 320; new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency; and administrative changes in Regulation III and Rule 1480 that include clarification, deletions, insertions, or corrections of existing rule language, which have no fee impact. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2022-23; 2) Adopt the Resolution

determining that the proposed amendments to Regulation III - Fees and Rule 1480 – Ambient Monitoring and Sampling of Metal Toxic Air Contaminants, are exempt from the California Environmental Quality Act; 3) Amending Regulation III; and 4) Amending Rule 1480. (Review: Special Board Meeting/Budget Workshop, April 8, 2022)

**Items 4 through 9 -- Budget/Fiscal Impact**

4. Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle **Low/2269**

South Coast AQMD is expected to receive grant funds up to \$703,945 from U.S. EPA for the PM2.5 Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. These actions are to recognize revenue and appropriate funds for the PM2.5 and Enhanced Particulate Monitoring Programs, transfer up to \$350,000 between Major Objects in Science and Technology Advancement's FY 2022-23 Budget to realign expenditures for the Enhanced Particulate Monitoring Program and issue solicitations and purchase orders for air monitoring equipment and one vehicle. (Reviewed: Administrative Committee, March 11, 2022; Recommended for Approval)

5. Adopt Resolution Recognizing Funds, Issue Program Announcements and Execute or Amend Contracts for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment **Katzenstein/2219**

In November 2021, CARB approved the Fiscal Year 2021-22 Funding Plan for Clean Transportation Incentives in which \$32.1 million from Senate Bill 129 (SB 129), State General Funds for Extreme Nonattainment, were allocated to the South Coast AQMD for the Carl Moyer Program. Also, unspent funds remain under the final funding cycle of the Proposition 1B-Goods Movement Program (Prop 1B). These actions are to: 1) adopt Resolution to recognize up to \$32.1 million from CARB into the Carl Moyer Program SB 1107 Fund (32) and accept terms and conditions of SB129 Carl Moyer grant award; 2) issue, and if necessary, re-issue Program Announcements #2022-01 and #2022-02 for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment until all allocated funds under SB 129 and remaining Prop 1B funds are exhausted; 3) authorize the Executive Officer to execute or amend contracts for eligible projects approved by CARB; and 4) reimburse administrative costs up to \$2.01 million for the implementation of SB 129, State General Funds for Extreme Nonattainment. (Reviewed: Technology Committee, March 18, 2022; Recommended for Approval)

6. **Transfer Funds for Development of Carl Moyer Program Grant Management System** **Katzenstein/2219**

In September 2021, the Board appropriated up to \$120,000 for the initial development of the Carl Moyer Program Grant Management System. The next phase in development of the Grant Management System is required to incorporate business and administrative processes. This action is to transfer and appropriate up to \$125,000 comprised of \$62,500 from the administrative portion of the Community Air Protection Program Fund (77) and \$62,500 from the administrative portion of the Carl Moyer Program (Grant# G19-MO28) Fund (32) into Information Management's FY 2021-22 and/or 2022-23 Budget, Professional and Special Services, and/or Capital Outlays Major Objects and reimburse the General Fund (01) using administrative funds for the further development of the Carl Moyer Grant Management System. (Reviewed: Technology Committee, March 18, 2022; Recommended for Approval)

7. **Remove Various Fixed Assets from South Coast AQMD Inventory** **Jain/2804**

South Coast AQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every year. This action is to approve removal of surplus equipment and motor vehicles determined to be obsolete, non-operational and not worth repairing. (Reviewed: Administrative Committee, March 11, 2022; Recommended for Approval)

8. **Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services** **Moskowitz/3329**

South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding needed for the development and maintenance work in an amount not to exceed \$90,000 for AgreeYa Solutions, \$209,600 for Prelude Systems, \$302,400 for Sierra Cybernetics, and \$651,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2021-22 Budget. (Reviewed: Administrative Committee, March 11, 2022; Recommended for Approval)

9. **Approve Contract Modification as Approved by MSRC** **McCallon**

The MSRC approved a modification to a contract under the FYs 2012-14 Work Program. At this time, the MSRC seeks Board approval of the modification as part of the FYs 2012-14 Work Program. (Reviewed: Mobile Source Air Pollution Reduction Review, March 17, 2021; Recommended for Approval)

**Items 10 through 15 – Information Only/Receive and File**

10. Legislative, Public Affairs and Media Report **Alatorre/3122**
- This report highlights the February 2022 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)
11. Hearing Board Report **Verdugo-Peralta/2500**
- This reports the actions taken by the Hearing Board during the period of February 1 through February 28, 2022. (No Committee Review)
12. Civil Filings and Civil Penalties Report **Gilchrist/3459**
- This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from February 1 through February 28, 2022. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, March 18, 2022)
13. Lead Agency Projects and Environmental Documents Received **Krause/2706**
- This report provides a listing of CEQA documents received by South Coast AQMD between February 1, 2022 and February 28, 2022, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, March 18, 2022)
14. Rule and Control Measure Forecast **Rees/2856**
- This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2022. (No Committee Review)
15. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
- Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, March 11, 2022)

**Item 16 -- Staff Presentation/Board Discussion/Receive and File**

16. Budget and Economic Outlook Update *(Presentation in Lieu of Board Letter)* **Nakamura/3105**
- Staff will provide an update on economic indicators and key South Coast AQMD metrics. (Reviewed: Administrative Committee, March 11, 2022)

**Items 17 through 23 -- Reports for Committees and CARB**

17. Administrative Committee (Receive & File) Chair: Benoit Nastri/3131
18. Legislative Committee Chair: Cacciotti Alatorre/3122
- Receive and file; and take the following action as recommended:
- | <b>Agenda Item</b>   | <b>Recommendation</b> |
|--|-----------------------|
| AB 1897 (Wick)<br>Nonvehicular air pollution control:<br>refineries: penalties | Support               |
19. Mobile Source Committee (Receive & File) Chair: Kracov Rees/2856
20. Stationary Source Committee (Receive & File) Chair: Benoit Aspell/2491
21. Technology Committee (Receive & File) Chair: Richardson Miyasato/3249
22. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Liaison: Benoit Katzenstein/2219
23. California Air Resources Board Monthly Report (Receive & File) Board Rep: Kracov Thomas/2500
24. Items Deferred from Consent and Board Calendar

**PUBLIC HEARINGS**

25. Determine That Proposed Amendments to Rule 1147 - NOx Reductions from Miscellaneous Sources, Are Exempt from CEQA; and Amend Rule 1147 (***Staff is recommending that the public hearing on this item be moved to the May 6, 2022 Board meeting***) Krause/2706
- Proposed Amended Rule 1147 applies to RECLAIM and non-RECLAIM facilities and is being amended to update the NOx emission limits and establish new CO limits to reflect BARCT emission limits for applicable equipment categories. The proposed amendment also includes additional combustion equipment that is currently not regulated, establishes compliance schedules with interim emission limits, includes provisions for monitoring, reporting, recordkeeping, and revises exemptions. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1147 – NOx Reductions from Miscellaneous Sources, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1147 – NOx Reductions from Miscellaneous Sources. (Reviewed: Stationary Source Committee, February 18, 2022)

26. Determine That Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces, Is Exempt from CEQA and Adopt Rule 1147.2 Krause/2706

Proposed Rule 1147.2 will establish NOx and CO emission limits for metal melting, metal heat treating, and metal heating and forging units at non-RECLAIM, RECLAIM, and former RECLAIM facilities. The proposed rule also establishes compliance schedules with interim emission limits, includes provisions for emissions monitoring, reporting, and recordkeeping, and incorporates exemptions. This action is to adopt the Resolution: 1) Determining that Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces, is exempt from the requirements of the California Environmental Quality Act; and 2) Adopting Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces. (Reviewed: Stationary Source Committee, February 18, 2022)

### **BOARD MEMBER TRAVEL – (No Written Material)**

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

### **CONFLICT OF INTEREST DISCLOSURES – (No Written Material)**

The South Coast AQMD may enter into a partnership with Pacoima Beautiful. Governing Board Member Veronica Padilla-Campos is the Executive Director of Pacoima Beautiful. However, Board Member Padilla-Campos did not, and will not, participate in discussions or activities related to this partnership.

Under the approval authority of the Executive Officer, the District will enter into contracts with CR&R (Contract Nos. C21327 and C211311). CR&R made campaign contributions to Governing Board Chair Ben Benoit on July 13, 2021 and February 22, 2022. Chair Benoit has since abstained from any participation in the making of these contracts.

Under the approval authority of the Executive Officer, the District will enter into a contract with Clean Energy (Contract No. C20061). Clean Energy made campaign contributions to Governing Board Chair Ben Benoit on August 13, 2021 and August 24, 2021. Chair Benoit has since abstained from any participation in the making of the contract.

### **CLOSED SESSION -- (No Written Material)**

Gilchrist/3459

#### **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

It is necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The actions are:

- Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS161399 (RECLAIM);
- In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, SCAQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No.4861;

- In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement);
- CalPortland Company v. South Coast Air Quality Management District; Governing Board of the South Coast Air Quality Management District; and Wayne Nastri, Executive Officer, and Does 1-100, San Bernardino County Superior Court, Case No. CIV DS 1925894;
- SCAQMD, et al. v. Elaine L. Chao, et al., District Court for the District of Columbia, Case No. 1:19-cv-03436-KBJ;
- SCAQMD, et al. v. EPA, United States Court of Appeals, D.C. Circuit, Case No. 19-1241 (consolidated with Union of Concerned Scientists v. NHTSA, No. 19-1230);
- SCAQMD, et al. v. NHTSA, EPA, et al., United States Court of Appeals, D.C. Circuit, Filed May 28, 2020;
- Natural Resources Defense Council, et al. v. City of Los Angeles, et al., San Diego Superior Court, Case No. 37-2021-00023385-CU-TT-CTL (China Shipping Case) (transferred from Los Angeles Superior Court, Case No. 20STCP02985);
- Terry Lee Williams v. SCAQMD, Los Angeles Superior Court Case No. 19STCV37587; and
- California Trucking Association v. South Coast Air Quality Management; the Governing Board of the South Coast Air Quality Management District; and Does 1 through 25, inclusive, Case No.: 2:21-cv-06341.

#### **CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION**

It is also necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (two cases).

#### **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the SCAQMD (two cases).

#### **ADJOURNMENT**

This meeting will be adjourned to the Special Governing Board meeting on April 8, 2022, at 11:00 a.m. (immediately following the South Coast AQMD Administrative Committee meeting but not before 11:00 a.m.), for the purpose of conducting the Board's Workshop on the Executive Officer's FY 2022-23 Proposed Goals and Priority Objectives and Proposed Budget, and Proposed Amendments to Regulation III-Fees and Rule 1480 – Ambient Monitoring and Sampling of Metal Toxic Air Contaminants.

**\*\*PUBLIC COMMENTS\*\***

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so in person or remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the "Raise Hand" at the bottom of the screen, or if participating via Dial-in/Telephone Press \*9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and website, <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD's authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to [cob@aqmd.gov](mailto:cob@aqmd.gov), on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

**ACRONYMS**

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AQIP = Air Quality Investment Program	NGV = Natural Gas Vehicle
AQMP = Air Quality Management Plan	NOx = Oxides of Nitrogen
AVR = Average Vehicle Ridership	NSPS = New Source Performance Standards
BACT = Best Available Control Technology	NSR = New Source Review
BARCT = Best Available Retrofit Control Technology	OEHA = Office of Environmental Health Hazard Assessment
Cal/EPA = California Environmental Protection Agency	PAMS = Photochemical Assessment Monitoring Stations
CARB = California Air Resources Board	PEV = Plug-In Electric Vehicle
CEMS = Continuous Emissions Monitoring Systems	PHEV = Plug-In Hybrid Electric Vehicle
CEC = California Energy Commission	PM10 = Particulate Matter ≤ 10 microns
CEQA = California Environmental Quality Act	PM2.5 = Particulate Matter ≤ 2.5 microns
CE-CERT =College of Engineering-Center for Environmental Research and Technology	RECLAIM=Regional Clean Air Incentives Market
CNG = Compressed Natural Gas	RFP = Request for Proposals
CO = Carbon Monoxide	RFQ = Request for Quotations
DOE = Department of Energy	RFQQ=Request for Qualifications and Quotations
EV = Electric Vehicle	SCAG = Southern California Association of Governments
EV/BEV = Electric Vehicle/Battery Electric Vehicle	SIP = State Implementation Plan
FY = Fiscal Year	SOx = Oxides of Sulfur
GHG = Greenhouse Gas	SOON = Surplus Off-Road Opt-In for NOx
HRA = Health Risk Assessment	SULEV = Super Ultra Low Emission Vehicle
LEV = Low Emission Vehicle	TCM = Transportation Control Measure
LNG = Liquefied Natural Gas	ULEV = Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	U.S. EPA = United States Environmental Protection Agency
MOU = Memorandum of Understanding	VOC = Volatile Organic Compound
MSERCs = Mobile Source Emission Reduction Credits	ZEV = Zero Emission Vehicle
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	
NATTS =National Air Toxics Trends Station	

## **INSTRUCTIONS FOR ELECTRONIC PARTICIPATION**

### **Instructions for Participating in a Virtual Meeting as an Attendee**

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

#### **For language interpretation:**

Click the interpretation Globe icon at the bottom of the screen

Select the language you want to hear (either English or Spanish)

Click "Mute Original Audio" if you hear both languages at the same time.

#### **Para interpretación de idiomas:**

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla

Seleccione el idioma que desea escuchar (inglés o español)

Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

**Please note:** During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

**Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.**

#### **Directions for Video ZOOM on a DESKTOP/LAPTOP:**

If you would like to make a public comment, please click on the "Raise Hand" button on the bottom of the screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

#### **Directions for Video Zoom on a SMARTPHONE:**

If you would like to make a public comment, please click on the "Raise Hand" button on the bottom of your screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

#### **Directions for TELEPHONE line only:**

If you would like to make public comment, please dial \*9 on your keypad to signal that you would like to comment.

#### **Directions for Spanish Language TELEPHONE line only:**

The call in number is the same (+1 669 900 6833)

The meeting ID number is 932-0955-9643

If you would like to make public comment, please dial \*9 on your keypad to signal that you would like to comment.

#### **Instrucciones para la línea de TELÉFONO en español únicamente:**

- El número de llamada es el mismo (+1 669900 6833 o +1 93209559643)
- El número de identificación de la reunión es 932-0955-9643
- Si desea hacer un comentario público, marque \*9 en su teclado para indicar que desea comentar.

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 1

**PROPOSAL:** Comply with AB 361 Requirements to Allow South Coast AQMD Board and South Coast AQMD Brown Act Committees to Meet Remotely

**SYNOPSIS:** This action is to adopt the attached Resolution finding that the Board: 1) has reconsidered the circumstances of the state of emergency; and 2) State or local officials continue to impose or recommend measures to promote social distancing. See California Government Code Section 54953(e)(3).

**COMMITTEE:** No Committee Review

**RECOMMENDED ACTIONS:**

Adopt the attached Resolution finding that the Board:

1. Has reconsidered the circumstances of the state of emergency; and
2. State or local officials continue to impose or recommend measures to promote social distancing.

Wayne Nastri  
Executive Officer

BTG:lal

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**Background**

Governor Newsom previously issued Executive Orders (EOs) N-29-20 and N-35-2 in March 2020, as a response to the public health crisis brought about by the COVID-19 pandemic. These EOs authorized local legislative bodies subject to the Ralph M. Brown Act to conduct meetings entirely via telephonic or other electronic means in lieu of requiring the physical presence of Board members or members of the public. On June 11, 2021, the Governor issued EO N-08-21, which continued suspension of the Brown Act's teleconferencing requirements, without requiring that members of the public be given the right to access all teleconference locations, through September 30, 2021, in anticipation of the State's proposed re-opening.

Assembly Bill 361, signed into law by Governor Newsom on September 16, 2021, amends the Brown Act and will stay in effect from October 1, 2021 through January 1, 2024. In part, AB 361 amends subparagraph (e) of Section 54953 of the California Government Code to state that local agencies may continue to use teleconferencing without complying with the teleconferencing requirements of the Brown Act in any of the following circumstances:

- A. When the legislative body holds a meeting during a proclaimed state of emergency and state or local officials have imposed or recommended measures to propose social distancing;
- B. When the legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- C. When the legislative body holds a meeting during a proclaimed state of emergency and has already determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

In the event of an ongoing proclaimed state of emergency, or where state or local officials have imposed or recommended measures to promote social distancing, in order to continue to utilize the teleconferencing measures set forth above, a legislative body must, no later than 30 days after teleconferencing for the first time pursuant to Government Code Section 54953(e)(1), and every 30 days thereafter, make the following findings by majority vote:

- A. The legislative body has reconsidered the circumstances of the state of emergency.
- B. Any of the following circumstances exist:
  - i. The state of emergency continues to directly impact the ability of the members to meet safely in person; or
  - ii. State or local officials continue to impose or recommend measures to promote social distancing.

See California Government Code Section 54953(e)(1). Governor Newsom first declared a statewide emergency resulting from the COVID-19 pandemic on March 4, 2020. Furthermore, although the State no longer requires physical distancing, both South Coast AQMD and the Los Angeles County Department of Public Health, have recommended proposed social distancing measures.

### **Proposal**

This action is to address the requirements of AB 361 to allow South Coast AQMD Board and South AQMD Brown Act Committees to continue to meet remotely. The recommended action is to adopt the attached Resolution finding that the Board: 1) has

reconsidered the circumstances of the state of emergency; and 2) State or local officials continue to impose or recommend measures to promote social distancing. See California Government Code Section 54953(e)(3).

**Resource Impacts**

No fiscal impact.

**Attachment**

Resolution

**RESOLUTION 22-\_\_\_\_\_**

**A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT RECOGNIZING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020 AND THAT THE COUNTY OF LOS ANGELES CONTINUES TO RECOMMEND MEASURES TO PROMOTE SOCIAL DISTANCING; AND AUTHORIZING FULLY OR PARTIALLY REMOTE TELECONFERENCE MEETINGS OF THE GOVERNING BOARD OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT, AND SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT COMMITTEES SUBJECT TO THE BROWN ACT, FOR THE PERIOD OF APRIL 1, 2022 THROUGH MAY 1, 2022 PURSUANT TO PROVISIONS OF THE BROWN ACT.**

**WHEREAS**, the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) is committed to preserving and nurturing public access and participation in all meetings subject to the provisions of the Ralph M. Brown Act (Cal. Gov. Code §§54950-54963, hereafter Brown Act); and

**WHEREAS**, pursuant to the provisions of the Brown Act, all meetings of legislative bodies of the South Coast AQMD, which include the South Coast AQMD Governing Board, all Brown Act standing committees ultimately reporting to the South Coast AQMD Governing Board, and all advisory committees and groups subject to the Brown act, (collectively, hereinafter, “legislative bodies”), are required to be open and public so that any member of the public may attend, participate, and watch the South Coast AQMD’s legislative bodies conduct their business; and

**WHEREAS**, the Brown Act Government Code §54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code §54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition is that a state of emergency has been declared by the Governor pursuant to Government Code §8625, proclaiming the existence of conditions of

disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code §8558; and

**WHEREAS**, on March 4, 2020 the Governor proclaimed a State of Emergency to exist in California as a result of the threat of the novel coronavirus (COVID-19); and

**WHEREAS**, the jurisdiction of the South Coast AQMD includes portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino areas as set forth in Health & Safety Code §40410 and South Coast AQMD Rule 103; and

**WHEREAS**, the South Coast AQMD headquarters is located in the County of Los Angeles; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting would present imminent risks to the health and safety of attendees; and

**WHEREAS**, local and California public authorities still recommend measures promoting social distancing and/or mask wearing indoors and in public gatherings; and

**WHEREAS**, on March 14, 2022, the County of Los Angeles Department of Public Health issued further guidance promoting such measures; and

**WHEREAS**, on June 23 and August 10, 2021, the South Coast AQMD issued further guidance promoting such measures; and

**WHEREAS**, the spread of COVID-19 poses a continued risk to the health and safety of members of the South Coast AQMD legislative bodies, South Coast AQMD staff, and members of the general public who attend such meetings in that unvaccinated or partially vaccinated persons are at a high risk of contracting COVID-19 and even fully vaccinated persons can contract and potentially unknowingly spread COVID-19; and

**WHEREAS**, the Governing Board of the South Coast AQMD does hereby find that the legislative bodies of the South Coast AQMD shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code §54953, as authorized by subdivision (e) of §54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of §54953; and

**WHEREAS**, the legislative bodies of the South Coast AQMD will continue to ensure access to their meetings by making them available telephonically and via virtual access for both members of the legislative bodies and the general public; and

**WHEREAS**, a notice of meetings along with information regarding all methods which may be used for public participation in such meetings will continue to be published in the newspaper, posted at the South Coast AQMD's headquarters, posted at any teleconference locations which are officially noticed on the agenda, posted on the South Coast AQMD's website, provided to anyone who requests such information, and clearly printed on any agendas produced for such meetings.

**NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the South Coast AQMD hereby finds that highly contagious nature of COVID-19 poses an imminent risk to large numbers of persons meeting indoors in a single location; and

**BE IT FURTHER RESOLVED**, that the Governing Board of the South Coast AQMD hereby finds that the Governor of California issued a Proclamation of Emergency on March 4, 2020; and

**BE IT FURTHER RESOLVED**, that the Governing Board of the South Coast AQMD hereby finds that local officials continue to impose or recommend measures to promote social

distancing in the South Coast AQMD's jurisdiction and where the South Coast AQMD's headquarters is located; and

**BE IT FURTHER RESOLVED**, that the Governing Board of the South Coast AQMD authorizes and directs staff to take all actions necessary to carry out the intent and purpose of this Resolution, including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act; and

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption and remain in effect until May 1, 2022, or until such time as the South Coast AQMD Governing Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which legislative bodies of the South Coast AQMD may continue to teleconference without strict compliance with paragraph 3 of Government Code section 54953(b).

DATE: \_\_\_\_\_

\_\_\_\_\_  
CLERK OF THE BOARDS

[↑ Back to Agenda](#)

BOARD MEETING DATE: APRIL 1, 2022

AGENDA NO. 2

MINUTES:           Governing Board Monthly Meeting

SYNOPSIS:           Attached are the Minutes of the March 4, 2022 Board Meeting.

RECOMMENDED ACTION:

Approve Minutes of the March 4, 2022 Board Meeting.

Faye Thomas  
Clerk of the Boards

FT:cmw

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**FRIDAY, MARCH 4, 2022**

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was conducted at the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California and remotely via videoconferencing and telephone. Members present:

Mayor Ben J. Benoit, Chair  
Cities of Riverside County

Senator Vanessa Delgado (Ret.), Vice Chair  
Senate Rules Committee Appointee

Mayor Michael A. Cacciotti  
Cities of Los Angeles County – Eastern Region

Supervisor Andrew Do  
County of Orange

Gideon Kracov  
Governor's Appointee

Supervisor Sheila Kuehl  
County of Los Angeles

Mayor Larry McCallon  
Cities of San Bernardino County

Veronica Padilla-Campos  
Speaker of the Assembly Appointee

Supervisor V. Manuel Perez  
County of Riverside

Council Member Nithya Raman  
City of Los Angeles

Vice Mayor Rex Richardson  
Cities of Los Angeles County – Western Region

Mayor Carlos Rodriguez  
Cities of Orange County

Supervisor Janice Rutherford  
County of San Bernardino

Members absent: None

**CALL TO ORDER:** Chair Benoit called the meeting to order at 9:05 a.m.

- Pledge of Allegiance: Led by Mayor McCallon
- Roll Call

Mayor Rodriguez was absent for roll call. He joined the meeting at approximately 9:45 a.m.

- Swearing in of Newly Appointed Board Members Andrew Do and Nithya Raman

Chair Benoit administered the oath of office to Council Member Nithya Raman, who was appointed by the Mayor of Los Angeles to a term ending January 15, 2026; and Supervisor Andrew Do, who was appointed by the Orange County Board of Supervisor for a term ending January 15, 2023.

- Opening Comments

Mayor Cacciotti shared photos of an electric lawn mower demonstration event at Woodrow Wilson High School in El Sereno, a site visit at Indy EV, and video of the Echo Robotics commercial robot, an autonomous electric mower that cuts grass and picks up golf balls.

For additional details of the Governing Board Meeting, please refer to the Webcast at: [Live Webcast \(aqmd.gov\)](https://aqmd.gov)

**PUBLIC COMMENT PERIOD** – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

Andrea Gordon, Hacienda Heights resident  
Edgar Reyes, Hacienda Heights resident and Party for Socialism and Liberation  
Max Gabaldon, Avocado Heights resident and Party for Socialism and Liberation  
(Submitted Written Comments)  
Rebecca Overmeyer-Velasquez, Clean Air Coalition of North Whittier and  
Avocado Heights (Submitted Written Comments)  
Vivian Zamorano, Clean Air Coalition of North Whittier and Avocado Heights  
Samuel Brown, Clean Air Coalition of North Whittier and Avocado Heights

The above commenters addressed their concerns regarding Quemetco, due to the potential environmental and health risks associated with toxic chemicals emitted from the facility. They expressed strong opposition to Quemetco's proposal to expand its operations and would like the facility to be shut down permanently. For additional details, please refer to the [Webcast](#) beginning at 19:59.

**Comment letters Submitted By Andrea Gordon Regarding Quemetco from the Following Residents:**

Petra Ziebarth, Hacienda Heights resident

Ralph Miller, La Mirada resident

Cristina Diaz, La Mirada resident  
Richard Lacy, Hacienda Heights resident  
Jaimis Ulrich, Hacienda Heights resident  
Ben Tatley, La Mirada resident  
Nicholas Lopez, Hacienda Heights resident  
Keith Raphael, Hacienda Heights resident  
Dorothy Sturdivant, Hacienda Heights resident  
Gilbert Gomez, Hacienda Heights resident  
Yessica Diaz, Hacienda Heights resident  
Benigno Diaz, Hacienda Heights resident  
Marisa Macias, Hacienda Heights resident  
Isaac Nunez, Hacienda Heights resident  
Dao Lam, Hacienda Heights resident  
Chanh Lam, Hacienda Heights resident  
Tony Faaola, Hacienda Heights resident  
Justino Gudino, Hacienda Heights resident

Marc Platz, Hacienda Heights resident  
Mary Lee Lacy, Hacienda Heights resident  
Richard Tatley, La Mirada resident  
Michelle Tatley, La Mirada resident  
Sara Barnes, Hacienda Heights resident  
Dena Rodriguez, Hacienda Heights resident  
Louie Rodriguez, Hacienda Heights resident  
Deena Gomez, Hacienda Heights resident  
Ron Barnes, Hacienda Heights resident  
Maria Nunez, Hacienda Heights resident  
Daniel Nunez, Hacienda Heights resident  
Melissa Gonzalez, Hacienda Heights resident  
Linh Lam, Hacienda Heights resident  
Hign Ly, Hacienda Heights resident  
Diana Faaola, Hacienda Heights resident

Written Comment Letters Regarding Quemetco Submitted By:

Duncan McKee, Avocado Heights resident  
David McKee, Avocado Heights resident

Elliot Gonzales, Long Beach resident, welcomed Council Member Raman to the Board and expressed optimism about her commitment to clean the air.

**CONSENT AND BOARD CALENDAR**

**Items 1 through 3B – Action Items/No Fiscal Impact**

1. Comply with AB 361 Requirements to Allow South Coast AQMD Board and South Coast AQMD Brown Act Committees to Continue to Meet Remotely
2. Approve Minutes of February 4, 2022 Board Meeting
3. Set Public Hearings April 1, 2022 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:
  - A. Determine That Proposed Amendments to Rule 1147 – NOx Reductions from Miscellaneous Sources, Are Exempt from CEQA; and Amend Rule 1147
  - B. Determine That Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces, Is Exempt from CEQA and Adopt Rule 1147.2

**Items 4 through 10 -- Budget/Fiscal Impact**

4. Amend Contracts to Deploy Trucks for Volvo Low Impact Green Heavy Transport Solutions Project

5. Recognize California Natural Gas Vehicle Partnership as a Nonprofit Corporation and Transfer Funds, Contracts and Administrative Activities to this Nonprofit
6. Renew Membership in California Fuel Cell Partnership, Execute Contract, Receive and File California Fuel Cell Partnership Executive Board Meeting Agendas and Activity Updates
7. Transfer Funds Between Major Objects and Execute Purchase Orders for AB 617 Implementation
8. Approve South Coast AQMD Annual Investment Policy and Delegation of Authority to Appointed Treasurer to Invest South Coast AQMD Funds
9. Authorize Purchase of Maintenance and Support Services for Servers and Storage Devices
10. Transfer and Appropriate Funds from Interest Earned from Special Revenue Funds to General Fund and Transfer Funds to Information Management's Budget to Support South Coast AQMD Operations, and Close Special Revenue Fund

**Item 11 – Action Item/No Fiscal Impact**

11. Special Meeting of Health Effects of Air Pollution Foundation

**Items 12 through 18 – Information Only/Receive and File**

12. Legislative, Public Affairs and Media Report
13. Hearing Board Report
14. Civil Filings and Civil Penalties Report
15. FY 2021-22 Contract Activity
16. Lead Agency Projects and Environmental Documents Received
17. Rule and Control Measure Forecast
18. Status Report on Major Ongoing and Upcoming Projects for Information Management

**Items 19 and 20 -- Staff Presentations/Board Discussion/Receive and File**

19. Budget and Economic Outlook Update (*Presentation in Lieu of Board Letter*)

NO ACTION REQUIRED

20. 2022 Air Quality Management Plan Overview (*Presentation in lieu of Board Letter*)

NO ACTION REQUIRED

**Items 21 through 28 -- Reports for Committees and CARB**

21. Administrative Committee
22. Investment Oversight Committee
23. Legislative Committee
24. Mobile Source Committee
25. Stationary Source Committee
26. Technology Committee
27. Mobile Source Air Pollution Reduction Review Committee
28. California Air Resources Board Monthly Report
29. Item Deferred from Consent and Board Calendar

Agenda Item No. 20 was pulled for comment and discussion.

**Disclosures:**

Chair Benoit and Supervisor Rutherford announced that they do not have a financial interest in Agenda Item No. 5 but are required to identify for the record that they are members of the California Natural Gas Vehicle Partnership, which is involved in this item.

Vice Mayor Richardson announced that he does not have a financial interest in Agenda Item No. 4 but is required to identify for the record that he is a Council Member of the City of Long Beach, which is involved in this Item.

Board Member Padilla-Campos announced her recusal from Agenda Item No. 23, due to a conflict of interest.

Mayor Rodriguez joined the meeting.

Bayron Gilchrist, General Counsel, announced that:

Supervisor Kuehl does not have a financial interest in Agenda Item No. 8 but is required to identify for the record that she is a Supervisor on the Los Angeles County Board of Supervisors, which is involved in this item;

Board Member Kracov has no financial interests in Agenda Item Nos. 4, 5, 6 and 31 but is required to identify for the record that he is a Board Member of CARB, which is involved in these items;

Council Member Rodriguez does not have a financial interest in Agenda Item No. 5 but is required to identify for the record that he is a member of the California Fuel Cell Partnership, and is also required to identify for the record that he is a Council Member of the City of Yorba Linda, which is involved in Agenda Item No. 6; and

Supervisor Delgado does not have a financial interest in Agenda Item No. 5 but is required to identify for the record that she is a member of the California Natural Gas Vehicle Partnership, which is involved in this item.

Public comment was taken on Agenda Item Nos. 1-28.

Jessica Craven, North East Los Angeles (NELA) Climate Collective and Democratic Party Environmental Caucus and Delegate  
Yassi Kavezade, Sierra Club My Generation Campaign  
Yasmine Angelidus, Earthjustice  
Elliott Gonzales, Long Beach resident  
Marven Norman, Center for Community Action and Environmental Justice  
Jessie Parks, Riverside resident  
Harvey Eder, Public Solar Power Coalition  
Chris Chavez, Coalition for Clean Air  
Resa Barillas, California Environmental Voters  
Leah Louis-Prescott, RMI

Provided comments on the need for zero-emission technologies and to adopt Indirect Source Rules (ISR) for new and existing railyards and the ports. Comments were provided to urge the Board to allocate more staff, including a health expert, and resources to work on the ISRs. Emphasized the need for emission reductions to achieve air quality goals, and incentivize and regulate the transition to zero-emission technologies to reduce NOx emissions for residential and commercial appliances, with funding targeting low income environmental justice communities. For additional details, please refer to the [Webcast](#) beginning at 49:10.

Board Member Padilla-Campos expressed concerns that South Coast AQMD is a participating member of the CNGVP and pays membership dues out of the motor vehicle registration fees to support natural gas projects. She recommended cutting ties with the organization and investing the funds in alternative technologies.

Chair Benoit directed staff to clarify the cost of membership in both organizations and report back to the Committee, but recommended leaving the item as proposed.

In response to Board Member Padilla-Campos' request for a report on the timeline of the Ports ISR, Executive Officer Wayne Nastri, responded that the general length of time for the rule development process is between 12 to 18 months. He added that staff will be providing quarterly status updates to the Stationary Source Committee. Chair Benoit requested progress updates every other month.

Written Comments Regarding Agenda Item No. 17 Submitted by:

The following organizations signed one letter: AAPI Equity Alliance-Environmental Justice Committee, Center for Community Action & Environmental Justice, Earthjustice, Long Beach Alliance for Children with Asthma, Los Angeles County Electric Truck & Bus Coalition, Natural Resources Defense Council, San Pedro & Peninsula Homeowners Coalition, Sierra Club and West Long Beach Association.

20. 2022 Air Quality Management Plan Overview (*Presentation in lieu of Board Letter*)

Dr. Sarah Rees, DEO/Planning, Rule Development & Implementation, gave the staff presentation on Agenda Item No. 20.

Mayor McCallon and Supervisor Rutherford commented that a series of White Papers were presented during the development of the 2016 AQMP. These White Papers were helpful in understanding the AQMP and would help new Board members. It was recommended that staff provide White Papers for the 2022 AQMP.

Mr. Nastri suggested that staff may be able to provide a one-page summary along with regular updates provided at committee meetings and to the Board.

Supervisor Do acknowledged the challenges and limitations to achieve air quality standards and inquired whether the 70 percent NOx reduction needed by 2037 is a reasonable and attainable goal. He expressed concerns about the economic impacts and requested that staff provide cost impacts in the decision-making process. Mr. Nastri responded that the percentage reduction represents the emission reductions needed to achieve state and federal air quality standards and a socioeconomic analysis will be conducted that includes all proposed measures. For additional details, please refer to the [Webcast](#) beginning at 1:50:06.

Supervisor Kuehl commented on the costs absorbed by the counties or the private healthcare system due to health impacts from air pollution, and the importance to work with the federal government to identify funding and commented that the conversion to electric appliances includes electrical panels and wiring which can be expensive.

Supervisor Perez acknowledged the need to assess the economic impacts but emphasized the importance of minimizing health impacts of air pollution on our communities. He requested that a presentation on the AQMP be scheduled in the Coachella Valley area that includes participation at the federal, state, and regional levels and where local elected officials, special districts, school board representatives, and community members can be a part of the discussion, and added the need for Spanish language in outreach.

Mayor Cacciotti pointed out that emissions from aircraft are significant and cited estimates that air traffic is expected to double by 2035. He inquired whether the South Coast AQMD can use technology funding to promote cleaner technologies for aircrafts.

Dr. Rees responded that the U.S. EPA recently revised the PM standards for aircrafts to harmonize with international standards. She noted that some newer aircraft are more fuel efficient but emit more NOx emissions.

Dr. Matt Miyasato, Deputy Executive Officer/Chief Technologist of Science & Technology Advancement, explained that funding from the Clean Fuels Program is derived from motor vehicle registration fees and must be used to support projects and activities related to or have a nexus to on-road mobile sources.

Vice Chair Delgado asked whether the AQMP will include measures that will encourage the state and the federal governments to do their part. Mr. Nastri responded that there are multiple ongoing discussions and recommendations that will bring the resources and actions necessary to address emissions from state and federal sources.

Board Member Padilla-Campos expressed concerns with relying on the “black box” measures and emphasized the need to advance a Plan with equity-driven and zero-emission goals that takes into consideration underserved communities where residents experience higher levels of air pollution.

Council Member Raman asked a series of questions about the expectations and results of achieving emission reductions for measures from the black box in previous Plans. Dr. Rees responded that the black box commitments have not been fulfilled in past AQMPs. However, there is greater opportunity for the 2022 AQMP to achieve these reductions because of the longer timeline as compared to the 2016 AQMP which had an attainment date of 2023. Staff has reached out to U.S. EPA asking that action be taken on federal sources such as ocean-going vessels, aircraft, trains, and trucks. For additional details, please refer to the [Webcast](#) beginning at 2:14:47.

Supervisor Rutherford commented that all the low hanging fruit to clean the air has been done at the local level, therefore, the federal government needs to step up and do their fair share.

Board Member Kracov commented that the Mobile Source Committee is working to ensure that the concerns expressed are addressed and since he serves as the South Coast AQMD CARB representative he has discussed with CARB staff how critical the AQMP is to the South Coast region and what they are going to do about attainment.

Mayor Rodriguez emphasized the importance of reviewing the economic analysis to learn about the estimated costs for the proposed strategies and to make an informed decision related to equity to ensure that the costs do not burden low-income households.

Mr. Nastri commented that we want to establish the control strategy for our region because we know what we can do locally. Failure to attain federal standards can result in a Federal Implementation Plan that the federal government would implement. It is important that we are able to control our own destiny. Staff will continue discussions with U.S. EPA and CARB.

MOVED BY DELGADO, SECONDED BY CACCIOTTI, AGENDA ITEMS 1 THROUGH 22 AND 24 THROUGH 28, APPROVED AS RECOMMENDED; AND TO ADOPT RESOLUTION NO. 22-8, RECOGNIZING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020 AND THAT THE COUNTY OF LOS ANGELES CONTINUES TO RECOMMEND MEASURES TO PROMOTE SOCIAL DISTANCING; AND AUTHORIZING FULLY OR PARTIALLY REMOTE TELECONFERENCE MEETINGS OF THE GOVERNING BOARD OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT, AND SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT COMMITTEES SUBJECT TO THE BROWN ACT, FOR THE PERIOD MARCH 4, 2022 THROUGH APRIL 3, 2022 PURSUANT TO PROVISIONS OF THE BROWN ACT; AND TO ADOPT RESOLUTION NO. 22-9, DELEGATING AUTHORITY TO THE TREASURER OF THE COUNTY OF LOS ANGELES TO INVEST AND REINVEST FUNDS OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT; AND TO ADOPT RESOLUTION NO. 22-10, REDUCING THE NUMBER OF FIXED DIRECTORS OF THE HEALTH EFFECTS OF THE AIR POLLUTION FOUNDATION; AND TO RECEIVE AND FILE THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: Benoit, Cacciotti, Delgado, Do, Kracov, Kuehl, McCallon, Padilla-Campos, Perez, Raman, Richardson, Rodriguez, and Rutherford

NOES: None

ABSENT: None

Vice Mayor Richardson left the meeting.

Item Pulled for Separate Vote

23. Legislative Committee

Disclosure:

Board Member Padilla-Campos recused herself from Agenda Item No. 23 and left the meeting during the discussion of this item.

MOVED BY MCCALLON, SECONDED BY CACCIOTTI, AGENDA ITEM 23 APPROVED AS RECOMMENDED TO RECEIVE AND FILE THE LEGISLATIVE COMMITTEE'S RECOMMENDATION ON LEGISLATION AS SET FORTH BELOW, BY THE FOLLOWING VOTE:

AYES: Benoit, Cacciotti, Delgado, Do, Kracov, Kuehl, McCallon, Perez, Raman, Rodriguez, and Rutherford

NOES: None

ABSTAIN: Padilla-Campos

ABSENT: Richardson

**LEGISLATIVE COMMITTEE'S RECOMMENDATION**

<b>Agenda Item</b>	<b>Recommendation</b>
HR 6662 (Barragán) EVs for All Act of 2022	Support

**PUBLIC HEARINGS**

- 30. Determine That Proposed Amendments to Rule 1115 – Motor Vehicle Assembly Line Coating Operations, Are Exempt from CEQA; and Amend Rule 1115

Michael Morris, Planning and Rules Manager, gave the staff presentation on Item No. 30.

Supervisor Rutherford and Mayor Rodriguez asked questions regarding the VOC content of materials used with UV/EB/LED and if an exemption can be incorporated for operators meeting 50 g/L.

Mr. Nastri responded that an exemption is not necessary. If the UV/EB/LED materials used meet the proposed VOC emission limits they are compliant. Staff is concerned that if the materials do not meet the proposed VOC limits it could result in higher VOC emissions.

Mr. Morris responded that he is not aware of any specific products that the association has brought forward having a specific application within the automotive assembly field that are over the limit.

The public hearing was opened, and the following individuals addressed the Board on Agenda Item 30.

Rita Loof, RadTech International, expressed concern that the staff proposal does not reflect the current state of UV/EB/LED technology, noting that the rule has limits as high as 900 grams/liter in VOC content but materials used in the industry are typically well below 50 grams/liter. Ms. Loof requested that staff include a definition for energy curable materials and include the American Society of Testing Materials (ASTM) D7767-11 test method as a suitable test method for energy curable thin films, noting that suggested language for these inclusions were provided in RadTech's public comment letter.

Douglas DeLong, DDU Enterprises and doctorUV.com, disagreed with staff that solvents are needed with UV/EB/LED curing technology. There are no solvents used and UV/EB/LED is a proven technology; however, rule requirements are making it difficult for the automotive industry to adapt to this technology.

Susan Nakamura, Chief Operating Officer, commented that the VOC limits of coatings is a separate issue from the UV/EB/LED curing technology. Dr. Rees clarified that U.S. EPA has stated that the ASTM is not applicable for UV/EB/LED technology and it is likely that U.S. EPA would not approve that method. For additional details, please refer to the [Webcast](#) beginning at 2:47:26.

Chair Benoit inquired whether it would be prudent to add the ATSM test method for U.S. EPA's consideration and the timeline to bring the rule back to the Board if U.S. EPA declines the test method. Supervisor Rutherford asked a series of questions about the test method and its use.

Mr. Nastri recommended proceeding with the staff proposal as recommended and that staff will send a letter to U.S. EPA to request the inclusion of the test method and seek a direct response on this issue. Staff will request an expeditious response from U.S. EPA with the intent of bringing the rule back to the Board for consideration. Mr. Nastri confirmed that staff will report back to the Stationary Source Committee after U.S. EPA responds.

Chair Benoit and Supervisor Rutherford responded in agreement with Mr. Nastri's recommended approach. For additional details, please refer to the [Webcast](#) beginning at 2:50:04.

Written Comments Submitted by:

One letter signed by the following organizations: California Communities Against Toxics, California Kids IAQ, Center for Community Action & Environmental Justice, Coalition For Safe Environment, Community Dreams, Earthjustice, EMeRGE, NAAACP - San Pedro & Wilmington Branch #1069, Organización de Servicios Comunitarios Familiares, People's Collective for Environmental Justice, Redeemer Community Partnership, San Pedro & Peninsula Homeowners Coalition, Sierra Club and West Long Beach Association.

MOVED BY CACCIOTTI, SECONDED BY BENOIT, AGENDA ITEM NO. 30 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 22-11 DETERMINING THAT PROPOSED AMENDED RULE 1115 – MOTOR VEHICLE ASSEMBLY LINE COATING OPERATIONS, IS EXEMPT FROM THE REQUIREMENTS OF CEQA AND AMENDING RULE 1115 – MOTOR VEHICLE ASSEMBLY LINE COATING OPERATIONS, BY THE FOLLOWING VOTE:

AYES: Benoit, Cacciotti, Delgado, Do, Kracov, Kuehl, McCallon, Padilla-Campos, Perez, Raman, Rodriguez, and Rutherford

NOES: None

ABSENT: Richardson

31. Approve and Adopt Technology Advancement Office Clean Fuels Program 2021 Annual Report and 2022 Plan Update, Resolution and Membership Changes for Clean Fuels Advisory Group

Staff waived the presentation on this item.

Supervisor Kuehl, commented that it is difficult to understand the relationship between the money spent and accomplishments. It looks like a lot of research, but it is not clear that these technologies are being commercialized. Dr. Miyasato provided additional information about the Clean Fuels Program and a technology showcase that is being proposed to highlight achievements of the program. For additional details, please refer to the [Webcast](#) beginning at 2:58:22.

The public hearing was opened, and the following individuals addressed the Board on Item 31.

Harvey Eder stated that the Solar New Deal has not been evaluated by the South Coast AQMD, CARB or U.S. EPA and expressed concerns that recent studies are being ignored.

Chris Chavez, Coalition for Clean Air and Wilmington, Carson, West Long Beach AB 617 Community Steering Committee member

Adrian Martinez, Earthjustice (Submitted Written Comments)

Theral Golden, West Long Beach Association & West Long Beach resident

Provided comments generally supporting the program and concerns about the carcinogenic health effects of diesel trucks, the importance and need for zero-emission technologies, emphasizing that California should use both technology-forcing regulatory standards and robust incentives to transition to the cleanest possible vehicles with aggressive enforcement actions. For additional details, please refer to the [Webcast](#) beginning at 2:04:49.

Nicole Rice, California Natural Gas Vehicle Coalition

Todd Campbell, Clean Energy

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Commented on the challenges associated with the transition to cleaner technologies and urged the Board to not exclude cleaner technologies that are available now and have a proven track record at reducing NOx and diesel particulate matter. Expressed support for renewable natural gas trucks which are available today and can replace the existing diesel fleet and help in meeting attainment goals.

There being no further testimony on this item, the public hearing was closed.

Board Member Padilla-Campos asked about the amount of funding that is being allocated to traditional methane combustion projects. Dr. Miyasato responded that over 80 percent of the projects that were funded last year were for zero-emission technologies and less than 10 percent went toward natural gas combustion. Priorities for this year are for applications where hydrogen fuel cells and batteries are currently available. For additional details, please refer to the [Webcast](#) beginning at 3:17:37.

MOVED BY CACCIOTTI, SECONDED BY DELGADO, AGENDA ITEM NO. 31 APPROVED AS RECOMMENDED, TO ADOPT RESOLUTION NO. 22-12 APPROVING THE TECHNOLOGY ADVANCEMENT OFFICE CLEAN FUELS PROGRAM ANNUAL REPORT FOR 2021 AND ADOPTING THE CLEAN FUELS PROGRAM PLAN UPDATE FOR 2022, BY THE FOLLOWING VOTE:

AYES: Benoit, Cacciotti, Delgado, Do, Kracov, Kuehl, McCallon, Perez, Raman, Rodriguez, and Rutherford

NOES: Padilla-Campos

ABSENT: Richardson

32. Annual RECLAIM Audit Report for 2020 Compliance Year

Staff waived the presentation on this item.

The public hearing was opened, and the following individual addressed the Board on Item 32.

Harvey Eder stated that he spoke about the ineffectiveness of RECLAIM many years ago and expressed the need to include solar technologies in all plans. He also expressed concerns about the increase in emissions over the last 30 years.

There being no further testimony on this item, the public hearing was closed.

MOVED BY CACCIOTTI, SECONDED BY DO, AGENDA ITEM NO. 32 APPROVED AS RECOMMENDED, APROVING THE ANNUAL RECLAIM AUDIT REPORT FOR 2020 COMPLIANCE YEAR, BY THE FOLLOWING VOTE:

AYES: Benoit, Cacciotti, Delgado,  
Do, Kracov, Kuehl, McCallon,  
Padilla-Campos, Perez, Raman,  
Rodriguez, and Rutherford

NOES: None

ABSENT: Richardson,

**CLOSED SESSION**

There was no closed session.

**ADJOURNMENT**

There being no further business, the meeting was adjourned by Chair Benoit at 12:25 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on March 4, 2022.

Respectfully Submitted,

Faye Thomas  
Clerk of the Boards

Date Minutes Approved: \_\_\_\_\_

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Ben J. Benoit, Chair

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**ACRONYMS**

AQMP = Air Quality Management Plan

BARCT = Best Available Retrofit Control Technology

CARB = California Air Resources Board

CEQA = California Environmental Quality Act

FY = Fiscal Year

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

NOx = Oxides of Nitrogen

PM = Particulate Matter

RECLAIM = Regional Clean Air Incentives Market

RFP = Request for Proposals

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compound

 [Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 3

PROPOSAL: Set Public Hearing May 6, 2022 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

Adopt Executive Officer's FY 2022-23 Proposed Goals and Priority Objectives, and Proposed Budget; Determine That Proposed Amendments to Regulation III – Fees and Rule 1480 – Ambient Monitoring and Sampling of Metal Toxic Air Contaminants Are Exempt from CEQA and Amend Regulation III and Rule 1480

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2022-23 have been developed and are recommended for adoption. Proposed Amended Regulation III and Proposed Amended Rule 1480 includes: an increase of most fees by 6.5 percent consistent with the Consumer Price Index and Rule 320; new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency; and administrative changes in Regulation III and Rule 1480 that include clarification, deletions, insertions, or corrections of existing rule language, which have no fee impact. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2022-23; 2) Adopt the Resolution determining that the proposed amendments to Regulation III - Fees and Rule 1480 – Ambient Monitoring and Sampling of Metal Toxic Air Contaminants, are exempt from the California Environmental Quality Act; 3) Amending Regulation III; and 4) Amending Rule 1480. (Review: Administrative Committee and Special Board Meeting/Budget Workshop, April 8, 2022)

The complete text of the proposed amended rule, proposed rule, staff report and other supporting documents will be available from the South Coast AQMD's Public Information Center at (909) 396-2001, or Mr. Derrick Alatorre – Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, [dalatorre@aqmd.gov](mailto:dalatorre@aqmd.gov) and on the Internet ([www.aqmd.gov](http://www.aqmd.gov)) as of April 6, 2022.

**RECOMMENDED ACTIONS:**

Set public hearing May 6, 2022 to adopt the Executive Officer's FY 2022-23 Proposed Goals and Priority Objectives, and Proposed Budget; adopt the Resolution determining that proposed amendments to Regulation III – Fees and Rule 1480 – Ambient Monitoring and Sampling of Metal Toxic Air Contaminants, are exempt from CEQA and Amending Regulation III and Rule 1480.

Wayne Natri  
Executive Officer

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 4

**PROPOSAL:** Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle

**SYNOPSIS:** South Coast AQMD is expected to receive grant funds up to \$703,945 from U.S. EPA for the PM2.5 Program and up to \$2,100,000 from the U.S. Government for the Enhanced Particulate Monitoring Program. These actions are to recognize revenue and appropriate funds for the PM2.5 and Enhanced Particulate Monitoring Programs, transfer up to \$350,000 between Major Objects in Science & Technology Advancement's FY 2022-23 Budget to realign expenditures for the Enhanced Particulate Monitoring Program and issue solicitations and purchase orders for air monitoring equipment and one vehicle.

**COMMITTEE:** Administrative, March 11, 2022; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Recognize revenue in the General Fund up to \$2,803,945 and appropriate funds up to \$662,539 upon receipt into the FYs 2021-22 and/or 2022-23 Budgets as set forth in Attachment 1 and further detailed in Attachments 2 and 3;
2. Transfer up to \$350,000 between Science & Technology Advancement's FY 2022-23 Budget, Salaries and Employee Benefits Major Object (Org 44) and Services & Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures, as needed, for the FY 2022-23 Enhanced Particulate Monitoring Program;
3. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue purchase orders, based on a solicitation process, "Prior Bid, Last Price" or cooperative agreement for the following items as listed in Table 1:
  - a. One EBAC DD900 Dehumidifier not to exceed \$10,000;
  - b. One Hydrogen Generator not to exceed \$15,000;
  - c. One TriScroll Oilless Pump not to exceed \$7,000; and
  - d. One BEV, PHEV, or Hybrid vehicle based on availability in an amount not to exceed \$40,000.
4. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a sole source purchase order with Met

One Instruments, Inc. for up to three Met One PM2.5 Federal Equivalent Method Monitors not to exceed \$63,000 as listed in Table 2.

Wayne Natri  
Executive Officer

MMM:JCL:RMB:ld:eq

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## **Background**

### PM2.5 Program

A significant body of peer-reviewed scientific research, including studies conducted in Southern California, points to adverse impacts of particulate matter air pollution on both increased illness (morbidity) and increased death rates (mortality). Emission reductions of PM2.5 avoids premature deaths and result in fewer asthma-related emergency department visits, hospital admissions related to asthma, cardiovascular or respiratory conditions, and person-days of work and school absences.

Since 1998, U.S. EPA has provided funds under Section 103 for a comprehensive PM2.5 Air Monitoring Program. To date, there are 19 ambient monitoring stations in the South Coast Air Basin (Basin) operating 22 Federal Reference Method (FRM) PM2.5 monitors under U.S. EPA funding and 20 Federal Equivalent Method (FEM/Non-FEM) PM2.5 continuous monitors. In addition, U.S. EPA has supported the expansion of the network to collect ongoing PM2.5 mass and chemical speciation at several sites within the Basin. The chemical speciation of fine particulate matter supports the characterization of PM2.5 sources, air quality conditions and health impacts. South Coast AQMD is expected to receive up to \$703,945 from U.S. EPA for the annually funded PM2.5 Program. Since 1998, U.S. EPA has provided funds under Section 103 for a comprehensive PM2.5 Air Monitoring Program. To date, there are 19 ambient monitoring stations in the South Coast Air Basin (Basin) operating 22 Federal Reference Method (FRM) PM2.5 monitors under U.S. EPA funding and 20 Federal Equivalent Method (FEM/Non-FEM) PM2.5 continuous monitors. In addition, U.S. EPA has supported the expansion of the network to collect ongoing PM2.5 mass and chemical speciation at several sites within the Basin. The chemical speciation of fine particulate matter supports the characterization of PM2.5 sources, air quality conditions and health impacts. South Coast AQMD is expected to receive up to \$703,945 from U.S. EPA for the annually funded PM2.5 Program.

### Enhanced Particulate Monitoring Program

South Coast AQMD has been providing enhanced particulate monitoring support as part of a national monitoring program since 2003. Sample collection began in February 2003 and will continue for the foreseeable future. South Coast AQMD is expected to receive

up to \$2,100,000 from the U.S. Government for the annually funded Enhanced Particulate Monitoring Program.

### **Proposal**

The federal revenue to be recognized and FYs 2021-22 and/or 2022-23 appropriations are summarized in Attachment 1 and further described in Attachments 2 and 3.

#### PM2.5 Program (FYs 2021-22 and/or 2022-23)

U.S. EPA is expected to provide Section 103 Grant funding in an amount up to \$703,945 for the continuation of the PM2.5 Program through March 31, 2023. Revenue for this grant in the amount of \$461,000 for Salaries and Benefits has already been included in the budget. This action is to recognize the remaining revenue up to \$242,945 into the FYs 2021-22 and FY 2022-23 Budgets and appropriate up to \$242,945 into Science & Technology Advancement's FYs 2021-22 and/or 2022-23 Budgets as set forth in Attachment 2.

#### Enhanced Particulate Monitoring Program (FYs 2021-22 and/or 2022-23)

South Coast AQMD is expected to receive funding from the U.S. Government for the ongoing Enhanced Particulate Monitoring Program through April 30, 2023, in an amount up to \$2,100,000. This action is to recognize revenue up to \$419,594 into the FYs 2021-22 and or 2022-23 Budgets (\$1,680,406 for Salaries, Benefits, and indirect costs was already included in the FY 2021-22 and/or 2022-23 Budget) and appropriate up to \$419,594 into Science & Technology Advancement's FYs 2021-22 and/or 2022-23 Budget, Services & Supplies and Capital Outlays Major Objects, as set forth in Attachment 3.

#### Proposed Purchases through a Solicitation Process, "Prior Bid, Last Price" or Cooperative Agreement

##### *EBAC DD900 Dehumidifier*

The current EBAC DD700 dehumidification unit is not keeping the PM2.5 humidity and temperature-controlled room within U.S. EPA specifications during humid weather conditions. Replacing the DD700 with the higher capacity DD900 dehumidifier will maintain the humidity and temperature-controlled room within U.S. EPA specifications for the PM2.5 FRM program. The estimated cost of a dehumidifier is \$10,000 (see Table 1). The purchase will be made through a solicitation process followed by issuance of a purchase order(s).

##### *Hydrogen Generator*

The U.S. EPA Section 103 PM2.5 Grant award includes one-time funding for the purchase of one hydrogen generator. The current hydrogen generator is more than 15 years old and needs replacement. The estimated cost of a hydrogen generator is \$15,000

(see Table 1). The purchase will be made through a solicitation process followed by issuance of a purchase order(s).

#### *TriScroll Oilless Pump*

The U.S. EPA Section 103 PM2.5 Grant award includes one-time funding for the purchase of one TriScroll oilless pump. The current TriScroll oilless pump is more than 15 years old and needs replacement. The estimated cost of a TriScroll oilless pump is \$7,000 (see Table 1). The purchase will be made through a solicitation process followed by issuance of a purchase order(s).

#### *BEV, PHEV or Hybrid Vehicle*

At the outset of the Enhanced Particulate Monitoring Program over 15 years ago, several dedicated vehicles were purchased to meet the mileage intensive needs of the program. Several of these original vehicles have more than 200,000 miles and are expected to be surplus. The U.S. Department of Homeland Security, which is the funding agency for this program, concurs that replacing one of these vehicles is appropriate. Staff proposes replacement of one vehicle with a BEV, PHEV or Hybrid based upon availability, through an RFQ process, “Prior Bid, Last Price,” or a cooperative purchasing agreement. Low emission vehicles are available from vendors through cooperative purchasing under the State of California, Department of General Services, Procurement Division, and Alternative Fueled Vehicles Contract. The cost of the vehicle will not exceed \$40,000 (see Table 2).

#### Proposed Purchases through Sole Source Purchase Orders

##### *Met One PM2.5 Continuous FEM Monitor*

The U.S. EPA Section 103 PM2.5 Grant award includes one-time funding for the purchase of up to three Met One PM2.5 FEM monitors. The Met One PM2.5 FEM monitor is the only commercially available FEM monitor that would allow South Coast AQMD to satisfy the U.S. EPA collocation requirement, which specifies that new FEM monitors added to the network must use the same monitor/method code as those that are already in operation within the network. The cost of the monitors will not exceed \$63,000 (see Table 2).

#### **Sole Source Justification**

The Met One, Inc. PM2.5 FEM Monitor is the only manufacturer of a real-time, continuous PM2.5 mass monitor that employs a unique “in-situ” sampling technique that would allow South Coast AQMD to satisfy U.S. EPA collocation requirements, which determine that new FEM monitors added to the network must use the same sampler/method code as those that are already in operation with the network. Sole Source Justification Section VIII.B.3 of South Coast AQMD’s Procurement Policy and Procedure identifies four major provisions under which a sole source award funded in whole or in part with federal funds, may be justified. Specifically, this request for sole

source award is made under provision VIII.B.3.a. the item is available only from a single source.

**Resource Impacts**

U.S. Government funding will support the Enhanced Particulate Monitoring Program.

U.S. EPA Section 103 Grant funding will support the continuation of the PM2.5 Monitoring Program, including equipment and services and supplies necessary to meet the objectives of the PM2.5 Monitoring Program.

**Table 1  
Proposed Purchase through an RFQ Process, ‘Prior Bid, Last Price’, or  
Cooperative Agreement Purchase Order**

<b>Description</b>	<b>Qty</b>	<b>Funding Source</b>	<b>Estimated Amount</b>
EBAC DD9900 Dehumidifier	1	PM2.5 FY 2021-22 and/or 2022-23	\$10,000
Hydrogen Generator	1	PM2.5 FY 2021-22 and/or 2022-23	\$15,000
TriScroll Oilless Pump	1	PM2.5 FY 2021-22 and/or 2022-23	\$7,000
BEV, PHEV or Hybrid Vehicle	1	U.S. Government FY 2021-22 and/or 2022-23	\$40,000
<b>Total</b>			<b>\$72,000</b>

**Table 2**  
**Proposed Purchase through Sole Source Purchase Order**

<b>Description</b>	<b>Qty</b>	<b>Funding Source</b>	<b>Estimated Amount</b>
Met One PM2.5 FEM Monitor	Up to 3	PM2.5 FY 2021-22 and/or 2022-23	\$63,000
<b>Total</b>			<b>\$63,000</b>

**Attachments:**

1. Proposed Federal Revenues and Expenditures for FYs 2021-22 and/or 2022-23
2. Proposed PM2.5 Expenditures for FYs 2021-22 and/or 2022-23
3. Proposed Enhanced Particulate Monitoring Expenditures for FYs 2021-22 and/or 2022-23

## Attachment 1

### Proposed Federal Revenues and Expenditures for FYs 2021-22 and/or 2022-23

<b>Funding Agency</b>	<b>Program Name</b>	<b>Proposed Revenues</b>	<b>Proposed Expenditures*</b>	<b>Detailed Appropriations</b>
EPA-Section 103	PM2.5 Program	\$703,945	\$242,945	Attachment 2
U.S. Govt.	Enhanced Particulate Monitoring	\$2,100,000	\$419,594	Attachment 3
		<b>\$2,803,945</b>	<b>\$662,539</b>	

\*The difference between the proposed revenue and expenditure amounts is due to Salaries, Benefits, and indirect costs already included in the FYs 2021-22 and 2022-23 Budgets.

## Attachment 2

### Proposed PM2.5 Expenditures for FYs 2021-22 and/or 2022-23

Account Description	Account Number	Program Code	Estimated Expenditures*
<b>Services &amp; Supplies Major Object:</b>			
Rents & Leases Structure	67300	47500	\$8,000
Maintenance of Equipment	67600	47500	57,500
Building Maintenance Operation	67650	47500	1,000
Travel	67800	47500	6,000
Laboratory Supplies	68050	47500	62,500
Office Expense	68100	47500	2,945
Small Tools, Instruments, Equipment	68300	47500	10,000
<b>Total Services &amp; Supplies Major Object:</b>			<b>\$147,945</b>
<b>Capital Outlay Major Object:</b>			
EBAC DD9900 Dehumidifier	77000	47500	10,000
Hydrogen Generator	77000	47500	15,000
TriScroll Oilless Pump	77000	47500	7,000
MET One PM2.5 FEM Monitor (up to 3)	77000	47500	\$63,000
<b>Total Capital Outlay Major Object:</b>			<b>\$95,000</b>
<b>Total Appropriations</b>			<b>\$242,945</b>

Note: Salaries and Benefits are already included in the FYs 2021-22 and 2022-23 Budgets.

\*Funds not expended by June 30 2022, will be carried over to FY 2022-23

### Attachment 3

#### Proposed Enhanced Particulate Monitoring Expenditures for FYs 2021-22 and/or FY 2022-23

Account Description	Account Number	Program Code	Estimated Expenditures*
<b>Salaries &amp; Employee Benefits Major Object:</b>			
Overtime	52000	44505	\$41,000
<b>Total Salaries &amp; Employee Benefits Major Object:</b>			<b>\$41,000</b>
<b>Services &amp; Supplies Major Object:</b>			
Temporary Agency Services	67460	47505	\$239,994
Maintenance of Equipment	67600	47505	1,000
Building Maintenance Operation	67650	47505	400
Auto Mileage	67700	47505	94,000
Clothing and Safety Equipment	68000	47505	2,000
Office Expense	68100	47505	200
Small Tools, Instruments, Equipment	68300	47505	1,000
<b>Total Services &amp; Supplies Major Object:</b>			<b>\$338,594</b>
<b>Capital Outlay Major Object:</b>			
Vehicle (1)	77000	47505	40,000
<b>Total Capital Outlay Major Object:</b>			<b>\$40,000</b>
<b>Total Appropriations</b>			<b>\$419,594</b>

Note: Salaries, Benefits, and Indirect Costs (excluding overtime) are included in the FY 2021-22 and/or 2022-23 Budget.

\* Funds not expended by June 30, 2022, will be carried over to FY 2022-23.

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 5

**PROPOSAL:** Adopt Resolution Recognizing Funds, Issue Program Announcements and Execute or Amend Contracts for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment

**SYNOPSIS:** In November 2021, CARB approved the Fiscal Year 2021-22 Funding Plan for Clean Transportation Incentives in which \$32.1 million from Senate Bill 129 (SB 129), State General Funds for Extreme Nonattainment, were allocated to the South Coast AQMD for the Carl Moyer Program. Also, unspent funds remain under the final funding cycle of the Proposition 1B-Goods Movement Program (Prop 1B). These actions are to: 1) adopt Resolution to recognize up to \$32.1 million from CARB into the Carl Moyer Program SB 1107 Fund (32) and accept terms and conditions of SB129 Carl Moyer grant award; 2) issue, and if necessary, re-issue Program Announcements #2022-01 and #2022-02 for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment until all allocated funds under SB 129 and remaining Prop 1B funds are exhausted; 3) authorize the Executive Officer to execute or amend contracts for eligible projects approved by CARB; and 4) reimburse administrative costs up to \$2.01 million for the implementation of SB 129, State General Funds for Extreme Nonattainment.

**COMMITTEE:** Technology, March 18, 2022; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Adopt the attached Resolution, recognizing, upon receipt, up to \$32.1 million from CARB into the Carl Moyer Program SB 1107 Fund (32) and authorize the Executive Officer to accept terms and conditions of the SB129 Carl Moyer grant award;
2. Issue, and if necessary, re-issue Program Announcements 2022-01 and 2022-02 to solicit projects for clean heavy-duty vehicles and advanced technology goods movement equipment;
3. Authorize the Executive Officer to execute or amend contracts for eligible projects approved by CARB from the Carl Moyer Program SB 1107 Fund (32) and the Proposition 1B-Goods Movement Program Fund (81) until funds are exhausted; and

4. Reimburse the General Fund from SB 129, State General Funds for Extreme Nonattainment for administrative costs related to the implementation of the SB 129 Program in an amount not to exceed \$2.01 million from the Carl Moyer Program SB 1107 Fund (32).

Wayne Nastri  
Executive Officer

MMM:AK:MW

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### **Background**

In July 2021, the State Legislature appropriated \$45 million to CARB under SB129, The Budget Act of 2021, to improve air quality in the South Coast AQMD and San Joaquin Valley Air Pollution Control District, areas in severe or extreme non-attainment. Of the \$45 million, CARB allocated \$32.1 million to South Coast AQMD based on the population of existing medium- and heavy-duty trucks and buses registered in the Department of Motor Vehicles between the two respective air districts. This funding supports the replacement of diesel vehicles with engines certified to meet the 0.02 g/bhp-hr NOx standard or lower through the Carl Moyer Memorial Air Quality Standards Attainment Program (CMP).

In addition, in September 2015, CARB awarded South Coast AQMD during the final funding cycle of Prop 1B funding in the amount of \$137.9 million for the Los Angeles/Inland Empire trade corridor. In August 2020, CARB awarded an additional \$6,406,088 to South Coast AQMD for the Prop. 1B Program to fund additional trucks and infrastructure projects. South Coast AQMD has issued seven solicitations, including five for trucks, one for cargo handling equipment, and one for the locomotive category. Although the heavy-duty truck solicitations were initially oversubscribed, various award recipients have decided not to move forward due to the commercial unavailability of some technologies, supply chain constraints, and economic reasons. As a result, Prop. 1B Program funds remain available.

CARB has granted approximately \$486 million in Prop 1B funds to South Coast AQMD since 2008 to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, transportation refrigeration units (TRUs), locomotives, cargo-handling equipment, and shore power installation for ships at berth. The vast majority of these vehicles/equipment are currently operational, providing 7,655 tons of NOx and 226 tons of yearly PM emission reduction benefits to the region.

### **Proposal**

This action is to adopt the attached Resolution recognizing, upon receipt, up to \$32.1 million from CARB into the CMP SB 1107 Fund (32) for implementation of SB 129

and authorize the Executive Officer to accept the terms and conditions of the SB 129 Carl Moyer grant award from CARB.

Also, staff proposes to issue, and if necessary, re-issue, Program Announcements (PA) # 2022-01 and PA# 2022-02, Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment, to solicit applications for projects that involve the replacement of heavy-duty diesel on-road vehicles (PA# 2022-01) and other eligible goods movement equipment (PA# 2022-02). The replacement vehicles must meet the CARB certified 0.02 g/bhp-hr NOx standard or lower. For other eligible goods movement equipment including locomotives and cargo handling equipment, the old equipment must be replaced with Tier 4 certified engines or cleaner. The projects will be evaluated based on the funding source that is best suited for the project, including but not limited to the CMP Guidelines and Prop 1B Final 2015 Guidelines for Implementation.

In addition, this action is to authorize the Executive Officer to execute contracts or amend existing contracts for eligible projects from PA# 2022-01 and PA# 2022-02 using the Carl Moyer Program SB 1107 Fund (32) and Proposition 1B-Goods Movement Program Fund (81), until funds are exhausted.

Of the \$32.1 million allocation from SB 129, up to 6.25 percent can be used for administrative costs. This action is to also reimburse the General Fund up to \$2.01 million as necessary to implement the SB 129 Program.

### **Outreach**

In accordance with the South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin. Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the PAs will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on the South Coast AQMD's website (<http://www.aqmd.gov>) under "Grants & Bids."

### **Benefits to South Coast AQMD**

The South Coast Air Basin is designated by the U.S. EPA as extreme nonattainment for Ozone. NOx and VOCs are ozone precursors and the rate of ozone formation within the South Coast Basin is controlled by reducing NOx emissions. Mobile sources as shown in the South Coast AQMD's 2016 Air Quality Management Plan (AQMP) are the most significant sources of NOx emissions. Incentives directed towards the replacement of older higher emitting mobile sources with newer and cleaner technological alternatives helps with the progress in meeting air quality goals for the region. The implementation of Prop 1B and the CMP incentive programs help replace higher polluting mobile sources with cleaner alternatives.

**Resource Impacts**

A total of \$32.1 million has been allocated to South Coast AQMD for implementation of the Fiscal Year 2021-22 SB 129, State General Funds for Extreme Nonattainment. Of this amount, \$30.1 million is designated for project funding, and the General Fund will be reimbursed up to \$2.01 million for administrative and outreach efforts. These funds will be recognized into the Carl Moyer Program SB 1107 Fund (32).

For the Prop 1B Program, any remaining funds that are or may become available (including from returned projects) will be awarded to eligible projects with CARB's approval from the Proposition 1B-Goods Movement Program Fund (81) until all funds are exhausted.

**Attachments**

1. Resolution
2. Clean Heavy-Duty Vehicles and Advanced Good Movement Equipment Program Announcements #PA2022-01 and #PA2022-02 (to be released on April 19, 2022)

**RESOLUTION NO. 22-**

**A Resolution of the South Coast Air Quality Management District Governing Board Recognizing Funds and Accepting the Terms and Conditions of the FY 2021-22 Senate Bill 129, State General Funds for Extreme Nonattainment**

WHEREAS, under Health & Safety Code §40400 et seq., the South Coast Air Quality Management District (South Coast AQMD) is the local agency with the primary responsibility for the development, implementation, monitoring and enforcement of air pollution control strategies, clean fuels programs and motor vehicle use reduction measures; and

WHEREAS, the South Coast AQMD is authorized by Health & Safety Code §§40402, 40440, and 40448.5 as well as the Carl Moyer Memorial Air Quality Standards Attainment Program (§§44275 et seq.) to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels, zero and low emission vehicles, to develop and implement other strategies and measures to reduce air contaminants and achieve the state and federal air quality standards; and

WHEREAS, in July 2021, Governor Newsom signed into law Senate Bill (SB) 129, which appropriates \$333.5 million from the State Budget for FY 2021-22 to the California Air Resources Board (CARB) for reducing criteria, toxic and greenhouse gas (GHG) emissions; and

WHEREAS, CARB has proposed an allocation of \$32,100,000 from SB129 to the South Coast AQMD to implement projects pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program Guidelines; and

WHEREAS, the South Coast AQMD is designated as an extreme non-attainment area for Ozone and, as such, is required to utilize all feasible means to meet national ambient air quality standards.

THEREFORE, BE IT RESOLVED that the Governing Board of the South Coast AQMD, State of California, in regular session assembled on April 1, 2022, does hereby recognize up to \$32.1 million from CARB and authorize the Executive Officer to accept the terms and conditions of SB 129 Carl Moyer grant award from CARB.

BE IT FURTHER RESOLVED that the Executive Officer is authorized and directed to take all steps necessary to carry out this Resolution.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Faye Thomas, Clerk of the Board



**SOUTH COAST AQMD PROGRAM ANNOUNCEMENT**  
**For**  
**CLEAN HEAVY-DUTY VEHICLE REPLACEMENT PROGRAM**  
**PA2022-01**

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce the availability of funds for the Clean Heavy-Duty Vehicle Replacement Program (Program). Projects funded under this Program Announcement (PA) must achieve early or extra emission reductions not otherwise required by law or regulation. Program funding will be available until a sufficient number of eligible and complete applications have been received, and all Program funds are fully committed through executed contracts. This Program will be jointly funded by State General Funds (SB 129), Carl Moyer Funds, Proposition 1B funds and other funding sources as applicable.

This PA is seeking applications for heavy-duty diesel vehicle projects. About \$35 million in Program funds are available for this solicitation.

**WHO:** The following may apply for funding through this solicitation:

Owner of an on-road, heavy-duty diesel truck or bus (with a manufacturer's gross vehicle weight rating (GVWR) of 14,001 lbs. or greater (Class 4, 5, 6, 7 or 8 truck).

**WHAT:** Replacement with a truck or bus emitting 0.02g/bhp-hr of NOx or lower (Funding for lower-emission school buses under this announcement are not as cost effective and will continue to be funded through a separate program);

Repower to natural gas optional low NOx engine available for fleet size of 3 trucks or less

**HOW:** All applications must be submitted according to specifications in the Application Portal. Failure to adhere to these specifications may be cause for rejection of the application without evaluation. The Application Portal can be found on South Coast AQMD's program page: <http://www.aqmd.gov/moyer>. Application assistance will be offered to applicants that do not own a computer or have internet access.

**NOTE:** Hardcopy, Facsimile or Email submittals **will not be accepted.**

**WHEN:** Solicitation open: April 19, 2022  
Solicitation close: July 15, 2022, or when South Coast AQMD reaches \$35 million in eligible applications, whichever comes first.



**SOUTH COAST AQMD PROGRAM ANNOUNCEMENT**  
**For**  
**CLEAN HEAVY-DUTY VEHICLE REPLACEMENT PROGRAM**  
**PA2022-01**

**BACKGROUND**

In July 2021, the State Legislature appropriated \$45 million to the California Air Resources Board (CARB) under SB129, The Budget Act of 2021, for a program to improve air quality in South Coast AQMD and San Joaquin Valley Air Pollution Control District, areas in severe or extreme non-attainment. Of the \$45 million, South Coast AQMD was allocated \$32.1 million based on the population of existing medium- and heavy-duty trucks and buses registered in the Department of Motor Vehicles between the two respective air districts. This funding supports the replacement of diesel vehicles with engines certified to meet the 0.02 g/bhp-hr NO<sub>x</sub> standard or lower through the Carl Moyer Memorial Air Quality Standards Attainment Program (CMP).

In addition, CARB has granted approximately \$486 million in Prop 1B funds to South Coast AQMD since 2008 to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, transportation refrigeration units (TRUs), locomotives, cargo-handling equipment, and shore power installation for ships at berth. Approximately \$25M in Prop. 1B Program funds remain available for goods movement emission reduction projects.

**EVALUATION CRITERIA**

In the preparation of this PA, the words "Applicant" and "Contractor" are used interchangeably. South Coast AQMD staff will evaluate all applications under the CMP Guidelines or the Prop. 1B Guidelines, as applicable. For example, if the applicant owns a goods movement truck with an engine model year 2007-09, the application will be evaluated under both CMP Guidelines and Prop 1B Guidelines. If a project qualifies for funding under both guidelines, the higher award amount may be offered. Applications will be evaluated in the order they are received.

South Coast AQMD may prioritize the selection of projects to reduce emissions in and around Disadvantaged Communities (DAC) and low-income communities located within the South Coast Air Basin (SCAB). While South Coast AQMD encourages all eligible applications, this means that some projects may not be selected based on their domicile address.

All applications will be evaluated based on the criteria set forth in this PA, the CMP Guidelines and Prop 1B Guidelines, and any subsequent updates and modifications/advisories to those guidelines. This PA was prepared based on the latest version of the CMP Guidelines and Prop 1B Guidelines approved by the CARB.

CMP Guidelines are available online at: <http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

Prop 1B Guidelines are available online at:  
[https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2015\\_program\\_guidelines\\_for\\_implementation.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf)



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**DEFINITIONS**

Alternative Fuel

Alternative fuels include compressed natural gas (CNG), liquefied natural gas (LNG), hydrogen (H<sub>2</sub>), methanol, ethanol, propane (LPG) and electric technologies. Experimental technologies and fuels will be referred to CARB for evaluation and possible eligibility in the Program.

Equipment Replacement

Equipment replacement means the replacement of an older vehicle or piece of equipment that still has remaining useful life with a newer, cleaner vehicle or piece of equipment. For this project type, the applicant must have owned and operated the old equipment in California for the previous two years.

Freight Facility

Distribution centers, warehouses, retail and wholesale outlets, and agricultural processing centers, and other places where trucks congregate (other than truck stops.)

Goods

Defined as having the same meaning in Commercial Code section 2105, which essentially requires that:

- The goods must be movable.
- The goods being moved must be part of a transaction that involves a contract for the sale of the goods.
- Rental equipment does not qualify as "Goods".

Optional Low-NO<sub>x</sub> Truck

The truck that utilizes a new Optional Reduced Emission Standard Heavy-Duty Engine that is certified/verified (as applicable) by CARB. The Optional Reduced Emission Standard is one of five separate but related regulatory actions that together will reduce GHG & NO<sub>x</sub> air emissions from medium- and heavy-duty vehicles and engines; harmonize State requirements with Federal requirements; establish new, optional provisions; and enhance enforcement and implementation of existing regulations. Specifically, the optional low oxides of nitrogen (NO<sub>x</sub>) standards for heavy-duty vehicle engines provide a mechanism to allow heavy-duty engine manufacturers to optionally certify engines to standards more stringent than the 2010 standards. Trucks equipped with new engines that are certified by the CARB to the optional low-NO<sub>x</sub> standard of 0.02 g/bhp-hr NO<sub>x</sub> or lower will be considered for funding through this Program Announcement.

Zero-emission vehicle (ZEV)

A vehicle that itself produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) when stationary or operating. Battery Electric and Fuel Cell Electric powered vehicles are examples of ZEV.



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South Coast AQMD Jurisdiction

The South Coast AQMD is the air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties. This area of 10,743 square miles is home to approximately 17 million people—about half the population of the whole state of California. It is the second most populated urban area in the United States and one of the smoggiest. Visit <http://www.aqmd.gov/nav/about/jurisdiction> for more information.

**ELIGIBILITY REQUIREMENTS**

**On-Road Heavy-Duty Diesel Vehicles under Carl Moyer Program**

On-Road Heavy-Duty Diesel Fueled Vehicles: drayage trucks, solid waste vehicles, public agency/utility vehicles, transit/shuttle buses, and emergency vehicles.

Below are the key requirements for on-road, heavy-duty vehicle projects:

- Only replacement projects of a diesel-fueled baseline vehicle will be eligible.
- The existing vehicle must be Class 4 – 8
- The replacement vehicles' engines may not be diesel-fueled.
- Fleets must be fully compliant with all applicable fleet regulations.
- Eligible Engine Model Years (EMY) for the vehicles subject to the Statewide Truck & Bus Regulation, Drayage Truck Regulation, and Fleet Rule for Public Agencies and Utilities are 6 or more years of age prior to the current calendar year. For example, the application submitted in 2022, the eligible EMY must be between 2007 and 2016. The application submitted in 2023, the eligible EMY is between 2010 and 2017. A small number of specialty vehicles with EMY prior to 2007 may be eligible if they have remaining compliance life. Vehicles that maintain compliance utilizing the low use exemption are not eligible. Only vehicles with a compliance deadline of January 1, 2023, or later are eligible for funding. **Currently, the eligible EMY under CMP Guidelines is 2010 or older. The expansion of eligible EMY to include 6 or more years of age prior to the current calendar year is pending and subject to CARB's final approval.**
- Eligible vehicle types include diesel fueled heavy-duty trucks, solid waste collection vehicles, public agency and utility fleet vehicles and emergency vehicles (for this solicitation, emergency vehicles are only eligible for a 0.02 Low-NOx or cleaner vehicle replacement).
- The project's cost effectiveness will be based on the annual mileage of the existing equipment for the previous two years. The applicant must provide the historical mileage records for the equipment as part of the application. The emission reductions will be based on the lower of the two 12-month periods of California usage during the previous twenty-four months. Low usage during the period of March 1, 2020 and June 1, 2020, can be substituted with the 3-month period that precedes the 24-month period prior to application submittal. Fleet averages cannot be used. Registration gaps during this period can be accepted if the vehicle was registered prior to March 1, 2020 and immediately after June 1, 2020.



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- Emergency vehicles are defined in California Vehicle Code 165, including but not limited to fire apparatus, pumpers, ladder trucks, water tenders, and prisoner transport buses
- Project equipment, baseline or replacement, must be domiciled within the SCAB and operate a minimum of 75% of the time within the boundaries of the SCAB.
- **Must** provide proof of ownership with the application.
- California registration or California IRP
- Operational history for the prior 24 months
- Applicants **must** provide vendor quotes with their application to document the cost of the low- or zero-emission vehicle/equipment project. Applicants may be awarded up to the designated percentage of the total cost for the specified type of project, subject to funding caps and program cost-effectiveness limits. Eligible costs include installation labor and sales tax. **All quotes must have been obtained within 90 days prior to the application submittal date.**
- Applicants must provide legible engine tag photos of the baseline engine(s) or manufacturer specifications that document the engine serial number, model year and engine family number, emissions certification level and CARB Executive Order (if controlled).
- Projects must include commercially available technologies that are certified or verified by CARB.
- Vehicles or Engines operating under a regulatory compliance extension granted by CARB, an air district, or the United States Environmental Protection Agency (U.S. EPA) are not eligible for funding.
- For purposes of the CMP, the following on-road vehicle classifications are used:

Vehicle Classification	GVWR
Light Heavy-Duty (LHD) Class 4-5	14,001 to 19,500 pounds
Medium Heavy-Duty (MHD) Class 6-7	19,501 to 33,000 pounds
Heavy Heavy-Duty (HHD) Class 8	Over 33,000 pounds

The proposed vehicle must be in the same weight class as the existing vehicle (LHD, MHD or HHD). The engine must be certified to the applicable heavy-duty intended service class as shown on the engine certification Executive Order. However, the following cases may be allowed: 1) MHD engines may be installed in HHD vehicles with GVWR up to 36,300 lbs. (10 percent higher than 33,000 lbs. GVWR) with written warranty verification by engine and chassis manufacturer, or 2) HHD engines may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR is within 10 percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater). Executive Orders for on-road vehicles may be downloaded at: <https://ww2.arb.ca.gov/new-vehicle-and-engine-certification-executive-orders>



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**Eligibility Requirements for Heavy-Duty Diesel Vehicles under Prop 1B** The existing truck has been used to move goods a majority of the time for the past 2 years

- The existing vehicle must be Class 5 – 8 (Class 4 vehicles are not eligible)
- California operation, not limited to South Coast AQMD Jurisdiction
- For existing truck, at least 75% operation within California each year for the past 24 months, and the replacement truck must be 90% to 100% operation within California for project life
- Annual vehicle miles traveled (VMT) in California each year for the past 2 years for existing truck:
  - At least 20,000 miles for each Class 7 or 8 truck.
  - At least 10,000 miles for each Class 5 or 6 truck.
- The existing truck must have a MHD or HHD engine (service class), except Class 5 trucks which may have LHD engines.
- The Engine Repower option is available only under Prop 1B for fleet size of 3 trucks or less. The repowered engine must meet the optional low NOx standard of 0.02 g/bhp-hr.
- The replacement truck must have the same weight classification range (Class 5, 6, 7, or 8) and service class (HHD or MHD) as the existing truck, except for the following conditions (funding levels for trucks in different weight classification ranges are specified in Table 1 below):
  - The equipment owner chooses to replace 2 eligible trucks for 1 replacement truck (Two-for-One option). For 2 for 1 replacement projects, the funding amount is based on the highest weight classification of the two existing trucks, or the weight classification of the replacement truck, whichever is less.
  - Replacement required by the equipment owner in order to meet a vocational need, as approved by the South Coast AQMD.
  - Replacement of a Class 7 truck with a Class 8 truck or Class 8 with a Class 7 truck, as long as both trucks have a HHD engine. Please note that the funding amount would be at a Class 7 level for both scenarios.

**Table 1: Prop 1B Heavy-Duty Trucks – Funding Examples for Weight Class Modifications (Based on GVWR)**

<b>Project Type</b>	<b>Old Truck</b>	<b>Replacement Truck</b>	<b>Funding Level</b>
Replacement (1 for 1)	Class 7	Class 8	Class 7
Replacement (1 for 1)	Class 8	Class 7	Class 7
Replacement (1 for 1)	Class 6	Class 5	Class 5
Replacement (2 for 1)	Class 7 and Class 8	Class 8	Class 8
Replacement (2 for 1)	Class 8 and Class 8	Class 7	Class 7
Replacement (2 for 1)	Class 6 and Class 6	Class 7	Class 6
Replacement (2 for 1)	Class 6 and Class 8	Class 7	Class 7
Replacement (2 for 1)	Class 6 and Class 5	Class 7	Class 6



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**Heavy-Duty Vehicle Replacement under the CMP**

The award amount shall not exceed the project’s incremental cost, applicable funding caps and/or cost-effectiveness limit(s). If applicable, the “Step 1” cost-effectiveness limit, \$33,000 per weighted ton of emissions reduced, applies to projects that bring vehicles and equipment up to current standards. The “Step 2” cost-effectiveness limit, \$200,000/\$500,000<sup>1</sup> per weighted ton of emissions reduced, applies to projects that are zero-emission or meet the cleanest certified optional standard applicable.

All projects must meet the criteria stated in this PA and the CMP Guidelines in effect at the time of contract execution. A project’s cost effectiveness is determined based on the annualized cost of the project and the amount of NOx, ROG and PM<sub>10</sub> emission reductions that will be achieved by the project. Project cost effectiveness is currently calculated according to the following formula:

$$\frac{\text{Annualized Cost (\$/year)}}{[\text{NOx reduction} + 20 (\text{combustion PM}_{10} \text{ reduction}) + \text{ROG reduction}] (\text{tons/year})}$$

The following tables 2 & 3 provide the estimated amounts of possible awards for a heavy-duty vehicle replacement based on the existing diesel vehicle engine year, the annual mileage and the replacement vehicle type (0.02 Low NOx or zero emission). The estimated awards are for fleet size of 10 trucks or less only. For fleet sizes of more than 10, the award amount cannot exceed 50 percent of the project cost, excluding taxes and fees.

**FUNDING TABLES (CMP-Table 2&3, Prop1B-Table 4)**

Annual Mileage of Existing Truck	<b>Table 2: Grant Amount for 0.02 NOx Projects deployed in 2023*</b>							
	Engine Model Year	2007/08/09	2010	2011	2012	2013	2014	2015
20,000 Miles/Year		\$54,004	\$115,614	\$111,353	\$107,092	\$78,862	\$76,376	\$73,890
30,000 Miles/Year		\$86,444	\$160,000	\$160,000	\$160,000	\$142,373	\$136,780	\$131,187
40,000 Miles/Year		\$122,509	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
50,000 Miles/Year		\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000

<sup>1</sup> Cost-effectiveness limit is dependent on the replacement equipment technology.



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Annual Mileage of Existing Truck	<b>Table 3: Grant Amount for ZEV Projects deployed in 2023*</b>							
	Engine Model Year	2007/08/09	2010	2011	2012	2013	2014	2015
20,000 Miles/Year		\$167,489	\$321,514	\$310,861	\$300,208	\$229,632	\$223,417	\$217,203
30,000 Miles/Year		\$267,657	\$410,000	\$410,000	\$410,000	\$407,478	\$393,496	\$379,514
40,000 Miles/Year		\$378,478	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000
50,000 Miles/Year		\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000

**\*The data on the tables are to be used for reference purposes only. The amounts represent a general estimation of the maximum award amount and are not to be used to determine individual award amounts.**

**Heavy-Duty Vehicle Replacement under the Prop 1B Program**

The table below displays the maximum funding amount based on the vehicle weight class and replacement technology. Please refer to the earlier section on the Eligibility Criteria for the annual qualifying usage. Project life for the replacement truck is five years.

**Table 4: Heavy-Duty Trucks – All Fleet Sizes**

Project Type <sup>1</sup>	Truck Class	Old Truck Engine Model Year	Replacement Engine Model Year	Maximum Funding Amounts
Replacement (2-for-1 also available)	Class 8	2007-2009	New MY2019 engine zero emission truck <sup>1,2</sup>	\$200,000
			New MY2019+ engine hybrid zero emission mile truck <sup>1,2</sup>	\$150,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$100,000
	Class 7	2007-2009	New MY2019+ engine zero emission truck <sup>1,2</sup>	\$200,000
			New MY2019+ engine hybrid zero emission mile truck <sup>1,2</sup>	\$150,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$100,000
	Class 6	2007 – 2009	New MY2019+ engine zero emission truck <sup>1,2</sup>	\$100,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$50,000
	Class 5	2007 – 2009	New MY2019+ engine zero emission truck <sup>1,2</sup>	\$80,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$40,000

Table 4 Notes:



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1. Projects may be co-funded with CARB's Air Quality Improvement Program, Low Carbon Transportation Program, or the California Energy Commission's (CEC's) Alternative Renewable Fuel Vehicle Technology Program funds as applicable.
2. Co-funded projects can only utilize one additional source of State funding and the combined funding may not exceed 90% of the total eligible project cost or any other funding restrictions of each respective Program. Projects must meet the requirements of each Program providing funding.

**COMPLIANCE WITH APPLICABLE LAWS**

Applicants must comply with all federal, state, and local laws, ordinances, codes and regulations. If the application is eligible for funding, all vehicles and/or equipment to be purchased or installed must be compliant with all applicable federal, state, and local air quality rules and regulations, and will maintain compliance for the full Contract term.

**COMPLIANCE WITH LABOR LAWS**

If an application is deemed eligible, the applicant will be required to provide information on any labor violations that have occurred within the last three years to be further considered for an award. If awarded, the contractor will be required to notify South Coast AQMD in writing if they have been found by a court or federal or state agency to have violated labor laws. The contractor will complete a yearly certification in which they will either state that they have not been found by a court or federal or state agency to have violated labor laws or, if such violations have been found, the contractor will give South Coast AQMD details about those violations in the certification. If the contractor has previously provided that information to the South Coast AQMD, they will be required to reattach that previous notification to the certification and provide any additional details about those violations that have not previously been provided. The contractor's yearly certification will be due at the same time as the annual progress reports. South Coast AQMD reserves the right to terminate the contract with a contractor that has been found to have violated labor laws, and the contractor may be required to return any and all contract funds, as determined by South Coast AQMD. The contractor will also ensure that these requirements are included in all subcontracts.

**MANUFACTURER DELAY COMPLIANCE EXTENSION**

If an applicant owns an existing diesel-fueled Heavy-Duty vehicle with an Engine Model Year between 2007 and 2009, the applicant may be able to extend the vehicle's compliance deadline with Truck and Bus Regulation's Manufacturer Delay provision, but a purchase agreement for the replacement vehicle must be executed before September 1, 2022. The Manufacturer Delay provision can be found here:

<https://ww2.arb.ca.gov/sites/default/files/2021-11/TruckAndBusManufacturerDelay.pdf>



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**OTHER IMPORTANT PROGRAM INFORMATION**

- A number of the CARB fleet rules and air quality regulations impact CMP eligibility. Compliance with existing CARB regulations is a pre-requisite for CMP funding. Only emission reductions in excess of regulatory requirements can be considered for CMP funding. If applicants are applying for CMP funds to reduce emissions before the required compliance date (i.e., early reductions), the equipment must demonstrate sufficient years of operation before the regulatory compliance deadline. Applicants are responsible for ensuring that they are in full compliance with all applicable regulations and that vehicle/equipment requests under the CMP provide surplus emission reductions. As noted earlier, applicants must provide documentation of their regulatory compliance status.
- All projects are expected to be operational within eighteen (18) months of contract execution or by March 31, 2024, whichever is earlier. Some projects may have earlier in-service operational date requirements, if they are subject to CARB regulations.
- It is the applicant's responsibility to ensure that the most current information and requirements are reflected in a submitted project application. Applicants should check the CARB website for updates and advisories to the guidelines ([www.arb.ca.gov/msprog/moyer/moyer.htm](http://www.arb.ca.gov/msprog/moyer/moyer.htm)).
- In cases of conflict between CARB guidelines and South Coast AQMD criteria, the more stringent criteria will prevail. South Coast AQMD will post any new information and requirements on its CMP and Prop 1B Web pages at [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer) and [www.aqmd.gov/prop1b](http://www.aqmd.gov/prop1b).
- A project may be leveraged with other funding sources. The applicant must disclose all funding sources at the time of application and will be required to report all funding sources prior to invoice payment. Other funding sources may include but are not limited to: state and federal funding programs that reduce greenhouse gas (GHG) emissions, funding provided by the Alternative and Renewable Fuel and Vehicle Technology Program, Air Quality Improvement Program, or CARB's Low Carbon Transportation Investment funds to reduce GHG emissions. The sum of all grants and other funds applied toward the project shall (1) not exceed the total project cost for public agency applicants and (2) not exceed 85% of the total project cost for non-public agency applicants. In other words, the grantee<sup>2</sup> must pay at least 15 percent of the project cost from non-public sources.
- Any **tax obligation** associated with the award is the responsibility of the grantee.
- All project invoices must be submitted for payment no later than March 31, 2024. Projects which have not been invoiced by this date may forfeit their funding.

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<sup>2</sup> Public agencies are exempt from this requirement.



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- No third-party contracts will be executed.
- Pre- and post-inspection of all vehicles/engines/equipment approved for funding will be conducted, as required. However, due to the impact of Covid-19 and to ensure the safety of the staff and the public, inspections of all vehicles/engines/equipment may be conducted virtually via remote inspections depending on the status of the pandemic. Applicants must make all equipment available for remote inspections unless otherwise specified during contract preparation, or through updates from South Coast AQMD. Documentation of compliance with existing regulatory requirements is required at the time of pre-inspection.
- Destruction of the engine and/or equipment being replaced is required for replacement projects and will also be conducted virtually via remote inspections, unless otherwise specified.

**PROGRAM ADMINISTRATION**

South Coast AQMD's mobile source incentive programs are administered locally through its Technology Advancement Office. The South Coast AQMD reserves the right to allocate incentive funds among the program categories or to specific projects in accordance with South Coast AQMD priorities.

All qualified applications submitted in response to this PA will be evaluated in the order the applications are received until the funds are depleted. Priority is given to the projects that reduce emissions in and around Disadvantage Communities (DAC) and Low-Income Communities located within SCAB. South Coast AQMD staff will notify each applicant of an incomplete application and request the additional information within thirty (30) business days of the application submittal due date. Applicants will have at least seven (7) business days to provide any missing information requested in South Coast AQMD's notification. It will be the applicant's responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only completed applications can move forward in the evaluation process; applications that remain incomplete after the delineated response period may be rejected and will not be evaluated or further considered.

**Electronic submission using South Coast AQMD's Online Application Program (OAP) is mandatory and is available at: <http://www.aqmd.gov/moyer>. No emailed, faxed, or mailed applications will be accepted.**



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**STATEMENT OF COMPLIANCE**

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. All applicants awarded contracts under this PA will be required to comply with this nondiscrimination clause.

**WORK STATEMENT/SCHEDULE OF DELIVERABLES**

Applicants must sign the Application form indicating their understanding of the requirements for submittal of additional project information to finalize a contract and that all vehicles, engines or equipment must be in operation within eighteen (18) months of contract execution or by March 31, 2024, whichever is earlier. Some projects may have earlier in-service operational date requirements if they are subject to CARB regulations. **Unsigned applications may be deemed ineligible and may NOT be considered for funding.**

**WORK STATEMENT**

The scope of work involves a series of tasks and deliverables that demonstrate compliance with the requirements of the Program as administered by CARB and the South Coast AQMD. The project applicant is responsible for developing detailed project plans and ordering equipment that complies with the program criteria and guideline requirements. In addition, alternative fuel project applicants must discuss their plan for refueling the proposed vehicles/equipment, and if appropriate, should provide a letter of agreement from their fuel provider (see Application forms).

At a minimum, any contract for funding the proposed project must meet the following criteria:

- Provide emission reductions that are real, surplus, quantifiable and enforceable in accordance with program guideline requirements.
- Project equipment must be domiciled within the boundaries of the SCAB.
- The replacement engine must achieve an annual NOx emissions benefit of at least 15 percent to receive any funding for NOx reductions.
- Commit that project engines or equipment operate in service for the full project life and within the SCAB for 75% of the time (CMP), or within CA for at least 90% of the time (Prop 1B)
- Commit that all vehicles are in operation within 18 months of contract execution or by March 31, 2024, whichever is earlier and comply with CARB's Truck and Bus Regulation.
- Provide for appropriate recordkeeping during the project life (i.e., annual mileage), including submission of annual reports as detailed below.
- Ensure that the project complies with all applicable rules and regulations, and the resulting emission reductions from the project are not required as a mitigation measure to reduce



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adverse environmental impacts that are identified in an environmental document prepared in accordance with the California Environmental Quality Act or the National Environmental Policy Act.

- If requested, contractor must provide a financial statement and bank reference, or other evidence of financial ability to fulfill contract requirements.
- If requested, contractor must make all equipment and records available to the South Coast AQMD or CARB for audit and inspections.

**DELIVERABLES**

The contract will describe how the project will be monitored and what type of information must be submitted as part of the reporting requirements. At a minimum, the South Coast AQMD expects to receive an annual report for each year during the full contract term, or project life, which provides the annual miles, where the vehicle was operated, and operational and maintenance issues encountered and how they were resolved. South Coast AQMD reserves the right to verify the information provided.

Annual Report form is available online at:

CMP: [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer)

Prop 1B: [www.aqmd.gov/prop1b](http://www.aqmd.gov/prop1b)

**APPLICATION SUBMITTAL REQUIREMENTS**

Applications will only be accepted via the South Coast AQMD's Online Application Program at: [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer). In addition, all Business Information Forms<sup>3</sup>, including Conflict of Interest and Project Cost information, as described below, must also be submitted with the application.

**CONFLICT OF INTEREST**

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of the South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such firms, the South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract. Please discuss potential conflicts of interest on the Application Statement Form in Appendix A.

**PROJECT COST**

Applicants must provide cost information that specifies the amount of funding requested and the basis for that request by attaching vendor quotes to the application. The vendor quotes must be dated within 90 days of the application submittal date. Applicants need to inform vendors of the time

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<sup>3</sup> [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer)



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frame of the award process so that they can estimate prices based on the future/projected order/purchase date.

**Purchase orders or other purchase commitments shall not be placed until after the award has been provided to the applicant in writing or an executed contract. Orders placed in advance of a fully executed contract are at the applicant's own risk**<sup>4</sup>.

The CMP will fund only a percentage of the cost of the low emission or zero-emission technology based on the type of project. The proposed low-emission or zero-emission technology must be certified, verified or approved by CARB in most cases<sup>5</sup>. No administrative or operational costs will be funded.

All project costs must be clearly indicated in the application. In addition, applicants must disclose all sources of co-funding, including the name of the funding source and amount of funding in the application. **Applicants are cautioned that the project life period used in calculating emissions reductions will be used to determine the length of their annual reporting obligation.** In other words, a project applicant using a ten-year life for the emissions reduction calculations will be required to operate, track and report activity for the project vehicle for the full ten years. The contract term will also be ten years.

Applicants are not required to calculate a project's cost effectiveness. However, methodologies for calculating cost effectiveness are provided in the CARB Moyer Guidelines at: [https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017\\_gl\\_appendix\\_c.pdf](https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017_gl_appendix_c.pdf).

The Prop 1B program does not utilize cost effectiveness to determine the award amount.

## **APPLICATION SUBMISSION**

**South Coast AQMD's Online Application Program must be used to submit applications to the Clean Heavy-Duty Vehicle Program. The Online Application Program will be available on **April 19, 2022**, at the South Coast AQMD Carl Moyer Program website at [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer)**

As a reminder, one application must be filed per applicant and the following forms must be completed:

1. Form A-1: General Application (includes Checklist and Application Statement). Provide a complete set of Form A-1 documents. Read the Application Statement carefully – it is a certification of the applicant's understanding for each item listed.

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<sup>4</sup> Any purchase order/purchase commitment placed prior to the South Coast AQMD Governing Board approval of the project are prohibited by the CMP. However, orders/commitments placed after South Coast AQMD Governing Board approval but in advance of a fully executed contract are at the purchaser's own risk.

<sup>5</sup> Note that an experimental permit from CARB may be considered, but the project will require special CARB approval.



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2. Category Application Form specific to your project category (one per unit, or use excel templates referenced in the form for multiple unit projects)
  - a) Form B-1: On-Road Heavy-Duty Vehicles, Replacement
  - b) Form B-3: Emergency Vehicles (Fire Apparatus)
3. Business Information Forms – Complete, sign and submit Business Information Forms with your application. Please note, if recommended for an award, you will be required to submit an updated Campaign Contribution Disclosure form at a later date. All required Business Information Forms will be available in the Application Portal.

**Missing Information** – Within thirty (30) business days of the application submittal date, South Coast AQMD will email letters to applicants regarding the missing or incomplete information. Applicants will have seven (7) business days to provide any missing information requested in the letter. It will be the applicant's responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only complete applications can move forward in the evaluation process.

**Disposition of Applications** - The South Coast AQMD reserves the right to reject any or all applications. All responses become the property of the South Coast AQMD. One copy of each application not selected for funding shall be retained for one year. Additional copies and materials will be returned only if requested and at the applicant's expense.

**PAYMENT TERMS**

For all projects full payment will be made upon installation and commencement of operation of the funded equipment.

**WEBSITE LINKS TO CARB RULES THAT AFFECT ELIGIBILITY**

On-Road Private (truck and bus) @ <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

Drayage Truck Regulatory @ <https://www.arb.ca.gov/msprog/onroad/porttruck/porttruck.htm>

Public/Utility Fleets @ <http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm>

**Staff Contact Information:** For general information or questions about this solicitation, please contact: Krystle Martinez Air Quality Specialist (909) 396-3021 or [kmartinez@aqmd.gov](mailto:kmartinez@aqmd.gov)



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Additional staff contact information can be found below. Applicants are strongly encouraged to contact South Coast AQMD staff to discuss their project prior to submitting an application to ensure program eligibility.

**Program Staff Contacts**

<b>Staff Contact</b>	<b>Phone Number</b>	<b>Email</b>
David Chen	(909) 396-3083	<a href="mailto:dchen@aqmd.gov">dchen@aqmd.gov</a>
Justin Joe	(909) 396-2054	<a href="mailto:jjoe@aqmd.gov">jjoe@aqmd.gov</a>
Krystle Martinez	(909) 396-3021	<a href="mailto:kmartinez@aqmd.gov">kmartinez@aqmd.gov</a>
Andrew Yoon	(909) 396-3043	<a href="mailto:ayoon@aqmd.gov">ayoon@aqmd.gov</a>
Tom Lee	(909) 396-2270	<a href="mailto:tlee@aqmd.gov">tlee@aqmd.gov</a>





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**Applicant Certification for the Prop 1B program (goods movement trucks):**

**I am the owner of the existing equipment, have the legal authority to apply for incentive funding for the entity described in this application, and agree to the following statement by signing below:**

- I (equipment owner) have reviewed the information provided in this application, including all supporting documentation, and certify the application information is true and correct, and meet the minimum requirements of the Proposition 1B –Goods Movement Emission Reduction Program;
- I agree to follow all requirements of the Proposition 1B - Goods Movement Emission Reduction Program- Final 2015 Staff Report and Guidelines for Implementation;
- The Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational deadline to remain eligible for funding;
- I understand that the Program-funded equipment may not be used by the equipment owner to comply with any applicable CARB regulations for the specified timeframe;
- Neither the owner nor equipment identified in the application has any outstanding violations or non-compliance with CARB regulations;
- I have not and will not apply for additional Proposition 1B – Goods Movement Emission Reduction Program grant funds from any other local agency or funding from any other CARB incentive program for the equipment included in this application.
- I will disclose any other source(s) of funding that has been applied for and will be used for the same project, including the source of funds, amount, and the purpose of the funding;
- I will disclose the value of any existing financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same equipment project;
- Grant funds shall only be used to offset the capital cost of the equipment and/or shall reduce the principal owed to purchase the equipment;
- New equipment must **not** be purchased, received, installed, paid for, or placed into operation prior to contract execution unless specified by the Program Guidelines, and if allowed, equipment owner shall assume all financial risk and is in no way assured Program funds;
- New equipment purchased outside of California may be subject to California sales and/or use taxes;
- I have all the information needed to understand what must be done to maintain eligibility for Program funds. This includes maintaining registration and ownership; keeping equipment in legal operating condition within California; correcting any air pollution citations; complying with all CARB regulations; and reporting, repairing, or replacing equipment that has been damaged, destroyed, or stolen;
- I understand that an incomplete or illegible application, including applications that are missing required documentation, may be rejected by the South Coast AQMD at their discretion;
- I acknowledge that the South Coast AQMD may release information contained in the application to third parties if required by state and federal public records laws;
- I understand that for the switcher and medium horsepower locomotive projects; the equipment owner must commit to operating the Program-funded equipment at least 50% of the time within the four California trade corridors during the project life; for line-haul locomotive projects: the equipment owner must commit at least a majority of the percentage California operation within the four CA trade corridors during the project life;



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- Any additional non-Program funding needed to complete the equipment project according to the proposed timeframe is reasonably available; and
- I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of program funding.

**Printed Name of Owner:** \_\_\_\_\_ **Signature of Owner:** \_\_\_\_\_



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT FOR GOODS MOVEMENT EQUIPMENT PA2022 - 02

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce the availability of funds for the Proposition 1B - Goods Movement Emission Reduction Program (“Program”). The Program is administered by a partnership between the California Air Resources Board (CARB) and local agencies to reduce air pollution emissions and health risk from freight movement along California’s trade corridors. Projects under this Program Announcement (PA) must achieve early or extra emission reductions not otherwise required by law or regulation. This PA is seeking applications for freight locomotives and cargo handling equipment projects. Approximately \$25 million in Program funding is expected to be available for this solicitation. A separate program announcement is being issued for heavy-duty diesel vehicle projects (see Program Announcement #xxxx-xx.)

**WHO:** The following may apply for funding through this solicitation:

1. Locomotive projects: Owners of diesel-powered freight locomotives with no or minimal emission control technology (i.e., uncontrolled, or meeting Tier 0 through Tier 2 standards)
2. Cargo Handling Equipment projects: Owners of an existing diesel-powered yard truck, lift (as defined below), or rubber-tired gantry crane (RTG)

**WHAT:** There are several project options available for each category

For Locomotive projects:

1. Replace or retrofit\* switcher locomotive (1,006 hp - 2,300 hp)
2. Replace or retrofit\* medium horsepower locomotive (2,301 hp - 4,000 hp)
3. Replace or retrofit\* line-haul locomotive (4,001 hp or higher)
4. Locomotive emissions capture and control system

For Cargo Handling Equipment projects:

1. Yard Truck Conversion to Electric
2. Yard Truck Replacement – Electric or Fuel Cell
3. Yard Truck Battery Charging Station
4. Forklift Replacement – Electric or Fuel Cell
5. Lift Replacement – Electric or Fuel Cell
6. RTG Crane Conversion/Replacement

\*The term “retrofit” includes rebuild, repower, remanufacture, filter installation, and all other modifications other than replacement. The equipment specifications for each of the project options can be found in Appendix B of the 2015 Program Guidelines at:

[https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2015\\_program\\_guidelines\\_for\\_implementation.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf)



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**HOW:** All applications must be submitted according to specifications in the Prop 1B Application Portal. Failure to adhere to these specifications may be cause for rejection of the application without evaluation. The Application Portal can be found on South Coast AQMD's Prop 1B program page: <http://www.aqmd.gov/Prop1B>  
Application assistance will be offered to applicants that do not own a computer or have internet access.

**NOTE:** Hardcopy, Facsimile or email submittals **will not be accepted.**

**WHEN:** Solicitation opens: April 19, 2022  
Solicitation closes: July 15, 2022, or when South Coast AQMD reaches \$25 million in eligible applications, whichever comes first.

**SCHEDULE:**

Solicitation Opens	April 19, 2022
Solicitation Closes	<b>Applications will be accepted until July 15, 2022, or when South Coast AQMD reaches \$25 million* in eligible applications, whichever comes first.</b> <b>* This is an estimated amount. More funds could become available if additional projects dropout</b>
Anticipated:	
South Coast AQMD Evaluation Period	April – July 2022
CARB's Approval of Eligible List	July - August 2022
South Coast AQMD to Issue Contracts	Starting July 2022
Equipment in Operation by	March 31, 2024

For general information or questions about the South Coast AQMD Proposition 1B – Goods Movement Emission Reduction Program, please contact:

Andrew Yoon, Air Quality Specialist • (909) 396-3043 • [ayoon@aqmd.gov](mailto:ayoon@aqmd.gov), or  
Justin Joe, Air Quality Specialist • (909) 396-2054 • [jjoe@aqmd.gov](mailto:jjoe@aqmd.gov)



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT FOR GOODS MOVEMENT EQUIPMENT PA2022 - 02

## **BACKGROUND**

The diesel engines in trucks, locomotives, ships, harbor craft, and cargo handling equipment are major contributors to the State’s air pollution challenges. These sources account for nearly half of the statewide particulate matter (PM) emissions. Diesel PM is both a toxic air contaminant and a contributor to black carbon, a powerful short-lived climate pollutant. Near-source exposure to emissions of this particulate matter is associated with health risks, especially near distribution centers, railyards, and seaports, many of which impact disadvantaged communities. Emissions from freight transport also account for over one third of the statewide nitrogen oxides (NO<sub>x</sub>) that form fine particles.

To date, CARB has granted approximately \$486 million in Proposition 1B (Prop 1B) funds to the South Coast AQMD to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, locomotives, cargo-handling equipment, and shore power installation for ships at berth. The vast majority of these equipment are currently operational, providing significant emission reduction benefits to the region. Due to the cancellation of many projects, a new solicitation is now needed to receive applications for additional locomotives and cargo handling projects that meet the criteria of the Prop 1B – Goods Movement Program.

This solicitation is intended to obtain “surplus” emission reductions of Nitrogen Oxides (NO<sub>x</sub>), Particulate Matter (PM<sub>10</sub>) and Reactive Organic Gases (ROG) from goods movement equipment operating in California trade corridors. It provides financial incentives to equipment owners to replace in-use equipment with cleaner-than-required engine and equipment technologies that will achieve emission reductions that are real, surplus, and quantifiable. It also allows equipment owners to achieve early emission reductions before they are required by applicable rules, regulations or enforceable agreements. The Program supplements existing regulations and may be combined with Federal or Local funding programs to cut diesel emissions.

## **DEFINITIONS**

### Conversion

CARB-approved aftermarket replacement of the fueling system in a diesel powered equipment to a natural gas, hybrid technology, or zero-emission fueling system. Engines must have CARB approval as an aftermarket conversion to be sold in California. The proposed engines in conversion projects are not fueled by diesel.

### Equipment Replacement

Equipment replacement means the replacement of an older piece of equipment that still has remaining useful life with a newer, cleaner piece of equipment. For this project type, applicant must have owned and operated the old equipment in California for the previous two years.

### Forklift

An off-road industrial truck used to hoist and transport materials by means of steel fork(s) under



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the load.

## Freight Facility

Distribution centers, warehouses, retail and wholesale outlets, and agricultural processing centers, and other places where trucks congregate (other than truck stops.)

## Goods

Defined as having the same meaning in Commercial Code section 2105:

- The goods must be movable.
- The goods being moved must be part of a transaction that involves a contract for the sale of the goods.
- Rental Equipment does not qualify as “Goods”.

## Lift

Includes top pick, side handler, reach stacker, or forklift

## Locomotive Retrofit

Locomotive retrofit includes rebuild, repower, remanufacture, filter installation, and all other modifications other than replacement, and meet one or more of the following, pursuant to Code of Federal Regulations Title 40, Part 92.2(1):

- To replace, or inspect and qualify, each and every power assembly of a locomotive or locomotive engine, whether during a single maintenance event or cumulatively within a five-year period;
- To upgrade a locomotive or locomotive engine;
- To convert a locomotive or locomotive engine to enable it to operate using a fuel other than it was originally manufactured to use; or
- To install a remanufactured engine or a freshly manufactured engine into a previously used locomotive. Or pursuant to Code of Federal Regulations Title 40, Part 92.2,
- Replacement of the engine in a previously used locomotive with a freshly manufactured locomotive engine.

## Reach Stacker

An off-road truck-like cargo container handler that uses an overhead telescopic boom that can reach across two or more stacks of cargo containers and lift the containers from the top.

## Rubber-Tired Gantry Crane or RTG Crane

An off-road overhead cargo container crane with the lifting mechanism mounted on a cross-beam supported on vertical legs which run on rubber tires. RTG cranes do not include gantry cranes that operate on steel wheels and rails.

## Side Handler or Side Pick

An off-road truck-like cargo container handler that uses an overhead telescopic boom to lift empty or loaded cargo containers by grabbing either two top corners on the longest side of a container, both arms of one side of a container, or both top and bottom sides of a container.



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## Terminal

A facility that operates cargo handling equipment at a port or intermodal rail yard.

## Top Handler or Top Pick

An off-road truck-like cargo container handler that uses an overhead telescopic boom to lift empty or loaded cargo containers by grabbing the top of the containers.

## Yard Truck

An off-road mobile utility vehicle used to carry cargo containers with/without chassis; also known as utility tractor rig, yard tractor, yard goat, yard hostler, yard hustler, or prime mover.

## **OWNERSHIP REQUIREMENTS**

Applications shall be signed and submitted by the current legal owner of the existing equipment that will be upgraded or replaced.

Non-owner applications are not eligible for funding. Third party applications are not allowed.

Ownership of the existing equipment shall not change from the time an equipment project application is submitted through receiving Program funding.

Individuals or companies that operate the existing equipment under a lease agreement with the equipment owner are prohibited from applying for bond funding.

## **FUNDING REQUIREMENTS**

### **Locomotives**

Eligible costs may include a new chassis, freshly manufactured or retrofitted engine(s), new generator set(s), filter, and diesel oxidation catalyst for PM control, exhaust gas recirculation and selective catalytic reduction device for NOx control, other emission control equipment, and new or upgraded mechanical/electrical/control system components necessary for safe operation.

Ineligible costs include auto start/stop devices required by regulation or agreements, GPS devices and associated monitoring and reporting costs, design, engineering, consulting, license, registration, taxes, insurance, operation, maintenance, and repair.

### Option 1: Switcher Locomotive (1,006 hp to 2,300 hp)

Partial funding to replace or retrofit an uncontrolled, or Tier 0 through Tier 2 switcher locomotive with a unit certified at or below the U. S. EPA Tier 4 emission standards (1.30 grams per brake horsepower-hour(g/bhp-hr) for NOx and 0.03 g/bhp-hr for PM). Replacing a switcher locomotive with a U.S. EPA Tier-4 or zero emission rail car mover is an option only for Class III operated switchers.

### Option 2: Medium Horsepower Locomotive (2,301 to 4,000 hp)

Partial funding to replace or retrofit an uncontrolled, or Tier 0 through Tier 2 medium horsepower locomotive with a unit certified at or below the U. S. EPA Tier 4 emission standards (1.30 g/bhp-hr for NOx and 0.03 g/bhp-hr for PM). Equipment owner must demonstrate at least



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50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

**Option 3: Line-Haul Locomotive (4,001 hp or higher)**

Partial funding to replace or retrofit an uncontrolled, or Tier 0 through Tier 2 line-haul locomotive with a unit certified at or below the U. S. EPA Tier 4 emission standards (1.30 g/bhp-hr for NOx and 0.03 g/bhp-hr for PM).

**Option 4: Locomotive Emissions Capture and Control System**

Partial funding for the lower of 80% of eligible costs or a level commensurate with a cost-effectiveness of at least 0.10 pounds of weighted emissions reduced per State dollar invested for the purchase and installation of an ARB-approved locomotive emission capture and control system (a.k.a. hood or bonnet) to reduce diesel PM and NOx emissions from freight locomotives.

**Table 1: Funding Table for Locomotive Projects**

Project Type	Funding Amount*
Switcher Locomotive 1,006 - 2,300 horsepower	75% and up to \$1,875,000
Replace Switcher with Tier 4 rail car mover	50% and up to \$250,000
Replace Switcher with zero emission rail car mover	75% and up to \$500,000
Medium hp Locomotive 2,301- 4,000 horsepower	75% and up to \$2,250,000
Line-Haul Locomotive > 4,000 horsepower	75% and up to \$2,250,000**
Capture & Control System***	80% of eligible cost

\*If the equipment is banned from California operation instead of scrapped, the funding amount will be reduced by 20%. Equipment owner must demonstrate at least 50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

\*\*This amount is only for 90% to 100% CA Operation. Less than 90% CA Operation will be eligible for a lesser funding amount.

\*\*\*The Capture & Control System must be CARB-certified and have a cost-effectiveness of at least 0.10 lb of weighted emission reduction per State dollar spent.

**In addition, equipment owner shall:**

- Commit to 90% or 100% California-only operation for the duration of the project life; equipment is permitted to temporarily travel out-of-state for periodic maintenance, if outlined in the contract between the local agency and equipment owner.
- Commit to at least 50% of operation within the four California trade corridors for the duration of the project life.
- Commit to a project life of 15 years.
- Commit to the funded locomotive using CARB diesel fuel unless CARB approves an exemption, and it is included in the contract between the local agency and equipment owner.
- Scrap the old engine/locomotive or ban old engine/locomotive from California operation (replacements and retrofits involving engine replacement).



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- Install an active GPS device on both the old equipment (if not scrapped) and the new equipment, fund and commit to data collection, and report location data.

**Cargo Handling Equipment**

**Table 2: Cargo Handling Equipment - Heavy-Duty Yard Trucks and RTG Cranes**

Eligible Equipment		Equipment Upgrade <sup>1</sup>	Proposed Program Funding	Project Life <sup>2</sup>
<b>1</b>	Existing diesel powered yard truck.	Replace with a zero emission electric yard truck. <sup>3</sup>	Lower of 80 percent of eligible cost or \$100,000/yard truck.	5 years
<b>2</b>	Existing diesel powered yard truck.	Convert to a zero emission electric yard truck. <sup>3</sup>	Lower of 80 percent of eligible cost or \$80,000/yard truck.	5 years
<b>3</b>	Existing diesel powered yard truck.	Replace with a zero emission fuel cell powered yard truck. <sup>3</sup>	Lower of 80 percent of eligible cost or \$200,000/yard truck.	5 years
<b>4</b>	Multi-unit battery chargers with the conversion or replacement of 3 yard trucks.	Install a multiple-unit battery charger <sup>4</sup> with the conversion or replacement of 3 yard trucks with electric yard trucks.	Lower of 50 percent of eligible cost or \$35,000 for the cost a multi-unit battery charger	5 years
<b>5</b>	Battery charger with the conversion or replacement of a yard truck.	Install a battery charger <sup>4</sup> with the conversion or replacement of a yard truck with a zero emission electric yard truck.	Lower of 50 percent of eligible cost or \$15,000 for the cost a battery charger plus the lower of 80 percent of eligible cost or \$80,000 (conversion) or \$100,000 (replacement) for the yard truck.	5 years
<b>6</b>	Existing diesel engine RTG crane.	Convert or replace with a zero emission powered system <sup>3</sup> .	Lower of 50 percent of eligible cost or \$500,000/crane.	15 years

Table 2 Notes:

1. Program funded equipment cannot be used to comply with the regulatory requirement for replacing non-compliant equipment with electric or zero emission equipment associated with obtaining third and/or fourth years of “No VDECS (Verified Diesel Emission Control Systems) Available” compliance extension.
2. Program funded equipment is not eligible to be counted towards compliance for a two-year period.
3. Requires a 5-year warranty.



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4. Battery charger projects require a 3-year warranty. Associated zero emission yard truck projects still require a 5-year warranty.

**Table 3: Cargo Handling Equipment – Lifts**

Eligible Equipment		Equipment Lift Capacity	Equipment Upgrade <sup>1</sup>	Proposed Program Funding	Project Life <sup>2</sup>
<b>1</b>	Existing diesel powered forklift <sup>3</sup>	3,000 – 8,000 lbs	Replace a forklift with a Class I electric powered zero emission forklift, including battery, and charger <sup>4,5</sup> .	Lower of 50 percent of eligible cost or \$15,000 for each forklift.	5 years
		8,001 – 12,000 lbs		Lower of 50 percent of eligible cost or \$18,000 for each forklift	
<b>2</b>	Existing diesel powered forklift <sup>3</sup>	3,000 – 8,000 lbs	Replace a forklifts with a Class 1 fuel cell powered forklifts including batteries, and chargers <sup>4,5</sup> .	Lower of 50 percent of eligible cost or \$25,000 for each forklift.	5 years
		8,001 – 12,000 lbs		Lower of 50 percent of eligible cost or \$30,000 for all each forklift.	
<b>3</b>	Existing diesel powered lift, including: forklift, side handler, top pick, or reach stacker	Greater than 12,000 lbs	Replace an existing lift with a Class I electric powered zero emission lift <sup>4,5</sup> .	Lower of 50 percent of eligible cost or \$50,000	5 years
<b>4</b>	Existing diesel powered lift, including: forklift, side handler, top pick, or reach stacker	Greater than 12,000 lbs	Replace an existing lift with a fuel cell powered zero emission lift <sup>4</sup> .	Lower of 50 percent of eligible cost or \$80,000	5 years

Table 3 Notes:

1. Program funded equipment cannot be used to comply with the regulatory requirement for replacing non-compliant equipment with electric or zero emission equipment associated with obtaining third and/or fourth years of “No VDECS (Verified Diesel Emission Control Systems) Available” compliance extension.
2. Program funded equipment is not eligible to be counted towards compliance for a two-year period.
3. Engine must be greater than 25 horsepower.
4. Equipment warranty shall be one year or 1,600 hours, whichever comes first.
5. Electric chargers must be California Energy Commission (CEC) compliant to be eligible for funding.

## **ELIGIBILITY AND GENERAL REQUIREMENTS**

### **Eligibility**

Project eligibility will be based on the Prop. 1B Program Guidelines which can be found at: [https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2015\\_program\\_guidelines\\_for\\_implementation.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf)

In order to be eligible for funding, the equipment owner (grantee) must demonstrate:

### **General Requirements applicable to all equipment:**

- Commit to the project life specified by the applicable equipment project option.
- Adhere to all Program requirements during the project life.
- Agree to equipment inspections.
- Comply with record-keeping, reporting, and Program review or fiscal audit requirements.
- Sign a legally binding contract with the local agency including project milestones and completion deadlines.
- Properly maintain upgraded equipment in good operating condition and according to manufacturer's recommendations.
- The new or upgraded Equipment must meet the required emission levels or standards as evidenced by a U.S. EPA Certificate of Conformity (if available) and CARB Verification Letter of the emission levels achieved.

### **Program Specific Requirements for Locomotives:**

- Commit to 90% or 100% California-only operation for the duration of the project life; equipment is permitted to temporarily travel out-of-state for periodic maintenance, if outlined in the contract between the local agency and equipment owner.
- Commit to at least 50% of operation within the four California trade corridors for duration of the project life.
- Commit to the project life of 15 years
- Commit to the funded locomotive using CARB diesel fuel unless CARB approves an exemption, and it is included in the contract between the local agency and equipment owner.
- Scrap the old engine/locomotive or ban old engine/locomotive from California operation (re-placements and retrofits involving engine replacement).
- Install an active GPS device on both the old equipment (if not scrapped) and the new equipment, fund and commit to data collection, and report location data.
- Exclude any Program-funded equipment from the compliance calculations for the 1998 agreement for locomotives operating in the South Coast Air Basin for the duration of the project life (applicable to Union Pacific and BNSF Railway only).
- Operation or equivalent locomotive horsepower operation in California for the past 2 years.
- For switchers and medium horsepower locomotives: at least 50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

- For line haul locomotives: a majority of the minimum percentage operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.
- For Class I and Class II railroad, the old locomotive must meet the minimum fuel usage requirement of 20,000 gallons or equivalent per year during the past 2 years to be eligible. For Class III railroad, a lower fuel usage of at least 5,000 gallons is allowed but with a reduced funding amount.
- The new or upgraded equipment must meet the required emission levels or standards as evidenced by a U.S. EPA Certificate of Conformity.
- Commit to the project life specified by the applicable equipment project option.
- Adhere to all Program requirements during the project life.
- Agree to equipment inspections.
- Comply with record-keeping, reporting, and Program review or fiscal audit requirements.
- Sign a legally binding contract with the local agency including project milestones and completion deadlines.
- Properly maintain upgraded Equipment in good operating condition and according to manufacturer's recommendations.
- The new or upgraded Equipment must meet the required emission levels or standards as evidenced by a U.S. EPA Certificate of Conformity (if available) and CARB Verification Letter of the emission levels achieved.

#### Program Specific Requirements for Locomotive Emissions Capture and Control System

- Commit to 100% operation within the four California trade corridors for the duration of the project life.
- Commit to a project life of 10 years.
- Document the system is commercially available and achieves an overall capture and control efficiency rate of at least 85% for the removal of NO<sub>x</sub> and PM.
- Demonstrate system performance and efficiency with source testing prior to funding and annually thereafter by capturing emissions from an operating locomotive undergoing diagnostic procedures. Performance measures include: (i) no visible emissions after bonnet is connected to the locomotive

#### Program Specific Requirements for Cargo Handling Equipment:

- The existing equipment must be in compliance with applicable CARB regulations.
- The existing equipment must be a diesel-fueled equipment
- The new or upgraded equipment must meet the required emission levels or standards as evidenced by a CARB Verification Letter of the emission levels achieved.

#### For Yard Truck Projects:

- Agree to accept an on-board electronic monitoring unit at any time during the project life.
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors.

- Demonstrate proof of equipment warranty for the project life and insurance on upgraded equipment.
- Insurance on upgraded equipment shall cover the replacement of the equipment for fuel cell projects.
- The charging infrastructure equipment must have a 3-year warranty at minimum.

For Lift Projects:

- Not replace existing zero emission equipment with new electric powered equipment (electric projects) or new fuel cell equipment (fuel cell projects).
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors.
- Demonstrate proof of equipment warranty for one year or 1,600 hours, whichever comes first.
- The replacement equipment must serve the same function as the existing equipment.
- The equipment engine must be greater than 25 horsepower.
- The charging infrastructure equipment must have a 3-year warranty at minimum.

For RTG Crane Projects:

- Commit to 15 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors.
- Be permitted to keep the existing diesel engine installed and operational for a limited number of hours each year and do the following at their own expense: (1) install an hour meter on the existing diesel engine and (2) provide activity reports when requested by the local agency or ARB, in a format defined by ARB staff.
- Commit to a maximum limit of diesel engine usage to 30 hours annually based on a rolling 3 year average.
- Comply with all local permitting requirements.
- Demonstrate proof of equipment warranty for 5 years

**APPLICATION SUBMITTAL REQUIREMENTS**

A complete online application must be submitted to South Coast AQMD by no later than the application deadline to be considered for Program funding. It is the applicant's responsibility to ensure the application contains all the required information at the time of submittal to the South Coast AQMD. The South Coast AQMD is not required to contact the applicant to obtain the required information that is missing from the application.

Union Pacific and BNSF Railway must certify that any locomotive that would operate in the South Coast Air Basin will be excluded from the railroads fleet average emissions calculations under the 1998 agreement.

Below is a list of all application forms and attachments for the Prop 1B Program:

- Applicant Information
- Category application form specific to your project category (one per unit):

- Switcher Locomotive
- Medium Horsepower Locomotive
- Line-Haul Locomotive
- Locomotive Emission Capture and Control System
- Cargo Handling Equipment - Yard Truck/RTG Crane
- Cargo Handling Equipment - Lift
- Business Information Forms (BIR):
  - Attachment 1 – Business Information Request
  - Attachment 2 – Disadvantaged Business Certification
  - Attachment 3 – W-9 - Request for Taxpayer Identification Number and Certification
  - Attachment 4 – Withholding Exemption Certificate
  - Attachment 5 – Campaign Contribution Disclosure

Note: Each Attachment (#s 1-5) must be completed and submitted with each set of projects. If your application is approved, an updated Attachment 5 may be requested by your assigned Project Officer at a later date.

### **EQUIPMENT PROJECT PURCHASE RESTRICTIONS**

Grantee **may not** purchase, receive, install, pay for, or place into operation any engines, equipment, nor may work begin on a repower or retrofit project or a project to install infrastructure, until the project contract is fully executed. Grantee may pre-order prior to contract execution at the equipment owner’s risk but can only be purchased once the existing equipment has been pre-inspected and the contract is signed between the grantee and South Coast AQMD. The South Coast AQMD **will not** reimburse grantees for orders or any payments on a new engine, piece of equipment, or vehicle that takes place prior to South Coast AQMD approval of the project through contract execution.

### **PAYMENT PROCESS**

For all projects full payment will be made after the satisfactory completion of a post-inspection by South Coast AQMD and receipt of invoice. Payments will be by reimbursement to grantee or through a direct payment to vendor upon written request of grantee.

Reimbursement cannot exceed the amount directly paid by grantee.

An invoice shall be itemized to include enough detail to ensure that the local agency provides reimbursement only for the eligible project costs yet be clear and concise enough to be understandable.

Grantee shall not request or receive payment for engines, equipment or infrastructure that are non-operational, taxes, consulting services, license, permit fees, registration, insurance, or any other cost not eligible for Program funds.

Labor expenses are not eligible for payment with Program funds. However, labor expenses shall be included in the itemized invoice with the detailed number of hours charged and

hourly wage.

Grantee may submit a signal itemized invoice for multiple, completed equipment projects under this Program. The invoice shall itemize the charges for each equipment project.

Equipment certification or verification may still be pending at the time of application or contract execution, however, equipment must be verified or certified prior to the payment.

### **PROJECT EVALUATION AND COMPETITIVE RANKING**

Complete applications will be evaluated by the South Coast AQMD, and all eligible projects will be competitively ranked according to the procedures specified in the Program guidelines. The ranked list, once approved by CARB, will be posted on the South Coast AQMD website. South Coast AQMD will award grant funds to the top project on the ranked list and continue down the list until the Program funds are exhausted. For complete information regarding project evaluation and the competitive ranking process, please refer to Chapter IV of the Final 2015 Staff Report and Guidelines for Implementation found on the CARB Program website at: <https://ww2.arb.ca.gov/our-work/programs/proposition-1b-goods-movement-emission-reduction-program>

### **ANNUAL REPORTING REQUIREMENTS**

Grantee shall be responsible for annual reporting to the local agency that includes, but is not limited to:

#### **Locomotive Projects:**

- Contact information (owner name, company, address, and phone).
- Build number, date, builder, builder model.
- Date of equipment installation.
- Locomotive type.
- Name and location of home railyard.
- Annual megawatt-hours of operation, notch profile and fuel consumed since last report.
- Representative profile data to determine engine duty cycle.
- Certification and documentation of 90% or 100% California-only operation for switchers and medium horsepower locomotives.
- Certification and documentation of percentage of operation in the four California trade corridors for switcher and medium horsepower locomotives.
- Certification and documentation of percentage of California operation for line-haul locomotives.
- Certification and documentation of percentage of operation in the four California trade corridors for line-haul locomotives.
- Summary of maintenance performed (including location) and inspections conducted.

- GPS data in a usable format.
- The estimated percentage of annual travel in each of the four California trade corridors:
  - Bay Area trade corridor.
  - Central Valley trade corridor.
  - Los Angeles/Inland Empire trade corridor.
  - San Diego trade corridor.
- Certification that Program-funded equipment was used in accordance with the signed contract and that all information submitted is true and accurate.
- Other information as requested by CARB or the local agency.

#### **Locomotive Emission Capture and Control System:**

- Predicted locomotive activity data with new system over project life.
- Number and type of locomotive units using the hood.
- Average time locomotives will spend under the hood idling and in notches 1-8 for each unit type identified above.
- Power usage to run the system and source of power (grid- vs. non-grid-based).
- Natural gas usage (if any) for heating selective catalytic reduction duct burner.
- Projected emissions and benefits with the project.
- Emissions with the project over 10 years of operation.
- Emission reductions attributable to the project (beyond those required by any law, regulation, or enforceable agreements) for 10 years.
- Demonstration that the weighted emission reductions are equal to or higher than 0.10 pounds per State dollar invested.

#### **Cargo Handling Equipment:**

- Contact information (owner name, company, address, phone).
- Date and location of installation of equipment.
- Equipment types and name of home port, railyard or freight facility.
- Yard truck, lifts, and battery charging station make, model, year, serial number, and power rating.
- Annual hours of operation.
- Summary of maintenance and inspections conducted.
- Signed certification statement that the bond-funded technology was installed on the equipment for which it was approved, and that all information submitted to the local agency is true and accurate.
- Other information as requested by the South Coast AQMD.

#### **USEFUL RESOURCES**

CARB Goods Movement Emission Reduction Program:

<https://ww2.arb.ca.gov/our-work/programs/proposition-1b-goods-movement-emission-reduction-program>





**SOUTH COAST AQMD PROGRAM ANNOUNCEMENT  
FOR  
GOODS MOVEMENT EQUIPMENT  
PA2022 - 02**

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## Proposition 1B Applicant Certification List (To be signed during On-Line Application)

I am the owner of the existing equipment, have the legal authority to apply for incentive funding for the entity described in this application, and agree to the following statement by signing below:

- I (equipment owner) have reviewed the information provided in this application, including all supporting documentation, and certify the application information is true and correct, and meet the minimum requirements of the Proposition 1B –Goods Movement Emission Reduction Program;
- I agree to follow all requirements of the Proposition 1B - Goods Movement Emission Reduction Program-Final 2015 Staff Report and Guidelines for Implementation;
- The Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational Deadline to remain eligible for funding;
- I understand that the Program-funded Equipment may not be used by the equipment owner to comply with any applicable CARB regulations for the specified timeframe;
- Neither the owner nor Equipment identified in the application has any outstanding violations or non-compliance with CARB regulations;
- I have not and will not apply for additional Proposition 1B – Goods Movement Emission Reduction Program grant funds from any other local agency or funding from any other CARB incentive program for the Equipment included in this application.
- I will disclose any other source(s) of funding that has been applied for and will be used for the same project, including the source of funds, amount, and the purpose of the funding;
- I will disclose the value of any existing financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same equipment project;
- Grant funds shall only be used to offset the capital cost of the Equipment and/or shall reduce the principal owed to purchase the Equipment;
- New Equipment must **not** be purchased, received, installed, paid for, or placed into operation prior to contract execution unless specified by the Program Guidelines, and if allowed, equipment owner shall assume all financial risk and is in no way assured Program funds;
- New Equipment purchased outside of California may be subject to California sales and/or use taxes;
- I have all the information needed to understand what must be done to maintain eligibility for Program funds. This includes maintaining registration and ownership; keeping Equipment in legal operating condition within California; correcting any air pollution citations; complying with all CARB regulations; and reporting, repairing, or replacing Equipment that has been damaged, destroyed, or stolen;
- I understand that an incomplete or illegible application, including applications that are missing required documentation, may be rejected by the South Coast AQMD at their discretion;
- I acknowledge that the South Coast AQMD may release information contained in the application to third parties if required by state and federal public records laws;
- I understand that for switcher and medium horsepower locomotive projects; the equipment owner must commit to operating the Program-funded Equipment at least 50% of the time within the four California trade corridors during the project life; for line-haul locomotive projects: the Equipment owner must commit at least a majority of the percentage California operation within the four CA trade corridors during the project life;
- Any additional non-Program funding needed to complete the Equipment project according to the proposed timeframe is reasonably available; and
- I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of program funding.

Printed Name of Owner: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Owner: \_\_\_\_\_ Date: \_\_\_\_\_

 [Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 6

**PROPOSAL:** Transfer Funds for the Development of the Carl Moyer Program Grant Management System

**SYNOPSIS:** In September 2021, the Board appropriated up to \$120,000 for the initial development of the Carl Moyer Program Grant Management System. The next phase in development of the Grant Management System is required to incorporate business and administrative processes. This action is to transfer and appropriate up to \$125,000 comprised of \$62,500 from the administrative portion of the Community Air Protection Program Fund (77) and \$62,500 from the administrative portion of the Carl Moyer Program (Grant# G19-MO28) Fund (32) into Information Management's FY 2021-22 and/or 2022-23 Budget, Professional and Special Services, and/or Capital Outlays Major Objects and reimburse the General Fund (01) using administrative funds for the further development of the Carl Moyer Grant Management System.

**COMMITTEE:** Technology, March 18, 2022; Recommended for Approval

**RECOMMENDED ACTION:**

Transfer and appropriate up to \$125,000 comprised of \$62,500 from the administrative portion of the Community Air Protection Program (Grant# G18-MCAP-06) Fund (77) and \$62,500 from the administrative portion of the Carl Moyer Program (Grant# G19-MO28) Fund (32) into Information Management's FY 2021-22 and/or 2022-23 Budget, Professional and Special Services and/or Capital Outlays Major Objects and reimburse the General Fund (01) using administrative funds for the further development of the Carl Moyer Program Grant Management System (GMS).

Wayne Natri  
Executive Officer

## **Background**

In September 2021, the Board authorized \$120,000 from the administrative portion of the Community Air Protection Program for the initial development of the Carl Moyer Program Grant Management System (GMS), which will be utilized in place of the existing Carl Moyer Program Online Application System. Since April 2017, staff has been utilizing the existing Carl Moyer Program Online Application System to facilitate the online application submittal process for participants, as well as the application evaluation process. However, the existing system is antiquated and is unable to provide the functions for a streamlined review and approval process for Carl Moyer Program applications. To better accommodate the high volume of applications as well as the business needs of South Coast AQMD, staff will no longer utilize the existing Carl Moyer Program Online Application System and adopt a new, centralized, web-based GMS to manage all incentive programs, including the Carl Moyer Program.

As of December 2021, Information Management has successfully completed the initial development, which included the Carl Moyer Program GMS application interface for public users, internal staff dashboard, application forms, as well as the internal review and approval processes. However, additional development to the Carl Moyer Program GMS is needed to further enhance the capabilities of the GMS by including an inspection module, an administration module, a module for data migration into CARB's Carl Moyer Program Clean Air Reporting Log (or CARL) database, as well as other critical business processes.

## **Proposal**

Staff is recommending the development of the next phase of the Carl Moyer Program GMS. This will support enhancements to GMS that includes the following:

- Inspection module for staff to upload inspection photos and to review and approve inspection reports
- Administrative module to assist staff in Carl Moyer project ranking, tracking and data queries
- Data Migration into CARB's CARL database
- Syncing the Carl Moyer Program GMS to other GMS systems such as the Lower-Emission School Bus Program and the Proposition 1B Goods Movement Program and well as the Contract Approval and Management System.

## **Benefits to South Coast AQMD**

The transition to a centralized in-house GMS and database to manage the Carl Moyer Program projects and other incentive programs will better suit the business needs of South Coast AQMD and will further enhance the submittal process for participants, and the evaluation and approval processes for staff.

**Resource Impacts**

Sufficient funding is available from the administrative portion of the Community Air Protection Program (Grant # G18-MCAP-06) Fund (77) and the administrative portion of the Carl Moyer Program (Grant #G19-MO28) Fund (32) in the amount up to \$125,000 for further development of the Carl Moyer Program GMS.

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 7

PROPOSAL: Remove Various Fixed Assets from South Coast AQMD Inventory

SYNOPSIS: South Coast AQMD Administrative Policies and Procedures No. 20 requires each organizational unit to review fixed assets for obsolescence and disposal every year. This action is to approve removal of surplus equipment and motor vehicles determined to be obsolete, non-operational and not worth repairing.

COMMITTEE: Administrative, March 11, 2022; Recommended for Approval

**RECOMMENDED ACTION:**

Declare the items on Attachments A and B as surplus and authorize removal of these items from the fixed assets inventory through donation, trade-in, auction process, salvage or dismantlement for parts.

Wayne Nastri  
Executive Officer

SJ:gp

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**Background**

South Coast AQMD Administrative Policies and Procedures No. 20 established procedures for the approval, purchasing, tagging, physical inventory, and disposal of fixed assets. This policy requires the review of the fixed assets and controlled items for obsolescence and disposal every year. The list of equipment appearing on Attachment A represents old, obsolete, and non-operational equipment that could not be repaired. The list of vehicles appearing on Attachment B represents vehicles that are non-operational and not worth repairing. These vehicles have been driven an average of over 166,000 miles. Equipment and vehicles purchased with federal funds are being disposed in accordance with applicable federal regulations.

**Proposal**

Staff is recommending that assets on Attachments A and B, as in the past, be surplused through the surplus process and properly disposed. Equipment will be auctioned, traded-

in, donated or dismantled for parts and the motor vehicles will be disposed through auction.

**Resource Impacts**

Miscellaneous revenue from auction sales will be recorded in the General Fund. The total original cost of \$947,077 for the fixed assets in Attachments A and B was accounted for, depreciated, and reported in the annual audited financial statements.

**Attachments**

- A. Obsolete or Non-repairable Equipment
- B. Obsolete or Non-repairable Motor Vehicles

**ATTACHMENT A  
Obsolete or Non-repairable Equipment**

<b>Asset ID</b>	<b>Tag#</b>	<b>Description</b>	<b>Cost</b>	<b>Date Purchased</b>	<b>Net Book Value **</b>	<b>Disposition</b>
00001242	0015089	Refrigerant Monitor	\$ 6,014.00	5/7/1997	\$ 0.00	Disposed (2)
00002911	0016462	Computer Hardware-Firewall	14,175.00	6/30/2000	0.00	Disposed (2)
00003348	--	Computer Hardware, Firewall	14,175.00	3/17/2000	0.00	Scrap/Auction (1)
00003377	E000247*	Portable Building	9,236.62	8/30/2000	0.00	Donate/Auction (4)
00003380	E000248*	Portable Building	9,482.00	5/2/2001	0.00	Donate/Auction (4)
00003437	0016561	Server, Proliant ML570X 700MHZ	6,603.25	1/1/2002	0.00	Disposed (2)
00003439	0016553	Server, Proliant ML570X 700MHZ	6,603.25	1/1/2002	0.00	Disposed (2)
00003484	0016545	Server, Proliant ML570 x700MHZ	7,769.10	6/12/2002	0.00	Disposed (2)
00003485	--	Catalyst 6500 Switch Fabric	7,498.47	5/31/2002	0.00	Scrap/Auction (1)
00003526	0016542	Switch, Catalyst 6513, Chassis	15,142.01	7/10/2002	0.00	Disposed (2)
00003532	E000166*	Ozone Trans Std Port Env 6103	8,710.75	7/25/2002	0.00	Scrap/Auction (1)
00003558	0016571	Gas Chromatograph/Mass Spectro	120,222.61	1/1/2003	0.00	Trade In (3)
00003561	0016572	Server, Compaq Proliant ML530	5,434.15	1/1/2003	0.00	Disposed (2)
00003570	0016545A	Server Upgrade	5,612.28	1/1/2003	0.00	Disposed (2)
00003588	E000158*	Calibrator, Ozone Transfer Std	8,780.43	1/1/2004	0.00	Scrap/Auction (1)
00003589	E000159*	Calibrator, Ozone Transfer Std	8,780.43	1/1/2004	0.00	Scrap/Auction (1)
00003603	0016588	Sampling System, TSP, Portable	5,358.37	1/1/2004	0.00	Disposed (2)
00003604	0016589	Sampling System, TSP, Portable	5,358.37	1/1/2004	0.00	Disposed (2)
00003658	E000255*	Sampling System PM10 W/ Rigid	6,573.10	1/1/2005	0.00	Disposed (2)
00003664	0016623	Cisco, Router 7204VXR Bundle	12,502.21	1/1/2005	0.00	Disposed (2)
000000003792	E000314*	Analyzer Uv Photometric Ozone	4,855.49	1/1/2007	0.00	Scrap/Auction (1)
000000003795	0016646	Cisco, Advanta, Firewall Upgr	9,049.70	1/1/2007	0.00	Disposed (2)
000000003805	E000338*	Monitor Cont Ambient PM2.5	21,013.75	1/1/2007	0.00	Scrap/Auction (1)
000000003808	E000341*	Monitor Cont Ambient PM2.5	21,013.75	1/1/2007	0.00	Scrap/Auction (1)
000000003909	E000350*	Air Monitoring Calibration Sys	15,865.70	1/1/2008	0.00	Scrap/Auction (1)
000000003922	N/A3922	Insurance Cert Tracking System	7,299.99	1/1/2008	0.00	Scrap/Auction (1)
000000003970	--	Interface module Ethernet Cisc	10,331.93	7/18/2008	0.00	Disposed (2)
000000003992	0016722	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000003995	0016725	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004015	0016770	Analyzer Ambient Nox	8,791.26	6/23/2009	0.00	Scrap/Auction (1)
000000004063	0016788	Catalyst 6500/7600 Supervisor	17,436.30	6/25/2009	0.00	Disposed (2)
000000004064	0016789	Catalyst 6500/7600 Supervisor	17,436.30	6/25/2009	0.00	Disposed (2)
000000004091	--	Server HP Proliant DL580 G5	14,867.18	5/6/2010	0.00	Disposed (2)
000000004137	--	Motor.60 H.P.,1200 R.P.M.	5,419.46	6/29/2010	0.00	Disposed (2)
000000004210	0016793	Server Load Balancer	5,635.67	1/1/2011	0.00	Scrap/Auction (1)
000000004211	0016794	Server Load Balancer	5,635.66	1/1/2011	0.00	Scrap/Auction (1)
000000004277	--	Pump, Arora Model 413C-BF	23,361.30	11/15/2011	0.00	Disposed (2)
000000004371	0016914	Refrigerator Freezer Reachin	8,689.37	8/17/2012	0.00	Scrap/Auction (1)
000000004405	E000373UPGRD*	Ion Chromatograph Upgrade	48,382.37	2/27/2013	0.00	Scrap/Auction (1)
000000004511	0016964	Analyzer, H2S - J605	16,601.65	3/26/2014	0.00	Scrap/Donate (5)
000000004570	E000620*	Meterological Monitoring Sys	8,388.73	8/28/2014	0.00	Scrap/Auction (1)
000000004571	E000623*	Meterological Monitoring Sys	8,388.74	8/28/2014	0.00	Scrap/Auction (1)
<b>Total Obsolete or Non-repairable Equipment</b>			<b>\$ 580,078.22</b>		<b>\$ 0.00</b>	

\* Assets purchased with federal funds.

\*\* Net Book Value represents historical cost reduced by estimated depreciation. It is expected that some revenue will be realized upon sale at auction.

- (1) Usable parts will be removed and the remainder will be auctioned and scrapped.
- (2) Disposed prior to the Board approval.
- (3) Equipment will be traded in.
- (4) Equipment will be donated or auctioned.
- (5) Equipment will be scrapped or donated to the Los Angeles County Fire Department in exchange for new equipment.

**ATTACHMENT B**  
**Obsolete or Non-repairable Motor Vehicles**

	<b>Asset ID</b>	<b>Tag#</b>	<b>Description</b>	<b>Cost</b>	<b>Date Purchased</b>	<b>Net Book Value **</b>	<b>Disposition ***</b>
1	00003252	E000138*	Truck, Bi-Fuel, 4WD ,Ford F150	\$ 32,099.99	2/1/2002	\$ 0.00	Auction
2	00003465	38735	Automobile, CNG, Ford	22,483.12	5/24/2002	0.00	Auction
3	000000003752	38771	Van 8-Pass CNG 2004 Ford E350	40,557.19	1/1/2006	0.00	Auction
4	000000003765	38777	Automobile Honda Civic GX 2006	25,338.69	1/1/2006	0.00	Auction
5	000000003842	H0004*	Auto Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
6	000000003844	H0009*	Auto Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
7	000000003845	H0008*	Auto Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
8	000000003873	38797	Auto Honda Civic GX CNG 2007	25,866.67	1/1/2007	0.00	Auction
9	000000003874	38798	Auto Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
10	000000003881	38805	Auto Honda Civic GX CNG 2007	25,866.66	1/1/2007	0.00	Auction
11	000000004113	38835	Auto Honda Civic GX CNG 2010	25,452.22	5/7/2010	0.00	Auction
12	000000004380	E000470*	Van, Cargo CNG 2012 Ford E25	39,088.61	9/20/2012	0.00	Auction
13	000000004497	H00013*	2012 Honda CNG GX Civic	26,779.15	10/25/2013	0.00	Auction (1)
<b>Total Obsolete or Non-repairable Motor Vehicle</b>				<b>\$ 366,998.94</b>		<b>\$ 0.00</b>	

\* Assets purchased with federal funds.

\*\* Net Book Value represents historical cost reduced by estimated depreciation. It is expected that some revenue will realized upon sale at auction.

\*\*\* These vehicles have an average of 166,000 miles.

(1) This vehicle was involved in a collision and cost to repair it exceeds the value of the vehicle.

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 8

**PROPOSAL:** Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

**SYNOPSIS:** South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding needed for the development and maintenance work in an amount not to exceed \$90,000 for AgreeYa Solutions, \$209,600 for Prelude Systems, \$302,400 for Sierra Cybernetics, and \$651,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2021-22 Budget.

**COMMITTEE:** Administrative, March 11, 2022; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Transfer \$84,000 from Information Management's FY 2021-22 Budget, Services and Supplies Major Object, Professional and Special Services account to Information Management's FY 2021-22 Capital Outlay Major Object, Capital Outlay account; and
2. Authorize the Executive Officer to execute amendments to the contracts for systems development services in the amount of \$90,000 to AgreeYa Solutions, \$209,600 to Prelude Systems, \$302,400 to Sierra Cybernetics, and \$651,000 to Varsun eTechnologies from Information Management's FY 2021-2022 Budget for the specific task orders listed in the Attachment.

Wayne Nastri  
Executive Officer

RMM:XC:ir

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**Background**

In April 2021, the Board authorized staff to initiate level-of-effort contracts with vendors for systems development, maintenance and support services. At the time these contracts

were executed, it was expected that they would be modified in the future to add funding from approved budgets as system development requirements were identified and sufficiently defined so that task orders could be prepared. The contracts are for one year, with the option to renew for two one-year periods.

Systems development and maintenance efforts are currently needed (see Attachment) to enhance system functionality and to provide staff with additional automation for improving productivity. The estimated cost to complete the work on these additional tasks exceeds the amount of funding in the existing contracts.

**Proposal**

Staff proposes to transfer \$84,000 from Information Management’s FY 2021-22 Budget, Services and Supplies Major Object, Professional and Special Services account to Information Management’s FY 2021-22 Capital Outlay Major Object, Capital Outlay account and to amend the contracts to add \$90,000 to AgreeYa Solutions, \$209,600 to Prelude Systems, \$302,400 to Sierra Cybernetics and \$651,000 to Varsun eTechnologies for the specific task orders listed in the attachment.

**Resource Impacts**

Sufficient funding is available in Information Management’s FY 2021-2022 Budget.

**Attachment**

Task Order Summary

## ATTACHMENT – Task Order Summary

### Section A – Funding Totals for each Systems Development Contract

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
AgreeYa Solutions	\$585,500	\$90,000	\$675,500
Prelude Systems	\$153,500	\$209,600	\$363,100
Sierra Cybernetics	\$436,900	\$302,400	\$739,300
Varsun eTechnologies	\$464,900	\$651,000	\$1,115,900
TOTAL	\$1,640,800	\$1,253,000	\$2,893,800

### Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
ISR System Enhancement	Enhancements and support for the Indirect Source Rule Online Reporting Web Portal	\$40,000	AgreeYa
Mobile Application Support	Provide Annual Support for Mobile Application including both iOS and Android upgrades as well of new device upgrades	\$50,000	AgreeYa
Source Tests Tracking System Maintenance	Maintenance of automated system to facilitate the submittal, tracking, routing and management of source test submissions	\$25,000	Prelude
AER Enhancement	Enhancement for Annual Emission Report Web portal to be in compliance for reporting year 2023	\$154,600	Prelude
Web Application/Web Services Maintenance	To provide maintenance and development work for suite of Web Applications and Web Services	\$30,000	Prelude
Web Application/Web Services Maintenance	To provide maintenance and development work for suite of Web Applications and Web Services	\$62,400	Sierra
IVR System Upgrade	Upgrade Interactive Voice Response system to latest technology	\$50,000	Sierra
Electronic Mailing	Modernize noticing procedures, enhance outreach effectiveness, and reduce mailing and newspaper publication costs	\$150,000	Sierra
Web Site & IT Specialist support	To provide support for web site content development, publishing and other required IT support	\$40,000	Sierra
Agenda Tracking System upgrade	Upgrade Agenda Tracking System to latest technology and improve efficiency	\$250,000	Varsun
Compliance System Upgrade Phase One	Migrate CLASS Compliance to web-based application, phase one of two	\$200,000	Varsun
Lower Emission School Bus GMS	Online Grant Management System for Lower Emission School Bus	\$81,000	Varsun
Carl Moyer Grant Management System Phase One	Re-write of Carl Moyer Grant Management System, phase one of two	\$120,000	Varsun
TOTAL		\$1,253,000	

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 9

**PROPOSAL:** Approve Contract Modification as Approved by MSRC

**SYNOPSIS:** The MSRC approved a modification to a contract under the FYs 2012-14 Work Program. At this time, the MSRC seeks Board approval of the modification as part of the FYs 2012-14 Work Program.

**COMMITTEE:** Mobile Source Air Pollution Reduction Review, March 17, 2022;  
Recommended for Approval

**RECOMMENDED ACTION:**

Approve modified contract with the City of Santa Ana, substituting the purchase of a CNG vehicle instead of a liquefied petroleum gas vehicle as previously approved, as part of approval of the FYs 2012-14 Work Program, as described in this letter.

Larry McCallon,  
Chair, MSRC

MMM:AK:CR

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**Background**

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvended to South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

**Proposals**

At its March 17, 2022 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FYs 2012-14 Local Government Match Program

As part of the FYs 2012-14 Local Government Match Program, the MSRC originally approved an award of \$244,000 to the City of Santa Ana for procurement of seven heavy-duty liquefied petroleum gas (propane) vehicles and the installation of six (6) Level II charging stations. The City was not able to identify propane vehicles to meet the contract requirements. They requested to reduce the number of vehicles in the contract from seven to one, reducing the contract value by \$180,000, and to substitute CNG instead of propane for the remaining vehicle. Both fuel types were equally eligible under the FYs 2012-14 Local Government Match Program, and the CNG vehicle would have been approved if originally proposed. The MSRC considered and approved the City's requested contract modifications.

At this time, the MSRC requests the South Coast AQMD Board approve the contract modification as part of approval of the FYs 2012-14 AB 2766 Discretionary Fund Work Program as outlined above.

**Resource Impacts**

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and any contracts awarded in response to the solicitation will be drawn from this fund.

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 10

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the February 2022 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

LTO:PC:DS:DM:bel:lam

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### **Background**

This report summarizes the activities of the Legislative, Public Affairs and Media Office for February. The report includes Major Events; Community Events/Public Meetings; Environmental Justice Update; AB 617; Speakers Bureau/Visitor Services; Communications Center; Public Information Center; Business Assistance; Media Relations; and Outreach to Community Groups and Governments.

### **Major Events (Hosted and Sponsored)**

Each year, staff engage in holding and sponsoring several major events throughout South Coast AQMD's four-county jurisdiction to promote, educate, and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality and minimize economic impacts.

No major events were hosted or sponsored in February.

## **Community events/Public Meetings**

Each year, staff engage with thousands of residents and stakeholders, providing valuable information about the agency, incentive programs, and ways individuals can help reduce air pollution through events and meetings sponsored solely by South Coast AQMD or in partnership with others. Attendees typically receive the following information:

- Tips on reducing their exposure to smog and its health effects;
- Clean air technologies and their deployment;
- Invitations to or notices of conferences, seminars, workshops, and other public events;
- South Coast AQMD incentive programs;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

Staff attended and/or provided information and updates at the following February events and meetings:

### Los Angeles County Department of Public Health

On February 2, staff participated in a virtual agency stakeholder meeting regarding AllenCo Energy. Staff provided updates on monthly compliance activities including surveillance and air monitoring, which did not detect elevated emissions levels. No complaints alleging AllenCo Energy as the source were received since the last meeting.

### Orange County Business Council

On February 4, staff provided an agency update at a virtual Government Affairs Committee meeting. The update included South Coast AQMD's Apps and the appointment of Orange County Supervisor Andrew Do to the Governing Board.

### San Gabriel Valley Council of Governments

On February 16, staff attended a virtual Energy, Environment and Natural Resources Committee meeting. Staff shared information on Check Before You Burn, Why Healthy Air Matters (WHAM) and other programs.

### Harbor Association of Industry and Commerce (HAIC)

On February 17, staff participated in a HAIC Government Affairs Committee meeting. Staff provided updates on South Coast AQMD's Cesar Chavez event and an upcoming Working Group meeting on the Indirect Source Rule for Commercial Marine Ports.

San Fernando Valley Council of Governments

On September 17, staff attended a virtual meeting and provided updates on Check Before You Burn, WHAM and other programs.

Industrial Environmental Association, Vernon Chapter

On February 23, staff participated in a virtual meeting and presented on the Warehouse Indirect Source Rule.

**Environmental Justice Update**

The following are key environmental justice (EJ) related activities in which staff participated during February. These events and meetings involve communities affected disproportionately from adverse air quality impacts.

Pacoima Community Initiative

On February 4, staff participated in a virtual monthly meeting. Staff provided an update on the Clean Air Program for Elementary Students (CAPES) and the 8<sup>th</sup> Annual Cesar Chavez Day of Remembrance event.

Advanced Biofuels USA Webinar – Sponsored by Coalition for Clean Air

On February 8, staff participated in a webinar sponsored by the Coalition for Clean Air, titled, “The Role of Alternative Fuels in California’s Transportation Future.” The webinar focused on the role alternative fuels in lowering greenhouse gases and reducing air pollution.

Special Environmental Justice Advisory Group Meeting

On February 25, a virtual special meeting was held to discuss a SELA United letter regarding Rule 415 and odors from rendering facilities. Members voted to send an identical letter to the South Coast AQMD Board.

**AB 617 Update**

The following are key AB 617 related activities in which staff participated during February. These events, workshops, and meetings involve AB 617 communities and support the Community Steering Committees (CSCs), Community Air Monitoring Plans (CAMPs), and Community Emissions Reduction Plans (CERPs).

South Los Angeles CSC

On February 3, approximately 70 attendees participated in a virtual AB 617 CSC meeting. The discussions focused on member-identified issues relating to the CERP, including dry cleaners, metals facilities and auto body shops. Break-out sessions were held to provide an opportunity for CSC members to provide input in smaller groups, and multiple Zoom polls were conducted to gather information.

San Bernardino, Muscoy CSC

On February 10, approximately 72 attendees participated in a virtual AB 617 meeting. Meeting topics included updates on the implementation of the CERP and CAMP, automated license plate readers, idling enforcement, Truck Incentives Workshops and concrete batch plants. Aclima also presented on their air monitoring study.

East Los Angeles, Boyle Heights, West Commerce CSC

On February 17, approximately 68 attendees participated in a virtual AB 617 meeting. Meeting and discussion topics included the implementation of the CERP and CAMP, truck traffic priorities and a recap of a poll on the home air filtration project. Aclima also presented on their air monitoring study.

Inland Empire Concerned African American Churches

On February 17, staff attended a clean transportation virtual session. The discussion focused on Sustainable Energy, topics included fuel cell technologies and zero-emission trucks.

Wilmington, Carson, West Long Beach CSC

On February 24, approximately 115 attendees participated in a virtual AB 617 meeting. Meeting topics included implementation of the CERP and CAMP, Dominguez Channel odor event, discussion of a Memorandum of Understanding and proposed indirect source rulemaking for sources at the ports and Truck Incentives Workshops.

Just San Bernardino Community Coalition & Warehouse Worker Resource Center

On February 24, staff attended a virtual townhall meeting hosted by the Just San Bernardino Community Coalition and Warehouse Worker Resource Center and other organizations. The discussions focused on the impacts of warehouses on communities and current efforts to mitigate warehouse growth in the City of San Bernardino.

**Speakers Bureau/Visitor Services**

South Coast AQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals, and health-based organizations. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

Girl Scout Troop 2851

On February 2, staff presented to Girl Scout Troop 2851 on South Coast AQMD and air quality issues. Staff participated in a question-and-answer session to assist with a troop project and shared information about the WHAM program.

### Communication Center Statistics

The Communication Center handles calls on South Coast AQMD's main line, 1-800-CUT-SMOG®, the Spanish language line, and after-hours calls to those lines. Total calls received in the month of February are summarized below:

South Coast AQMD's Main Line and 1-800-CUT-SMOG®	2,427
South Coast AQMD's Spanish-Language Line	56
Total Calls	2,483

### Public Information Center Statistics

The Public Information Center (PIC) handles phone calls for general information. The PIC did not take walk-in requests in February because of the COVID pandemic. Email advisories provided information on upcoming meetings and events, program announcements and alerts on time-sensitive issues. Information for the month of February is summarized below:

Calls Received by PIC	12
Calls to Automated System	277
Total Calls	289

Email Advisories Sent	19,614
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### Small Business Assistance

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. South Coast AQMD works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provides personalized assistance to small businesses both over the telephone and via virtual on-site consultation, as summarized below for February.

- Provided permit application assistance to 226 companies, and
- Processed 81 Air Quality Permit Checklists.

Types of businesses assisted:

Architecture Firms	Engineering Firms	Restaurants
Auto Body Shops	Gas Stations	Retail Operations
Construction Firms	Manufacturing Facilities	Warehouses
Dry Cleaners	Offices	

## Media Relations

The Media Office handles all South Coast AQMD outreach and communications with television, radio, newspapers and all other publications, and media operations. The February reports are listed below:

Major Media Interactions	89
Press Releases	12
News Carousel	1

### Major Media Topics:

- **Heavy-Duty Truck Regulations:** Staff participated in an interview requested by Grist on federal regulations for heavy-duty trucks.
- **Biogas Facility:** The Daily News requested information on Ralph's biogas facility in Compton. Reporter was directed to the FIND tool online and referred to CalRecycle.
- **On-Target Gun Range:** The San Francisco Chronicle requested copies of the issued Notices to Comply. The reporter was advised of the public records request process for additional enforcement documents. The reporter submitted follow-up questions and staff is waiting for additional information.
- **Emissions:** The New York Times requested clarification on emissions numbers for passenger electric vehicles. A response was provided.
- **PM2.5:** Inside EPA requested comment on a letter to U.S. EPA Region 9 on the San Joaquin Valley PM2.5 SIP. The reporter was referred to CARB.
- **Dust Abatement Measures:** The Los Angeles Times inquired about dust abatement requirements at two facilities. Written responses were provided.
- **Toxics from Oil and Gas Operations:** Matter of Fact with Soledad O'Brien requested statistics on toxics from oil and gas operations in Los Angeles neighborhoods. A written response was provided.
- **Quemetco:** KPCC and Grist submitted questions regarding the Quemetco Draft EIR process, permitting processes and next steps. Written responses were provided.
- **JETSI Project:** Capital & Main requested updates on the JETSI 100 electric trucks project delivery. Written responses were provided, along with contact information for two fleet purchasers.
- **Air Quality in Freight and Port Communities:** Staff participated in an interview with KCET on the importance of the ongoing work to improve air quality for freight and port communities.
- **Modified Hydrofluoric Acid (MHF):** The Daily Breeze requested input from South Coast AQMD on the motion by Los Angeles County Supervisor Janice Hahn to phase out MHF in refineries. An update on refineries was provided.

- **Air Pollution “Hot Spots”:** KCET inquired about efforts to monitor and mitigate air pollution in areas designated as “hot spots.” The reporter was referred to CARB.
- **Study of Neighborhood Air near Petroleum Sources (SNAPS) Program:** Matter of Fact with Soledad O’Brien inquired about CARB’s SNAPS Program. The reporter was referred to CARB.
- **Hyperion Treatment Plant:** Pitches were sent to local media outlets regarding South Coast AQMD’s petition for Order of Abatement, resulting in print and broadcast coverage. The Southern California News Group submitted follow-up questions. Written responses were provided.
- **Ports ISR:** Pitches were sent to local media outlets regarding the Ports ISR, resulting in print and broadcast coverage. The Wall Street Journal and Los Angeles Times inquired about the Board review of an ISR for the San Pedro Bay ports. A response was provided.
- **Windblown Dust Advisory:** Pitches were sent to local media outlets regarding three windblown dust advisories, resulting in print and broadcast coverage.

#### News Releases:

- **South Coast AQMD Issues Windblown Dust Advisory for the entire South Coast AQMD jurisdiction - February 2, 14, and 20 (English and Spanish):** Informed residents of three Windblown Dust Advisories.
- **South Coast AQMD Requests Order to Require Hyperion Treatment Plant to Comply with Permit Conditions (English and Spanish) - February 17, 2022:** Informed residents of a request for an administrative order seeking Hyperion’s compliance with South Coast AQMD rules.
- **No-Burn Days - Mandatory Wood-Burning Ban In Effect For Residents Of The South Coast Air Basin (English and Spanish):** 1 No-Burn Day was issued on February 20, 2022.

#### Social Media Notable Posts:

- **AQ Forecast (2/5):** 1,545 Twitter Impressions
- **Dust Advisory (2/14):** 2,143 Twitter Impressions
- 10.1K Facebook Users Reached in a 24-hour period on Thursday, February 17
- Assist from SoCal Edison Electric Truck Post on 2/17 (tagging South Coast AQMD): <https://www.facebook.com/sce/posts/10158283419451831>

#### Special Topics:

- **Check Before You Burn:** One No-Burn Day was issued on February 20, 2022. Pitches were sent to local media outlets, resulting in print and broadcast coverage. SoCal News Group requested the number of complaints received in recent years regarding No-Burn Days. Complaint numbers were provided.

News Carousel:

- **Keep Up with the Latest News From South Coast AQMD:** Provides a link to latest edition of the Advisor newsletter.

**Outreach to Community Groups and Federal, State, and Local Governments**

Outreach was conducted in person and virtually in February utilizing web-based and other technologies to communicate with elected officials or staff from the following cities:

Alhambra	Industry	Rosemead
Anaheim	Irvine	San Dimas
Avalon	La Habra	San Fernando
Big Bear	La Puente	San Gabriel
Brea	Laguna Niguel	San Marino
Buena Park	Long Beach	Santa Clarita
Burbank	Los Angeles	Seal Beach
Carson	Manhattan Beach	Sierra Madre
Claremont	Mission Viejo	South El Monte
Duarte	Monrovia	South Pasadena
El Monte	Monterey Park	Temple City
Fontana	Newport Beach	Vernon
Fullerton	Paramount	Walnut
Garden Grove	Pasadena	West Covina
Glendale	Placentia	Yorba Linda
Highland	Pomona	
Huntington Park	Rancho Cucamonga	

Communication was conducted in February with elected officials and/or staff from the following state and federal offices:

- U.S. Senator Diane Feinstein
- U.S. Senator Alex Padilla
- U.S. Representative Tony Cardenas
- U.S. Representative Judy Chu
- U.S. Representative Lou Correa
- U.S. Representative Ted Lieu
- U.S. Representative Grace Napolitano
- U.S. Representative Maxine Waters
- Senator Ben Allen
- Senator Bob Archuleta
- Senator Lena Gonzalez
- Senator Bob Herzberg
- Senator Dave Min
- Senator Anthony Portantino
- Senator Susan Rubio
- Assembly Member Lisa Calderon
- Assembly Member Laura Friedman
- Assembly Member Cristina Garcia
- Assembly Member Eduardo Garcia
- Assembly Member Mike Gipson
- Assembly Member Chris Holden

Staff represented South Coast AQMD in February and/or provided updates or a presentation to the following governmental agencies and business organizations:

Beverly Hills Chamber of Commerce  
Big Bear Chamber of Commerce  
California High Speed Rail Authority  
Clean Power Alliance  
Department of Toxic Substances Control  
Energy Coalition  
Foothill Gold Line Construction Authority  
Foothill Transit  
Gateway Cities Council of Governments  
Inland Valley Development Agency  
League of California Cities, Los Angeles, Inland Empire and Orange County Divisions  
Los Angeles Chamber of Commerce  
Los Angeles County Department of Public Health  
Los Angeles County Department of Regional Planning, Baldwin Hills Community Standards District  
Metropolitan Water District of Southern California  
Metro  
Mountain Transit  
Newport Beach Chamber of Commerce  
National Park Service  
Omnitrans  
Ontario International Airport Authority Board  
Orange County Council of Governments  
Orange County Business Council  
San Bernardino Area Chamber of Commerce  
San Bernardino County Transportation Authority  
San Bernardino International Airport Authority  
San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy  
San Gabriel Mountains Community Collaborative  
San Gabriel Valley Mosquito & Vector Control District  
San Gabriel Valley Council of Governments  
San Gabriel Valley Economic Partnership  
San Gabriel Valley Transit  
Santa Ana Chamber of Commerce  
South Pasadena Chamber of Commerce  
Southern California Association of Governments  
Valley Industry Commerce Association  
Westside Cities Council of Government

In February, staff represented South Coast AQMD and/or provided updates or a presentation to the following community and educational groups and organizations:

California State University, Fullerton  
Clean Air Coalition of North Whittier and Avocado Heights  
East Yard Communities for Environmental Justice  
Edison High School, Huntington Beach  
Girl Scout Troop 2851, La Cañada Flintridge  
Inland Empire Concerned African American Churches  
League of Women Voters, East San Gabriel Valley  
Newport Mesa Irvine Interfaith Council  
Pasadena City College  
Peoples Collective for Environmental Justice  
Santa Ana College  
Sierra Club, San Bernardino  
Trust for Public Land, Los Angeles

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 11

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of February 1 through February 28, 2022.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Cynthia Verdugo-Peralta  
Hearing Board Chair

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The following summaries are attached: **February 2022 Hearing Board Cases and Rules From Which Variances and Orders for Abatement Were Requested in 2022**. An index of South Coast AQMD Rules is also attached.

There were no appeals filed during the period of February 1 to February 28, 2022.

## Report of February 2022 Hearing Board Cases

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Petro Diamond Terminal Company Case No. 3678-6 (M. Reichert)	203(b) 462(d)(1) 462(e)(1)(E)(i)(II)	Petitioner requested Ex-parte EV due to CEMS unexpected exceedance of 4,200 ppmv limit for total hydrocarbons twice, resulting in intermittent shutdowns. Vapor recovery system was not able to achieve compliant operation.	Not Opposed/Granted	Ex Parte EV granted commencing 2/11/22 and continuing through 3/12/22	None
2. Snow Valley, Inc. Case No. 6221-1 (K. Manwaring)	203(b)	Due to Petitioner's ski-lift electric drive failure, two diesel back-up engines were used. On 02/14/22, both engines reached their annual allotted 200 hours, requiring the IV request.	Not Opposed/Granted	IV granted commencing 2/17/22 and continuing for 90 days or until the RV hearing currently scheduled for 4/13/22, whichever comes first.	NOx: 29.92 lbs/day SOx: .008 lb/day VOC: .72 lb/day PM: 11.84 lbs/day CO: 16.16 lbs/day
3. South Coast AQMD vs. 365 Disposal and Recycling Inc. Case No. 6213-1 (K. Roberts)	203(b) 403(d)(1)(A) 403(d)(2) 403(d)(4) 1133.1(d)(3) 1133.1(d)(4) 1133.1(e)	Due to numerous failures to comply with several previous conditions, including shutting down one of their facilities, several NOV's were issued requiring the Hearing, with the potential to close-down the entire business.	Stipulated/Modified	Mod. O/A issued commencing 2/15/22 and continuing through 7/1/22. The Hearing Board shall retain jurisdiction over this matter until 7/1/22.	N/A

### Acronyms

CEMS: Continuous Emissions Monitoring System  
CO: Carbon Monoxide  
EV: Emergency Variance  
IV: Interim Variance  
Mod. O/A: Modification Order for Abatement  
N/A: Not Applicable

NOV: Notice of Violation  
NOx: Oxides of Nitrogen  
PM: Particulate Matter  
RV: Regular Variance  
SOx: Oxides of Sulfur  
VOC: Volatile Organic Compounds

**Rules from which Variances and Orders for Abatement were Requested in 2022**

Rules	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Actions
202(c)	1												1
203(b)	6	3											9
403(d)(1)(A)		1											1
403(d)(2)		1											1
403(d)(4)		1											1
462(d)(1)		1											1
462(e)(1)(E)(i)(II)		1											1
1133.1(d)(3)		1											1
1133.1(d)(4)		1											1
1133.1(e)		1											1
1147	1												1
1153.1	1												1
1469.1(d)	1												1
1470(c)(4)A)	1											\	1
2004(f)(1)	5												5
2011(c)(2)(A)	1												1
2011(c)(3)(A)	1												1
2011(e)(1)	1												1
2011(k)	1												1
2011, APP. A, Ch 2-A, Att. C	1												1
2012(c)(2)(A)	1												1
2012(c)(3)(A)	1												1
2012(g)(1)	1												1
2012(m)	1												1
2012, APP.. A, Ch 2. A.16	1												1
2012, APP. A, Ch 2-A, Att. C	1												1
3002(c)(1)	5												5

**SOUTH COAST AQMD RULES AND REGULATIONS INDEX  
2022 HEARING BOARD CASES AS OF FEBRUARY 28, 2022**

**REGULATION II – PERMITS**

Rule 202      Temporary Permit to Operate  
Rule 203      Permit to Operate

**REGULATION IV – PROHIBITIONS**

Rule 403      Fugitive Dust  
Rule 462      Organic Liquid Loading

**REGULATION XI - TOXICS AND OTHER NON-CRITERIA POLLUTANTS**

Rule 1133.1   Chipping & Grinding Activities  
Rule 1147      NOx Reductions from Miscellaneous Sources  
Rule 1153.1   Emissions of Oxides of Nitrogen from Commercial Food Ovens

**REGULATION XIV - TOXICS AND OTHER NON-CRITERIA POLLUTANTS**

Rule 1469.1   Spraying Operations Using Coatings Containing Chromium  
Rule 1470      Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

**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

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 12

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from February 1 through February 28, 2022. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, March 18, 2022, Reviewed

RECOMMENDED ACTION:  
Receive and file.

Bayron T. Gilchrist  
General Counsel

BTG:ew

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There are no Civil Filings for February 2022.

### **Attachments**

February 2022 Penalty Report

Index of South Coast AQMD Rules and Regulations

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

**Settlement Penalty Report (02/01/2022 - 02/28/2022)**

**Total Penalties**

Civil Settlement:       \$402,000.00  
MSPAP Settlement:       \$8,195.00  
Hearing Board Settlement:   \$10,000.00  
  
**Total Cash Settlements:**       \$420,195.00

**Fiscal Year through 02/28/2022 Cash Total:**   \$2,886,787.35

<b>Fac ID</b>	<b>Company Name</b>	<b>Rule Number</b>	<b>Settled Date</b>	<b>Init</b>	<b>Notice Nbrs</b>	<b>Total Settlement</b>
<b>Civil</b>						
35409	BARTON BRANDS	203(B)	02/17/2022	BT	P69537	\$375,000.00
25638	BURBANK CITY, BURBANK WATER & POWER	2004	02/17/2022	VT	P66175	\$1,000.00
109471	DURA COAT PRODUCTS INC	203(b)	02/18/2022	VT	P69365	\$1,000.00
187521	MEGATOYS INC.	1403, 40 CFR 61.145	02/17/2022	NS	P66711	\$7,500.00
157676	THE SHERWIN-WILLIAMS COMPANY	1113, 1143, 1168	02/17/2022	BT/WW	P55313, P61803, P64805, P64808, P67002, P67006, P67007, P67009	\$15,000.00
189970	WEBER LOGISTICS/RANCHO 107	1415.1	02/18/2022	SH	P64773	\$2,500.00
<b>Total Civil Settlements: \$402,000.00</b>						
<b>Hearing Board</b>						
104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	02/17/2022	KCM	5400-4	\$10,000.00
<b>Total Hearing Board Settlements: \$10,000.00</b>						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>MSPAP</b>						
111825	CONOCOPHILLIPS CO-255510 A.H.B. PROPER	461	02/18/2022	GC	P67237	\$300.00
151837	DUKE SERVICE CORNER	461	02/18/2022	GC	P67700	\$1,020.00
184450	EASTERN MUNICIPAL WATER DISTRICT	403	02/18/2022	GC	P69102	\$2,250.00
189862	GUTIERREZ CLEANERS INC	203(a), 1421	02/22/2022	GC	P68371	\$1,200.00
97547	LARRY JACINTO CONSTRUCTION	403	02/22/2022	TCF	P68273	\$500.00
178234	M1 FUEL, INC, DBA PASADENA 76	461	02/22/2022	TCF	P70356	\$375.00
188464	MYNOR AUTO REPAIR	1151	02/22/2022	TCF	P68724	\$375.00
39979	OMNITRANS	1151	02/22/2022	TCF	P68710	\$800.00
190953	RAHIM FAMILY TRUST	1403	02/22/2022	TCF	P69743	\$375.00
181390	SEVENTEEN TWENTY OIL COMPANY	203(b)	02/22/2022	TCF	P73051	\$1,000.00
<b>Total MSPAP Settlements: \$8,195.00</b>						

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

**REGULATION II - PERMITS**

Rule 202            Temporary Permit to Operate  
Rule 203            Permit to Operate

**REGULATION IV - PROHIBITIONS**

Rule 403            Fugitive Dust  
Rule 461            Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1113           Architectural Coatings  
Rule 1143           Consumer Paint Thinners & Multi-Purpose Solvents  
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 1168           Adhesive and Sealant Applications

**REGULATION XIII - NEW SOURCE REVIEW**

Rule 1303           Requirements

**REGULATION XIV - TOXICS**

Rule 1403           Asbestos Emissions from Demolition/Renovation Activities  
Rule 1415.1        Reduction of Refrigerant Emissions from Stationary Refrigeration Systems  
Rule 1421           Control of Perchloroethylene Emissions from Dry Cleaning Operations

**REGULATION XX    REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004           Requirements

**CODE OF FEDERAL REGULATIONS**

40 CFR 61.145    Standard for Demolition and Renovation

[↑ Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 13

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides a listing of CEQA documents received by South Coast AQMD between February 1, 2022 and February 28, 2022, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, March 18, 2022, Reviewed

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

SR:MK:MM:LS:MC

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**CEQA Document Receipt and Review Logs (Attachments A and B)** – Each month, South Coast AQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received during the reporting period February 1, 2022 to February 28, 2022 is included in Attachment A. A list of active projects for which South Coast AQMD staff is continuing to evaluate or prepare comments for the November and January reporting periods is included as Attachment B. A total of 68 CEQA documents were received during this reporting period and 9 comment letters were sent.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for FY 2002-03, approved by the Board in October 2002, each attachment notes proposed projects where South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. South Coast AQMD has established an internal central contact to receive information on projects

with potential air quality-related environmental justice concerns. The public may contact South Coast AQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; and as part of oral comments at South Coast AQMD meetings or other meetings where South Coast AQMD staff is present. The attachments also identify, for each project, the dates of the public comment period and the public hearing date, if applicable. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

In January 2006, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement, CEQA documents (Attachments A and B) are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures was compiled into a series of tables relative to off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources.

Staff focuses on reviewing and preparing comments for projects: where South Coast AQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and which a lead or responsible agency has specifically requested South Coast AQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "South Coast AQMD Letter" under the Project Description. In addition, if staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period of February 1, 2022 to February 28, 2022, South Coast AQMD received 68 CEQA documents. Of the 74 documents listed in Attachments A and B:

- 9 comment letters were sent;
- 49 documents were reviewed, but no comments were made;
- 16 documents are currently under review;
- 0 documents did not require comments (e.g., public notices);
- 0 documents were not reviewed; and
- 0 documents were screened without additional review.

(The above statistics are from February 1, 2022 to February 28, 2022 and may not include the most recent “Comment Status” updates in Attachments A and B.)

Copies of all comment letters sent to lead agencies can be found on South Coast AQMD’s CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

**South Coast AQMD Lead Agency Projects (Attachment C)** – Pursuant to CEQA, South Coast AQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal for action is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when South Coast AQMD, as lead agency, finds substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if South Coast AQMD determines that the project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, South Coast AQMD continued working on the CEQA documents for three active projects during February.

### **Attachments**

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which South Coast AQMD Has or Will Conduct a CEQA Review
- C. Active South Coast AQMD Lead Agency Projects



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse &amp; Distribution Centers</i> <b>RVC220217-07</b> Plot Plan No. 220003	The project consists of construction of a 317,760 square foot warehouse on 13.22 acres. The project is located near the northwest corner of Harvill Avenue and Markham Street in the community of Mead Valley.  Comment Period: 2/11/2022 - 2/24/2022 Public Hearing: 2/24/2022	Site Plan	County of Riverside	Document reviewed - No comments sent for this document received
<i>Warehouse &amp; Distribution Centers</i> <b>RVC220222-05</b> Plot Plan No. 220001	The project consists of construction of a 99,770 square foot warehouse on 9.13 acres. The project is located on the southeast corner of Harvill Avenue and Dree Circle in the community of Mead Valley.  Comment Period: 2/17/2022 - 3/3/2022 Public Hearing: 3/3/2022	Site Plan	County of Riverside	Document reviewed - No comments sent for this document received
<i>Warehouse &amp; Distribution Centers</i> <b>RVC220222-06</b> Old 215 Industrial Business Park Project	The project consists of construction of six warehouses totaling 197,055 square feet on 11.2 acres. The project is located near the northeast corner of Old Frontage Road and Alessandro Boulevard.  Comment Period: 2/23/2022 - 3/15/2022 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Moreno Valley	Document reviewed - No comments sent for this document received
<i>Warehouse &amp; Distribution Centers</i> <b>RVC220224-03</b> Seaton Avenue and Perry Street Industrial Project	The project consists of construction of two warehouses totaling 98,940 square feet on 9.8 acres. The project is located near the northwest corner of Perry Street and Seaton Avenue in the community of Mead Valley. Reference RVC210511-05  Comment Period: 3/1/2022 - 3/21/2022 Public Hearing: 3/23/2022	Notice of Intent to Adopt a Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> <b>RVC220208-03</b> Plot Plan No. 210245	The project consists of construction of a 23,090 square foot manufacturing facility on 3.63 acres. The project is located on the northeast corner of Dillon Road and Karen Avenue in the community of Western Coachella Valley.  Comment Period: 2/3/2022 - 2/24/2022 Public Hearing: 2/24/2022	Site Plan	County of Riverside	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> <b>RVC220215-03</b> Bradley Road Cell Tower	The project consists of construction of a 70 foot wireless communication facility on 600 square feet. The project is located on the northwest corner of Bradley Road and Corson Road.  Comment Period: 2/14/2022 - 3/10/2022 Public Hearing: N/A	Site Plan	City of Menifee	Document reviewed - No comments sent for this document received
<i>Industrial and Commercial</i> <b>SBC220208-04</b> Site and Architectural Review 22-01, Variance 22-01, and Environmental Review 22-01	The project consists of construction of a 4,911 square foot commercial building on 0.51 acres. The project is located at 22881 Barton Road on the southwest corner of Barton Road and Preston Street.  Comment Period: 2/2/2022 - 2/16/2022 Public Hearing: N/A	Site Plan	City of Grand Terrace	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> <b>LAC220208-08</b> Rainbow Transport Tank Cleaners Site Project	The project consists of development of remedial actions to complete groundwater monitoring, installation of a soil vapor extraction system, establishment of a land use covenant to restrict future land uses to commercial and industrial uses, and a soil management plan on 10 acres. The project is located at 21119 South Wilmington Avenue near the southwest corner of South Wilmington Avenue and East Dominguez Street in the City of Carson within the designated AB 617 Wilmington, Carson, West Long Beach community. Reference LAC150721-06 and LAC130814-01 <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/march/LAC220208-08.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/march/LAC220208-08.pdf</a>  Comment Period: 2/8/2022 - 3/25/2022 Public Hearing: 3/9/2022	Statement of Basis	Department of Toxic Substances Control	South Coast AQMD staff commented on 3/8/2022

# - Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.









**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b><i>Institutional (schools, government, etc.)</i></b> <b>SBC220208-06</b> Redlands East Valley High School Stadium Project	The project consists of construction of sports fields and a bleacher system with 3,000 seats on a 6.95 acre portion of 60.1 acres. The project is located at 31000 East Colton Avenue on the southeast corner of East Colton Avenue and Opal Avenue in the City of Redlands. Reference SBC211201-09  Comment Period: 2/7/2022 - 3/23/2022 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	Redlands Unified School District	Document reviewed - No comments sent for this document received
<b><i>Medical Facility</i></b> <b>LAC220222-04</b> 656 South San Vicente Medical Office Project	The project consists of demolition of 13,963 square feet of existing facilities, and construction of 140,305 square feet of medical offices and 5,000 square feet of retail uses on 0.76 acres. The project is located on the northeast corner of San Vicente Boulevard and Orange Street in the community of Wilshire. Reference LAC210617-04 and LAC200114-07  Comment Period: N/A Public Hearing: 3/16/2022	Notice of Availability of a Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent for this document received
<b><i>Medical Facility</i></b> <b>ORC220201-08</b> Falling Leaves Foundation Medical Innovation Building	The project consists of construction of a 250,000 square foot medical facility on 2.8 acres. The project is located on the northeast corner of Health Sciences Road and Michael Drake Drive in the City of Irvine.  Comment Period: 1/27/2022 - 2/24/2022 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	Regents of the University of California	Document reviewed - No comments sent for this document received
<b><i>Medical Facility</i></b> <b>RVC220201-02</b> Kaiser Permanente Riverside Medical Center Expansion Project	The project consists of demolition of 738,000 square feet of existing structures and construction of two medical facilities totaling 291,497 square feet on 15.5 acres. The project is located at 10800 Magnolia Avenue on the southwest corner of Magnolia Avenue and Polk Street. Reference RVC210916-01  Comment Period: 1/26/2022 - 3/11/2022 Public Hearing: 4/28/2022	Notice of Availability of a Draft Environmental Impact Report	City of Riverside	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Medical Facility</i> <b>RVC220217-02</b> Inland Valley Medical Center Project	The project consists of construction of a 232,000 square foot medical facility to accommodate an increase in hospital beds from 102 to 202 on 22.24 acres. The project is located on the northwest corner of Inland Valley Drive and Prielipp Road. Reference RVC210318-03  Comment Period: 2/17/2022 - 4/4/2022 Public Hearing: 5/18/2022	Notice of Availability of a Draft Environmental Impact Report	City of Wildomar	Document reviewed - No comments sent for this document received
<i>Retail</i> <b>LAC220203-01</b> ENV-2020-1620: Cosmo Hotel Project	The project consists of conversion of a 32,980 square foot building into a 57 room hotel and 8,885 square feet of restaurant uses on 0.17 acres. The project is located on the southeast corner of Hollywood Boulevard and Cosmos Street in the community of Hollywood.  Comment Period: 2/3/2022 - 2/23/2022 Public Hearing: N/A	Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>Retail</i> <b>LAC220208-05</b> Cheval Blanc Beverly Hills Specific Plan Project	The project consists of demolition of 56,787 square feet of structures, and construction of a 220,950 square foot hotel with 115 rooms and subterranean parking on 1.28 acres. The project is located on the northeast corner of North Rodeo Drive and South Santa Monica Boulevard. Reference LAC210921-02 and LAC201117-03  Comment Period: N/A Public Hearing: N/A	Notice of Availability of a Final Environmental Impact Report	City of Beverly Hills	Document reviewed - No comments sent for this document received
<i>Retail</i> <b>LAC220217-11</b> Conditional Use Permit Case No. 21-011	The project consists of construction of a 131,028 square foot self storage facility on 2.12 acres. The project is located at 3010 North Alameda Street near the southeast corner of North Alameda Street and East Weber Avenue in the designated AB 617 South Los Angeles community.  Comment Period: 2/17/2022 - 3/9/2022 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Compton	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.





**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> <b>LAC220208-09</b> Parkview Affordable Housing	The project consists of construction of 127 residential units totaling 126,761 square feet on 2.9 acres. The project is located at 4020 South Compton Avenue on the northeast corner of Compton Avenue and East 41st Street in the community of South Los Angeles within the City of Los Angeles and the designated AB 617 South Los Angeles community. Reference LAC191101-15  Comment Period: 2/9/2022 - 2/24/2022 Public Hearing: N/A	Finding of No Significant Impact	City of Los Angeles	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> <b>LAC220215-02</b> Tilbury Village Residential Project	The project consists of construction of 13 residential units on 0.57 acres. The project is located at 12345 Carson Street on the northwest corner of Tilbury Street and Claretta Avenue.  Comment Period: 2/11/2022 - 3/11/2022 Public Hearing: N/A	Mitigated Negative Declaration	City of Hawaiian Gardens	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> <b>LAC220224-01</b> Tentative Tract Map No. 83705	The project consists of construction of 37 residential units totaling 147,233 square feet on 3.38 acres. The project is located on the northeast corner of Mission Drive and Walnut Grove Avenue.  Comment Period: 2/22/2022 - 3/9/2022 Public Hearing: N/A	Site Plan	City of Rosemead	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> <b>RVC220203-03</b> Site and Architectural Review 21-08 and Environmental 21-05	The project consists of construction of a 3,347 square foot residential unit on 0.46 acres. The project is located near the southwest corner of Grand Terrace Road and Barton Road.  Comment Period: 2/1/2022 - 2/15/2022 Public Hearing: N/A	Site Plan	City of Grand Terrace	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> <b>SBC220201-11</b> Highland Heights	The project consists of construction of 34 residential units on 2.9 acres. The project is located near the northeast corner of Baseline Street and Church Avenue.  Comment Period: 2/1/2022 - 2/10/2022 Public Hearing: N/A	Site Plan	City of Highland	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> <b>SBC220210-01</b> Alta Cuvee Mixed Use Project	The project consists of construction of 260 residential units totaling 226,649 square feet and 2,500 square feet of commercial uses on 5.2 acres. The project is located at 12939 Foothill Boulevard on the southeast corner of Foothill Boulevard and Etiwanda Avenue. Reference SBC210907-06  Comment Period: 2/9/2022 - 2/28/2022 Public Hearing: N/A	Notice of Intent to Adopt a Recirculated Mitigated Negative Declaration	City of Rancho Cucamonga	Document reviewed - No comments sent for this document received
<i>General Land Use (residential, etc.)</i> <b>SBC220217-04</b> Villa Serena Specific Plan	The project consists of construction of 65 residential units on 9.2 acres. The project is located near the southwest corner of East 15th Street and North Monte Verde Avenue.  <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/march/SBC220217-04.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/march/SBC220217-04.pdf</a>  Comment Period: 2/8/2022 - 3/9/2022 Public Hearing: N/A	Notice of Preparation	City of Upland	South Coast AQMD staff commented on 3/8/2022
<i>Plans and Regulations</i> <b>LAC220201-06</b> Burbank Housing Element Update and Associated General Plan Updates	The project consists of updates to the City's General Plan Housing Element to assess housing needs, densities, and development standards with a planning horizon of 2029. The project encompasses 17.1 square miles and is bounded by City of Los Angeles to the north, east, and west and State Route 134 to the south. Reference LAC210325-01  Comment Period: 1/26/2022 - 3/31/2022 Public Hearing: 3/14/2022	Notice of Availability of a Draft Environmental Impact Report	City of Burbank	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.







**ATTACHMENT C  
ACTIVE SOUTH COAST AQMD LEAD AGENCY  
PROJECTS THROUGH FEBRUARY 28, 2022**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Matrix Oil is proposing to: 1) install one new flare with a maximum rating of 39 million British thermal units per hour (MMBtu/hr) at Site 3 of the Sansinena Oil Field; and 2) increase the throughput of the existing flare at Site 9 from the previous permit limit of 13.65 million standard cubic feet over a 30-day period (MMSCF/30 days) to the maximum rating of 39 MMBtu/hr which is equivalent to 25.39 MMSCF/30 days.	Matrix Oil	Mitigated Negative Declaration	The consultant provided a preliminary draft Mitigated Negative Declaration and South Coast AQMD staff has provided comments which are being addressed by the consultant.	Yorke Engineering
Quemetco is proposing to modify existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke, and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.	Quemetco	Environmental Impact Report (EIR)	The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received.  Staff held two community meetings, on November 10, 2021 and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Written comments submitted relative to the Draft EIR and oral comments made at the community meetings, along with responses will be included in the Final EIR which is being prepared by the consultant.	Trinity Consultants
Sunshine Canyon Landfill is proposing to modify its South Coast AQMD permits for its active landfill gas collection and control system to accommodate the increased collection of landfill gas. The proposed project will: 1) install two new low emissions flares with two additional 300-hp electric blowers; and 2) increase the landfill gas flow limit of the existing flares.	Sunshine Canyon Landfill	Subsequent Environmental Impact Report (SEIR)	South Coast AQMD staff reviewed and provided comments on the preliminary air quality analysis and health risk assessment (HRA), which have been addressed by the consultant and incorporated into a Preliminary Draft SEIR which is undergoing staff review.	SCS Engineers

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 14

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2022.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:  
Receive and file.

Wayne Natri  
Executive Officer

SLR:MK:IM:AK:ZS

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## **2022 MASTER CALENDAR**

The 2022 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for the 2016 AQMP, Toxics, AB 617 (for BARCT) or measures identified in a Community Emission Reduction Plan (CERP), or Other. Rulemaking efforts that are noted for implementation of the 2016 AQMP, Toxics, and AB 617 are either statutorily required and/or are needed to address a public health concern. Projected emission reductions will be determined during rulemaking.

Staff continues to move forward with rulemaking, recognizing stakeholders' resource limitations due to COVID-19. To maintain social distancing while integrating public participation in the rulemaking process, staff is connecting with stakeholders using tele- and videoconferencing. Also, staff has increased the review time for working group materials to allow stakeholders additional time to prepare for meetings.

The following symbols next to the rule number indicate if the rulemaking will be a potentially significant hearing, will reduce criteria pollutants, or is part of the RECLAIM transition. Symbols have been added to indicate the following:

- \* *This rulemaking may have a substantial number of public comments.*
- + *This rulemaking will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*
- # *This rulemaking is part of the transition of RECLAIM to a command-and-control regulatory structure.*

The following table provides a list of changes since the previous Rule Forecast Report.

<b>304</b>	<b>Equipment, Materials, and Ambient Air Analyses</b>
<b>304.1</b>	<b>Analyses Fees</b>
<b>304.2</b>	<b>Fees for Operations Supportive of Emissions Analyses</b>
Proposed Amended Rules 304, 304.1 and Proposed Rule 304.2 are being moved from May to August 2022 to allow staff additional time to work with stakeholders.	
<b>403.2</b>	<b>Fugitive Dust from Large Roadway Projects</b>
Proposed Rule 403.2 is being moved from May to June to allow staff an additional month to work with stakeholders.	

## 2022 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
May		
Reg. III 1480	<p><b>Fees – General Amendments Toxics Monitoring</b></p> <p>Proposed amendments to Regulation III will incorporate the Consumer Price Index adjustment to reflect inflation of 6.5% pursuant to Rule 320. Other proposed amendments may be needed to update and add fees associated with existing programs and implementation of new or revised programs, including a proposed increase in Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees based on the required triennial fee reassessment. Proposed Amended Rule 1480 will remove existing fees from this rule and place them instead in Proposed Amended Regulation III.</p> <p><i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
June		
218.2	<p><b>Enhanced Requirements for Continuous Emission Monitoring System</b></p>	Other
218.3	<p><b>Enhanced Requirements for Continuous Emission Monitoring System Performance Specifications</b></p> <p>Proposed Amended Rules 218.2 and 218.3 are needed to include provisions when monitoring mass emission limits using a Continuous Emissions Monitoring Systems for non-RECLAIM and former RECLAIM facilities. Other amendments may be needed for clarity or to remove obsolete provisions.</p> <p><i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
403.2	<p><b>Fugitive Dust from Large Roadway Projects</b></p> <p>Proposed Rule 403.2 will establish requirements to minimize PM emissions and require additional public notification for large roadway construction projects.</p> <p><i>Eugene Kang 909.396.3524; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 MASTER CALENDAR (Continued)**

<b>Month</b>	<b>Title and Description</b>	<b>Type of Rulemaking</b>
<b>June</b> (Continued)		
429	<b>Start-Up and Shutdown Exemption Provisions for Oxides of Nitrogen</b> Proposed Amended Rule 429 will update startup and shutdown provisions for a variety of combustion equipment regulated under source-specific rules. <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	Other
<b>August</b>		
304 304.1 304.2	<b>Equipment, Materials, and Ambient Air Analyses Analyses Fees Fees for Operations Supportive of Emissions Analyses</b> Proposed Amended Rules 304, 304.1, and Proposed Rule 304.2 will recover costs incurred by South Coast AQMD from responsible sources for large incidents requiring South Coast AQMD response. <i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	Other
1148.2	<b>Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers</b> Proposed Amended Rule 1148.2 will evaluate the applicability of well activities, improve notifications of well working activities, and address other issues. <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	Other/ AB 617 CERP
1153.1	<b>Emissions of Oxides of Nitrogen from Commercial Food Ovens</b> Proposed Amended Rule 1153.1 will establish NOx BARCT limits and expand the applicability to RECLAIM and former RECLAIM facilities. <i>Heather Farr 909.396.3672; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	AQMP/ AB 617 BARCT
<b>September</b>		
1178	<b>Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities</b> Proposed Amended Rule 1178 will incorporate the use of more advanced early leak detection methods and improve leak detection and repair programs for storage tanks to further reduce VOC emissions. <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	AB 617 CERP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 MASTER CALENDAR (Continued)**

<b>Month</b>	<b>Title and Description</b>	<b>Type of Rulemaking</b>
<b>September</b> (Continued)		
1426.1	<b>Control of Hexavalent Chromium Emissions from Metal Finishing Operations</b> Proposed Rule 1426.1 will reduce hexavalent chromium emissions from heated chromium tanks used at facilities with metal finishing operations that are not subject to Rule 1469. <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	Toxics
1466.1	<b>Control of Particulate Emissions from Demolition of Buildings</b> Proposed Rule 1466.1 will establish requirements to minimize PM emissions during the demolition of buildings that housed equipment and processes with metal toxic air contaminants and pollution control equipment. <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	Toxics
<b>October</b>		
1159.1	<b>Control of NOx Emissions from Nitric Acid Tanks</b> Proposed Rule 1159.1 will establish requirements to reduce NOx emissions from nitric acid units that will apply to RECLAIM, former RECLAIM, and non-RECLAIM facilities. <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	AQMP/ AB 617 BARCT
2202*	<b>On-Road Motor Vehicle Mitigation Options</b> Proposed Amended Rule 2202 will streamline implementation for regulated entities, as well as reduce review and administration time for South Coast AQMD staff. Concepts may include program components to facilitate achieving average vehicle ridership targets. <i>Vicki White 909.396.3436; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	Other
2306	<b>New Intermodal Railyard Indirect Source Rule</b> Proposed Rule 2306 will establish requirements for new intermodal railyards to minimize emissions from indirect sources associated with new railyards. <i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	AQMP/ AB 617 CERP
Regulation XX*#	<b>RECLAIM</b> Proposed Amended Regulation XX will address the transition of RECLAIM facilities to a command-and-control regulatory structure. <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i>	AQMP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

## 2022 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
November		
1135	<p><b>Emissions of Oxides of Nitrogen from Electricity Generating Facilities</b>  Proposed Amended Rule 1135 will modify provisions for electricity generating units at Santa Catalina Island to reflect a revised BARCT assessment.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
1151	<p><b>Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations</b>  Proposed Amended Rule 1151 will provide clarifications of current requirements and amend provisions to address implementation issues.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706 Socio: Elaine Shen 909.396.2715</i></p>	Other
1168	<p><b>Adhesive and Sealant Applications</b>  Proposed Amended Rule 1168 will address VOC limits for certain applications. Other amendments may also be needed to improve the clarity.  <i>Heather Farr 909.396.3672; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1445*	<p><b>Control of Toxic Emissions from Laser Arc Cutting</b>  Proposed Rule 1445 will establish requirements to reduce hexavalent chromium and other metal toxic air contaminant particulate emissions from laser arc cutting.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1460	<p><b>Control of Particulate Emissions from Metal Recycling and Shredding Operations</b>  Proposed Rule 1460 will establish housekeeping and best management practices to minimize fugitive particulate emissions from metal cutting and shredding operations.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
Regulation XIII*#	<p><b>New Source Review</b>  Proposed Amended Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to a command-and-control regulatory structure and to address comments from U.S. EPA. Additional rules under Regulation XIII may be needed to address offsets and other provisions under Regulation XIII.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 MASTER CALENDAR (Continued)**

Month	Title and Description	Type of Rulemaking
December		
1146.2 <sup>#</sup>	<p><b>Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters</b>                      Proposed Amended Rule 1146.2 will update the NOx emission limits to reflect BARCT. Other provisions may be added to facilitate the deployment of zero-emission units regulated under the proposed amended rule.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
1180.1	<p><b>Fenceline and Community Monitoring</b>                      Proposed Rule 1180.1 will establish fenceline and community monitoring requirements for non-petroleum refineries and facilities that are not currently included in Rule 1180 – Refinery Fenceline and Community Air Monitoring.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
2304	<p><b>Marine Port Indirect Source Rule</b>                      Proposed Rule 2304 will establish requirements to reduce emissions from indirect sources related to marine ports.  <i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB617 CERP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

## 2022 To-Be-Determined

2022	Title and Description	Type of Rulemaking
102	<p><b>Definition of Terms</b> Proposed amendments may be needed to update and add definitions, and potentially modify exemptions. <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
103	<p><b>Definition of Geographical Areas</b> Proposed amendments are needed to update geographic areas to be consistent with state and federal references to those geographic areas. <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
209	<p><b>Transfer and Voiding of Permits</b> Proposed amendments may be needed to clarify requirements for change of ownership and permits and the assessment of associated fees. <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
219	<p><b>Equipment Not Requiring a Written Permit Pursuant to Regulation II</b> Proposed Amendments may be needed to address issues raised by U.S. EPA for approval in the State Implementation Plan or to identify sources that are currently exempt from permitting. <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
222	<p><b>Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II</b> Proposed Amendments may be needed to require certain equipment that is currently not permitted to register the equipment to gather information and emissions data. <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
223	<p><b>Emission Reduction Permits for Large Confined Animal Facilities</b> Proposed Amended Rule 223 will seek additional ammonia emission reductions from large confined animal facilities by lowering the applicability threshold. Proposed amendments will implement BCM-04 in the 2016 AQMP. <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
317	<p><b>Clean Air Act Non-Attainment Fees</b> Proposed amendments may be needed to modify CAA Section 185 fees for non-attainment. <i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
403.1	<p><b>Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources</b>  Proposed Amended Rule 403.1 would clarify existing requirements for dust control and remove outdated provisions contained in supporting documents for Rule 403.1.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
407 <sup>#</sup>	<p><b>Liquid and Gaseous Air Contaminants</b>  Proposed Amended Rule 407 will update SO<sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT
410	<p><b>Odors from Transfer Stations and Material Recovery Facilities</b>  Proposed Amended Rule 410 will clarify existing provisions. Additional provisions may be needed to address activities associated with diversion of food waste to transfer stations or material recovery facilities.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
425	<p><b>Odors from Cannabis Processing</b>  Proposed Rule 425 will establish requirements for control of odors from cannabis processing.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
430	<p><b>Breakdown Provisions</b>  Amendments to Rule 430 will need to be amended to remove exemptions for facilities that exit the RECLAIM program and update references to CEMS rules. Other amendments may be needed to address current policies from U.S. EPA regarding startup, shutdown, and malfunction requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	RECLAIM Other
431.1 <sup>#</sup>	<p><b>Sulfur Content of Gaseous Fuels</b>  Proposed Amended Rule 431.1 will assess exemptions, including RECLAIM, and update other provisions, if needed.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
431.2 <sup>#</sup>	<p><b>Sulfur Content of Liquid Fuels</b>  Proposed Amended Rule 431.2 will assess exemptions, including RECLAIM, and update other provisions, if needed.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
431.3 <sup>#</sup>	<p><b>Sulfur Content of Fossil Fuels</b>                      Proposed Amended Rule 431.3 will assess exemptions, including RECLAIM, and update other provisions, if needed.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
442.1 1107 1124  1136 1145 1171	<p><b>Usage of Solvent</b>  <b>Coating of Metal Parts and Products</b>  <b>Aerospace Assembly and Component Manufacturing Operations</b>  <b>Wood Products Coatings</b>  <b>Plastic, Rubber, Leather, and Glass Coatings</b>  <b>Solvent Cleaning Operations</b>                      Proposed amendments will prohibit the sale, distribution, and application of materials that do not meet the VOC limits specified in Regulation XI rules and possible provisions to prohibit circumvention of VOC limits. Other provisions may be needed to address exempt compounds.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
444	<p><b>Open Burning</b>                      Amendments may be needed to clarify existing provisions.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
445 <sup>*</sup>	<p><b>Wood Burning Devices</b>                      Proposed Amended Rule 445 will address additional U.S. EPA requirements for Best Available Control Measures and potentially address ozone contingency measure requirements for the Coachella Valley. Amendments may be needed to revise the penalty structure for violations on No Burn Days during the wood burning season.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
462	<p><b>Organic Liquid Loading</b>                      Proposed Amended Rule 462 will incorporate the use of advanced techniques to detect fugitive emissions and Facility Vapor Leak. Other amendments may be needed to streamline implementation and add clarity.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
463	<p><b>Organic Liquid Storage</b>                      Proposed Amended Rule 463 will address the current test method and improve the effectiveness, enforceability, and clarity of the rule. Proposed amendments may also be needed to ensure consistency with Rule 1178.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
468 <sup>#</sup>	<p><b>Sulfur Recovery Units</b>  Proposed Amended Rule 468 will update SO<sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT
469 <sup>#</sup>	<p><b>Sulfuric Acid Units</b>  Proposed Amended Rule 469 will update SO<sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT
1100	<p><b>Implementation Schedule for NO<sub>x</sub> Facilities</b>  Proposed Amended Rule 1100 will establish the implementation schedule for Rule 1147 equipment at NO<sub>x</sub> RECLAIM and former NO<sub>x</sub> RECLAIM facilities.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	
1101 <sup>#</sup>	<p><b>Secondary Lead Smelters/Sulfur Oxides</b>  Proposed Amended Rule 1101 will update SO<sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT
1105 <sup>#</sup>	<p><b>Fluid Catalytic Cracking Units Sox</b>  Proposed Amended Rule 1105 will update SO<sub>x</sub> emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
1110.2* <sup>+#</sup>	<p><b>Emissions from Gaseous- and Liquid-Fueled Engines</b>  Proposed amendments will address use of emergency standby engines at essential public services for Public Safety Power Shutoff programs. Proposed amendments may also be needed to incorporate possible comments by U.S. EPA for approval into the SIP and address monitoring provisions for new engines.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 BARCT
1111.1	<p><b>Zero-Emission Residential Furnaces</b>  Proposed Rule 1111.1 may include provisions to encourage zero emission residential furnaces that goes beyond Rule 1111 for gas-fired furnaces.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
1113	<p><b>Architectural Coatings</b>  Proposed amendments may be needed to address delisted compounds and other amendments to improve clarity and to remove obsolete provisions.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1118*	<p><b>Control of Emissions from Refinery Flares</b>  Proposed Amended Rule 1118 will incorporate revisions to further reduce flaring at refineries, provisions for clean service flares, and facility thresholds. Other amendments to improve clarity and to remove obsolete provisions.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
1119#	<p><b>Petroleum Coke Calcining Operations – Oxides of Sulfur</b>  Proposed Amended Rule 1119 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AB 617 BARCT/ AB 617 CERP
1121*	<p><b>Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters</b>  Proposed amendments may be needed to further reduce NOx emissions from water heaters.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1121.1	<p><b>Zero Emission Residential Water Heaters</b>  Proposed Rule 1121.1 may include provisions to encourage zero emission water heaters that goes beyond Rule 1121 for gas-fired water heaters.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1133.3	<p><b>Emission Reductions from Greenwaste Composting Operations</b>  Proposed Amended Rule 1133.3 will seek additional VOCs and ammonia emission reductions from greenwaste and foodwaste composting. Proposed amendments will implement BCM-10 in the 2016 AQMP.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1138	<p><b>Control of Emissions from Restaurant Operations</b>  Proposed Amended Rule 1138 will further reduce emissions from char boilers.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
1142	<p><b>Marine Tank Vessel Operations</b>                      Proposed Amended Rule 1142 will address VOC and hydrogen sulfide emissions from marine tank vessel operations, applicability, noticing requirements, and provide clarifications.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1146	<p><b>Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</b>                      Proposed amendments to Rule 1146 may be needed to incorporate comments from U.S. EPA.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1146.1 <sup>#</sup>	<p><b>Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</b>                      Proposed amendments to Rule 1146.1 may be needed to clarify provisions for industry-specific categories and to incorporate comments from U.S. EPA.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1148.1 <sup>*</sup>	<p><b>Oil and Gas Production Wells</b>                      Proposed Amendments to Rule 1148.1 may be needed to further reduce emissions from operations, implement early leak detection, odor minimization plans, and enhanced emissions and chemical reporting from oil and drilling sites.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other/ AB 617 CERP
1165	<p><b>Control of Emissions from Incinerators</b>                      Proposed Rule 1165 will establish emission standards, source testing, and monitoring, recordkeeping, and reporting requirements for incinerators.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP
1166	<p><b>Volatile Organic Compound Emissions from Decontamination of Soil</b>                      Proposed Amended Rule 1166 will update requirements, specifically concerning notifications and usage of mitigation plans (site specific versus various locations).  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other

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# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
1171	<p><b>Solvent Cleaning Operations</b>  Proposed Amendments to Rule 1171 may be needed to address certain exempt chemicals and compliance issues.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706 Socio: Elaine Shen 909.396.2715</i></p>	Other
1173	<p><b>Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants</b>  Proposed Amended Rule 1173 will further reduce emissions from petroleum and chemical plants by requiring early leak detection approaches.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other/ AB 617 CERP
1176	<p><b>VOC Emissions from Wastewater Systems</b>  Proposed Amended Rule 1176 will clarify the applicability of the rule to include bulk terminals under definition of “Industrial Facilities,” and streamline and clarify provisions.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other/ AB 617 CERP
1180	<p><b>Refinery Fenceline and Community Air Monitoring</b>  Amendments to Rule 1180 may be needed to provide additional clarity and if Proposed Rule 1180.1 is adopted, provisions may be needed to provide additional clarity.  <i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1403*	<p><b>Asbestos Emissions from Demolition/Renovation Activities</b>  Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, update provisions, notifications, exemptions, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1404	<p><b>Hexavalent Chromium Emissions from Cooling Towers</b>  Amendments may be needed to provide additional clarifications regarding use of process water that is associated with sources that have the potential to contain chromium in cooling towers and address VOC emissions.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics AQMP
1405	<p><b>Control of Ethylene Oxide and Chlorofluorocarbon Emissions from Sterilization or Fumigation Processes</b>  Amendments may be needed to address ethylene oxide emissions from sterilization of medical equipment.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

\* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
1415 1415.1	<p><b>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems</b></p> <p>Proposed Amended Rules 1415 and 1415.1 will align requirements with the proposed CARB Refrigerant Management Program and U.S. EPA’s Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons.</p> <p><i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Other
1420	<p><b>Emissions Standard for Lead</b></p> <p>Proposed Amended Rule 1420 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Other provisions may be needed to address storage and handling requirements, and revise closure requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1420.1	<p><b>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities</b></p> <p>Proposed Amendments are needed to update applicable test methods and provide clarifications regarding submittal of a source-test protocol. Additional amendments may be needed to address monitoring and post closure requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1420.2	<p><b>Emission Standards for Lead from Metal Melting Facilities</b></p> <p>Proposed Amended Rule 1420.2 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Additional amendments may be needed to address monitoring and post closure requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1435*	<p><b>Control of Emissions from Metal Heat Treating Processes</b></p> <p>Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements.</p> <p><i>Michael Krause 909.396.2706; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics/ AB 617 CERP

\* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
1450*	<p><b>Control of Methylene Chloride Emissions</b>                      Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1455	<p><b>Control of Hexavalent Chromium Emissions from Torch Cutting and Welding</b>                      Proposed Rule 1455 will establish requirements to reduce hexavalent chromium emissions from torch cutting and welding of chromium alloys.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1469	<p><b>Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations</b>                      Amendments to Rule 1469 may be needed to address potential changes with the CARB’s Hexavalent Chromium Airborne Toxic Control Measure for Chrome Plating and Chromic Acid Anodizing Operations.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1470	<p><b>Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines</b>                      Proposed Amended Rule 1470 will include provisions to further reduce diesel particulate emissions from stationary diesel-fueled internal combustion engines.  <i>TBD; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics
1472	<p><b>Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines</b>                      Proposed Amended Rule 1472 will remove provisions that are no longer applicable, update and streamline provisions to reflect the 2015 Health Risk Assessment Guidelines and assess the need for Compliance Plans.  <i>Michael Morris 909.396.3282; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	Toxics

\* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

# Part of the transition of RECLAIM to a command-and-control regulatory structure

**2022 To-Be-Determined (Continued)**

2022	Title and Description	Type of Rulemaking
2306.1	<p><b>Existing Intermodal Railyard Indirect Source Rule</b>                      Proposed Rule 2306.1 will establish requirements for existing intermodal railyards to minimize emissions from indirect sources associated with these facilities.  <i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ AB 617 CERP
Regulation XXIII* <sup>+</sup>	<p><b>Facility-Based Mobile Sources</b>                      Proposed rules within Regulation XXIII would reduce emissions from indirect sources (e.g., mobile sources that visit facilities).  <i>Elaine Shen 909.396.2715; CEQA: Michael Krause 909.396.2706; Socio: Elaine Shen 909.396.2715</i></p>	AQMP/ Toxics/ AB 617 CERP
Regulation II, III, IV, XIV, XI, XIX, XXIII, XXIV, XXX and XXXV	<p>Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA’s 2015 revised risk assessment guidance, changes from OEHHA to new or revised toxic air contaminants or their risk values, address variance issues, emission limits, technology-forcing emission limits, conflicts with other agency requirements, to abate a substantial endangerment to public health, additional reductions to meet SIP short-term measure commitments, to address issues raised by U.S. EPA or CARB for the SIP, compliance issues that are raised by the Hearing Board, or regulatory amendments needed as a result of the COVID-19 pandemic. Amendments to existing rules may be needed to address use of materials that contain chemicals of concern. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing, or new rules to implement the 2012 or 2016 AQMP measures, and if adopted, 2022 AQMP measures. This includes measures in the 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption or amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, or U.S. EPA’s National Emission Standards for Hazardous Air Pollutants. Rule adoption or amendments may be needed to implement AB 617 including but not limited to BARCT rules, Community Emission Reduction Plans prepared pursuant to AB 617, or new or amended rules to abate a public health issue identified through emissions testing or ambient monitoring.</p>	Other/ AQMP/ Toxics/ AB 617 BARCT/ AB 617 CERP

\* Potentially significant hearing

<sup>+</sup> Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

<sup>#</sup> Part of the transition of RECLAIM to a command-and-control regulatory structure

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 15

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, March 11, 2022, Reviewed

RECOMMENDED ACTION:  
Receive and file.

Wayne Nastri  
Executive Officer

RMM:MAH:XC:dc

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### **Background**

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement South Coast AQMD rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

In light of COVID-19 and the related budget impact, we are evaluating all of our projects and delaying non-critical projects as long as possible.

### **Summary of Report**

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones such as issuing an RFP or RFQ, awarding and executing contracts etc.

### **Attachment**

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

**ATTACHMENT**  
**April 1, 2022 Board Meeting**  
**Status Report on Major Ongoing and Upcoming Projects for**  
**Information Management**

<b>Project</b>	<b>Brief Description</b>	<b>Estimated Project Cost</b>	<b>Completed Actions</b>	<b>Upcoming Milestones</b>
Phone System Upgrade	Upgrade components of the agency Cisco Unified Communications System that are past end of support	\$175,000	<ul style="list-style-type: none"> <li>• RFQ released September 3, 2021</li> <li>• Awarded January 7, 2022</li> </ul>	<ul style="list-style-type: none"> <li>• Complete upgrade May 31, 2022</li> </ul>
AQ-SPEC Cloud Platform Phase 2	Integrate separate data systems into the AQ-SPEC cloud-based platform to manage data and build interactive data visualizations and data dashboards for web-based viewing	\$313,350	<ul style="list-style-type: none"> <li>• Project Charter released</li> <li>• Task Order issued, evaluated, and awarded</li> <li>• Project kickoff completed</li> <li>• Requirements gathering completed</li> <li>• Fit Gap and data storage analysis completed</li> <li>• Architecture and functional design completed</li> <li>• Work Plan development for Phase 2 completed</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of dashboard designs</li> </ul>
PeopleSoft Electronic Requisition	This will allow submittal of requisitions online, tracking multiple levels of approval, electronic archival, pre-encumbrance of budget, and streamlined workflow	\$75,800	<ul style="list-style-type: none"> <li>• Project Charter released</li> <li>• Task Order issued, evaluated, and awarded</li> <li>• Requirements gathering and system design completed</li> <li>• System setup and code development, and User Acceptance Testing for Information Management completed</li> <li>• System setup and code development, and User Acceptance Testing completed for Administrative and Human Resources, and Technology Advancement Office completed</li> </ul>	<ul style="list-style-type: none"> <li>• Deploy to IM and AHR divisions</li> <li>• Training and Integrated User Testing for other divisions</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
South Coast AQMD Mobile Application Enhancements	Enhancement of Mobile Application to incorporate FIND	\$90,000	<ul style="list-style-type: none"> <li>• Vision and Scope completed</li> <li>• Task Order issued</li> <li>• Project initiation completed</li> <li>• System design completed</li> </ul>	<ul style="list-style-type: none"> <li>• System development</li> </ul>
Permitting System Automation Phase 2	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for staff	\$525,000	<ul style="list-style-type: none"> <li>• Board approved initial Phase 2 funding December 2017</li> <li>• Board approved remaining Phase 2 funding October 5, 2018</li> <li>• Completed report outlining recommendations for automation of Permitting Workflow</li> <li>• Developed application submittals and form filing for first nine of 32 400-E forms</li> <li>• Completed application submittals and form filing for 23 types of equipment under Rule 222 for User Testing</li> <li>• Deployed production of the top three most frequently used Rule 222 forms: Negative Air Machines, Small Boilers and Charbroilers</li> <li>• Completed requirements gathering for Phase 2 of the project (an additional 10 400-E-XX forms)</li> <li>• Development of Phase 2 additional 12 400-E-XX forms completed</li> <li>• Deployment to stage of all 400-E-XX and Rule 222 forms for User Acceptance Testing completed</li> <li>• User Acceptance Testing and deployment to production of Emergency IC Engines Form completed</li> <li>• Deployed to production 3 additional Rule 222 forms (Tar Pots, Cooling Towers, and Power Washers)</li> </ul>	<ul style="list-style-type: none"> <li>• Requirements gathering for Phase 3 of the project (final twelve) 400-E-XX forms)</li> <li>• Complete User Acceptance Testing and deployment to production of first ten 400-E-XX forms</li> <li>• Complete User Acceptance Testing and deployment to production of next set of Rule 222 forms</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Lower-Emission School Bus Program	Development of an Online Grant Management System (GMS) Portal for the Lower-Emission School Bus Incentive Program	\$110,500	<ul style="list-style-type: none"> <li>• Draft Charter Document issued</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Phase 1 deployed to production – applicant/third party registration and application submission</li> <li>• Customized GMS look and feel</li> <li>• Phase 2 AQMD staff to create new application on-line for applications received by mail completed</li> <li>• Deployment of Staff Evaluation Module completed</li> <li>• Development of calculation, ranking and messaging has been completed</li> </ul>	<ul style="list-style-type: none"> <li>• Development of Contracting Module</li> </ul>
VW Environmental Mitigation Action Plan Project	CARB has assigned South Coast AQMD to develop web applications for: Zero-Emission Class 8 Freight and Port Drayage Truck Project and Combustion Freight and Marine Project. South Coast AQMD is also responsible for maintaining a database that will be queried for reporting.	\$355,000	<ul style="list-style-type: none"> <li>• Draft Charter Document issued</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Deployed Phase 1 to production completed</li> <li>• Phase 2 to production – messaging, evaluation, and administration completed</li> <li>• Phase 3 - ZE Class 8 Application deployed to production</li> <li>• Deployed Phase 3 – Ranking</li> <li>• Deployed Combustion Freight On Road Form changes</li> <li>• Phase 3 – ZE Class 8 Application Solicitation completed</li> <li>• 2nd Combustion Freight On Road Solicitation completed</li> <li>• User Acceptance Testing for Phase 3 – Contracting completed</li> </ul>	<ul style="list-style-type: none"> <li>• User Acceptance Testing for Phase 3 – Inspection</li> </ul>
Replace Your Ride (RZR)/One Stop Shop Integration	Development of integration access points for RZR and third-party applications	\$115,026	<ul style="list-style-type: none"> <li>• Draft Charter Document issued</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Phase 1 Sprint 1 – Security Portal Enhancement completed</li> <li>• Phase 2 Sprint 2 - RZR service endpoints completed</li> <li>• Phase 3 Sprint 4 – creating .net core web API completed</li> </ul>	<ul style="list-style-type: none"> <li>• Cloud based service endpoints</li> <li>• Phase 3 Sprint 5 – end to end testing</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Carl Moyer Program GMS	Development of simplified and streamlined Online Grant Management System (GMS) Portal for Carl Moyer Program	\$116,275	<ul style="list-style-type: none"> <li>• Draft Charter Document issued</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Development of Phase 1 completed</li> <li>• User Acceptance Testing of Phase 1 completed</li> <li>• Phase 1 completed and approved by stakeholder</li> <li>• Phase 2 approved by ITSC</li> </ul>	<ul style="list-style-type: none"> <li>• Phase 2 – kickoff and gathering requirements</li> </ul>
Source Test Tracking System (STTS)	Online STSS will keep track of timelines and quantify the number of test protocols and reports received. System will provide an external online portal to submit source testing protocols and reports, track the review process, and provide integration to all other business units. It will also provide an external dashboard to review the status of a submittal.	\$250,000	<ul style="list-style-type: none"> <li>• Project Charter approved</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Project kickoff completed</li> <li>• User requirements gathering for internal users completed</li> <li>• Developed full business process model</li> <li>• Developed screens mock-ups</li> <li>• Reviewed proposed automation with EQUATE Working Group completed</li> <li>• Proposal for system development approved</li> <li>• Completed development of Sprint 1 to 8</li> <li>• Internal User Testing completed</li> <li>• Completed overview of development progress to EQUATE Working Group.</li> <li>• Deploy updated STTS Data Model and move application to stage completed</li> </ul>	<ul style="list-style-type: none"> <li>• Complete User Acceptance testing of STTS Portal in stage environment</li> <li>• Deploy STTS Portal to production</li> <li>• Complete testing of STTS Portal with regulated community volunteers</li> </ul>

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Warehouse Indirect Source Rule Online Reporting Portal	Development of online reporting portal for Rule 2305 –Warehouse Indirect Source	\$250,000	<ul style="list-style-type: none"> <li>• Draft Charter Document issued</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Deployed Phase 1.1 – Warehouse Operations Notification Submittal</li> <li>• Deployed Phase 1.2 – Warehouse Operations Notification Evaluation</li> <li>• Phase 2 Project initiation and planning completed</li> <li>• Phase 2 software requirements completed</li> <li>• Phase 2 architecture and design completed</li> <li>• Deployed Phase 2.1 – Annual WAIRE Report (AWR) completed</li> </ul>	<ul style="list-style-type: none"> <li>• Phase 2.2 Development - Initial Site Information Report (ISIR)</li> </ul>
AB 2766 – Motor Vehicle Subvention Program	Development of a web application reporting portal for AB 2766 Program	\$81,655	<ul style="list-style-type: none"> <li>• Draft Charter Document issued</li> <li>• Project initiation completed</li> <li>• Task Order issued</li> <li>• Project planning phase for forms completed</li> <li>• Development of forms (1-9 &amp; D1) is completed</li> </ul>	<ul style="list-style-type: none"> <li>• System Development-AQMD workflow is being developed</li> <li>• Stakeholder testing of forms and workflow for government entities</li> </ul>
Renewal of HP Server Maintenance & Support	Purchase of maintenance and support services for servers and storage devices	\$130,000	<ul style="list-style-type: none"> <li>• Board approved for HP server maintenance and support on March 4, 2022</li> </ul>	<ul style="list-style-type: none"> <li>• Execute contract April 30, 2022</li> </ul>

Projects that have been completed within the last 12 months are shown below.

**Completed Projects**

Project	Date Completed
Telecommunications Services	February 28, 2022
Prequalified Vendors to Provide Computer, Network, Printer, Hardware and Software, and Audio Visual Equipment	February 4, 2022
Three Additional Rule 222 Forms for Online Application Filing	February 1, 2022
Cybersecurity Assessment	January 31, 2022
Office 365 License Renewal	January 31, 2022
PeopleSoft Finance and Human Capital Management updates for tax year 2021	January 10, 2022
Implementation of Labor Agreement	January 10, 2022
Annual Emissions Reporting System 2022 Revisions	December 17, 2021
Warehouse Operations Notification Evaluation Module	December 12, 2021
CLASS Database Software Licensing	November 30, 2021
AQ-Spec/AB617 Data Management System	November 16, 2021
Rule 1180 Notification System	October 6, 2021
Permit Administration and Application Tracking System (PAATS) and Permit Processing System (PPS) enhancements for Gasoline Dispensing Stations	September 16, 2021
Warehouse Operations Notification Online Submittal Portal	August 6, 2021
Lawn and Garden Battery Incentive Program	August 5, 2021
Renewal of OnBase Software Support	July 15, 2021
FIND Map Search	June 30, 2021
Office 365 Implementation	May 30, 2021
CAPES (Clean Air Program for Elementary Students) website	May 14, 2021

# Budget and Economic Outlook Update

Board Meeting

April 1, 2022



# Presentation Topics

- Economic Indicators
- South Coast AQMD Metrics and Economic Implications
- Summary Charts

# Summary of Metrics – Monthly

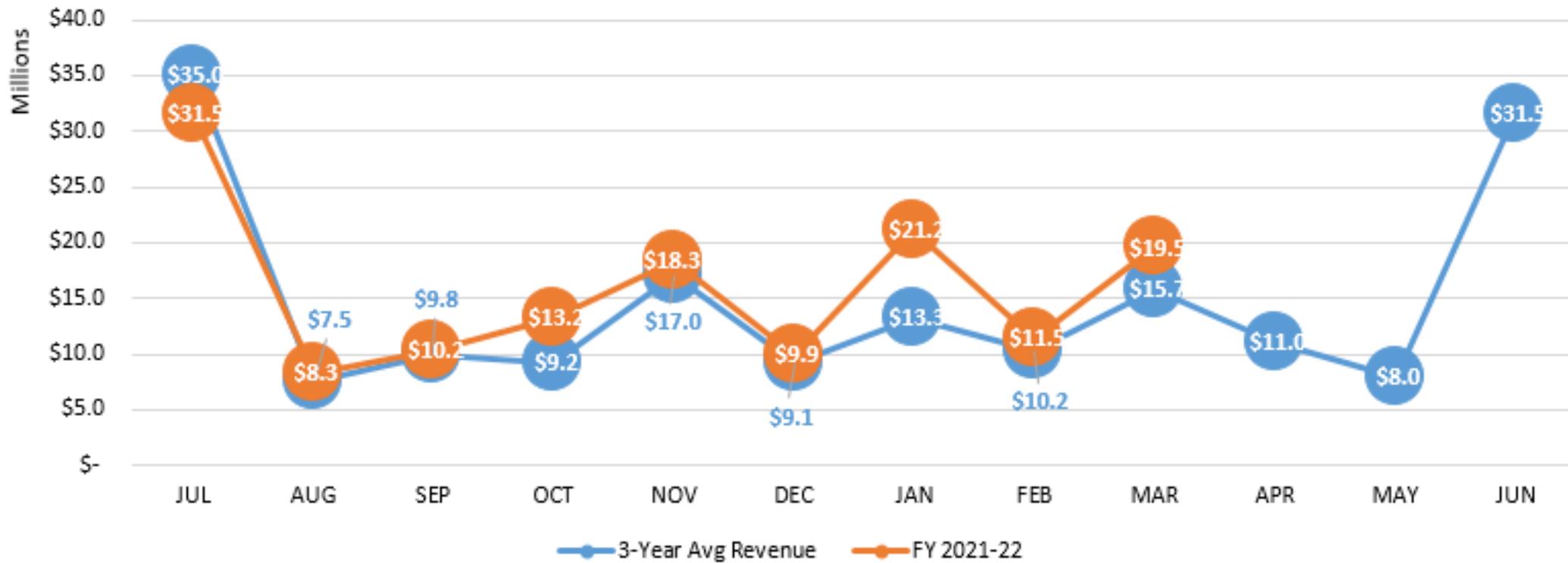
Metric			
<b>State Economic Indicators</b>	<b>February 2021</b>	<b>February 2022</b>	<b>Notes</b>
<i>Statewide Refinery Activity (Million Barrels Crude Oil Input)</i>	33.9	38.7	
<i>Port TEU Throughput (Million TEUs)</i>	1.6	1.7	
<i>Statewide Unemployment</i>	8.6%	5.4%	
<b>South Coast AQMD</b>	<b>March 2021</b>	<b>March 2022</b>	
<i>Revenue</i>	\$17.0 million	\$19.5 million	March 2022 preliminary
<i>Expenditures</i>	\$17.2 million	\$18.3 million	March 2022 preliminary
<i>Vacancy Rate</i>	17.60%	17.90%	
<i>Permit Applications Received</i>	684	627	March 2022 preliminary
<i>Expired or Potentially Expired Permits</i>	82	358	

# Summary of Metrics – Year to Date

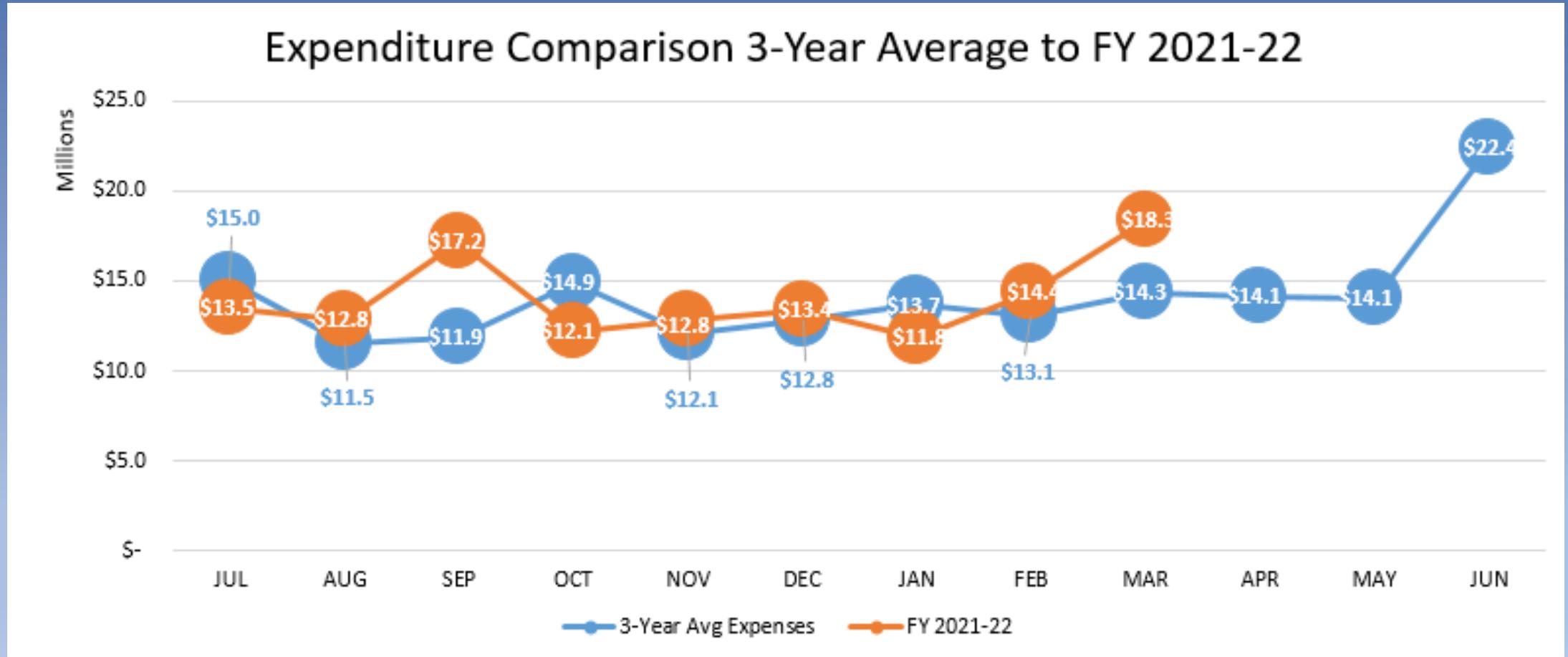
Metric			
<b>State Economic Indicators</b>	<b>Mar 2020 – Feb 2021</b>	<b>Mar 2021 – Feb 2022</b>	<b>Notes</b>
<i>Statewide Refinery Activity (Million Barrels Crude Oil Input)</i>	455	526	
<i>Port TEU Throughput (Million TEUs)</i>	18.0	20.2	
<b>South Coast AQMD</b>	<b>Jul 2020 - Mar 2021</b>	<b>July 2021 – Mar 2022</b>	
<i>Revenue</i>	\$127.8 million	\$143.6 million	March 2022 preliminary
<i>Expenditures</i>	\$122.7 million	\$126.4 million	March 2022 preliminary
<i>Permit Applications Received</i>	4,743	4,727	March 2022 preliminary
<i>Expired or Potentially Expired Permits</i>	826	1,680	1 year to reinstate

# Revenue

## Revenue Comparison 3-Year Average to FY 2021-22



# Expenditure

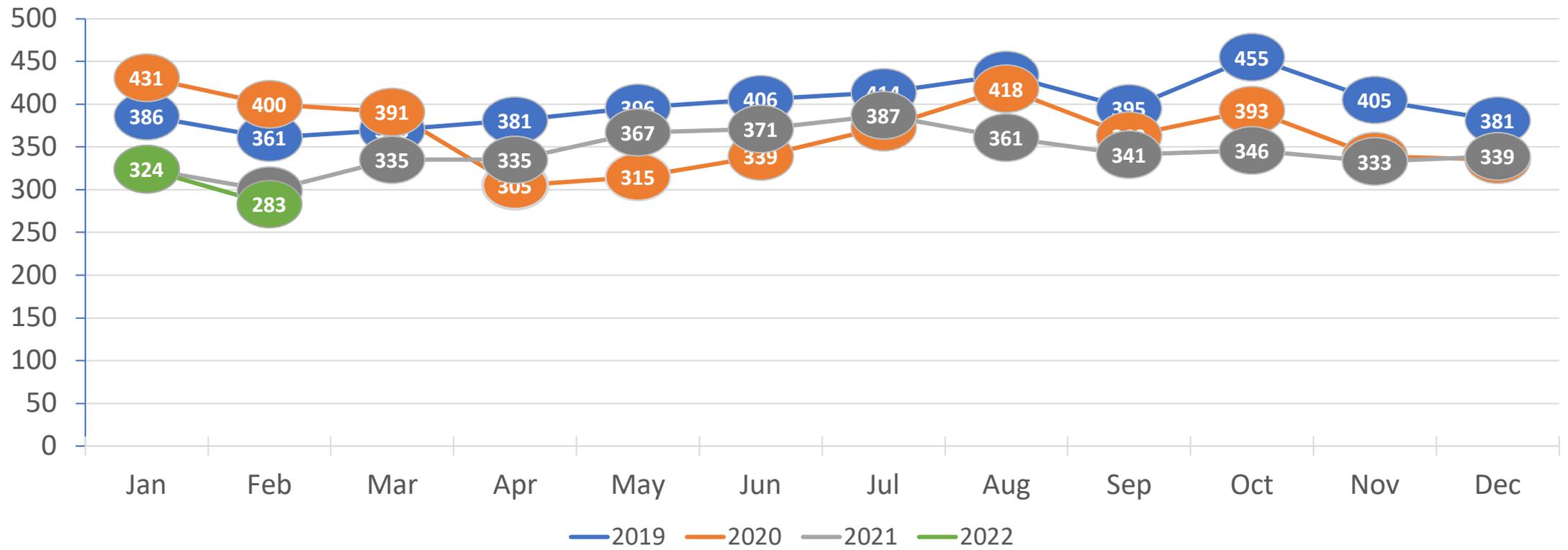


# Staffing Levels as of 3/31/22

- 959 budgeted FTEs
- 172 vacant positions
- 787 filled positions
- 17.9% vacancy rate

# Emission Trends

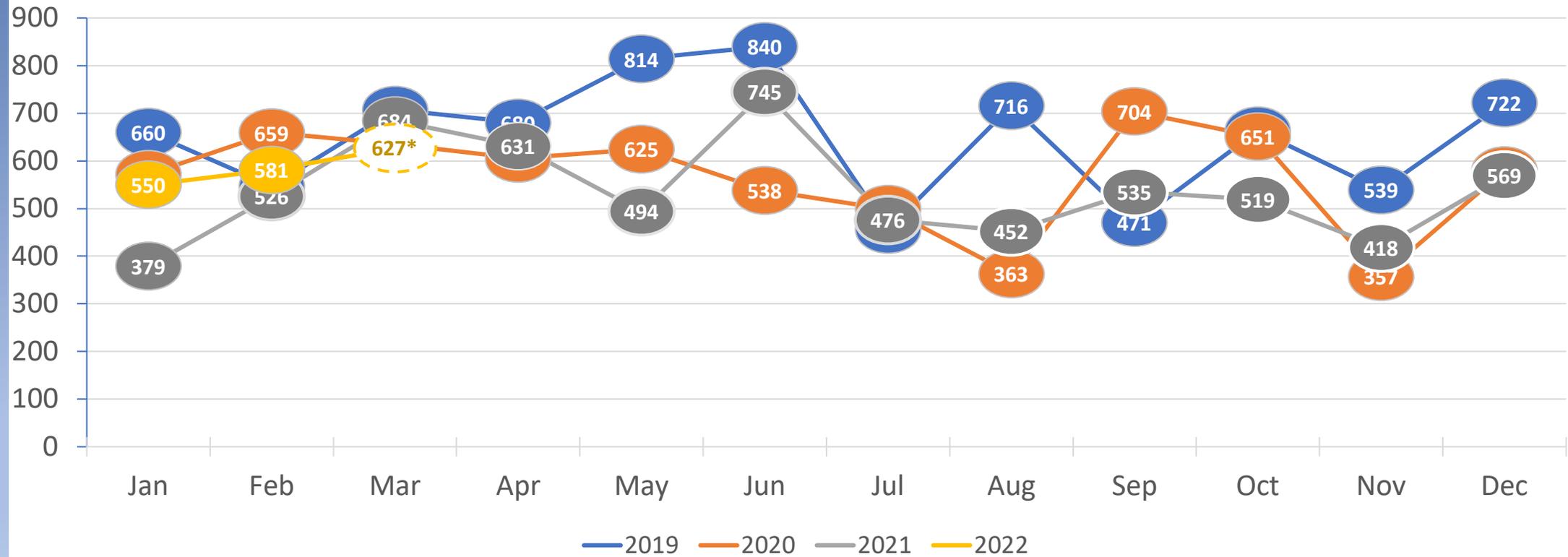
## NOx Emissions, RECLAIM Major Sources (tons)



As of March 22, 2022

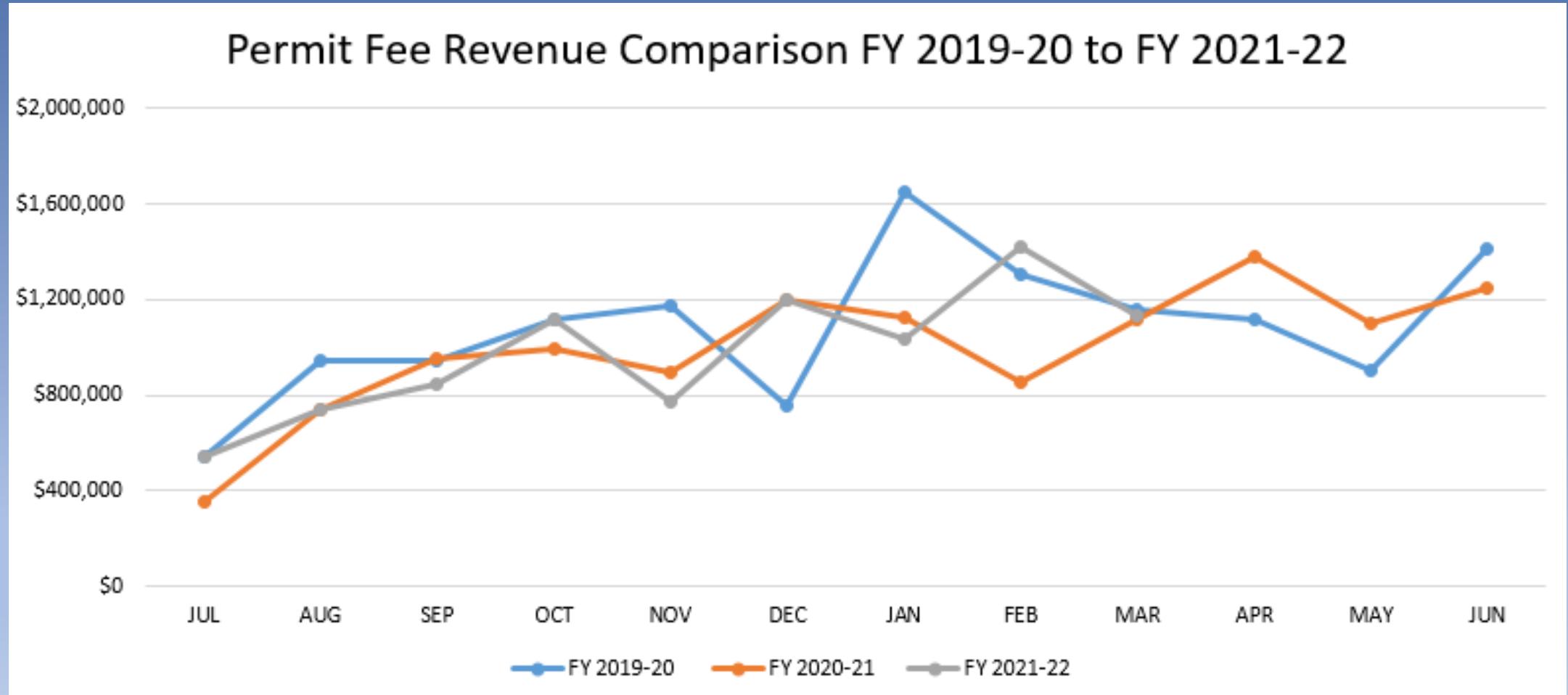
# Permit Activity

## Number of Applications Received per Month



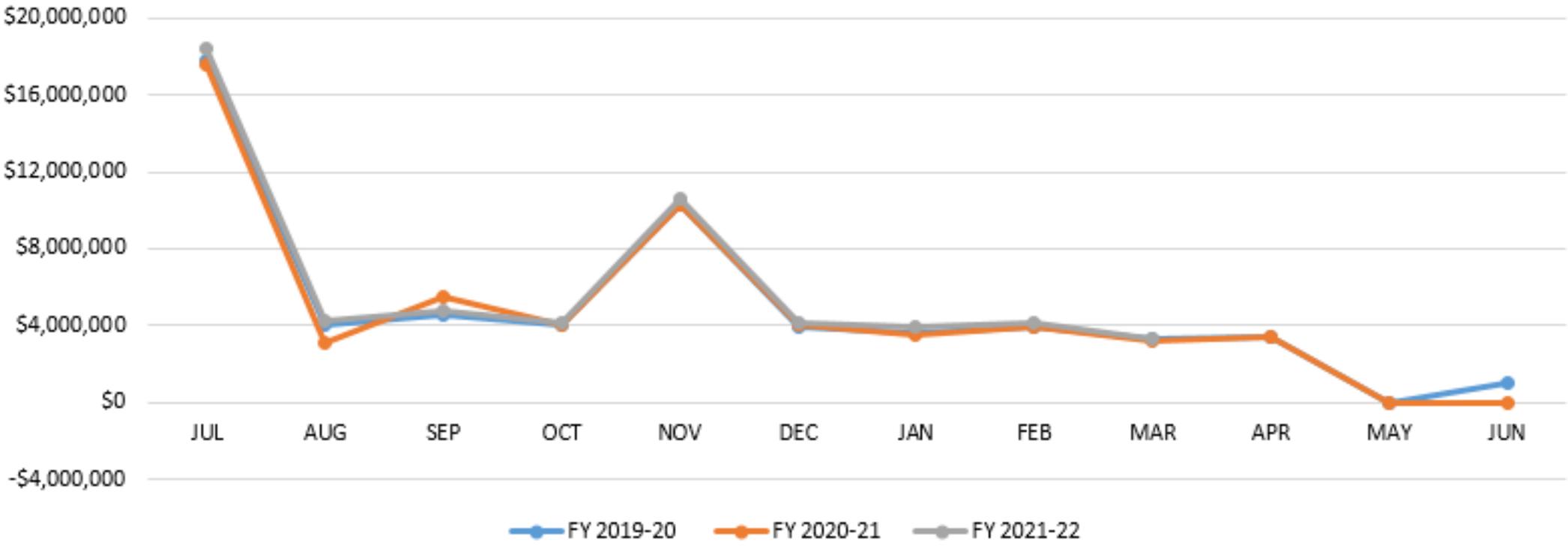
\*March Data Preliminary

# Permit Revenue

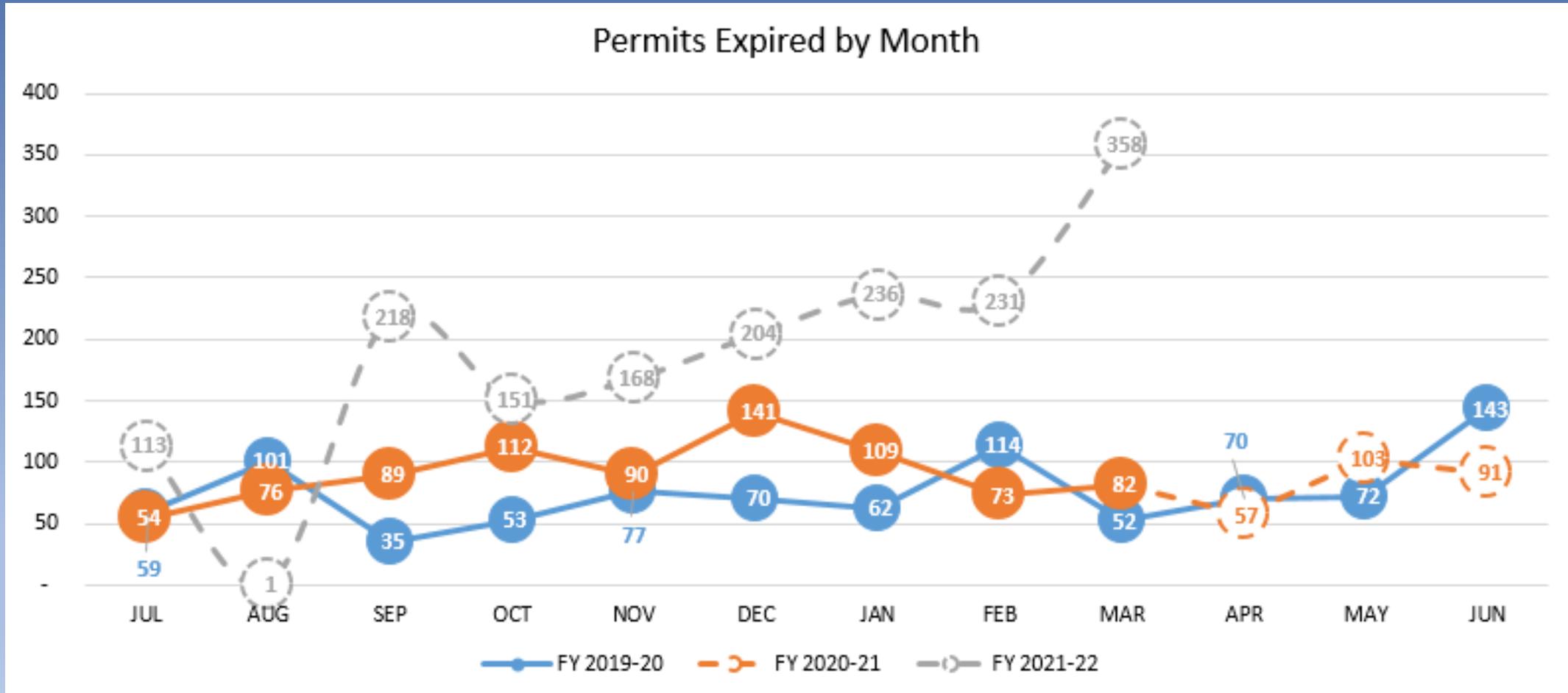


# Annual Operating Fee Revenue

## Annual Operating Fee Revenue Comparison FY 2019-20 to FY 2021-22



# Permits - Expired and Potentially Expired



Dotted lines represent permits that have time to be reinstated

# Summary of Metrics – Monthly

Metric			
<b>State Economic Indicators</b>	<b>February 2021</b>	<b>February 2022</b>	<b>Notes</b>
<i>Statewide Refinery Activity (Million Barrels Crude Oil Input)</i>	33.9	38.7	
<i>Port TEU Throughput (Million TEUs)</i>	1.6	1.7	
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<b>South Coast AQMD</b>	<b>March 2021</b>	<b>March 2022</b>	
<i>Revenue</i>	\$17.0 million	\$19.5 million	March 2022 preliminary
<i>Expenditures</i>	\$17.2 million	\$18.3 million	March 2022 preliminary
<i>Vacancy Rate</i>	17.60%	17.90%	
<i>Permit Applications Received</i>	684	627	March 2022 preliminary
<i>Expired or Potentially Expired Permits</i>	82	358	

# Summary of Metrics – Year to Date

Metric			
<b>State Economic Indicators</b>	<b>Mar 2020 – Feb 2021</b>	<b>Mar 2021 – Feb 2022</b>	<b>Notes</b>
<i>Statewide Refinery Activity (Million Barrels Crude Oil Input)</i>	455	526	
<i>Port TEU Throughput (Million TEUs)</i>	18.0	20.2	
<b>South Coast AQMD</b>	<b>Jul 2020 - Mar 2021</b>	<b>July 2021 – Mar 2022</b>	
<i>Revenue</i>	\$127.8 million	\$143.6 million	March 2022 preliminary
<i>Expenditures</i>	\$122.7 million	\$126.4 million	March 2022 preliminary
<i>Permit Applications Received</i>	4,743	4,651	March 2022 preliminary
<i>Expired or Potentially Expired Permits</i>	826	1,680	1 year to reinstate

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 17

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting remotely on Friday, March 11, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben J. Benoit, Chair  
Administrative Committee

JW:cb

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### **Committee Members**

Present: Chair Ben Benoit, Committee Chair  
Senator (Ret.) Vanessa Delgado, Vice Chair  
Mayor Michael Cacciotti  
Board Member Gideon Kracov  
Supervisor Janice Rutherford

### **Call to Order**

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

### **DISCUSSION ITEMS:**

1. **Board Members' Concerns:** Chair Benoit requested staff review our policies for the Chair and Vice Chair roles and terms. Wayne Nastri, Executive Officer, will work with General Counsel.
2. **Chair's Report of Approved Travel:** There was no travel to report.
3. **Report of Approved Out-of-Country Travel:** There was no travel to report.

4. **Review April 1, 2022 Governing Board Agenda:** Supervisor Rutherford inquired about hybrid and virtual meetings, with the existing State laws and emergency orders being lifted in certain counties. Bayron Gilchrist, General Counsel, indicated that local and State officials continue to recommend social distancing measures, that the State emergency order allowing remote meetings is still in effect, that Los Angeles County still holds meetings remotely, and we follow Los Angeles County guidelines. Mr. Gilchrist confirmed that he does not foresee a need for a Special Meeting to continue to have remote or hybrid meetings.
5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** There were three proposals submitted: Chris Wangsaporn, new contract proposal for Supervisor Andrew Do; Amy Wong, contract modification for Board Member Veronica Padilla-Campos; and City of Long Beach (Matthew Hamlett), contract modification for Vice Mayor Rex Richardson.

Moved by Cacciotti; seconded by Rutherford, unanimously approved.

Ayes: Benoit, Delgado, Cacciotti, Kracov, Rutherford  
Noes: None

6. **Update on South Coast AQMD Inclusion, Diversity and Equity Efforts:** Dr. Anissa Heard-Johnson, Diversity, Equity & Inclusion Officer, provided an update on agency efforts.

Dr. Heard-Johnson discussed a fabulous female for Fabulous Female Friday and provided updates on upcoming DEI events. Dr. Heard-Johnson indicated that a survey is being conducted to collect data and feedback on events, with the plan to provide a report at the Board Retreat.

Dr. Heard-Johnson indicated the DEI group is working closely with Human Resources to implement initiatives and a database for outside agencies to receive outreach and programming. She confirmed that statewide and regional meetings continue with equity colleagues, and a summer meeting is being planned with all state air quality agencies to develop best practices and efforts.

Supervisor Rutherford inquired about dates for the Board Retreat. Mr. Nastri indicated that we are securing the venue and hope to have it finalized within the next couple of weeks.

7. **Budget and Economic Outlook Update:** Susan Nakamura, Chief Operating Officer, indicated that our revenue and expenditures continue to be on trend.

Permit applications continue to be increasing. The vacancy rate remains about 17 percent despite hiring efforts and will continue to be a priority.

Board Member Kracov inquired about the Budget Workshop and expressed his support in our efforts to bring down the vacancy rate. Ms. Nakamura indicated that because of the pandemic, we have been cautious about the economic forecast and a 13 percent vacancy rate is built into the budget in hopes to have a balanced budget. Mayor Cacciotti expressed his concerns about the 17 percent vacancy rate and recruitment difficulties across all public agencies. Ms. Nakamura confirmed that we are being aggressive in filling positions and hiring, but when it comes to entry level positions it can take several months.

8. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Ron Moskowitz, Chief Information Officer/Information Management, reported that ISR Phase 2.1 and AB 2766 were deployed successfully. We also implemented a number of servers and security updates to keep our Windows servers up to date.

#### **ACTION ITEMS:**

9. **Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Systems:** Mr. Moskowitz reported that this action is a standard request to amend contracts previously approved by the Board to add additional funding for needed software development and maintenance work and the funding is available in the budget.

Moved by Cacciotti; seconded by Benoit, unanimously approved.

Ayes: Benoit, Delgado, Cacciotti, Kracov, Rutherford  
Noes: None

10. **Recognize Revenue, Appropriate and Transfer Funds for Air Monitoring Programs, Issue Solicitations and Purchase Orders for Air Monitoring Equipment and One Vehicle:** Dr. Jason Low, Assistant Deputy Executive Officer/Science & Technology Advancement, reported that this action is a routine annual item to recognize and appropriate anticipated funding of no more than \$700,000 from U.S. EPA and \$2.1 million from the U.S. Government for the Enhanced Particle Monitoring Program. In addition, this item is to transfer approximately \$350,000 between Major Object and the Science & Technology Fiscal Year 2022/2023 Budget to rely on expenditures for those programs and to issue a solicitation and purchase orders for air monitoring equipment and one vehicle.

Mayor Cacciotti inquired if the vehicle has to be a van. Dr. Low responded that the goal is to find the cleanest vehicle that fits the purpose of the program and operations. Mayor Cacciotti commented that vehicles with a range of 250 miles would be adequate and mentioned hybrid vehicles, gas mileage and prices.

Mr. Harvey Eder, Public Solar Power Coalition, provided public comment on vehicles with zero emissions and natural gas.

Moved by Cacciotti; seconded by Kracov, unanimously approved.

Ayes: Benoit, Delgado, Cacciotti, Kracov, Rutherford  
Noes: None

11. **Remove Various Fixed Assets from South Coast AQMD Inventory:** Sujata Jain, Chief Financial Officer/Finance, reported that this action is to request approval to dispose of fixed assets that have become obsolete and/or inoperable. Ms. Jain discussed specific fixed assets that were disposed of prior to Board approval and explained the steps that are being taken to ensure there are better procedures and training for handling fixed assets. Ms. Jain also indicated that one item, loaned to the Los Angeles County Fire Department, was inadvertently broken and requested to be replaced.

Mayor Cacciotti inquired about the vehicles for auction, how much we get and what fund it goes into. Ms. Jain explained the auction process and indicated that we generally receive an average of \$900 per vehicle, which goes into the General Fund.

Mr. Eder provided public comment regarding assets.

Moved by Cacciotti; seconded by Delgado, unanimously approved.

Ayes: Benoit, Delgado, Cacciotti, Kracov, Rutherford  
Noes: None

### **WRITTEN REPORT:**

12. **Local Government & Small Business Assistance Advisory Group Minutes for the January 14, 2022 Meeting:** The report was acknowledged and received.

### **OTHER MATTERS:**

13. **Other Business:** Mayor Cacciotti inquired about solar and battery storage in efforts to include in the upcoming budget. Mr. Nastri indicated we have

completed an energy audit and made a number of improvements. Aaron Katzenstein, Assistant Deputy Executive Officer/Science & Technology Advancement, indicated that we recently made a retrofit for the Diamond Bar headquarters building, and battery storage will be the next step. He also indicated that the association in the business park does not allow for solar car ports. Chair Benoit requested that staff re-check with the association and commented on the legislative activity on solar.

14. **Public Comment:** Mr. Eder provided public comment on solar power.

Adrian Martinez, Earth Justice, provided public comment on the budget and the need for staffing for rule writing.

15. **Next Meeting Date:** The next regular Administrative Committee meeting is scheduled for April 8, 2022 at 10:00 a.m.

### **Adjournment**

The meeting adjourned at 10:51 a.m.

### **Attachments**

Local Government & Small Business Assistance Advisory Group Minutes for January 14, 2022



# South Coast Air Quality Management District

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

## LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, JANUARY 14, 2022 MEETING MINUTES

### **MEMBERS PRESENT:**

Mayor Carlos Rodriguez, LGSBA Chairman (Board Member)  
Supervisor Janice Rutherford (Board Member)  
Felipe Aguirre  
Council Member Rachele Arizmendi, City of Sierra Madre  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, Metal Finishers of Southern California  
Todd Campbell, Clean Energy  
LaVaughn Daniel, DancoEN  
John DeWitt, JE DeWitt, Inc  
Bill LaMarr, California Small Business Alliance  
Rita Loof, RadTech International  
Eddie Marquez, Roofing Contractors Association

### **MEMBERS ABSENT:**

David Rothbart, Los Angeles County Sanitation Districts

### **OTHERS PRESENT:**

Mark Abramowitz  
Harvey Eder  
Matt Holder, Board Member Consultant (*Rodriguez*)  
Dan McGivney  
Mark Taylor, Board Member Consultant (*Rutherford*)  
Janet Whittick

### **SOUTH COAST AQMD STAFF:**

Jill Whynot, Chief Operating Officer  
Derrick Alatorre, Deputy Executive Officer  
Jason Aspell, Deputy Executive Officer  
Ian MacMillan, Assistant Deputy Executive Officer  
Susan Nakamura, Assistant Deputy Executive Officer  
Lisa Tanaka O'Malley, Assistant Deputy Executive Officer  
Victor Yip, Assistant Deputy Executive Officer  
Daphne Hsu, Principal Deputy District Counsel  
Bhaskar Chandan, Sr. Air Quality Engineering Manager  
Vicki White, Planning & Rules Manager  
Lane Garcia, Program Supervisor  
Alfonso Baez, Program Supervisor

Bahareh Farahani, Sr. Air Quality Engineer  
Rainbow Yeung, Sr. Public Affairs Specialist  
Debra Ashby, Sr. Public Affairs Specialist  
Jeff Inabinet, Sr. Staff Specialist  
Van Doan, Air Quality Specialist  
Elliot Popel, Air Quality Specialist  
Laurence Brown, Air Quality Specialist  
Lindsay McElwain, Sr. Administrative Assistant  
Aisha Reyes, Sr. Administrative Assistant  
Sindy Enriquez, Administrative Assistant  
Anthony Tang, Information Technology Supervisor  
Paul Wright, Senior Information Technology Specialist

**Agenda Item #1 – Call to Order/Opening Remarks**

Chair Carlos Rodriguez called the meeting to order at 11:34 a.m.

**Agenda Item #2 – Approval of December 10, 2021 Meeting Minutes**

Chair Rodriguez called for approval of the December 10, 2021 meeting minutes.

Motion to approve minutes made by Mr. Todd Campbell; seconded by Supervisor Janice Rutherford; unanimously approved.

Ayes: Aguirre, Arizmendi, Avila, Campbell, Daniel, LaMarr, Loof, Marquez, Rutherford, Rodriguez

Noes: None

Abstain: None

Absent: Blake, DeWitt, Rothbart

No public comment.

**Agenda Item #3 – Discussion on Priorities for Retrospective Analysis Request**

The Local Government & Small Business Assistance (LGSBA) Advisory Group members discussed priorities regarding the retrospective analysis request to be included in the 2022 Goals & Objectives of the LGSBA Advisory Group.

Mr. Derrick Alatorre commented that advisory group (AG) members were given the opportunity to send a prioritized list of rules to staff for consideration and mentioned the labor required to conduct retrospective analysis may not be feasible due to a high vacancy rate.

Ms. Rita Loof offered to assist South Coast Air Quality Management District (South Coast AQMD) staff in conducting a retrospective analysis and asked for confirmation that recommendations from the previous meeting were included in the 2022 Goals & Objectives. Mr. Alatorre thanked Ms. Loof for her assistance offer and clarified the previous email request was for a prioritized list of rules for retrospective analysis.

Mr. Bill LaMarr expressed his understanding that one of the invitations was to email a prioritized list of Goals and Objectives presentations. Another invitation was to email rules for retrospective analysis. Mr. LaMarr stated his objective was to recommend retrospective analysis on adopted rules after five to seven

years when there would be ample data available for analysis. Mr. Alatorre reiterated the request was for a list of rules to be considered for analysis.

Chair Rodriguez mentioned two rules, 1109.1 and 1426, were recommended for retrospective analysis and asked if there were any additional rules. Chair Rodriguez clarified that the AG could make recommendations to the Governing Board (GB) for consideration and is not asking staff to implement those recommendations.

Mr. Campbell commented that he is sensitive to staff turnover affecting staff response time and expressed that it would be timely to consider items of interest as they are brought before the GB for consideration. Mr. Campbell referenced #26 of the 2022 Goals & Objectives and commented that the topic should not be limited to the Memorandum of Understanding (MOU).

Mr. LaMarr reiterated the recommendation for retrospective analysis to be conducted five to seven years after GB adoption of emission-related rules. Mr. LaMarr suggested that the retrospective analysis be incorporated into the rule making process.

Ms. Loof suggested that Mr. LaMarr could prepare a pilot project so staff could prioritize one or two rules for analysis. Mr. LaMarr suggested to pick an emission-related rule adopted by the GB in 2016 or 2017 for retrospective analysis. Chair Rodriguez reminded the AG that they cannot commit staff to doing an analysis, but can only recommend a list of prioritized rules to the GB to consider for retrospective analysis. Mr. LaMarr offered to compile a list of rules adopted five to seven years ago to present at the next meeting for consideration. Chair Rodriguez asked the AG to suggest rules.

Mr. John DeWitt suggested consideration of rules regarding the trucking industry. Mr. Alatorre reminded the AG that South Coast AQMD has limited jurisdiction on mobile sources and believed the rules referenced by Mr. DeWitt is a California Air Resource's Board (CARB) rule. Mr. DeWitt suggested a rule on underground pipes and storage tanks. Mr. Alatorre responded that soil-related rules would fall under the jurisdiction of Department of Toxic Substances Control (DTSC).

Ms. Loof suggested considering rules that would impact small businesses, like Rule 1130 – Graphic Arts.

Mr. Alatorre reviewed rules for public comment. Ms. Loof stated opposition to limiting public comment to three minutes for the entire agenda.

Mr. Harvey Eder made public comment and suggested addition of solar-related rules, Rule 1121 – Control of Oxides of Nitrogen (NOx) from Residential Type, Natural Gas-Fired Water Heaters, Rule 1146 – Emissions of oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters, and Rule 1135 – Emissions of Oxides of Nitrogen from Electricity Generating Facilities.

Chair Rodriguez made a motion to approve 2022 Goals & Objectives with amendment to add language that the group would like to prioritize Rule 1109.1 – NOx Emission Reduction for Refinery Equipment, Rule 1426 – Emissions From Metal Finishing Operations, Rule 1130 – Graphic Arts, and Rule 1168 – Adhesive and Sealant Applications to recommend for retrospective analysis; seconded by Ms. Arizmendi; unanimously approved.

Ayes: Aguirre, Arizmendi, Avila, Blake, Campbell, Daniel, DeWitt, LaMarr, Loof, Marquez, Rutherford, Rodriguez

Noes: None

Abstain: None

Absent: Rothbart

**Agenda Item #4 – Nomination of Local Government & Small Business Assistance Advisory Group member to South Coast AQMD Advisory Council**

Mr. Ian MacMillan presented on the need for the AG to nominate a member to the South Coast AQMD Advisory Council, which meet once per Air Quality Management Plan (AQMP) cycle to review the health effects report and provide comments, in addition to other public processes in the AQMP. The next meeting is expected to be in the Spring.

Ms. Loof asked who previously served on the South Coast AQMD Advisory Council. Mr. MacMillan answered that the last appointment was Mr. Paul Avila.

Motion to nominate Mr. LaMarr made by Chair Rodriguez; seconded by Mr. Eddie Marquez; unanimously approved.

Ayes: Aguirre, Arizmendi, Avila, Campbell, Daniel, DeWitt, LaMarr, Loof, Marquez, Rutherford, Rodriguez

Noes: None

Abstain: None

Absent: Blake, Rothbart

No public comment.

**Agenda Item #5 – Review of Follow-Up/Action Items**

Mr. Derrick Alatorre reviewed the follow-up and action items from the previous meeting.

**#1:** Agendize discussion on LGSBA priorities associated with the retrospective analysis requested by Mr. DeWitt and Mr. LaMarr.

*Staff has included this topic in today's meeting.*

**#2:** Agendize discussion on the approach to rulemaking associated with continuous air monitoring requirements.

*Staff will coordinate with Planning, Rule Development & Area Sources (PRDAS) to discuss this topic and include as an agenda item in a future meeting.*

No public comment.

**Agenda Item #6 – Annual Report on Assembly Bill (AB) 2766 Funds from Motor Vehicle Registration Fees for Fiscal Year (FY) 2019-2020**

Mr. Lane Garcia presented a summary of the AB 2766 local government annual reporting and program implementation activities that occurred during FY 2019-2020. Mr. Garcia provided an update on the use of motor vehicle fees and the program results in terms of emissions reduced and projects implemented.

Mr. Avila asked if funds could be used to add a bus line. Mr. Garcia explained that funds could be used to expand an existing bus line or create a new line as public transportation is an eligible project.

Ms. Loof referenced slide #8 and asked what types of projects qualified as public education. Mr. Garcia responded that public education projects included alternative vehicle expositions and community outreach.

No public comment.

**Agenda Item #7 – Proposed Updates to Best Available Control Technology (BACT) Guidelines**

Mr. Alfonso Baez and Ms. Bahareh Farahani presented on the proposed updates to the BACT guidelines. Mr. Baez announced a public meeting on Wednesday, February 23<sup>rd</sup> at 2:00p.m.

Ms. Loof referenced slide #15 and asked what type of equipment and facilities use the equipment that qualify for the BACT exemption under Proposed Amended Rule (PAR) 1304 – Exemptions. Mr. Baez clarified that Rule 1304 was amended in November 2021 to include an exemption for selective catalytic reduction (SCR) at refineries.

Mr. Avila asked about cannabis oil used as alternative energy. Mr. Baez clarified that the equipment is a closed loop system, which is used to extract cannabis oil for use in edible products.

No public comment.

**Agenda Item #8 – Other Business**

No other business.

**Agenda Item #9 – Public Comment**

Mr. Eder highlighted an editorial in the Los Angeles Times regarding the impacts and challenges caused by climate change.

**Agenda Item #10 – Next Meeting Date**

The next regular LGSBA Advisory Group meeting is scheduled for Friday, February 11, 2022 at 11:30 a.m.

**Adjournment**

The meeting adjourned at 1:22 p.m.

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 18

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting remotely on Friday, March 11, 2022. The following is a summary of the meeting.

<b>Agenda Item</b>	<b>Recommendation/Action</b>
AB 1897 (Wicks) – Nonvehicular air pollution control: refineries: penalties	Support
Proposed South Coast AQMD Sponsored Legislation In Concept: Increased Strict Liability Civil Penalties for Air Quality Violations	Approve

**RECOMMENDED ACTION:**

Receive and file this report and approve agenda items as specified in this letter.

Michael A. Cacciotti, Chair  
Legislative Committee

LTO:PFC:DPG:ar

---

**Committee Members**

Present: Mayor Pro Tem Michael A. Cacciotti, Chair  
Board Member Veronica Padilla-Campos  
Council Member Nithya Raman  
Supervisor V. Manuel Perez

Absent: Senator Vanessa Delgado (Ret.)  
Supervisor Janice Rutherford

**Call to Order**

Chair Michael Cacciotti called the meeting to order at 9:00 a.m.

## **ACTION/DISCUSSION ITEMS:**

### **1. Recommend Position on State Bill:**

Philip Crabbe III, Senior Public Affairs Manager/Legislative, Public Affairs & Media (LPAM), presented AB 1897 (Wicks) - Nonvehicular air pollution control: refineries: penalties. This bill would increase the civil penalty ceiling for violations of state or local air quality rules, regulations, and permit conditions at Title V refineries from \$10,000 to \$30,000, if:

- Violation results in severe disruption to the community;
- Discharge contains toxic air contaminants, and
- 25 or more people are exposed to the discharge.

The bill would also raise the penalty ceiling up to \$100,000 for subsequent violations within a 12-month period. The bill is sponsored by the Bay Area Air Quality Management District (Bay Area AQMD).

Supervisor Perez inquired how the increased penalty amounts were established and the frequency of violations. Wayne Natri, Executive Officer, commented that facilities sometimes receive numerous Notices of Violation (NOVs) with limited effect, so this bill was developed to create a stronger deterrent. Alan Abbs, Legislative Officer, Bay Area AQMD, added that over the last five years, refineries in the Bay Area have had a significant increase in deviations from their permit conditions, NOVs, and flaring events. The increased penalties were developed to fit within the existing Health and Safety Code to create a deterrent for facilities versus a formula. Supervisor Perez recommended considering a more scientific approach to determining the penalty levels.

Board Member Padilla-Campos concurred with Supervisor Perez's comments and asked about the effectiveness of current penalties for facilities. Mr. Natri indicated that current penalties are not effective for some facilities and are considered a cost of doing business. Council Member Raman agreed with the need to understand and justify the proposed new penalty levels.

Bayron Gilchrist, General Counsel, indicated that penalties have not been updated in a long time, and that penalty levels are not significant for large companies. Chair Cacciotti asked when the civil penalties for violations were last updated in statute. Mr. Abbs responded that the latest updates occurred around 2000 or 2001, and a consumer price index increase was added by statute in 2017.

Harvey Eder, Public Solar Power Coalition, provided public comment in support of raising civil penalty levels. Elliot Gonzales, Sierra Club, provided public comment in favor of increasing civil penalties.

**Staff recommended a "SUPPORT" position on this bill.**

Moved by Perez; seconded by Padilla-Campos; unanimously approved  
Ayes: Cacciotti, Padilla-Campos, Perez, Raman  
Noes: None  
Abstain: None  
Absent: Delgado, Rutherford

**2. Proposed South Coast AQMD Sponsored Legislation In Concept: Increased Strict Liability Civil Penalties for Air Quality Violations**

Derrick Alatorre, Deputy Executive Officer/Legislative, Public Affairs & Media, presented a proposal for a South Coast AQMD sponsor bill which would increase liability civil penalty ceilings for air quality violations from \$10,000 to \$30,000 within the South Coast region. The bill would also raise civil penalty ceilings for other types of air quality violations to maintain consistency in the state code:

- \$25,000 to \$45,000 for negligence;
- \$40,000 to \$60,000 for knowing, but failing to take corrective action;
- \$75,000 to \$95,000 for willful and intentional; and
- \$35,000 to \$50,000 for knowingly falsifying documents.

Board Member Padilla-Campos asked if the bill applies to rendering plants. Mr. Alatorre responded that it applies to all non-Title V facilities within the South Coast region. Mr. Nastri added that the legislation stemmed from discussions on rendering facilities, but the bill is broader to address the breadth of facilities with air quality issues across the basin.

Council Member Raman inquired how the proposed increased penalty amounts were created and their efficiency. Mr. Nastri responded that it is partly based on precedence and other proposed increases. Terrence Mann, Deputy Executive Officer/Compliance & Enforcement, added that the proposed increases are to increase the deterrent effects of penalties.

Chair Cacciotti inquired about the penalty levels for facilities. Mr. Mann stated that the Health and Safety Code protects smaller facilities from undue financial burden by mandating considerations when determining penalty levels. There are about 27,000 permitted facilities in the South Coast region, of which approximately 350 are Title V facilities. However, there may be additional facilities not operating under a valid permit.

Mr. Eder commented on the need for political economic analysis.

**Staff recommended approval of this proposed South Coast AQMD sponsored legislation in concept regarding increased strict liability civil penalties for air quality violations.**

Moved by Perez; seconded by Padilla-Campos; unanimously approved  
Ayes: Cacciotti, Padilla-Campos, Perez, Raman  
Noes: None  
Abstain: None  
Absent: Delgado, Rutherford

### **3. Update and Discussion on Federal Legislative Issues**

South Coast AQMD's federal legislative consultants (Cassidy & Associates, Kadesh & Associates, and Carmen Group) provided written reports on key Washington, D.C. issues.

Amelia Morales of Cassidy & Associates reported that U.S. EPA announced a draft rule to reduce NOx emissions from heavy-duty trucks. Once published in the Federal Register, the rule is expected to have a 45-day public comment period.

Board Member Padilla Campos inquired about U.S. EPA's lead-based fuel standard for aviation. Mr. Nastri responded that staff will present on the pending U.S. EPA rule on lead emissions from aircraft at the relevant committee.

Mark Kadesh of Kadesh & Associates reported that the Congress passed a \$1.5 trillion Fiscal Year 2022 Omnibus Appropriations bill. The bill includes approximately:

- \$92 million for DERA;
- \$62 million for TAG; and,
- \$231 million for Section 103/105 of the Clean Air Act.

Gary Hoitsma of Carmen Group reported that U.S.EPA has restored California's waiver under the Clean Air Act to implement its own greenhouse gas emission standards for light-duty vehicles. The waiver allows other states to adopt California's standards.

Chair Cacciotti inquired about various grant programs. Mr. Hoitsma responded that U.S. Department of Transportation's (U.S. DOT) Rebuilding American Infrastructure with Sustainability and Equity grants are a highly competitive annual discretionary program.

Mr. Nastri added that staff recently met with John Porcari, U.S. DOT Port Envoy, who encouraged South Coast AQMD to partner with the Ports in applying for grants. Staff is in discussion with the Ports.

Mr. Hoitsma added that for the EV charging grant program, states must submit a plan to U.S. DOT to receive the infrastructure funds. A separate discretionary

program for EV charging and alternative fueling stations will be open for application later this year, possibly by summer.

#### **4. Update and Discussion on State Legislative Issues**

South Coast AQMD's state legislative consultants (California Advisors, LLC, Joe A. Gonsalves & Son, and Resolute) provided written reports on key issues in Sacramento.

Ross Buckley of California Advisors, LLC reported that the Governor's State of the State Address outlined this year's policy priorities. Assembly Member Tom Daly announced that he will not be seeking re-election.

Paul Gonsalves of Joe A. Gonsalves & Son provided an overview of special elections to fill legislative vacancies. Assembly Member Mike Fong was recently sworn in to represent the 49<sup>th</sup> Assembly District.

Alfredo Arredondo of Resolute provided an overview of upcoming legislative deadlines. The Governor will release his May Revise Budget in early to mid-May.

#### **OTHER MATTERS:**

##### **5. Other Business**

There was no other business to report.

##### **6. Public Comment Period**

Mr. Eder commented on solar power and electric vehicles.

##### **7. Next Meeting Date**

The next regular Legislative Committee meeting is scheduled for Friday, April 8, 2022 at 9:00 a.m.

#### **Adjournment**

The meeting adjourned at 10:00 a.m.

#### **Attachments**

1. Attendance Record
2. Recommend Position on State Bill
3. State Legislative Proposal Attachment
4. Update on Federal Legislative Issues – Written Reports
5. Update on State Legislative Issues – Written Reports

# ATTACHMENT 1

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – March 11, 2022**

Board Member Veronica Padilla-Campos .....South Coast AQMD Board Member  
Council member Nithya Raman.....South Coast AQMD Board Member  
Mayor Michael Cacciotti .....South Coast AQMD Board Member  
Supervisor V. Manuel Perez .....South Coast AQMD Board Member

Debra Mendelsohn .....Board Consultant (Rutherford)  
Amy Wong.....Board Consultant (Padilla-Campos)

Alfredo Arredondo .....Resolute  
Paul Gonsalves .....Joe A. Gonsalves & Son  
Gary Hoitsma .....Carmen Group, Inc.  
Mark Kadash.....Kadash & Associates  
Ben Miller .....Kadash & Associates  
Amelia Morales.....Cassidy & Associates

Alan Abbs .....Bay Area AQMD  
Mark Abramowitz.....Public Member  
Jaime Bartolome .....Public Member  
Curtis Coleman .....Public Member  
Ramine Cromartie.....Public Member  
Harvey Eder .....Public Solar Power Coalition  
Frank Forbes .....Public Member  
Elliot Gonzales.....Sierra Club  
Michele Grubbs.....PMSA  
Bill Kelly.....Public Member  
Zachary Leary .....Public Member  
Karin Manwaring .....Public Member  
Erick Martell .....Public Member  
Josh Nuni .....Public Member  
Nicole Rice.....Public Member  
David Rothbart.....Public Member  
Patty Senecal.....Public Member  
Janet Whittick .....Public Member  
Peter Whittingham .....Public Member

Derrick Alatorre .....South Coast AQMD Staff  
Debra Ashby .....South Coast AQMD Staff  
Jason Aspell .....South Coast AQMD Staff  
Cindy Bustillos.....South Coast AQMD Staff  
Maria Castro.....South Coast AQMD Staff  
Philip Crabbe .....South Coast AQMD Staff  
Azar Dabiri.....South Coast AQMD Staff  
Sindy Enriquez.....South Coast AQMD Staff  
Scott Gallegos .....South Coast AQMD Staff  
Bayron Gilchrist.....South Coast AQMD Staff

Sheri Hanizavareh  
Anissa Cessa Heard-Johnson  
Mark Henninger  
Kathryn Higgins  
Sujata Jain  
Aaron Katzenstein  
Jason Low  
Ian MacMillian  
Terrence Mann  
Matt Miyasato  
Ron Moskowitz  
Susan Nakamura  
Wayne Nastri  
Denise Peralta Gailey  
Sarah Rees  
Mary Reichart  
Aisha Reyes  
Nicholas Sanchez  
Lisa Tanaka O'Malley  
Anthony Tang  
Victor Yip

South Coast AQMD Staff  
South Coast AQMD Staff

# ATTACHMENT 2A

South Coast Air Quality Management District  
Legislative Analysis Summary – AB 1897 (Wicks)  
Version: Introduced – 2/9/22  
Analyst: PC

## **AB 1897 (Wicks)**

Nonvehicular air pollution control: refineries: penalties.

### **Summary:** This bill would:

- 1) Increase the civil penalty ceiling for violations of state or local air quality rules, regulations, and permit conditions at Title V refineries from \$10,000 to \$30,000, if the violation results in severe disruption to the community, the discharge contains toxic air contaminants, and 25 or more people are exposed to the discharge; and
- 2) Raise the civil penalty ceiling to not more than \$100,000 for subsequent violations within a twelve-month period.

**Background:** Existing law prohibits a person from discharging from nonvehicular sources air contaminants or other materials that cause injury, detriment, nuisance, or annoyance to the public, or that endanger the comfort, repose, health, or safety of the public, or that cause, or have a natural tendency to cause injury or damage to business or property. Under existing law, a person who violates this provision is guilty of a misdemeanor, or is strictly liable for a civil penalty of not more than \$10,000, unless that person alleges by affirmative defense and establishes that the act was not the result of intentional or negligent conduct, in which case the person is strictly liable for a civil penalty of not more than \$5,000. A person who violates this provision and who acts negligently, knowingly, willfully and intentionally, or with reckless disregard, is liable for a civil penalty in a greater amount. Existing law precludes prosecution under specified statutes if civil penalties are recovered pursuant to the above provisions for the same offense.

**Status:** 2/18/22 - Referred to Assembly Natural Resources and Assembly Judiciary Committees. In Assembly Natural Resources Committee.

### **Specific Provisions:** Specifically, this bill would:

- 1) Increase the civil penalty ceiling for violations of state or local air quality rules, regulations, and permit conditions at Title V refineries from \$10,000 to \$30,000, if the violation results in severe disruption to the community, the discharge contains toxic air contaminants, and 25 or more people are exposed to the discharge; and
- 2) Raise the civil penalty ceiling to not more than \$100,000 for subsequent violations within a twelve-month period.
- 3) The bill would prohibit this provision from applying if the violation is caused by unforeseen and unforeseeable criminal acts, acts of war, acts of terrorism, or civil unrest.
- 4) The bill would also preclude prosecution under specified statutes if civil penalties are recovered pursuant to this provision.

**Impacts on South Coast AQMD’s Mission, Operations or Initiatives:** This bill is sponsored by the Bay Area AQMD which argues that air quality violation penalties can no longer be a ‘cost of doing business’ at refineries. This bill would provide a stronger deterrent to help ensure that refineries take responsibility for compliance with all local, state and federal air quality regulations to protect the health and air quality of those living in communities that surround refineries. This bill would create financial deterrents for corporate polluters and create more accountability for bad actors. This can help residents who live in refinery communities who have suffered the disproportionate impacts of air pollution for far too long. Refineries are significant sources of criteria pollutants and toxic air contaminants.

Bay Area AQMD indicates that overall compliance with air quality permit requirements at the five Bay Area refineries has declined precipitously in recent years, with significant increases in flaring events, Title V permit condition deviations and Notices of Violation. Past refinery flaring events have resulted in shelter in place notifications, school closures and increased emergency room visits from residents living in communities surrounding refineries.

This bill could also help reduce refinery emissions within the South Coast region. Thus, it is consistent with South Coast AQMD’s priorities of reducing air pollution and air toxics and protecting public health.

**Recommended Position: SUPPORT**

# ATTACHMENT 2B

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1897**

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**Introduced by Assembly Member Wicks**

February 9, 2022

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An act to amend Sections 42400.7, 42402, 42402.1, 42402.2, 42402.3, and 42403 of, and to add Section 42402.6 to, the Health and Safety Code, relating to nonvehicular air pollution.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1897, as introduced, Wicks. Nonvehicular air pollution control: refineries: penalties.

Existing law prohibits a person from discharging from nonvehicular sources air contaminants or other materials that cause injury, detriment, nuisance, or annoyance to the public, or that endanger the comfort, repose, health, or safety of the public, or that cause, or have a natural tendency to cause, injury or damage to business or property, as specified. Under existing law, a person who violates this provision is guilty of a misdemeanor, as specified, or is strictly liable for a civil penalty of not more than \$10,000, unless that person alleges by affirmative defense and establishes that the act was not the result of intentional or negligent conduct, in which case the person is strictly liable for a civil penalty of not more than \$5,000. A person who violates this provision and who acts negligently, knowingly, willfully and intentionally, or with reckless disregard, is liable for a civil penalty in a greater amount, as specified. Existing law precludes prosecution under specified statutes if civil penalties are recovered pursuant to the above provisions for the same offense.

This bill would make a person who violates this provision liable for a civil penalty of not more than \$30,000 if the violation results from a

discharge from a stationary source required by federal law to be included in an operating permit program established pursuant to Title V of the federal Clean Air Act, and the stationary source is a refinery, the discharge results in a severe disruption to the community, the discharge contains or includes one or more toxic air contaminants, as specified, and 25 or more people are exposed to the discharge. The bill would additionally make a person who violates this provision liable for a civil penalty of not more than \$100,000 for a subsequent violation within a 12-month period. The bill would prohibit this provision from applying if the violation is caused by unforeseen and unforeseeable criminal acts, acts of war, acts of terrorism, or civil unrest. The bill would additionally preclude prosecution under specified statutes if civil penalties are recovered pursuant to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 42400.7 of the Health and Safety Code  
2 is amended to read:

3 42400.7. (a) The recovery of civil penalties pursuant to  
4 Section 39674, 42401, 42402, 42402.1, 42402.2, 42402.3, ~~or~~  
5 ~~42402.4~~ 42402.4, *or* 42402.6 precludes prosecution under Section  
6 42400, 42400.1, 42400.2, 42400.3, 42400.3.5, or 42400.4 for the  
7 same offense. When a district refers a violation to a prosecuting  
8 agency, the filing of a criminal complaint is grounds requiring the  
9 dismissal of ~~any~~ a civil action brought pursuant to this article for  
10 the same offense.

11 (b) If the pending civil action described in subdivision (a)  
12 includes a request for injunctive relief, that portion of the civil  
13 action shall not be dismissed upon the filing of a criminal complaint  
14 for the same offense.

15 SEC. 2. Section 42402 of the Health and Safety Code is  
16 amended to read:

17 42402. (a) Except as provided in Sections 42402.1, 42402.2,  
18 42402.3, ~~and 42402.4,~~ ~~any~~ 42402.4, *and* 42402.6, a person who  
19 violates this part, ~~any~~ an order issued pursuant to Section 42316,  
20 ~~or any~~ a rule, regulation, permit, or order of a district, including a  
21 district hearing board, or of the state board issued pursuant to Part  
22 1 (commencing with Section 39000) to Part 4 (commencing with

1 Section 41500), inclusive, is strictly liable for a civil penalty of  
2 not more than five thousand dollars (\$5,000).

3 (b) (1) A person who violates ~~any~~ a provision of this part, ~~any~~  
4 an order issued pursuant to Section 42316, or ~~any~~ a rule, regulation,  
5 permit or order of a district, including a district hearing board, or  
6 of the state board issued pursuant to Part 1 (commencing with  
7 Section 39000) to Part 4 (commencing with Section 41500),  
8 inclusive, is strictly liable for a civil penalty of not more than ten  
9 thousand dollars (\$10,000).

10 (2) (A) If a civil penalty in excess of five thousand dollars  
11 (\$5,000) for each day in which a violation occurs is sought, there  
12 is no liability under this subdivision if the person accused of the  
13 violation alleges by affirmative defense and establishes that the  
14 violation was caused by an act that was not the result of intentional  
15 conduct or negligent conduct.

16 (B) Subparagraph (A) does not apply to a violation of a federally  
17 enforceable ~~requirements~~ *requirement* that ~~occur~~ *occurs* at a Title  
18 V source in a district in which a Title V permit program has been  
19 fully approved.

20 (C) Subparagraph (A) does not apply to a person who is  
21 determined to have violated an annual facility emissions cap  
22 established pursuant to a market-based incentive program adopted  
23 by a district pursuant to subdivision (b) of Section 39616.

24 (c) A person who owns or operates ~~any~~ a source of air  
25 contaminants in violation of Section 41700 that causes actual  
26 injury, as defined in subdivision (d) of Section 42400, to the health  
27 and safety of a considerable number of persons or the public, is  
28 liable for a civil penalty of not more than fifteen thousand dollars  
29 (\$15,000).

30 (d) Each day during ~~any~~ a portion of which a violation occurs  
31 is a separate offense.

32 SEC. 3. Section 42402.1 of the Health and Safety Code is  
33 amended to read:

34 42402.1. (a) ~~Any~~ *Except as provided in Section 42402.6, a*  
35 person who negligently emits an air contaminant in violation of  
36 this part or ~~any~~ a rule, regulation, permit, or order of the state board  
37 or of a district, including a district hearing board, pertaining to  
38 emission regulations or limitations is liable for a civil penalty of  
39 not more than twenty-five thousand dollars (\$25,000).

1 (b) ~~Any~~A person who negligently emits an air contaminant in  
 2 violation of Section 41700 that causes great bodily injury, as  
 3 defined ~~by~~ *in subdivision (f) of Section 12022.7 of the Penal Code,*  
 4 ~~to any~~ a person or that causes the death of ~~any~~ a person, is liable  
 5 for a civil penalty of not more than one hundred thousand dollars  
 6 (\$100,000).

7 (c) Each day during ~~any~~ a portion of which a violation occurs  
 8 is a separate offense.

9 SEC. 4. Section 42402.2 of the Health and Safety Code is  
 10 amended to read:

11 42402.2. (a) ~~Any~~*Except as provided in Section 42402.6, a*  
 12 *person who emits an air contaminant in violation of any a provision*  
 13 *of this part, or any order, rule, regulation, or permit a rule,*  
 14 *regulation, permit, or order of the state board or of a district,*  
 15 *including a district hearing board, pertaining to emission*  
 16 *regulations or limitations, and who knew of the emission and failed*  
 17 *to take corrective action, as defined in subdivision (b) of Section*  
 18 *42400.2, within a reasonable period of time under the*  
 19 *circumstances, is liable for a civil penalty of not more than forty*  
 20 *thousand dollars (\$40,000).*

21 (b) ~~Any~~A person who owns or operates ~~any~~ a source of air  
 22 contaminants in violation of Section 41700 that causes great bodily  
 23 injury, as defined ~~by~~ *in subdivision (f) of Section 12022.7 of the*  
 24 *Penal Code, to any a person or that causes the death of any a*  
 25 *person, and who knew of the emission and failed to take corrective*  
 26 *action, as defined in subdivision (b) of Section 42400.2, within a*  
 27 *reasonable period of time under the circumstances, is liable for a*  
 28 *civil penalty not to exceed two hundred fifty thousand dollars*  
 29 *(\$250,000).*

30 (c) Each day during ~~any~~ a portion of which a violation occurs  
 31 is a separate offense.

32 SEC. 5. Section 42402.3 of the Health and Safety Code is  
 33 amended to read:

34 42402.3. (a) ~~Any~~*Except as provided in Section 42402.6, a*  
 35 *person who willfully and intentionally emits an air contaminant*  
 36 *in violation of this part or any a rule, regulation, permit, or order*  
 37 *of the state board, or of a district, including a district hearing board,*  
 38 *pertaining to emission regulations or limitations, is liable for a*  
 39 *civil penalty of not more than seventy-five thousand dollars*  
 40 *(\$75,000).*

1 (b) ~~Any~~A person who willfully and intentionally, or with  
2 reckless disregard for the risk of great bodily injury, as defined by  
3 *in subdivision (f) of Section 12022.7 of the Penal Code*, to, or death  
4 of, ~~any a~~ person, emits an air contaminant in violation of Section  
5 41700 that results in an unreasonable risk of great bodily injury  
6 to, or death of, ~~any a~~ person, is liable for a civil penalty of not  
7 more than one hundred twenty-five thousand dollars (\$125,000).  
8 If the violator is a corporation, the maximum penalty may be up  
9 to five hundred thousand dollars (\$500,000).

10 (c) ~~Any~~A person who willfully and intentionally, or with  
11 reckless disregard for the risk of great bodily injury, as defined by  
12 *in subdivision (f) of Section 12022.7 of the Penal Code*, to, or death  
13 of, ~~any a~~ person, emits an air contaminant in violation of Section  
14 41700 that causes great bodily injury, as defined by *in subdivision*  
15 *(f) of Section 12022.7 of the Penal Code*, to ~~any a~~ person or that  
16 causes the death of ~~any a~~ person, is liable for a civil penalty of not  
17 more than two hundred fifty thousand dollars (\$250,000). If the  
18 violator is a corporation, the maximum penalty may be up to one  
19 million dollars (\$1,000,000).

20 (d) Each day during ~~any a~~ portion of which a violation occurs  
21 is a separate offense.

22 SEC. 6. Section 42402.6 is added to the Health and Safety  
23 Code, to read:

24 42402.6. (a) (1) A person is liable for a civil penalty of not  
25 more than thirty thousand dollars (\$30,000) if the person violates  
26 Section 41700 and all of the following occur:

27 (A) (i) The discharge is from a Title V source that is a refinery.

28 (ii) For purposes of this subparagraph, “refinery” means an  
29 establishment that is located on one or more contiguous or adjacent  
30 properties that processes a petroleum or alternative feedstock to  
31 produce a more usable product such as gasoline, diesel fuel,  
32 aviation fuel, lubricating oil, asphalt, petrochemical feedstock, or  
33 other similar product.

34 (B) The discharge results in a severe disruption to the  
35 community, including, but not limited to, residential displacement,  
36 shelter in place, evacuation, or destruction of property.

37 (C) The discharge contains or includes one or more toxic air  
38 contaminants, as identified by the state board pursuant to Section  
39 39657.

40 (D) Twenty-five or more persons are exposed to the discharge.

1 (2) A person shall be liable for a civil penalty of not more than  
 2 one hundred thousand dollars (\$100,000) for a discharge subject  
 3 to paragraph (1) if that discharge occurs within 12 months of a  
 4 prior discharge subject to paragraph (1).

5 (b) Except as provided in subdivision (b) of Section 42402.2 or  
 6 subdivision (b) or (c) of Section 42402.3, a civil penalty described  
 7 in subdivision (a) shall apply on the initial date of a violation.

8 (c) If a violation of subdivision (a) continues to occur subsequent  
 9 to the initial date of the violation, the civil penalty described in  
 10 Section 42402, 42402.1, 42402.2, or 42402.3 shall apply to those  
 11 subsequent days.

12 (d) The civil penalty described in paragraphs (1) and (2) of  
 13 subdivision (a) shall not apply if the violation is caused by  
 14 unforeseen and unforeseeable criminal acts, acts of war, acts of  
 15 terrorism, or civil unrest.

16 (e) Moneys collected pursuant to this section shall be expended  
 17 in support of air quality programs, including, but not limited to,  
 18 programs to research or mitigate the effects of air pollution.

19 SEC. 7. Section 42403 of the Health and Safety Code is  
 20 amended to read:

21 42403. (a) The civil penalties prescribed in Sections 39674,  
 22 42401, 42402, 42402.1, 42402.2, ~~and 42402.3~~ 42402.3, and  
 23 42402.6 shall be assessed and recovered in a civil action brought  
 24 in the name of the people of the State of California by the Attorney  
 25 General, by ~~any~~ a district attorney, or by the attorney for ~~any~~ the  
 26 district in which the violation occurs in ~~any~~ a court of competent  
 27 jurisdiction.

28 (b) In determining the amount of *the civil penalty* assessed, the  
 29 court, or in reaching ~~any~~ a settlement, the district, shall take into  
 30 consideration all relevant circumstances, including, but not limited  
 31 to, the following:

- 32 (1) The extent of harm caused by the violation.
- 33 (2) The nature and persistence of the violation.
- 34 (3) The length of time over which the violation occurs.
- 35 (4) The frequency of past violations.
- 36 (5) The record of maintenance.
- 37 (6) The unproven or innovative nature of the control equipment.
- 38 (7) ~~Any action~~ *Action, if any*, taken by the defendant, including  
 39 the nature, extent, and time of response of the cleanup and  
 40 construction undertaken, to mitigate the violation.

- 1 (8) The financial burden to the defendant.

O

# **ATTACHMENT 3**

## **Brief Summary of Potential South Coast AQMD-Sponsored State Legislative Proposal In Concept**

### **1) Proposed Legislation: Increased Strict Liability Civil Penalties for Air Quality Violations**

- a. Bill would increase strict liability civil penalty ceilings for air quality violations by permitted facilities within the South Coast region.
- b. Bill would increase penalties to enhance their deterrent effect to help reduce toxic and otherwise harmful emissions from facilities and thus protect public health, especially within disadvantaged communities.

# ATTACHMENT 4A



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: February 23, 2021  
Re: February Report

## HOUSE/SENATE

Last week, Congress passed another continuing resolution (CR) to continue funding the government through March 11. This is the third time Congress has passed a CR for fiscal year 2022. While this process has been difficult negotiators are optimistic that this will be the last CR.

On February 4, the House passed the COMPETES Act and sent it to the Senate. The COMPETES Act was designed to boost American Competitiveness with China, was passed largely along party lines. The Senate passed their version, the United States Innovation and Competition Act of 2021 (USICA), in June with bipartisan vote. A compromise between the two bills is possible but will be difficult due to partisan politics.

Both the House and Senate are out on recess this week and will return for a long stretch starting the first week of March. March 1 is President Biden's State of the Union address, and in the weeks following his address, the President's Budget Request will be released to Congress.

### *EPA*

The EPA has awarded a \$200,000 Brownfields Job Training grant to the Los Angeles Conservation Corps. Job training and workforce development are important parts of the Biden administration's commitment to advance economic opportunities and address environmental justice issues in underserved communities. With this grant the Los Angeles Conservation Corps intend to recruit 60 residents from South Los Angeles, Watts, and Boyle Heights neighborhoods of Los Angeles.

The federal government and all agencies are still working through the process of implementing the investments in the bipartisan infrastructure package. The administration has released a

guidebook outlining different processes and timelines for individual programs. The guidebook can be accessed here: [https://www.whitehouse.gov/wp-content/uploads/2022/01/BUILDING-A-BETTER-AMERICA\\_FINAL.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/01/BUILDING-A-BETTER-AMERICA_FINAL.pdf)

The EPA's Local Government Advisory Committee (LGAC) has adopted recommendations to present the EPA Administrator Regan on the agency's implementation of the bipartisan infrastructure law. The committee was asked for input on how to implement the infrastructure investments in a way that meets climate and environmental justice goals and meets the needs of local governments. Over the last several weeks the LGAC has reached out to local communities for input. Key recommendations include:

- Expanding the technical assistance available to help local governments access funding, upgrade their infrastructure, and ensure climate and equity are incorporated into their projects.
- Providing training and education at every level of government on environmental justice and encouraging the use of available tools and data to make informed, equitable decisions.
- Issuing guidance to encourage infrastructure projects that do not contribute to climate pollution.
- Encouraging state partners to engage with communities, solicit project ideas from local governments, and include them in decision-making processes.
- Adding flexibility in allowable costs to enable investments in workforce development, community outreach, and the development of regional partnerships.

The full letter of recommendations will be posted to the EPA's website once it is signed by LGAC leadership.

Cassidy and Associates support in February:

- Tracked Capitol Hill intelligence related to USICA/COMPETES, Appropriations, and a scaled-down Build Back Better.
- Provided guidance to South Coast AQMD on implementation of the Infrastructure Investment and Jobs Act.
- Secured DOT and Port Envoy Meetings for SCAQMD.
- Participated in weekly strategy sessions

## *IMPORTANT LEGISLATIVE DATES*

**March 11, 2022**

Expiration of the current CR

# PANDEMIC RESPONSE PROGRAMS AND AUTHORITIES

## End Date/Program

**March 27, 2025**

Special inspector General for Pandemic Recovery

**Sept. 30, 2025**

Pandemic Response Accountability Committee, Congressional Oversight Commission

## AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions [here](#). Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They include: Health and Human Services ([HHS](#)), Centers of Medicare and Medicaid ([CMS](#)), Food and Drug Administration ([FDA](#)), Department of Education ([DoED](#)), Department of Agriculture ([USDA](#)), Small Business Administration ([SBA](#)), Department of Labor ([DOL](#)), Department of Homeland Security ([DHS](#)), Department of State ([DOS](#)), Department of Veterans Affairs ([VA](#)), Environmental Protection Agency ([EPA](#)), Department of the Interior ([DOI](#)), Department of Energy ([DOE](#)), Department of Commerce ([DOC](#)), Department of Justice ([DOJ](#)), Department of Housing and Urban Development ([HUD](#)), Department of the Treasury ([USDT](#)), Office of the Director of National Intelligence ([ODNI](#)), and U.S. Election Assistance Commission ([EAC](#)).

### Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – [darcie.johnston@hhs.gov](mailto:darcie.johnston@hhs.gov))

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3103 / Cell – 202-893-2941 / Email – [Cherie.short@hq.dhs.gov](mailto:Cherie.short@hq.dhs.gov))

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – [killionw@state.gov](mailto:killionw@state.gov))

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 /  
Email – [sean.poole@dot.gov](mailto:sean.poole@dot.gov))

# ATTACHMENT 4B

## KADESH & ASSOCIATES

South Coast AQMD Report for the March 2022  
Legislative Meeting covering February 2022  
Kadesh & Associates

The slow negotiations on completing the Fiscal Year 2022 funding bills continue, with talks underway between Democratic and Republican members of the House and Senate Appropriations Committees. It has been reported that the appropriators have reached an agreement on a funding framework, but that agreement has not been made public, nor have important additional details — including the top-line allocations for the 12 individual appropriations bills. The Continuing Resolution (CR) that has been keeping federal agencies funded since October 1 has been extended again in order to give enough time for negotiations to complete; the previous deadline was Feb. 18, and the new deadline is March 11. Meanwhile, the President's budget request and the kickoff to the Fiscal Year 2023 appropriations cycle remain on hold.

As we reported last month, this series of CRs has meant that some aspects of the Bipartisan Infrastructure Law (BIL) cannot go into effect; more specifically, the Congressional Budget Office has now identified \$197 billion of the BIL that cannot be released for use until Congress enacts annual appropriations bills.

It is likely that Russia's invasion of Ukraine will dominate Congressional deliberations and White House activity over the coming days and weeks. Speaking about Ukraine, President Biden pledged to "provide humanitarian relief to ease their suffering," and although the White House has not yet sent a request to Congress for any additional Ukraine-related spending, Appropriations Committee members signaled that they would be open to providing additional funding to Ukraine and to allies in Europe as part of a final appropriations deal.

There has been minimal public progress toward reviving the Build Back Better Act, but Sen. Manchin's position on the climate and social spending legislation is now slightly better defined, which has given the White House and Senate colleagues some hope that a reworked version can secure his support. This will be a very slow process, and one that will likely take place out of the public eye if at all, but the White House and others have begun to contemplate a smaller version of the bill that includes more explicit deficit reduction measures. A slimmer version of the bill that focuses on climate funding and deficit reduction would necessarily leave out many member priorities, which will be a difficult problem for House and Senate leadership to solve.

We continue to monitor the implementation of the BIL. The White House's Infrastructure Implementation Coordinator, Mitch Landrieu, recently released a 450+ page guidebook to the programs included in the law; little of the information is new, and the majority of funding will be formula-based, but it is such a sprawling law that any new reference guides are helpful.

# KADESH & ASSOCIATES

## Kadesh & Associates Activity Summary-

-Monitored new legislation and worked with South Coast AQMD to brief congressional delegation on air quality impacts of the BIL and federal regulatory processes.

-Worked with South Coast AQMD staff on strategy to address nonattainment deadlines, including working in coordination with Bay Area AQMD to keep congressional attention and focus on the heavy truck NOx rule, and the need for updated federal mobile source regulations.

## Contacts:

Contacts included staff and House Members throughout the CA delegation, especially the authors of priority legislation, Senate offices, members of the South Coast House delegation, and members of key committees. We have also been in touch with administration staff.

###

# ATTACHMENT 4C



**Carmen Group**  
I N C O R P O R A T E D

**To:** South Coast AQMD Legislative Committee  
**From:** Carmen Group  
**Date:** February 24, 2022  
**Re:** Federal Update -- Executive Branch

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**FY22 Appropriations Update:** In February, Congress extended its deadline to pass an FY22 Omnibus appropriations bill to March 11. Meanwhile, committee leaders announced a framework accord with top-line numbers setting the stage for the serious detailed negotiations necessary to reach a final agreement. Adding to the urgency and impetus to get a deal done were numerous messages from interest groups and stakeholders calling for action and warning that failure to complete a deal would threaten billions of dollars in increased spending already authorized by Congress through the new Infrastructure Law and other legislation passed earlier in 2021.

**Infrastructure Law Implementation:** Below are several significant developments over the past month surrounding the implementation of the Bipartisan Infrastructure Law that could be of special interest to South Coast AQMD:

- **RAISE Grants Funding Availability:** The Department of Transportation announced the availability of \$1.5 billion for the FY22 round of RAISE discretionary grants (formerly TIGER/BUILD grants). Carmen Group attended the DOT's February webinar on the program, noting that recipient eligibility has now been expanded to include all units of local government and all public entities. This means South Coast AQMD would be eligible to apply directly. Maximum grant: \$25 million. Cost share: 80-20. Applications are due April 14, 2022.
- **Port Infrastructure Grants Funding Availability:** In February, the Maritime Administration announced the availability of \$450 million for the FY22 round of discretionary grants under the Port Infrastructure Development Program. Grants will support projects that improve the movement of goods through and around ports, and eligibility criteria include emission reductions. Applications are due May 16, 2022.
- **White House Infrastructure Law Guidebook:** The White House released a 500-page guidebook on the Bipartisan Infrastructure Law, summarizing programs and funding opportunities. Carmen Group attended the White House's initial overview webinar outlining how the book can be used by local governments along with an accompanying Fact Sheet on Competitive Infrastructure Funding Opportunities.

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- **DOT and DOE Announce Funding of EV Charging Network:** In February, the Department of the Transportation and the Department of Energy announced that \$5 billion will be available under the new National Electric Vehicle Infrastructure (NEVI) Formula Program to build out a national electric vehicle charging network across the country. While states know how much money they will receive under the program, they must first submit an EV Infrastructure Deployment Plan and have it approved by DOT before they can access the funds. A separate competitive grant program for EV charging and hydrogen, propane and natural gas fueling infrastructure will be announced later in the year.
- **DOT Seeks Nominations for Alternative Fuel Corridors:** In February, the Federal Highway Administration put out its 6<sup>th</sup> annual Request for Nominations for state and local officials to nominate Alternative Fuel Corridors for official designation. The agency notes that such nominations have grown in importance now that the Infrastructure Law provides funding for EV and Alternative Fuel infrastructure along such corridors.
- **Republican Senators Push Back on DOT Highway Policy Guidance:** In February, 30 Republican Senators (including Leader McConnell and EPW Ranking Member Capito) wrote to Transportation Secretary Pete Buttigieg urging him to scrap or revise the Federal Highway Administration's Dec. 16<sup>th</sup> policy guidance memorandum which directed that implementation of the Infrastructure Law's highway provisions be carried out in alignment with Administration policy preferences that the Senators argued were not in conformance with the carefully negotiated text of the law. At issue is how much discretion the states will have in allocating formula funds and how much the agency will have in directing discretionary grant funds. An expansive debate on the matter was expected to unfold at the EPW Committee's March 2<sup>nd</sup> hearing on Infrastructure Law implementation.
- **EPA Local Govt Committee Adopts Infrastructure Recommendations:** In February, the Environment Protection Agency's Local Government Advisory Committee adopted recommendations to present to the EPA Administrator on the agency's implementation of the Bipartisan Infrastructure Law. The 35-member committee with representation from 30 states was asked for input on how to implement the law in a way that meets the Administration's climate and environmental justice goals while meeting the needs of local governments.
- **EPA Announces Pollution Prevention (P2) Grant Opportunities:** In February, the EPA announced \$23 million in two grant funding opportunities for states to provide businesses with information, training and tools to help them adopt pollution prevention practices. Approximately \$14 million in grants with no cost share/match requirement are made possible by funding from the Infrastructure Law and will emphasize environmental justice. Proposals are due April 11, 2022.

- **DOE Announces Structural Changes to Implement Infrastructure Law:** In February, the Department of Energy announced a new organizational structure it says will enable a more efficient implementation of the \$62 billion in clean energy funds being made available to the Department under the new Bipartisan Infrastructure Law. The new structure establishes two Under Secretaries: one focused on fundamental science and clean energy innovation (Under Secretary for Science and Innovation); and the other focused on deploying clean infrastructure (Under Secretary for Infrastructure).
- **DOE to Invest in Battery Manufacturing and Energy Storage Projects:** In February, the Department of Energy announced its intent to provide \$2.91 billion in Infrastructure Law funding to boost domestic production and recycling of advanced EV batteries and to support the growing demand for energy storage.
- **DOE Establishes Clean Hydrogen Initiatives:** In February, the Department of Energy announced two Requests for Information (RFI) to collect feedback from stakeholders to inform the implementation and design of the Bipartisan Infrastructure Law’s Regional Hydrogen Hub and the Electrolysis and Clean Hydrogen Manufacturing and Recycling Programs. The Department said these efforts will help decarbonize industrial and transportation sectors while providing healthier air for all.

## **Environmental Protection Agency**

### **Notable Appointment:**

**Robin Morris Collin**, *Senior Advisor to the Administrator for Environmental Justice*  
Law Prof., Willamette Univ; OR EJ Task Force; EPA EJ Award; J.D., ASU.

**EPA Issues Power Plant Emissions Data for 2021:** In February, the Environmental Protection Agency released annual data on 2021 emissions from power plants in the lower 48 states. Emissions in 2021 were higher than 2020. However, compared to 2019, 2021 emissions fell between 3% to 11%, reflecting the long-standing trend in decreasing annual emissions.

**EPA Proposes to Reverse Trump MATS Rule:** In February the EPA announced its proposal to reaffirm the scientific, economic, and legal underpinnings of the 2012 Mercury and Air Toxics Standards (MATS) for power plants, which required significant reductions of mercury, acid gases, and other harmful pollutants.

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**Outreach:** Contacts included the Department of Transportation Deputy Assistant Secretary for Intergovernmental Affairs on the RAISE Grant program and members of our business coalition group on the EPA’s Ultra-Low NOx rulemaking process.

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## CALIFORNIA ADVISORS, LLC

South Coast AQMD Report  
California Advisors, LLC  
March 11, 2022 Legislative Committee Hearing

### **Legislative Update**

One of the major legislative deadlines occurred on February 18, which was the deadline for new bills to be introduced for the 2022 Legislative Session. On the final day, hundreds of new bills were introduced between the two houses. A total of 2,022 bills were introduced for 2022, of which 1362 were Assembly measures and 660 were Senate measures. These figures do not include special session bills, constitutional amendments, or resolutions. It should also be noted that Committees can still introduce bills past the deadline. Further, of the legislation introduced, several measures are considered “spot bills” which make technical, non-substantive changes in the law as a placeholder for a later proposal.

The number of bill introductions for 2022 is relatively consistent with those in prior years. Generally, the Legislature has introduced about 2,250 bills per year and the first year of the 2-year session usually has a higher number of bill introductions. By way of comparison, the following are the bill introduction totals from the past several years:

- Total 2021 bill introductions as of the deadline: 2,369
- Total 2020 bill introductions as of the deadline: 2,203
- Total 2019 bill introductions as of the deadline: 2,576

Over the course of the next several weeks, these measures will be referred to policy committees where they will be heard. Additionally, those “spot bills” will need to be amended with substantive language by mid-March for them to be referred to the appropriate policy committee.

On February 15, the Senate Transportation Committee held an informational hearing on reducing greenhouse gas emissions from medium-duty, heavy-duty, and non-road vehicles. The reduction of air pollution emissions was also discussed. South Coast AQMD staff spoke on a panel alongside the California Air Resources Board, California Energy Commission, Legislative Analyst’s Office, and Tehama County Air Pollution Control District. The Committee has followed up with South Coast AQMD to continue these important conversations this year.

### **Budget Update**

The Department of Finance published its monthly cash report for February. The bulletin noted that cash receipts for the first seven months of the 2021-22 fiscal year were \$15.954 billion above the 2022-23 Governor’s Budget forecast of \$109.355 billion. The Governor’s Budget

forecast was finalized at the end of November, so the difference was generated from December and January cash receipts.

However, the Department of Finance did note that \$6.206 billion of this total additional revenue is due to higher-than-expected Pass-Through Entity (PTE) elective tax payments under the corporation tax, a 2021 state tax change designed to allow some taxpayers to reduce their allowable federal tax liability starting with their 2021 tax returns. Every dollar received from the PTE elective tax paid generates a dollar of personal income tax credit. While the amount of PTE elective tax payments can be tracked in monthly cash reports, the extent to which taxpayers will reduce their personal income tax payments to reflect the elective tax credits cannot be determined until more complete tax return data for 2021 is available. Therefore, it is reasonable to assume that a portion of this \$6.2 billion may overstate the amount of overall revenue strength to date.

### **Special Elections**

On Tuesday, February 22, Mike Fong was sworn in as the Assemblymember for the 49<sup>th</sup> Assembly District. He won outright the special election that took place on February 15 and replaces former Assemblymember Ed Chau who was appointed as a judge last November.

Additionally, Governor Newsom declared a special election in the 62<sup>nd</sup> Assembly District to fill the seat vacated by Assemblymember Autumn Burke. Burke resigned from the Assembly effective February 1. The primary for the special election will be held on April 5, 2022. If no candidate receives more than 50 percent of the vote, a runoff will be subsequently held on June 7, 2022.

# ATTACHMENT 5B



## **Joe A. Gonsalves & Son**

**Anthony D. Gonsalves**

**Jason A. Gonsalves**

**Paul A. Gonsalves**

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**TO:** South Coast Air Quality Management District  
**FROM:** Anthony, Jason & Paul Gonsalves  
**SUBJECT:** Legislative Update – February 2022  
**DATE:** Thursday, February 24, 2022

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The month of February marked the bill introduction deadline for introducing new legislation. All new bills had to be introduced by February 18, 2022. This year, the Assembly introduced 1,362 bills and the Senate introduced 660 bills, for a total of 2,022 newly introduced bills for the session. On the final day of introductions, 611 bills were introduced between the two houses.

All new bills must be in print for 30 days before they can be heard in Committee. There was a total of 421 Assembly bills and 218 Senate bills that were “intent” or “spot bills”, meaning they have no substantive language in them. These numbers above only include bills; they do not include resolutions or constitutional amendments. We will continue to monitor all bills as they are amended and progress through the process and notify the District of any legislation of interest.

Additionally, the Legislature is schedule to open the “swing space” (1021 O Street building) to the public on March 1, 2022. There is limited space for meetings in Legislator’s office’s, therefore, all meetings must take place in 1 of the 8 conference rooms in the building. The conference rooms, which can hold between 5-12 people at once, must be reserved through the Sergeant-at-Arms. Reserving rooms for outside organizations is not allowed and they may only be reserved for legislative business. The conference rooms are marked for social distancing, creating lower capacities than usual, and masks must be worn at all times. Committee hearings will be open to the public and will allow in-person public testimony as long as individuals are following the COVID-19 protocols (masks, distancing, etc.).

The following will provide you with updates of interest to the District:

### **CAP AND TRADE**

On February 24, 2022, the results of the February Cap and Trade auction were released and all current vintage allowances sold at a record-high price, raising over \$970 million for the Greenhouse Gas Reduction Fund. The following will provide you with a summary of the Auction results:

- All 58,527,697 current vintage allowances offered were sold; this is the 6<sup>th</sup> consecutive sold out auction.
- Current vintage allowances cleared at \$29.15, which is \$9.45 above the floor price of \$19.70 and \$0.89 above the November 2021 settlement price of \$28.26. This quarter's settlement price is another record-setter, beating the price record set in the previous auction.
- 89% of the 7,942,750 future vintage allowances offered for sale sold. This is the first auction since May 2020 when the advance auction did not sell out. These allowances may not be used for compliance until 2025.
- Future vintage allowances sold at the price floor of \$19.70.
- California raised over \$970 million for the GGRF.

### **PAID SICK LEAVE & TAX RELIEF**

On February 9, 2022, Governor Newsom signed budget trailer bill SB 114, which extended COVID-19 supplemental paid sick leave for workers. The proposal, which was outlined by the Governor, Senate President pro Tempore Atkins and Assembly Speaker Rendon in January, ensures that employees continue to have access to up to 80 hours of COVID-19 supplemental paid sick leave through September 30, 2022, which may be used by employees who have been advised to quarantine, those caring for COVID-impacted family members, attending a COVID-19 vaccination appointment, and more. Small businesses employing 25 or fewer workers are exempt from the legislation, which is retroactive to sick leave taken beginning January 1, 2022.

Governor Newsom also signed budget trailer bill SB 113, a \$6.2 billion tax relief for small businesses that received Paycheck Protection Program loans. The \$6.1 billion in tax relief comes in the form of tax credits and direct grants to the hardest hit businesses. SB 113 includes provisions that:

- Provide a nearly \$500 million tax cut for restaurants and venues: By conforming state tax policy for the federal Restaurant Revitalization Fund and federal Shuttered Venue Operators grant programs, grants received by such businesses will not be considered taxable by the state – translating into a tax cut totaling nearly \$500 million over the coming years.
- Restore \$5.5 billion in tax credits and deductions for California businesses: By restoring business tax credits, including for research and development and the net operating loss deduction for businesses one year early, the near-term benefit for such businesses is estimated to reach \$5.5 billion.
- Invest \$150 million in COVID-19 relief grants for California's small businesses: SB 113 invests an additional \$150 million in California's Small Business COVID-19 Relief Grant Program to fund applicants on the waitlist – the program has provided grants of up to \$25,000 for small businesses impacted by the pandemic.

### **\$1.9 BILLION COVID PACKAGE**

On February 10, 2022, Governor Newsom signed a \$1.9 billion early action measure to meet the state's immediate COVID response needs, including funding to boost testing capacity and vaccination efforts, support frontline workers, strengthen the health care system and battle misinformation, with a focus on the hardest-hit communities. The Administration continues to

work with the Legislature through the budget process to advance an additional \$1.3 billion to support the state's ongoing pandemic response.

Unveiled in his January budget proposal, the Governor's proposed COVID Emergency Response Package initially included a \$1.4 billion emergency appropriation request, which expanded to \$1.9 billion to meet the state's changing needs in responding to the Omicron surge.

The \$1.9 billion emergency appropriation in budget trailer bill SB 115 (Skinner) includes:

- \$806 Million to Bolster Testing
  - Expand hours and capacity at testing sites throughout the state to help slow the spread of the virus.
  - Distribute millions of COVID-19 antigen tests to local health departments, community clinics and county offices of education and schools.
  - Support the state's testing facilities, including specimen collection and expanding capacity in order to meet demand.
  - Assist state departments in testing their staff and congregate populations.
  
- \$400 Million to Get More Californians Vaccinated & Boosted, Combat Misinformation
  - Continue the "Vaccinate all 58" public education campaign to provide reliable information and build vaccine confidence while combating misinformation, all of which is in partnership with 250 ethnic media outlets.
  - Maintain a robust community outreach and direct appointment assistance campaign by conducting door-to-door canvassing, phone banking and texting with over 700 CBOs and community partners in partnership with philanthropy.
  - Support in-home vaccination and testing programs and transportation arrangements for those unable to travel, to meet Californians where they're at.
  - Provide free transportation to vaccination appointments throughout the state to help get more Californians vaccinated and boosted.
  
- \$486 Million to Support Our Frontline Workers and Health Care Systems
  - Support and distribution of critical personnel resources for health care systems to help protect frontline workers, patient care and hospital surge capacity as well as additional staffing for vaccination sites.
  
- \$141 Million to Maintain State Response Operations
  - Provide resources to enhance the state's emergency response and public health capacities, including staffing and information technology at California Department of Public Health, Office of Emergency Services and Emergency Medical Services Authority.
  
- \$100 Million to Support Mutual Aid, Bolster Contact Tracing Efforts, Procure Personal Protective Equipment
  - Provide mutual aid to support local governments.
  - Continue statewide contact tracing activities to help keep Californians safe and slow the spread.
  - Procure additional personal protective equipment, including children's N95 and surgical masks, and other durable equipment

## **SMARTER PLAN**

On February 17, 2022, Governor Newsom unveiled the state's SMARTER Plan, the next phase of California's pandemic response. The SMARTER Plan will guide California's strategic approach to managing COVID-19 while moving the state's recovery forward. The Plan emphasizes the continued need to be ready, aware and flexible, in order to stay prepared to respond to emerging COVID-19 variants and changing conditions.

The SMARTER Plan's core pillars and preparedness metrics focus on public health measures and strategies the state has used to slow the spread. Recognizing that each variant brings with it unique characteristics, the Plan preserves needed flexibility and ensures the state has the resources and capabilities in place to tackle the COVID-19 challenges that lie ahead:

- **Shots-** Vaccines are the most powerful weapon against hospitalization and serious illness. Under the Plan, California will maintain capacity to administer at least 200,000 vaccines per day on top of existing pharmacy and provider infrastructure.
- **Masks-** Properly worn masks with good filtration help slow the spread of COVID-19 or other respiratory viruses. The state will maintain a stockpile of 75 million high quality masks and the capability to distribute them as needed.
- **Awareness-** We will continue to stay aware of how COVID-19 is spreading and evolving variants, communicate clearly how people should protect themselves, and coordinate our state and local government response. California will maintain capability to promote vaccination, masking and other mitigation measures in all 58 counties and support engagement with at least 150 community-based organizations.
- **Readiness-** COVID-19 isn't going away and we need to be ready with the tools, resources and supplies that will allow us to quickly respond to protect public health and to keep the health care system well prepared. The state will maintain wastewater surveillance in all regions and enhance respiratory surveillance in the health care system while continuing to sequence at least 10 percent of positive COVID-19 test specimens. The state will also maintain the ability to add 3,000 clinical staff within 2-3 weeks if needed across various health care facility types.
- **Testing-** Getting the right type of tests – PCR or antigen – to where they are needed most. Testing will help California minimize the spread of COVID-19. California will maintain commercial and local public health capacity statewide to perform at least 500,000 tests per day – a combination of PCR and antigen.
- **Education-** California will continue to work to keep schools open and children safely in classrooms for in-person instruction. The state will expand by 25 percent school-based vaccination sites supported by the state to increase vaccination rates as eligibility expands.
- **Rx-** Evolving and improving treatments will become increasingly available and are critical as tools to save lives. The state will maximize orders for the most clinically effective therapeutic available through federal partnerships, ensuring allocations of effective therapeutics are ordered within 48-hours.

The SMARTER Plan maintains the state's focus on targeted investments and outreach to tackle COVID-19 health disparities in disproportionately impacted communities. The Plan features a new COVID-19 Assessment and Action Unit to monitor data and frontline conditions in real-time. It also includes building upon a regionally-based waste-water surveillance and genome

sequencing network to have early and rapid insights into the changing nature of the virus and early identification of variants.

In collaboration with external partners and the federal government, California will launch the first-in-the-nation impacts of COVID-19 longitudinal cohort study to examine the direct and indirect impacts of COVID-19 on individuals and communities over time. Under the Plan, the state is pursuing a public-private partnership with a test manufacturer to drive down the costs of at-home tests while securing a reliable and timely supply chain for California. The state will also continue taking steps to ensure our health care facilities can continue to ramp up with additional staff and resources to respond to potential surges while minimizing strain on our health care systems.

### **CLEAN ENERGY ECONOMY IN LITHIUM VALLEY**

On February 22, 2022, Governor Newsom joined President Biden and community, labor, and industry leaders to discuss new investments and actions to support California's clean energy sector. The announcement outlines the historic progress to sustainably develop lithium resources, a critical component of the advanced batteries needed for zero-emission vehicles, clean electric grids, and other renewable energy technologies.

California's Imperial Valley, also known as Lithium Valley, contains some of the largest lithium deposits in the world underground near the Salton Sea. Governor Newsom's Lithium Valley Vision positions the state to become a global leader in the deployment of new technologies and environmental protections that can sustainably co-produce lithium with renewable electricity from geothermal power plants, satisfying up to 1/3 of the global lithium demand. Governor Newsom is committed to building out a world-class battery manufacturing ecosystem in tandem with lithium production and processing that would increase economic opportunity and deliver quality jobs and community benefits to the region.

Governor Newsom's Lithium Valley Vision, which is outlined in the California Blueprint, commits to a lithium infrastructure that proposes to:

- Provide incentives to advance the clean energy market in California.
- Provide Californians in the Imperial Valley a share of the benefit from these projects.
- Include labor standards that deliver community benefits, economic development, and job opportunities.
- Ensure lithium production is done in a clean and sustainable way.

The Blueprint also includes a new tax credit for those that opt in to develop green energy technologies, totaling \$100 million per year for 3 years. This credit will fund pre-development costs for new technologies such as electric vehicle manufacturing and infrastructure, geothermal, lithium extraction and battery manufacturing, and long-duration storage.

As part of the announcement, President Biden highlighted investments in the innovative businesses operating in this space:

- California-based Mountain Pass (MP) Materials has been awarded \$35 million from the federal government to separate and process heavy rare earth elements at its facility in Mountain Pass, California, establishing a full end-to-end domestic permanent magnet

supply chain. MP Materials has announced it will invest another \$700 million and create more than 350 jobs in the magnet supply chain by 2024. In 2021, MP Materials received a \$15 million California Competes Tax Credit.

- Berkshire Hathaway Energy Renewables (BHE Renewables) also announced that this spring, they will break ground on a new demonstration facility in Imperial County to test the commercial viability of their sustainable lithium extraction process from geothermal brine as part of a multibillion-dollar investment in sustainable lithium production over the next 5 years. If successful, this sets the company on a path towards commercial scale production of battery grade lithium hydroxide and lithium carbonate by 2026. Once at scale, BHE Renewables facilities could produce 90,000 metric tons of lithium per year.

### **CARB CLEAN TRANSPORTATION PILOT PROGRAM**

On February 9, 2022, CARB awarded 3 grants totaling \$25 million to provide innovative clean transportation solutions for disadvantaged and low-income communities in Los Angeles, San Francisco and Oakland. The grants come from the Sustainable Transportation Equity Project (STEP), a pilot program launched by CARB in 2020 to improve transportation equity. The program funding supports implementation of additional clean transportation projects in low-income and disadvantaged communities, and those overburdened by pollution. Projects funded include:

- A new shuttle service.
- Electric carshare and bikeshare services.
- Public transit and shared mobility subsidies.
- Urban forestry.
- Pedestrian improvements.
- Active transportation education and outreach events.
- Workforce development activities.

The Los Angeles Department of Transportation (LADOT) was awarded roughly \$6.7 million, the San Francisco Municipal Transportation Agency was awarded roughly \$10.5 million and the Oakland Department of Transportation was awarded roughly \$8 million. These awards are contingent on final results of the 2021-22 cap-and-trade auctions.

### **LOW-EMISSION TRUCKS, HEAVY-DUTY VEHICLES**

On February 14, 2022, State Treasurer Fiona Ma, the California Air Resources Board (CARB) and the California Pollution Control Financing Authority (CPCFA) announced they surpassed a milestone of financing enough truck loans to help get more than 36,000 cleaner trucks on the road. The Heavy-Duty Vehicle Air Quality Loan Program was established in 2009 to provide financial assistance to small business owners who have heavy-duty vehicles affected by CARB's Truck and Bus Regulation and other air pollution control mandates. Since this partnership began, CARB has contributed \$187 million toward loans that helped purchase the 36,000 cleaner trucks. That is the equivalent of removing almost 11 million passenger cars from the road and 164 tons of particulate matter per year.

The collaboration between CARB and CPCFA's California Capital Access Loan Program has been successful in financing the purchase of lower-emission vehicles. The program is funded primarily by CARB's Air Quality Improvement Program (AQIP) and was recently extended two

additional years. CARB allocates their AQIP funds to the CPCFA, which invests in a loan loss reserve program operated by the California Capital Access Loan Program. The funds provide support for, and incentive to, lenders to offer owner-operators truck loans with favorable terms and interest rates. Diesel, compressed gas, hybrid, and electric trucks qualify, as do warranty packages for vehicles financed through the program.

### **\$10 MILLION IN AIR POLLUTION GRANTS**

On February 22, 2022, CARB awarded \$10 million in grants to help community organizations and Native American Tribes reduce air pollution in their neighborhoods. The Community Air Grants were awarded to communities across California that face significant challenges with air pollution, including the Inland Empire/Border region, the Central Valley, Los Angeles, the Bay Area and San Diego.

The Community Air Grants Program is part of CARB's overall efforts to implement Assembly Bill 617. Community Air Grants are designed to establish a community-focused approach to improving air quality and reducing exposure to toxic air pollutants at the neighborhood level. The current grants elevate community voices and their specific priorities regarding air pollution where they live. As a result, the projects funded will help communities identify areas with the most harmful air emissions and then take actions to reduce exposure or address the underlying cause of the pollution.

The selected projects reflect the diverse needs across the state and include community-driven air monitoring, improving public access to information about local pollution sources, reducing community exposure and tracking progress on pollution reduction efforts. Examples of selected projects of interest to the District include:

#### **Southern California**

- Breathe Southern California (Breathe SoCal) will pilot an accountability-focused Freight Sustainability Score for major retailers who move cargo via the San Pedro Bay Port Complex to improve public health and environmental justice, primarily in disadvantaged communities.
- OneOC will build on their air monitoring pilot project in the industrial corridor in Santa Ana and expand monitoring to include more sources of air pollution that have been identified by residents. These sources include truck traffic, fireworks and noise pollution.

#### **Inland Empire/Border Region**

- Comité Cívico del Valle (CCV) aims to continue the community monitoring efforts in the Salton Sea Air Basin.

### **2022 LEGISLATIVE DEADLINES**

February 18: Last day for new bills to be introduced.

April 7-18: Spring Recess

April 29: Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.

May 6: Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house.

May 13: Last day for policy committees to meet prior to May 31

May 20: Last day for fiscal committees to hear and report to the floor bills introduced in their house. Last day for fiscal committees to meet prior to May 31

May 27: Last day for each house to pass bills introduced in that house

June 15: Budget Bill must be passed by midnight

June 30: Last day for a legislative measure to qualify for the Nov. 8, 2022 General Election ballot

July 1: Last day for policy committees to meet and report bills

July 1- August 1: Summer Recess

August 12: Last day for fiscal committees to meet and report bills

August 15 – 31: Floor session only. No committee may meet for any purpose except Rules Committee.

August 25: Last day to amend bills on the floor

August 31: Last day for each house to pass bills. Final Recess begins upon adjournment

## South Coast Air Quality Management District Legislative and Regulatory Update – February 2022

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### ❖ Important Dates

- Feb. 18 – Last day for bills to be introduced.
- Feb. 20 – Last day for the state and legislative maps drawn by the California Redistricting Commission to be challenged in court.
- Apr. 7 – Spring Recess begins upon adjournment of session.

### ❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana, Jarrell Cook, and Alfredo Arredondo continued their representation of SCAQMD before the State’s Legislative and Executive branch. Selected highlights of our recent advocacy include:

- Assisted South Coast staff in developing and participating in an informational hearing of the Senate Transportation Committee Chair Senator Lena Gonzalez on GHG emissions from Medium and Heavy-Duty Vehicles. Air pollution emission reductions were also discussed.
- Continued outreach to numerous legislative members and offices regarding South Coast priority legislation and issues.
- Secured authors for priority legislation being sponsored by SCAQMD relative to AB 617 implementation and clarifying the status of SCAQMD as an ‘independent special district’.

### ❖ Senate Transportation Committee Held an Informational Hearing on Medium and Heavy-Duty Vehicle Emissions. On February 15, the Senate Transportation Committee held its informational hearing on [‘Sustainable Transportation: Reducing Greenhouse Gas Emissions from Medium-Duty, Heavy-Duty and Non-Road Vehicles.’](#)

This hearing resulted in a robust discussion of the current state of commercial options to transition medium and heavy-duty vehicles to zero emission vehicles as well as the need to utilize near-zero emission options in the near term to reduce air pollution. Dr. Matt Miyasato presented for SCAQMD and responded to questions from the legislators in attendance. “Inside CalEPA” developed a great synopsis of the hearing titled “CARB Chief, LA Air Official Clash Over Funding for Natural Gas Trucks” which is included at the end of this report for reference.

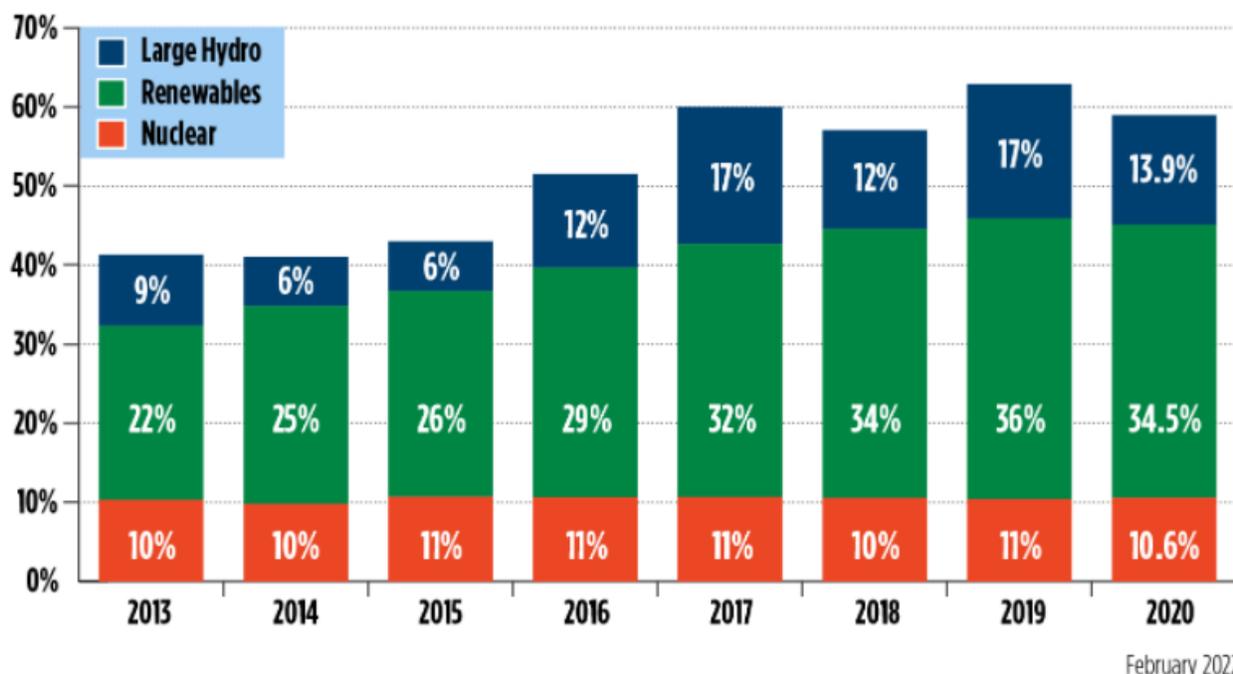
### ❖ SCAQMD Sponsored Legislation. With the bill introduction deadline happening on February 18, two policy bills have been secured thus far to pursue legislation proposed by SCAQMD relative to (1) the classification of SCAQMD as an ‘independent special district’, and (2) updates to AB 617 statute to assist with more effective implementation of that program.

### ❖ The California Air Resources Board Releases Latest Cap and Trade Auction Results. On February 24, the Air Resources Board released the preliminary [summary results](#) for the latest Cap and Trade auction which took place February 16. While not raising as much funding for the Greenhouse Gas Reduction Fund (GGRF) as the last two quarterly auctions, it still produced a substantial amount for the GGRF at about \$974 million. While the overall revenue amount was lower in this auction, it is interesting to note that the auction produced the highest price on carbon in the history of Cap and Trade (\$29.14 for current vintage allowances per 1 ton of carbon). The future vintage allowances did underperform, which may reflect a lack of certainty about the role of Cap and Trade in the future as perceived by market participants.

Overall, given the fairly robust outcome of this auction, it is expected that the GGRF proceeds will be above the projections made by the Administration in the Governor’s January Budget Proposal.

- ❖ **California Energy Commission Provides Update on State’s Path to Achieving SB 100 Goal.** On February 22, the CEC [released new data](#) showing the overall carbon intensity of the California Grid for 2020 (the latest year for which data is available). Overall, power generation from renewable sources did not continue a growth trajectory and instead fell overall on a percentage basis. This small decrease is mainly attributable to a 20% decline in large hydroelectric generation (a reflection of drought conditions currently being experienced by the state) in addition to pandemic related delays in new clean energy projects. The CEC notes that the current budget proposal for fiscal year 2022-2023 includes major investments in the clean energy generation sector which add to the optimism that California is still on track to meet its goals for the grid.

### Generation from Renewable and Zero-Carbon Electricity Sources as a Percentage of California's Retail Sales



# *Inside Cal/EPA*

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*An exclusive weekly report on environmental legislation, regulation and litigation  
from the publishers of Inside EPA*

Vol. 33, No. 7 — February 18, 2022

## **CARB Chief, L.A. Air Official Clash Over Funding For Natural Gas Trucks**

*Posted February 17, 2022*

The head of the California air board and a top official with the Los Angeles regional air district are clashing over whether regulators should prioritize funding for natural gas-fueled heavy trucks to achieve shorter-term pollution cuts in disadvantaged areas or largely bypass that option and focus on advancing zero-emission technologies.

Liane Randolph, chairwoman of the California Air Resources Board (CARB), strongly backs the latter path, telling state lawmakers during a Feb. 15 Senate committee hearing that natural gas vehicles should not be prioritized in their plan for spending hundreds of millions of surplus state budget dollars to subsidize clean transportation technologies.

“I think we need to be moving away from combustion as quickly as possible. And so while we do have programs that do still incentivize natural gas vehicles, I think it’s really important that as we have the ability to make historic investments in the future, that we focus on a future without combustion,” Randolph told the Senate Transportation Committee, which held an informational hearing on how to reduce greenhouse gas and other emissions from medium-and heavy-duty vehicles.

“And I will note that natural gas trucks do deteriorate in performance over time, in terms of their [nitrogen oxide (NOx)] emissions,” she added. “So, we need to keep that in mind — that trucks we are putting on the road today will be on the road for many, many years to come. So, as we think about the dollars that . . . you as the Legislature has the ability to allocate, you want to be allocating those dollars towards the future, and the future is zero.”

Randolph’s comments came immediately after Matt Miyasato, deputy executive officer of science and technology advancement for the South Coast air district, urged lawmakers to prioritize funding for medium- and heavy-duty natural gas trucks to significantly reduce NOx and particulate matter (PM) emissions from the sector in the near term to help the notoriously polluted region achieve federal air standards and reduce health risks in disadvantaged communities.

“We are completely on board with the state on zero-emission technologies, but the sad fact of the matter is they’re just not available in large volumes,” Miyasato told the lawmakers. “They’re available in small volumes and for the small vehicles. But if you want a big truck pulling cargo out of the ports, in order to get to the thousands of trucks that we need, it’s going to take time” for electric models, especially to install the necessary charging infrastructure.

“So, our position is that we should be saving lives today by putting out a cleaner technology that’s commercially available in large numbers, that’s already rolling down production lines on the East Coast,” Miyasato continued, referring to natural gas trucks.

“We can clean the air while we plan for the zero-emission future,” he added. “We believe the funds should be distributed that provides the most emissions benefit — the decision should be how many lives can I save with this funding. And so, I think with this great surplus we should do both — we should plan for a zero-emission technology future while we clean the air today. And let’s not forget, we’re under a federal mandate. These are federal guidelines, requirements that we have to fulfill And we’re cleaning up the air in local communities.”

### Budget Proposals

The debate comes as state lawmakers are developing fiscal year 2022-23 budget proposals, which will compete with Gov. Gavin Newsom’s (D) budget plan released last month. The Newsom administration’s plan in part proposes \$10 billion over two years to bolster the deployment of a variety of zero-emission vehicles, including medium- and heavy- duty models.

Last week, a top executive with United Parcel Service touted the benefits of fueling delivery trucks with renewable natural gas to reduce pollution and GHGs, while criticizing California’s proposed mandate for fleets to purchase electric vehicles as well as exorbitant costs for using hydrogen as a transportation fuel.

Earlier in the Senate committee hearing, Miyasato testified that the South Coast air district is home to about 60 percent of the state’s disadvantaged communities, and that about half the diesel trucks operating in the state — or about 200,000 vehicles — are in the greater Los Angeles area.

Failure to achieve federal air quality standards could lead to sanctions against the region and state, resulting in the loss of billions of dollars in federal transportation funding for California, increased costs on local businesses and federal takeover of air quality regulation, he also warned lawmakers. But representatives of disadvantaged communities in the region told the lawmakers that they support CARB’s position — prioritizing funding for zero-emission trucks while scaling back support for natural gas vehicles.

“It’s critical that we transition to zero emissions as rapidly as possible, not just for resolving the climate crisis but also resolving the public health crisis that our communities are facing,” testified Angelo Logan, representing the MovingForward Network, a national coalition of more than 50 environmental justice and other groups that represent communities in and around polluted areas such as freight hubs.

“Unfortunately, when we invest in internal combustion engines like natural gas, then we set up a system and infrastructure for years and years to come,” Logan added. “That, in my mind, is not a true investment. Investment is something that we look at towards the long term. And by the time we transition out of combustion vehicles, you know there’s generations of children that have developed and their lungs have developed, and underdeveloped, because of exposure to ultra-fine and combustion emissions.”

Additionally, Patricio Portillo, a clean vehicles and fuels transportation analyst with the Natural Resources Defense Council, argued there are numerous cost-competitive models and types of zero-emission vehicles available now and more will be available in the next few years, making state investments in such technologies — and the necessary charging infrastructure — the best choice for lawmakers.

“Because public funding is so limited, we should only be spending on the outcome we need — zero tailpipe emissions,” he told lawmakers. “Natural gas vehicles are an antiquated, second-best solution that should not be supported. It will perpetuate our reliance on fossil fuels, result in stranded assets, and increase emissions. Promoting the sale of natural gas vehicles also promotes the infrastructure that it relies upon. And this infrastructure, aside from being rife with leaks and emissions, are long-life capital assets. Moreover, natural gas emissions could occur throughout the

fuel-supply chain, negating tailpipe benefits.”

He added that a recent study shows that natural gas trucks emit more NOx in real-world situations than levels shown during laboratory testing, and that their emission-control systems degrade rapidly over time, in some instances causing the trucks to pollute more than their diesel counterparts.

### Costs, Availability

However, other officials testified that the high costs and unavailability of different types zero-emission trucks should lead lawmakers to continue investing in natural gas vehicles for short- and mid-term pollution cuts in disadvantaged communities.

Nicole Rice, president of the California Natural Gas Vehicle Coalition (CNGVC), argued that “this is not a choice between zero- and near-zero, this is about diesel versus cleaner alternatives, and when the timing of those alternatives will be feasible.”

In fact, “the alternative today to renewable natural gas-powered trucks isn’t electric, it’s diesel. And so, if you’re not going to be funding alternatives like renewable natural gas-powered trucks today, then basically the state is locking in the choice of diesel for fleet owners for the foreseeable future.” CNGVC claims in a fact sheet presented to the lawmakers that with a \$100 million investment, the state could fund 2,222 natural gas trucks versus 667 battery-electric trucks, with the natural gas trucks achieving five times more reductions of NOx and four times more GHG cuts annually than the battery-electric trucks.

Near the end of the hearing, Sen. Lena Gonzalez (D-Long Beach), chairwoman of the committee, asked Rice how much money CNGVC is advocating for in the FY22-23 budget proposals, noting that last year’s budget included \$45 million for natural gas truck purchases.

Rice responded that “we would suggest that the state continues to take, frankly, a technology-neutral approach to incentivizing the use of these technologies, consider both a near-term and long-term strategy,” adding that the \$45 million could displace about 450 diesel trucks in the state’s most polluted areas.

“It’s not as much resources as would be needed for the thousands of trucks that they need to displace, but it starts making progress,” she said. “So that goes to show that just \$45 million — how significant that impact could be. So being able to allocate resources according to air quality and emission-reduction goals for the near-term and the long-term, is the best way that the state could prioritize how those investments go.”

But Rice did not specify a dollar amount CNGVC would like to see in the FY22-23 budget for natural gas truck purchases. — *Curt Barry* (cbarry@iwnews.com)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 19

REPORT: Mobile Source Committee

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

RECOMMENDED ACTION:  
Receive and file.

Gideon Kracov, Chair  
Mobile Source Committee

SLR:ak

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### **Committee Members**

Present: Board Member Gideon Kracov/Chair  
Supervisor Sheila Kuehl/Vice Chair  
Mayor Pro Tem Larry McCallon  
Supervisor V. Manuel Perez  
Council Member Nithya Raman  
Mayor Pro Tem Carlos Rodriguez

### **Call to Order**

Chair Kracov called the meeting to order at 9:00 a.m.

### **INFORMATIONAL ITEM:**

#### **1. 2021 Ozone and PM2.5 Summary**

Dr. Sang-Mi Lee/Planning and Rules Manager/Planning, Rule Development and Implementation, presented a summary of Ozone and PM2.5 levels measured in 2021 and overall trends and progress towards Ozone and PM2.5 attainment.

Chair Kracov inquired about the upcoming presentations on the impacts of NO<sub>x</sub> and VOC control strategies on ozone levels. Dr. Sarah Rees, Deputy Executive Officer/Planning, Rule Development and Implementation, replied that staff plans to invite an external expert later this spring.

Mayor McCallon inquired about the impact of climate on ozone levels and background ozone levels in the South Coast Air Basin (Basin). Staff responded that

outside experts are preparing a report showing that typical variations in meteorology are expected to have a larger impact on ozone levels than changes in climate in future years. Staff further noted that background ozone levels are approximately 0.040 to 0.045 ppb in the Basin. Mayor McCallon also inquired about the background ozone level in the Coachella Valley. Staff responded that ozone in the Coachella Valley mostly comes from the Basin.

Mayor Rodriguez asked about the factors contributing to increase the PM2.5 24-hour design values in 2014-2016 and in 2021. Staff responded that the lack of rainfall led to high PM2.5 levels in 2014-2016 and unfavorable meteorological conditions along with extra emissions from congestion at the ports contributed to high levels of PM2.5 in 2021. Reducing NOx emissions from port-related sources will be effective in controlling both ozone and PM2.5.

Harvey Eder, Public Solar Power Coalition, commented on excluding exceptional events when determining attainment.

Chair Kracov inquired about the next PM2.5 emission reduction plan and suggested that staff continue working with EPA to bring in federal resources. Staff responded that a new plan will be developed to address attainment of the 24-hour PM2.5 standard and will be brought to the Board in 2023. Wayne Nastri, Executive Officer, discussed the close collaboration with U.S. EPA on policies such as reducing NOx emissions from heavy-duty diesel trucks and multiple efforts to promote high-level collaboration with both federal and state governments.

Supervisor Kuehl inquired about South Cost AQMD's collaboration with other governmental agencies on reducing emissions that contribute to both climate change and air pollution. Mr. Nastri responded that staff is coordinating with federal agencies such as DOE, Department of Transportation, U.S. EPA and state agencies such as CARB, California Energy Commission, and California Public Utilities Commission on implementation of low-carbon technologies.

## **2. Update on Proposed Rule 2304 – Indirect Source Rule for Commercial Marine Ports**

Dr. Elaine Shen, Planning and Rules Manager/Planning, Rule Development and Implementation, provided a status update on the Ports Indirect Source Rule (ISR).

Fernando Gaytan, Earthjustice, and Chris Chavez, Coalition for Clean Air, requested an expedited rulemaking process and expressed concern on the public health impacts, including cancer risk of diesel particulate matter (DPM) exposure, from port emissions on adjacent communities made up mostly of low-income and minority populations. Mr. Gaytan further requested monthly working group meetings, outreach to community-based organizations and individuals and a public

health expert for ISR rulemaking. Mr. Eder commented on his proposed Solar New Deal.

Councilmember Nithya Raman inquired about the timeline of developing the 2022 AQMP relative to the expected timeline of the Ports ISR rulemaking and the relationship between AQMP and Ports ISR efforts given staffing challenges. Mr. Nastri responded that the AQMP is a planning effort. The potential Ports ISR would implement the 2016 AQMP control measure for ports and address earlier attainment deadlines than the 2037 ozone deadline addressed by the 2022 AQMP. If a Ports ISR is adopted and implemented, the emission reductions would be credited towards future ozone attainment needs. Mr. Nastri also commented on the recruitment and retention efforts to address the resources necessary to undertake AQMP and ISR work concurrently.

Chair Kracov emphasized the agency's prioritization of rulemaking and stakeholder engagement. Additionally, he commented on the mandatory retirement of 4,000-6,000 pre-2010 drayage trucks operating at the Ports due to CARB's Truck and Bus Regulation. He inquired about any actions taken by the Ports to address the replacement of these trucks by used diesel trucks. Dr. Matt Miyasato, Chief Technologist/Science and Technology Advancement, responded that the Ports would not be able to leverage their Clean Trucks Program (CTP) funding to incentivize near-zero emission/zero-emission trucks as replacements for pre-2010 trucks, due to the Ports' prolonged delay in CTP implementation. Chair Kracov expressed interest in exploring potential collaborating with the Ports and other key stakeholders to assist operators with replacing the remaining pre-2010 drayage trucks.

### **WRITTEN REPORTS:**

#### **3. Rule 2305 Implementation Status Report: Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program**

This item was received and filed.

#### **4. Rule 2202 Activity Report: Rule 2202 Summary Status Report**

This item was received and filed.

#### **5. Monthly Report on Environmental Justice Initiatives: CEQA Document Commenting Update**

This item was received and filed.

### **OTHER MATTERS:**

#### **6. Other Business**

There was no other business to report.

**7. Public Comment Period**

Mr. Eder expressed the need for zero emission trucks.

**8. Next Meeting Date**

The next regular Mobile Source Committee meeting is scheduled for Friday, April 15, 2022.

**Adjournment**

The meeting adjourned at 10:30 a.m.

**Attachments**

1. Attendance Record
2. Rule 2305 Implementation Status Report
3. Rule 2202 Activity Report – Written Report
4. Monthly Report on Environmental Justice Initiatives: CEQA Document Commenting Update – Written Report

**ATTACHMENT 1**

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE COMMITTEE MEETING**

**Attendance – March 18, 2022**

Board Member Gideon Kracov .....	South Coast AQMD Board Member
Supervisor Sheila Kuehl .....	South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon .....	South Coast AQMD Board Member
Supervisor V. Manuel Perez .....	South Coast AQMD Board Member
Council Member Nithya Raman .....	South Coast AQMD Board Member
Mayor Pro Tem Carol Rodriguez .....	South Coast AQMD Board Member
Genevieve Amsalem .....	Board Consultant (Kracov)
Guillermo Gonzalez .....	Board Consultant (Perez)
Matthew Holder .....	Board Consultant (Rodriguez)
Loraine Lundquist .....	Board Consultant (Kuehl)
Debra Mendelsohn .....	Board Consultant (Rutherford)
Josh Nuni .....	Board Consultant (Raman)
Mark Taylor .....	Board Consultant (Rutherford)
Ross Zelen .....	Board Consultant (Kracov)
Mark Abramowitz .....	Hydrogen Business Council
Chris Chavez .....	Coalition for Clean Air
Curtis Coleman .....	Southern California Air Quality Alliance
Ramine Cromartie .....	Public Member
Harvey Eder .....	Public Solar Power Coalition
Ariel Fideldy .....	CARB
Fernando Gaytan .....	Earthjustice
Michele Grubbs .....	PMSA
Thomas Jelenic .....	Pacific Merchant Shipping Association
Bill La Marr .....	California Small Business Alliance
Dan McGivney .....	So Cal Gas
David Rothbart .....	LACSD
Patty Senecal .....	Western States Petroleum Association
Heather Tomley .....	Port of Long Beach
John Ungvarsky .....	U.S. EPA
Ginger Vagenas .....	U.S. EPA
Janet Whittick .....	CCEEB
Jason Aspell .....	South Coast AQMD Staff
Brian Choe .....	South Coast AQMD Staff
Philip Crabbe .....	South Coast AQMD Staff
Scott Epstein .....	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
Victor Juan .....	South Coast AQMD Staff
Aaron Katzenstein.....	South Coast AQMD Staff
Angela Kim.....	South Coast AQMD Staff
Ruby Laity .....	South Coast AQMD Staff
Sang-Mi Lee.....	South Coast AQMD Staff
Jason Low .....	South Coast AQMD Staff
Ian MacMillan.....	South Coast AQMD Staff
Karin Manwaring.....	South Coast AQMD Staff
Matt Miyasato .....	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
Elaine Shen .....	South Coast AQMD Staff
Lijin Sun.....	South Coast AQMD Staff
Lisa Tanaka O'Malley .....	South Coast AQMD Staff
Anthony Tang .....	South Coast AQMD Staff
Vicki White.....	South Coast AQMD Staff
Paul Wright .....	South Coast AQMD Staff
Victor Yip .....	South Coast AQMD Staff



**Rule 2305 Implementation Status Report:**  
**Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program**

*February 1, 2022 to February 28, 2022*

**1. Implementation and Outreach Activities:**

Activity	Past Three Months	Since Rule Adoption
Calls and Emails to WAIRE Program Hotline (909 396-3140) and Helpdesk ( <a href="mailto:waire-program@aqmd.gov">waire-program@aqmd.gov</a> )	31	900
Views of Compliance Training Videos (outside of webinars)	21	1,378
Emails Sent with Information About WAIRE Program Resources*	0	~18,550
Visits to <a href="http://www.aqmd.gov/waire">www.aqmd.gov/waire</a>	1,002	~9,500
Presentations to Stakeholders	6**	64

*\*Including responses to media inquiries.*

*\*\* Distribution Management Association, Vernon Roundtable (IEA), Rawlings Consulting, Dobbler Consulting, Certified Inspector of Sediment and Control, Phoenix Motorcars*

**2. Highlights of Recent Compliance Activities**

The WAIRE Program Compliance Team continued to work on the WAIRE Program Online Portal (POP) in advance of the March 31, 2022 due date for warehouse operators who had completed early actions from May 7, 2021 through December 31, 2021 that may be eligible to earn WAIRE Points prior to the initial compliance period. The team also worked on developing the Initial Site Information Report tool within the WAIRE POP web portal and assisted in outreaching to warehouse operators and owners on the requirements of Rule 2305.

WAIRE Program staff conducted several presentations, question and answer sessions, and continued to respond to WAIRE Program emails and hotline calls, including those related to the voluntary early Annual WAIRE Report (AWR) submittal deadline of March 31, 2022.

**3. Anticipated Activity in March**

- Continue outreach to Phase 1 warehouse operators to advise of Rule 2305 requirements to track truck trips and earn WAIRE Points, as well as outreach to warehouse owners to update their WON submissions, as needed.



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182  
(909) 396-2000 • www.aqmd.gov

Att #3

## Rule 2202 Summary Status Report

Activity for February 1, 2022 – February 28, 2022

Employee Commute Reduction Program (ECRP)	
# of Submittals:	93

Emission Reduction Strategies (ERS)	
# of Submittals:	97

Air Quality Investment Program (AQIP) Exclusively		
County	# of Facilities	\$ Amount
Los Angeles	25	\$ 33,412
Orange	0	\$ 0
Riverside	0	\$ 0
San Bernardino	0	\$ 0
<b>TOTAL:</b>	<b>25</b>	<b>\$ 33,412</b>

ECRP w/AQIP Combination		
County	# of Facilities	\$ Amount
Los Angeles	1	\$ 24,213
Orange	0	\$ 0
Riverside	0	\$ 0
San Bernardino	0	\$ 0
<b>TOTAL:</b>	<b>1</b>	<b>\$ 24,213</b>

### Total Active Sites as of February 28, 2022

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP <sup>1</sup>	AQIP <sup>2</sup>	ERS <sup>3</sup>				
505	10	124	639	107	593	1,339
37.71%	0.75%	9.26%	47.72%	7.99%	44.29%	100% <sup>4</sup>

### Total Peak Window Employees as of February 28, 2022

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP <sup>1</sup>	AQIP <sup>2</sup>	ERS <sup>3</sup>				
389,991	3,520	41,524	435,035	15,115	237,756	687,906
56.69%	0.51%	6.04%	63.24%	2.20%	34.56%	100% <sup>4</sup>

- Notes:**
1. ECRP Compliance Option.
  2. ECRP Offset (combines ECRP w/AQIP). AQIP funds are used to supplement the ECRP AVR survey shortfall.
  3. ERS with Employee Survey to get Trip Reduction credits. Emission/Trip Reduction Strategies are used to supplement the ECRP AVR survey shortfall.
  4. Totals may vary slightly due to rounding.

BOARD MEETING DATE: April 1, 2022

AGENDA NO.

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides a listing of CEQA documents received by South Coast AQMD between February 1, 2022 and February 28, 2022, and those projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, March 18, 2022, Reviewed

RECOMMENDED ACTION:  
Receive and file.

Wayne Natri  
Executive Officer

SR:MK:MM:LS:MC

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**CEQA Document Receipt and Review Logs (Attachments A and B)** – Each month, South Coast AQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received during the reporting period February 1, 2022 to February 28, 2022 is included in Attachment A. A list of active projects for which South Coast AQMD staff is continuing to evaluate or prepare comments for the November and January reporting periods is included as Attachment B. A total of 68 CEQA documents were received during this reporting period and 9 comment letters were sent.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for FY 2002-03, approved by the Board in October 2002, each attachment notes proposed projects where South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. South Coast AQMD has established an internal central contact to receive information on projects

with potential air quality-related environmental justice concerns. The public may contact South Coast AQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; and as part of oral comments at South Coast AQMD meetings or other meetings where South Coast AQMD staff is present. The attachments also identify, for each project, the dates of the public comment period and the public hearing date, if applicable. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

In January 2006, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement, CEQA documents (Attachments A and B) are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures was compiled into a series of tables relative to off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources.

Staff focuses on reviewing and preparing comments for projects: where South Coast AQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and which a lead or responsible agency has specifically requested South Coast AQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "South Coast AQMD Letter" under the Project Description. In addition, if staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period of February 1, 2022 to February 28, 2022, South Coast AQMD received 68 CEQA documents. Of the 74 documents listed in Attachments A and B:

- 9 comment letters were sent;
- 49 documents were reviewed, but no comments were made;
- 16 documents are currently under review;
- 0 documents did not require comments (e.g., public notices);
- 0 documents were not reviewed; and
- 0 document was screened without additional review.

(The above statistics are from February 1, 2022 to February 28, 2022 and may not include the most recent “Comment Status” updates in Attachments A and B.)

Copies of all comment letters sent to lead agencies can be found on South Coast AQMD’s CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

**South Coast AQMD Lead Agency Projects (Attachment C)** – Pursuant to CEQA, South Coast AQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal for action is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when South Coast AQMD, as lead agency, finds substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if South Coast AQMD determines that the project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, South Coast AQMD continued working on the CEQA documents for three active projects during February.

### **Attachments**

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which South Coast AQMD Has or Will Conduct a CEQA Review
- C. Active South Coast AQMD Lead Agency Projects



**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b>Warehouse &amp; Distribution Centers</b> SBC220217-12 South Ontario Logistics Center Specific Plan#	Staff provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2021/december/SBC211116-07.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2021/december/SBC211116-07.pdf</a> . The project consists of construction of 5,333,518 square feet of industrial and warehouse uses on 219.39 acres. The project is located on the southwest corner of Eucalyptus Avenue and South Grove Avenue. Reference SBC211116-07 and SBC201215-03  Comment Period: N/A Public Hearing: 3/1/2022	Final Environmental Impact Report	City of Ontario	Document reviewed - No comments sent for this document received
<b>Industrial and Commercial</b> LAC220209-03 ENV-2021-4260: Eighth and Alameda Studios Project	The project consists of modernization of an existing 582,400 square foot building, construction of 249,790 square feet of office uses and a 517, 328 square foot parking structure on 25.84 acres. The project is located on the southeast corner of East Eighth Street and South Alameda Street in the community of Central City North.  Comment Period: 2/10/2022 - 3/14/2022 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>Industrial and Commercial</b> RVC220201-12 CUP22-05002 and 22-05003	The project consists of construction of a 13,980 square foot travel center, an 8,255 square foot truck maintenance facility, a fueling service station with 12 gasoline pumps and seven diesel pumps, and a 6,048 square foot fueling canopy on 14.4 acres. The project is located on the northwest corner of Ethanac Road and Trumble Road. <a href="http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/february/RVC220201-12.pdf">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2022/february/RVC220201-12.pdf</a>  Comment Period: 1/21/2022 - 2/4/2022 Public Hearing: N/A	Site Plan	City of Perris	South Coast AQMD staff commented on 2/2/2022
<b>Industrial and Commercial</b> RVC220208-02 MA21333	The project consists of construction of a 2,200 square foot commercial building on 0.08 acres. The project is located at 5584 Mission Boulevard near the southeast corner of Mission Boulevard and Rubidoux Boulevard.  Comment Period: 2/7/2022 - 2/21/2022 Public Hearing: N/A	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
\*\* Disposition may change prior to Governing Board Meeting  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

A-3

**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b>Industrial and Commercial</b> RVC220208-03 Plot Plan No. 210245	The project consists of construction of a 23,090 square foot manufacturing facility on 3.63 acres. The project is located on the northeast corner of Dillon Road and Karen Avenue in the community of Western Coachella Valley.  Comment Period: 2/3/2022 - 2/24/2022 Public Hearing: 2/24/2022	Site Plan	County of Riverside	Document reviewed - No comments sent for this document received
<b>Industrial and Commercial</b> RVC220215-03 Bradley Road Cell Tower	The project consists of construction of a 70 foot wireless communication facility on 600 square feet. The project is located on the northwest corner of Bradley Road and Corson Road.  Comment Period: 2/14/2022 - 3/10/2022 Public Hearing: N/A	Site Plan	City of Menifee	Document reviewed - No comments sent for this document received
<b>Industrial and Commercial</b> SBC220208-04 Site and Architectural Review 22-01, Variance 22-01, and Environmental Review 22-01	The project consists of construction of a 4,911 square foot commercial building on 0.51 acres. The project is located at 22881 Barton Road on the southwest corner of Barton Road and Preston Street.  Comment Period: 2/2/2022 - 2/16/2022 Public Hearing: N/A	Site Plan	City of Grand Terrace	Document reviewed - No comments sent for this document received
<b>Waste and Water-related</b> LAC220208-08 Rainbow Transport Tank Cleaners Site Project	The project consists of development of remedial actions to complete groundwater monitoring, installation of a soil vapor extraction system, establishment of a land use covenant to restrict future land uses to commercial and industrial uses, and a soil management plan on 10 acres. The project is located at 21119 South Wilmington Avenue near the southwest corner of South Wilmington Avenue and East Dominguez Street in the City of Carson within the designated AB 617 Wilmington, Carson, West Long Beach community. Reference LAC150721-06 and LAC130814-01  Comment Period: 2/8/2022 - 3/25/2022 Public Hearing: 3/9/2022	Statement of Basis	Department of Toxic Substances Control	** Under review, may submit written comments

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
\*\* Disposition may change prior to Governing Board Meeting  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

A-4

**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC220210-02 Clean Harbors Wilmington Facility	The project consists of modifications to an existing hazardous waste facility permit to update emergency contact information. The project is located at 1737 East Denni Street near the northeast corner of North Henry Ford Avenue and Denni Street in the community of Wilmington-Harbor City within the City of Los Angeles and the designated AB 617 Wilmington, Carson, West Long Beach community. Reference LAC210729-03, LAC200804-07, and LAC180131-03  Comment Period: N/A Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> LAC220217-06 Raytheon Company	The project consists of development of cleanup actions to excavate, remove, and dispose top 12 inches of soil contaminated with arsenic on 14.3 acres. The project is located at 2000 East El Segundo Boulevard on the southeast corner of El Segundo Boulevard and Sepulveda Boulevard in the City of El Segundo. Reference LAC200818-03 and LAC200317-08  Comment Period: 2/16/2022 - 3/18/2022 Public Hearing: N/A	Soil Removal and Consolidation Plan	Department of Toxic Substances Control	** Under review, may submit written comments
<i>Waste and Water-related</i> ORC220201-05 Orange County Water District Recycled Water Conveyance Improvement Project	The project consists of construction of a groundwater treatment facility with a capacity of 50 million gallons per day and a pipeline turnout 48 inches in diameter. The project is located near the northeast corner of Ball Road and Interstate 57 in the City of Anaheim.  Comment Period: 1/20/2022 - 2/21/2022 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	Orange County Water District	Document reviewed - No comments sent for this document received
<i>Waste and Water-related</i> ORC220203-05 Former Vacant Anaheim Lot	The project consists of establishment of a land use covenant to restrict future land uses to commercial and industrial uses and prohibit groundwater uses on one acre. The project is located at 210 North Euclid Way on the northeast corner of North Euclid Way and West Lincoln Avenue in the City of Anaheim.  Comment Period: 1/28/2022 - 2/28/2022 Public Hearing: N/A	Summary, Groundwater Monitoring, and Risk Evaluation Report	Department of Toxic Substances Control	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.

\*\* Disposition may change prior to Governing Board Meeting

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> ORC220210-04 Former Mercury Cleaner	The project consists of continuation of existing cleanup actions to remediate soil and soil vapor contaminated with volatile organic compounds and installation of additional wells and piping on 4.14 acres. The project is located at 23808 Mercury Road on the southwest corner of Mercury Road and Rockfield Boulevard in the City of Lake Forest.  Comment Period: 2/10/2022 - 3/12/2022 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	** Under review, may submit written comments
<i>Waste and Water-related</i> ORC220217-13 Washington Santa Ana Housing Partners	The project consists of development of cleanup actions to excavate and dispose soil contaminated with arsenic, lead, chromium, and petroleum hydrocarbons on 2.89 acres. The project is located on the southeast corner of East Washington Avenue and Fuller Street in the City of Santa Ana.  Comment Period: 2/18/2022 - 3/21/2022 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	** Under review, may submit written comments
<i>Waste and Water-related</i> ORC220217-14 Valencia Greenery Composting Operation at Olinda Alpha Landfill	The project consists of construction of an organic waste composting facility to receive up to 230 tons per day of green waste and agricultural material on 15.3 acres. The project is located at 1942 North Valencia Avenue near the northeast corner of North Valencia Avenue and Sandpiper Way in the City of Brea. Reference ORC201105-01  Comment Period: 2/22/2022 - 3/22/2022 Public Hearing: 3/2/2022	Mitigated Negative Declaration	Orange County Waste and Recycling	** Under review, may submit written comments
<i>Waste and Water-related</i> RVC220203-04 Murrieta Water and Sewer Master Plan Project	The project consists of construction of sewer and water supply infrastructure improvements. The project encompasses 6.5 square miles and is located on the southwest corner of Interstate 15 and Nutmeg Street in the City of Murrieta.  Comment Period: 2/4/2022 - 3/5/2022 Public Hearing: 4/20/2022	Mitigated Negative Declaration	Western Municipal Water District	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.

\*\* Disposition may change prior to Governing Board Meeting

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b>Institutional (schools, government, etc.)</b> <b>RVC220217-08</b> Riverside Unified School District Science, Technology, Engineering, and Mathematics Education Center	The project consists of construction of an 87,000 square foot school facility to accommodate up to 800 students on six acres. The project is located on the southwest corner of West Blaine Street and Canyon Crest Drive in the City of Riverside.  Comment Period: 2/16/2022 - 3/18/2022      Public Hearing: 3/9/2022	Notice of Preparation	Regents of the University of California	** Under review, may submit written comments
<b>Institutional (schools, government, etc.)</b> <b>SBC220208-06</b> Redlands East Valley High School Stadium Project	The project consists of construction of sports fields and a bleacher system with 3,000 seats on a 6.95 acre portion of 60.1 acres. The project is located at 31000 East Colton Avenue on the southeast corner of East Colton Avenue and Opal Avenue in the City of Redlands. Reference SBC211201-09  Comment Period: 2/7/2022 - 3/23/2022      Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	Redlands Unified School District	Document reviewed - No comments sent for this document received
<b>Medical Facility</b> <b>LAC220222-04</b> 656 South San Vicente Medical Office Project	The project consists of demolition of 13,963 square feet of existing facilities, and construction of 140,305 square feet of medical offices and 5,000 square feet of retail uses on 0.76 acres. The project is located on the northeast corner of San Vicente Boulevard and Orange Street in the community of Wilshire. Reference LAC210617-04 and LAC200114-07  Comment Period: N/A      Public Hearing: 3/16/2022	Notice of Availability of a Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>Medical Facility</b> <b>RVC220201-02</b> Kaiser Permanente Riverside Medical Center Expansion Project	The project consists of demolition of 738,000 square feet of existing structures and construction of two medical facilities totaling 291,497 square feet on 15.5 acres. The project is located at 10800 Magnolia Avenue on the southwest corner of Magnolia Avenue and Polk Street. Reference RVC210916-01  Comment Period: 1/26/2022 - 3/11/2022      Public Hearing: 4/28/2022	Notice of Availability of a Draft Environmental Impact Report	City of Riverside	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
\*\* Disposition may change prior to Governing Board Meeting  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b>Medical Facility</b> <b>RVC220217-02</b> Inland Valley Medical Center Project	The project consists of construction of a 232,000 square foot medical facility to accommodate an increase in hospital beds from 102 to 202 on 22.24 acres. The project is located on the northwest corner of Inland Valley Drive and Prielipp Road. Reference RVC210318-03  Comment Period: 2/17/2022 - 4/4/2022      Public Hearing: 5/18/2022	Notice of Availability of a Draft Environmental Impact Report	City of Wildomar	Document reviewed - No comments sent for this document received
<b>Retail</b> <b>LAC220203-01</b> ENV-2020-1620: Cosmo Hotel Project	The project consists of conversion of a 32,980 square foot building into a 57 room hotel and 8,885 square feet of restaurant uses on 0.17 acres. The project is located on the southeast corner of Hollywood Boulevard and Cosmos Street in the community of Hollywood.  Comment Period: 2/3/2022 - 2/23/2022      Public Hearing: N/A	Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>Retail</b> <b>LAC220208-05</b> Cheval Blanc Beverly Hills Specific Plan Project	The project consists of demolition of 56,787 square feet of structures, and construction of a 220,950 square foot hotel with 115 rooms and subterranean parking on 1.28 acres. The project is located on the northeast corner of North Rodeo Drive and South Santa Monica Boulevard. Reference LAC210921-02 and LAC201117-03  Comment Period: N/A      Public Hearing: N/A	Notice of Availability of a Final Environmental Impact Report	City of Beverly Hills	Document reviewed - No comments sent for this document received
<b>Retail</b> <b>LAC220217-11</b> Conditional Use Permit Case No. 21-011	The project consists of construction of a 131,028 square foot self storage facility on 2.12 acres. The project is located at 3010 North Alameda Street near the southeast corner of North Alameda Street and East Weber Avenue in the designated AB 617 community of South Los Angeles.  Comment Period: 2/17/2022 - 3/9/2022      Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Compton	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
\*\* Disposition may change prior to Governing Board Meeting  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

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**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b>Retail</b> RVC220201-03 MA22010	The project consists of construction of 15,871 square feet of restaurant uses on 31.47 acres. The project is located on the northeast corner of Mission Boulevard and Pyrite Street. Reference RVC210225-04 and RVC210223-05  Comment Period: 1/26/2022 - 2/9/2022 Public Hearing: N/A	Site Plan	City of Jurupa	Document reviewed - No comments sent for this document received
<b>Retail</b> RVC220201-04 MA21334	The project consists of construction of a 90,000 square foot hotel with 137 rooms on 31.47 acres. The project is located on the northeast corner of Mission Boulevard and Pyrite Street. Reference RVC220201-03, RVC210225-04, and RVC210223-05  Comment Period: 1/27/2022 - 2/10/2022 Public Hearing: N/A	Site Plan	City of Jurupa	Document reviewed - No comments sent for this document received
<b>Retail</b> RVC220217-01 Clinton Keith Marketplace Retail Project	The project consists of construction of 64,900 square feet of retail uses and a 1,273 square foot car wash facility on 8.94 acres. The project is located on the northeast corner of Hidden Springs Road and Clinton Keith Road.  Comment Period: 2/16/2022 - 3/17/2022 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Wildomar	Document reviewed - No comments sent for this document received
<b>Retail</b> RVC220217-15 StaxUp Storage Expansion	The project consists of construction of three self storage facilities totaling 48,725 square feet on 14,375 square feet. The project is located at 27887 Holland Road on the southeast corner of Holland Road and Haun Road.  Comment Period: 2/16/2022 - 3/15/2022 Public Hearing: 3/15/2022	Site Plan	City of Menifee	Document reviewed - No comments sent for this document received

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
\*\* Disposition may change prior to Governing Board Meeting  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.  
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**ATTACHMENT A  
INCOMING CEQA DOCUMENTS LOG  
February 1, 2022 to February 28, 2022**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<b>General Land Use (residential, etc.)</b> LAC220201-01 ENV-2016-4327: 1830-1849 North Blue Heights Drive	The project consists of construction of a 7,983 square foot residential unit on 1.03 acres. The project is located near the northeast corner of Blue Heights Drive and Sunset Plaza Drive in the community of Hollywood. Reference LAC180412-04  Comment Period: 1/27/2022 - 2/28/2022 Public Hearing: N/A	Negative Declaration	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> LAC220201-09 Griswold Residential	The project consists of construction of 68 residential units on 9.5 acres. The project is located at 16209 East San Bernardino Road near the northwest corner of East San Bernardino Road and North Hartley Avenue in the community of East Irwindale.  Comment Period: 2/1/2022 - 3/3/2022 Public Hearing: 2/10/2022	Notice of Preparation	County of Los Angeles	** Under review, may submit written comments
<b>General Land Use (residential, etc.)</b> LAC220201-15 Our Lady of Mt. Lebanon Project	The project consists of demolition of 12,370 square feet of existing structures, and construction of a 7,790 square foot church and 153 residential units totaling 180,080 square feet with subterranean parking on 0.97 acres. The project is located on the northwest corner of San Vicente Boulevard and Burton Way in the community of Wilshire. Reference LAC210513-04 and LAC190809-05  Comment Period: N/A Public Hearing: 2/16/2022	Final Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent for this document received
<b>General Land Use (residential, etc.)</b> LAC220208-07 Norwalk Entertainment District-Civic Center Specific Plan	The project consists of construction of 400 residential units and 150,000 square feet of commercial uses on 12.2 acres. The project is located on the southeast corner of Imperial Highway and Norwalk Boulevard.  Comment Period: 2/7/2022 - 3/9/2022 Public Hearing: 2/17/2022	Notice of Preparation	City of Norwalk	** Under review, may submit written comments

# - Project has potential environmental justice concerns due to the nature and/or location of the project.  
\*\* Disposition may change prior to Governing Board Meeting  
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.  
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[↑ Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 20

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting remotely on Friday, March 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 (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 10:30 a.m.

### **INFORMATIONAL ITEM:**

#### **1. Summary of Proposed Rule 403.2 – Fugitive Dust from Large Roadway Projects**

Ian MacMillan, Assistant Deputy Executive Officer/Planning Rules Development and Implementation, presented a background and summary of Proposed Rule 403.2 including key comments received from stakeholders.

Dan McGivney, SoCalGas, Mike Lewis, Construction Industry Air Quality Coalition, and David Rothbart, Southern California Alliance of Publicly Owned Treatment Works (SCAP), requested an additional month to allow the public more time to review the changes.

Harvey Eder, Public Solar Power Coalition, expressed appreciation for the rule and expressed disappointment with the construction industry and gas industry.

Supervisor Kuehl and Senator Delgado acknowledged the comments from industry on needing more time.

Board Member Padilla-Campos agreed and asked what types of chemicals could be found in the fugitive dust and the associated health effects. She also asked whether the rule would apply to light and high-speed rail projects. Mr. MacMillan answered that the main sources of dust would be from digging up dirt or the roadway, and not much a toxic concern as it is a particulate matter and a nuisance concern.

Chair Benoit inquired about the prohibition buffer for piles and crushing/grinding and if recordkeeping for water use on piles and crushing/grinding could be added.

Senator Delgado commented that recordkeeping should show the measure of water used per cubic yard or ton of dirt. Mr. MacMillan answered that the prohibition buffer is measured from the activity to the land use, suggested adding recordkeeping for water usage, and the 100 feet buffer was selected due to the tightness of these sites and the importance heard from industry to allow recycling of material onsite.

Chair Benoit agreed with delaying the rulemaking for one month. He asked to extend the prohibition buffer up to 250 feet for residential, and notification should be required for receptors within 1,000 feet of the activity. He expressed concern that the rule might cause activities to be relocated away from the freeway to other areas.

Supervisor Kuehl commented on the important consideration of this rule for health protection, rather than just the complaints received.

#### **WRITTEN REPORTS:**

**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**

The report was acknowledged by the committee.

**3. Notice of Violation Penalty Summary**

The report was acknowledged by the committee.

#### **OTHER MATTERS:**

**4. Other Business**

There was not other business to report.

## **5. Public Comment Period**

Sarah Wiltfong, Los Angeles County Business Federation (BizFed), recommended that staff begin working on the MATES VI study, work with CARB to update the CalEnviro Screen database to use MATES V and to share MATES V data with the AB 617 Steering Committees. Supervisor Rutherford requested a report back on the MATES timeline at the next meeting. Executive Officer Wayne Nastri stated it is the recommendation that any reporting on the MATES report go through the Mobile Source Committee and then to the Board. Chair Benoit said he would bring up the item with the Chair of the Mobile Source Committee.

Mr. Eder expressed support for solar electric vehicles and concern about renewable natural gas, methane emissions and climate change.

Stephen Jepsen, SCAP, and David Rothbart, Los Angeles County Sanitation Districts and SCAP, requested the support of staff to reduce the permit backlog for SCAP members that operate essential public services. They recommended increasing the number of full-time staff positions and to retain consultants as a solution to reduce the permit backlog.

Mr. Nastri indicated that he is aware of the concerns for the permit backlog, which is closely monitored and tracked. Jason Aspell, Deputy Executive Officer/Office of Engineering and Permitting, stated that the high vacancy rate has contributed to the backlog. He acknowledged reducing the backlog is an ongoing effort and has requested that staffing resources be prioritized. He also stated that there have been discussions to use consulting firms, to reduce the backlog. Chair Benoit requested that this issue be brought to the Administrative Committee to discuss staffing needs prior to the budget and Mr. Nastri agreed.

Rita Loof, RadTech International, referenced staff's comments from the February Board meeting on UV/EB technology. She stated that staff mentioned that UV materials could potentially contain solvents, and a wood coatings operation in Corona was referenced. She noted that this facility is not related to the automotive coatings issue that was before the Board. Ms. Loof clarified that this wood coatings operation is using conventional solvents and they are fully permitted, and the entire operation is vented to an afterburner. Ms. Loof also requested that her Association be included in staff's discussions with EPA regarding test methods for thin films.

## **6. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, April 15, 2022 at 10:30 a.m.

## **Adjournment**

The meeting was adjourned at 11:34 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 –March 18, 2022**

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

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  
Curtis Coleman ..... Southern California Air Quality Alliance  
Chris Chavez ..... Coalition for Clean Air  
Harvey Eder ..... Public Solar Power Coalition  
Stephen Jepsen..... SCAP  
Michael Lewis ..... Construction Industry Air Quality Coalition  
Rita Loof..... RadTech  
Bridget McCann ..... Chevron  
Dan McGivney ..... SoCalGas  
David Rothbart ..... SCAP  
Peter Whittingham..... Whittingham Public Affairs Advisors  
Sarah Wiltfong..... BizFed

Jason Aspell..... 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  
Ian MacMillan ..... South Coast AQMD staff  
Matt Miyasato..... 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  
Nicholas Sanchez..... South Coast AQMD staff  
Sarah Rees ..... South Coast AQMD staff  
Jillian Wong..... South Coast AQMD staff  
Paul Wright..... South Coast AQMD staff  
Victor Yip..... South Coast AQMD staff

## **March 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.

- Planning to schedule next meeting late March

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

**Settlement Penalty Report (02/01/2022 - 02/28/2022)**

**Total Penalties**

Civil Settlement:       \$402,000.00  
MSPAP Settlement:       \$8,195.00  
Hearing Board Settlement:   \$10,000.00  
  
**Total Cash Settlements:**     \$420,195.00

**Fiscal Year through 02/28/2022 Cash Total:**   \$2,886,787.35

<b>Fac ID</b>	<b>Company Name</b>	<b>Rule Number</b>	<b>Settled Date</b>	<b>Init</b>	<b>Notice Nbrs</b>	<b>Total Settlement</b>
<b>Civil</b>						
35409	BARTON BRANDS	203(B)	02/17/2022	BT	P69537	\$375,000.00
25638	BURBANK CITY, BURBANK WATER & POWER	2004	02/17/2022	VT	P66175	\$1,000.00
109471	DURA COAT PRODUCTS INC	203(b)	02/18/2022	VT	P69365	\$1,000.00
187521	MEGATOYS INC.	1403, 40 CFR 61.145	02/17/2022	NS	P66711	\$7,500.00
157676	THE SHERWIN-WILLIAMS COMPANY	1113, 1143, 1168	02/17/2022	BT/WW	P55313, P61803, P64805, P64808, P67002, P67006, P67007, P67009	\$15,000.00
189970	WEBER LOGISTICS/RANCHO 107	1415.1	02/18/2022	SH	P64773	\$2,500.00
<b>Total Civil Settlements: \$402,000.00</b>						
<b>Hearing Board</b>						
104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	02/17/2022	KCM	5400-4	\$10,000.00
<b>Total Hearing Board Settlements: \$10,000.00</b>						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>MSPAP</b>						
111825	CONOCOPHILLIPS CO-255510 A.H.B. PROPER	461	02/18/2022	GC	P67237	\$300.00
151837	DUKE SERVICE CORNER	461	02/18/2022	GC	P67700	\$1,020.00
184450	EASTERN MUNICIPAL WATER DISTRICT	403	02/18/2022	GC	P69102	\$2,250.00
189862	GUTIERREZ CLEANERS INC	203(a), 1421	02/22/2022	GC	P68371	\$1,200.00
97547	LARRY JACINTO CONSTRUCTION	403	02/22/2022	TCF	P68273	\$500.00
178234	M1 FUEL, INC, DBA PASADENA 76	461	02/22/2022	TCF	P70356	\$375.00
188464	MYNOR AUTO REPAIR	1151	02/22/2022	TCF	P68724	\$375.00
39979	OMNITRANS	1151	02/22/2022	TCF	P68710	\$800.00
190953	RAHIM FAMILY TRUST	1403	02/22/2022	TCF	P69743	\$375.00
181390	SEVENTEEN TWENTY OIL COMPANY	203(b)	02/22/2022	TCF	P73051	\$1,000.00
<b>Total MSPAP Settlements: \$8,195.00</b>						

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

**REGULATION II - PERMITS**

- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate

**REGULATION IV - PROHIBITIONS**

- Rule 403 Fugitive Dust
- Rule 461 Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

- Rule 1113 Architectural Coatings
- Rule 1143 Consumer Paint Thinners & Multi-Purpose Solvents
- 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 1168 Adhesive and Sealant Applications

**REGULATION XIII - NEW SOURCE REVIEW**

- Rule 1303 Requirements

**REGULATION XIV - TOXICS**

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems
- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations

**REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

- Rule 2004 Requirements

**CODE OF FEDERAL REGULATIONS**

- 40 CFR 61.145 Standard for Demolition and Renovation

[↑ Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 21

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a meeting remotely on Friday, March 18, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Rex Richardson, Chair  
Technology Committee

MMM:psc

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### **Committee Members**

Present: Supervisor Andrew Do  
Board Member Gideon Kracov  
Mayor Larry McCallon  
Board Member Veronica Padilla-Campos  
Vice Mayor Rex Richardson, Chair  
Mayor Carlos Rodriguez

Absent: None

### **Call to Order**

Chair Richardson called the meeting to order at 12:00 p.m.

### **ACTION ITEMS:**

#### **1. Transfer Funds for the Development of the Carl Moyer Program Grant Management System**

In September 2021, the Board appropriated up to \$120,000 for the initial development of the Carl Moyer Program Grant Management System. The next phase in development of the Grant Management System is required to incorporate business and administrative processes. This action is to transfer and appropriate up to \$125,000 comprised of \$62,500 from the administrative portion of the Community Air Protection Program Fund (77) and \$62,500 from the administrative portion of

the Carl Moyer Program (Grant# G19-MO28) Fund (32) into Information Management's FY 2021-22 and/or 2022-23 Budget, Professional and Special Services, and/or Capital Outlays Major Objects and reimburse the General Fund (01) using administrative funds for the further development of the Carl Moyer Grant Management System.

Board Member Kracov commented that he does not have a financial interest but is required to identify for the record that he is a Board Member of CARB, which is involved in this item.

Moved by McCallon; seconded by Kracov; unanimously approved.

Ayes: Do, Kracov, McCallon, Padilla-Campos, Richardson, Rodriguez  
Noes: None  
Abstain: None  
Absent: None

**2. Adopt Resolution Recognizing Funds, Issue Program Announcements and Execute or Amend Contracts for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment**

In November 2021, CARB approved the Fiscal Year 2021-22 Funding Plan for Clean Transportation Incentives in which \$32.1 million from Senate Bill 129 (SB 129), State General Funds for Extreme Nonattainment, were allocated to South Coast AQMD. Also, under the final funding cycle of the Proposition 1B-Goods Movement Program (Prop 1B), there are remaining funds. These actions are to: 1) adopt Resolution of SB 129, State General Funds for Extreme Nonattainment, recognizing up to \$32.1 million from CARB into the Carl Moyer Program SB 1107 Fund (32); 2) issue, and if necessary, re-issue Program Announcements 2022-01 and 2022-02 for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment until all allocated funds under SB 129 and remaining Prop 1B funds are exhausted; 3) authorize the Executive Officer to execute or amend contracts for eligible projects approved by CARB; and 4) reimburse administrative costs up to \$1.61 million for the implementation of SB 129, State General Funds for Extreme Nonattainment.

Board Member Kracov commented that he does not have a financial interest but is required to identify for the record that he is a Board Member of CARB, which is involved in this item.

Mayor McCallon inquired if the applicants on the backup list from last year's Carl Moyer solicitation would be funded and inquired on the Proposition 1B allowance of a locomotive replacement with a Tier 4 engine. Staff explained the current solicitation is to prioritize near zero and zero-emission Heavy duty vehicles. This is a priority to assist applicants in meeting the upcoming CARB Truck and Bus

Regulation compliance deadline and submitting a purchase order by September 1, 2022, if the manufacturer delay extension is needed. As for the Proposition 1B Tier 4 locomotive replacement, staff explained that it is allowed under the Proposition 1B Guidelines; however, staff will prioritize zero-emission projects with greater emission reductions.

Board Member Padilla-Campos inquired how the zero-emission projects will be prioritized and if technical support will be available to assist in application submittals. Staff explained that all projects selected through Proposition 1B would be ranked by emission reductions and priority will be given to zero-emission projects which generally rank higher. Staff also explained technical support will be available for applicants that need help or have no computer or internet access.

Harvey Eder, Public Solar Power Coalition, commented about the lack of equity for grant funds and some solar companies may be backed by the oil industry.

Moved by McCallon; seconded by Do; unanimously approved.

Ayes: Do, Kracov, McCallon, Padilla-Campos, Richardson, Rodriguez  
Noes: None  
Abstain: None  
Absent: None

### **OTHER MATTERS:**

#### **3. Other Business**

There was no other business to report.

#### **4. Public Comment Period**

Ranji George, a member of the public, asked for members to support the California Hydrogen Business Council letter to California Energy Commission to build stations.

Mr. Eder expressed his support for solar renewables.

#### **5. Next Meeting Date**

The next regular Technology Committee meeting is scheduled for Friday, May 18, 2022, at noon.

### **Adjournment**

The meeting adjourned at 12:25 p.m.

### **Attachment**

Attendance Record

**ATTACHMENT**

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
TECHNOLOGY COMMITTEE MEETING  
Attendance Record – March 18, 2022**

Supervisor Andrew Do .....	South Coast AQMD Board Member
Board Member Gideon Kracov .....	South Coast AQMD Board Member
Mayor Larry McCallon .....	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos .....	South Coast AQMD Board Member
Vice Mayor Rex Richardson .....	South Coast AQMD Board Member
Mayor Carlos Rodriguez .....	South Coast AQMD Board Member
Matthew Hamlett .....	Board Consultant (Richardson)
Mathew Holder .....	Board Consultant (Rodriguez)
Chris Wangsaporn .....	Board Consultant (Do)
Amy Wong .....	Board Consultant (Padilla-Campos)
Ross Zelen .....	Board Consultant (Kracov)
Mark Abramowitz .....	Public Member
Surya Adhikari .....	Public Member
Ramine Cromartie .....	Public Member
Harvey Eder .....	Public Solar Power Coalition
Ranji George .....	Public Member
Laurence Brown .....	South Coast AQMD Staff
Penny Shaw Cedillo .....	South Coast AQMD Staff
Philip Crabbe .....	South Coast AQMD Staff
Darren Ha .....	South Coast AQMD Staff
Sheri Hanizavareh .....	South Coast AQMD Staff
Mark Henninger .....	South Coast AQMD Staff
Anissa Heard-Johnson .....	South Coast AQMD Staff
Aaron Katzenstein .....	South Coast AQMD Staff
Ruby Laity .....	South Coast AQMD Staff
Tom Lee .....	South Coast AQMD Staff
Matt Miyasato .....	South Coast AQMD Staff
Ron Moskowitz .....	South Coast AQMD Staff
Susan Nakamura .....	South Coast AQMD Staff
Wayne Nastri .....	South Coast AQMD Staff
Arnold Peneda .....	South Coast AQMD Staff
Walter Shen .....	South Coast AQMD Staff
Lisa Tanaka .....	South Coast AQMD Staff
Donna Vernon .....	South Coast AQMD Staff
Nick Volpone .....	South Coast AQMD Staff
Mei Wang .....	South Coast AQMD Staff
Vicki White .....	South Coast AQMD Staff
Fan Xu .....	South Coast AQMD Staff
Alyssa Yan .....	South Coast AQMD Staff

[↑ Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 22

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: The Mobile Source Air Pollution Reduction Review Committee held a hybrid meeting on Thursday, March 17, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben J. Benoit  
South Coast AQMD Representative  
to MSRC

MMM:AK:CR:av

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### **FYs 2021-24 Work Program**

Staff provided an update on the MSRC-Technical Advisory Group (TAC) Work Program Development Subcommittee progress. The MSRC-TAC recommended approval to authorize the development of a transformative transportation Program Opportunity Notice (PON). The MSRC considered and approved the MSRC-TAC's recommendation.

### **Contract Modification Requests**

The MSRC considered two contract modification requests and took the following actions:

1. City of Santa Ana, Contract #ML14012, which provides \$244,000 to procure seven heavy-duty propane (LPG) vehicles and install EV charging, approval of reduced scope and value, substitution of CNG for propane and a six-month term extension; and
2. SCAG, Contract #MS18015 which provides \$2,000,000 for the Southern California Future Communities Partnership Program, approval of a nine-month term extension.

**Contracts Administrator's Report**

The MSRC AB 2766 Contracts Administrator's report provides a written status report on all open contracts from FY 2007-08 to the present. The Contracts Administrator's Report for January 27 through February 23, 2022 is attached (*Attachment 1*).

**Attachment**

January 27 through February 23, 2022 Contracts Administrator's Report

MSRC Agenda Item No. 2

**DATE:** March 17, 2022

**FROM:** Cynthia Ravenstein

**SUBJECT:** AB 2766 Contracts Administrator's Report

**SYNOPSIS:** This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from January 27 to February 23, 2022.

**RECOMMENDATION:** Receive and file report

**WORK PROGRAM IMPACT:** None

**Contract Execution Status**

**2018-21 Work Program**

On April 5, 2019, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is executed.

On September 6, 2019, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is executed.

On December 6, 2019, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is executed.

On September 4, 2020, the SCAQMD Governing Board approved an award under the Last Mile component of the MSRC's Regional Goods Movement Program. This contract is executed.

On April 2, 2021, the SCAQMD Governing Board approved five awards under the Zero and Near-Zero Emission Cargo Handling Equipment at Warehouse, Distribution and Intermodal Facilities in Riverside and San Bernardino Counties Program and ten awards under the Zero and Near-Zero Emission Trucking to Warehouse, Distribution and Intermodal Facilities in Riverside and San Bernardino Counties Program. These contracts are under development, undergoing internal review, with the prospective contractor for signature, or executed.

On June 4, 2021, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is with the prospective contractor for signature.

**Work Program Status**

Contract Status Reports for Work Program years with open and/or pending contracts are attached.

***FY 2010-11 Work Program Contracts***

One contract from this Work Program year is open; and 2 are in “Open/Complete” status, having completed all obligations except operations.

***FY 2010-11 Invoices Paid***

No invoices were paid during this period.

***FY 2011-12 Work Program Contracts***

4 contracts from this Work Program year are open, and 5 are in “Open/Complete” status. 2 contracts closed during this period: City of Coachella, Contract #ML12057 – Purchase One Heavy-Duty Natural Gas Vehicle and Conduct Street Sweeping Operations; and City of Pasadena, Contract #MS12080 – Expansion of Existing CNG Infrastructure.

***FY 2011-12 Invoices Paid***

No invoices were paid during this period.

***FYs 2012-14 Work Program Contracts***

7 contracts from this Work Program year are open, and 16 are in “Open/Complete” status. One contract closed during this period: City of Irvine, Contract #ML14033 – Purchase 2 Heavy-Duty CNG Vehicles.

***FYs 2012-14 Invoices Paid***

No invoices were paid during this period.

***FYs 2014-16 Work Program Contracts***

26 contracts from this Work Program year are open, and 31 are in “Open/Complete” status.

***FYs 2014-16 Invoices Paid***

2 invoices totaling \$2,615,023.09 were paid during this period.

***FYs 2016-18 Work Program Contracts***

83 contracts from this Work Program year are open, and 54 are in “Open/Complete” status.

***FYs 2016-18 Invoices Paid***

5 invoices totaling \$124,570.39 were paid during this period.

***FYs 2018-21 Work Program Contracts***

10 contracts from this Work Program year are open.

***FYs 2018-21 Invoices Paid***

One invoice in the amount of \$373.00 was paid during this period.

***Administrative Scope Changes***

3 administrative scope changes were initiated during the period from January 27 to February 23, 2022:

- City of Brea, Contract #ML18100 (Install EV Charging Infrastructure) – Seven-month contract term extension

- City of Claremont, Contract #ML18155 (Install EV Charging Infrastructure) – Reduce value \$14,391
- City of Norwalk, Contract #MS16114 (Purchase 3 Transit Buses) – Reduce value \$12,830

**Attachments**

- FY 2008-09 through FYs 2018-21 (except FY 2009-10) Contract Status Reports



## AB2766 Discretionary Fund Program Invoices

January 27 to February 23, 2022

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2014-2016 Work Program</i>							
2/3/2022	2/4/2022	2/16/2022		MS16127	Los Angeles County MTA	91664	\$2,500,000.00
2/3/2022	2/4/2022	2/16/2022		MS16086	San Bernardino County Transportation Authority	11-Final	\$115,023.09
<b>Total: \$2,615,023.09</b>							
<i>2016-2018 Work Program</i>							
2/9/2022				MS18023	Riverside County Transportation Commission	02860	\$25,698.84
2/9/2022				ML18179	City of Rancho Mirage	114	\$50,000.00
2/3/2022	2/4/2022	2/15/2022	2/18/2022	ML18055	City of Long Beach	22-004	\$11,538.35
2/3/2022	2/4/2022	2/15/2022	2/18/2022	ML18055	City of Long Beach	22-003	\$12,444.40
2/3/2022	2/4/2022	2/15/2022	2/18/2022	ML18055	City of Long Beach	22-002	\$24,888.80
<b>Total: \$124,570.39</b>							
<i>2018-2021 Work Program</i>							
2/3/2022	2/4/2022	2/16/2022		MS21006	Geographics	21-22693	\$373.00

**Total: \$373.00**

**Total This Period: \$2,739,966.48**



## FYs 2008-09 Through 2018-21 AB2766 Contract Status Report

3/10/2022

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
<b><i>FY 2008-2009 Contracts</i></b>									
<b><i>Declined/Cancelled Contracts</i></b>									
ML09017	County of San Bernardino Public Wo	1/28/2010	7/27/2016		\$200,000.00	\$0.00	8 Nat. Gas Heavy-Duty Vehicles	\$200,000.00	No
ML09018	Los Angeles Department of Water an	7/16/2010	9/15/2012		\$850,000.00	\$0.00	Retrofit 85 Off-Road Vehicles w/DECS	\$850,000.00	No
ML09019	City of San Juan Capistrano Public	12/4/2009	11/3/2010		\$10,125.00	\$0.00	Remote Vehicle Diagnostics/45 Vehicles	\$10,125.00	No
ML09022	Los Angeles County Department of P				\$8,250.00	\$0.00	Remote Vehicle Diagnostics/15 Vehicles	\$8,250.00	No
ML09025	Los Angeles County Department of P	10/15/2010	12/14/2012	6/14/2013	\$50,000.00	\$0.00	Remote Vehicle Diagnostics/85 Vehicles	\$50,000.00	No
ML09028	Riverside County Waste Manageme				\$140,000.00	\$0.00	Retrofit 7 Off-Road Vehicles w/DECS	\$140,000.00	No
ML09039	City of Inglewood				\$310,000.00	\$0.00	Purchase 12 H.D. CNG Vehicles and Remot	\$310,000.00	No
ML09040	City of Cathedral City				\$83,125.00	\$0.00	Purchase 3 H.D. CNG Vehicles and Remote	\$83,125.00	No
ML09044	City of San Dimas				\$425,000.00	\$0.00	Install CNG Station and Purchase 1 CNG S	\$425,000.00	No
ML09045	City of Orange				\$125,000.00	\$0.00	Purchase 5 CNG Sweepers	\$125,000.00	No
<b>Total: 10</b>									
<b><i>Closed Contracts</i></b>									
ML09007	City of Rancho Cucamonga	2/26/2010	4/25/2012		\$117,500.00	\$62,452.57	Maintenance Facility Modification	\$55,047.43	Yes
ML09008	City of Culver City Transportation De	1/19/2010	7/18/2016	7/18/2017	\$175,000.00	\$175,000.00	8 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09009	City of South Pasadena	11/5/2010	12/4/2016	3/4/2019	\$125,930.00	\$125,930.00	CNG Station Expansion	\$0.00	Yes
ML09010	City of Palm Springs	1/8/2010	2/7/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09011	City of San Bernardino	2/19/2010	5/18/2016		\$250,000.00	\$250,000.00	10 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09012	City of Gardena	3/12/2010	11/11/2015		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09013	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$144,470.00	\$128,116.75	Traffic Signal Synchr./Moreno Valley	\$16,353.25	Yes
ML09014	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$113,030.00	\$108,495.94	Traffic Signal Synchr./Corona	\$4,534.06	Yes
ML09015	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$80,060.00	\$79,778.52	Traffic Signal Synchr./Co. of Riverside	\$281.48	Yes
ML09016	County of San Bernardino Public Wo	1/28/2010	3/27/2014		\$50,000.00	\$50,000.00	Install New CNG Station	\$0.00	Yes
ML09020	County of San Bernardino	8/16/2010	2/15/2012		\$49,770.00	\$49,770.00	Remote Vehicle Diagnostics/252 Vehicles	\$0.00	Yes
ML09021	City of Palm Desert	7/9/2010	3/8/2012		\$39,450.00	\$38,248.87	Traffic Signal Synchr./Rancho Mirage	\$1,201.13	Yes
ML09023	Los Angeles County Department of P	12/10/2010	12/9/2017		\$50,000.00	\$50,000.00	2 Heavy-Duty Alternative Fuel Transit Vehicl	\$0.00	Yes
ML09026	Los Angeles County Department of P	10/15/2010	10/14/2017	4/14/2019	\$150,000.00	\$80,411.18	3 Off-Road Vehicles Repowers	\$69,588.82	Yes
ML09027	Los Angeles County Department of P	7/23/2010	3/22/2012	6/22/2012	\$150,000.00	\$150,000.00	Freeway Detector Map Interface	\$0.00	Yes
ML09029	City of Whittier	11/6/2009	4/5/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09030	City of Los Angeles GSD/Fleet Servi	6/18/2010	6/17/2011		\$22,310.00	\$22,310.00	Remote Vehicle Diagnostics/107 Vehicles	\$0.00	Yes
ML09031	City of Los Angeles Dept of General	10/29/2010	10/28/2017		\$825,000.00	\$825,000.00	33 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09032	Los Angeles World Airports	4/8/2011	4/7/2018		\$175,000.00	\$175,000.00	7 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML09033	City of Beverly Hills	3/4/2011	5/3/2017	1/3/2019	\$550,000.00	\$550,000.00	10 Nat. Gas Heavy-Duty Vehicles & CNG St	\$0.00	Yes
ML09034	City of La Palma	11/25/2009	6/24/2015		\$25,000.00	\$25,000.00	1 LPG Heavy-Duty Vehicle	\$0.00	Yes
ML09035	City of Fullerton	6/17/2010	6/16/2017	6/16/2018	\$450,000.00	\$450,000.00	2 Heavy-Duty CNG Vehicles & Install CNG	\$0.00	Yes
ML09037	City of Redondo Beach	6/18/2010	6/17/2016		\$50,000.00	\$50,000.00	Purchase Two CNG Sweepers	\$0.00	Yes
ML09038	City of Chino	9/27/2010	5/26/2017		\$250,000.00	\$250,000.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09041	City of Los Angeles, Bureau of Sanit	10/1/2010	9/30/2017		\$875,000.00	\$875,000.00	Purchase 35 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML09042	Los Angeles Department of Water an	12/10/2010	12/9/2017		\$1,400,000.00	\$1,400,000.00	Purchase 56 Dump Trucks	\$0.00	Yes
ML09043	City of Covina	10/8/2010	4/7/2017	10/7/2018	\$179,591.00	\$179,591.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09046	City of Newport Beach	5/20/2010	5/19/2016		\$162,500.00	\$162,500.00	Upgrade Existing CNG Station, Maintenance	\$0.00	Yes
ML09047	Los Angeles County Department of P	8/13/2014	8/12/2015	11/12/2015	\$400,000.00	\$272,924.53	Maintenance Facility Modifications	\$127,075.47	Yes

**Total: 29**

**Closed/Incomplete Contracts**

ML09024	Los Angeles County Department of P	10/15/2010	12/14/2012	6/14/2013	\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
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**Total: 1**

**Open/Complete Contracts**

ML09036	City of Long Beach	5/7/2010	5/6/2017	11/6/2022	\$875,000.00	\$875,000.00	Purchase 35 Natural Gas Refuse Trucks	\$0.00	Yes
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**Total: 1**

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
<b>FY 2010-2011 Contracts</b>									
<b>Open Contracts</b>									
ML11029	City of Santa Ana	9/7/2012	3/6/2020	3/6/2023	\$262,500.00	\$75,000.00	Expansion of Existing CNG Station, Install N	\$187,500.00	No
<b>Total: 1</b>									
<b>Declined/Cancelled Contracts</b>									
ML11038	City of Santa Monica	5/18/2012	7/17/2018		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
MS11013	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Huntington Beach	\$150,000.00	No
MS11014	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Santa Ana	\$150,000.00	No
MS11015	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Inglewood	\$150,000.00	No
MS11046	Luis Castro				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11047	Ivan Borjas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11048	Phase II Transportation				\$1,080,000.00	\$0.00	Repower 27 Heavy-Duty Vehicles	\$1,080,000.00	No
MS11049	Ruben Caceras				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11050	Carlos Arrue				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11051	Francisco Vargas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11053	Jose Ivan Soltero				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11054	Albino Meza				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11059	Go Natural Gas				\$150,000.00	\$0.00	New Public Access CNG Station - Paramou	\$150,000.00	No
MS11063	Standard Concrete Products				\$310,825.00	\$0.00	Retrofit Two Off-Road Vehicles under Showc	\$310,825.00	No
MS11070	American Honda Motor Company				\$100,000.00	\$0.00	Expansion of Existing CNG Station	\$100,000.00	No
MS11072	Trillium USA Company DBA Californi				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS11077	DCL America Inc.				\$263,107.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$263,107.00	No
MS11083	Cattrac Construction, Inc.				\$500,000.00	\$0.00	Install DECS on Eight Off-Road Vehicles	\$500,000.00	No
MS11084	Ivanhoe Energy Services and Develo				\$66,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$66,750.00	No
MS11088	Diesel Emission Technologies				\$32,750.00	\$0.00	Retrofit Three H.D. Off-Road Vehicles Under	\$32,750.00	No
MS11089	Diesel Emission Technologies				\$9,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$9,750.00	No
MS11090	Diesel Emission Technologies				\$14,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$14,750.00	No
<b>Total: 22</b>									
<b>Closed Contracts</b>									
ML11007	Coachella Valley Association of Gov	7/29/2011	7/28/2012		\$250,000.00	\$249,999.96	Regional PM10 Street Sweeping Program	\$0.04	Yes
ML11020	City of Indio	2/1/2013	3/31/2019	9/30/2020	\$15,000.00	\$9,749.50	Retrofit one H.D. Vehicles w/DECS, repower	\$5,250.50	Yes
ML11021	City of Whittier	1/27/2012	9/26/2018	6/26/2019	\$210,000.00	\$210,000.00	Purchase 7 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11022	City of Anaheim	3/16/2012	7/15/2018		\$150,000.00	\$150,000.00	Purchase of 5 H.D. Vehicles	\$0.00	Yes
ML11023	City of Rancho Cucamonga	4/20/2012	12/19/2018	9/19/2020	\$260,000.00	\$260,000.00	Expand Existing CNG Station, 2 H.D. Vehicl	\$0.00	Yes
ML11025	County of Los Angeles Department o	3/14/2014	9/13/2021		\$150,000.00	\$150,000.00	Purchase 5 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11026	City of Redlands	3/2/2012	10/1/2018		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML11027	City of Los Angeles, Dept. of General	5/4/2012	7/3/2015	1/3/2016	\$300,000.00	\$300,000.00	Maintenance Facility Modifications	\$0.00	Yes
ML11028	City of Glendale	1/13/2012	5/12/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. CNG Vehicles	\$0.00	Yes
ML11030	City of Fullerton	2/3/2012	3/2/2018		\$109,200.00	\$109,200.00	Purchase 2 Nat. Gas H.D. Vehicles, Retrofit	\$0.00	Yes
ML11031	City of Culver City Transportation De	12/2/2011	12/1/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML11032	City of Gardena	3/2/2012	9/1/2018	10/1/2020	\$102,500.00	\$102,500.00	Purchase Heavy-Duty CNG Vehicle, Install S	\$0.00	Yes
ML11033	City of Los Angeles, Bureau of Sanit	3/16/2012	1/15/2019		\$1,080,000.00	\$1,080,000.00	Purchase 36 LNG H.D. Vehicles	\$0.00	Yes
ML11034	City of Los Angeles Dept of General	5/4/2012	1/3/2019		\$630,000.00	\$630,000.00	Purchase 21 H.D. CNG Vehicles	\$0.00	Yes
ML11035	City of La Quinta	11/18/2011	11/17/2012		\$25,368.00	\$25,368.00	Retrofit 3 On-Road Vehicles w/DECS	\$0.00	Yes
ML11036	City of Riverside	1/27/2012	1/26/2019	3/26/2021	\$670,000.00	\$670,000.00	Install New CNG Station, Purchase 9 H.D. N	\$0.00	Yes
ML11037	City of Anaheim	12/22/2012	12/21/2019		\$300,000.00	\$300,000.00	Purchase 12 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11039	City of Ontario, Housing & Municipal	1/27/2012	9/26/2018		\$180,000.00	\$180,000.00	Purchase 6 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11040	City of South Pasadena	5/4/2012	1/3/2019	1/3/2022	\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle	\$0.00	Yes
ML11041	City of Santa Ana	9/7/2012	11/6/2018	1/6/2021	\$265,000.00	\$244,651.86	Purchase 7 LPG H.D. Vehicles, Retrofit 6 H.	\$20,348.14	Yes
ML11042	City of Chino	2/17/2012	4/16/2018		\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle, Repower	\$0.00	Yes
ML11043	City of Hemet Public Works	2/3/2012	2/2/2019		\$60,000.00	\$60,000.00	Purchase 2 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML11044	City of Ontario, Housing & Municipal	1/27/2012	6/26/2019		\$400,000.00	\$400,000.00	Expand Existing CNG Station	\$0.00	Yes
ML11045	City of Newport Beach	2/3/2012	8/2/2018	3/2/2021	\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle	\$0.00	Yes
MS11001	Mineral LLC	4/22/2011	4/30/2013	4/30/2015	\$111,827.00	\$103,136.83	Design, Develop, Host and Maintain MSRC	\$8,690.17	Yes
MS11002	A-Z Bus Sales, Inc.	7/15/2011	12/31/2011	6/30/2013	\$1,705,000.00	\$1,705,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS11003	BusWest	7/26/2011	12/31/2011	12/31/2012	\$1,305,000.00	\$1,305,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS11004	Los Angeles County MTA	9/9/2011	2/29/2012		\$450,000.00	\$299,743.34	Clean Fuel Transit Service to Dodger Stadiu	\$150,256.66	Yes
MS11006	Orange County Transportation Autho	10/7/2011	2/29/2012	8/31/2012	\$268,207.00	\$160,713.00	Metrolink Service to Angel Stadium	\$107,494.00	Yes
MS11008	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11009	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11010	Border Valley Trading	8/26/2011	10/25/2017	4/25/2020	\$150,000.00	\$150,000.00	New LNG Station	\$0.00	Yes
MS11011	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Signal Hill	\$0.00	Yes
MS11012	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Buena Park	\$0.00	Yes
MS11016	CR&R Incorporated	4/12/2013	10/11/2019		\$100,000.00	\$100,000.00	New CNG Station - Perris	\$0.00	Yes
MS11017	CR&R, Inc.	3/2/2012	2/1/2018		\$100,000.00	\$100,000.00	Expansion of existing station - Garden Grove	\$0.00	Yes
MS11018	Orange County Transportation Autho	10/14/2011	1/31/2012		\$211,360.00	\$211,360.00	Express Bus Service to Orange County Fair	\$0.00	Yes
MS11019	City of Corona	11/29/2012	4/28/2020		\$225,000.00	\$225,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11052	Krisda Inc	9/27/2012	6/26/2013		\$120,000.00	\$120,000.00	Repower Three Heavy-Duty Vehicles	\$0.00	Yes
MS11055	KEC Engineering	2/3/2012	8/2/2018	8/2/2019	\$200,000.00	\$200,000.00	Repower 5 H.D. Off-Road Vehicles	\$0.00	Yes
MS11056	Better World Group Advisors	12/30/2011	12/29/2013	12/29/2015	\$206,836.00	\$186,953.46	Programmatic Outreach Services	\$19,882.54	Yes
MS11057	Riverside County Transportation Co	7/28/2012	3/27/2013		\$100,000.00	\$89,159.40	Develop and Implement 511 "Smart Phone"	\$10,840.60	Yes
MS11058	L A Service Authority for Freeway E	5/31/2013	4/30/2014		\$123,395.00	\$123,395.00	Implement 511 "Smart Phone" Application	\$0.00	Yes
MS11060	Rowland Unified School District	8/17/2012	1/16/2019	1/16/2020	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS11061	Eastern Municipal Water District	3/29/2012	5/28/2015		\$11,659.00	\$1,450.00	Retrofit One Off-Road Vehicle under Showc	\$10,209.00	Yes
MS11062	Load Center	9/7/2012	1/6/2016	12/6/2016	\$175,384.00	\$169,883.00	Retrofit Six Off-Road Vehicles under Showc	\$5,501.00	Yes
MS11065	Temecula Valley Unified School Distr	8/11/2012	1/10/2019		\$50,000.00	\$48,539.62	Expansion of Existing CNG Station	\$1,460.38	Yes
MS11066	Torrance Unified School District	11/19/2012	9/18/2018		\$42,296.00	\$42,296.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11067	City of Redlands	5/24/2012	11/23/2018	11/23/2019	\$85,000.00	\$85,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11068	Ryder System Inc.	7/28/2012	10/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Fontana)	\$0.00	Yes
MS11069	Ryder System Inc.	7/28/2012	8/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Orange)	\$0.00	Yes
MS11071	City of Torrance Transit Department	12/22/2012	1/21/2019	1/21/2020	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11074	SunLine Transit Agency	5/11/2012	7/31/2012		\$41,849.00	\$22,391.00	Transit Service for Coachella Valley Festival	\$19,458.00	Yes
MS11079	Bear Valley Unified School District	2/5/2013	10/4/2019		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11080	Southern California Regional Rail Aut	4/6/2012	7/31/2012		\$26,000.00	\$26,000.00	Metrolink Service to Auto Club Speedway	\$0.00	Yes
MS11086	DCL America Inc.	6/7/2013	10/6/2016		\$500,000.00	\$359,076.96	Retrofit Eight H.D. Off-Road Vehicles Under	\$140,923.04	Yes
MS11087	Cemex Construction Material Pacific,	10/16/2012	2/15/2016		\$448,766.00	\$448,760.80	Retrofit 13 H.D. Off-Road Vehicles Under Sh	\$5.20	Yes
MS11092	Griffith Company	2/15/2013	6/14/2016	12/14/2017	\$390,521.00	\$78,750.00	Retrofit 17 H.D. Off-Road Vehicles Under Sh	\$311,771.00	Yes

**Total: 58**

**Closed/Incomplete Contracts**

MS11064	City of Hawthorne	7/28/2012	8/27/2018	8/27/2019	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11076	SA Recycling, LLC	5/24/2012	9/23/2015		\$424,801.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$424,801.00	No
MS11081	Metropolitan Stevedore Company	9/7/2012	1/6/2016		\$45,416.00	\$0.00	Install DECS on Two Off-Road Vehicles	\$45,416.00	No
MS11082	Baumot North America, LLC	8/2/2012	12/1/2015		\$65,958.00	\$4,350.00	Install DECS on Four Off-Road Vehicles	\$61,608.00	Yes
MS11085	City of Long Beach	8/23/2013	12/22/2016		\$159,012.00	\$0.00	Retrofit Seven H.D. Off-Road Vehicles Unde	\$159,012.00	No
MS11091	California Cartage Company, LLC	4/5/2013	8/4/2016	2/4/2018	\$55,000.00	\$0.00	Retrofit Two H.D. Off-Road Vehicles Under	\$55,000.00	No

**Total: 6**

**Open/Complete Contracts**

ML11024	County of Los Angeles, Dept of Publi	12/5/2014	6/4/2022		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
MS11073	Los Angeles Unified School District	9/11/2015	2/10/2022		\$175,000.00	\$175,000.00	Expansion of Existing CNG Station	\$0.00	Yes

**Total: 2**

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
<b>FY 2011-2012 Contracts</b>									
<b>Open Contracts</b>									
ML12014	City of Santa Ana	11/8/2013	8/7/2020	2/7/2022	\$338,000.00	\$4,709.00	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$333,291.00	No
ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020	12/13/2026	\$400,000.00	\$0.00	Install New CNG Station	\$400,000.00	No
ML12090	City of Palm Springs	10/9/2015	10/8/2021	9/8/2025	\$21,163.00	\$0.00	EV Charging Infrastructure	\$21,163.00	No
ML12091	City of Bellflower	10/5/2018	10/4/2019	6/30/2022	\$100,000.00	\$34,759.94	EV Charging Infrastructure	\$65,240.06	No
<b>Total: 4</b>									
<b>Declined/Cancelled Contracts</b>									
ML12016	City of Cathedral City	1/4/2013	10/3/2019		\$60,000.00	\$0.00	CNG Vehicle & Electric Vehicle Infrastructure	\$60,000.00	No
ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte				\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12044	County of San Bernardino Public Wo				\$250,000.00	\$0.00	Install New CNG Station	\$250,000.00	No
ML12048	City of La Palma	1/4/2013	11/3/2018		\$20,000.00	\$0.00	Two Medium-Duty LPG Vehicles	\$20,000.00	No
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	No
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Access CNG Station	\$100,000.00	No
MS12027	C.V. Ice Company, Inc.	5/17/2013	11/16/2019		\$75,000.00	\$0.00	Purchase 3 Medium-Heavy Duty Vehicles	\$75,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
MS12067	Leatherwood Construction, Inc.	11/8/2013	3/7/2017		\$122,719.00	\$0.00	Retrofit Six Vehicles w/DECS - Showcase III	\$122,719.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No
<b>Total: 12</b>									
<b>Closed Contracts</b>									
ML12013	City of Pasadena	10/19/2012	3/18/2015	9/18/2015	\$200,000.00	\$65,065.00	Electric Vehicle Charging Infrastructure	\$134,935.00	Yes
ML12015	City of Fullerton	4/25/2013	11/24/2020	11/24/2021	\$40,000.00	\$40,000.00	HD CNG Vehicle, Expand CNG Station	\$0.00	Yes
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020	11/25/2021	\$950,000.00	\$950,000.00	32 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$16,837.00	EV Charging Infrastructure	\$21,163.00	Yes
ML12020	City of Los Angeles Dept of General	9/27/2012	3/26/2019	3/26/2020	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$40,000.00	Four Medium-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$110,000.00	2 Medium-Duty and Three Heavy-Duty CNG	\$0.00	Yes
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$192,333.00	EV Charging Infrastructure	\$57,667.00	Yes
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	11/3/2015	11/3/2017	\$68,977.00	\$38,742.16	EV Charging Infrastructure	\$30,234.84	Yes
ML12042	City of Chino Hills	1/18/2013	3/17/2017		\$87,500.00	\$87,500.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12043	City of Hemet	6/24/2013	9/23/2019	11/23/2021	\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$3,265.29	EV Charging Infrastructure	\$27,166.71	Yes
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$385,363.00	EV Charging Infrastructure	\$17,037.00	Yes
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$77,385.00	EV Charging Infrastructure	\$0.00	Yes
ML12055	City of Manhattan Beach	3/1/2013	12/31/2018		\$10,000.00	\$10,000.00	One Medium-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
ML12057	City of Coachella	8/28/2013	8/27/2019	1/27/2022	\$57,456.00	\$57,456.00	Purchase One Nat. Gas H.D. Vehicle/Street	\$0.00	Yes
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$5,900.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$211,170.00	Clean Fuel Transit Service to Dodger Stadium	\$88,830.00	Yes
MS12002	Orange County Transportation Autho	9/7/2012	4/30/2013		\$342,340.00	\$333,185.13	Express Bus Service to Orange County Fair	\$9,154.87	Yes
MS12003	Orange County Transportation Autho	7/20/2012	2/28/2013		\$234,669.00	\$167,665.12	Implement Metrolink Service to Angel Stadium	\$67,003.88	Yes
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12005	USA Waste of California, Inc.	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12006	Waste Management Collection & Re	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12008	Bonita Unified School District	7/12/2013	12/11/2019	4/11/2021	\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$150,000.00	Construct New Public-Access LNG Station	\$0.00	Yes
MS12010	Murrieta Valley Unified School Distric	4/5/2013	9/4/2019		\$242,786.00	\$242,786.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	5/28/2021	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12012	Rim of the World Unified School Dist	12/20/2012	5/19/2014		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12024	Southern California Gas Company	6/13/2013	12/12/2019	11/12/2020	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12025	Silverado Stages, Inc.	11/2/2012	7/1/2018		\$150,000.00	\$150,000.00	Purchase Six Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$353,048.26	Purchase 23 Medium-Heavy Duty Vehicles	\$146,951.74	Yes
MS12028	Dy-Dee Service of Pasadena, Inc.	12/22/2012	1/21/2019		\$45,000.00	\$40,000.00	Purchase 2 Medium-Duty and 1 Medium-He	\$5,000.00	Yes
MS12029	Community Action Partnership of Or	11/2/2012	11/1/2018		\$25,000.00	\$14,850.00	Purchase 1 Medium-Heavy Duty Vehicle	\$10,150.00	Yes
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$50,000.00	\$32,446.00	Purchase 2 Medium-Heavy Duty Vehicles	\$17,554.00	Yes
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018	6/21/2021	\$148,900.00	\$148,900.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12035	Disneyland Resort	1/4/2013	7/3/2019		\$25,000.00	\$18,900.00	Purchase 1 Medium-Heavy Duty Vehicle	\$6,100.00	Yes
MS12036	Jim & Doug Carter's Automotive/VSP	1/4/2013	11/3/2018		\$50,000.00	\$50,000.00	Purchase 2 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12058	Krisda Inc	4/24/2013	1/23/2019		\$25,000.00	\$25,000.00	Repower One Heavy-Duty Off-Road Vehicle	\$0.00	Yes
MS12059	Orange County Transportation Autho	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	Yes
MS12060	City of Santa Monica	4/4/2014	8/3/2017	8/3/2019	\$500,000.00	\$434,202.57	Implement Westside Bikeshare Program	\$65,797.43	Yes
MS12061	Orange County Transportation Autho	3/14/2014	3/13/2017		\$224,000.00	\$114,240.00	Transit-Oriented Bicycle Sharing Program	\$109,760.00	Yes
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$100,000.00	Install New Limited Access CNG Station	\$0.00	Yes
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$56,443.92	Implement Anaheim Circulator Service	\$70,852.08	Yes
MS12065	Orange County Transportation Autho	7/27/2013	11/30/2013		\$43,933.00	\$14,832.93	Ducks Express Service to Honda Center	\$29,100.07	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12068	Southern California Regional Rail Aut	3/1/2013	9/30/2013		\$57,363.00	\$47,587.10	Implement Metrolink Service to Autoclub Sp	\$9,775.90	Yes
MS12069	City of Irvine	8/11/2013	2/28/2014		\$45,000.00	\$26,649.41	Implement Special Transit Service to Solar	\$18,350.59	Yes
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$21,250.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$100,000.00	Construct New CNG Station	\$0.00	Yes
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$150,000.00	Construct New CNG Station	\$0.00	Yes
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12076	City of Ontario, Housing & Municipal	3/8/2013	4/7/2015		\$75,000.00	\$75,000.00	Maintenance Facilities Modification	\$0.00	Yes
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$73,107.00	Maintenance Facility Modifications - Vernon	\$1,893.00	Yes
MS12080	City of Pasadena	11/8/2013	8/7/2020	2/7/2022	\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$75,000.00	Maintenance Facility Modifications - Santa A	\$0.00	Yes
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$225,000.00	Purchase 23 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$125,000.00	Implement Rideshare Incentives Program	\$0.00	Yes
MS12088	Orange County Transportation Autho	12/6/2013	3/5/2016		\$125,000.00	\$18,496.50	Implement Rideshare Incentives Program	\$106,503.50	Yes
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$249,136.00	\$105,747.48	Implement Rideshare Incentives Program	\$143,388.52	Yes
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	Yes

**Total: 67**

**Closed/Incomplete Contracts**

ML12051	City of Bellflower	2/7/2014	2/6/2016	5/6/2018	\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12079	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Boyle H	\$75,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No

**Total: 4**

**Open/Complete Contracts**

ML12018	City of West Covina	10/18/2013	10/17/2020	8/17/2023	\$300,000.00	\$300,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018	5/1/2022	\$133,070.00	\$133,070.00	Purchase 8 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12075	CR&R Incorporated	7/27/2013	1/26/2021	1/26/2022	\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021	2/19/2023	\$175,000.00	\$175,000.00	Install New CNG Infrastructure	\$0.00	Yes
MS12083	Brea Olinda Unified School District	7/30/2015	2/29/2024		\$59,454.00	\$59,454.00	Install New CNG Infrastructure	\$0.00	Yes

**Total: 5**

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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### **FY 2012-2014 Contracts**

#### **Open Contracts**

ML14012	City of Santa Ana	2/13/2015	10/12/2021	4/12/2022	\$244,000.00	\$0.00	EV Charging and 7 H.D. LPG Vehicles	\$244,000.00	No
ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016	9/30/2024	\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14027	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	12/1/2025	\$492,000.00	\$0.00	Construct New CNG Station in Canyon Coun	\$492,000.00	No
ML14072	City of Cathedral City	8/13/2014	1/12/2021	7/12/2022	\$41,000.00	\$35,089.03	Install Bicycle Racks & Implement Bicycle E	\$5,910.97	No
MS14057	Los Angeles County MTA	11/7/2014	10/6/2019	10/6/2023	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018	4/4/2022	\$1,250,000.00	\$899,594.08	Implement Various Signal Synchronization P	\$350,405.92	No
MS14072	San Bernardino County Transportatio	3/27/2015	3/26/2018	3/26/2022	\$1,250,000.00	\$1,023,566.17	Implement Various Signal Synchronization P	\$226,433.83	No

**Total: 7**

#### **Declined/Cancelled Contracts**

ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existng CNG Infrastructure	\$32,000.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015	1/11/2020	\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14069	City of Beaumont	3/3/2017	3/2/2025		\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valle	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirad	\$75,000.00	No
MS14038	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Fontana	\$75,000.00	No
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS14078	American Honda Motor Co., Inc.	9/4/2015	8/3/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14085	Prologis, L.P.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14086	San Gabriel Valley Towing I				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14091	Serv-Wel Disposal				\$100,000.00	\$0.00	New Limited-Access CNG Infrastructure	\$100,000.00	No

**Total: 11**

#### **Closed Contracts**

ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$25,000.00	Street Sweeping Operations	\$0.00	Yes
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$78,627.00	Bicycle Racks, Bicycle Outreach & Educatio	\$373.00	Yes
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$56,000.00	EV Charging Infrastructure	\$0.00	Yes
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14016	City of Anaheim	4/3/2015	9/2/2021		\$380,000.00	\$380,000.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$0.00	Yes
ML14023	County of Los Angeles Department o	10/2/2015	9/1/2017	3/1/2021	\$230,000.00	\$230,000.00	Maintenance Fac. Modifications-Westcheste	\$0.00	Yes
ML14024	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2021	\$230,000.00	\$230,000.00	Maintenance Fac. Modifications-Baldwin Par	\$0.00	Yes
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$126,950.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$71,056.78	Bicycle Trail Improvements	\$19,443.22	Yes
ML14030	County of Los Angeles Internal Servi	1/9/2015	3/8/2018	7/30/2021	\$425,000.00	\$216,898.02	Bicycle Racks, Outreach & Education	\$208,101.98	Yes
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$90,000.00	Purchase 3 H.D. CNG Vehicles	\$0.00	Yes
ML14032	City of Rancho Cucamonga	1/9/2015	1/8/2022		\$113,990.00	\$104,350.63	Expansion of Existing CNG Infras., Bicycle L	\$9,639.37	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML14033	City of Irvine	7/11/2014	2/10/2021	2/10/2022	\$60,000.00	\$60,000.00	Purchase 2 H.D. CNG Vehicles	\$0.00	Yes
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$56,700.00	EV Charging Stations	\$0.00	Yes
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$101,976.09	One HD Nat Gas Vehicle, EV Charging, Bicy	\$3,023.91	Yes
ML14051	City of Brea	9/5/2014	1/4/2017	7/4/2018	\$450,000.00	\$450,000.00	Installation of Bicycle Trail	\$0.00	Yes
ML14054	City of Torrance	11/14/2014	4/13/2017	7/13/2017	\$350,000.00	\$319,908.80	Upgrade Maintenance Facility	\$30,091.20	Yes
ML14055	City of Highland	10/10/2014	3/9/2018	3/9/2019	\$500,000.00	\$489,385.24	Bicycle Lanes and Outreach	\$10,614.76	Yes
ML14056	City of Redlands	9/5/2014	5/4/2016	5/4/2018	\$125,000.00	\$125,000.00	Bicycle Lanes	\$0.00	Yes
ML14061	City of La Habra	3/11/2016	3/10/2022		\$41,600.00	\$41,270.49	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$329.51	Yes
ML14064	City of Claremont	7/11/2014	7/10/2020	1/10/2021	\$60,000.00	\$60,000.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$10,000.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14070	City of Rancho Cucamonga	9/3/2016	12/2/2018		\$365,245.00	\$326,922.25	Bicycle Trail Improvements	\$38,322.75	Yes
ML14071	City of Manhattan Beach	1/9/2015	11/8/2018		\$22,485.00	\$22,485.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14094	City of Yucaipa	6/9/2017	6/8/2018		\$84,795.00	\$84,795.00	Installation of Bicycle Lanes	\$0.00	Yes
ML14095	City of South Pasadena	1/10/2019	7/9/2019		\$142,096.00	\$134,182.09	Bicycle Trail Improvements	\$7,913.91	Yes
ML14096	County of Los Angeles Dept of Pub	5/3/2019	12/2/2019	3/2/2020	\$74,186.00	\$74,186.00	San Gabriel BikeTrail Underpass Improveme	\$0.00	Yes
ML14097	County of Los Angeles Internal Servi	9/6/2019	9/5/2020	9/5/2021	\$104,400.00	\$104,400.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS14001	Los Angeles County MTA	3/6/2015	4/30/2015		\$1,216,637.00	\$1,199,512.68	Clean Fuel Transit Service to Dodger Stadiu	\$17,124.32	Yes
MS14002	Orange County Transportation Autho	9/6/2013	4/30/2014		\$576,833.00	\$576,833.00	Clean Fuel Transit Service to Orange Count	\$0.00	Yes
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$184,523.00	Implement Metrolink Service to Angel Stadiu	\$9,712.00	Yes
MS14004	Orange County Transportation Autho	9/24/2013	4/30/2014		\$36,800.00	\$35,485.23	Implement Express Bus Service to Solar De	\$1,314.77	Yes
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$511,520.00	Provide Expanded Shuttle Service to Hollyw	\$3,680.00	Yes
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$189,622.94	Implement Special Metrolink Service to Ang	\$18,897.06	Yes
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$601,187.00	Implement Clean Fuel Bus Service to Orang	\$0.00	Yes
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014	3/31/2015	\$388,000.00	\$388,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS14037	Penske Truck Leasing Co., L.P.	4/7/2017	6/6/2020		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Carson	\$0.00	Yes
MS14039	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Irvine	\$0.00	Yes
MS14040	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Santa An	\$0.00	Yes
MS14041	USA Waste of California, Inc.	9/4/2015	10/3/2021		\$175,000.00	\$175,000.00	Limited-Access CNG Station, Vehicle Maint.	\$0.00	Yes
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$150,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS14044	TIMCO CNG Fund I, LLC	5/2/2014	11/1/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Santa A	\$0.00	Yes
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Inglewoo	\$0.00	Yes
MS14047	Southern California Regional Rail Aut	3/7/2014	9/30/2014		\$49,203.00	\$32,067.04	Special Metrolink Service to Autoclub Speed	\$17,135.96	Yes
MS14048	BusWest	3/14/2014	12/31/2014	5/31/2015	\$940,850.00	\$847,850.00	Alternative Fuel School Bus Incentive Progra	\$93,000.00	Yes
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$78,000.00	Expansion of an Existing CNG Fueling Statio	\$0.00	Yes
MS14053	Upland Unified School District	1/9/2015	7/8/2021		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14058	Orange County Transportation Autho	11/7/2014	4/6/2016	4/6/2017	\$1,250,000.00	\$1,250,000.00	Implement Various Signal Synchronization P	\$0.00	Yes
MS14073	Anaheim Transportation Network	1/9/2015	4/30/2017		\$221,312.00	\$221,312.00	Anaheim Resort Circulator Service	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14074	Midway City Sanitary District	1/9/2015	3/8/2021		\$250,000.00	\$250,000.00	Limited-Access CNG Station & Facility Modif	\$0.00	Yes
MS14077	County Sanitation Districts of L.A. Co	3/6/2015	5/5/2021		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14081	CR&R Incorporated	6/1/2015	5/30/2021		\$175,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure/Ma	\$75,000.00	Yes
MS14084	US Air Conditioning Distributors	5/7/2015	9/6/2021		\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14087	Orange County Transportation Autho	8/14/2015	4/30/2016		\$239,645.00	\$195,377.88	Implement Special Metrolink Service to Ang	\$44,267.12	Yes
MS14088	Southern California Regional Rail Aut	5/7/2015	9/30/2015		\$79,660.00	\$66,351.44	Special Metrolink Service to Autoclub Speed	\$13,308.56	Yes
MS14089	Top Shelf Consulting, LLC	1/18/2017	8/4/2016	3/31/2017	\$200,000.00	\$200,000.00	Enhanced Fleet Modernization Program	\$0.00	Yes
MS14090	City of Monterey Park	5/7/2015	5/6/2021		\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes

**Total: 57**

#### Closed/Incomplete Contracts

ML14020	County of Los Angeles Dept of Pub	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14050	City of Yucaipa	7/11/2014	9/10/2015	7/1/2016	\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14060	County of Los Angeles Internal Servi	10/6/2017	1/5/2019		\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016	2/11/2018	\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14093	County of Los Angeles Dept of Pub	8/14/2015	1/13/2019		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
MS14092	West Covina Unified School District	9/3/2016	12/2/2022		\$124,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$124,000.00	No

**Total: 6**

#### Open/Complete Contracts

ML14013	City of Los Angeles, Bureau of Sanit	10/7/2016	2/6/2025		\$400,000.00	\$400,000.00	Purchase 14 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14018	City of Los Angeles Dept of General	3/6/2015	9/5/2021	2/5/2026	\$810,000.00	\$810,000.00	Purchase 27 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14019	City of Corona Public Works	12/5/2014	6/4/2020	3/6/2023	\$111,518.00	\$111,517.18	EV Charging, Bicycle Racks, Bicycle Locker	\$0.82	Yes
ML14022	County of Los Angeles Department o	10/2/2015	5/1/2022		\$270,000.00	\$270,000.00	Purchase 9 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14025	County of Los Angeles Dept of Publi	10/2/2015	7/1/2018	7/1/2024	\$300,000.00	\$300,000.00	Construct New CNG Station in Malibu	\$0.00	Yes
ML14026	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	5/1/2024	\$300,000.00	\$300,000.00	Construct New CNG Station in Castaic	\$0.00	Yes
ML14062	City of San Fernando	3/27/2015	5/26/2021	10/31/2023	\$325,679.00	\$325,679.00	Expand Existing CNG Fueling Station	\$0.00	Yes
ML14067	City of Duarte	12/4/2015	1/3/2023	6/3/2024	\$60,000.00	\$60,000.00	Purchase Two Electric Buses	\$0.00	Yes
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020	11/14/2021	\$150,000.00	\$150,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14075	Fullerton Joint Union High School Di	7/22/2016	11/21/2023		\$300,000.00	\$293,442.00	Expansion of Existing CNG Infrastructure/Ma	\$6,558.00	Yes
MS14076	Rialto Unified School District	6/17/2015	2/16/2022	6/25/2023	\$225,000.00	\$225,000.00	New Public Access CNG Station	\$0.00	Yes
MS14079	Waste Resources, Inc.	9/14/2016	8/13/2022	10/13/2024	\$100,000.00	\$100,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14080	CR&R Incorporated	6/1/2015	8/31/2021	8/31/2022	\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure/Ma	\$0.00	Yes
MS14082	Grand Central Recycling & Transfer	12/4/2015	3/3/2023	3/3/2024	\$150,000.00	\$150,000.00	Construct New Public Access CNG Station	\$0.00	Yes
MS14083	Hacienda La Puente Unified School	7/10/2015	3/9/2022	6/9/2023	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes

**Total: 15**

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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## FY 2014-2016 Contracts

### Open Contracts

ML16006	City of Cathedral City	4/27/2016	4/26/2022		\$25,000.00	\$0.00	Bicycle Outreach	\$25,000.00	No
ML16010	City of Fullerton	10/7/2016	4/6/2023	4/6/2024	\$78,222.00	\$27,896.71	Install EV Charging Stations	\$50,325.29	No
ML16017	City of Long Beach	2/5/2016	8/4/2023	1/4/2026	\$1,445,400.00	\$1,375,400.00	Purchase 50 Medium-Duty, 17 H.D. Nat. Ga	\$70,000.00	No
ML16018	City of Hermosa Beach	10/7/2016	1/6/2023		\$29,520.00	\$23,768.44	Purchase 2 M.D. Nat. Gas Vehicles, Bicycle	\$5,751.56	No
ML16022	Los Angeles Department of Water an	5/5/2017	3/4/2024	9/4/2027	\$360,000.00	\$0.00	Purchase 12 H.D. Nat. Gas Vehicles	\$360,000.00	No
ML16025	City of South Pasadena	6/22/2016	4/21/2023	10/21/2024	\$160,000.00	\$0.00	Purchase H.D. Nat. Gas Vehicle, Expand Exi	\$160,000.00	No
ML16038	City of Palm Springs	4/1/2016	7/31/2022	9/30/2022	\$170,000.00	\$60,000.00	Install Bicycle Lanes & Purchase 2 Heavy-D	\$110,000.00	No
ML16039	City of Torrance Transit Department	1/6/2017	9/5/2022	9/5/2023	\$32,000.00	\$0.00	Install EV Charging Infrastructure	\$32,000.00	No
ML16047	City of Fontana	1/6/2017	8/5/2019	8/5/2022	\$500,000.00	\$0.00	Enhance an Existing Class 1 Bikeway	\$500,000.00	No
ML16048	City of Placentia	3/26/2016	5/25/2021	12/25/2026	\$80,000.00	\$18,655.00	Install EV Charging Infrastructure	\$61,345.00	No
ML16057	City of Yucaipa	4/27/2016	1/26/2019	1/26/2023	\$380,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$380,000.00	No
ML16071	City of Highland	5/5/2017	1/4/2020	1/4/2023	\$264,500.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$264,500.00	No
ML16075	City of San Fernando	10/27/2016	2/26/2019	8/26/2024	\$354,000.00	\$0.00	Install a Class 1 Bikeway	\$354,000.00	No
ML16077	City of Rialto	5/3/2018	10/2/2021	2/2/2026	\$463,216.00	\$158,105.51	Pedestrian Access Improvements, Bicycle L	\$305,110.49	No
ML16083	City of El Monte	4/1/2016	4/30/2021	4/30/2023	\$57,210.00	\$25,375.60	Install EV Charging Infrastructure	\$31,834.40	No
MS16086	San Bernardino County Transportatio	9/3/2016	10/2/2021		\$800,625.00	\$769,021.95	Freeway Service Patrols	\$31,603.05	Yes
MS16094	Riverside County Transportation Co	1/25/2017	1/24/2022	4/24/2023	\$1,909,241.00	\$0.00	MetroLink First Mile/Last Mile Mobility Strate	\$1,909,241.00	No
MS16110	City of Riverside	10/6/2017	2/5/2025	2/5/2026	\$300,000.00	\$71,250.00	Expansion of Existing CNG Station and Main	\$228,750.00	No
MS16115	City of Santa Monica	4/14/2017	7/13/2025		\$870,000.00	\$427,500.00	Repower 58 Transit Buses	\$442,500.00	No
MS16117	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No
MS16118	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No
MS16119	Omnitrans	4/21/2017	8/20/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS16120	Omnitrans	4/7/2017	5/6/2025		\$945,000.00	\$826,500.00	Repower 63 Existing Buses	\$118,500.00	No
MS16121	Long Beach Transit	11/3/2017	4/2/2024	11/30/2026	\$600,000.00	\$327,750.00	Repower 39 and Purchase 1 New Transit Bu	\$272,250.00	No
MS16123	Orange County Transportation Autho	12/7/2018	11/6/2023		\$91,760.00	\$0.00	Install La Habra Union Pacific Bikeway	\$91,760.00	No
MS16127	Los Angeles County MTA	6/29/2021		6/28/2022	\$2,500,000.00	\$2,500,000.00	Expansion of the Willowbrook/Rosa Parks Tr	\$0.00	No

**Total: 26**

### Declined/Cancelled Contracts

ML16014	City of Dana Point				\$153,818.00	\$0.00	Extend an Existing Class 1 Bikeway	\$153,818.00	No
ML16065	City of Temple City				\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16067	City of South El Monte				\$73,329.00	\$0.00	Implement an "Open Streets" Event	\$73,329.00	No
ML16074	City of La Verne	7/22/2016	1/21/2023		\$365,000.00	\$0.00	Install CNG Fueling Station	\$365,000.00	No
MS16043	LBA Realty Company LLC				\$100,000.00	\$0.00	Install Limited-Access CNG Station	\$100,000.00	No
MS16080	Riverside County Transportation Co				\$1,200,000.00	\$0.00	Passenger Rail Service for Coachella and St	\$1,200,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS16098	Long Beach Transit				\$198,957.00	\$0.00	Provide Special Bus Service to Stub Hub Ce	\$198,957.00	No
MS16104	City of Perris				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16106	City of Lawndale	3/1/2019	11/30/2025		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16107	Athens Services				\$100,000.00	\$0.00	Construct a Limited-Access CNG Station	\$100,000.00	No
MS16108	VNG 5703 Gage Avenue, LLC				\$150,000.00	\$0.00	Construct Public-Access CNG Station in Bell	\$150,000.00	No
MS16109	Sanitation Districts of Los Angeles C				\$275,000.00	\$0.00	Expansion of an Existing L/CNG Station	\$275,000.00	No
MS16111	VNG 925 Lakeview Avenue, LLC				\$150,000.00	\$0.00	Construct Public Access CNG Station in Pla	\$150,000.00	No

**Total: 13**

**Closed Contracts**

ML16009	City of Fountain Valley	10/6/2015	2/5/2018	5/5/2019	\$46,100.00	\$46,100.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16015	City of Yorba Linda	3/4/2016	11/3/2017		\$85,000.00	\$85,000.00	Install Bicycle Lanes	\$0.00	Yes
ML16020	City of Pomona	4/1/2016	2/1/2018	8/1/2018	\$440,000.00	\$440,000.00	Install Road Surface Bicycle Detection Syste	\$0.00	Yes
ML16023	City of Banning	12/11/2015	12/10/2021		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16026	City of Downey	5/6/2016	9/5/2017		\$40,000.00	\$40,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16028	City of Azusa	9/9/2016	4/8/2018		\$25,000.00	\$25,000.00	Enhance Existing Class 1 Bikeway	\$0.00	Yes
ML16031	City of Cathedral City	12/19/2015	2/18/2017		\$25,000.00	\$25,000.00	Street Sweeping in Coachella Valley	\$0.00	Yes
ML16032	City of Azusa	9/9/2016	4/8/2019	4/8/2021	\$474,925.00	\$474,925.00	Implement a "Complete Streets" Pedestrian	\$0.00	No
ML16033	Coachella Valley Association of Gov	4/27/2016	4/26/2018		\$250,000.00	\$250,000.00	Street Sweeping Operations in Coachella Va	\$0.00	Yes
ML16034	City of Riverside	3/11/2016	10/10/2018	7/10/2020	\$500,000.00	\$500,000.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16036	City of Brea	3/4/2016	12/3/2018		\$500,000.00	\$500,000.00	Install a Class 1 Bikeway	\$0.00	Yes
ML16042	City of San Dimas	4/1/2016	12/31/2019	12/31/2021	\$55,000.00	\$55,000.00	Install EV Charging Infrastructure	\$0.00	No
ML16045	City of Anaheim	6/22/2016	8/21/2019		\$275,000.00	\$255,595.08	Maintenance Facility Modifications	\$19,404.92	Yes
ML16049	City of Buena Park	4/1/2016	11/30/2018		\$429,262.00	\$429,262.00	Installation of a Class 1 Bikeway	\$0.00	Yes
ML16051	City of South Pasadena	2/12/2016	1/11/2017	12/11/2017	\$320,000.00	\$258,691.25	Implement "Open Streets" Event with Variou	\$61,308.75	Yes
ML16052	City of Rancho Cucamonga	9/3/2016	11/2/2019	3/31/2021	\$315,576.00	\$305,576.00	Install Two Class 1 Bikeways	\$10,000.00	No
ML16053	City of Claremont	3/11/2016	7/10/2018	12/10/2020	\$498,750.00	\$498,750.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16054	City of Yucaipa	3/26/2016	7/26/2018	10/25/2019	\$120,000.00	\$120,000.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16056	City of Ontario	3/23/2016	9/22/2020	9/22/2021	\$106,565.00	\$106,565.00	Expansion of an Existing CNG Station	\$0.00	Yes
ML16060	City of Cudahy	2/5/2016	10/4/2017		\$73,910.00	\$62,480.00	Implement an "Open Streets" Event	\$11,430.00	Yes
ML16061	City of Murrieta	4/27/2016	1/26/2020		\$11,642.00	\$9,398.36	Installation of EV Charging Infrastructure	\$2,243.64	Yes
ML16062	City of Colton	6/3/2016	7/2/2020		\$21,003.82	\$21,003.82	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16064	County of Orange, OC Parks	2/21/2017	10/20/2018		\$204,073.00	\$157,632.73	Implement "Open Streets" Events with Vario	\$46,440.27	Yes
ML16066	City of Long Beach Public Works	1/13/2017	9/12/2018		\$75,050.00	\$63,763.62	Implement an "Open Streets" Event	\$11,286.38	Yes
ML16068	Riverside County Dept of Public Heal	12/2/2016	8/1/2018		\$171,648.00	\$171,648.00	Implement "Open Streets" Events with Vario	\$0.00	Yes
ML16069	City of West Covina	3/10/2017	6/9/2021		\$54,199.00	\$54,199.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16072	City of Palm Desert	3/4/2016	1/4/2020	1/3/2022	\$56,000.00	\$56,000.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16073	City of Long Beach Public Works	1/13/2017	7/12/2017		\$50,000.00	\$50,000.00	Implement an "Open Streets" Event	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16076	City of San Fernando	2/21/2017	8/20/2021		\$43,993.88	\$43,993.88	Install EV Charging Infrastructure	\$0.00	Yes
ML16078	City of Moreno Valley	5/6/2016	11/5/2017	5/5/2018	\$32,800.00	\$31,604.72	Install Bicycle Infrastructure & Implement Bi	\$1,195.28	Yes
ML16079	City of Yucaipa	4/1/2016	3/31/2020		\$5,000.00	\$5,000.00	Purchase Electric Lawnmower	\$0.00	Yes
ML16122	City of Wildomar	6/8/2018	6/7/2019		\$500,000.00	\$500,000.00	Install Bicycle Lanes	\$0.00	Yes
ML16126	City of Palm Springs	7/31/2019	7/30/2020	10/30/2020	\$22,000.00	\$19,279.82	Install Bicycle Racks, and Implement Bicycle	\$2,720.18	Yes
MS16001	Los Angeles County MTA	4/1/2016	4/30/2017		\$1,350,000.00	\$1,332,039.84	Clean Fuel Transit Service to Dodger Stadiu	\$17,960.16	Yes
MS16002	Orange County Transportation Autho	10/6/2015	5/31/2016		\$722,266.00	\$703,860.99	Clean Fuel Transit Service to Orange Count	\$18,405.01	Yes
MS16003	Special Olympics World Games Los	10/9/2015	12/30/2015		\$380,304.00	\$380,304.00	Low-Emission Transportation Service for Sp	\$0.00	Yes
MS16004	Mineral LLC	9/4/2015	7/3/2017	1/3/2018	\$27,690.00	\$9,300.00	Design, Develop, Host and Maintain MSRC	\$18,390.00	Yes
MS16029	Orange County Transportation Autho	1/12/2018	6/11/2020		\$836,413.00	\$567,501.06	TCM Partnership Program - OC Bikeways	\$268,911.94	Yes
MS16030	Better World Group Advisors	12/19/2015	12/31/2017	12/31/2019	\$271,619.00	\$245,355.43	Programmic Outreach Services to the MSR	\$26,263.57	Yes
MS16084	Transit Systems Unlimited, Inc.	5/6/2016	2/28/2018		\$565,600.00	\$396,930.00	Implement Special Shuttle Service from Uni	\$168,670.00	Yes
MS16085	Southern California Regional Rail Aut	3/11/2016	9/30/2016		\$78,033.00	\$64,285.44	Special MetroLink Service to Autoclub Spee	\$13,747.56	Yes
MS16089	Orange County Transportation Autho	7/8/2016	4/30/2017		\$128,500.00	\$128,500.00	Implement Special Bus Service to Angel Sta	\$0.00	Yes
MS16092	San Bernardino County Transportatio	2/3/2017	1/2/2019		\$242,937.00	\$242,016.53	Implement a Series of "Open Streets" Event	\$920.47	Yes
MS16093	Orange County Transportation Autho	9/3/2016	3/2/2018	9/2/2018	\$1,553,657.00	\$1,499,575.85	Implement a Mobile Ticketing System	\$54,081.15	Yes
MS16095	Orange County Transportation Autho	7/22/2016	5/31/2017		\$694,645.00	\$672,864.35	Implement Special Bus Service to Orange C	\$21,780.65	Yes
MS16096	San Bernardino County Transportatio	10/27/2016	12/26/2019	6/30/2021	\$450,000.00	\$450,000.00	EV Charging Infrastructure	\$0.00	Yes
MS16099	Foothill Transit	3/3/2017	3/31/2017		\$50,000.00	\$50,000.00	Provide Special Bus Service to the Los Ange	\$0.00	Yes
MS16100	Southern California Regional Rail Aut	5/5/2017	9/30/2017		\$80,455.00	\$66,169.43	Provide Metrolink Service to Autoclub Speed	\$14,285.57	Yes
MS16124	Riverside County Transportation Co	12/14/2018	12/14/2019	5/14/2020	\$253,239.00	\$246,856.41	Extended Freeway Service Patrols	\$6,382.59	Yes
MS16125	San Bernardino County Transportatio	9/20/2019	11/19/2020		\$1,000,000.00	\$1,000,000.00	Traffic Signal Synchronization Projects	\$0.00	Yes

**Total: 50**

#### Closed/Incomplete Contracts

ML16005	City of Palm Springs	3/4/2016	10/3/2017		\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycle	\$40,000.00	No
ML16035	City of Wildomar	4/1/2016	11/1/2017		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
MS16082	Riverside County Transportation Co	9/3/2016	8/2/2018		\$590,759.00	\$337,519.71	Extended Freeway Service Patrols	\$253,239.29	No
MS16090	Los Angeles County MTA	10/27/2016	4/26/2020	10/26/2020	\$2,500,000.00	\$0.00	Expansion of the Willowbrook/Rosa Parks Tr	\$2,500,000.00	No
MS16091	San Bernardino County Transportatio	10/7/2016	11/6/2018		\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No

**Total: 5**

#### Open/Complete Contracts

ML16007	City of Culver City Transportation De	10/6/2015	4/5/2023		\$246,000.00	\$246,000.00	Purchase 7 H.D. Nat. Gas Vehicles, EV Cha	\$0.00	No
ML16008	City of Pomona	9/20/2016	11/19/2022	5/19/2025	\$60,000.00	\$60,000.00	Purchase 3 Medium-Duty and 1 Heavy-Duty	\$0.00	No
ML16011	City of Claremont	10/6/2015	6/5/2022		\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16012	City of Carson	1/15/2016	10/14/2022		\$60,000.00	\$60,000.00	Purchase 2 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16013	City of Monterey Park	12/4/2015	7/3/2022	7/3/2024	\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16016	City of Los Angeles Dept of General	2/5/2016	12/4/2022		\$630,000.00	\$630,000.00	Purchase 21 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16019	City of Los Angeles, Dept of General	1/25/2017	3/24/2023		\$102,955.00	\$102,955.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16021	City of Santa Clarita	10/7/2016	6/6/2024		\$49,400.00	\$49,399.00	Install EV Charging Infrastructure	\$1.00	Yes
ML16024	City of Azusa	4/27/2016	2/26/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16027	City of Whittier	1/8/2016	11/7/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16037	City of Rancho Cucamonga	2/5/2016	11/4/2022		\$30,000.00	\$30,000.00	Purchase One Heavy-Duty Natural Gas Vehi	\$0.00	Yes
ML16040	City of Eastvale	1/6/2017	7/5/2022	7/5/2026	\$110,000.00	\$53,908.85	Install EV Charging Infrastructure	\$56,091.15	No
ML16041	City of Moreno Valley	9/3/2016	1/2/2021	4/2/2024	\$20,000.00	\$20,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16046	City of El Monte	4/1/2016	5/31/2021	5/31/2023	\$20,160.00	\$14,637.50	Install EV Charging Infrastructure	\$5,522.50	No
ML16050	City of Westminster	5/6/2016	7/5/2020	5/5/2022	\$115,000.00	\$93,925.19	Installation of EV Charging Infrastructure	\$21,074.81	Yes
ML16055	City of Ontario	5/6/2016	5/5/2022		\$270,000.00	\$270,000.00	Purchase Nine Heavy-Duty Natural-Gas Veh	\$0.00	Yes
ML16058	Los Angeles County Department of P	10/7/2016	4/6/2024		\$371,898.00	\$371,898.00	Purchase 11 H.D. Nat. Gas Vehicles and Ins	\$0.00	Yes
ML16059	City of Burbank	4/1/2016	2/28/2022		\$180,000.00	\$180,000.00	Purchase 6 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML16063	City of Glendora	3/4/2016	4/3/2022		\$30,000.00	\$30,000.00	Purchase One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16070	City of Beverly Hills	2/21/2017	6/20/2023		\$90,000.00	\$90,000.00	Purchase 3 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS16081	EDCO Disposal Corporation	3/4/2016	10/3/2022		\$150,000.00	\$150,000.00	Expansion of Existing Public Access CNG St	\$0.00	Yes
MS16087	Burrtec Waste & Recycling Services,	7/8/2016	3/7/2023		\$100,000.00	\$100,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS16088	Transit Systems Unlimited, Inc.	5/12/2017	1/11/2023		\$17,000.00	\$17,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS16097	Walnut Valley Unified School District	10/7/2016	11/6/2022		\$250,000.00	\$250,000.00	Expand CNG Station & Modify Maintenance	\$0.00	Yes
MS16102	Nasa Services, Inc.	2/21/2017	4/20/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16103	Arrow Services, Inc.	2/3/2017	4/2/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16105	Huntington Beach Union High School	3/3/2017	7/2/2024		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16112	Orange County Transportation Autho	4/14/2017	3/13/2024		\$1,470,000.00	\$1,470,000.00	Repower Up to 98 Transit Buses	\$0.00	Yes
MS16113	Los Angeles County MTA	5/12/2017	4/11/2024		\$1,875,000.00	\$1,875,000.00	Repower Up to 125 Transit Buses	\$0.00	Yes
MS16114	City of Norwalk	3/3/2017	6/2/2024		\$45,000.00	\$32,170.00	Purchase 3 Transit Buses	\$12,830.00	Yes
MS16116	Riverside Transit Agency	3/3/2017	1/2/2023		\$10,000.00	\$9,793.00	Purchase One Transit Bus	\$207.00	Yes

**Total: 31**

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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## FY 2016-2018 Contracts

### Open Contracts

ML18020	City of Colton	5/3/2018	4/2/2024	12/2/2026	\$67,881.00	\$35,667.00	Purchase One Medium-Duty and One Heavy	\$32,214.00	No
ML18030	City of Grand Terrace	6/28/2018	3/27/2022	3/27/2025	\$45,000.00	\$0.00	Install EVSE	\$45,000.00	No
ML18031	City of Diamond Bar	9/7/2018	11/6/2025	11/6/2026	\$73,930.00	\$0.00	Install EVSE, Purchase up to 2-LD Vehicles	\$73,930.00	No
ML18036	City of Indian Wells	8/8/2018	5/7/2023	5/7/2025	\$50,000.00	\$0.00	Install EV Charging Stations	\$50,000.00	No
ML18041	City of West Hollywood	8/8/2018	12/7/2023	6/7/2024	\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18043	City of Yorba Linda	9/7/2018	12/6/2023	12/6/2024	\$87,990.00	\$0.00	Install EV Charging Infrastructure	\$87,990.00	No
ML18046	City of Santa Ana	11/9/2018	7/8/2026		\$385,000.00	\$0.00	Purchase 6 Light-Duty ZEVs, 9 Heavy-Duty	\$385,000.00	No
ML18047	City of Whittier	8/8/2018	4/7/2026		\$113,910.00	\$45,564.00	Purchase 5 Heavy-Duty Near-Zero Emission	\$68,346.00	No
ML18050	City of Irvine	9/7/2018	8/6/2028		\$330,490.00	\$0.00	Purchase 1 Medium/Heavy-Duty ZEV and In	\$330,490.00	No
ML18051	City of Rancho Cucamonga	3/1/2019	10/31/2025		\$91,500.00	\$30,000.00	Purchase 6 Light-Duty ZEVs, Install 3 Limite	\$61,500.00	No
ML18053	City of Paramount	9/7/2018	3/6/2023		\$64,675.00	\$0.00	Install EV Charging Infrastructure	\$64,675.00	No
ML18055	City of Long Beach	11/29/2018	11/28/2026		\$622,220.00	\$207,283.14	Install EV Charging Stations	\$414,936.86	No
ML18056	City of Chino	3/29/2019	9/28/2023		\$103,868.00	\$103,868.00	Install EV Charging Infrastructure	\$0.00	No
ML18057	City of Carson	10/5/2018	7/4/2023		\$106,250.00	\$50,000.00	Purchase 5 Zero-Emission Vehicles and Infr	\$56,250.00	No
ML18058	City of Perris	10/12/2018	11/11/2024		\$94,624.00	\$0.00	Purchase 1 Medim-Dity ZEV and EV Chargi	\$94,624.00	No
ML18059	City of Glendale Water & Power	2/1/2019	7/31/2026		\$260,500.00	\$0.00	Install Electric Vehicle Charging Infrastructur	\$260,500.00	No
ML18060	County of Los Angeles Internal Servi	10/5/2018	8/4/2026	8/4/2028	\$1,367,610.00	\$599,306.31	Purchase 29 Light-Duty Zero Emission Vehi	\$768,303.69	No
ML18063	City of Riverside	6/7/2019	1/6/2027		\$383,610.00	\$0.00	Expand Existing CNG Stations	\$383,610.00	No
ML18064	City of Eastvale	11/29/2018	4/28/2026	4/28/2028	\$80,400.00	\$28,457.43	Purchase 2 Light-Duty, One Medium-Duty. Z	\$51,942.57	No
ML18067	City of Pico Rivera	9/7/2018	11/6/2022	7/6/2025	\$83,500.00	\$0.00	Install EVSE	\$83,500.00	No
ML18068	City of Mission Viejo	7/31/2019	6/30/2027		\$125,690.00	\$10,000.00	Purchase 2 Light-Duty ZEVs, Install EVSE &	\$115,690.00	No
ML18069	City of Torrance	3/1/2019	7/31/2027		\$187,400.00	\$100,000.00	Purchase 4 Heavy-Duty Near-Zero Emission	\$87,400.00	No
ML18078	County of Riverside	10/5/2018	10/4/2028		\$375,000.00	\$300,000.00	Purchase 15 Heavy-Duty Vehicles	\$75,000.00	No
ML18080	City of Santa Monica	1/10/2019	12/9/2023	7/9/2025	\$121,500.00	\$14,748.62	Install EV Charging Stations	\$106,751.38	No
ML18082	City of Los Angeles Bureau of Sanita	8/30/2019	8/29/2028		\$900,000.00	\$0.00	Purchase Medium-Duty Vehicles and EV Ch	\$900,000.00	No
ML18083	City of San Fernando	11/2/2018	11/1/2022		\$20,000.00	\$0.00	Implement Traffic Signal Synchronization	\$20,000.00	No
ML18084	City of South El Monte	10/18/2019	9/17/2023	9/17/2024	\$30,000.00	\$0.00	EV Charging Infrastructure	\$30,000.00	No
ML18087	City of Murrieta	3/29/2019	3/28/2025		\$143,520.00	\$143,520.00	Install Four EV Charging Stations	\$0.00	No
ML18089	City of Glendora	7/19/2019	4/18/2025	4/18/2026	\$50,760.00	\$0.00	Purchase a medium-duty ZEV	\$50,760.00	No
ML18091	City of Temecula	1/19/2019	7/18/2023		\$141,000.00	\$0.00	Install Sixteen EV Charging Stations	\$141,000.00	No
ML18092	City of South Pasadena	2/1/2019	1/31/2025	4/30/2027	\$50,000.00	\$20,000.00	Procure Two Light-Duty ZEVs and Install EV	\$30,000.00	No
ML18093	City of Monterey Park	2/1/2019	2/28/2026		\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18094	City of Laguna Woods	7/12/2019	12/11/2024		\$50,000.00	\$0.00	Install Two EV Charging Stations	\$50,000.00	No
ML18098	City of Redondo Beach	2/1/2019	3/31/2023	3/31/2025	\$89,400.00	\$0.00	Install Six EV Charging Stations	\$89,400.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18099	City of Laguna Hills	3/1/2019	5/31/2023		\$32,250.00	\$0.00	Install Six EV Charging Stations	\$32,250.00	No
ML18100	City of Brea	10/29/2020	12/28/2024		\$56,500.00	\$0.00	Install Twenty-Four Level II EV Charging Sta	\$56,500.00	No
ML18101	City of Burbank	2/1/2019	4/30/2024	10/30/2024	\$137,310.00	\$0.00	Install Twenty EV Charging Stations	\$137,310.00	No
ML18129	City of Yucaipa	12/14/2018	3/13/2023		\$63,097.00	\$0.00	Install Six EV Charging Stations	\$63,097.00	No
ML18132	City of Montclair	4/5/2019	9/4/2023		\$40,000.00	\$0.00	Install Eight EVSEs	\$40,000.00	No
ML18134	City of Los Angeles Dept of General	5/3/2019	5/2/2028		\$290,000.00	\$0.00	Purchase Five Medium-Duty ZEVs	\$290,000.00	No
ML18135	City of Azusa	12/6/2019	12/5/2029		\$55,000.00	\$0.00	Purchase Three Light-Duty ZEVs and One H	\$55,000.00	No
ML18136	City of Orange	4/12/2019	8/11/2024		\$42,500.00	\$40,000.00	Purchase Four Light-Duty ZEVs and Install	\$2,500.00	No
ML18137	City of Wildomar	3/1/2019	5/31/2021	12/1/2022	\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18141	City of Rolling Hills Estates	2/14/2020	1/13/2024	1/13/2025	\$40,000.00	\$0.00	Purchase One Light-Duty ZEV and Install Tw	\$40,000.00	No
ML18142	City of La Quinta	4/24/2019	2/23/2023	8/23/2023	\$51,780.00	\$0.00	Install Two EV Charging Stations	\$51,780.00	No
ML18144	City of Fontana Public Works	10/4/2019	12/3/2023		\$269,090.00	\$0.00	Install Twelve EVSEs	\$269,090.00	No
ML18145	City of Los Angeles Dept of Transpor	1/10/2020	4/9/2027		\$1,400,000.00	\$0.00	Provide One Hundred Rebates to Purchaser	\$1,400,000.00	No
ML18146	City of South Gate	3/1/2019	11/30/2023	11/30/2025	\$127,400.00	\$50,000.00	Purchase Five Light-Duty ZEVs and Install T	\$77,400.00	No
ML18147	City of Palm Springs	1/10/2019	1/9/2024	7/9/2026	\$60,000.00	\$0.00	Install Eighteen EV Charging Stations	\$60,000.00	No
ML18151	County of San Bernardino Departme	8/25/2020	10/24/2029		\$200,000.00	\$0.00	Purchase Eight Heavy-Duty Near Zero Emis	\$200,000.00	No
ML18152	County of San Bernardino Flood Con	8/11/2020	10/10/2029		\$108,990.00	\$0.00	Purchase Five Heavy-Duty Near Zero Emissi	\$108,990.00	No
ML18159	City of Rialto	12/13/2019	5/12/2024	5/12/2025	\$135,980.00	\$0.00	Purchase Nine Light-Duty ZEVs and EV Cha	\$135,980.00	No
ML18161	City of Indio	5/3/2019	10/2/2025		\$25,000.00	\$10,000.00	Purchase 1 Light-Duty Zero Emission and E	\$15,000.00	No
ML18163	City of San Clemente	3/8/2019	12/7/2024	12/7/2025	\$85,000.00	\$70,533.75	Purchase Four Light-Duty ZEVs and EV Cha	\$14,466.25	No
ML18165	City of Baldwin Park	2/1/2019	1/30/2024		\$49,030.00	\$0.00	Expand CNG Station	\$49,030.00	No
ML18166	City of Placentia	2/18/2021	5/17/2027		\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emis	\$25,000.00	No
ML18167	City of Beverly Hills	3/29/2019	6/28/2025		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emis	\$50,000.00	No
ML18168	City of Maywood	3/29/2019	11/28/2022		\$7,059.00	\$0.00	Purchase EV Charging Infrastructure	\$7,059.00	No
ML18169	City of Alhambra	6/14/2019	8/13/2024		\$111,980.00	\$111,980.00	Install EV Charging Infrastructure	\$0.00	No
ML18170	City of Laguna Niguel	1/10/2020	8/9/2028		\$85,100.00	\$0.00	Purchase Two Light-Duty ZEVs and EV Cha	\$85,100.00	No
ML18172	City of Huntington Park	3/1/2019	2/28/2025		\$65,450.00	\$0.00	Purchase One Heavy-Duty ZEV	\$65,450.00	No
ML18174	City of Bell	11/22/2019	7/21/2026		\$25,000.00	\$0.00	Purchase One Heavy-Duty ZEV	\$25,000.00	No
ML18177	City of San Bernardino	6/7/2019	12/6/2026		\$279,088.00	\$0.00	Purchase Medium- and Heavy-Duty Evs and	\$279,088.00	No
ML18178	City of La Puente	11/1/2019	11/30/2025	11/30/2027	\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emis	\$25,000.00	No
ML18179	City of Rancho Mirage	8/20/2021	2/19/2022		\$50,000.00	\$50,000.00	Traffic Signal Synchronization	\$0.00	No
MS18002	Southern California Association of G	6/9/2017	11/30/2018	12/30/2021	\$2,500,000.00	\$2,276,272.46	Regional Active Transportation Partnership	\$223,727.54	No
MS18015	Southern California Association of G	7/13/2018	2/28/2021	8/31/2022	\$2,000,000.00	\$0.00	Southern California Future Communities Par	\$2,000,000.00	No
MS18023	Riverside County Transportation Co	6/28/2018	6/27/2021	12/27/2022	\$500,000.00	\$361,688.10	Weekend Freeway Service Patrols	\$138,311.90	No
MS18024	Riverside County Transportation Co	6/28/2018	8/27/2021	8/27/2023	\$1,500,000.00	\$659,640.00	Vanpool Incentive Program	\$840,360.00	No
MS18027	City of Gardena	11/2/2018	9/1/2026	1/1/2028	\$365,000.00	\$0.00	Install New Limited Access CNG, Modify Mai	\$365,000.00	No
MS18029	Irvine Ranch Water District	8/8/2018	10/7/2024		\$185,000.00	\$0.00	Install New Limited Access CNG Station & T	\$185,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS18065	San Bernardino County Transportatio	3/29/2019	8/28/2023		\$2,000,000.00	\$2,000,000.00	Implement Metrolink Line Fare Discount Pro	\$0.00	No
MS18073	Los Angeles County MTA	1/10/2019	2/9/2026		\$2,000,000.00	\$2,000,000.00	Purchase 40 Zero-Emission Transit Buses	\$0.00	No
MS18104	Orange County Transportation Autho	2/21/2020	3/31/2021	3/31/2022	\$212,000.00	\$165,235.92	Implement College Pass Transit Fare Subsid	\$46,764.08	No
MS18106	R.F. Dickson Co., Inc.	7/19/2019	1/18/2026		\$265,000.00	\$250,000.00	Expansion of Existing Infrastructure/Mechani	\$15,000.00	No
MS18108	Capistrano Unified School District	2/1/2019	5/30/2025		\$116,000.00	\$0.00	Expansion of Existing Infrastructure & Train	\$116,000.00	No
MS18110	Mountain View Unified School Distric	2/1/2019	3/31/2025		\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18114	Los Angeles County Department of P	11/15/2019	11/14/2026		\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18115	City of Commerce	6/7/2019	12/6/2025		\$275,000.00	\$0.00	Expansion of Existing L/CNG Infrastructure	\$275,000.00	No
MS18116	Los Angeles County Department of P	11/15/2019	11/14/2026		\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18118	City of Beverly Hills	3/29/2019	7/28/2025		\$85,272.00	\$0.00	Expansion of Existing CNG Infrastructure	\$85,272.00	No
MS18122	Universal Waste Systems, Inc.	2/1/2019	3/31/2025	3/31/2027	\$200,000.00	\$0.00	Install New Limited Acess CNG Infrastructur	\$200,000.00	No
MS18175	Regents of the University of Californi	6/7/2019	8/6/2025	8/6/2026	\$1,000,000.00	\$0.00	Expansion of Existing Hydrogen Station	\$1,000,000.00	No

**Total: 83**

#### Pending Execution Contracts

ML18148	City of San Dimas				\$50,000.00	\$0.00	Implement Bicycle Detection Measures	\$50,000.00	No
MS18180	Omnitrans				\$83,000.00	\$0.00	Modify Vehicle Maintenance Facility and Trai	\$83,000.00	No
MS18181	San Bernardino County Transportatio				\$1,662,000.00	\$0.00	Construct Hydrogen Fueling Station	\$1,662,000.00	No
MS18182	Air Products and Chemicals Inc.				\$1,000,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,000,000.00	No
MS18183	Nikola Energy, Inc.				\$1,660,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,660,000.00	No
MS18184	Clean Energy				\$1,000,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,000,000.00	No

**Total: 6**

#### Declined/Cancelled Contracts

ML18044	City of Malibu	8/8/2018	10/7/2022	10/7/2023	\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18075	City of Orange				\$25,000.00	\$0.00	One Heavy-Duty Vehicle	\$25,000.00	No
ML18140	City of Bell Gardens	12/14/2018	12/13/2028		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-ZEVs	\$50,000.00	No
ML18149	City of Sierra Madre				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18150	City of South El Monte				\$20,000.00	\$0.00	Implement Bike Share Program	\$20,000.00	No
ML18153	City of Cathedral City	5/3/2019	4/2/2025		\$52,215.00	\$0.00	Install EV Charging Infrastructure	\$52,215.00	No
ML18158	City of Inglewood				\$146,000.00	\$0.00	Purchase 4 Light-Duty Zero Emission, 4 Hea	\$146,000.00	No
ML18164	City of Pomona				\$200,140.00	\$0.00	Purchase Three Heavy-Duty ZEVs	\$200,140.00	No
MS18009	Penske Truck Leasing Co., L.P.	8/8/2018	12/7/2020		\$82,500.00	\$0.00	Modify Maintenance Facility & Train Technici	\$82,500.00	No
MS18013	California Energy Commission				\$3,000,000.00	\$0.00	Advise MSRC and Administer Hydrogen Infr	\$3,000,000.00	No
MS18017	City of Banning				\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS18018	City of Norwalk	6/8/2018	9/7/2019		\$75,000.00	\$0.00	Vehicle Maintenance Facility Modifications	\$75,000.00	No
MS18107	Huntington Beach Union High School				\$225,000.00	\$0.00	Expansion of Existing Infrastructure	\$225,000.00	No
MS18109	City of South Gate				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18111	Newport-Mesa Unified School District				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS18112	Banning Unified School District	11/29/2018	11/28/2024	11/28/2025	\$275,000.00	\$0.00	Install New CNG Infrastructure	\$275,000.00	No
MS18113	City of Torrance				\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS18119	LBA Realty Company XI LP				\$100,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$100,000.00	No
MS18121	City of Montebello				\$70,408.00	\$0.00	Expansion of Existing CNG Infrastructure	\$70,408.00	No

**Total: 19**

#### Closed Contracts

ML18021	City of Signal Hill	4/6/2018	1/5/2022		\$49,661.00	\$46,079.31	Install EV Charging Stations	\$3,581.69	Yes
ML18022	City of Desert Hot Springs	5/3/2018	1/2/2020	1/2/2021	\$50,000.00	\$50,000.00	Traffic Signal and Synchronization Project	\$0.00	Yes
ML18088	City of Big Bear Lake	11/29/2018	8/28/2020	8/28/2021	\$50,000.00	\$50,000.00	Install Bicycle Trail	\$0.00	Yes
ML18126	City of Lomita	12/7/2018	1/6/2020		\$26,500.00	\$13,279.56	Install bicycle racks and lanes	\$13,220.44	Yes
ML18139	City of Calimesa	8/30/2019	7/29/2020	11/29/2021	\$50,000.00	\$50,000.00	Install Bicycle Lane	\$0.00	No
MS18001	Los Angeles County MTA	6/29/2017	4/30/2018		\$807,945.00	\$652,737.07	Provide Clean Fuel Transit Service to Dodge	\$155,207.93	Yes
MS18003	Geographics	2/21/2017	2/20/2021	6/20/2021	\$72,453.00	\$65,521.32	Design, Host and Maintain MSRC Website	\$6,931.68	Yes
MS18004	Orange County Transportation Autho	8/3/2017	4/30/2019		\$503,272.00	\$456,145.29	Provide Special Rail Service to Angel Stadiu	\$47,126.71	Yes
MS18005	Orange County Transportation Autho	1/5/2018	4/30/2019		\$834,222.00	\$834,222.00	Clean Fuel Bus Service to OC Fair	\$0.00	Yes
MS18006	Anaheim Transportation Network	10/6/2017	2/28/2020		\$219,564.00	\$9,488.22	Implement Anaheim Circulator Service	\$210,075.78	Yes
MS18008	Foothill Transit	1/12/2018	3/31/2019		\$100,000.00	\$99,406.61	Special Transit Service to LA County Fair	\$593.39	Yes
MS18010	Southern California Regional Rail Aut	12/28/2017	7/31/2019		\$351,186.00	\$275,490.61	Implement Special Metrolink Service to Unio	\$75,695.39	Yes
MS18011	Southern California Regional Rail Aut	2/9/2018	6/30/2018		\$239,565.00	\$221,725.12	Special Train Service to Festival of Lights	\$17,839.88	Yes
MS18014	Regents of the University of Californi	10/5/2018	12/4/2019	3/4/2020	\$254,795.00	\$251,455.59	Planning for EV Charging Infrastructure Inve	\$3,339.41	Yes
MS18016	Southern California Regional Rail Aut	1/10/2019	3/31/2019		\$87,764.00	\$73,140.89	Special Train Service to Auto Club Speedwa	\$14,623.11	Yes
MS18025	Los Angeles County MTA	11/29/2018	5/31/2019		\$1,324,560.00	\$961,246.86	Special Bus and Train Service to Dodger Sta	\$363,313.14	Yes
MS18102	Orange County Transportation Autho	10/4/2019	5/31/2020		\$1,146,000.00	\$1,146,000.00	Implement OC Flex Micro-Transit Pilot Proje	\$0.00	Yes
MS18103	Orange County Transportation Autho	2/8/2019	9/7/2020		\$642,000.00	\$613,303.83	Install Hydrogen Detection System	\$28,696.17	Yes
MS18105	Southern California Regional Rail Aut	1/10/2019	6/30/2019		\$252,696.00	\$186,830.04	Special Train Service to the Festival of Light	\$65,865.96	Yes

**Total: 19**

#### Closed/Incomplete Contracts

ML18133	City of Rancho Mirage	12/7/2018	11/6/2020		\$50,000.00	\$0.00	Traffic Signal Synchronization	\$50,000.00	No
MS18026	Omnitrans	10/5/2018	1/4/2020		\$83,000.00	\$0.00	Modify Vehicle Maintenance Facility and Trai	\$83,000.00	No

**Total: 2**

#### Open/Complete Contracts

ML18019	City of Hidden Hills	5/3/2018	5/2/2022	5/2/2023	\$49,999.00	\$49,999.00	Purchase Two Light-Duty ZEVs and EVSE	\$0.00	Yes
ML18028	City of Artesia	6/28/2018	3/27/2025		\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18032	City of Arcadia	2/1/2019	4/30/2025		\$24,650.00	\$24,650.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18033	City of Duarte	8/8/2018	2/7/2025		\$50,000.00	\$50,000.00	Purchase 1-HD ZEV	\$0.00	Yes
ML18034	City of Calabasas	6/8/2018	3/7/2022	3/7/2023	\$50,000.00	\$50,000.00	Install EVSE	\$0.00	No
ML18035	City of Westlake Village	8/8/2018	11/7/2022		\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18037	City of Westminster	6/28/2018	6/27/2024	12/27/2026	\$120,900.00	\$120,900.00	Install EVSE, Purchase up to 3-LD ZEV & 1-	\$0.00	Yes
ML18038	City of Anaheim	10/5/2018	5/4/2025	5/4/2026	\$151,630.00	\$147,883.27	Purchase 5 Light-Duty ZEVs and Install EVS	\$3,746.73	Yes
ML18039	City of Redlands	6/28/2018	7/27/2024	1/27/2025	\$63,191.00	\$63,190.33	Purchase 1 Medium/Heavy-Duty ZEV and In	\$0.67	Yes
ML18040	City of Agoura Hills	7/13/2018	6/12/2022		\$17,914.00	\$17,914.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18042	City of San Fernando	6/28/2018	2/27/2024		\$10,000.00	\$10,000.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
ML18045	City of Culver City Transportation De	6/28/2018	6/27/2025		\$51,000.00	\$51,000.00	Purchase Eight Near-Zero Vehicles	\$0.00	Yes
ML18048	City of Lynwood	6/28/2018	10/27/2024		\$93,500.00	\$44,505.53	Purchase Up to 3 Medium-Duty Zero-Emissi	\$48,994.47	Yes
ML18049	City of Downey	7/6/2018	5/5/2023		\$148,260.00	\$148,116.32	Install EV Charging Stations	\$143.68	Yes
ML18052	City of Garden Grove	8/8/2018	10/7/2022		\$53,593.00	\$46,164.28	Purchase 4 L.D. ZEVs and Infrastructure	\$7,428.72	Yes
ML18054	City of La Habra Heights	8/8/2018	4/7/2022		\$9,200.00	\$9,200.00	Purchase 1 L.D. ZEV	\$0.00	Yes
ML18061	City of Moreno Valley	4/9/2019	2/8/2025		\$25,000.00	\$25,000.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18062	City of Beaumont	8/8/2018	9/7/2024		\$25,000.00	\$25,000.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18070	City of Lomita	11/29/2018	6/28/2022		\$6,250.00	\$6,250.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
ML18071	City of Chino Hills	9/7/2018	10/6/2022		\$20,000.00	\$20,000.00	Purchase 2 Light-Duty ZEVs	\$0.00	Yes
ML18072	City of Anaheim	12/18/2018	11/17/2026		\$239,560.00	\$239,560.00	Purchase 9 Light-Duty ZEVs & 2 Med/Hvy-D	\$0.00	Yes
ML18074	City of Buena Park	12/14/2018	6/13/2026		\$107,960.00	\$107,960.00	EV Charging Infrastructure	\$0.00	Yes
ML18076	City of Culver City Transportation De	10/5/2018	10/4/2023		\$1,130.00	\$1,130.00	Purchase Light-Duty ZEV	\$0.00	Yes
ML18077	City of Orange	11/2/2018	10/1/2022		\$59,776.00	\$59,776.00	Four Light-Duty ZEV and EV Charging Infr	\$0.00	Yes
ML18079	City of Pasadena	12/7/2018	11/6/2023		\$183,670.00	\$183,670.00	EV Charging Infrastructure	\$0.00	Yes
ML18081	City of Beaumont	10/5/2018	10/4/2022	10/4/2025	\$31,870.00	\$31,870.00	EV Charging Infrastructure	\$0.00	Yes
ML18085	City of Orange	4/12/2019	10/11/2026		\$50,000.00	\$50,000.00	Purchase Two Heavy-Duty Near-Zero Emissi	\$0.00	Yes
ML18086	City of Los Angeles Bureau of Street	2/8/2019	4/7/2023		\$300,000.00	\$300,000.00	Install Sixty EV Charging Stations	\$0.00	Yes
ML18090	City of Santa Clarita	5/9/2019	2/8/2023	2/8/2024	\$122,000.00	\$118,978.52	Install Nine EV Charging Stations	\$3,021.48	Yes
ML18095	City of Gardena	11/9/2018	12/8/2024		\$25,000.00	\$25,000.00	Purchase Heavy-Duty Near-ZEV	\$0.00	Yes
ML18096	City of Highland	12/13/2019	8/12/2024		\$10,000.00	\$9,918.84	Purchase Light-Duty Zero Emission Vehicle	\$81.16	Yes
ML18097	City of Temple City	11/29/2018	7/28/2022		\$16,000.00	\$12,000.00	Purchase Two Light-Duty ZEVs	\$4,000.00	Yes
ML18127	City of La Puente	2/1/2019	2/28/2023		\$10,000.00	\$7,113.70	Purchase Light-Duty Zero Emission Vehicle	\$2,886.30	Yes
ML18128	City of Aliso Viejo	8/30/2019	11/29/2023		\$65,460.00	\$65,389.56	Purchase Two Light-Duty ZEVs and Install S	\$70.44	No
ML18130	City of Lake Forest	3/1/2019	9/30/2022		\$106,480.00	\$106,480.00	Install Twenty-One EVSEs	\$0.00	No
ML18131	City of Los Angeles, Police Departm	5/3/2019	12/2/2022		\$19,294.00	\$19,294.00	Purchase Three Light-Duty ZEVs	\$0.00	Yes
ML18138	City of La Canada Flintridge	2/8/2019	5/7/2023		\$50,000.00	\$32,588.07	Install Four EVSEs and Install Bicycle Racks	\$17,411.93	No
ML18143	City of La Habra	10/18/2019	9/17/2025	9/17/2027	\$80,700.00	\$80,700.00	Install Two EV Charging Stations	\$0.00	Yes
ML18154	City of Hemet	11/22/2019	9/21/2023	3/21/2024	\$30,000.00	\$30,000.00	Purchase Two Light-Duty ZEVs and EV Cha	\$0.00	Yes
ML18155	City of Claremont	7/31/2019	9/30/2023		\$35,609.00	\$35,608.86	Install EV Charging Infrastructure	\$0.14	Yes
ML18156	City of Covina	2/1/2019	3/31/2023	12/31/2023	\$63,800.00	\$62,713.00	Purchase Four Light-Duty ZEVs and EV Cha	\$1,087.00	Yes
ML18157	City of Los Angeles Bureau of Street	6/21/2019	5/20/2027		\$85,000.00	\$85,000.00	Purchase One Medium-Duty ZEV	\$0.00	Yes
ML18160	City of Irwindale	3/29/2019	12/28/2022		\$14,263.00	\$14,263.00	Purchase Two Light-Duty ZEVs	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18162	City of Costa Mesa	1/10/2020	7/9/2026		\$148,210.00	\$148,210.00	Purchase Three Light-Duty ZEVs and EV Ch	\$0.00	Yes
ML18171	City of El Monte	3/1/2019	4/30/2025		\$119,757.00	\$68,077.81	Purchase One Heavy-Duty ZEVs and EV Ch	\$51,679.19	No
ML18173	City of Manhattan Beach	3/29/2019	2/28/2023		\$49,000.00	\$49,000.00	Purchase Two Light-Duty ZEVs and EV Cha	\$0.00	Yes
ML18176	City of Coachella	3/1/2019	11/30/2024		\$58,020.00	\$58,020.00	Install EV Charging Stations	\$0.00	Yes
MS18012	City of Hermosa Beach	2/2/2018	2/1/2024		\$36,000.00	\$36,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS18066	El Dorado National	12/6/2019	2/5/2026		\$100,000.00	\$100,000.00	Install New Limited-Access CNG Station	\$0.00	Yes
MS18117	City of San Bernardino	6/7/2019	11/6/2025		\$240,000.00	\$240,000.00	Expansion of Existing CNG Infrastructure/Me	\$0.00	No
MS18120	City of Redondo Beach	2/1/2019	9/30/2025		\$275,000.00	\$275,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18123	City Rent A Bin DBA Serv-Wel Dispo	12/14/2018	2/13/2025		\$200,000.00	\$200,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18124	County Sanitation Districts of Los An	7/31/2019	2/28/2027		\$275,000.00	\$275,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	No
MS18125	U.S. Venture	5/9/2019	8/8/2025		\$200,000.00	\$200,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes

**Total: 54**

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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### **FY 2018-2021 Contracts**

#### **Open Contracts**

MS21002	Better World Group Advisors	11/1/2019	12/31/2022		\$265,079.00	\$114,490.05	Programmatic Outreach Services	\$150,588.95	No
MS21004	Los Angeles County MTA	1/7/2021	5/31/2023		\$2,188,899.00	\$0.00	Clean Fuel Bus Service to Dodger Stadium	\$2,188,899.00	No
MS21005	Southern California Association of G	5/5/2021	1/31/2024		#####	\$0.00	Implement Last Mile Goods Movement Progr	#####	No
MS21006	Geographics	4/1/2021	6/20/2023		\$12,952.00	\$3,265.00	Hosting & Maintenance of the MSRC Websit	\$9,687.00	No
MS21010	MHX, LLC	9/29/2021	1/28/2028		\$569,275.00	\$0.00	Deploy One Zero-Emission Overhead Crane	\$569,275.00	No
MS21011	RDS Logistics Group	1/21/2022	7/20/2028		\$808,500.00	\$0.00	Deploy 3 Zero-Emission Yard Tractors and	\$808,500.00	No
MS21014	Green Fleet Systems, LLC	8/31/2021	8/30/2027		\$500,000.00	\$0.00	Deploy up to 5 Near Zero Emission Trucks	\$500,000.00	No
MS21015	Premium Transportation Services, In	9/22/2021	5/21/2027		\$1,500,000.00	\$0.00	Deploy up to 15 Near-Zero Emissions Truck	\$1,500,000.00	No
MS21017	MHX, LLC	9/29/2021	9/28/2030		\$1,900,000.00	\$0.00	Deploy up to 10 Zero-Emission Trucks & Infr	\$1,900,000.00	No
MS21018	Pac Anchor Transportation, Inc.	8/17/2021	8/16/2027		\$2,300,000.00	\$0.00	Deploy up to 23 Near Zero Emission Trucks	\$2,300,000.00	No

**Total: 10**

#### **Pending Execution Contracts**

MS21007	Penske Truck Leasing Co., L.P.				\$1,000,000.00	\$0.00	Deploy 5 Zero-Emission Yard Tractors	\$1,000,000.00	No
MS21008	CMA CGM (America) LLC				\$3,000,000.00	\$0.00	Deploy 2 Zero-Emission Rubber Tire Gantry	\$3,000,000.00	No
MS21009	ITS Technologies & Logistics, LLC				\$1,686,900.00	\$0.00	Deploy 12 Zero-Emission Yard Tractors	\$1,686,900.00	No
MS21012	Amazon Logistics, Inc.				\$4,157,710.00	\$0.00	Deploy up to 10 Zero-Emission and 100 Nea	\$4,157,710.00	No
MS21013	4 Gen Logistics				\$7,000,000.00	\$0.00	Deploy 40 Zero Emssion Trucks	\$7,000,000.00	No
MS21016	Ryder Integrated Logistics, Inc.				\$3,169,746.00	\$0.00	Procure Two Integrated Power Centers and	\$3,169,746.00	No
MS21019	Volvo Financial Services				\$3,930,270.00	\$0.00	Lease up to 14 Zero-Emission Trucks and Pr	\$3,930,270.00	No
MS21021	CMA CGM (America) LLC				\$1,946,463.00	\$0.00	Deploy up to 13 Near Zero Emission Trucks	\$1,946,463.00	No
MS21022	Orange County Transportation Autho				\$289,054.00	\$0.00	Implement Special Transit Service to the Or	\$289,054.00	No
MS21023	BNSF Railway Company				\$1,313,100.00	\$0.00	Install EV Charging Infrastructure	\$1,313,100.00	No

**Total: 10**

#### **Declined/Cancelled Contracts**

MS21020	Sea-Logix, LLC				\$2,300,000.00	\$0.00	Deploy up to 23 Near-Zero Emssions Trucks	\$2,300,000.00	No
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**Total: 1**

#### **Closed Contracts**

MS21001	Los Angeles County MTA	8/30/2019	7/29/2020		\$1,148,742.00	\$285,664.87	Implement Special Transit Service to Dodger	\$863,077.13	Yes
MS21003	Orange County Transportation Autho	7/8/2020	5/31/2021		\$468,298.00	\$241,150.48	Provide Express Bus Service to the Orange	\$227,147.52	Yes

**Total: 2**

[↑ Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 23

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board held meetings on March 10, 2022, and March 24, 2022. The following are summaries of the meetings.

RECOMMENDED ACTION:  
Receive and file.

Gideon Kracov, Member  
South Coast AQMD Governing Board

FT

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A Joint Meeting of the California Air Resources Board (CARB or Board) and the Assembly Bill 32 Environmental Justice Advisory Committee was held on March 10, 2022 via a web-based videoconferencing service. The key items presented are summarized below.

### **DISCUSSION ITEMS**

#### **22-4-1: Consideration of Appointment of New Members to Assembly Bill 32 Environmental Justice Advisory Committee**

The Board approved the appointment of two new members to the Assembly Bill 32 (AB 32, Ch. 488, Stats. 2006, California Global Warming Solutions Act of 2006) Environmental Justice Advisory Committee (EJAC). AB 32 requires CARB to convene the EJAC to advise the Board in developing the Scoping Plan for achieving reductions in greenhouse gas emissions and any other pertinent matter in implementing the California Global Warming Solutions Act of 2006. AB32 requires that the Committee be comprised of representatives from communities in the State with the most significant exposure to air pollution, including, but not limited to, communities with minority populations or low-income populations, or both (AB 32; Part 7. Miscellaneous Provisions Section 38591). The new members on the EJAC, as they advise CARB on the 2022 Scoping Plan, are Matt Holmes with Little Manila Rising and Juan Flores with the Center on Race, Poverty & the Environment.

**22-4-2: Environmental Justice Advisory Committee Leadership Presentation on Initial Scoping Plan Development Recommendations**

The AB 32 Environmental Justice Advisory Committee (EJAC) presented their preliminary draft recommendations at this joint discussion on the 2022 Scoping Plan with CARB's Board. The EJAC recommendations “call on CARB to collaborate with the EJAC to take a systemic approach to address the systemic problems EJ communities face in addressing the climate crisis.” Specifically, the recommendations include procedural concerns on the overall Scoping Plan process, the need to prioritize direction emissions, inadequacies of modeling as well as the lack of modeling data to inform the recommendations. Finally, the recommendations call for inclusion of California’s Indigenous community concerns, as well as direct engagement from California’s EJ communities to address equity and public health concerns. CARB staff will incorporate the EJAC recommendations to the extent possible in the draft Scoping Plan, which will be released in May 2022.

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The California Air Resources Board (CARB or Board) held a meeting remotely on March 24, 2022 via a web-based videoconferencing service. The key items presented are summarized below.

**DISCUSSION ITEMS**

**22-5-1: Public Hearing to Consider Proposed Amendments to the Commercial Harbor Craft Regulation**

The Board adopted amendments to the Commercial Harbor Craft Regulation, which aims to further reduce emissions from harbor craft in California. This is the second of two Board hearings on this item; the Board also certified the Final Environmental Analysis. Most harbor craft vessels use old engine technology. The regulation amendments will require zero-emission options where feasible, and cleaner combustion Tier 3 and 4 engines on all other vessels, as well as the use of diesel particulate filters. The regulation will be phased in beginning in 2023 through the end of 2032. The Board also directed staff to establish a technical working group and provide updates to the Board every two years beginning in 2024 as well as to continue collaborating with the sportfishing industry and conduct a review of technology available for sportfishing vessels by 2028.

**22-5-2: Public Meeting to Hear Draft Scenarios for Achieving Carbon Neutrality in the 2022 Scoping Plan Update**

The Board heard the second informational update on the development of the 2022 Scoping Plan update, which included preliminary emissions modeling results for various carbon neutrality scenarios, as well as next steps for CARB and the

Environmental Justice Advisory Committee, as well as continued public engagement. Staff presented four modeling scenarios that show that California would achieve drastic reductions in fossil fuel combustion and deliver air quality and greenhouse gas emissions benefits by 2035 and 2045, depending on the scenario. CO<sub>2</sub> removal and natural and working lands scenarios are incorporated in the modeling as these are necessary for California to be able to achieve carbon neutrality. Staff will come back to the Board in June with a draft plan, and there will be several opportunities for public engagement between now and then.

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**Attachments**

CARB March 10, 2022 and March 24 2022 Meeting Agendas



# Public Meeting Agenda

for the

## Joint Meeting of the California Air Resources Board and the Assembly Bill 32 Environmental Justice Advisory Committee

**Thursday, March 10, 2022**

In accordance with [Assembly Bill 361](#) (Gov. Code § 11133) as extended by Governor Newsom's Executive Order [N-1-22](#), the March 10, 2022, Joint meeting of the California Air Resources Board (CARB or Board) and the Assembly Bill 32 Environmental Justice Advisory Committee will not have a physical location open to the public. It will be a remote-only meeting conducted via a web-based videoconferencing service called Zoom. Members of the public who wish to comment verbally can register for the webinar.

The California Global Warming Solutions Act of 2006, (Health and Saf. Code §§ 38500 et seq.; Stats. 2006, ch. 488) (AB 32) calls for CARB to convene an Environmental Justice Advisory Committee (EJAC), to advise the Board in developing the Scoping Plan, and any other pertinent matter in implementing AB 32.

**[Register for the Webinar](#) – for those who wish to comment verbally at the hearing.**

Alternatively, during the Board Meeting, members of the public can offer verbal comments by calling in via telephone. Members of the public do not have to register beforehand if they call in using the number below.

Phone Number: (669) 900-6833

Webinar ID: 815 1765 7954

To only watch the Board Meeting and not provide verbal comments, please view the webcast. The webcast is the same video stream offered by CARB during normal Board Meetings. If you do not wish to provide verbal comments, we strongly recommend watching the webcast as this will free up space on the webinar for those who are providing verbal comments.

**[Webcast](#) – for those who only plan to observe the hearing.**

**[How to Participate in the Remote Board Meeting](#)  
[¿Cómo participar en la Reunión Remota del Consejo?](#)**

Spanish interpretation will be provided for the March 10, 2022, Board Meeting.

Thursday, March 10, 2022 @ 4:00 p.m.

## Discussion Items:

### Consideration of Appointment of New Members to Assembly Bill 32 Environmental Justice Advisory Committee

The California Air Resources Board will consider staff's recommendations for the appointment of new members to the EJAC, which was reconvened by the Board in 2021 to advise on development of the 2022 Scoping Plan pursuant to AB 32. CARB previously convened the EJAC in 2007, 2013, and 2015 to advise on development of prior Scoping Plans.

- [More Information](#)
- [Item Summary](#)
- [Meeting Presentation](#)
- [Proposed Resolution](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

### Environmental Justice Advisory Committee Leadership Presentation on Initial Scoping Plan Development Recommendations

The AB 32 Environmental Justice Advisory Committee (EJAC) will present for joint discussion initial EJAC recommendations submitted for CARB's consideration in the development of the 2022 Scoping Plan as well as context and background related to environmental justice within the Scoping Plan.

- [More Information](#)
- [Meeting Presentation](#)
- [EJAC Recommendations](#)
- [EJAC Recommendations \(Update as of 3/10/22, see page 12\)](#)
- [Background on 2022 Scoping Plan Update](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

## Other Information

[Submit Comments Electronically the Day of the Board Meeting](#)

[View Submitted Comments](#)

Please Note: PowerPoint presentations to be displayed during public comment at the Board meeting must be electronically submitted via email to the Clerks' Office at [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) no later than noon on the business day prior to the scheduled Board meeting.

**If you have any questions, please contact the Clerks' Office:**

1001 I Street, 23rd Floor, Sacramento, California 95814

[cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) or (916) 322-5594

CARB Homepage: [www.arb.ca.gov](http://www.arb.ca.gov)

## Special Accommodation Request

Consistent with California Government Code section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerks' Office at [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) or at (916) 322-5594 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

## Acomodación Especial

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor contacte la oficina del Consejo al (916) 322-5594 o por correo electronico al [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.



# Public Meeting Agenda

**Thursday, March 24, 2022**

[www.arb.ca.gov/ma032422](http://www.arb.ca.gov/ma032422)

In accordance with [Assembly Bill 361](#) (Gov. Code § 11133) as extended by Governor Newsom's Executive Order [N-1-22](#), the March 24, 2022, meeting of the California Air Resources Board (CARB) will not have a physical location open to the public. It will be a remote-only meeting conducted via a web-based videoconferencing service called Zoom. Members of the public who wish to comment verbally can register for the webinar.

## **Register for the Webinar – for those who wish to comment verbally at the hearing.**

Alternatively, during the Board Meeting, members of the public can offer verbal comments by calling in via telephone. Members of the public do not have to register beforehand if they call in using the number below.

Phone Number: (669) 900-6833

Webinar ID: 851 6900 1884

To only watch the Board Meeting and not provide verbal comments, please view the webcast. The webcast is the same video stream offered by CARB during normal Board Meetings. If you do not wish to provide verbal comments, we strongly recommend watching the webcast as this will free up space on the webinar for those who are providing verbal comments.

## **Webcast – for those who only plan to observe the hearing.**

### **How to Participate in the Remote Board Meeting**

### **Agenda de la Reunión Pública**

### **¿Cómo participar en la Reunión Remota del Consejo?**

Spanish interpretation will be provided for the March 24, 2022, Board Meeting.

**Thursday, March 24, 2022 @ 9:00 a.m.**

## **Discussion Items:**

The following agenda items may be heard in a different order at the Board meeting.

### **22-5-1: Public Hearing to Consider Proposed Amendments to the Commercial Harbor Craft Regulation**

The Board will consider the Proposed Amendments to the Commercial Harbor Craft Regulation, which aims to further reduce emissions from harbor craft in California. This is the second of two Board hearings on this item; the Board will also consider certifying the Final Environmental Analysis and approving the written response to comments on the Draft Environmental Analysis.

- [Formal Rulemaking Page](#)
- [Item Summary](#)
- [Hearing Presentation](#)
- [Proposed Resolution](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

## **22-5-2: Public Meeting to Hear Draft Scenarios for Achieving Carbon Neutrality in the 2022 Scoping Plan Update**

The Board will hear an informational update on development of the 2022 Scoping Plan update, which will include preliminary emissions modeling results for various carbon neutrality scenarios, as well as next steps for Board, Environmental Justice Advisory Committee, and public engagement.

- [More Information](#)
- [Item Summary](#)
- [Meeting Presentation](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

## **Closed Session**

The Board may hold a closed session, as authorized by Government Code section 11126(a)(1), and as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

*Alliance for California Business v. California State Transportation Agency, et al.*, Sacramento County Superior Court, Case No. 34-2016-80002491.

*American Lung Association, et al. v. United States Environmental Protection Agency, et al.* (D.C. Cir. 2021) 985 F.3d 914, cert. granted sub nom. *Westmoreland Mining Holdings v. EPA* (U.S., Oct. 29, 2021, No. 20-1778).

*Best Energy Solutions & Technology Corp., et al v. California Air Resources Board, et al.*, Kern County Superior Court, Case No. BCV-20-102198.

*California v. Stout, et al.*, United States District Court, Central District of California, Case No. 2:20-cv-00371.

*California v. Wheeler, et al.*, United States Court of Appeals, District of Columbia Circuit, Case No. 19-1239.

*California, et al. v. United States Environmental Protection Agency*, United States Court of Appeals for the District of Columbia Circuit, Case No. 21-1024.

*California, et al. v. United States Environmental Protection Agency, et al.*, United States Court of Appeals, District of Columbia Circuit, Case No. 21-1014.

*California Natural Gas Vehicle Coalition v. California Air Resources Board, et al.*, Fresno County Superior Court, Case No. 20CECG02250.

*Clean Energy Renewable Fuels, LLC v. California Air Resources Board*, Orange County Superior Court, Case No. 30-2020-01167039-CU-WM-CJC.

*Competitive Enterprise Inst. v. NHTSA*, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1145 (consolidated with No. 20-1167).

*Environmental Defense Fund, et al., v. Andrew Wheeler, et al.*, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1360.

*Friends of Oceano Dunes, Inc. v. California Coastal Commission, et al.*, U.S. District Court for the Central District of California, Case No. 2:17-cv-8733.

*South Coast Air Quality Management District v. City of Los Angeles, et al.*, Los Angeles County Superior Court, Case No. 20STCP02985.

*State of California v. United States Environmental Protection Agency*, United States Court of Appeals, District of Columbia Circuit, Case No. 18-1096.

*State of California v. Wheeler et. al.*, District of Columbia Circuit, Case No. 19-1239, consolidated under No. 19-1230 along with Nos. 19-1241, 19-1242, 19-1243, 19-1245, 19-1246, and 19-1249.

*State of California, et al., v. Andrew Wheeler, et al.*, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1359.

*State of California, et al. v. David Bernhardt, et al.*, United States District Court, Northern District of California, Case No. 3:18-cv-5712-DMR; United States Court of Appeals, Ninth Circuit, Case No. 20-16793.

*State of California, et al. v. United States Environmental Protection Agency*, United States Court of Appeals, District of Columbia Circuit, Case No. 21-1018.

*State of New York, et al. v. United States Environmental Protection Agency*, United States Court of Appeals, District of Columbia Circuit, Case No. 21-1026.

*State of New York, et al. v. United States Environmental Protection Agency, et al.*, United States Court of Appeals, District of Columbia Circuit, Case No. 21-1028.

*State of Massachusetts v. EPA*, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1265.

*State of New York, et al. v. Andrew Wheeler and the United States Environmental Protection Agency*, U.S. District Court, District of Columbia, Case No. 1:18-cv-00773.

*State of North Dakota v. United States Environmental Protection Agency*, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1381.

*State of North Dakota, et al. v. United States Environmental Protection Agency*, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

*State of Wyoming, et al. v. United States Department of the Interior, et al.*, U.S. District Court, District of Wyoming, Case No. 16-CV-285-SWS; United States Court of Appeals, Tenth Circuit, Case No. 20-8073.

*Truck Trailer Manufacturers Association, Inc. v. United States Environmental Protection Agency, et al.*, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1430.

*People v. Southern California Gas Company*, Los Angeles Superior Court, Case No. BC 602973.

*The Two Hundred, et al. v. California Air Resources Board, et al.*, Fresno County Superior Court, Case No. 18CECG01494.

*Western States Petroleum Association v. California Air Resources Board*, Los Angeles County Superior Court, Case No. 20STCP03138x.

*Westmoreland Mining v. EPA*, United States Court of Appeals, District of Columbia Circuit, Case No. 20-1160.

*W.O. Stinson & Son LTD. v. Western Climate Initiative, Inc.*, Ontario Canada Superior Court, Case No. CV-20-00083726-0000.

## **Opportunity for Members of the Board to Comment on Matters of Interest**

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

## **Open Session to Provide an Opportunity for Members of the Public to Address the Board on Subject Matters within the Jurisdiction of the Board**

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak. The public will also have an opportunity to [submit written comments](#) for open session the morning of the Board Meeting.

## **Other Information**

[Submit Comments Electronically the Day of the Board Meeting](#)

[View Submitted Comments](#)

Please Note: PowerPoint presentations to be displayed during public comment at the Board meeting must be electronically submitted via email to the Clerks' Office at [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) no later than noon on the business day prior to the scheduled Board meeting.

**If you have any questions, please contact the Clerks' Office:**

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Sacramento, California 95814  
[cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) or (916) 322-5594  
CARB Homepage: [www.arb.ca.gov](http://www.arb.ca.gov)

## Special Accommodation Request

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- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerks' Office at [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) or at (916) 322-5594 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

## Acomodación Especial

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- Documentos disponibles en un formato alterno u otro idioma;
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Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor contacte la oficina del Consejo al (916) 322-5594 o por correo electronico al [cotb@arb.ca.gov](mailto:cotb@arb.ca.gov) lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

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BOARD MEETING DATE: April 1, 2022

AGENDA NO. 25

PROPOSAL: Determine That Proposed Amendments to Rule 1147 – NO<sub>x</sub> Reductions from Miscellaneous Sources, Are Exempt from CEQA; and Amend Rule 1147 (*Staff is recommending that the public hearing on this item be moved to the May 6, 2022 Board Meeting*)

SYNOPSIS: Proposed Amended Rule 1147 applies to RECLAIM and non-RECLAIM facilities and is being amended to update the NO<sub>x</sub> emission limits and establish new CO limits to reflect BARCT emission limits for applicable equipment categories. The proposed amendment also includes additional combustion equipment that is currently not regulated, establishes compliance schedules with interim emission limits, includes provisions for monitoring, reporting, recordkeeping, and revises exemptions. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1147 – NO<sub>x</sub> Reductions from Miscellaneous Sources, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1147 – NO<sub>x</sub> Reductions from Miscellaneous Sources.  
(Reviewed: Stationary Source Committee, February 18, 2022)

[↑ Back to Agenda](#)

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 26

**PROPOSAL:** Determine That Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces, Is Exempt from CEQA; and Adopt Proposed Rule 1147.2

**SYNOPSIS:** Proposed Rule 1147.2 will establish NOx and CO emission limits for metal melting, metal heat treating, and metal heating and forging units at non-RECLAIM, RECLAIM, and former RECLAIM facilities. The proposed rule also establishes compliance schedules with interim emission limits, includes provisions for emissions monitoring, reporting, and recordkeeping, and incorporates exemptions. This action is to adopt the Resolution: 1) Determining that Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces, is exempt from the requirements of the California Environmental Quality Act; and 2) Adopting Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces.

**COMMITTEE:** Stationary Source, February 18, 2022, Reviewed

**RECOMMENDED ACTIONS:**

Adopt the attached Resolution:

1. Determining that Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces, is exempt from the requirements of the California Environmental Quality Act; and
2. Adopting Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces.

Wayne Natri  
Executive Officer

SR:MK:MM:RC:JM

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**Background**

Rule 1147 was adopted on December 5, 2008. Rule 1147 applies to facilities that are not subject to RECLAIM and establishes NOx limits of either 30 ppmv or 60 ppmv for

miscellaneous gaseous and liquid fuel-fired combustion equipment, including ovens, afterburners, calciners, and furnaces.

Metal melting, metal heat treating, and metal heating and forging units formerly subject to Rule 1147 will be subject to Proposed Rule 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces (PR 1147.2). In addition, PR 1147.2 is a landing rule to transition RECLAIM facilities to a command-and-control regulatory structure. PR 1147.2 proposes NO<sub>x</sub> and CO emission concentration limits that are designed to meet BARCT.

### **Public Process**

Development of PR 1147.2 was conducted through a public process. Staff has held nine Working Group meetings on May 16, 2019, August 6, 2019, November 6, 2019, February 5, 2020, June 18, 2020, September 3, 2020, February 2, 2021, July 8, 2021, and September 2, 2021. The Working Group meetings included a variety of stakeholders such as affected facilities, industry associations, equipment vendors, public agencies, and environmental and community groups. A Public Workshop was held on January 20, 2022. All public meetings after March 2020 were held virtually due to COVID-19. As part of this rulemaking process, staff had individual meetings with affected stakeholders, industry groups, and conducted site visits at facilities subject to this rule.

### **Proposed Rule**

PR 1147.2 applies to non-RECLAIM, RECLAIM, and former RECLAIM facilities that operate metal melting, metal heat treating, and metal heating and forging furnaces. PR 1147.2 establishes NO<sub>x</sub> and CO concentration limits for furnaces subject to this rule. Interim NO<sub>x</sub> concentration limits are proposed to maintain the existing Rule 1147 NO<sub>x</sub> concentration for furnaces at non-RECLAIM facilities and the default NO<sub>x</sub> emission factor for furnaces at former RECLAIM facilities until these furnaces become subject to the NO<sub>x</sub> and CO concentration limits of the proposed rule. PR 1147.2 also establishes implementation schedules based on the burner age of the furnace. Units that demonstrate compliance with certain NO<sub>x</sub> concentration limits are provided a longer compliance timeframe of 32 years, while all other units are required to meet the proposed BARCT limit when the unit's burners reach 12 years old or are replaced. An alternative staggered implementation schedule is provided for those facilities with multiple units. PR 1147.2 exempts units that emit less than one pound NO<sub>x</sub> per day, averaged over a calendar month, consistent with Rule 1147 and permitting exemptions. Periodic source testing is required of all units without CEMS. CEMS are required for units with a rated heat input capacity greater than or equal to 40 MMBtu/hr. Operators are required to maintain records of CEMS, source test reports, monthly time or fuel usage records, as applicable, burner age, and furnace alterations.

### **Emission Reductions**

Implementation of PR 1147.2 is expected to reduce NO<sub>x</sub> emissions by 0.50 tons per day. PR 1147.2 will affect 583 furnaces across 86 facilities, 21 of which are RECLAIM facilities.

### **Key Issues**

Through the rulemaking process, staff has worked with stakeholders to address and resolve all issues. Staff is not aware of any remaining key issues.

### **California Environmental Quality Act**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, PR 1147.2 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 and is included as Attachment H to this Board letter. If PR 1147.2 is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

### **Socioeconomic Analysis**

Approximately 21 RECLAIM facilities and approximately 65 non-RECLAIM facilities would be affected by PR 1147.2. Out of these 86 affected facilities, 50 facilities are expected to incur additional compliance costs through burner replacement or installation of SCR. The remaining facilities may incur minor additional cost impacts, since units meet the alternative NO<sub>x</sub> limit and they will meet the final NO<sub>x</sub> limit at the end of the useful life of their existing burner.

Out of the 50 affected facilities, 47 facilities are under the manufacturing sector (NAICS 31-33), two under wholesale trade (NAICS 42), and one under retail trade (NAICS 44-45). The average annual compliance cost of PR 1147.2 is estimated at \$2.8 to \$3.2 million. It is projected that PR 1147.2 will result in an annual average of 69 jobs forgone annually from 2023 to 2048. The 69 jobs forgone represents less than 0.0006 percent of total annual average jobs (about 11.6 million) in the region. The majority of jobs forgone are expected to occur in the manufacturing sector with an average of 22 jobs foregone per year. The jobs foregone do not necessarily represent the loss of an existing job, it can also represent a job that will not be created in the future.

### **AQMP and Legal Mandates**

PR 1147.2 will partially implement CMB-05 – Further NO<sub>x</sub> Reductions from RECLAIM Assessment in the 2016 AQMP and will reduce NO<sub>x</sub> emissions and facilitate the transition of facilities in the NO<sub>x</sub> RECLAIM program to a command-and-control regulatory structure. PR 1147.2 also implements AB 617 by establishing BARCT requirements. PR 1147.2 implements Sections 110, 172, 173, and 182(e) of the Clean Air Act and will be submitted to CARB and U.S. EPA for inclusion into the State Implementation Plan.

**Resource Impacts**

Existing staff resources are adequate to implement the proposed rule. To address the increased number of permit applications, PR 1147.2 includes a staggered implementation schedule to better distribute these permit applications.

**Attachments**

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Proposed Rule 1147.2
- G. Final Staff Report with Socioeconomic Impact Assessment
- H. Notice of Exemption from CEQA
- I. Board Presentation

## ATTACHMENT A

### SUMMARY OF PROPOSAL

#### **Proposed Rule 1147.2 NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces**

##### Emission Limits

- Establishes NO<sub>x</sub> and CO concentration limits for metal melting, metal heat treating, and metal heating and forging furnaces
- Establishes transitional NO<sub>x</sub> concentration limits for units at non-RECLAIM and former RECLAIM facilities
- Provides implementation schedules based on units' burner age, rated heat input capacity, and current NO<sub>x</sub> concentration
- Provides an alternative staggered implementation schedule for facilities operating multiple impacted units subject to the rule

##### Monitoring, Recordkeeping, and Reporting

- Requires periodic source testing for all units not equipped with a Continuous Emissions Monitoring System (CEMS)
- Requires CEMS for units with a rated heat input capacity greater than or equal to 40 MMBtu/hr
- Requires maintaining records of compliance demonstrations, burner age, and furnace alterations
- Requires maintaining records demonstrating compliance for low-emitting units that emit less than one pound NO<sub>x</sub> per day, averaged over a calendar month, if applicable

##### Exemptions

- Provides exemption from the concentration limits and source testing for units that demonstrate NO<sub>x</sub> emissions of less than one pound per day, averaged over a calendar month
- Provides exemption from the concentration limits for units equipped with a CEMS during periods of refractory dry-out, startup, and shutdown

## **ATTACHMENT B**

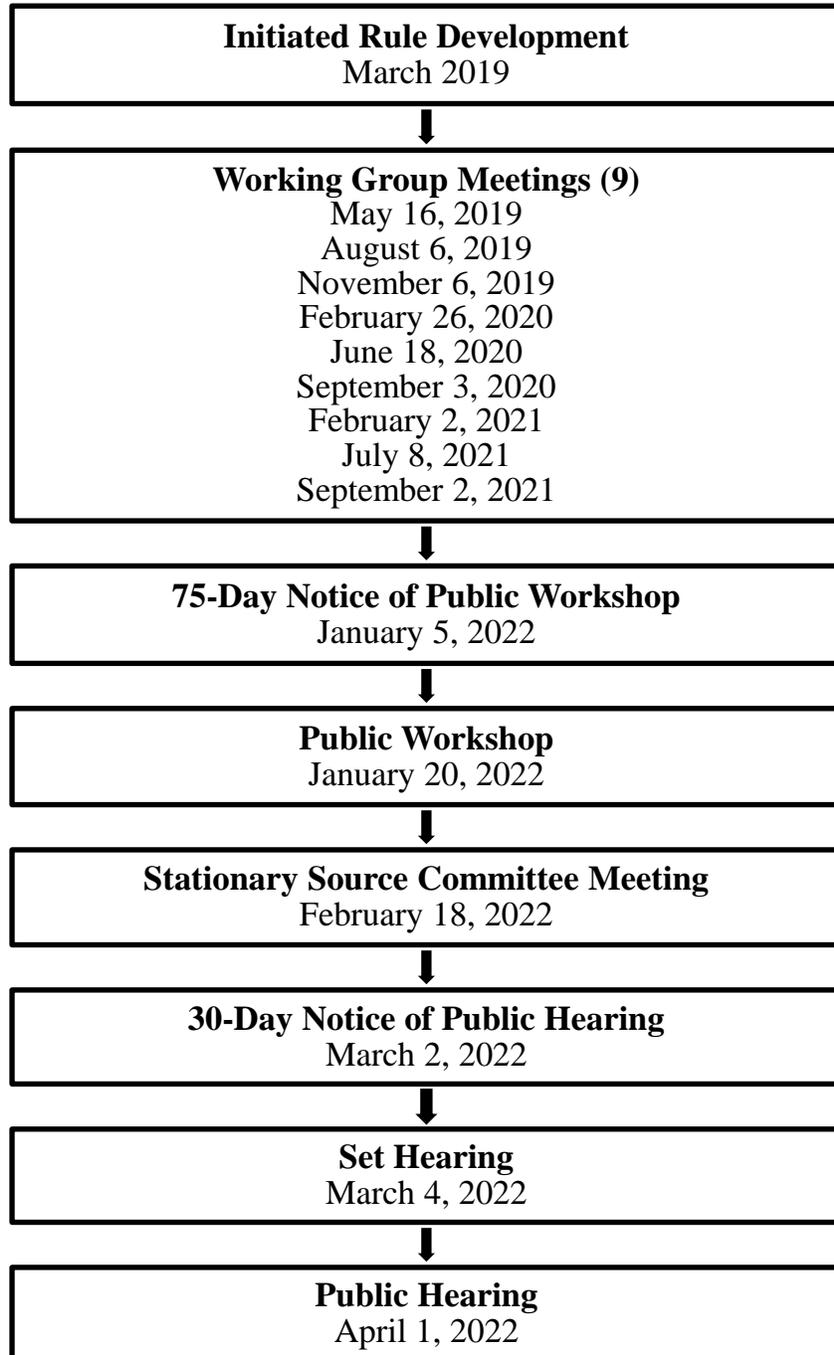
### **KEY ISSUES AND RESPONSES**

#### **Proposed Rule 1147.2 NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces**

Through the rulemaking process, staff worked with stakeholders to resolve issues and is not aware of any remaining key issues.

**ATTACHMENT C**  
**RULE DEVELOPMENT PROCESS**

**Proposed Rule 1147.2**  
**NOx Reductions from Metal Melting and Heating Furnaces**



**Thirty-six (36) months spent in rule development**  
**One (1) Public Workshop**  
**One (1) Stationary Source Committee Meeting**  
**Nine (9) Working Group Meetings**

**ATTACHMENT D**  
**KEY CONTACTS LIST**

**Proposed Rule 1147.2**  
**NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces**

Astro Aluminum	Merit Aluminum Corp
Bloom Engineering	Midco International
Bodycote Thermal Processing	Nationwide
California Air Resources Board	Ontario Extrusions
California Amforge Corporation	Prime Wheel
California Metals Coalition	P.R.L. Aluminum
California Steel Industries, Inc	Ramboll
Carleton Engineers & Consultants	Rohr, Inc.
Carlton Forge	Saint-Gobain
Fives North America	Semco Enter
Forged Metals	Shultz Steel
Furnace Dynamics	Sierra Aluminum
George T Hall	Trilogy Regulatory Services
Honeywell Thermal Solutions	Tri-Mer Corporation
Howmet Aerospace	TST, Inc.
Hughes Bros Aircrafters Inc	U.S. EPA
Kaiser Aluminum	Vista Metals
Mattco Forge	Weber Metals

**ATTACHMENT E**

**RESOLUTION NO. 22-\_\_\_\_**

**A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Rule 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces is exempt from the requirements of the California Environmental Quality Act (CEQA).**

**A Resolution of the South Coast AQMD Governing Board adopting Rule 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces.**

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that Proposed Rule 1147.2 is considered a “project” as defined by CEQA; and

**WHEREAS**, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l), and has conducted a CEQA review and analysis of Proposed Rule 1147.2 pursuant to such program (South Coast AQMD Rule 110); and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Rule 1147.2 is exempt from CEQA; and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that, since physical modifications are anticipated to occur over an extended period of time (e.g., within three years but up to 35 years) with minimal construction impacts, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment, and is therefore exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

**WHEREAS**, the South Coast AQMD staff has prepared a Notice of Exemption for Proposed Rule 1147.2 that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

**WHEREAS**, Proposed Rule 1147.2 and supporting documentation, including but not limited to, the Notice of Exemption and the Final Staff Report, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the proposed project; and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Rule 1147.2 since the Notice of Public Hearing was published are clarifications that meet the same air quality objective and are not so substantial as to significantly affect the meaning of Proposed Rule 1147.2 within the meaning of Health and Safety Code Section 40726 because the changes to paragraph (c)(7), paragraph (d)(3), subparagraphs (d)(1)(B), (d)(7)(A), (d)(7)(B), (d)(8)(B), (e)(4)(A), (e)(4)(B), and (e)(7)(C), Table 4, subdivision (g), subparagraphs (h)(7)(B), (h)(8)(C), and (h)(11)(B), and paragraphs (h)(13), (j)(1), and (k)(4) are to clarify rule language and the addition of South Coast AQMD Source Test Method 7.1 and EPA Test Method 19 in paragraph (h)(5) are to correct an inadvertent deletion and: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rule, (c) the changes are consistent with the information contained in the Notice of Public Hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because Proposed Rule 1147.2 is exempt from CEQA; and

**WHEREAS**, Proposed Rule 1147.2 will be submitted for inclusion into the State Implementation Plan; and

**WHEREAS**, Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that a need exists to adopt Rule 1147.2 provide nitrogen oxide (NO<sub>x</sub>) and carbon monoxide (CO) limits for the metal melting and heating industry to reflect current Best Available Retrofit Control Technology (BARCT) concentration limits to continue with the transition of facilities in the RECLAIM program to a command-and-control regulatory structure to meet the commitments of Control Measure CMB-05 of the Final 2016 Air Quality Management Plan; and

**WHEREAS**, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 39650 et. seq., 40000, 40001, 40440, 40441, 40506, 40510, 40702, 40725 through 40728, 40920.6, 41508, 41700, and 42300 et seq.; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Rule 1147.2 is written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Rule 1147.2 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Rule 1147.2 does not impose the same requirements as any existing state or federal regulations, and the proposed rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

**WHEREAS**, the South Coast AQMD Governing Board, in adopting Rule 1147.2, references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Assembly Bill 617 and Health and Safety Code Sections 39002, 39616, 40001, 40406, 40506, 40702, 40440(a), 40725 through 40728.5, 40920.6, and 42300 et seq., and Clean Air Act sections 110, 172, 173, and 182(e); and

**WHEREAS**, Health and Safety Code Section 40727.2 requires the South Coast AQMD to prepare a written analysis of existing federal air pollution control requirements applicable to the same source type being regulated whenever it adopts or amends a rule, and that the South Coast AQMD's comparative analysis of Proposed Rule 1147.2 is included in the Final Staff Report; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment of Proposed Rule 1147.2, as found in the Final Staff Report, is consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule adoption; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment is consistent with the provisions of Health and Safety Code Sections 40440.8, 40728.5, and 40920.6; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Rule 1147.2 will result in increased costs to the affected industries, yet are considered to be reasonable, with a total annualized cost as specified in the Socioeconomic Impact Assessment of Proposed Rule 1147.2, as found in the Final Staff Report; and

**WHEREAS**, the South Coast AQMD Governing Board has actively considered the Socioeconomic Impact Assessment, as found in the Final Staff Report, and has made a good faith effort to minimize such impacts; and

**WHEREAS**, the South Coast AQMD staff conducted a Public Workshop regarding Proposed Rule 1147.2 on January 20, 2022; and

**WHEREAS**, the public hearing has been properly noticed in accordance with the provisions of Health and Safety Code Sections 40725 and 40440.5; and

**WHEREAS**, the South Coast AQMD Governing Board has held a public hearing in accordance with all applicable provisions of state and federal law; and

**WHEREAS**, the South Coast AQMD specifies the Planning and Rules Manager of Proposed Rule 1147.2 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed rule

is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

**NOW, THEREFORE BE IT RESOLVED**, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Rule 1147.2 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. This information has been presented to the South Coast AQMD Governing Board, whose members exercised their independent judgment and reviewed, considered, and approved the information therein prior to acting on Proposed Rule 1147.2; and

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Rule 1147.2 as set forth in the attached, and incorporated herein by reference; and

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board requests that Proposed Rule 1147.2 be submitted into the State Implementation Plan; and

**BE IT FURTHER RESOLVED**, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Rule 1147.2 and supporting documentation to the California Air Resources Board for approval and subsequent submittal to the U.S. Environmental Protection Agency for inclusion into the State Implementation Plan.

DATE: \_\_\_\_\_

\_\_\_\_\_  
CLERK OF THE BOARDS

## ATTACHMENT F

(Adopted April 1, 2022)

V032222

### **RULE 1147.2      NOX REDUCTIONS FROM METAL MELTING AND HEATING FURNACES**

*[Rule index to be included after rule adoption]*

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(a) Purpose

The purpose of this rule is to reduce emissions of Nitrogen Oxide (NO<sub>x</sub>) and Carbon Monoxide (CO) from Metal Melting Furnaces, Metal Heat Treating Furnaces, Metal Heating Furnaces, and Metal Forging Furnaces.

(b) Applicability

This rule applies to an owner or operator of a Metal Melting Furnace, Metal Heat Treating Furnace, Metal Heating Furnace, or Metal Forging Furnace that requires a South Coast AQMD permit.

(c) Definitions

- (1) ALTERATION means any physical change or addition to an Existing Unit requiring an application for Permit to Construct pursuant to South Coast AQMD Rule 201 – Permit to Construct.
- (2) BTU means British thermal unit or units.
- (3) CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS) means the total combined equipment and systems required to continuously determine air contaminants and diluent gas concentrations and/or a mass emission rate of a source effluent (as applicable). The CEMS consists of three major subsystems: sampling interface, analyzer, and data acquisition system.
- (4) DECOMMISSION means to permanently shut down a Unit by removing the fuel, air, electricity, or other utility source connected to it and inactivate the Unit's applicable South Coast AQMD permit.
- (5) EXISTING means operating or in place as of *[Date of Adoption]*.
- (6) FORMER RECLAIM FACILITY means a facility, or any of its successors, that was in the Regional Clean Air Incentives Market (RECLAIM) program as of January 5, 2018, as established in Regulation XX, that has received a final determination notification, and is no longer in the RECLAIM program.

- (7) HEAT INPUT means the chemical heat released due to assumed complete combustion of fuel in a ~~unit~~Unit, using the higher heating value of the fuel. This does not include the sensible heat of incoming combustion air.
- (8) METAL FORGING FURNACE means a device which applies heat to a solid metal to allow for its further processing, forming, or shaping.
- (9) METAL HEAT TREATING FURNACE means a device where heat is applied to a solid metal in order to alter its chemical properties, alter its microstructure to achieve desired mechanical properties (strength, hardness, toughness, ductility, and corrosion resistance), or alter its surface chemistry.
- (10) METAL HEATING FURNACE means a device where heat is applied to a solid metal in order to alter its physical properties.
- (11) METAL MELTING FURNACE means a device where metal is heated to, or maintained in, a molten state.
- (12) NEW UNIT means a Unit that is installed, relocated, or replaced after [*Date of Adoption*].
- (13) NON-RECLAIM FACILITY means a facility, or any of its successors, that was not in the Regional Clean Air Incentives Market program as of January 5, 2018, as established in Regulation XX.
- (14) OPERATING HOURS means the number of hours in which fuel is burned by a UNIT.
- (15) OXIDES OF NITROGEN (NOX) EMISSIONS is the sum of nitrogen oxide and nitrogen dioxide in the flue gas, collectively expressed as nitrogen dioxide.
- (16) RADIANT-TUBE BURNER means an indirect-fired burner where combustion takes place in a tube to prevent contact between the products of combustion and the parts being heated.
- (17) RATED HEAT INPUT CAPACITY means the Heat Input of the combustion Unit specified on a permanent rating plate attached by the manufacturer to the device. If the Unit has been altered or modified, the new Rated Heat Input Capacity as specified in subparagraph (i)(2)(A) shall be considered as the Rated Heat Input Capacity.
- (18) RECLAIM FACILITY means a facility, or any of its successors, that was in the Regional Clean Air Incentives Market program as of January 5, 2018, as established in Regulation XX.

- (19) REFRACTORY DRY-OUT is as defined in South Coast AQMD Rule 429 – Startup and Shutdown Exemption Provisions for Oxides of Nitrogen.
  - (20) SHUTDOWN is as defined in South Coast AQMD Rule 429 – Startup and Shutdown Exemption Provisions for Oxides of Nitrogen.
  - (21) STARTUP is as defined in South Coast AQMD Rule 429 – Startup and Shutdown Exemption Provisions for Oxides of Nitrogen.
  - (22) THERM means 100,000 Btu.
  - (23) UNIT means any Metal Melting Furnace, Metal Heat Treating Furnace, Metal Heating Furnace, or Metal Forging Furnace.
- (d) Requirements
- (1) Until an owner or operator is required to meet the NO<sub>x</sub> and CO concentration limits in Table 1 or the alternative NO<sub>x</sub> and CO concentration limits in Table 2 pursuant to the implementation schedule in subdivision (e), the owner or operator shall not operate a Unit that exceeds a NO<sub>x</sub> concentration limit of:
    - (A) 60 ppmv, corrected to 3% oxygen, dry, for any Unit at a Non-RECLAIM Facility as demonstrated pursuant to subdivision (h); or
    - (B) 102 ppmv, corrected to 3% oxygen, dry, or an existing NO<sub>x</sub> ~~emission~~ concentration limit, whichever is lower, and as demonstrated pursuant to subdivision (h), for any Unit at a RECLAIM Facility upon the date of becoming a Former RECLAIM Facility.
  - (2) An owner or operator of a Unit with a Rated Heat Input Capacity less than 40 MMBtu/hr shall not operate the Unit that exceeds the applicable NO<sub>x</sub> or CO concentration limits in Table 1 beyond the dates specified in the implementation schedule in paragraph (e)(1) as demonstrated pursuant to subdivision (h).
  - (3) An owner or operator of a Unit with a Rated Heat Input Capacity less than 40 MMBtu/hr and where the burner age is less than 32 years old, as of January 1, 2023 as determined pursuant to subdivision (f), may elect to comply with the NO<sub>x</sub> and CO concentration limits in Table 1 pursuant to the alternative implementation schedule in paragraph (e)(2), provided that:
    - (A) The owner or operator operates the Unit in compliance with the permit if the Unit has an Existing permit condition that complies with the alternative NO<sub>x</sub> and CO concentration limits in Table 2; or

- (B) The owner or operator of a Unit that does not have an Existing permit condition pursuant to subparagraph (d)(3)(A):
  - (i) Submits a permit application by July 1, 2023, to add a permit condition to the Permit to Operate that requires compliance with the alternative NO<sub>x</sub> and CO concentration limits in Table 2; and
  - (ii) Demonstrates compliance with the alternative NO<sub>x</sub> and CO concentration limits in Table 2 by a source test conducted pursuant to subdivision (h) and the source test report is approved by the Executive Officer pursuant to the implementation schedule in paragraph (e)(2) where the source test has been conducted no later than 36 months prior to the application submittal and where no modification to the Unit has been made between the date of the source test and when the permit application is submitted.
- (4) An owner or operator of a Unit greater than or equal to 40 MMBtu/hr shall not operate a Unit that exceeds the applicable NO<sub>x</sub> or CO concentration limits in Table 1 beyond the dates specified in the implementation schedule in paragraph (e)(3).
- (5) An owner or operator of a New Unit shall not operate a New Unit that exceeds the applicable NO<sub>x</sub> or CO concentration limits in Table 3.
- (6) In lieu of complying with the NO<sub>x</sub> and CO concentration limit requirements of paragraphs (d)(1) through (d)(4) an owner or operator of a Unit may elect to Decommission the Unit pursuant to paragraph (e)(6).
- (7) In lieu of complying with the NO<sub>x</sub> and CO concentration limit requirements of paragraphs (d)(1) through (d)(5), an owner or operator of a Unit may elect to comply with the following, whichever is lower:
  - (A) NO<sub>x</sub> emissions less than one pound per day, averaged over a calendar month, pursuant to subdivision (g) and maintain records pursuant to subdivision (j); or
  - (B) Any new or Existing permit limit of less than one pound of NO<sub>x</sub> per day.
- (8) An owner or operator of a Unit electing to comply with paragraph (d)(7) that fails to demonstrate compliance with paragraph (d)(7) shall:
  - (A) Submit a permit application to meet the concentration limits in Table 1 within 180 days of failure to demonstrate compliance with paragraph (d)(7); and

**Rule 1147.2 (Cont.)**

**(Adopted April 1, 2022)**

- (B) Meet the concentration limits in Table 1 no later ~~than~~ ~~than 12 months after~~ ~~a permit is issued.~~
- (i) 12 months after a permit is issued; or
  - (ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205.

**Table 1 – NOx and CO Concentration Limits for Existing Units**

Unit Size	Furnace Type	Temperature	NOx Limit <sup>1,2</sup> (ppmv)	CO Limit <sup>1</sup> (ppmv)
< 40 MMBtu/hr	Metal Melting	All Temperatures	40	1,000
	Metal Heat Treating, Metal Heating, and Metal Forging	≤ 1,200 °F	40	
		> 1,200 °F	50	
	Units with Radiant-Tube Burners	All Temperatures	50	
≥ 40 MMBtu/hr	All Units	All Temperatures	15	

<sup>1</sup> Corrected to 3% oxygen, dry

<sup>2</sup> Averaged over an 8-hour rolling interval for Units equipped with a certified NOx CEMS

**Table 2 – Alternative NOx and CO Concentration Limits for Existing Units**

Unit Size	Furnace Type	Temperature	NOx Limit <sup>1,2</sup> (ppmv)	CO Limit <sup>1</sup> (ppmv)
< 40 MMBtu/hr	Metal Melting	All Temperatures	50	1,000
	Metal Heat Treating, Metal Heating, and Metal Forging	≤ 1,200 °F	50	
		> 1,200 °F	60	
	Units with Radiant-Tube Burners	All Temperatures	60	

<sup>1</sup> Corrected to 3% oxygen, dry

<sup>2</sup> Averaged over an 8-hour rolling interval for Units equipped with a certified NOx CEMS

**Table 3 – NOx and CO Concentration Limits for New Units**

<b>Unit Size</b>	<b>Furnace Type</b>	<b>Temperature</b>	<b>NOx Limit<sup>1,2</sup> (ppmv)</b>	<b>CO Limit<sup>1</sup> (ppmv)</b>
< 40 MMBtu/hr	Metal Melting	All Temperatures	40	1,000
	Metal Heat Treating, Metal Heating, and Metal Forging	≤ 1,200 °F	30	
		> 1,200 °F	40	
	Units with Radiant-Tube Burners	All Temperatures	40	
≥ 40 MMBtu/hr	All Units	All Temperatures	15	

<sup>1</sup> Corrected to 3% oxygen, dry

<sup>2</sup> Averaged over an 8-hour rolling interval for Units equipped with a certified NOx CEMS

**(e) Implementation Schedules**

- (1) An owner or operator of a Unit with a Rated Heat Input Capacity less than 40 MMBtu/hr that is required to meet the NOx and CO concentration limits in Table 1 pursuant to paragraph (d)(2) shall:
  - (A) Submit a permit application for each Unit to limit the NOx and CO concentrations to a level not to exceed the concentration limits in Table 1:
    - (i) On or before July 1, 2023, for any Unit where the burner age is 12 years or older, as determined pursuant to subdivision (f), as of January 1, 2023; or
    - (ii) On or before July 1 of the year when a Unit’s burner age reaches 12 years, as determined pursuant to subdivision (f), by January 1 of that year; and
  - (B) Cease operation of the Unit that exceeds the NOx or CO concentration limits in Table 1 no later than:
    - (i) 12 months after a permit is issued; or
    - (ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205.
- (2) An owner or operator of a Unit with a Rated Heat Input Capacity less than 40 MMBtu/hr that meets the requirements for use of an alternative implementation schedule pursuant to subparagraph (d)(3)(A) or (d)(3)(B), shall:

**Rule 1147.2 (Cont.)**

**(Adopted April 1, 2022)**

- (A) Submit a permit application for each Unit to limit the NO<sub>x</sub> and CO concentrations to a level not to exceed the concentration limits in Table 1 on or before July 1 of the year when a Unit's burner age reaches 32 years, as determined pursuant to subdivision (f), by January 1 of that year; and
  - (B) Cease operation of the Unit that exceeds the NO<sub>x</sub> or CO concentration limits in Table 1, no later than:
    - (i) 12 months after a permit is issued; or
    - (ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205.
- (3) An owner or operator of a Unit with a Rated Heat Input Capacity greater than or equal to 40 MMBtu/hr shall:
- (A) Submit a permit application for each Unit to limit the NO<sub>x</sub> and CO concentrations to a level not to exceed the concentration limits in Table 1 on or before July 1, 2023; and
  - (B) Cease operation of the Unit that exceeds the NO<sub>x</sub> or CO concentration limit in Table 1, no later than:
    - (i) 18 months after a permit is issued; or
    - (ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205.
- (4) An owner or operator of a Unit that fails to comply with the requirements of paragraph (d)(2), (d)(3), or (d)(4) shall:
- (A) For Units with a Rated Heat Input Capacity less than 40 MMBtu/hr, not operate the Unit unless the Unit meets the concentration limits in Table 1 or Table 2 by the following dates, whichever is sooner:
    - (i) 12 months after a permit is issued or the expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205; or
    - ~~(ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205; or~~
    - (ii) 30 months following the permit application submittal date in the
    - ~~(iii)~~ implementation schedule of paragraphs (e)(1) or (e)(2).

- (B) For Units with a Rated Heat Input Capacity greater than or equal to 40 MMBtu/hr, not operate the Unit unless the Unit meets the concentration limits in Table 1 by the following dates, whichever is sooner:
  - (i) 18 months after a permit is issued or the expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205; or
  - ~~(ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205; or~~
  - (ii) 36 months following the permit application submittal date in the
  - ~~(iii)~~ implementation schedule of paragraph (e)(3).
- (5) An owner or operator of a Unit that demonstrates compliance with the concentration limit requirements of paragraph (d)(2), (d)(3), or (d)(4) pursuant to subdivision (h) without any Alteration to the Unit and without a permit condition requiring compliance with the NO<sub>x</sub> and CO concentration limits specified in Table 1 or Table 2 shall submit a permit application to modify the Permit to Operate for the Unit pursuant to the implementation schedule in paragraph (e)(1), (e)(2), or (e)(3).
- (6) An owner or operator that elects to Decommission a Unit, in lieu of meeting the requirements of paragraph (d)(1), (d)(2), (d)(3), or (d)(4) shall Decommission the Unit no later than 30 months following the permit application submittal date pursuant to the implementation schedule in paragraphs (e)(1) through (e)(3) and, by that date, inactivate the Unit's applicable South Coast AQMD permit.
- (7) **Implementation Schedule for Facilities with Two or More Units**

An owner or operator of a facility with two or more Units subject to paragraphs (d)(2), (d)(3), or (d)(4) with a July 1, 2023 permit application submittal date pursuant to the implementation schedule in paragraph (e)(1) or (e)(2), may elect to comply with the multiple unit implementation schedule pursuant to Table 4, in lieu of the implementation schedule in paragraph (e)(1) or (e)(2), provided:

  - (A) The owner or operator submits permit applications by the permit application submittal dates specified in Table 4 to comply with the concentration limits in Table 1; where

**Rule 1147.2 (Cont.)**

**(Adopted April 1, 2022)**

- (i) The total Rated Heat Input Capacity means the sum of all of the ~~units'~~ Units' Rated Heat Input Capacity that are subject to the multiple unit implementation schedule in Table 4; and
  - (ii) The minimum percentages listed in Table 4 require that the calculated number of Units is rounded up to the nearest whole number of Units.
- (B) Each Unit demonstrates compliance, pursuant to subdivision (h), with the concentration limits in Table 1 no later than:
- (i) 12 months after a permit is issued; or
  - (ii) The expiration date of the permit, if any extension of time has been approved in writing pursuant to Rule 205.
- (C) The owner or operator that elects to meet the permit application submission requirements of subparagraph (e)(7)(A) by Decommissioning a Unit shall Decommission the Unit within 30 months of the applicable permit application submittal deadline in Table 4 ~~submission of clause (e)(7)(C)(i) by disconnecting all fuel, air, and electricity to the Unit and, by that date, inactivate~~ inactivating the Unit's applicable South Coast AQMD permit.

**Table 4 – Multiple Unit Implementation Schedule to Meet Concentration Limits in Table 1**

<b>Permit Application Submittal Deadline or Inactivation of Permit Submittal Date</b>	<b>2 – 9 Units (Minimum % of total Rated Heat Input Capacity)</b>	<b>10 – 19 Units (Minimum % of total Rated Heat Input Capacity)</b>	<b>20 or More Units (Minimum % of total Rated Heat Input Capacity)</b>
January 1, 2023	50%	-	-
January 1, 2024	100%	50%	33%
January 1, 2025	Not Applicable	-	-
January 1, 2026		100%	67%
January 1, 2027		-	-
January 1, 2028		Not Applicable	100%

- (f) Determination of Burner Age
  - (1) Burner age for Units with a Rated Heat Input Capacity less than 40 MMBtu/hr and equipped with burners of varying ages shall be based on the oldest burner age.
  - (2) Burner age shall be based on the original date of installation determined by:
    - (A) Invoice from burner manufacturer for purchase of burner equipment;
    - (B) Information submitted to the South Coast AQMD with applications for permit prior to *[Date of Adoption]* for the specific burner;
    - (C) Original Unit manufacturer's identification or rating plate permanently affixed to the Unit; or
    - (D) Any other method of determining burner age that can be substantiated through sufficient written information as approved by the Executive Officer.
  - (3) The burner shall be deemed to be 32 years old as of January 1, 2023, for any Unit where the burner age cannot be determined pursuant to paragraph (f)(2).
  
- (g) Demonstration of Less than One Pound NOx per Day Averaged Over a Calendar Month
  - (1) Effective upon [six months after *Date of Adoption*], an owner or operator demonstrating compliance with NOx emissions of less than one pound per day, averaged over a calendar month, shall:
    - (A) Install and maintain in service a non-resettable totalizing time meter on the Unit and operate the Unit no more than the specified time per calendar month in Table 5 or as calculated using Equation 1; or

$$\text{Monthly Operating Hours} = D \div [R \times (EF \div HHV)] \quad (\text{Equation 1})$$

Where,

D = Number of Days in Calendar Month

R = Rated Heat Input Capacity (MMBtu/hr)

EF = Emission Factor for the Unit (lbs NOx/MMScf natural gas)

HHV = Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)

**Table 5 –Monthly Operating Limits**

<b>Unit Rated Heat Input Capacity (Btu/hr)</b>	<b>Monthly Operating Limit (hours)</b>
< 1,000,000	240
≥ 1,000,000 to < 1,500,000	160
≥ 1,500,000 to ≤ 2,000,000	120

- (B) Install and maintain in service a non-resettable totalizing fuel meter on the Unit and consume no more than the Therms of fuel per month calculated using Equation 2, with fuel use corrected to standard temperature and pressure.

$$\text{Monthly Therms of Fuel} = (D \div EF) \times HHV \times 10 \quad (\text{Equation 2})$$

Where,

D = Number of Days in Calendar Month

EF = Emission Factor for the Unit (lbs NOx/MMScf natural gas)

HHV = Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)

10 = Conversion from MMBtu to Therms

(h) **Monitoring and Source Testing Requirements**

- (1) An owner or operator of a Unit subject to the concentration limit requirements in paragraph (d)(1), (d)(2), (d)(3), (d)(4), or a South Coast AQMD permit concentration limit shall:

- (A) For Units with a Rated Heat Input Capacity less than 10 MMBtu/hr, conduct a source test no later than 60 calendar months from the previous source test; or
- (B) For Units with a Rated Heat Input Capacity greater than or equal to 10 MMBtu/hr, conduct a source test no later than:
  - (i) 60 calendar months from the previous source test for Units with an annual heat input of less than or equal to 23 billion Btu per year; or
  - (ii) 36 calendar months from the previous source test for Units with an annual heat input of greater than 23 billion Btu per year in any year.

- (2) An owner or operator of a Unit shall conduct an initial source test:
  - (A) For Existing Units,
    - (i) No later than 24 months after [*Date of Adoption*] or no later than 24 months after the facility operating the Unit becomes a Former RECLAIM Facility, whichever is later, and establish the date of this source test as the basis for subsequent source testing frequency; or
    - (ii) Use the results of a South Coast AQMD-approved source test conducted between the applicable frequency required in subparagraph (h)(1)(A) or (h)(1)(B) and [*Date of Adoption*] and establish the date of this source test as the basis for subsequent source testing frequency. The source test and source test protocol must still be representative of the current operation of the equipment, or a new source test protocol will be required to be submitted pursuant to paragraph (h)(3).
  - (B) For New Units, no later than 18 months after the Permit to Construct is issued and establish the date of this source test as the basis for subsequent source testing frequency unless an extension of time has been approved in writing by the Executive Officer.
- (3) An owner or operator of a Unit shall submit a source test protocol to the Executive Officer for approval no later than 90 days prior to the scheduled source test and conduct the source test within the 90-day period, or within 30 days following the source test protocol approval, whichever is later.
- (4) An owner or operator of a Unit that has a previously approved protocol pursuant to the protocol submission requirements of paragraph (h)(3) may submit the previously approved protocol if the burner and Unit have not been Altered in a manner that requires a permit modification, and rule or permit concentration limits have not become more stringent since the previous source test, unless the Executive Officer determines that the previously approved protocol is no longer applicable or requires modification and a new source test protocol is required to be submitted.
- (5) Any source test conducted to demonstrate compliance shall use a South Coast AQMD-approved contractor under the Laboratory Approval Program according to the following procedures:

**Rule 1147.2 (Cont.)**

**(Adopted April 1, 2022)**

- (A) South Coast AQMD Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989);
  - (B) South Coast AQMD Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989);
  - ~~(C)~~ South Coast AQMD Source Test Method 10.1 – Carbon Monoxide and Carbon Dioxide by Gas Chromatograph/Non-Dispersive Infrared Detector (GC/NDIR) - Oxygen by Gas Chromatograph-Thermal Conductivity (GC/TCD) (March 1989);~~or~~
  - (D) EPA Test Method 19 – Sulfur Dioxide Removal and Particulate, Sulfur Dioxide and Nitrogen Oxides from Electric Utility Steam Generators (August 2017); or
  - ~~(E)~~ Any alternative test method submitted in writing to, and pre-approved by, the Executive Officer of the South Coast AQMD, the California Air Resources Board, and the United States Environmental Protection Agency.
- (6) Source test reports, including a description of the equipment tested, shall be submitted to the Executive Officer within 60 days of completion of the source test.
- (7) An owner or operator of a Unit conducting a source test shall:
- (A) Not perform any Unit tuning, including modifying the air-to-fuel ratio and excess air content, subsequent to the beginning of a source test, except to maintain the burner settings set during the Unit tuning;
  - (B) Conduct the source test within the calendar month that the source test is due pursuant to the source testing frequency requirements in paragraph (h)(1); and
  - (C) For a Unit that is not in operation on the date the source test is required, conduct the source test by the end of seven consecutive days, or 15 cumulative days, of resumed operation.
- (8) An owner or operator of a Unit with a Rated Heat Input Capacity greater than or equal to 40 MMBtu/hr shall:
- (A) For Units located at a Non-RECLAIM Facility, install, certify, operate, and maintain a CEMS to measure NO<sub>x</sub> and oxygen within 12 months of [Date of Adoption] pursuant to the applicable South Coast AQMD Rules 218.2 and 218.3 requirements to demonstrate compliance with the

- concentration limits in Table 1 at the corresponding oxygen correction and averaging times;
- (B) For Units located at a Former RECLAIM Facility, install, certify, operate, and maintain a CEMS to measure NO<sub>x</sub> and oxygen within 12 months of receipt of the final determination notification or within 12 months of *[Date of Adoption]*, whichever is later, pursuant to the applicable South Coast AQMD Rules 218.2 and 218.3 requirements to demonstrate compliance with the concentration limits in Table 1 at the corresponding oxygen correction and averaging times;
  - (C) For Units located at a RECLAIM Facility install, certify, operate, and maintain a CEMS to measure NO<sub>x</sub> and oxygen within 12 months of *[Date of Adoption]* pursuant to South Coast AQMD Rule 2012 to demonstrate compliance with the concentration limits in Table 1 ~~ammonia permit limit of the Unit~~ at the corresponding oxygen correction and averaging times;
  - (D) An owner or operator of a Unit equipped with a certified CEMS to measure NO<sub>x</sub> emissions shall not require NO<sub>x</sub> source testing requirements;
  - (E) An owner or operator of a Unit equipped with a certified CEMS to measure CO emissions shall not require CO source testing requirements; and
  - (F) Conduct an annual relative accuracy test audit (RATA) required by any applicable South Coast AQMD rule or certification procedure for CEMS certification, operation, monitoring, reporting, and notification; 40 CFR Part 75 Subpart E; or 40 CFR Part 60 Appendix B Specification 2, for those pollutants monitored by a CEMS.
- (9) An owner or operator of a Unit with an exhaust emission control system that utilizes an ammonia-based chemical reagent to control NO<sub>x</sub> shall:
- (A) Demonstrate compliance quarterly with any ammonia limit established in the permit of the Unit, according to the procedures in South Coast AQMD Source Test Method 207.1 – Determination of Ammonia Emissions from Stationary Sources, as specified by a permit condition or beginning within 12 months of a new Permit to Operate being issued, whichever is sooner;

- (B) Demonstrate compliance annually with any ammonia limit established in the permit of the Unit, if the Unit has demonstrated compliance with the quarterly source test requirements of subparagraph (h)(9)(A) for four consecutive quarterly source tests;
  - (C) Return to the original schedule to conduct source tests quarterly pursuant to subparagraph (h)(9)(A) if a Unit fails to demonstrate compliance with the annual source test requirements of subparagraph (h)(9)(B);
  - (D) In lieu of complying with subparagraphs (h)(9)(A) through (h)(9)(C), Units located at a Non-RECLAIM Facility or Former RECLAIM Facility shall install, certify, operate, and maintain a CEMS to measure ammonia and oxygen pursuant to any applicable South Coast AQMD rule or certification procedure for CEMS certification, operation, monitoring, reporting, and notification to demonstrate compliance with the ammonia permit limit of the Unit at the corresponding oxygen correction and averaging times;
  - (E) For Units that are equipped with a CEMS to measure ammonia and oxygen that is not certified pursuant to any applicable South Coast AQMD rule or certification procedure for CEMS certification, operation, monitoring, reporting, and notification, conduct periodic ammonia source testing pursuant to paragraphs (h)(9)(A) or (h)(9)(B) until the ammonia CEMS is certified; and
  - (F) For Units that are subject to paragraphs (h)(9)(A) or (h)(9)(B), and that do not utilize a certified NO<sub>x</sub> CEMS and CO CEMS shall conduct source testing for NO<sub>x</sub> and CO concurrently with source testing for ammonia.
- (10) Compliance determinations approved by the Executive Officer shall be used to establish the basis for subsequent source testing frequency, including any compliance determinations required as part of a permit.
- (11) All compliance determinations pursuant to paragraph (d)(1), (d)(2), (d)(3), (d)(4), (d)(5), or South Coast AQMD permit concentration limits shall be calculated:
- (A) Using a South Coast AQMD approved test protocol averaged over a period of at least 15 minutes of operation and no more than 60 consecutive minutes, or alternative time period approved by the Executive Officer;

- (B) After Unit Start-up; and
  - (C) In the normal firing range of the Rated Heat Input Capacity of the Unit.
  - (12) An owner or operator of a Unit that is subject to more than one NOx concentration limit due to varying operating temperatures may elect to comply with the higher NOx concentration limit.
  - (13) An owner or operator of multiple Units operating in-series with a common exhaust shall comply with the lowest NOx concentration limit of any individual ~~unit~~Unit.
- (i) Labeling Requirements
- (1) An owner or operator of a Unit shall display and maintain the model number and Rated Heat Input Capacity of the Unit burner on a permanent rating plate.
  - (2) The owner or operator of a Unit that is Altered shall:
    - (A) Display the new Rated Heat Input Capacity on a new permanent supplemental rating plate installed in an accessible location on the Unit or burner; and
    - (B) Determine the date of Unit Alteration pursuant to the burner age determination requirements of subdivision (f).
- (j) Reporting and Recordkeeping Requirements
- (1) An owner or operator shall maintain on-site, for at least 5 years and make available to the Executive Officer upon request, and if applicable, source test reports and monthly records demonstrating compliance with the less than one pound NOx per day, averaged over a calendar month, demonstration requirements of subdivision (g).
  - (2) An owner or operator shall maintain operating records to demonstrate that a Unit complies with the requirements of subparagraph (h)(7)(C).
  - (3) An owner or operator shall maintain records on-site identifying the Rated Heat Input Capacity for any Unit subject to this rule and make such records available to the Executive Officer upon request.
  - (4) An owner or operator of a Unit that is Altered and subject to this rule shall maintain records on-site to include the name of the company and person Altering the Unit, a description of all Alterations, the date(s) the Unit was

Altered, and a calculation of the Rated Heat Input Capacity and make such records available to the Executive Officer upon request.

- (5) An owner or operator of a Unit equipped with a CEMS shall maintain records on-site in compliance with any applicable South Coast AQMD Rule for CEMS certification, operation, monitoring, reporting, and notification or any applicable permit condition, for at least 5 years and make records available to the Executive Officer upon request.

(k) Exemptions

- (1) The concentration limits of subdivision (d) shall not apply to Units during periods of Refractory Dry-Out.
- (2) The provisions of this rule shall not apply to Units equipped with a certified CEMS to measure NO<sub>x</sub>, during periods of Startup or Shutdown pursuant to South Coast AQMD Rule 429.
- (3) The provisions of this rule shall not apply to electrically-powered Units.
- (4) A Unit emitting less than one pound NO<sub>x</sub> per day, averaged over a calendar month, pursuant to paragraph (d)(7) shall:
  - (A) Be exempt from the requirements of this rule except for the less than one pound NO<sub>x</sub> per day, averaged over a calendar month, requirements of subdivision (g), the labelling requirements of subdivision (i), and the recordkeeping requirements of subdivision (j); and
  - (B) Permanently lose exemption under subparagraph (k)(4)(A) if the ~~unit~~ Unit fails to demonstrate compliance with paragraph (d)(7).

# ATTACHMENT G

## SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

### Final Staff Report

### Proposed Rule 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces

April 2022

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Planning, Rule Development, and Area Sources  
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Cities of Riverside County

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WAYNE NASTRI

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## EXECUTIVE SUMMARY

The Regional Clean Air Incentives Market (RECLAIM) program was adopted in October 1993 under Regulation XX. RECLAIM is a market-based emissions trading program designed to reduce NO<sub>x</sub> and SO<sub>x</sub> emissions and includes facilities with NO<sub>x</sub> or SO<sub>x</sub> emissions greater than four tons per year.

The 2016 Final Air Quality Management Plan (2016 AQMP) included Control Measure CMB-05: Further NO<sub>x</sub> Reductions from RECLAIM Assessment (CMB-05) to ensure the NO<sub>x</sub> RECLAIM program was achieving equivalency with command-and-control rules that are implementing Best Available Retrofit Control Technology (BARCT) and to generate further NO<sub>x</sub> emission reductions at RECLAIM facilities. The adoption resolution for the 2016 AQMP directed staff to achieve five tons per day of NO<sub>x</sub> emission reductions as soon as feasible but no later than 2025, and to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable.

On July 26, 2017 the Governor approved California State Assembly Bill 617, which required air districts to develop, by January 1, 2019, an expedited schedule for the implementation of BARCT no later than December 31, 2023 for industrial facilities that are in the California greenhouse gas cap-and-trade program with priority given to older, higher polluting sources that need to install BARCT.

As facilities transition out of the NO<sub>x</sub> RECLAIM program, a command-and-control rule that includes NO<sub>x</sub> emission standards that reflect BARCT will be needed for all equipment categories. Proposed Rule (PR) 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces is a command-and-control rule for facilities that operate furnaces used for metal melting, metal heat treating, metal heating, and metal forging. Approximately 21 facilities representing 315 combustion sources that are currently in the RECLAIM program will be subject to PR 1147.2. In addition, approximately 65 non-RECLAIM facilities that were subject to Rule 1147 – NO<sub>x</sub> Reductions from Miscellaneous Sources that operate furnaces used for metal melting, metal heat treating, metal heating, and metal forging will also be subject to PR 1147.2.

PR 1147.2 proposes NO<sub>x</sub> and CO emission concentration limits for furnaces used for metal melting, metal heat treating, metal heating, and metal forging that were developed through a BARCT assessment process. PR 1147.2 also proposes alternative concentration limits for units that are within 10 ppmv of the BARCT-established NO<sub>x</sub> limits. PR 1147.2 will establish implementation schedules for all impacted units taking into account the age of the burners, compliance with alternative concentration limits in PR 1147.2, and the number of impacted furnaces at a facility. In addition, PR 1147.2 will establish requirements for monitoring, record keeping, and source testing.

PR 1147.2 was developed through a public process. Nine Working Group meetings were held. Staff met with multiple stakeholders during the rule development process and conducted several site visits.

With the adoption of PR 1147.2, NO<sub>x</sub> reductions are estimated to be 0.495 tons per day (tpd), 94% of which will be realized from units exiting the RECLAIM program. The cost-effectiveness for the rule is expected to be \$12,100 per ton of NO<sub>x</sub> reduced.

## **CHAPTER 1: BACKGROUND**

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**INTRODUCTION**

**REGULATORY HISTORY**

**AFFECTED INDUSTRIES**

**PUBLIC PROCESS**

## INTRODUCTION

The RECLAIM program was adopted in October 1993 under Regulation XX. RECLAIM is a market-based emissions trading program designed to reduce NO<sub>x</sub> and SO<sub>x</sub> emissions and includes facilities with NO<sub>x</sub> or SO<sub>x</sub> emissions greater than 4 tons per year. The 2016 AQMP included control measure CMB-05 to ensure the NO<sub>x</sub> RECLAIM program was achieving equivalency with command-and-control rules that are implementing Best Available Retrofit Control Technology and to generate further NO<sub>x</sub> emission reductions at RECLAIM facilities. Control Measure CMB-05 of the 2016 AQMP included a requirement for five tpd NO<sub>x</sub> emission reductions as soon as feasible but no later than 2025, and to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable. Consistent with the adoption resolution for the 2016 AQMP, staff is providing quarterly updates to the Stationary Source Committee on the status of the transition of RECLAIM facilities to command-and-control. On July 26, 2017 California State Assembly Bill (AB) 617 was approved by the Governor, which addresses stationary and mobile source air pollution. AB 398 was simultaneously approved on July 25, 2017 which extended California's cap-and-trade program for reducing greenhouse gas emissions from stationary sources.

There are nine RECLAIM facilities that are in California's cap-and-trade program and will be regulated under PR 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces. These nine facilities are subject to AB 617, which requires an expedited schedule for implementing BARCT for cap-and-trade facilities no later than December 31, 2023.

Facilities that are not in the RECLAIM program are subject to command-and-control rules. Currently, Rule 1147 – NO<sub>x</sub> Reductions from Miscellaneous Sources regulates miscellaneous combustion equipment including metal melting furnaces, metal heat treating furnaces, metal heating furnaces, and metal forging furnaces. PR 1147.2 will transition facilities out of the RECLAIM program as well as conduct an assessment to determine BARCT concentration limits for these furnace categories. These concentration limits will apply to RECLAIM facilities, former RECLAIM facilities that have exited the RECLAIM program, and non-RECLAIM facilities. Rule 1147 will no longer apply to units subject to PR 1147.2 after adoption.

## REGULATORY HISTORY

Rule 1147 was adopted on December 5, 2008 ~~and~~ ~~Rule 1147~~ applies to non-RECLAIM facilities and establishes nitrogen oxide (NO<sub>x</sub>) limits of either 30 ppmv or 60 ppmv for miscellaneous gaseous and liquid fuel-fired combustion equipment, including ovens, afterburners, calciners, and furnaces. Rule 1147 was amended on September 9, 2011 to delay compliance deadlines by one to two years, limit requirements for non-resettable fuel and time meters, and streamline source testing requirements to reduce compliance costs. Rule 1147 was amended again on July 7, 2017 to exempt units with a rated heat input capacity less than 325,000 Btu/hr, increase NO<sub>x</sub> concentration limits for certain equipment categories, and change the compliance date for units with NO<sub>x</sub> emissions of less than one pound of NO<sub>x</sub>-per day averaged over a calendar month.

Under Rule 1147, new and existing metal melting furnaces, metal heat treating furnaces, metal heating furnaces, and metal forging furnaces were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures. Rule 1147 allowed emissions testing using the lb/MMBtu option as an alternative to the concentration limit. This lb/MMBtu option was used for evaluating emissions from processes that operate at high oxygen concentrations (greater than 18% O<sub>2</sub>). Compliance for new units installed after January 1, 2010

was required at the time of permitting. The implementation schedule for in-use units operating before January 1, 2010 differed depending upon whether a unit emitted less than one pound of NO<sub>x</sub> per day. For units with NO<sub>x</sub> emissions greater than or equal to one pound per day, compliance was required upon unit or combustion system alteration, replacement, or the unit age reaching 15 years. For units with NO<sub>x</sub> emissions less than one pound of per day, compliance was required upon unit or combustion system alteration, replacement, relocation, or the unit age reaching 35 years. A technology assessment was conducted by the South Coast AQMD and approved by the Governing Board in February 2018. The objective of this technology assessment was to identify available burner technologies for each equipment category. As a result of this assessment, categories were removed, limits revised, and compliance timelines modified.

## AFFECTED INDUSTRIES

PR 1147.2 affects facilities in the NO<sub>x</sub> RECLAIM program as well as facilities outside of the RECLAIM program with permitted metal melting furnaces, metal heat treating furnaces, metal heating furnaces, and metal forging furnaces. PR 1147.2 will require facilities to comply with lower concentration limits for applicable units located in the jurisdiction of the South Coast AQMD.

Out of the ~~240246~~ facilities currently in the NO<sub>x</sub> RECLAIM program as of ~~June 30, 2021~~2019, approximately 21 facilities would be affected by PR 1147.2. There are approximately 65 non-RECLAIM facilities that are affected by PR 1147.2.

## PUBLIC PROCESS

Development of PR 1147.2 was conducted through a public process. Staff has held nine Working Group meetings on May 16, 2019, August 6, 2019, November 6, 2019, February 5, 2020, June 18, 2020, September 3, 2020, February 2, 2021, July 8, 2021, and September 2, 2021. Working Group Meetings after March 2020 were held virtually via Zoom due to COVID-19. The Working Group is composed of representatives from environmental and community groups, affected businesses, burner manufacturers, trade organizations, public agencies, consultants, and other interested parties. The purpose of the Working Group meetings is to discuss proposed concepts and to work through the details of staff's proposal. A Public Workshop ~~will be~~was held on January 20, 2022 to discuss PR 1147.2. ~~Determination of the applicable California Environmental Quality Act (CEQA) document is pending.~~

Staff has also held numerous individual meetings with stakeholders to discuss issues unique to their operations, technical details of their operations, and the proposed rule. In addition, prior to COVID-19, staff conducted 17 site visits to understand the different types of furnaces that are regulated under PR 1147.2.

Staff sent to stakeholders two surveys to collect additional equipment information. The first survey was sent to 85 facilities and collected data from permitted equipment with 31 surveys completed and returned. A second survey was sent to 64 facilities and collected data from permit-exempt equipment (i.e. units below 2 MMBtu/hr that are exempt from permitting pursuant to Rule 219) with 12 surveys completed and returned. The equipment information was used to ~~quantity~~quantify the scope and cost-effectiveness of PR 1147.2.

## **CHAPTER 2: BARCT ASSESSMENT**

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### **INTRODUCTION**

### **ESTABLISHING EQUIPMENT CATEGORIES**

### **GENERAL BARCT ASSESSMENT APPROACH**

### **BARCT ASSESSMENT BY CATEGORY**

*Metal Melting Furnaces*

*Metal Heat Treating Furnaces: Low Temperature*

*Metal Heat Treating Furnaces: High Temperature*

*Metal Heating and Forging Furnaces: Low Temperature*

*Metal Heating and Forging Furnaces: High Temperature*

*Units with Radiant-Tube Burners*

*Units  $\geq 40$  MMBtu/hr*

## INTRODUCTION

As part of the rule development process, staff conducted a BARCT assessment of equipment subject to PR 1147.2. The purpose of a BARCT assessment is to identify any potential emission reductions from specific equipment or industries and to establish a concentration limit that is consistent with state law. Under California Health and Safety Code § 40406, BARCT is defined as:

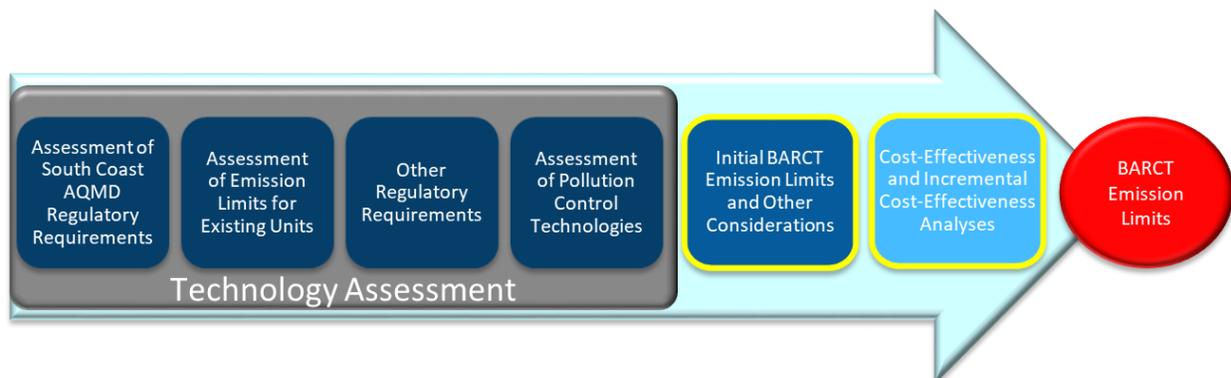
“... an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source.”

BARCT assessments are performed periodically for specific equipment categories to determine if current concentration limits are representative of current technologies and maximum achievable NO<sub>x</sub> reductions. The BARCT assessment is a stepwise process that includes a robust technology assessment that seeks maximum achievable cost-effective emission reductions.

The BARCT assessment begins with a technology assessment to establish initial BARCT concentration limits. A technology assessment identifies current regulatory requirements for specific equipment categories, established by either the South Coast AQMD or other regulatory agencies. Permits and source test data are analyzed to identify the emission levels being achieved with existing technology. Current and emerging technologies are evaluated to determine the feasibility of achieving lower concentration limits. Based on the technology assessment, an initial BARCT concentration limit is identified and a cost-effectiveness analysis and, if necessary, an incremental cost-effectiveness analysis, are conducted.

The cost-effectiveness analysis considers the cost to implement one or more technologies that can meet the initial BARCT concentration limit. An incremental cost-effectiveness analysis is conducted if multiple initial BARCT concentration limits are identified that vary in stringency and are each cost-effective. A final BARCT concentration limit is established that is both technologically feasible, achievable within the implementation schedule allowed in the proposed rule, cost-effective, and incrementally cost-effective.

**Figure 2-1 – BARCT Assessment Process**



## ESTABLISHING EQUIPMENT CLASSES AND CATEGORIES

Rule 1147 originally categorized the equipment currently under the scope of PR 1147.2 as one equipment category referred to as “Metal Heat Treating, Metal Melting Furnace, Metal Pot, or Tar Pot”. Through the PR 1147.2 rule development process, staff evaluated the different types of furnaces and their applications. As a result, PR 1147.2 establishes seven categories of equipment: Metal Melting Furnaces; Metal Heat Treating Furnaces: Low Temperature; Metal Heat Treating Furnaces: High Temperature; Metal Heating and Forging Furnaces: Low Temperature; Metal Heating and Forging Furnaces: High Temperature; Furnaces with Radiant-Tube Burners; and Furnaces  $\geq 40$  MMBtu/hr. Metal Heating Furnaces and Metal Forging Furnaces are combined into a single Metal Heating and Forging Furnaces category due to the similar processes and the interchangeability of furnace type designations on unit permits of these equipment categories.

The definitions in PR 1147.2 for each of these categories are as follows:

- “Metal Forging Furnace” means “a device which applies heat to a solid metal to allow for its further processing, forming, or shaping”
- “Metal Heat Treating Furnace” means “a device where heat is applied to a solid metal in order to alter its chemical properties, alter its microstructure to achieve desired mechanical properties (strength, hardness, toughness, ductility, and corrosion resistance), or alter its surface chemistry”
- “Metal Heating Furnace” means “a device where heat is applied to a solid metal in order to alter its physical properties”
- “Metal Melting Furnace” is “a device where metal is heated to, or maintained in, a molten state”. This definition excludes any enclosed structure in which the metal is heated but does not reach a molten state.
- “Radiant-Tube Burner” refers to units with “an indirect-fired burner where combustion takes place in a tube to prevent contact between the products of combustion and the parts being heated”

These definitions exclude any enclosure in which heating and cooling occur incidentally during other processes, such as welding or grinding, or any enclosure in which coated metal is processed, such as those processes involving resins or curing.

The distinction was made between low-temperature and high-temperature for the two categories of metal heat treating and metal heating and forging as these two categories of furnaces may operate over a wide range of operating temperatures, with higher NO<sub>x</sub> concentration levels values being characteristic of higher operating temperatures. A temperature cutoff of 1,200 °F was determined based on permit data, burner vendors, and input from industry stakeholders.

## GENERAL BARCT ASSESSMENT APPROACH

In identifying the initial universe that would be subject to PR 1147.2, staff used the South Coast AQMD's permit database. Staff identified an initial universe of 86 facilities which included 21 RECLAIM facilities with 315 units and 65 non-RECLAIM facilities with ~~270~~268 units. Equipment excluded in the initial universe included: welding or grinding enclosures, ovens, afterburners, remediation units, incinerators, heated process tanks, spray booths, calciners, process heating or space heating furnaces, furnaces that process coated metals, and electrically-powered furnaces.

As part of the rule development process, staff obtained data from multiple sources which included: online articles, industry publications, scientific and vendor literature, permits and source tests, annual emission reports, inspection reports, Rule 1147 series surveys, site visits, stakeholder meetings, focus groups, Working Group meetings, a public workshop, and South Coast AQMD inter-departmental meetings.

A BARCT assessment was conducted for each equipment category. An overview of each step in the BARCT assessment is presented below, followed by the BARCT assessment for each equipment category. Each step in the BARCT process for a category will include a discussion of the development of that specific portion of the BARCT assessment. All data included in each equipment category includes only those units with NO<sub>x</sub> emissions of greater than or equal to one pound per day averaged over a calendar month. Units with NO<sub>x</sub> emissions of less than one pound per day, averaged over a calendar month, are expected to take the one pound of NO<sub>x</sub> per day, averaged over a calendar month, emission exemption provided in PR 1147.2 and would not be required to have an alteration performed at any time for the time that the unit is in compliance with the exemption. The BARCT assessment for each equipment category was conducted for the remaining units that cannot take the exemption who are most likely to require unit alteration to meet the NO<sub>x</sub> BARCT concentration limits.

### *Assessment of South Coast AQMD Regulatory Requirements*

Rule 1147 currently applies to all permitted gaseous and liquid fuel-fired units with a rated heat input capacity greater than or equal to 325,000 Btu/hr. All units subject to PR 1147.2 were subject to Rule 1147 and its 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu emission limits across all temperatures.

### *Assessment of Emission Limits for Equipment*

Assessment of emission limits was conducted based on a NO<sub>x</sub> concentration measured in units of "ppmv", or parts per million on a volume basis. For RECLAIM units that had a NO<sub>x</sub> emission factor on the unit's permit in lieu of a NO<sub>x</sub> ppmv concentration limit, the emission factor was converted to a ppmv concentration limit.

Source test data was reviewed for all units, when available.

### *Other Regulatory Requirements*

Staff assessed regulations at the local, state, and national levels to compare concentration limits of other air districts and air quality regulatory entities across the country. Some of these other regulations specify equipment category applicability that is general enough to be classified in multiple PR 1147.2 equipment categories, for example “combustion equipment”. Additionally, these other regulations do not distinguish by temperature and, when identified and where applicable, could be included in both the low-temperature and high-temperature category of either the metal heat treating furnaces or metal heating and forging furnaces category.

Data from this review was used to assess potential BARCT NO<sub>x</sub> concentration limits with respect to other established NO<sub>x</sub> emission limits.

### *Assessment of Pollution Control Technologies*

Appendix B contains the technology assessment where each potential pollution control technology is discussed in detail. Specific pollution control technology applicability will be discussed in each equipment category’s BARCT assessment. Based on the review of the types of pollution control technologies available to reduce NO<sub>x</sub> and CO emissions for equipment subject to PR 1147.2, burner control technologies are still the main technologies that can achieve the NO<sub>x</sub> concentration limits specified in these rules. In the event that an owner or operator installs a new burner to meet the proposed emission limit, a permit modification would be required. If the owner or operator chooses to increase the unit’s rating in the process, and the modification results in an increase of one pound NO<sub>x</sub> per day or greater, the equipment would be subject to the emission limit set by Best Available Control Technology (BACT) requirements.

### *Initial BARCT Emission Limits and Other Considerations*

For units permitted prior to adoption of PR 1147.2, staff determined an initial BARCT NO<sub>x</sub> concentration limit for units in the metal melting, metal heat treating, metal heating and forging, and radiant-tube burner equipment categories using the information gathered from all previous steps. Staff reviewed source test results to determine what NO<sub>x</sub> concentrations have been demonstrated in practice. Staff also reviewed multiple emission guarantees from burner vendors for different equipment categories and, where applicable, temperature ranges.

For new units, staff determined an initial BARCT NO<sub>x</sub> concentration limit for units in the metal melting, metal heat treating, metal heating and forging, and radiant-tube burner equipment categories. Staff reviewed technical and cost data from burner vendors and facilities to determine initial concentration limits. Staff met with several stakeholders and burner vendors who provided information for the metal heat treating, metal heating and forging, and radiant-tube burner equipment categories that NO<sub>x</sub> concentrations of 30 ppmv @ 3% O<sub>2</sub>, dry, for low-temperature metal heat treating, low-temperature metal heating and forging and 40 ppmv @ 3% O<sub>2</sub>, dry, for high-temperature metal heat treating, high-temperature metal heating and forging, and radiant-tube burner units are technologically feasible. Although these concentration limits are technologically feasible, to meet these limits would require extensive, difficult, and expensive retrofits such as refractory redesign and air/fuel system replacements. Additionally, one vendor provided

information on radiant-tube burner retrofit technologies that may reduce NO<sub>x</sub> to 40 ppmv @ 3% O<sub>2</sub>, dry. However, the technology has not been demonstrated in practice and for units with radiant-tube burners, the lowest source test results varied between 40 ppmv @ 3% O<sub>2</sub>, dry, and 50 ppmv @ 3% O<sub>2</sub>, dry. Staff determined that these concerns of difficult and expensive retrofits were not applicable to the metal melting category due to the ~~simple~~less complicated operation of metal melting furnaces and the lack of temperature uniformity requirements.

Stakeholders also noted that furnaces are typically designed to account for the specific burner configuration and NO<sub>x</sub> performance requirements and that retrofits to meet a NO<sub>x</sub> concentration limit are inherently more difficult to install compared to purchasing a new unit that is designed to meet the NO<sub>x</sub> concentration limit. This is due to furnace geometry, burner placement within a furnace, the number of burners, and other factors. In some cases, changes to any one of these factors as part of a retrofit to meet the BARCT limits may result in adding expensive auxiliary equipment such as air/fuel controls. Staff noted that this was a common observation for units retrofitting to meet a 30 ppmv @ 3% O<sub>2</sub>, dry, and 40 ppmv @ 3% O<sub>2</sub>, dry, NO<sub>x</sub> concentration limit. However, at a 40 ppmv @ 3% O<sub>2</sub>, dry, and 50 ppmv @ 3% O<sub>2</sub>, dry, NO<sub>x</sub> concentration limit units may be able to retrofit without requiring these auxiliary equipment. Additionally, staff noted that the majority of furnaces could also be considered compliant with the NO<sub>x</sub> concentration limits or could then qualify for the alternative concentration limits in PR 1147.2 and be given an extended implementation schedule.

Staff's determination of NO<sub>x</sub> concentration limits for new units involved a review of BACT determinations at the local, state, and national levels. Results of this review are shown in Table 2-1.

**Table 2-1 – BACT Review**

Facility Name	Furnace Type	Rated Heat Input Capacity (MMBtu/hr)	NO <sub>x</sub> Concentration Limit (ppmv @ 3% O <sub>2</sub> , Dry)
International Extrusion Corp. (Alhambra, CA)	Reverberatory Furnace (Metal Melting)	12.8	37
Sierra Aluminum Company (Riverside, CA)	Billet Furnace (Metal Heating and Forging)	5.47	25
Carlton Forge Works (Paramount, CA)	Forging Furnace (Metal Heating and Forging)	5.00	30
Vista Metals (Fontana, CA)	Billet Furnace (Metal Heating and Forging)	8.0	40
International Extrusion Corp. (Alhambra, CA)	Metal Heating Furnace (Metal Heating and Forging)	8.8	40
Superior Industries Intl. (Van Nuys, CA)	Reverberatory Furnace (Metal Melting)	12.6	43
Custom Alloy Sales (Lynwood, CA)	Reverberatory Furnace (Metal Melting)	6.0	39
International Extrusion Corp.	Reverberatory Furnace (Metal Melting)	12.8	37
Constellium – Element 13 (Colbert County, AL)	Melting/Sidewell Furnace 8 (Metal Melting)	36.0	33*
Nucor Steel – Berkeley (Berkeley County, SC)	Galvanneal Furnace 2 (Metal Heat Treating)	22.0	39*
Constellium – Alloys Plant (Colbert County, AL)	Two Heat Treat Furnaces (Metal Heat Treating)	25.0	50*
Benteler Steel Tube (Caddo County, LA)	Annealing Furnace – S10 (Metal Heat Treating)	14.0	50*
Thyssenkrup Steel USA – Mount Vernon Mill (Mobile County, AL)	Annealing Furnace (Metal Heat Treating)	120.0	50*

\* Reported values were converted from lb/MMBtu to ppmv

Reference: U.S. EPA RACT/BACT/LAER Clearing House (RBLC)

For new units, based on the technological feasibility of burners for the metal heat treating, metal heating and forging, and radiant-tube burner categories, and the review of BACT determinations, NO<sub>x</sub> concentration limits for new units were established at 30 ppmv @ 3% O<sub>2</sub>, dry, for low-temperature metal heat treating units, low-temperature metal heating and forging units, and radiant-tube burner units and 40 ppmv @ 3% O<sub>2</sub>, dry, for high-temperature metal heat treating units, high-temperature metal heating and forging units, and radiant-tube burner units. A NO<sub>x</sub> concentration limit for new units with radiant-tube burners was also established at 40 ppmv @ 3% O<sub>2</sub>, dry, after receiving feedback from stakeholders and burner vendors.

For units permitted prior to adoption of PR 1147.2, based on the technological feasibility and cost-effectiveness of burners for the metal heat treating, metal heating and forging, and radiant-tube burner categories, NO<sub>x</sub> concentration limits for units were established at 40 ppmv @ 3% O<sub>2</sub>, dry, for low-temperature metal heat treating, low-temperature metal heating and forging and 50 ppmv @ 3% O<sub>2</sub>, dry, for high-temperature metal heat treating, high-temperature metal heating and forging, and radiant-tube burner units. An incremental cost-effectiveness analysis was conducted for units in the metal heat treating, metal heating and forging, and radiant-tube burner categories between the NO<sub>x</sub> concentration limits for units and the NO<sub>x</sub> concentration limits for new units.

The results of this analysis showed that, in addition to the technological feasibility concerns, it is also not incrementally cost-effective for units to implement Low NO<sub>x</sub> Burner technology to meet the lower 30 ppmv @ 3% O<sub>2</sub>, dry and 40 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limits. Details of this incremental cost-effectiveness are found in Appendix D.

During the BARCT assessment, staff recognized that units with a current NO<sub>x</sub> concentration within 10 ppmv of the proposed NO<sub>x</sub> concentration limits for units with a rated heat input capacity less than 40 MMBtu/hr had cost-effectiveness results of greater than or equal to \$50,000 per ton NO<sub>x</sub> reduced. Therefore, staff proposed alternative NO<sub>x</sub> concentration limits for these units at 10 ppmv above the corresponding NO<sub>x</sub> BARCT concentration limit. Alternative NO<sub>x</sub> concentration limits account for the small emission reductions associated with these units compared to units that may have much higher baseline NO<sub>x</sub> concentrations limits and greater emission reductions. An alternative implementation schedule is also established to require these units to meet the proposed NO<sub>x</sub> BARCT concentration limits on a more extended timeline. By providing an alternative implementation schedule, staff allows for full utilization of the useful life of the burners and calculated the cost-effectiveness for these units to then be lower than \$50,000 per ton NO<sub>x</sub> reduced.

During the BARCT assessment, staff determined that a rated heat input capacity threshold was appropriate to separately categorize larger units that may have much higher NO<sub>x</sub> emissions than comparatively smaller units. Cost-effectiveness analyses were performed for units ranging in rated heat input capacity from 20 MMBtu/hr to 30 MMBtu/hr, 30 MMBtu/hr to 40 MMBtu/hr, and greater than or equal to 40 MMBtu/hr. Of these various rated heat input capacity ranges, staff determined that only the greater than or equal to 40 MMBtu/hr range had a cost-effectiveness less than \$50,000 per ton NO<sub>x</sub> reduced.

#### *Cost-Effectiveness Analysis & Incremental Cost-Effectiveness Analysis*

A cost-effectiveness analysis and incremental cost-effectiveness analysis were conducted pursuant to HSC § 40920.6. A summary of the costs, emission reductions, cost-effectiveness, and incremental cost-effectiveness will be discussed for each equipment category in ~~Chapter 2~~this chapter. A detailed analysis of the cost-effectiveness and incremental cost-effectiveness for each equipment category is provided in Appendix D.

For the metal melting, metal heat treating, metal heating and forging, and radiant-tube burner categories, only the Low NO<sub>x</sub> Burner retrofit pollution control option was determined to be cost-effective and thus the only pollution control option pursued as part of each category's BARCT assessment. Details of the cost-effectiveness analyses for both remaining pollution control options – SCR installation and the combination of SCR installation and Low NO<sub>x</sub> Burner retrofit – are provided in Appendix D.

The BARCT assessment for each equipment category is discussed next.

## BARCT ASSESSMENT BY CATEGORY

### Metal Melting Furnaces

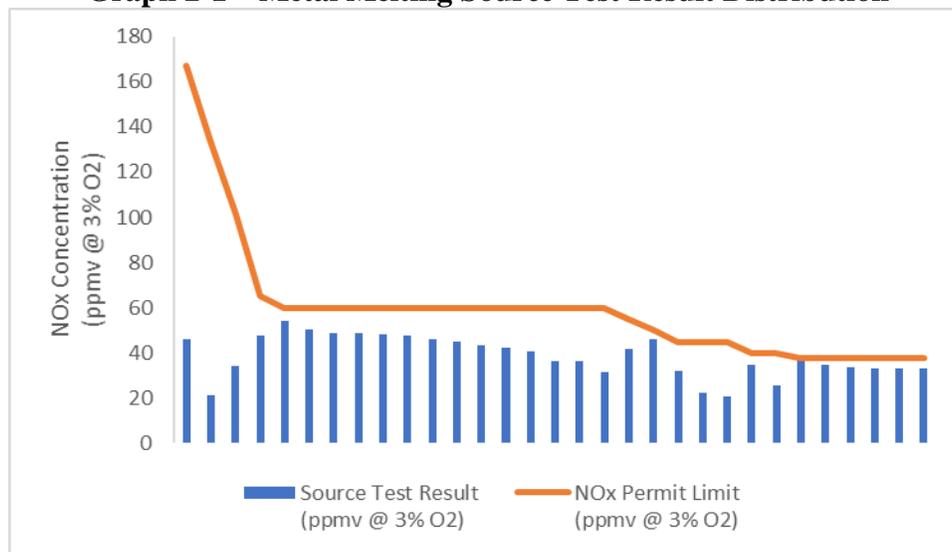
#### *Assessment of South Coast AQMD Regulatory Requirements*

Under Rule 1147, metal melting furnaces were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures.

#### *Assessment of Emission Limits for Equipment*

Staff identified 71 metal melting units. Source tests were identified and reviewed for 31 units with source test results ranging from 21-54 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, and an average result of 39 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Staff then compared permit limits with source test results which showed that many units have source test results that can range significantly lower than their permitted limits. The median difference between a unit's permit limit and source test result for these 31 units was 13 ppmv (median of 24% lower). A graph of the source test result distribution and comparison with permit limits is shown in Graph 2-1.

**Graph 2-1 – Metal Melting Source Test Result Distribution**



#### *Other Regulatory Requirements*

A comparison of NO<sub>x</sub> concentration limits with other California air districts for units in similar equipment categories as metal melting furnaces is provided in Table 2-2.

**Table 2-2 – Metal Melting Other Regulatory Requirements**

Air District	Rule #	Rule Date	NO <sub>x</sub> Concentration Limit ppmv @ 3% O <sub>2</sub> , Dry	Equipment Category
Ventura County Air Pollution Control District	Rule 74.34	12/13/2016	60	Metal Heat Treating/Metal Melting Furnace
Sacramento Metro Air Quality Management District	BACT Clearinghouse Determination #211	BACT Determination Date: 12/12/2018	60	Pot Furnace – Bronze Melting
Great Basin Unified Air Pollution Control District	Rule 404-B	9/5/1974; Amended: 5/8/1996	Natural Gas: 125	Combustion Equipment
Bay Area Air Quality Management District	Regulation 9 Rule 3	3/17/1982	Natural Gas: 125	Heat Transfer Operations
Amador Air District	SIP Rule 19	9/14/1971	140 lbs/hr	Non-Mobile Fuel Burning Equipment
San Joaquin Valley Air Pollution Control District	Rule 4301	12/17/1992	140 lbs/hr	Fuel Burning Equipment

The lowest NO<sub>x</sub> concentration limit for this category was identified as 60 ppmv.

#### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. SCR and Low NO<sub>x</sub> Burners were identified as the pollution control technologies used by metal melting units. The use of flue gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

#### *Initial BARCT Emission Limits and Other Considerations*

Staff reviewed source test results to determine what NO<sub>x</sub> concentrations have been demonstrated in practice. Staff also reviewed emission guarantees from three vendors representing approximately 85% of the burners used in the metal melting category. The three vendors gave emission guarantees ranging from 30-60 ppmv @ 3% O<sub>2</sub>, dry. Although one emission guarantee at 30 ppmv @ 3% O<sub>2</sub>, dry, was received from one vendor, staff did not consider this emission guarantee in determining the initial BACT concentration limit as it was a conditional emission guarantee that may not be achievable for all units or would require a lowering of either operating temperature or operating capacity. As a result, an initial BARCT concentration of 40 ppmv @ 3% O<sub>2</sub>, dry, was analyzed in the source test results and emission guarantees. This analysis showed that 16 of 31 units with source test results were less than or equal to 40 ppmv @ 3% O<sub>2</sub>, dry. After

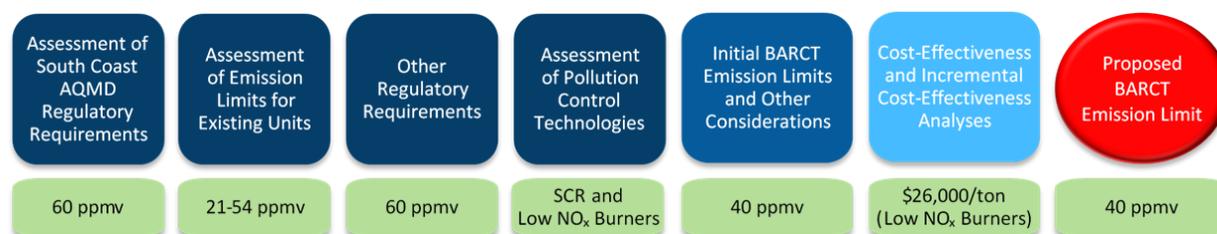
reviewing both emission guarantee statements and source test results, staff determined that a 40 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT concentration limit was technologically feasible for metal melting units.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness Analysis*

Staff conducted a cost-effectiveness analysis for metal melting units to meet a NO<sub>x</sub> concentration limit of 40 ppmv @ 3% O<sub>2</sub>, dry, via Low NO<sub>x</sub> Burner retrofit. The total costs for this option was determined to be \$10,909,500 and the estimated NO<sub>x</sub> emission reductions are 419 tons. The cost-effectiveness of this category was calculated as \$26,000 per ton NO<sub>x</sub> reduced. An incremental cost-effectiveness was not conducted as only one pollution control technology was determined to be cost-effective.

### *Summary*

Based on the BARCT assessment for metal melting units, staff determined a BARCT concentration limit of 40 ppmv @ 3% O<sub>2</sub>, dry.



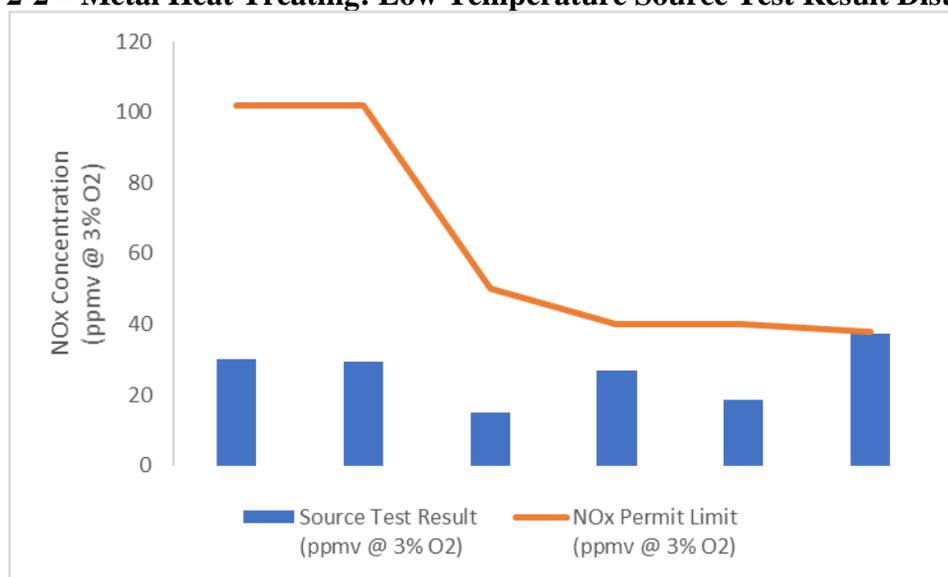
## **Metal Heat Treating Furnaces: Low Temperature ( $\leq 1,200$ °F)**

### *Assessment of South Coast AQMD Regulatory Requirements*

Under Rule 1147, low-temperature metal heat treating furnaces were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures.

### *Assessment of Emission Limits for Equipment*

Staff identified 26 low-temperature metal heat treating units. Source tests were identified and reviewed for six units with source test results ranging from 15-37 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, and an average result of 26 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Staff then compared permit limits with source test results which showed that many units have source tests results that can range below their permit limits. The median difference between a unit's permit limit and source test result for these six units was 28 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, (median of 62% lower). A graph of the source test result distribution and comparison with permit limits is shown in Graph 2-2.

**Graph 2-2 – Metal Heat Treating: Low Temperature Source Test Result Distribution**

### *Other Regulatory Requirements*

A comparison of NO<sub>x</sub> concentration limits with other California air districts for units in similar equipment categories as low-temperature metal heat treating furnaces is provided in Table 2-3.

**Table 2-3 – Metal Heat Treating: Low Temperature Other Regulatory Requirements**

Air District	Rule #	Rule Date	NO <sub>x</sub> Concentration Limit ppmv @ 3% O <sub>2</sub> , Dry	Equipment Category
Ventura County Air Pollution Control District	Rule 74.34	12/13/2016	60	Metal Heat Treating/Metal Melting Furnace
Great Basin Unified Air Pollution Control District	Rule 404-B	9/5/1974; Amended: 5/8/1996	Natural Gas: 125	Combustion Equipment
Bay Area Air Quality Management District	Regulation 9 Rule 3	3/17/1982	Natural Gas: 125	Heat Transfer Operations
San Joaquin Valley Air Pollution Control District	Rule 4301	12/17/1992	140 lbs/hr	Fuel Burning Equipment

The lowest NO<sub>x</sub> concentration limit for this category was identified as 60 ppmv @ 3% O<sub>2</sub>, dry.

### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. SCR and Low NO<sub>x</sub> Burners were identified as the pollution control technologies used by low-temperature metal heat treating units. The use of flue

gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

### *Initial BARCT Emission Limits and Other Considerations*

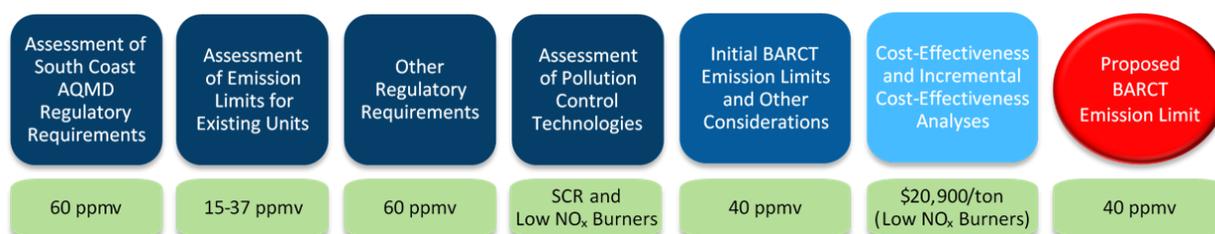
Staff reviewed source test results to determine what NO<sub>x</sub> concentrations have been demonstrated in practice. Staff also reviewed emission guarantees from two vendors representing approximately 95% of the burners used in the low-temperature metal heat treating category. The two vendors gave emission guarantees of 30 ppmv and 42 ppmv @ 3% O<sub>2</sub>, dry. Although one emission guarantee at 30 ppmv @ 3% O<sub>2</sub>, dry, was received from one vendor, staff did not consider this emission guarantee in determining the initial BACT concentration limit as no units equipped with the vendor's burners had source test results less than or equal to 30 ppmv @ 3% O<sub>2</sub>, dry. Additionally, a 30 ppmv @ 3% O<sub>2</sub>, dry, concentration limit would require additional expensive auxiliary equipment, as noted in the *General BARCT Assessment Approach* section of Chapter 2. Based on these determinations, staff analyzed an initial BARCT concentration of 40 ppmv @ 3% O<sub>2</sub>, dry, in the source test results and emission guarantees. This analysis showed that the source test results of all six units with source test results were less than or equal to 40 ppmv @ 3% O<sub>2</sub>, dry. After reviewing both emission guarantee statements and source test results, staff determined that a 40 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT concentration limit was technologically feasible for low-temperature metal heat treating units.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness*

Staff conducted a cost-effectiveness analysis for low-temperature metal heat treating units to meet a NO<sub>x</sub> concentration limit of 40 ppmv @ 3% O<sub>2</sub>, dry, via Low NO<sub>x</sub> Burner retrofit. The total costs for this option was determined to be \$1,525,100 and the estimated NO<sub>x</sub> emission reductions are 73 tons. The cost-effectiveness of this category was calculated as \$20,900 per ton NO<sub>x</sub> reduced. An incremental cost-effectiveness between a 40 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit and a 30 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit was calculated as \$118,700 per ton NO<sub>x</sub> reduced.

### *Summary*

Based on the BARCT assessment for low-temperature metal heat treating units, staff determined a BARCT concentration limit of 40 ppmv @ 3% O<sub>2</sub>, dry.



## **Metal Heat Treating Furnaces: High Temperature (> 1,200 °F)**

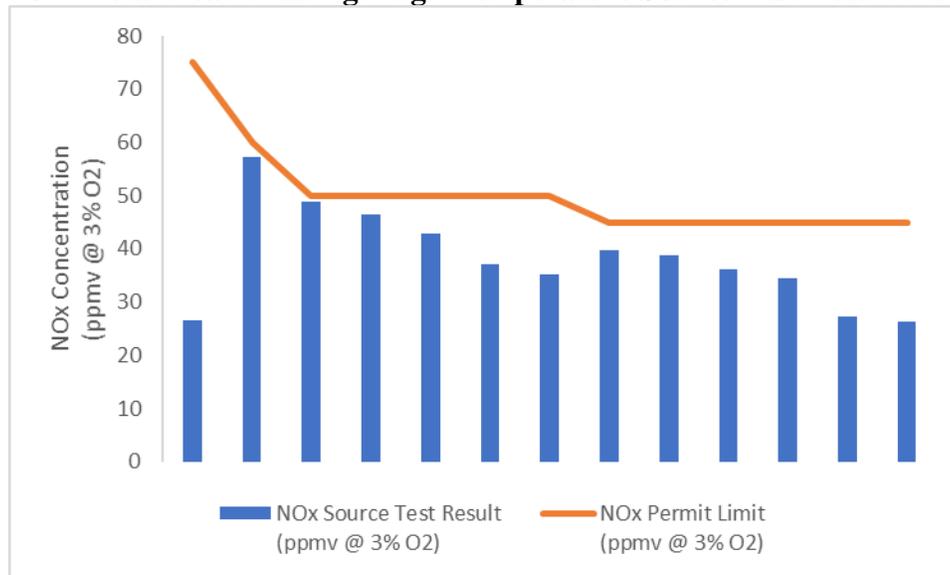
### *Assessment of South Coast AQMD Regulatory Requirements*

Under Rule 1147, high-temperature metal heat treating furnaces were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures.

### *Assessment of Emission Limits for Equipment*

Staff identified 59 high-temperature metal heat treating units. Source tests were identified and reviewed for 13 units with source test results ranging from 26-57 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, and an average result of 38 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Staff then compared permit limits with source test results which showed that many units have source tests results that can range significantly below their permit limits. The median difference between a unit's permit limit and source test result for these 13 units was 9 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, (median of 20% lower). A graph of the source test result distribution and comparison with permit limits is shown in Graph 2-3.

**Graph 2-3 – Metal Heat Treating: High Temperature Source Test Result Distribution**



### *Other Regulatory Requirements*

A comparison of NO<sub>x</sub> concentration limits with other California air districts for units in similar equipment categories as high-temperature metal heat treating temperature furnaces is provided in Table 2-4.

**Table 2-4 – Metal Heat Treating: High Temperature Other Regulatory Requirements**

Air District	Rule #	Rule Date	NO <sub>x</sub> Concentration Limit ppmv @ 3% O <sub>2</sub> , Dry	Equipment Category
Ventura County Air Pollution Control District	Rule 74.34	12/13/2016	60	Metal Heat Treating/Metal Melting Furnace
Great Basin Unified Air Pollution Control District	Rule 404-B	9/5/1974; Amended: 5/8/1996	Natural Gas: 125	Combustion Equipment
Bay Area Air Quality Management District	Regulation 9 Rule 3	3/17/1982	Natural Gas: 125	Heat Transfer Operations
San Joaquin Valley Air Pollution Control District	Rule 4301	12/17/1992	140 lbs/hr	Fuel Burning Equipment

The lowest NO<sub>x</sub> concentration limit for this category was identified as 60 ppmv @ 3% O<sub>2</sub>, dry.

### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. SCR and Low NO<sub>x</sub> Burners were identified as the pollution control technologies used by high-temperature metal heat treating units. The use of flue gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

### *Initial BARCT Emission Limits and Other Considerations*

Staff reviewed source test results to determine what NO<sub>x</sub> concentrations have been demonstrated in practice. Staff also reviewed emission guarantees from two vendors representing approximately 70% of the burners used in the high-temperature metal heat treating category. The two vendors gave emission guarantees ranging from 30-50 ppmv @ 3% O<sub>2</sub>, dry. Although one emission guarantee at 30 ppmv @ 3% O<sub>2</sub>, dry, was received from one vendor, staff did not consider this emission guarantee in determining the initial BACT concentration limit as no units equipped with the vendor's burners had source test results less than or equal to 30 ppmv @ 3% O<sub>2</sub>, dry. Additionally, a 40 ppmv @ 3% O<sub>2</sub>, dry, concentration limit would require additional expensive auxiliary equipment, as noted in the *General BARCT Assessment Approach* section of Chapter 2. Based on both of these determinations, staff analyzed an initial BARCT concentration of 50 ppmv @ 3% O<sub>2</sub>, dry, in the source test results and emission guarantees. This analysis showed that 12 of

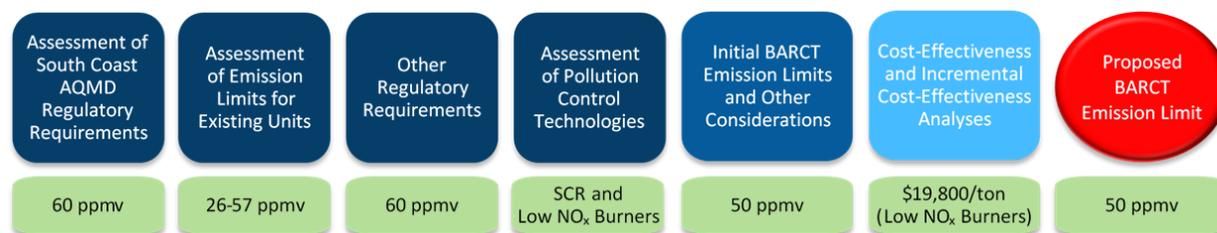
13 units with source test results were less than or equal to 50 ppmv @ 3% O<sub>2</sub>, dry. After reviewing both emission guarantee statements and source test results, staff determined that a 50 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT concentration limit was technologically feasible for high-temperature metal heat treating units.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness Analysis*

Staff conducted a cost-effectiveness analysis for high-temperature metal heat treating units to meet a NO<sub>x</sub> concentration limit of 50 ppmv @ 3% O<sub>2</sub>, dry, via Low NO<sub>x</sub> Burner retrofit. The total costs for this option was determined to be \$2,643,000 and the estimated NO<sub>x</sub> emission reductions are 133 tons. The cost-effectiveness of this category was calculated as \$19,800 per ton NO<sub>x</sub> reduced. An incremental cost-effectiveness between a 50 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit and a 40 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit was calculated as \$158,700 per ton NO<sub>x</sub> reduced.

### *Summary*

Based on the BARCT assessment for high-temperature metal heat treating units, staff determined a BARCT concentration limit of 50 ppmv @ 3% O<sub>2</sub>, dry.



## **Metal Heating and Forging Furnaces: Low Temperature ( $\leq 1,200$ °F)**

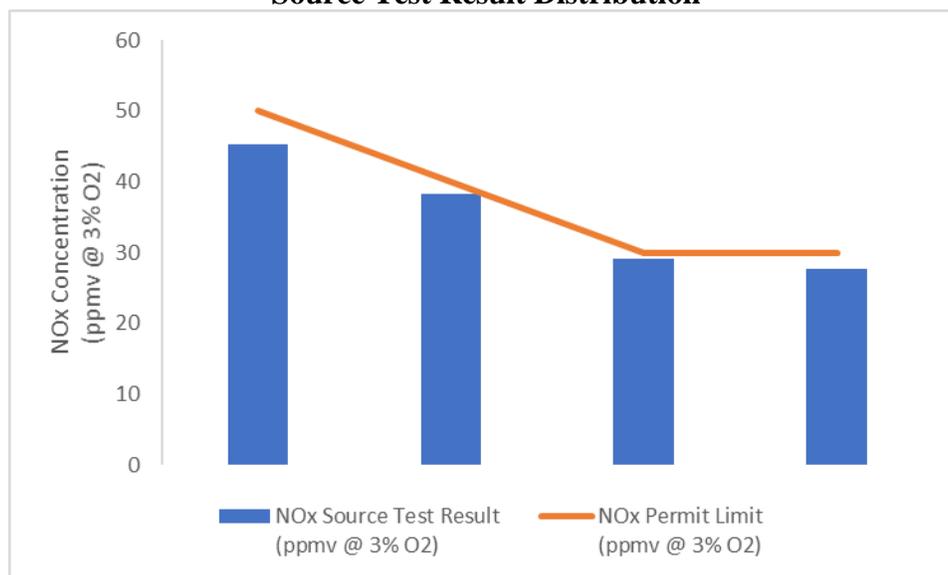
### *Assessment of South Coast AQMD Regulatory Requirements*

Under Rule 1147, low-temperature metal heating and metal forging furnaces were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures.

### *Assessment of Emission Limits for Equipment*

Staff identified 21 low-temperature metal heating and forging units. Source tests were identified and reviewed for four units with source test results ranging from 28-45 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, and an average result of 35 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Staff then compared permit limits with source test results which showed that many units have source tests results that can range slightly below their permit limits. The median difference between a unit's permit limit and source test result for these four units was 2 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry (median of 6% lower). A graph of the source test result distribution and comparison with permit limits is shown in Graph 2-4.

**Graph 2-4 – Metal Heating and Forging: Low Temperature Source Test Result Distribution**



### *Other Regulatory Requirements*

A comparison of NO<sub>x</sub> concentration limits with other California air districts for units in similar equipment categories as low-temperature metal heating and forging furnaces is provided in Table 2-5.

**Table 2-5 – Metal Heating and Forging: Low Temperature Other Regulatory Requirements**

Air District	Rule #	Rule Date	NO <sub>x</sub> Concentration Limit ppmv @ 3% O <sub>2</sub> , Dry	Equipment Category
Ventura County Air Pollution Control District	Rule 74.34	12/13/2016	60	Metal Heat Treating/Metal Melting Furnace
Great Basin Unified Air Pollution Control District	Rule 404-B	9/5/1974; Amended: 5/8/1996	Natural Gas: 125	Combustion Equipment
Bay Area Air Quality Management District	Regulation 9 Rule 3	3/17/1982	Natural Gas: 125	Heat Transfer Operations
San Joaquin Valley Air Pollution Control District	Rule 4301	12/17/1992	140 lbs/hr	Fuel Burning Equipment

The lowest NO<sub>x</sub> concentration limit for this category was identified as 60 ppmv @ 3% O<sub>2</sub>, dry.

### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. SCR and Low NO<sub>x</sub> Burners were identified as the pollution control technologies used by low-temperature metal heating and forging units. The use of flue gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

### *Initial BARCT Emission Limits and Other Considerations*

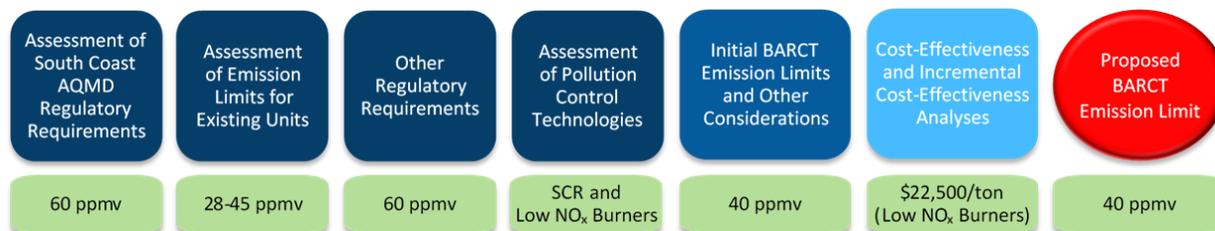
Staff reviewed source test results to determine what NO<sub>x</sub> concentrations have been demonstrated in practice. Staff also reviewed emission guarantees from two vendors representing approximately 100% of the burners used in the low-temperature metal heating and forging category. The two vendors gave emission guarantees ranging from 30-50 ppmv @ 3% O<sub>2</sub>, dry. Although one emission guarantee at 30 ppmv @ 3% O<sub>2</sub>, dry, was received from one vendor, staff did not consider this emission guarantee in determining the initial BACT concentration limit as no units equipped with the vendor's burners had source test results less than or equal to 30 ppmv @ 3% O<sub>2</sub>, dry. Additionally, a 30 ppmv @ 3% O<sub>2</sub>, dry, concentration limit would require additional expensive auxiliary equipment, as noted in the *General BARCT Assessment Approach* section of Chapter 2. Based on both of these determinations, staff analyzed an initial BARCT concentration of 40 ppmv @ 3% O<sub>2</sub>, dry, in the source test results and emission guarantees. This analysis showed that three of four units with source test results were less than or equal to 40 ppmv @ 3% O<sub>2</sub>, dry. After reviewing both emission guarantee statements and source test results, staff determined that a 40 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT concentration limit was technologically feasible for low-temperature metal heating and forging units.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness Analysis*

Staff conducted a cost-effectiveness analysis for low-temperature metal heating and forging units to meet a NO<sub>x</sub> concentration limit of 40 ppmv @ 3% O<sub>2</sub>, dry, via Low NO<sub>x</sub> Burner retrofit. The total costs for this option was determined to be \$942,900 and the estimated NO<sub>x</sub> emission reductions are 42 tons. The cost-effectiveness of this category was calculated as \$22,500 per ton NO<sub>x</sub> reduced. An incremental cost-effectiveness between a 40 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit and a 30 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit was calculated as \$81,800 per ton NO<sub>x</sub> reduced.

### Summary

Based on the BARCT assessment for low-temperature metal heating and forging units, staff determined a BARCT concentration limit of 40 ppmv @ 3% O<sub>2</sub>, dry.



### **Metal Heating and Forging Furnaces: High Temperature (> 1,200 °F)**

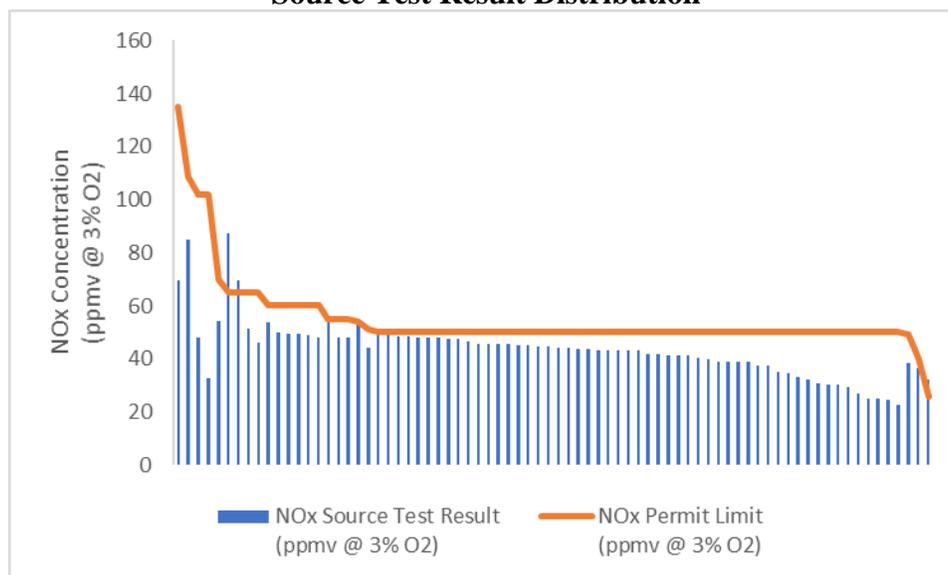
#### *Assessment of South Coast AQMD Regulatory Requirements*

Under Rule 1147, high-temperature metal heating and metal forging furnaces were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures.

#### *Assessment of Emission Limits for Equipment*

Staff identified 137 high-temperature metal heating and forging units. Source tests were identified and reviewed for 73 units with source test results ranging from 23-85 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, and an average result of 43 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Staff then compared permit limits with source test results which showed that many units have source tests results that can range somewhat below their permit limits. The median difference between a unit's permit limit and source test result for these ~~73~~<sup>72</sup> units was 9 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, (median of 17% lower). A graph of the source test result distribution and comparison with permit limits is shown in Graph 2-5.

**Graph 2-5 – Metal Heating and Forging: High Temperature Source Test Result Distribution**



#### *Other Regulatory Requirements*

A comparison of NO<sub>x</sub> concentration limits with other California air districts for units in similar equipment categories as high-temperature metal heating and forging furnaces is provided in Table 2-6.

**Table 2-6 – Metal Heating and Forging: High Temperature Other Regulatory Requirements**

Air District	Rule #	Rule Date	NO <sub>x</sub> Concentration Limit ppmv @ 3% O <sub>2</sub> , Dry	Equipment Category
Ventura County Air Pollution Control District	Rule 74.34	12/13/2016	60	Metal Heat Treating/Metal Melting Furnace
Great Basin Unified Air Pollution Control District	Rule 404-B	9/5/1974; Amended: 5/8/1996	Natural Gas: 125	Combustion Equipment
Bay Area Air Quality Management District	Regulation 9 Rule 3	3/17/1982	Natural Gas: 125	Heat Transfer Operations
San Joaquin Valley Air Pollution Control District	Rule 4301	12/17/1992	140 lbs/hr	Fuel Burning Equipment

The lowest NO<sub>x</sub> concentration limit for this category was identified as 60 ppmv @ 3% O<sub>2</sub>, dry.

### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. SCR and Low NO<sub>x</sub> Burners were identified as the pollution control technologies used by high-temperature metal heating and forging units. The use of flue gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

### *Initial BARCT Emission Limits and Other Considerations*

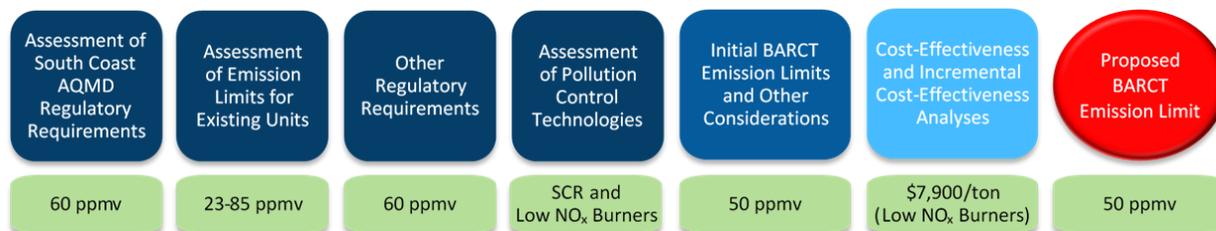
Staff reviewed source test results to determine what NO<sub>x</sub> concentrations have been demonstrated in practice. Staff also reviewed emission guarantees from three vendors representing approximately 95% of the burners used in the high-temperature metal heating and forging category. The three vendors gave emission guarantees ranging from 20-50 ppmv @ 3% O<sub>2</sub>, dry. Although two emission guarantees at 20 ppmv @ 3% O<sub>2</sub>, dry, and 30 ppmv @ 3% O<sub>2</sub>, dry, were received from two vendors, staff did not consider these emission guarantees in determining the initial BACT concentration limit as no units equipped with these vendors' burners had source test results less than or equal to 20 ppmv @ 3% O<sub>2</sub>, dry or 30 ppmv @ 3% O<sub>2</sub>, dry, respectively. Additionally, a 40 ppmv @ 3% O<sub>2</sub>, dry, concentration limit would require additional expensive auxiliary equipment, as noted in the *General BARCT Assessment Approach* section of Chapter 2. Based on these determinations, staff analyzed an initial BARCT concentration of 50 ppmv @ 3% O<sub>2</sub>, dry, in the source test results and emission guarantees. This analysis showed that 6 of 72 units with source test results were less than or equal to 50 ppmv @ 3% O<sub>2</sub>, dry. After reviewing both emission guarantee statements and associated source test results, staff determined that a 50 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT concentration limit was technologically feasible for high-temperature metal heating and forging units.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness*

Staff conducted a cost-effectiveness analysis for high-temperature metal heating and forging units to meet a NO<sub>x</sub> concentration limit of 50 ppmv @ 3% O<sub>2</sub>, dry, via Low NO<sub>x</sub> Burner retrofit. The total costs for this option was determined to be \$4,350,000 and the estimated NO<sub>x</sub> emission reductions are 554 tons. The cost-effectiveness of this category was calculated as \$7,900 per ton NO<sub>x</sub> reduced. An incremental cost-effectiveness between a 50 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit and a 40 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit was calculated as \$87,400 per ton NO<sub>x</sub> reduced.

### Summary

Based on the BARCT assessment for high-temperature metal heating and forging units, staff determined a BARCT concentration limit of 50 ppmv @ 3% O<sub>2</sub>, dry.



### Units with Radiant-Tube Burners

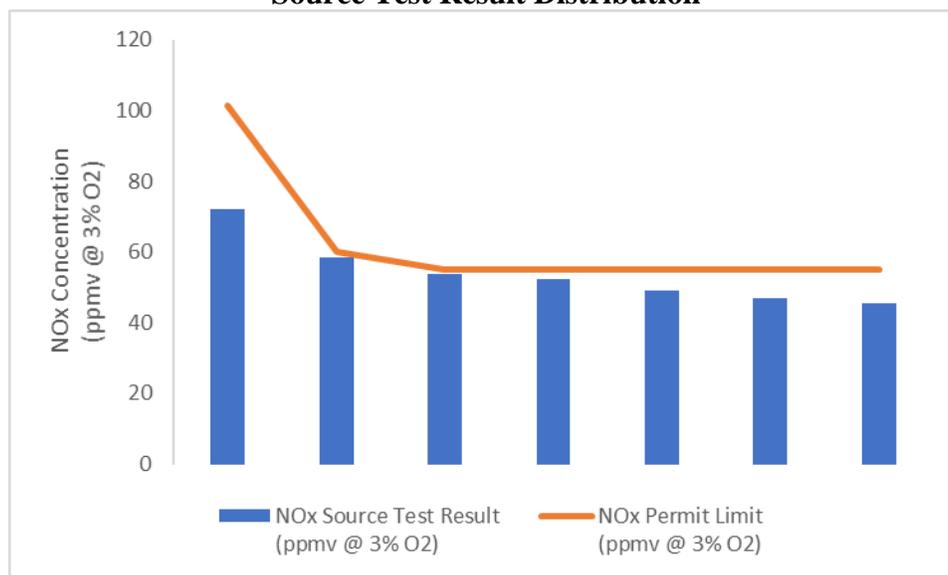
#### *Assessment of South Coast AQMD Regulatory Requirements*

Under Rule 1147, units with radiant-tube burners were required to meet a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, or 0.073 lb/MMBtu across all temperatures.

#### *Assessment of Emission Limits for Equipment*

Staff identified eight units with radiant-tube burners. Although stakeholders noted to staff that approximately 20 permitted units with radiant-tube burners exist, this BARCT assessment only reviewed those units that were identified in staff's permit database. Source tests were identified and reviewed for seven units with source test results ranging from 46-72 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry, and an average result of 54 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Staff then compared permit limits with source test results which showed that many units have source tests results that can range somewhat below their permit limits. The median difference between a unit's permit limit and source test result for these units was 6 ppmv (median of 11% lower). A graph of the source test result distribution and comparison with permit limits is shown in Graph 2-6.

**Graph 2-6 – Units with Radiant-Tube Burners  
Source Test Result Distribution**



### *Other Regulatory Requirements*

All other regulations currently distinguish units by process type (e.g. melting, annealing, forging, etc.). As radiant-tube burners are not a process type but rather a burner type, and without burner data for these other regulations, staff was unable to determine whether the units in these other regulations are equipped with radiant-tube burners.

### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. These units utilize radiant-tube burners, which are a type of Low NO<sub>x</sub> Burner. SCR and Low NO<sub>x</sub> Burners were identified as the pollution control technologies used by units with radiant-tube burners. The use of flue gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

### *Initial BARCT Emission Limits and Other Considerations*

Staff did not obtain emission guarantees from burner vendors for units with radiant-tube burners.

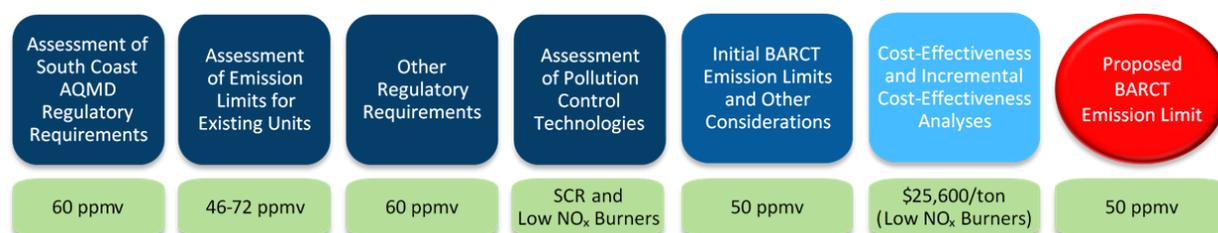
The source test results for units with radiant-tube burners confirm that 50 ppmv @ 3% O<sub>2</sub>, dry, is achievable as three of seven units with source test results were less than or equal to 50 ppmv @ 3% O<sub>2</sub>, dry. After reviewing source test results and meeting with stakeholders who operate units equipped with radiant-tube burners, staff determined that a 50 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT limit was technologically feasible for units with radiant-tube burners.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness*

Staff conducted a cost-effectiveness analysis for units with radiant-tube burners to meet a NO<sub>x</sub> concentration limit of 50 ppmv @ 3% O<sub>2</sub>, dry, via Low NO<sub>x</sub> Burner retrofit. The total costs for this option was determined to be \$721,300 and the estimated NO<sub>x</sub> emission reductions are 28 tons. The cost-effectiveness of this category was calculated as \$25,600 per ton NO<sub>x</sub> reduced. An incremental cost-effectiveness between a 50 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit and a 40 ppmv @ 3% O<sub>2</sub>, dry NO<sub>x</sub> concentration limit was calculated as \$80,700 per ton NO<sub>x</sub> reduced.

### *Summary*

Based on the BARCT assessment for units with radiant-tube burners, staff determined a BARCT concentration limit of 50 ppmv @ 3% O<sub>2</sub>, dry.



### **Units ≥ 40 MMBtu/hr**

#### *Assessment of South Coast AQMD Regulatory Requirements*

There are no current South Coast AQMD regulatory requirements for units in this category. Identified units in this category are located at RECLAIM facilities.

#### *Assessment of Emission Limits for Equipment*

Staff identified four units with a rated heat input capacity greater than or equal to 40 MMBtu/hr. Source test results were identified and reviewed for one unit with a source test result of 22 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry. Two of the four units have an SCR installed while the remaining two units do not have any exhaust NO<sub>x</sub> emissions control equipment installed. The one unit identified with a source test result has a permit limit of 50 ppmv NO<sub>x</sub> @ 3% O<sub>2</sub>, dry.

#### *Other Regulatory Requirements*

The other regulatory requirements identified by staff did not distinguish whether post-combustion emission control (such as SCR) was present. Additionally, staff performed a search for SCR installations permitted prior to adoption of PR 1147.2 and did not identify any SCR installations on any type of furnace. Therefore, staff did not include a review of other regulatory requirements for this category of equipment.

### *Assessment of Pollution Control Technologies*

This section is discussed in Appendix B. SCR and the combination of Low NO<sub>x</sub> Burner and SCR were identified as the pollution control technologies used by units with a rated heat input capacity greater than or equal to 40 MMBtu/hr. The use of flue gas recirculation (FGR) technology did not have a significant presence in the PR 1147.2 universe. The use of selective non-catalytic reduction (SNCR) was not identified on any units.

The cost-effectiveness and incremental cost-effectiveness of adding Low NO<sub>x</sub> Burners to the two units with an SCR installation is detailed in Appendix D. Staff determined that the combination of Low NO<sub>x</sub> Burners and SCR technology was not incrementally cost-effective. This was primarily due the SCR alone reducing NO<sub>x</sub> emissions by more than 85% and that two of the units either currently use or would need to install regenerative burners for fuel-savings. These regenerative burners are a type of Low NO<sub>x</sub> Burner that was determined to have an approximate 300% increase in total equipment and installation costs compared to standard Low NO<sub>x</sub> Burners. Standard Low NO<sub>x</sub> Burners represent the majority of Low NO<sub>x</sub> Burner installation as only 12 of the 239 units with identifiable burner information listed regenerative burners.

### *Initial BARCT Emission Limits and Other Considerations*

Staff met with two SCR vendors to further understand SCR applicability and technological feasibility. While no emission guarantees were received, staff reviewed the CEMS data for one of the two units in this category with an SCR installation and determined that a 15 ppmv @ 3% O<sub>2</sub>, dry, initial BARCT limit was technologically feasible for units with a rated heat input capacity greater than or equal to 40 MMBtu/hr.

### *Cost-Effectiveness Analysis and Incremental Cost-Effectiveness*

Staff conducted two cost-effectiveness analyses for units with a rated heat input capacity greater than or equal to 40 MMBtu/hr. The first analysis was to meet a NO<sub>x</sub> concentration limit of 10 ppmv @ 3% O<sub>2</sub>, dry, via the combination of SCR installation and Low NO<sub>x</sub> Burner retrofit. The second analysis was to meet a NO<sub>x</sub> concentration limit of 15 ppmv @ 3% O<sub>2</sub>, dry, via SCR installation.

For the first analysis, the total costs was determined to be \$58,561,900 and the estimated NO<sub>x</sub> emission reductions are 2,171 tons. The cost-effectiveness of this combination of control technologies was calculated as \$27,000 per ton NO<sub>x</sub> reduced.

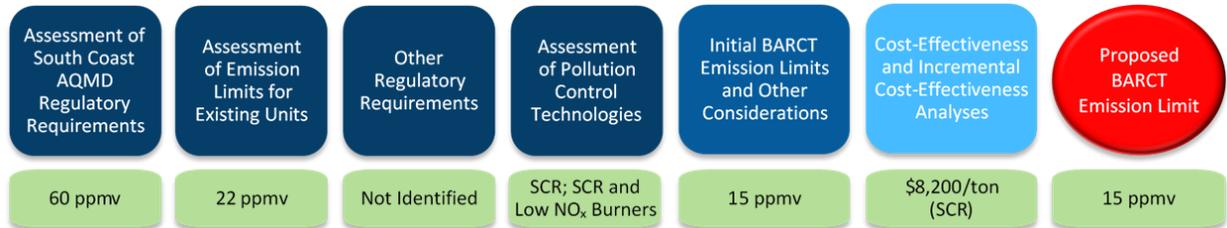
For the second analysis, the total costs was determined to be \$13,955,100 and the estimated NO<sub>x</sub> emission reductions are 1,695 tons. The cost-effectiveness of this category was calculated as \$8,200 per ton NO<sub>x</sub> reduced.

Staff conducted an incremental cost-effectiveness between the pollution control options of SCR alone and the combination of SCR installation and Low NO<sub>x</sub> Burner retrofit. The total incremental costs between the two pollution control options was determined to be \$44,606,800 and total incremental NO<sub>x</sub> emission reductions between the two pollution control options was 476 tons. The

incremental cost-effectiveness was then calculated as \$93,700 per ton NO<sub>x</sub> reduced and thus only the pollution control option to reach an initial BARCT limit of 15 ppmv @ 3% O<sub>2</sub>, dry, via SCR installation alone was considered.

### Summary

Based on the BARCT assessment for units with a rated heat input capacity greater than or equal to 40 MMBtu/hr, staff determined a BARCT concentration limit of 15 ppmv @ 3% O<sub>2</sub>, dry.



## **CHAPTER 3: PROPOSED RULE 1147.2**

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**INTRODUCTION**

**PROPOSED RULE STRUCTURE**

**PROPOSED RULE 1147.2**

## INTRODUCTION

PR 1147.2 establishes NO<sub>x</sub> limits for RECLAIM, non-RECLAIM, and former RECLAIM facilities. Non-RECLAIM facilities are currently subject to Rule 1147. Upon adoption of Proposed Rule 1147.2, non-RECLAIM facilities with metal melting, metal heat treating, and metal heating and forging furnaces will be subject to the requirements of Rule 1147.2 and no longer subject to Rule 1147.

The following information describes the structure of PR 1147.2 and explains the provisions incorporated from other source-specific rules. New provisions and any modifications to provisions that have been incorporated are also explained.

## PROPOSED RULE STRUCTURE

PR 1147.2 will contain the following subdivisions:

- a) *Purpose*
- b) *Applicability*
- c) *Definitions*
- d) *Requirements*
- e) *Implementation Schedule*
- f) *Determination of Burner Age*
- g) *Demonstration of Less than One Pound NO<sub>x</sub> Per Day Averaged Over a Calendar Month*
- h) *Monitoring and Source Testing Requirements*
- i) *Labeling Requirements*
- j) *Reporting and Recordkeeping Requirements*
- k) *Exemptions*

### PROPOSED RULE 1147.2

#### *Subdivision (a) – Purpose*

The purpose of this rule is to limit NO<sub>x</sub> and CO emissions from metal melting furnaces, metal heat treating furnaces, and metal heating furnaces, and metal forging furnaces.

#### *Subdivision (b) – Applicability*

PR 1147.2 applies to furnaces used for metal melting, metal heat treating, and metal heating and forging that are required to obtain a South Coast AQMD permit.

#### *Subdivision (c) – Definitions*

Key definitions in PR 1147.2 are referenced and discussed below.

- *ALTERATION means any physical change or addition to an Existing Unit requiring an application for Permit to Construct pursuant to South Coast AQMD Rule 201 – Permit to Construct.*

This is a new definition to apply to units or their burners that have been altered in a manner that requires a permit modification. This definition includes those units that need to retrofit to meet the proposed NO<sub>x</sub> and CO concentration limits of this rule.

- *METAL FORGING FURNACE means a device which applies heat to a solid metal to allow for its further processing, forming, or shaping.*

This is a new definition to apply to furnaces involved in forging or drop forging operations, such as a billet furnace, drop forging furnace, or forging furnace.

- *METAL HEAT TREATING FURNACE means a device where heat is applied to a solid metal in order to alter its chemical properties, alter its microstructure to achieve desired mechanical properties (strength, hardness, toughness, ductility, and corrosion resistance), or alter its surface chemistry.*

This is a new definition to apply to furnaces involved in heat treating operations, such as an aging furnace, annealing furnace, heat treating furnace, or homogenizing furnace.

- *METAL HEATING FURNACE means a device where heat is applied to a solid metal in order to alter its physical properties.*

This is a new definition to apply to furnaces involved in re-heat operations and to forging furnaces that may be classified as a furnace type other than as a forging furnace (e.g. billet furnace) on the unit's permit application.

- *METAL MELTING FURNACE means a device where metal is heated to, or maintained in, a molten state.*

This is a new definition to apply to furnaces involved in melting operations, such as a cupola furnace, pit furnace, pot furnace, refining kettle, reverberatory furnace, or sweat furnace.

- *RADIANT-TUBE BURNER means an indirect-fired burner where combustion takes place in a tube to prevent contact between the products of combustion and the parts being heated.*

This is a new definition to apply to those units equipped with radiant-tube type burners. Currently, the South Coast AQMD permit database only includes units with radiant-tube burners present in the metal heat treating and metal heating and forging categories, but this equipment category is broadened to all units to account for units that may not be in the permit database.

*Subdivision (d) – Requirements*NO<sub>x</sub> and CO Limits for Metal Melting, Metal Heat Treating, and Metal Heating and Forging Furnaces – Paragraphs (d)(1) through (d)(3)

Units subject to PR 1147.2 are inclusive of units that were either subject to Rule 1147 or a trading credits program (RECLAIM). Rule 1147 units are subject to a NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry. RECLAIM units are currently not subject to a command-and-control rule limit and either use the default RECLAIM emission factor of 130 lbs NO<sub>x</sub>/MMBtu (equivalent to 102 ppmv @ 3% O<sub>2</sub>, dry) or a unit-specific permit condition.

To account for these differing emission requirements, units currently in Rule 1147 (non-RECLAIM) ~~units are~~ would be subject to paragraph (d)(1)(A) and will have a transition NO<sub>x</sub> concentration limit of 60 ppmv @ 3% O<sub>2</sub>, dry, and Former RECLAIM units are ~~would be~~ subject to paragraph (d)(1)(B) and will have a transition NO<sub>x</sub> concentration limit of 102 ppmv @ 3% O<sub>2</sub>, dry or be subject to an existing NO<sub>x</sub> emission limit, whichever is lower. Both of these limits will apply until a unit becomes subject to the concentration limits in Table 1 or the alternative concentration limits in Table 2. All units will eventually be subject to the concentration limits in Table 1, except for units that can demonstrate NO<sub>x</sub> emissions of less than one pound per day, averaged over a calendar month, which provides an exemption from the concentration limits of this rule.

Units at existing RECLAIM facilities are categorized as Major, Large, or Process sources. Major sources are monitored with CEMS while Large sources have NO<sub>x</sub> concentration limits with periodic source testing requirements. Process sources are split between those units using the RECLAIM default emission factor of 130 lbs NO<sub>x</sub>/MMScf without periodic source testing requirements and those units that have a NO<sub>x</sub> concentration limit with periodic source testing requirements. RECLAIM units that have an existing NO<sub>x</sub> concentration limit below 102 ppmv that have not yet met BARCT will retain those existing limits upon the facility becoming a former RECLAIM facility, until required to meet the NO<sub>x</sub> and CO concentration limits of Table 1 or Table 2 in PR 1147.2 as outlined in paragraphs (d)(2) through (d)(4). RECLAIM units that have an existing NO<sub>x</sub> concentration limit above 102 ppmv that have not met BARCT upon the facility becoming a former RECLAIM facility will need to accept a permit limit of 102 ppmv or lower upon the facility becoming a former RECLAIM facility, until required to meet the NO<sub>x</sub> and CO concentration limits of Table 1 or Table 2 in PR 1147.2 as outlined in paragraphs (d)(2) through (d)(4).

The transition limits described in paragraph (d)(1) serve as an enforceable regulatory requirement representative of the federal RACT for a RECLAIM facility once it becomes a former RECLAIM facility, and the transition limits are considered temporary in the scenario that a RECLAIM facility becomes a former RECLAIM facility prior to meeting the Table 1 or Table 2 concentration limits in PR 1147.2.

Staff notes that NO<sub>x</sub> and CO concentrations have an inverse relationship. CO is produced as a result of incomplete combustion such that the more complete the combustion, the higher the flame temperature as a greater percentage of the input fuel is consumed. As a result of these higher flame

temperatures and more complete combustion, CO is lowered but NO<sub>x</sub> levels are raised as a result of the elevated temperatures. Thus, high CO concentrations may be produced to lower the NO<sub>x</sub> concentration. To control excessive CO levels that may be related to NO<sub>x</sub> reduction efforts, PR 1147.2 establishes a CO concentration limit of 1,000 ppmv @ 3% O<sub>2</sub>, dry.

During the BARCT assessment, staff noted that the majority of non-RECLAIM units that would be subject to PR 1147.2 had a cost-effectiveness of greater than \$50,000 per ton NO<sub>x</sub> reduced in order to meet the proposed NO<sub>x</sub> concentration limits of PR 1147.2. This was due, in part, to existing units being required to comply with a 60 ppmv @ 3% O<sub>2</sub>, dry, NO<sub>x</sub> concentration limit pursuant to Rule 1147. The emission reductions between an existing unit with a 60 ppmv @ 3% O<sub>2</sub>, dry, NO<sub>x</sub> concentration limit and the proposed NO<sub>x</sub> concentration limits of PR 1147.2 in paragraph (d)(2), and the cost of retrofitting a unit to meet the proposed limits, led to the cost-effectiveness of these units to be greater than \$50,000 per ton NO<sub>x</sub> reduced. As a result, staff proposed an alternative, more extended implementation schedule for these units. This alternative implementation schedule allows for prioritization to be given to those units that were not subject to Rule 1147 which was adopted in 2008. AB 617 requirements prioritize those units that have not modified their permit conditions since 2007. The alternative implementation schedule is based on an expected burner life of 35 years.

Paragraph (d)(3) allows an owner or operator of a unit with a rated heat input capacity less than 40 MMBtu/hr and where the burner age is less than 32 years old to meet the concentration limits in Table 1 on the extended 32-year alternative implementation schedule in paragraph (e)(2) provided that the unit either has a permit condition, or the owner or operator submits a permit application by July 1, 2023 to add a permit condition complying with the alternative concentration limits in Table 2. A South Coast AQMD-approved source test will be required to verify that the unit meets the applicable alternative NO<sub>x</sub> concentration limit in Table 2. The source test that is submitted as part of the permit application process to add a permit condition complying with the concentration limits in Table 2 is required to have been conducted within 36 months before the date the permit application is submitted. Additionally, the source test is required to represent the equipment at the time the permit application is submitted. The objective of the alternative concentration limits is to recognize those units that are currently meeting the alternative concentration limits and provide those units a more extended implementation schedule due to the high cost-effectiveness of some units to retrofit. It is assumed that approximately 30 months will be required for South Coast AQMD staff to review the permit application, issue the Permit to Construct or Permit to Operate, and for the operator to perform the necessary retrofits and compliance demonstration, by which time the unit's burners will be approximately 35 years old. This determination of burner useful life of 35 years is based on burner age data from the South Coast AQMD permit database and stakeholder feedback on expected burner life.

All units will eventually become subject to the concentration limits in Table 1. Permit application submittals to meet these concentration limits are required of all units; those units with a rated heat input capacity less than 40 MMBtu/hr are required to meet either a 12-year or a 32-year implementation schedule depending on whether the unit can demonstrate compliance with the alternative concentration limits in Table 2. Effectively, compliance with the alternative concentration limits is a prerequisite condition to allow for a unit to comply with the NO<sub>x</sub> limits in Table 1 on an extended implementation schedule of 32 years in lieu of the default 12-year

implementation schedule.

Units that already have a permit condition complying with the concentration limits in ~~PR 1147.2~~ Table 1 ~~will~~would not be required to submit a new permit application.

#### NO<sub>x</sub> and CO Limits for Units ≥ 40 MMBtu/hr – Paragraph (d)(4)

Larger units are required to submit permit applications on or before July 1, 2023 to meet the concentration limits in Table 1. The implementation schedule requirements for these units is specified in paragraph (e)(3) and are given a more expedited implementation schedule due to the larger emissions from these sources and the requirements of AB 617. The averaging time for any NO<sub>x</sub> compliance demonstration for units equipped with a certified NO<sub>x</sub> CEMS ~~shall~~would use an 8-hour averaging period.

#### NO<sub>x</sub> and CO Limits for New Units – Paragraph (d)(5)

NO<sub>x</sub> and CO concentration limits for new units in the metal melting, metal heat treating, and metal heating and forging equipment categories were also established as described in the BARCT Assessment in Chapter 2, consistent with the inclusion of NO<sub>x</sub> and CO concentration limits for new units in Rule 1147. These concentration limits are in Table 3. Any applicable BACT determination that is made after the [*Date of Adoption*] that is lower than the concentration limits for new units in PR 1147.2 will apply.

#### Unit Decommission – Paragraph (d)(6)

As an alternative compliance pathway, a Unit may be decommissioned and will be required to be decommissioned by a fixed-date of 30 months after the permit application submittal date deadline. Although this deadline is based upon the unit's permit application submittal deadline as if it were not to be decommissioned, there will be no noticing or permit application deadline for this unit.

#### Requirement for Demonstration of Less than One Pound of NO<sub>x</sub> per Day Averaged Over a Calendar Month – Paragraph (d)(7)

As an alternative compliance pathway, a Unit is not required to meet the NO<sub>x</sub> and CO concentration limits of this rule if the Unit complies with the one pound NO<sub>x</sub> per day, averaged over a calendar month, requirements of subdivision (g) and the recordkeeping requirements of subdivision (j), or complies with an existing permit condition that limits NO<sub>x</sub> emissions to less than one pound per day averaged over a calendar month, whichever is lower. This exemption cannot be utilized without a permit modification for scenarios that result in any increase of permitted limits or any increase of potential to emit. These situations would require permit application submittal and evaluation. This includes the scenario where the permit may have an existing daily permit limit for either emissions or gas usage, but a monthly PR 1147.2 exemption limit that potentially may allow increased usage on any given day. Any emission increases above an existing daily limit would still be in violation of the permit and require a permit modification.

### Units that Fail to Demonstrate Less than One Pound of NO<sub>x</sub> per Day Averaged over a Calendar Month – Paragraph (d)(8)

This provision is to capture units that are no longer considered low-emitting units with average NO<sub>x</sub> emissions of greater than or equal to one pound of NO<sub>x</sub> per day averaged over a calendar month. While these units are subject to the concentration limits in Table 1, they are not subject to the permit application submission requirements in paragraph (e)(1), (e)(2), or (e)(3); instead, these units are required to submit permit applications within 180 days of failure to demonstrate compliance with paragraph (d)(7). The failure to demonstrate compliance would result from usage records showing an exceedance or by not maintaining any records to comply with this provision. These units are also required to meet the concentration limits in Table 1 no later than 12 months after the permit issuance, similar to those units that did not opt to demonstrate NO<sub>x</sub> emissions of less than one pound per day averaged over a calendar month. For these situations, once a unit complies with the concentration limits in Table 1, reverting to a previous low-usage exemption would not be allowed.

**Table 1 – NO<sub>x</sub> and CO Concentration Limits for Existing Units**

Unit Size	Furnace Type	Temperature	NO <sub>x</sub> Limit <sup>1,2</sup> (ppmv)	CO Limit <sup>1</sup> (ppmv)
< 40 MMBtu/hr	Metal Melting	All Temperatures	40	1,000
	Metal Heat Treating, Metal Heating, and Metal Forging	≤ 1,200 °F	40	
		> 1,200 °F	50	
Units with Radiant-Tube Burners	All Temperatures	50		
≥ 40 MMBtu/hr	All Units	All Temperatures	15	

<sup>1</sup> Corrected to 3% O<sub>2</sub>, dry

<sup>2</sup> Averaged over an 8-hour rolling interval for units equipped with a certified NO<sub>x</sub> CEMS

**Table 2 – Alternative NO<sub>x</sub> and CO Concentration Limits for Existing Units**

Unit Size	Furnace Type	Temperature	NO <sub>x</sub> Limit <sup>1,2</sup> (ppmv)	CO Limit <sup>1</sup> (ppmv)
< 40 MMBtu/hr	Metal Melting	All Temperatures	50	1,000
	Metal Heat Treating, Metal Heating, and Metal Forging	≤ 1,200 °F	50	
		> 1,200 °F	60	
Units with Radiant-Tube Burners	All Temperatures	60		

<sup>1</sup> Corrected to 3% O<sub>2</sub>, dry

<sup>2</sup> Averaged over an 8-hour rolling interval for units equipped with a certified NO<sub>x</sub> CEMS

**Table 3 – NO<sub>x</sub> and CO Concentration Limits for New Units**

Unit Size	Furnace Type	Temperature	NO <sub>x</sub> Limit <sup>1,2</sup> (ppmv)	CO Limit <sup>1</sup> (ppmv)
< 40 MMBtu/hr	Metal Melting	All Temperatures	40	1,000
	Metal Heat Treating, Metal Heating, and Metal Forging	≤ 1,200 °F	30	
		> 1,200 °F	40	
Units with Radiant-Tube Burners	All Temperatures	40		
≥ 40 MMBtu/hr	All Units	All Temperatures	15	

<sup>1</sup> Corrected to 3% O<sub>2</sub>, dry

<sup>2</sup> Averaged over an 8-hour rolling interval for units equipped with a certified NO<sub>x</sub> CEMS

### *Subdivision (e) – Implementation Schedule*

#### 12-Year Implementation Schedule – Paragraph (e)(1)

An owner or operator must submit a permit application by the July 1 after a unit's burner turns 12 years of age, determined by the burner age determination requirements of subdivision (f). Units with a burner already 12 years old as of January 1, 2023 must submit a permit application by July 1, 2023. Once the permit is issued, these units must demonstrate compliance with the applicable concentration limits in Table 1 no later than 12 months following the issuance of the permit or the expiration of the permit if an extension of time has been approved pursuant to *Rule 205 – Expiration of Permits to Construct*. A permit refers to a Permit to Construct unless a Permit to Operate is issued. The 12-month period of time is provided to allow units sufficient time to perform the necessary retrofits and conduct a source test to demonstrate compliance with the concentration limits in Table 1. Flexibility is provided to those owners or operators who received an approved time extension. An owner or operator of a unit that has both a compliance demonstration and a permit condition that meet the concentration limits in Table 1 will not be required to submit a permit application for that unit.

Rule 205 limits validity of issued permits to construct to one year after the permit is issued unless a request for extension is approved in writing by the Executive Officer. Although current Rule 205 does not specify a limit to the period of time granted for extensions to permit expiration or specific reasons for the extension, historical procedure has limited extensions to an additional 6 to 12 months with approval from the Executive Officer. Extensions beyond 12 months are not typical, would be especially scrutinized in regard to this rule's implementation, and would require additional justification such as increments of progress. As a general matter, indefinite extensions under Rule 205 are not permissible as permits are expected to reflect the latest BACT determinations and should be acted on consistent with public notice supporting permit issuance. Extension requests made for the purpose of circumventing rule requirements will not be approved.

### 32-Year Implementation Schedule – Paragraph (e)(2)

An owner or operator must submit a permit application by the July 1 after a unit's burner turns 32 years of age, determined by the burner age determination requirements of subdivision (f), provided that the unit complies with the permit condition or permit application submission requirements of subparagraph (d)(3). Once the permit is issued, these units must demonstrate compliance with the applicable concentration limits in Table 1 no later than 12 months following the issuance of the permit or the expiration of the permit if an extension of time has been approved pursuant to Rule 205. A permit refers to a Permit to Construct unless a Permit to Operate is issued. The 12-month period of time is provided to allow units sufficient time to perform the necessary retrofits and conduct a source test to demonstrate compliance with the concentration limits in Table 1. Flexibility is provided to those owners or operators who received an approved time extension. An owner or operator of a unit that has both a compliance demonstration and a permit condition that meet the concentration limits in Table 1 will not be required to submit a permit application for that unit.

### Implementation Schedule for Units $\geq$ 40 MMBtu/hr – Paragraph (e)(3)

An owner or operator of a unit with a rated heat input capacity greater than or equal to 40 MMBtu/hr must submit permit applications by July 1, 2023. These larger units are required to meet a lower NO<sub>x</sub> concentration limit necessitating the installation of an exhaust emission control system. Once the permit is issued, these units must demonstrate compliance with the applicable concentration limit in Table 1 no later than 18 months following the issuance of the permit or the expiration of the permit if an extension of time has been approved pursuant to Rule 205. The 18-month period of time is comparatively longer than that for units with a rated heat input capacity less than 40 MMBtu/hr due to the more extensive nature of exhaust emission control system installations and compliance demonstrations. Flexibility is provided to those owners or operators who received an approved time extension.

### Units that Do Not Meet the Permit Application Submittal Deadlines – Paragraph (e)(4)

Units with a rated heat input capacity less than or equal to 40 MMBtu/hr that do not meet the permit application submittal deadlines in subdivision (d) would be in violation of those provisions, but are still required to demonstrate compliance with the concentration limits in Table 1 or Table 2 by no later than 12 months after the permit is issued, the expiration of the permit if an extension of time has been approved pursuant to Rule 205, or 30 months after the date of the permit application submittal deadline, whichever is sooner. Additionally, these units will still be subject to the transition limits in paragraph (d)(1) despite not meeting the permit application submission requirements to meet the concentration limits in Table 1 or Table 2. Units with a rated heat input capacity greater than or equal to 40 MMBtu/hr that do not meet the permit application submission requirements are still required to demonstrate compliance with the concentration limits in Table 1 by no later than 18 months after the permit is issued, the expiration of the permit if an extension of time has been approved pursuant to Rule 205, or 36 months after the date of the permit application submittal deadline, whichever is sooner. Regardless of the rated heat input capacity of the unit, flexibility is provided to those owners or operators who received an approved time extension. The requirement to meet specific concentration limits after either 30 months or 36

months is to ensure that units still reduce their emissions by a specific time, regardless of whether a permit application is submitted on time or a permit application is cancelled by the operator.

#### Permit Modifications – Paragraph (e)(5)

An owner or operator shall submit a permit application to modify the Permit to Construct or Permit to Operate if the unit can demonstrate compliance with the concentration limits in Table 1 or alternative concentration limits in Table 2 without a unit alteration. This permit application is only required to be submitted pursuant to the implementation schedule in paragraph (e)(1), (e)(2), or (e)(3). This paragraph is designed to capture units that have an existing permit condition that is not reflective of the NO<sub>x</sub> concentrations in Table 1 or Table 2 as demonstrated in an approved source test result.

#### Unit Decommission – Paragraph (e)(6)

At the same time an owner or operator is required to submit a permit application, an owner or operator may submit the appropriate South Coast AQMD form to decommission the unit no later than 30 months after the permit application submittal date in paragraph (e)(1), (e)(2), or (e)(3). A 30-month time period is chosen to proxy when the unit would be required to demonstrate compliance with the concentration limits in Table 1 or alternative concentration limits in Table 2. The unit is required to be decommissioned by a 30-month deadline after the permit application submittal deadline.

#### Multiple Unit Implementation Schedule – Paragraph (e)(7)

An owner or operator may have two or more units that are subject to a July 1, 2023 permit application submittal deadline in paragraph (e)(1) or (e)(2). To mitigate the impact of having multiple units meet the NO<sub>x</sub> limits simultaneously, facilities operating multiple units at one location shall comply with the concentration limits in Table 1 following the multiple unit implementation schedule specified in Table 4 in lieu of the 12-year or 32-year implementation schedules of paragraph (e)(1) or (e)(2), respectively. Table 4 is based on the total affected rated heat input capacity for those units required to submit permit applications by January 1, 2023. For example, if a facility has 16 units with a combined rated heat input capacity of 20 MMBtu/hr, that facility would be on a 4-year permit application submission schedule in Table 4 and be required to begin submitting permit applications for at least 50% of the 20 MMBtu/hr by January 1, 2023 (or 8 units if the rated heat input capacity is identical for all 16 units), followed by submitting permit applications for the remaining 50% of the 20 MMBtu/hr by January 1, 2025. Any partial number of permit applications equating to the minimum percentage of total rated heat input capacity in Table 4 shall be rounded up to the nearest whole permit application. For example, if 50% of the total rated heat input capacity required to be submitted by January 1, 2024 equates to 3.4 permit applications, a minimum of 4 permit applications are required to be submitted. Units that are not required to submit permit applications by July 1, 2023 would still be required to comply with the permit application submittal requirements in paragraph (e)(1) or (e)(2).

The decommissioning of a unit subject to the multiple unit implementation schedule will require the appropriate South Coast AQMD form be submitted to decommission the unit. The submission

of this form or the submission of a permit application will both qualify for meeting the minimum permit application submission requirements of subparagraph (e)(7)(A). Similar to the requirements for those units that are not subject to the multiple unit implementation schedule, the unit will be required to be decommissioned 30-months after the ~~form~~ permit application submittal deadline.

Staff has received comments from stakeholders who may operate equipment subject to PR 1147.2 at multiple locations. These stakeholders have expressed concern that they would be financially burdened if each of their facilities were to be considered separately. In response, staff acknowledges that there may be financial considerations incurred but the impact to specific local communities where these units operate may be disproportionately weighted. For example, a company may operate four facilities located at four different sites. Each site operates five equivalent furnaces for a total of 20 furnaces. If the company opted to upgrade the furnaces at only two of the four sites (or 50% of the total furnaces) and forego upgrading the other two sites until a later time, then two of the four communities where this company operates would be disproportionately impacted by the continuing use of higher-emitting sources. PR 1147.2 does not extend a multiple unit compliance option for equipment operated by a single owner over multiple locations.

**Table 4 – Multiple Unit Implementation Schedule  
to Meet Concentration Limits in Table 1**

<b>Permit Application or Inactivation of Permit Submittal Date</b>	<b>2 – 9 Units (Minimum % of total Rated Heat Input Capacity)</b>	<b>10 – 19 Units (Minimum % of total Rated Heat Input Capacity)</b>	<b>20 or More Units (Minimum % of total Rated Heat Input Capacity)</b>
January 1, 2023	50%	-	-
January 1, 2024	100%	50%	33%
January 1, 2025	Not Applicable	-	-
January 1, 2026		100%	67%
January 1, 2027		Not Applicable	-
January 1, 2028			100%

*Subdivision (f) – Determination of Burner Age*

Burner age is the criteria by which units will be subject to the limits in Table I by either a 12-year burner age timeline or a 32-year burner age timeline, corresponding to the implementation schedule in paragraph (e)(1) or (e)(2). The options to determine burner age are largely based on Rule 1147's structure. However, the hierarchy of order in these options has been removed. Other methods of determining burner age, substantiated with sufficient written information, may be

approved by the Executive Officer. A default assignment has also been added to designate a burner as 32 years old as of January 1, 2023. It is anticipated that this option will be chosen only if no other records are available to otherwise determine the burner age.

The permit application submission requirements of paragraph (d)(2) and (d)(3) are based on the burner age as of January 1 of any given year. Staff recognizes that a burner's original date, determined pursuant to subdivision (f), may occur any time within the year after January 1. Only whole-year increments will be considered for determining a burner's age. For example, if a burner's original date is determined to be March 1, 2011, for purposes of determining burner age the original date will be used as January 1, 2012. As of January 1, 2023 the burner would be considered 11 years old and not 12 years old.

*Subdivision (g) – Demonstration of Less than One Pound NO<sub>x</sub> per Day Averaged Over a Calendar Month*

The one pound of NO<sub>x</sub> per day, averaged over a calendar month, emissions provision is analogous to the one pound of NO<sub>x</sub> per day provision in Rule 1147. This provision is designed to maintain current daily NO<sub>x</sub> emissions for units with a permit condition while still allowing for an alternative compliance pathway for these units. This exemption cannot be utilized without a permit modification for scenarios that result in any increase of permitted limits or any increase of potential to emit. These situations would require permit application submittal and evaluation. This includes the scenario where the permit may have an existing daily permit limit for either emissions or gas usage, but a monthly PR 1147.2 exemption limit that potentially may allow increased usage on any given day. Any emission increases above an existing daily limit would still be in violation of the permit and require a permit modification. Units that can demonstrate NO<sub>x</sub> emissions of less than one pound per day, averaged over a calendar month, will only be required to comply with labelling and recordkeeping requirements in subdivisions (i) and (j), respectively, in lieu of demonstrating compliance with the concentration limits in Table 1 or Table 2. To qualify, units shall make the demonstration effective six months after [*Date of Adoption*].

Staff provides two options to determine compliance to the one pound of NO<sub>x</sub> per day, averaged over a calendar month, emissions provision. Each of these options uses an emission factor variable, which equates to 102 ppmv if no emission factor is on a unit's permit. To convert a NO<sub>x</sub> concentration value (with units of ppmv) to a NO<sub>x</sub> emission factor (with units of lbs NO<sub>x</sub>/MMScf), the NO<sub>x</sub> concentration value is multiplied by 1.275.

Subparagraph (g)(1)(A) requires the installation of a non-resettable time meter and usage of no more than the hours per calendar month ~~minutes per day~~ calculated using PR 1147.2 Equation 1 or as specified in ~~PR 1147.2~~ Table 5.

$$\text{Monthly Operating Hours} = D \div [R \times (EF \div HHV)] \quad (\text{Equation 1})$$

Where,

- D = Number of Days in Calendar Month  
 R = Rated Heat Input Capacity (MMBtu/hr)  
 EF = Emission Factor for the Unit (lbs NO<sub>x</sub>/MMScf natural gas)  
 HHV = Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)

The following example demonstrates how a unit with a rated heat input capacity of 1.5 MMBtu/hr equipped with an installed non-resettable time meter and using the default emission factor would determine its monthly operating time equivalent to less than an average of one pound of NO<sub>x</sub> per day, averaged over a calendar month, as:

$$\begin{aligned} \text{Monthly Operating Time} &= 30 \div \left[ 1.5 \frac{\text{MMBtu}}{\text{hr}} \times \left( 130 \frac{\text{lbs}}{\text{MMScf}} \div 1,050 \frac{\text{MMBtu}}{\text{MMScf}} \right) \right] \\ &= 242 \text{ hours per month to reach average} \\ &\quad \text{of 1 lb NO}_x \text{ per day} \\ &\quad \underline{162 \text{ hours per month limit to remain under average of one pound NO}_x \text{ per}} \\ &\quad \underline{\text{day averaged over a calendar month}} \end{aligned}$$

Demonstrating NO<sub>x</sub> emissions of less than one pound per day, averaged over a calendar month, can also be achieved through compliance Compliance with PR 1147.2 Table 5, which requires a unit to operate no more than the hours per calendar month specified for each rated heat input capacity bracket.

**Table 5 – Monthly Operating Limits**

Unit Rated Heat Input Capacity (Btu/hr)	Monthly Operating Limit (hours)
< 1,000,000	240
≥ 1,000,000 to < 1,500,000	160
≥ 1,500,000 to ≤ 2,000,000	120

The hours per calendar month limits were calculated assuming an uncontrolled NO<sub>x</sub> concentration of 102 ppmv, which is the ppmv equivalent value of the default RECLAIM emission factor of 130 lbs NO<sub>x</sub>/MMScf natural gas. Additionally, these hours per calendar month limits assume a 90% operating capacity. This operating capacity was determined by using the maximum operating capacity identified for a unit in the South Coast AQMD permit database, determined to be 87%. The hours per calendar month limit decreases as a given unit's rated heat input capacity increases due to the greater fuel usage associated with higher rated heat input capacities.

The operating capacity for a given unit was determined by the ratio of actual fuel usage to the calculated theoretical maximum fuel usage based on the unit's rated heat input capacity. Actual fuel usage was determined from the unit's reported fuel usage from the associated facility's 2017 Annual Emission Report sent to the Executive Officer. Operating capacity was then calculated using the Equation 3-1:

$$\text{Operating Capacity (\%)} = (2017 \text{ AER Fuel Usage}) \div [(R \times 24 \times 365) \div HHV] \times 100\% \text{ (Eq. 3-1)}$$

Where,

- R = Rated Heat Input Capacity (MMBtu/hr)  
 24 x 365 = Conversion to hours/day and days/year  
 HHV = Higher Heating Value of Natural Gas (1,050 MMBtu/MMScf)

The following example demonstrates how the operating capacity for unit with a rated heat input capacity of 1.5 MMBtu/hr and 2017 AER fuel usage of 3.0 MMScf/year is calculated:

$$\begin{aligned} \text{Operating Capacity (\%)} &= \left(3.0 \frac{\text{MMScf}}{\text{yr}}\right) \div \left[\left(1.5 \frac{\text{MMBtu}}{\text{hr}} \times 24 \frac{\text{hrs}}{\text{day}} \times 365 \frac{\text{days}}{\text{yr}}\right) \div 1,050 \frac{\text{MMBtu}}{\text{MMScf}}\right] \times 100\% \\ &= \left(3.0 \frac{\text{MMScf}}{\text{yr}}\right) \div \left(13.797 \frac{\text{MMScf}}{\text{yr}}\right) \times 100\% \\ &= 22\% \end{aligned}$$

Subparagraph (g)(1)(B) requires the installation of a non-resettable fuel meter and monthly fuel usage of no more than the therms of fuel per calendar month calculated using PR 1147.2 Equation 2, with fuel use corrected to standard temperature and pressure:

$$\text{Monthly Therms of Fuel} = (D \div EF) \times HHV \times 10 \quad \text{(Equation 2)}$$

Where,

- D = Number of Days in Calendar Month  
 EF = Emission Factor for the Unit (lbs NO<sub>x</sub>/MMScf natural gas)  
 HHV = Higher Heating Value of Fuel  
 10 = Conversion from MMBtu to Therms

The following example demonstrates how a unit equipped with an installed non-resettable fuel meter, using natural gas as a fuel, and using the default emission factor of 130 lbs/MM Scf would determine its maximum monthly therms of fuel equivalent to less than an average of one pound of NO<sub>x</sub> per day, averaged over a calendar month:

$$\begin{aligned} \text{Monthly Therms} &\equiv \left(30 \frac{\text{days}}{\text{month}} \div 130 \frac{\text{lbs}}{\text{MMScf}}\right) \times 1,050 \frac{\text{MMBtu}}{\text{MMScf}} \times 10 \frac{\text{therms}}{\text{MMBtu}} \\ &= 2,423 \text{ therms maximum per calendar month} \underline{\text{limit to remain under}} \\ &\quad \underline{\text{average of one pound NO}_x \text{ per day averaged over a calendar month}} \underline{\text{to maintain}} \\ &\quad \underline{\text{exemption}} \end{aligned}$$

Staff notes that the use of a non-resettable time meter to determine emissions may over-report actual emissions as compared to the use of a non-resettable fuel meter. However, which type of meter is used is a decision for an owner or operator to make based on individual ~~circumstances~~ circumstances and the potential costs associated with such a decision.

*Subdivision (h) – Monitoring and Source Testing Requirements*Source Testing Frequency – Paragraph (h)(1)

The frequency at which a given unit is required to conduct a source test is similar to Rule 1146 and the RECLAIM program's source testing frequencies. Larger, more polluting units with a rated heat input capacity greater than or equal to 10 MMBtu/hr will be required to source test on a more frequent schedule of every three years to ensure compliance with the concentration limits. If the annual heat input of these units is less than 25 billion Btu per year, these units are required to source test every five years. Smaller, less polluting units with a rated heat input capacity less than 10 MMBtu/hr will be required to source test every five years.

Initial and Previous Source Tests – Paragraph (h)(2)

All existing and permitted units located at a former RECLAIM facility are required to source test within 24 months of [*Date of Adoption*] ~~or~~ no later than 24 months after the facility becomes a former RECLAIM facility. Regardless of the RECLAIM status of the facility operating the unit, the unit may use a previous South Coast AQMD-approved source test conducted before [*Date of Adoption*] as the basis for subsequent source testing frequency so long as that source test and source test protocol are representative of the operation of the equipment. This provision allows for units that recently conducted source tests to utilize the full 3- or 5-year frequency stated in paragraph (h)(1).

All new units are required to source test no later than 18 months after the issuance of the Permit to Construct as these units do not have a previous South Coast AQMD-approved source that can be used. The date of this source test will establish the basis for subsequent source testing frequency. Under South Coast AQMD Rule 205, a permit to construct shall expire one year from the date of issuance unless an extension of time has been approved in writing by the Executive Officer. If a permit to construct is extended, then any related source testing requirement timing would subsequently follow.

Source Test Protocol Submission – Paragraph (h)(3) and (h)(4)

A source test protocol must be submitted at least 90 days prior to a scheduled source test to allow for adequate time for protocol review and approval. A previously approved source test protocol may be submitted if no alterations requiring a permit modification were performed on the unit as the test setup and conditions can reasonably be expected to be similar to those of the previous source test. A new source test protocol is required to be submitted if the Executive Officer determines that the previously approved protocol is no longer applicable or requires modification.

Source Test Methods – Paragraph (h)(5)

Compliance demonstrations are required to utilize approved source test methods to provide a standard of consistency and accuracy across all source tests. These source test methods include:

- South Coast AQMD Source Test Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989); ~~or~~

- South Coast AQMD Source Test Method 7.1 – Determination of Nitrogen Oxide Emissions from Stationary Sources (March 1989)
- South Coast AQMD Source Test Method 10.1 – Carbon Monoxide and Carbon Dioxide by Gas Chromatograph/Non-Dispersive Infrared Detector (GC/NDIR) – Oxygen by Gas Chromatograph-Thermal Conductivity (GC/TCD) (March 1989)-
- EPA Test Method 19 – Sulfur Dioxide Removal and Particulate, Sulfur Dioxide and Nitrogen Oxides from Electric Utility Steam Generators (August 2017)
- Any other alternative test method submitted in writing to, and pre-approved by, the Executive Officer of the South Coast AQMD, the California Air Resources Board, and the United States Environmental Protection Agency is also required-

#### Source Test Report Submission – Paragraph (h)(6)

Source test reports must be submitted to the South Coast AQMD within 60 days of the completion of the source test in order to provide a record of the unit's emissions performance.

#### Additional Source Test Timing Requirements – Paragraph (h)(7)

Units may not be tuned subsequent to the conclusion of any compliance demonstration, unless for the purpose of tuning to maintain the settings set during the source test. This is to provide flexibility to operators to ensure that unit settings are appropriate for the workload processed while maintaining compliance with the concentration limits until the next source test for the unit is due.

Units may conduct a compliance demonstration within the month the compliance demonstration is due. For example, if a unit's source test is due on June 10<sup>th</sup>, the compliance demonstration may be conducted anytime between June 1<sup>st</sup> and June 30<sup>th</sup>. If the source test is conducted on June 30<sup>th</sup>, the date of the next source test deadline would then become June 30<sup>th</sup>; if the source test is conducted on June 1<sup>st</sup>, that date becomes the date of the next source test deadline. An owner or operator is encouraged to schedule and conduct source tests before the source test deadline to ensure source tests are conducted in a timely manner.

For units that have an active Permit to Operate that are not operating on the date a source test is required, the source test must be conducted after seven consecutive days, or 15 cumulative days, of resumed operation for a unit that is not in operation on the date the source test is due. This is to allow for units to not start up solely for the purpose of conducting a source test.

#### CEMS Monitoring Requirements – Paragraph (h)(8)

Units with a rated heat input capacity greater than or equal to 40 MMBtu/hr will be required to utilize a NO<sub>x</sub> CEMS due to the potentially high NO<sub>x</sub> emissions from units of this size. The CEMS shall be certified within 12 months of [Date of Adoption] to Rule 218.2 and Rule 218.3 if the unit is located at a non-RECLAIM or former RECLAIM facility, or to Rule 2012 if the unit is located as a RECLAIM facility. For those units located at a RECLAIM facility, the unit will be certified to Rule 2012 until the RECLAIM facility becomes a Former RECLAIM facility, at which time the unit will then be certified to Rule 218.2 and Rule 218.3. A CEMS is a continuous emissions

monitoring system and thus ongoing NO<sub>x</sub> concentration data will already be available and source tests to measure NO<sub>x</sub> will not be necessary nor required.

Additionally, if a unit with a rated heat input capacity greater than or equal to 40 MMBtu/hr installs an optional CEMS to measure CO, ongoing CO concentration data will already be available and source tests to measure CO will not be necessary nor required.

All units with a rated heat input capacity greater than or equal to 40 MMBtu/hr will be required to conduct a relative accuracy test audit (RATA) to ensure accuracy of the CEMS reported data.

For units that utilize a certified NO<sub>x</sub> CEMS, staff determined that a rolling 8-hour averaging time will provide sufficient operational flexibility to units to meet NO<sub>x</sub> emission concentration limits in the proposed rule. The determination was based on analysis of NO<sub>x</sub> emission data from units subject to PR 1147.2 that were in operation prior to the rule adoption date and were equipped with a certified NO<sub>x</sub> CEMS.

#### Ammonia Monitoring and Testing – Paragraph (h)(9)

Units that utilize ammonia in an exhaust emission control system are required to either source test for ammonia quarterly or to install and maintain a certified CEMS to measure ammonia.

If a unit does not install and operate a certified CEMS to measure ammonia, then the owner or operator would be required to source test the unit for ammonia compliance. Initially, the owner or operator shall begin source testing the unit within 12 months of a new permit being issued or as specified by the unit's permit to operate, with subsequent source tests required quarterly. Source test frequency would be allowed to increase to once every 12 months if four consecutive quarterly source tests are South Coast AQMD-approved and demonstrate compliance. If a unit which is on an annual source testing schedule then conducts a source test that does not demonstrate compliance, quarterly source tests will be required until four consecutive source tests are successful once again.

For units that are subject to quarterly testing, the use of calendar quarters is to be used. For example, January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31 would be considered the time periods referred in the rule. Moreover, a quarterly test should be conducted in the time period represented by a quarter. Staff has included a requirement that at least 30 days be allowed between subsequent testing to avoid testing that might occur consecutively on September 30 and October 1 and then again on March 31, for example, that may lead to an almost six month period of time between testing.

For units that have installed an ammonia CEMS but that monitoring system has not received its certification, the unit would be required to conduct periodic source testing for ammonia until which time that the monitoring system is certified.

In a situation where a unit is required to conduct source testing for ammonia and the unit does not have a certified CEMS that measures NO<sub>x</sub> or CO emissions, then the owner or operator will be required to conduct source testing for NO<sub>x</sub> or CO concurrently with the testing for ammonia. Staff

recognizes that NO<sub>x</sub> and ammonia have a relationship such that an adjustment to one can have an adverse effect to the concentration of the other. To assure compliance for all emissions, concurrent source testing is required.

#### Source Test Frequency Setting – Paragraph (h)(10)

Any compliance demonstration, including those required as part of a permit, shall be used to establish the basis for subsequent source testing frequency. For example, a unit conducts a source test as part of regular source testing frequency requirements pursuant to paragraph (h)(1) on January 1, 2023 and is not required to source test until January 1, 2028. However, the unit conducts a source test on January 1, 2025 as part of a permit. This source test resets the subsequent source test frequency and the next source test would be required five years later on January 1, 2030.

#### Source Test Minimum Run Time, Startup~~Start-Up~~, and Firing Range – Paragraph (h)(11)

~~Compliance demonstrations are required to use a minimum of a continuous 15-minute block of time of operation, after any unit start-up, unless otherwise approved in writing by the South Coast AQMD. Units operating in steady state shall demonstrate compliance with applicable concentration limits using a South Coast AQMD approved source test protocol averaged over a period of at least 15 minutes and no more than 60 consecutive minutes. For units operating in a cyclical manner, an alternative time period approved by the Executive Officer may be used in order to capture emissions representative of an entire operating cycle. For cyclic processes that operate on a cycle lasting less than 15 consecutive minutes, multiple cycles may be required in order to obtain a minimum of 15 minutes of source test data. For cyclic processes that operate on a cycle greater than 60 consecutive minutes, the sampling period may be adjusted to cover the complete cycle.~~

Compliance demonstrations shall take place in the normal firing range of the unit's rated heat input capacity. Stakeholders noted that most burner vendor emission guarantees are conditioned to a certain turndown ratio of the burners. Staff determined that the flexibility afforded by this provision is appropriate for units in the PR 1147.2 universe due to the varying nature of processes and loads experienced by the facilities and that the stipulation of maximum firing range in Rule 1147 may neither be reflective of operating conditions nor allow for safe operation. Firing rate range requirements will be required as part of an approved source test protocol.

#### Units Subject to More than One NO<sub>x</sub> Concentration Limit – Paragraph (h)(12)

Units in the metal heat treating and metal heating and forging categories may have a wide operating temperature range as part of normal operations and may be classified as both a low-temperature and a high-temperature unit. To prevent a unit needing to conduct multiple source tests to demonstrate compliance with multiple applicable NO<sub>x</sub> concentration limits in Table 1 or Table 2, the unit will only be required to demonstrate compliance with the higher NO<sub>x</sub> concentration limit.

### In-Series Units with Common Exhaust Stack – Paragraph (h)(13)

If multiple units exhaust to the same stack, the lowest concentration limit for an individual unit will apply. For example, a metal heat treating furnace operating at both 1,000 °F and 2,000 °F that is subject to the concentration limits in Table 2 would be required to meet a 60 ppmv NO<sub>x</sub> concentration limit, corrected to 3% O<sub>2</sub>, dry. However, if this same unit was paired to the same exhaust with a new metal heat treating unit operating in the same temperature range, the NO<sub>x</sub> concentration in the exhaust would be limited to 40 ppmv corrected to 3% O<sub>2</sub>, dry.

#### *Subdivision (i) – Labeling Requirements*

All units are required to display a rating plate in order to have a permanent record of the burner(s) model and rated heat input capacity. Altered units are required to display a permanent supplemental plate to document the updated information of the new burners.

#### *Subdivision (j) – Reporting and Recordkeeping Requirements*

Records documenting monthly operating hours or monthly fuel consumption demonstrating compliance with subdivision (g), if applicable; CEMS data, if applicable; rated heat input capacity; and source test reports, if applicable, are required to be kept on-site for at least five years to provide sufficient records of compliance with the concentration limits. Records pertaining to any alterations shall also be maintained to document the alterations performed.

If a unit is not in operation on the date a source test is due, the additional 7- or 15-day time period in subparagraph (h)(8)(C) is only allowed if operating records are maintained to demonstrate the unit's non-operation.

#### *Subdivision (k) – Exemptions*

The concentration limits in Table 1 will not be applicable to units during periods of refractory dry-out. Refractory dry-out periods occur after new refractory is installed and is a critical process to ensure the longevity of the refractory. New refractory may be installed as part of a new unit installation, a unit repair, or a unit alteration. These dry-out periods include a range of operating temperatures and other conditions that may not be reflective of normal operating conditions. As a result, emissions may be abnormal during these dry-out periods. Units are exempt from the emission concentration limits of this rule during these dry-out periods.

~~In the rule development for PR 1147.2, staff does not address any limits or exemptions from emission concentration limits during the refractory dry-out, startup, and shutdown of units equipped with CEMS. Such limits will be deferred to and addressed in a Rule 429 – Start-Up and Shutdown Exemption Provisions for Oxides of Nitrogen. Such exemption for refractory dry-out, startup periods, and shutdown periods will only be available for those units with an installed and certified NO<sub>x</sub> CEMS.~~

Proposed Rule 1147.2 will not be applicable to electrically-powered units as NO<sub>x</sub> emissions from such units are negligible relative to NO<sub>x</sub> emissions from fuel-fired units.

Units emitting less than one pound of NO<sub>x</sub> per day, averaged over a calendar month, pursuant to subdivision (g) will only be required to label units pursuant to subdivision (i) and maintain records pursuant to subdivision (j). This exemption is permanently revoked if a unit fails to demonstrate compliance with subdivision (g).

## **CHAPTER 4: IMPACT ASSESSMENT**

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### **INTRODUCTION**

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### **COMPARATIVE ANALYSIS**

## INTRODUCTION

Impact assessments were conducted during the PR 1147.2 rule development to assess the environmental and socioeconomic implications of PR 1147.2. These impact assessments include emission reduction calculations, cost-effectiveness and incremental cost-effectiveness analyses, a socioeconomic assessment, and a California Environmental Quality Act (CEQA) analysis. Staff prepared draft findings and a comparative analyses pursuant to California Health and Safety Code Section (H&SC) 40727 and H&SC 40727.2, respectively.

## EMISSION REDUCTIONS

PR 1147.2 will establish lower concentration emission limits for equipment subject to this rule. Metal melting furnaces will be required to meet 40 ppmv NO<sub>x</sub> at 3% O<sub>2</sub>, dry. Metal heat treating and metal heating and forging furnaces with an operating temperature of less than or equal to 1,200 °F will be required to meet 40 ppmv NO<sub>x</sub> at 3% O<sub>2</sub>, dry. Metal heat treating and metal heating and forging furnaces with an operating temperature of greater than 1,200 °F will be required to meet 50 ppmv NO<sub>x</sub> at 3% O<sub>2</sub>, dry. Units with radiant-tube burners will be required to meet 50 ppmv NO<sub>x</sub> at 3% O<sub>2</sub>, dry. Units with a rated heat input capacity greater than or equal to 40 MMBtu/hr will be required to meet 15 ppmv NO<sub>x</sub> at 3% O<sub>2</sub>, dry. Baseline fuel usage was determined using 2017 Annual Emissions Reports (AER).

For the purpose of determining emission reductions, baseline NO<sub>x</sub> concentration was determined using the unit's NO<sub>x</sub> permit limit at 3% O<sub>2</sub> or the default RECLAIM emission factor of 102 ppmv at 3% O<sub>2</sub> for RECLAIM units without a permit limit. For cost-effectiveness, baseline NO<sub>x</sub> concentration is determined at a unit's source tested NO<sub>x</sub> concentration or at a unit's average NO<sub>x</sub> concentration from CEMS data, if available.

The emission reductions profile for each equipment category are shown in Table 4-1.

**Table 4-1 – Summary of Emission Reductions**

Category	Baseline Emissions (tpd)	Emission Reductions (tpd)	Remaining Emissions (tpd)	Control Technology	Percent Reduction
Metal Melting	0.251	0.093	0.158	Low NO <sub>x</sub> Burners	37%
Metal Heat Treating: Low Temperature	0.038	0.014	0.024	Low NO <sub>x</sub> Burners	37%
Metal Heat Treating: High Temperature	0.074	0.011	0.063	Low NO <sub>x</sub> Burners	15%
Metal Heating and Forging: Low Temperature	0.238	0.003	0.235	Low NO <sub>x</sub> Burners	1%
Metal Heating and Forging: High Temperature	0.201	0.050	0.151	Low NO <sub>x</sub> Burners	25%
Units with Radiant-Tube Burners	0.018	0.005	0.013	Low NO <sub>x</sub> Burners	28%
Units ≥ 40 MMBtu/hr	0.391	0.319	0.072	SCR	82%
<b>Total</b>	<b>1.211</b>	<b>0.495</b>	<b>0.716</b>	<b>Various</b>	<b>41%</b>

## **COSTS AND COST-EFFECTIVENESS**

### **Overview**

The California Health & Safety Code (H&SC) Section 40920.6 requires a cost-effectiveness analysis when establishing BARCT requirements. The cost-effectiveness of a control technology is measured in terms of the control cost in dollars per ton of air pollutant reduced. The costs for the control technology include purchasing, installation, operation, maintenance, permitting, and compliance demonstration of the control technology. Emission reductions were based on fuel usage in 2017 AER reports submitted to the South Coast AQMD and the most recent source test data or, if no source test data was available, the permit limit. The 2016 AQMP established a cost-effectiveness threshold of \$50,000 per ton of NO<sub>x</sub> reduced. A cost-effectiveness that is greater than \$50,000 per ton of NO<sub>x</sub> reduced requires additional analysis and a hearing before the Board on costs. The cost-effectiveness is estimated based on the present value of the retrofit cost, which was calculated according to the capital cost (initial one-time equipment, installation, and startup costs) plus the annual operating cost (recurring expenses over the useful life of the control equipment multiplied by a present worth factor).

Staff obtained costs for retrofits from a variety of sources that included facilities, vendors, and cost-estimation tools. The cost for combustion control equipment such as Low NO<sub>x</sub> Burners considers capital costs only as staff determined that no additional annual operating costs would be incurred in retrofitting units Low NO<sub>x</sub> Burners. The cost for post-combustion control equipment such as SCR considers capital costs and annual costs. Capital costs are one-time costs that cover the components required to assemble a project. These costs include, but are not limited to, equipment, installation, permitting, and source testing. Annual costs are any recurring costs required to operate equipment. These costs include operating and maintenance (O&M) costs such as electricity, monitoring, and costs for consumables.

Several capital costs were included in addition to equipment. A one-time permitting fee of \$4,600 per unit was included and is based on the 2019-2020 Fee Schedule identified in Rule 301 Table 1B which ranges in size from Schedule B for Metal Heat Treating Furnaces to Schedule D for Metal Melting Reverberatory Furnaces. Periodic source testing costs were included and based on a source test frequency of three or five years, determined by the rated heat input capacity and annual Btu usage of the unit, at a cost of \$3,000 per source test per furnace over 35 years of assumed burner useful life, or over 25 years of assumed SCR useful life. A one-time cost of \$190,000 for a NO<sub>x</sub> CEMS was included for cost-effectiveness analyses of SCR installation for those units without a NO<sub>x</sub> CEMS installed. A one-time cost of \$60,000 for a NO<sub>x</sub> feed-forward analyzer was included for cost-effectiveness analyses of SCR installation for units with batch processes as opposed to steady-state processes. Steady-state processes were only confirmed for two units in the category for units  $\geq 40$  MMBtu/hr.

### **Costs Based on Burner Useful Life**

Whether costs of burner retrofits for units with a rated heat input capacity less than 40 MMBtu/hr are included is dependent upon the age of the unit's current burners. An operator generally replaces a unit's burners after a certain period of time once the burners have reached their useful life. This useful life is applicable to any piece of equipment with a finite life that must be replaced due to

inefficiencies, safety concerns, owner or operator discretion, or a combination of these or other factors. The implementation pathways of PR 1147.2 are structured in such a way as to mitigate retrofitting burners sooner than they would have during the regular course of equipment maintenance while also achieving emission reductions as soon as practicable. The burner useful life was determined to be the normal burner replacement time as a regular course of equipment maintenance. The expected burner useful life was determined to be 35 years based on a review of equipment age and stakeholder feedback. The only costs included for units on the alternative implementation schedule or units equipped with burners that are over 35 years of age are permitting and source testing costs.

### **Low NO<sub>x</sub> Burner Retrofit Costs for Units < 40 MMBtu/hr**

Staff reviewed the nine burner quotes given to staff by facilities to establish the cost formulas for burner retrofit to meet the NO<sub>x</sub> limits in Table 1. Of the nine burner quotes received by facilities, one quote was for metal melting but was for burner equipment only and not as part of a complete burner retrofit and not included for analysis; eight quotes were for metal heat treating and metal heating and forging units as burner retrofits. Staff removed two of the nine burner retrofit quotes that were determined to be outliers as they were 43% and 225% higher in total cost than the next highest burner retrofit quote. Staff removed one of the nine burner retrofit quotes that was a replacement of the unit itself, due to the integrated nature of the burner with the unit, rather than a burner retrofit only.

Of the five remaining burner retrofit quotes, one burner retrofit quote in particular was determined by staff to be consistent across multiple units of varying geometries, burner ages, and rated heat input capacities at the facility that were included in the quote. The burner equipment and installation costs of this burner retrofit quote were averaged across all units listed in the burner retrofit quote and used to establish a burner retrofit cost curve, shown in Equation 4-1:

$$\text{Retrofit Cost (\$)} = \$4,121 * (\text{Rated Heat Input Capacity: MMBtu/hr}) + \$96,921 \quad (\text{Eq. 4-1})$$

Of the nine burner retrofit quotes received, one burner retrofit quote was for regenerative burners for a unit with a rated heat input capacity of 15 MMBtu/hr at a cost of \$449,000. Regenerative burners are a type of burner that utilizes a heat recovery medium and pre-heated combustion air, commonly used to increase fuel efficiency. These burners are larger, more complex, and more expensive than non-regenerative, standard burners and thus a different cost basis utilizing this burner quote was used. In order to assess regenerative burner retrofit costs, the \$449,000 cost stated in the quote was multiplied by the ratio of the rated heat input capacity of a given unit to the 15 MMBtu/hr rated heat input capacity of the unit in the burner retrofit quote. Regenerative burners were identified on nine metal melting units and one metal heating and forging unit.

Where retrofits are required that would take place sooner than the burners' useful life of 35 years, stranded asset costs are also included in overall compliance costs. Stranded asset costs are those costs associated with replacing equipment before it reaches its useful life as there is economic life remaining in the equipment. These stranded asset costs are based on a ratio of the remaining useful life of the burners to the maximum useful life of 35 years multiplied by the burner retrofit formula in Equation 4-1. For example, if the burners' age is 20 years when retrofitting with new burners,

there are 15 years of remaining useful life in the burners, or 43% of remaining useful life. This 43% is multiplied by Equation 4-1 to determine the stranded asset costs that are added onto the cost of the new burners themselves.

For all units, regardless of whether burner costs are taken into account or excluded due to units' burner ages exceeding 35 years old, the administrative costs of periodic source testing and one-time permitting are included. No additional costs for ongoing maintenance are assumed relative to a unit's current burners.

### **SCR Installation Costs for Units ≥ 40 MMBtu/hr**

In addition to analyzing cost-effectiveness for burner retrofit for each equipment category, SCR technology was also analyzed for cost-effectiveness for each category. Staff utilized the U.S. EPA's SCR Control Cost Manual<sup>1</sup> to determine estimated costs which include capital, ongoing maintenance, catalyst costs, and other annual costs such as electricity and reagent.

Two different cost methodologies were utilized, depending on the equipment category.

The first cost methodology was applied to the equipment category for units with a rated heat input capacity greater than or equal to 40 MMBtu/hr. Staff utilized the U.S. EPA's SCR Cost Manual to estimate costs for SCR installation for units in this category. Costs that were included in the SCR Cost Manual include SCR equipment, electricity, reagent, catalyst, maintenance, and administration. The costs of a NO<sub>x</sub> CEMS analyzer and a NO<sub>x</sub> feed-forward analyzer were also added to those costs in the SCR Cost Manual, where applicable depending on whether the unit is already equipped with a NO<sub>x</sub> CEMS and whether the unit uses a steady-state or batch process.

The second cost methodology was applied to all remaining equipment categories. The U.S. EPA SCR Cost Manual was used to estimate costs for SCR installation on 10 different units with rated heat input capacities ranging from 3 MMBtu/hr to 533 MMBtu/hr and spanning all equipment categories. A present value cost for each unit was calculated using Equation 4-2:

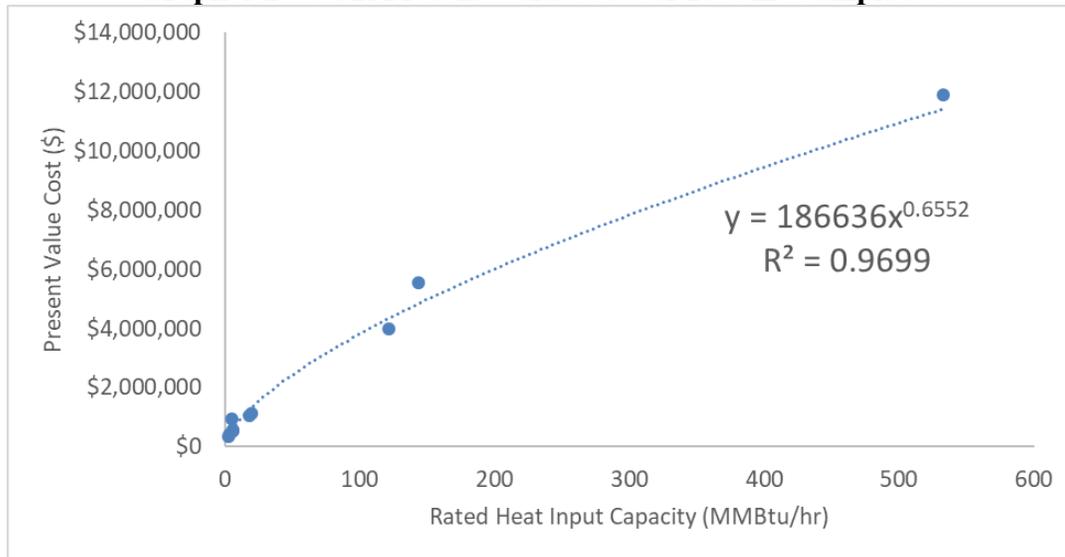
$$PV = TIC + (AC * PVF) \quad (\text{Eq. 4-2})$$

Where,

- PV = Present value (\$)
- TIC = Total installed cost (\$)
- AC = Annual cost (\$)
- PVF = Uniform series present value factor (0.064)

The present value costs for all 10 units were then plotting on Graph 4-1 below:

<sup>1</sup> U.S. Environmental Protection Agency. *Cost Reports and Guidance for Air Pollution Regulations*. <https://www.epa.gov/economic-and-cost-analysis-air-pollution-regulations/cost-reports-and-guidance-air-pollution#cost%20reports>

**Graph 4-1 – SCR Present Value Cost of 10-Unit Sample Set**

The line of best fit of Graph 4-1 was used to estimate SCR installation costs for all remaining units, which combines SCR capital costs and SCR annual costs. This extrapolation was performed due to the large number of units with a rated heat input capacity less than 40 MMBtu/hr.

In addition to burner retrofit and SCR control technologies, staff evaluated a third pollution control option as the combination of the SCR and Low NO<sub>x</sub> Burner technologies. In this setup, the furnace would have controlled emissions from the burner retrofit. The exhaust would then feed into the SCR equipment as the inlet stream. Effectively, the NO<sub>x</sub> BARCT concentration limit for burner retrofits serves as the inlet NO<sub>x</sub> ppmv concentration for the SCR equipment which would reduce NO<sub>x</sub> emissions even further.

The first stage reduced NO<sub>x</sub> concentration from 60 ppmv to either 40 or 50 ppmv @ 3% O<sub>2</sub>, dry, depending on the equipment category's NO<sub>x</sub> concentration limit for burner retrofit. The second stage reduced the NO<sub>x</sub> concentration limit for burner retrofit from 40 or 50 ppmv @ 3% O<sub>2</sub>, dry, to 10 ppmv @ 3% O<sub>2</sub>, dry.

SCR annual costs for this combination control option are not included explicitly for those units with a rated heat input capacity < 40 MMBtu/hr as the cost curve in Graph 4-1 is used to estimate total costs for units under this cost-effectiveness analysis for the combination of SCR installation and Low NO<sub>x</sub> Burner retrofit.

Baseline emissions for the metal melting, metal heat treating, metal heating and forging, and radiant-tube burner categories utilized source test results, if available, in lieu of permit limits. Baseline emissions for units in the ≥ 40 MMBtu/hr category utilized CEMS data, which was available for all units in this category.

## Summary

For the metal melting, metal heat treating, metal heating and forging, and radiant-tube burner categories, only the Low NO<sub>x</sub> Burner retrofit pollution control option was determined to be cost-effective and incrementally cost-effective and thus only the costs associated with Low NO<sub>x</sub> Burner retrofit to meet a 40 ppmv @ 3% O<sub>2</sub>, dry or 50 ppmv @ 3% O<sub>2</sub>, dry emission limit are included in this section. The costs and cost-effectiveness for the remaining two pollution control options – SCR installation and the combination of SCR installation and Low NO<sub>x</sub> Burner retrofit – are found in Appendix D. The costs and cost-effectiveness for each category is shown below in Table 4-2 and Table 4-3.

**Table 4-2 – Summary of Compliance Costs**

Category	Capital Costs	Annual Costs	NO <sub>x</sub> CEMS	NO <sub>x</sub> Feed-Forward Analyzer	Permitting	Source Testing	Uniformity Testing	Stranded Asset Costs	Total Costs
Metal Melting	\$6,971,700	-	-	-	\$248,400	\$1,839,000	-	\$1,850,400	\$10,909,500
Metal Heat Treating: Low Temperature	\$637,100	-	-	-	\$55,200	\$552,000	\$4,200	\$276,700	\$1,525,100
Metal Heat Treating: High Temperature	\$937,900	-	-	-	\$147,200	\$1,278,000	\$5,800	\$274,100	\$2,643,000
Metal Heating and Forging: Low Temperature	\$364,900	-	-	-	\$50,600	\$414,000	\$2,500	\$110,900	\$942,900
Metal Heating and Forging: High Temperature	\$1,007,500	-	-	-	\$312,800	\$2,670,000	\$6,600	\$353,100	\$4,350,000
Units with Radiant-Tube Burners	\$342,100	-	-	-	\$36,800	\$156,000	\$1,700	\$184,800	\$721,300
Units ≥ 40 MMBtu/hr (SCR)	\$10,405,100	\$216,000 per year	\$0	\$60,000	\$18,400	\$96,000	\$1,700	\$0	\$13,955,100
Units ≥ 40 MMBtu/hr (SCR and Low NO <sub>x</sub> Burner)	\$42,486,100	\$206,200 per year	\$0	\$60,000	\$18,400	\$96,000	\$1,700	\$12,677,900	\$58,561,900

**Table 4-3 – Summary of Cost-Effectiveness**

Category	Total Costs	Total Lifetime Emission Reductions (tons NO <sub>x</sub> )	Cost-Effectiveness (\$/ton NO <sub>x</sub> Reduced)
Metal Melting	\$10,909,500	419	\$26,000
Metal Heat Treating: Low-Temperature	\$1,525,100	73	\$20,900
Metal Heat Treating: High-Temperature	\$2,643,000	133	\$19,800
Metal Heating and Forging: Low-Temperature	\$942,900	42	\$22,500
Metal Heating and Forging: High-Temperature	\$4,350,000	554	\$7,900
Units with Radiant-Tube Burners	\$721,300	28	\$25,600
Units ≥ 40 MMBtu/hr (SCR)	\$13,955,100	1,695	\$8,200
Units ≥ 40 MMBtu/hr (SCR and Low NO <sub>x</sub> Burner)	\$58,561,900	2,171	\$27,000

Two cost-effective pollution control options are identified for the units  $\geq 40$  MMBtu/hr category. The pollution control option ultimately pursued will be determined by the incremental cost-effectiveness analysis between the two pollution control options.

### INCREMENTAL COST EFFECTIVENESS

An incremental cost-effectiveness analysis was conducted for each equipment category pursuant to California Health and Safety Code – HSC § 40920.6:

*“To determine the incremental cost-effectiveness under this paragraph, the district shall calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option.”*

This analysis is conducted for each equipment category if multiple cost-effective pollution control technologies are identified.

Equation 4-3 is used to calculate incremental cost-effectiveness.

$$\text{Incremental Cost-Effectiveness (\$/ton)} = \frac{\text{Costs}_A - \text{Costs}_B}{ER_A - ER_B} \quad (\text{Eq. 4-3})$$

Where,

- A = Pollution control option A (\$)
- B = Pollution control option B (\$)
- ER = Emission reductions over lifetime of equipment (tons of NO<sub>x</sub>)

If the incremental cost-effectiveness is substantially greater than \$50,000/ton, the more stringent control technology is not pursued. Although the more stringent control technology may be cost-effective, the difference in marginal benefit in emission reductions comes with a cost per ton that is higher than the \$50,000 per ton threshold set in the 2016 AQMP. The cost-effectiveness and, if applicable, incremental cost-effectiveness analyses were performed beginning at the most stringent technologically feasible initial BARCT concentration limit. The next most stringent initial BARCT concentration limit is then evaluated for cost-effectiveness and, if applicable, incremental cost-effectiveness.

More than one cost-effective pollution control technology option was identified for the low-temperature metal heat treating, low-temperature metal heating and forging, high-temperature metal heat treating, high-temperature metal heating and forging, and radiant-tube burner categories. Details of the incremental cost-effectiveness analysis are in Appendix D.

More than one cost-effective control option was identified for the units  $\geq 40$  MMBtu/hr category. In this category, Pollution Control Option A is the combination of both SCR installation and Low NO<sub>x</sub> Burner retrofit; Pollution Control Option B is the installation of SCR alone. The incremental cost-effectiveness between the two options is shown below.

$$\text{Incremental Cost-Effectiveness (\$/ton)} = \frac{\$58,561,900 - \$13,955,100}{2,171 \text{ tons} - 1,695 \text{ tons}} = \$93,700/\text{ton}$$

The incremental cost-effectiveness between the two pollution control options is greater than \$50,000 per ton. The pollution control option of SCR installation alone to reach a NO<sub>x</sub> emission concentration of 15 ppmv @ 3% O<sub>2</sub>, dry, will therefore be required.

## **SOCIOECONOMIC ANALYSIS**

### ***Socioeconomic Impact Assessment***

California Health & Safety Code §40440.8 requires a socioeconomic impact assessment for proposed and amended rules resulting in significant impacts to air quality or emission limitations. This assessment shall include affected industries, range of probable costs, cost effectiveness of control alternatives, and emission reduction potential.

Proposed Rule (PR) 1147.2 – NO<sub>x</sub> Reductions from Metal Melting and Heating Furnaces, is a command-and-control rule for facilities that operate furnaces used for metal melting, metal heat treating, metal heating, and metal forging. Upon adoption of PR 1147.2, non-RECLAIM facilities with metal melting, metal heat treating, and metal heating and forging furnaces will be subject to the requirements of Rule 1147.2 and no longer subject to Rule 1147. PR 1147.2 proposes NO<sub>x</sub> and CO emission concentration limits for furnaces used for metal melting, metal heat treating, metal heating, and metal forging that were developed through a BARCT assessment process.

PR 1147.2 also proposes alternative concentration limits for units that are within 10 ppmv of the BARCT-established NO<sub>x</sub> limits. PR 1147.2 will establish implementation schedules for all impacted units taking into account the age of the burners, compliance with alternative concentration limits in PR 1147.2, and the number of impacted furnaces at a facility. In addition, PR 1147.2 will establish requirements for additional source testing.

### ***Affected Facilities and Industries***

Approximately 21 RECLAIM facilities and approximately 65 non-RECLAIM facilities would be affected by PR 1147.2. Out these 86 affected facilities, 50 facilities are expected to incur additional compliance costs as they would need to retrofit their burner equipment with SCRs or replace them with Low NO<sub>x</sub> Burners to meet PR 1147.2 emission limits. The remaining facilities may incur minor additional cost impacts, as they only need to replace their equipment with Low NO<sub>x</sub> Burners at the end of the useful life of their existing burner equipment in order to continue operating. However, the potential future cost differential between PR 1147.2 compliant and non-complaint equipment, if any, at the time of replacement is difficult to forecast and quantify. None of the facilities identified with cost impacts from PR 1147.2 are considered to be small businesses.

Out of 50 affected facilities, 30 facilities are located in Los Angeles County, and five facilities are in Orange County, six are in Riverside County, and nine are in San Bernardino County. Forty-seven of the 50 affected facilities with cost impacts have their primary business operations fall under the manufacturing sector (NAICS 31-33), two under wholesale trade (NAICS 42), and one under retail trade (NAICS 44-45).

### Compliance Costs

PR 1147.2 requirements are expected to result in a total cost of \$50.1 to \$64.4 million, or \$2.8 to \$3.2 million annually.<sup>2</sup> SCR and Low NO<sub>x</sub> Burner purchase and installation costs account for the majority of the one-time costs (approximately 93%) and about half of the total costs with an estimated \$26.4 to \$30.4 million. One facility is expected to install two SCR units with a one-time cost from \$13.2 to \$15.0 million, and an annual operating and maintenance (O&M) cost of \$3.8 to \$5.4 million, respectively. The largest recurring cost expected is to be the source testing for Low NO<sub>x</sub> Burner units. The range of required implementation is assumed to be between 2023 to 2048. Table 4-4 presents the total and annual cost of PR 1147.2 by the equipment categories.

**Table 4-4: Projected Total and Average Annual Cost of PR 1147.2 by Category**

Cost Categories	Present Worth Value (2021)		Annual Average (2023-2048)	
	1% Discount Rate	4% Discount Rate	1% Real Interest Rate	4% Real Interest Rate
<b>One-Time Cost</b>				
ULNB Capital + Install	\$15,387,000	\$13,181,000	\$663,000	\$858,000
SCR Capital + Install	\$14,995,000	\$13,243,000	\$643,000	\$848,000
ULNB Permitting	\$1,242,000	\$1,046,000	\$54,000	\$70,000
SCR Permitting	\$9,000	\$9,000	\$0	\$1,000
ULNB Uniformity Testing	\$1,179,000	\$985,000	\$51,000	\$66,000
SCR Uniformity Testing	\$2,000	\$2,000	\$0	\$0
<b>Total one-time cost</b>	<b>\$32,814,000</b>	<b>\$28,466,000</b>	<b>\$1,411,000</b>	<b>\$1,843,000</b>
<b>Recurring Cost</b>				
SCR Annual Costs	\$5,482,000	\$3,814,000	\$244,000	\$244,000
ULNB Source Testing	\$25,760,000	\$17,528,000	\$1,156,000	\$1,156,000
SCR Source Testing	\$373,000	\$261,000	\$17,000	\$17,000
<b>Total recurring cost</b>	<b>\$31,615,000</b>	<b>\$21,603,000</b>	<b>\$1,417,000</b>	<b>\$1,417,000</b>
<b>Total</b>	<b>\$64,430,000</b>	<b>\$50,069,000</b>	<b>\$2,828,000</b>	<b>\$3,260,000</b>

Note: Values rounded to nearest thousand dollars. Column total values may not add up due to rounding.

The majority of the cost impacts are expected to incur in the manufacturing sector. The main affected sub-industries within the manufacturing sector are primarily metal manufacturing industries: other fabricated metal product manufacturing (NAICS 3329), alumina and aluminum production and processing (NAICS 3313), forging and stamping (NAICS 3321), foundries (NAICS 3315), and nonferrous metal (except aluminum) production and processing (NAICS 3314). Table 4-5 presents the estimated total and average annual cost of PR 1147.2 by industry.

<sup>2</sup> Depending on discount rate used, 1% and 4% respectively.

**Table 4-5: Projected Total and Average Annual Cost of PR 1147.2 by Industry**

Industry Description	NAICS Code	Present Worth Value (2021)		Average Annual Costs (2023-2048)	
		1% Discount Rate	4% Discount Rate	1% Discount Rate	4% Discount Rate
Coating, engraving, heat treating, and allied activities	3328	\$2,558,000	\$1,822,000	\$124,000	\$124,000
Alumina and aluminum production and processing	3313	\$13,007,000	\$10,121,000	\$658,000	\$658,000
Other fabricated metal product manufacturing	3329	\$22,300,000	\$18,459,000	\$1,182,000	\$1,182,000
Steel product manufacturing from purchased steel	3312	\$1,365,000	\$936,000	\$66,000	\$66,000
Foundries	3315	\$5,887,000	\$4,595,000	\$298,000	\$298,000
Forging and stamping	3321	\$10,335,000	\$7,303,000	\$487,000	\$487,000
Aerospace product and parts manufacturing	3364	\$315,000	\$236,000	\$16,000	\$16,000
Nonferrous metal (except aluminum) production and processing	3314	\$4,563,000	\$3,525,000	\$226,000	\$226,000
Metal and Mineral (except Petroleum) Merchant Wholesalers	4235	\$958,000	\$750,000	\$48,000	\$48,000
Gasoline Stations	4471	\$723,000	\$526,000	\$35,000	\$35,000
Motor vehicle parts manufacturing	3363	\$1,154,000	\$843,000	\$57,000	\$57,000
Rubber product manufacturing	3262	\$987,000	\$775,000	\$50,000	\$50,000
Iron and steel mills and ferroalloy manufacturing	3311	\$107,000	\$59,000	\$5,000	\$5,000
Recyclable Material Merchant Wholesalers	4239	\$170,000	\$120,000	\$8,000	\$8,000
<b>Total</b>		<b>\$64,430,000</b>	<b>\$50,069,000</b>	<b>\$2,828,000</b>	<b>\$3,260,000</b>

Note: Values rounded to nearest thousand dollars. Column total values may not add up due to rounding.

### ***Macroeconomic Impacts on the Regional Economy***

The Regional Economic Model (REMI, PI+ v2.5.0) was used to assess the total socioeconomic impacts of the anticipated policy change (i.e., the proposed amended rule). The model links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county, it is comprised of five interrelated blocks: (1) output and demand, (2) labor and capital, (3) population and labor force, (4) wages, prices and costs, and (5) market shares.<sup>3</sup>

<sup>3</sup> Within each county, producers are made up of 156 private non-farm industries and sectors, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 ages/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi.>)

### ***Impact of Proposed Amendments***

The assessment herein is performed relative to a baseline (“business as usual”) where the proposed amendments would not be implemented. It is assumed that the affected facilities would finance the capital and installation costs of control equipment, or more specifically, these one-time costs are assumed to be amortized and incurred over the equipment life. Note that in previous sections of the Staff Report, staff quantified the value of stranded assets for equipment replaced before the end of its useful life. However, this cost is not included in the socioeconomic impact assessment where only the direct costs incurred within the analysis horizon (e.g., costs of purchasing replacement equipment) would generate impacts in the REMI model.

Direct effects of the proposed amendments are used as inputs to the REMI model in order for the model to assess secondary and induced impacts for all the industries in the four-county economy on an annual basis and across a user-defined horizon: 2023 (first year assumed compliance costs) to 2048. Direct effects of the proposed amendments comprise mostly of additional one-time capital and installation costs, additional recurring O&M costs, recurring source testing costs, and additional sales by local vendors of equipment, devices, or services that would meet the proposed requirements.

Whereas all the compliance expenditures that are incurred by the affected facilities would increase their cost of doing business, the purchase and installation of equipment such as SCRs and ULNBs would increase the spending and sales of businesses in various sectors, some of which may be located in the South Coast AQMD region.

When the compliance cost is annualized using a 4% real interest rate (\$3.3 million), it is projected that an annual average of 69 jobs forgone annually from 2023 to 2048. The projected job forgone becomes slightly less (60 jobs) when the compliance cost annualized (\$2.8 million) at a 1% interest rate. The 69 jobs forgone represents less than 0.0006% of total annual average jobs (about 11.6 million) in the region. The majority of jobs forgone are expected to occur in the manufacturing sector (NAICS 31-33) with an average of 22 jobs foregone per year. An additional seven jobs foregone are projected in the retail trade sectors (NAICS 44-45) and also in the construction (NAICS 23) sector due to either direct effects of compliance cost or induced effects on consumer spending. On the other hand, management, scientific, and technical services (NAICS 5416) sector, performing the required source testing, is expected to gain an average of six jobs annually.

**Table 4-6: PR 1147.2 Main Affected Industries, Job Impacts (4% Scenario)**

<b>Industry (NAICS)</b>	<b>Average Annual Job Impact 2023-2048</b>
Management, scientific, and technical consulting services (5416)	6
Construction (23)	-7
Wholesale trade (42)	-3
Retail trade (44-45)	-7
Manufacturing (31-33)	-22
<b>Manufacturing Sub-Industries</b>	
Foundries (3315)	-2
Alumina and aluminum production and processing (3313)	-3
Other fabricated metal product manufacturing (3329)	-7
<b>Total PR 1147.2 Job Impact (4% scenario)</b>	<b>-69</b>

## CALIFORNIA ENVIRONMENTAL QUALITY ACT ANALYSIS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, PR 1147.2 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 and is included as Attachment H to this Board letter. If PR 1147.2 is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research. Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD's certified regulatory program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(l) and South Coast AQMD Rule 110), the South Coast AQMD, as lead agency, is currently reviewing the proposed project (PR 1147.2) to determine if it will result in any potential adverse environmental impacts. Appropriate CEQA documentation will be prepared based on the analysis.

## DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 40727

### *Requirements to Make Findings*

California Health and Safety Code Section 40727 requires that prior to adopting, amending, or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report. In order to determine compliance with section 40727, 40727.2 requires a written analysis comparing the proposed rule with existing regulations, if the rule meets certain requirements. The following provides the draft findings.

*Necessity*

A need exists to adopt PR 1147.2 to provide NO<sub>x</sub> and CO limits for the metal melting and heating industry to reflect current BARCT concentration limits.

*Authority*

The South Coast AQMD obtains its authority to adopt, amend, or repeal rules and regulations from California Health and Safety Code Sections 39002, 40000, 40001, 40440, 40506, 40510, 40702, 40725 through 40728, 41508, 41700, and 42300 et seq..

*Clarity*

PR 1147.2 is written or displayed so that its meaning can be easily understood by the persons directly affected by them.

*Consistency*

PR 1147.2 is in harmony with and not in conflict with or contradictory to, existing statutes, court decisions or state or federal regulations.

*Non-Duplication*

PR 1147.2 will not impose the same requirements as any existing state or federal regulations. The proposed rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

*Reference*

In adopting this rule, the following statutes which the South Coast AQMD hereby implements, interprets or makes specific are referenced: AB 617, H&SC Sections 39002, 40001, 40406, 40506, 40702, 40440(a), 40725 through 40728.5, 40920.6, and 42300 et seq..

**COMPARATIVE ANALYSIS**

Health and Safety Code Section 40727.2 requires a comparative analysis of the proposed rule with any Federal or District rules and regulations applicable to the same source. A comparative analysis is presented below in Table 4-7.

**Table 4-7 – Comparative Analysis**

<b>Rule Element</b>	<b>Proposed Rule 1147.2</b>	<b>RECLAIM</b>	<b>Equivalent Federal Regulation</b>
<b>Applicability</b>	<ul style="list-style-type: none"> <li>• Metal melting, metal heat treating, and metal heating and forging furnaces</li> <li>• Units that have a South Coast AQMD permit to operate</li> </ul>	Facilities regulated under the NO <sub>x</sub> or SO <sub>x</sub> RECLAIM program (South Coast AQMD Reg. XX)	None
<b>Requirements</b>	<ul style="list-style-type: none"> <li>• Metal Melting (NO<sub>x</sub>: 40 ppmv)</li> <li>• Metal Heat Treating: Low Temperature (NO<sub>x</sub>: 40 ppmv)</li> <li>• Metal Heat Treating: High Temperature (NO<sub>x</sub>: 50 ppmv)</li> <li>• Metal Heating and Forging: Low Temperature (NO<sub>x</sub>: 40 ppmv)</li> <li>• Metal Heating and Forging: High Temperature (NO<sub>x</sub>: 50 ppmv)</li> <li>• Units with Radiant-Tube Burners (NO<sub>x</sub>: 50 ppmv)</li> <li>• Units ≥ 40 MMBtu/hr (NO<sub>x</sub>: 15 ppmv)</li> <li>• All Units (CO: 1,000 ppmv)</li> </ul>	<ul style="list-style-type: none"> <li>• Major Source (NO<sub>x</sub>/SO<sub>x</sub>: None)</li> <li>• Process Unit (NO<sub>x</sub>: 130 lb/MMScf)</li> </ul>	None
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Maintain data to be used for compliance determination</li> </ul>	<ul style="list-style-type: none"> <li>• Daily electronic reporting for major sources</li> <li>• Monthly to quarterly reporting for large sources and process units</li> <li>• Quarterly Certification of Emissions Report and Annual Permit Emissions Program for all units</li> </ul>	None
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>• NO<sub>x</sub> CEMS for units ≥ 40 MMBtu/hr</li> <li>• Source testing every 60 months for all units ≤ 10 MMBtu/hr; for units &gt; 10 MMBtu/hr and &lt; 40 MMBtu/hr, every 60 months if ≤ 25 billion Btu/yr or every 36 months if &gt; 25 billion Btu/yr</li> </ul>	<ul style="list-style-type: none"> <li>• A continuous in-stack NO<sub>x</sub> monitor for major source</li> <li>• Source testing once every 5 years for process units or every 3 years for large sources</li> </ul>	None
<b>Recordkeeping</b>	<ul style="list-style-type: none"> <li>• All data required by this rule shall be maintained for at least five years and made available for inspection by the Executive Officer</li> <li>• Rating plate affixed to units specifying unit's rated heat input capacity</li> <li>• Documentation identifying the unit's rated heat input capacity and unit alteration details</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly log for process units</li> <li>• &lt; 15-min. data = min. 48 hours; ≥ 15 min. data = 3 years (5 years if Title V)</li> <li>• Maintenance &amp; emission records, source test reports, RATA reports, audit reports and fuel meter calibration records for Annual Permit Emissions Program = 3 years (5 years if Title V)</li> </ul>	None

**APPENDIX A: LIST OF AFFECTED FACILITIES**

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**Table A-1: Facilities Affected by PR 1147.2**

<b>Facility ID</b>	<b>Facility Name</b>
136	Press Forge
1226	Hyatt Die Cast & Engineering Corp
1824	Buddy Bar Casting
2946	Pacific Forge Inc
3277	Industrial Battery Engineering
4862	Pioneer Diecasters Inc
4906	Bucy Die Casting
6616	Chromal Plating Co
7238	Interspace Battery Corp
7411	Davis Wire Corp
8451	Hughes Bros Aircrafters Inc
8547	Quemetco Inc
9095	Mills Iron Wks Inc
9358	Semco Enter, Inc.
10132	Magnesium Alloy Prod. Co
10966	Weber Metals Inc
11847	Cast-Rite Corp
14495	Vista Metals Corporation
15110	Valley Metal Treating, Inc.
15504	Schlosser Forge Company
16149	Universal Alloy Corp
16338	Kaiser Aluminum Fabricated Products
16639	Shultz Steel Co
17325	Ace Clearwater Enterprises
18931	TAMCO
19051	California Amforge Corporation
19305	Astro Aluminum Treating Co Inc
20492	Alhambra Foundry Co Ltd
21819	Industrial Lead & Plastics Const Inc
21872	Trojan Battery Company (Ann St, Santa Fe Springs)
21972	Charter Foundry Co Inc
22092	Western Tube & Conduit Corp
22467	Lefiell Mfg Co
22632	Anaheim Extrusion Co Inc
22911	Carlton Forge Works
23752	Aerocraft Heat Treating Co Inc
23779	Luxfer Gas Cylinders
33837	Bodycote Thermal Processing (Westminster)
37507	Trojan Battery Company (Clark St, Santa Fe Springs)

<b>Facility ID</b>	<b>Facility Name</b>
43436	TST, Inc.
46268	California Steel Industries Inc
51184	International Die Casting Inc
54402	Sierra Aluminum Company
61681	The Strelitz Co Inc., California Metal-X
66323	Merit Aluminum Corp
70748	Bodycote Thermal Processing (Santa Fe Springs)
71160	U.S. Battery Manufacturing Co
71589	Artsons Mfg Co
72937	P. Kay Metal, Inc.
74086	Valley Forge Acquisition Corp
75531	Edelbrock Foundry Corp
77271	Atlas Pacific Corporation
77891	David H. Fell & Co Inc.
78030	Ontario Extrusions Inc
79682	Ramcar Batteries Inc
83102	Light Metals Inc
85943	Sierra Aluminum Company
103474	Fine Gold
104410	Ray-Bar Engineering Corp
105598	Senior Aerospace SSP
105903	Prime Wheel
109587	Craftech Metal Forming Inc
112267	Alloy Die Casting Co
113489	Universal Molding Extrusion, Co, Inc
118696	Dolphin Tackle
120526	Merit Aluminum Corporation
120697	California Die Casting Inc
123774	Heraeus Precious Metals No. America, LLC
126536	CPP - Pomona
133547	Steel Forming, Inc
138568	California Drop Forge, Inc
140871	PAC Rancho, Inc.
144293	Forged Metals Inc
145216	Universal Molding Company
145801	P.R.L. Aluminum
150496	Coast Composites Inc
150542	Edelbrock Permanent Mold, LLC
166452	Sea Shield Marine Products, Inc.
171062	American Handforge

<b>Facility ID</b>	<b>Facility Name</b>
172799	Stretch Forming Corp
172808	Thermal Solutions Manufacturing, Inc.
173302	Teledyne Battery Products
179549	Catalina Composites
181223	Sierra Alloys Company
184960	West Coast Foundry LLC
187348	Hydro Extrusion USA, LLC

**APPENDIX B: ASSESSMENT OF POLLUTION CONTROL  
TECHNOLOGIES**

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## ASSESSMENT OF POLLUTION CONTROL TECHNOLOGIES

Staff reviewed multiple sources to understand the available and applicable pollution control technologies for all furnace categories. This included a review of scientific literature, meetings with vendors and consultants, and site visits to permit holders. These sources were analyzed with the objective of identifying relevant combustion and post-combustion control technologies and understanding the capabilities and limitations of each technology.

Staff's initial technology assessment revealed several combustion and post-combustion control mechanisms. These included Low NO<sub>x</sub> Burners, Radiant-Tube Burners, Recuperative & Regenerative Burners (heat recovery systems), and Flue Gas Recirculation for combustion control; for post-combustion control, these included Selective Catalytic Reduction and Selective Non-Catalytic Reduction.

A discussion of each of these technologies is below.

### Low NO<sub>x</sub> Burners

Low NO<sub>x</sub> Burners implement a variety of combustion optimization techniques to lower NO<sub>x</sub> emissions:

- Combustion Staging: Performing partial combustion. This can either occur in an air-rich or fuel-rich first stage, followed by a second stage with the remaining amount of the staged combustion component. For example, air-staged burners would have a first stage of full fuel but only partial air; the combustion would be completed in the second stage with the remaining volume of air necessary for complete combustion. Staged burners may have two or more stages.
- Low Excess Air: Lowers excess air to < 2% and is obtained through feedback control systems to minimize flame temperature
- Flame Enlargement: Lowers peak flame temperature but may overlap with adjacent burner flames or impinge burner components or charged materials

Regarding emissions performance and applicability, product literature from two burner vendors claim that both low and high-temperature burners can meet 30 ppmv @ 3% O<sub>2</sub>, dry. Additionally, excess air and combustion air temperature were identified as key metrics in burner applicability.

Staff analyzed the consistency of the classification of a unit's burners as "Low NO<sub>x</sub>" by reviewing all equipment data obtained from staff's permit database. Staff determined that, of the units with burner information listed, 86% are listed on the permit as either Low NO<sub>x</sub> or Ultra-Low NO<sub>x</sub>. However, the use of Low NO<sub>x</sub> and Ultra-Low NO<sub>x</sub> language may not necessarily correlate to a relative NO<sub>x</sub> concentration, as 64% of units with a Low NO<sub>x</sub> or Ultra-Low NO<sub>x</sub> description source tested above 30 ppmv.

### Radiant-Tube Burners

Radiant-tube burners are an indirect-fired burner that differ from direct-fired Low NO<sub>x</sub> Burners as the combustion takes place in a tube to prevent contact between the products of combustion and the parts being heated. Radiant-tube burners are commonly found in "double P", "W", "U", and straight shape configurations. Units with radiant-tube burners have individual stack exhausts for each burner. Add-on control technologies are also available to retrofit onto existing radiant-tube

burners, which may include inserts into the tube housing itself. These technologies may increase the fuel efficiency, reduce the NO<sub>x</sub> concentration, or both.

### **Flue Gas Recirculation**

Otherwise known as “FGR”, flue gas recirculation involves routing a portion of exhaust gases from a furnace’s combustion chamber via means of dampers, fans, and educators, to the burners. Flue gas, or exhaust gas, contains inert products of combustion products that dilute the oxygen content of fresh combustion air which leads to a lower peak flame temperature and a lower NO<sub>x</sub> concentration.

For comparative purposes, recirculating 10-15% of total flue gas back to the burners is typical in the boiler industry. In the steel mill industry, FGR alone has been shown to reduce NO<sub>x</sub> emissions by 10%. FGR can be combined with Low NO<sub>x</sub> burners for even lower NO<sub>x</sub> emissions.

Although FGR can be retrofitted onto furnaces, it may require ductwork and additional fan capacity. Additionally, it is not typically listed on a permit application’s equipment description, with only one unit listing FGR of the 58 units that listed NO<sub>x</sub> controls. Stakeholders have also commented that it is becoming less common to utilize FGR due to more advanced burner technologies staging the combustion process and effectively performing FGR’s dilution effect internally (a feature also known as “Internal Flue Gas Recirculation”).

### **Recuperative & Regenerative Burners (Pre-heated Combustion Air)**

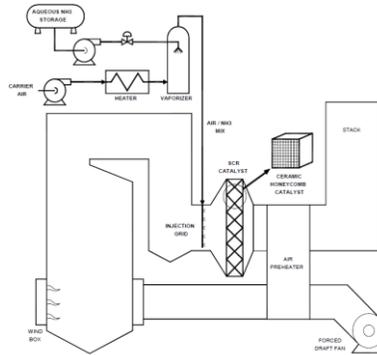
As opposed to “standard” or “cold-air” burners, recuperative and regenerative burners are specific burner types utilizing heat exchange methods between exhaust gas and combustion air. The use of the pre-heated combustion air increases a unit’s fuel efficiency but NO<sub>x</sub> concentrations may increase due to the elevated combustion air temperatures.

Depending on the furnace design and burner, these heat recovery burners may reduce fuel usage by 30-50% over cold-air systems. Recuperative burners were not identified on staff’s permit application review. Regenerative burners were listed on eight different metal melting units’ permits, comprising four different models from two different burner vendors. There was one installation of regenerative burners in the metal heating and forging category. Due to the inherent size and complexity associated with regenerative burners and their heat recovery media beds, they are generally better suited for newer installs rather than retrofits.

### **Selective Catalytic Reduction (SCR)**

A post-combustion control technology, SCR involves the injection of ammonia (NH<sub>3</sub>) or urea (which is vaporized into ammonia) into the flue gas stream to reduce NO<sub>x</sub> to N<sub>2</sub> and H<sub>2</sub>O via the use of catalysts. The optimal range of flue gas temperatures corresponding to the highest NO<sub>x</sub> reductions and maximum catalyst life is 500-1,000 °F. A molar ratio of 0.9:1-1:1 NH<sub>3</sub>:NO<sub>x</sub> provides the maximum NO<sub>x</sub> reductions while minimizing “ammonia slip”. Ammonia slip occurs when ammonia from the ammonia injection passes through the catalyst bed without reacting with NO<sub>x</sub> and continues outside the flue stack to the ambient air. NO<sub>x</sub> reduction efficiencies can range from 80% to more than 85%. Currently there are no known SCR installations in the metal melting category. There is one SCR installation in the metal heat treating category and one installation in the metal heating and forging category. Catalysts are often installed in modular beds, with the first

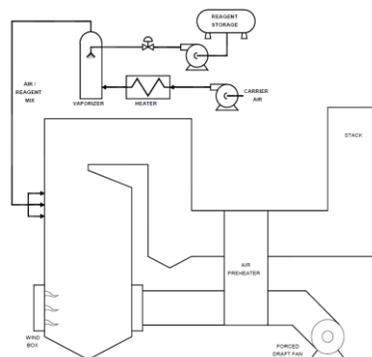
bed in the flue stream contributing to the most  $\text{NO}_x$  reductions relative to the beds subsequent in the flue gas stream. Accordingly, catalyst beds can either be rotated or replaced on a regular basis in intervals in line with their usage. Catalysts can also be regenerated instead of replaced, which can be approximately 40% less expensive than catalyst replacement.



### Selective Non-Catalytic Reduction (SNCR)

A post-combustion control technology, SNCR involves the injection of ammonia or urea into the flue gas stream to reduce  $\text{NO}_x$  to  $\text{N}_2$  and  $\text{H}_2\text{O}$  without the use of catalysts. The optimal range of flue gas temperatures corresponding to highest  $\text{NO}_x$  reductions and maximum catalyst life is comparatively higher than that for SCR, as the catalyst integrity and efficiency is no longer a concern. This temperature range is 1,500-2,200 °F. Relative to SCR, many processes may not need to install a dilution air fan nor additional duct work due to the elevated optimal temperature range capability. A molar ratio of 2:1-4:1  $\text{NH}_3:\text{NO}_x$  with a residence time of longer than one second provides the maximum  $\text{NO}_x$  reductions. A higher molar ratio is necessary due to the absence of a catalyst facilitating the reaction between  $\text{NH}_3$  and  $\text{NO}_x$ . Due to this, ammonia slip is more of a concern with SNCR than it is for SCR.

The lack of a catalyst leads to a lower  $\text{NO}_x$  reduction potential. While no SNCR installations were determined to exist within the proposed rule's universe, they have been demonstrated to achieve 60%  $\text{NO}_x$  reduction efficiencies in the boiler industry. However, when combined with Low  $\text{NO}_x$  Burners,  $\text{NO}_x$  reduction efficiencies can exceed that of SCR alone, at 95%+ reductions. Due to the lack of catalyst, operating costs and maintenance costs are also lower than those for SCR by approximately 20%.



**APPENDIX C: SOURCE TEST RESULT SUMMARY HANDOUT**

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## Source Test Result Summary Handout

In order to substantiate the specified initial BARCT concentration limits during the BARCT assessment process, staff provided a handout containing expanded source test data as well as equipment information for those units without source test data. This handout was prepared in response to stakeholder requests for more information regarding source test conditions. The data contained in the handout was presented during Working Group Meeting #4 held on February 26, 2020. The *Equipment Sub-Category* columns have been updated to reflect updated equipment category designations.

The handout includes several data points, when available, including: furnace rated heat input capacity, new vs. retrofitted burners, RECLAIM vs. non-RECLAIM status, number of burners, burner manufacturer and model, firing rate, excess O<sub>2</sub>, unit's operating temperature, and NO<sub>x</sub> and CO concentrations.

One requested parameter staff was unable to definitively identify was whether a metal was charged to the furnace during source testing. To verify this, staff randomly selected 11 unit source tests and only four specified whether or not a metal was charged during the source test.

**South Coast AQMD  
Proposed Rule 1147.2 – Working Group Meeting #4  
Sub-30 ppm Source Test Results**

Metal Heating Furnaces						
Equipment Category	Heat Input (MMBTU/HR)	Process Temperature (°F)	Control Technology	Permit Limit (ppm)	Source Test Result (ppm)	Notes
Aging	3	340 - 420	Not Listed	50	5	None
Aging	4	350	Not Listed	12	12	None
Aging	5	680 - 900	LNB	30	13	None
Aging	3	680 - 900	LNB	30	14	None
Aging	3	680 - 900	LNB	65	16	None
Aging	4	875 - 1,000	LNB	60	22	None
Aging	3	680 - 900	Not Listed	40	25	None
Aging	3	680 - 900	Not Listed	40	26	None
Aging	8	1,000	LNB	50	29	Startup Load: 29 ppm; Normal Load: 28 ppm
Annealing	2	1,220 - 1,400	Not Listed	60	20	None
Annealing	12	Not Listed	Not Listed	75	26	None
Billet & Pre-Heat	5	680 - 950	FGR; LNB	30	15	None
Billet & Pre-Heat	5	900	ULNB	50	11	High Fire: 11 ppm; Normal: 9 ppm; Low Fire: 11 ppm
Billet & Pre-Heat	5	680 - 900	FGR; LNB	30	13	None
Billet & Pre-Heat	5	680 - 950	Not Listed	25	16	None
Billet & Pre-Heat	7	900	Not Listed	50	19	None
Billet & Pre-Heat	3	880 - 1,000	LNB	50	25	None
Billet & Pre-Heat	12	Not Listed	Not Listed	40	25	None
Billet & Pre-Heat	3	800 - 850	LNB	50	25	None
Billet & Pre-Heat	5	Not Listed	Not Listed	50	27	None
Billet & Pre-Heat	4	900	LNB	30	28	None
Billet & Pre-Heat	7	680 - 950	FGR; LNB	30	29	None
Forging & Drop Forge	5	800 - 900	LNB	50	7	None
Forging & Drop Forge	6	1,600 - 2,200	LNB	50	7	None
Forging & Drop Forge	6	1,600 - 2,200	LNB	50	7	None
Forging & Drop Forge	5	800 - 900	LNB	50	10	None
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	10	None
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	11	Bleed Setting: 11 ppm; Ratio Setting: 5 ppm
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	12	None
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	14	Bleed Setting: 12 ppm; Ratio Setting: 14 ppm
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	15	Bleed Setting: 15 ppm; Ratio Setting: 9 ppm
Forging & Drop Forge	5	1,900 - 2,400	Not Listed	50	18	None
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	19	None
Forging & Drop Forge	6	1,600 - 2,200	LNB	50	23	Bleed Setting: 23 ppm; Ratio Setting: 20 ppm
Forging & Drop Forge	4	1,900 - 2,150	FGR; LNB; Recuperator	50	21	None

**South Coast AQMD  
Proposed Rule 1147.2 – Working Group Meeting #4  
Sub-30 ppm Source Test Results**

Metal Heating Furnaces						
Equipment Category	Heat Input (MMBTU/HR)	Process Temperature (°F)	Control Technology	Permit Limit (ppm)	Source Test Result (ppm)	Notes
Forging & Drop Forge	4	1,900 - 2,150	LNB; FGR; Recuperator	50	21	None
Forging & Drop Forge	6	1,900 - 2,400	Not Listed	50	23	None
Forging & Drop Forge	6	1,600 - 2,200	LNB	50	23	Bleed Setting: 23 ppm; Ratio Setting: 19 ppm
Forging & Drop Forge	8	2,300	LNB	50	25	None
Forging & Drop Forge	3	1,600 - 2,200	LNB	50	27	Bleed Setting: 27 ppm; Ratio Setting: 21 ppm
Forging & Drop Forge	6	1,600 - 2,200	LNB	50	27	Bleed Setting: 27 ppm; Ratio Setting: 25 ppm
Forging & Drop Forge	3	1,900 - 2,150	FGR; Recuperator	50	29	None
Homogenizing	12	843	Not Listed	45	13	None
Homogenizing	12	843	Not Listed	45	16	None
Homogenizing	24	1,000 - 1,100	LNB	40	19	None
Homogenizing	12	843	Not Listed	45	22	None
Homogenizing	12	843	Not Listed	45	26	None
Homogenizing	12	843	Not Listed	45	27	None
Re-Heat	529	1,030	LNB; Regenerative Burners; SCR	50	25	None
Other	5	1,725 - 2,150	Not Listed	50	15	None
Other	3	Not Listed	LNB	50	19	None
Other	5	970	LNB	25	21	None
Other	3	Not Listed	LNB	50	21	None
Other	7	1,700 - 2,150	LNB	50	26	None
Other	6	1,000	Not Listed	102	30	None

**Note:** All NOx concentrations are corrected to 3% O2, dry  
**Control Technology Key**  
 FGR: Flue Gas Recirculation; LNB: Low-NOx Burner; SCR: Selective Catalytic Reduction; ULNB: Ultra-Low NOx Burner

**South Coast AQMD  
Proposed Rule 1147.2 – Working Group Meeting #4  
Sub-30 ppm Source Test Results**

Metal Melting Furnaces						
Equipment Category	Heat Input (MMBtu/hr)	Process Temperature (°F)	Control Technology	Permit Limit (ppm)	Source Test Result (ppm)	Notes
Kettle & Pot	0.30	787	Not Listed	60	13	None
Reverberatory	25	1,221	LNB	40	25	None
Reverberatory	20	1,221	LNB	45	21	None
Reverberatory	20	1,221	LNB	45	23	None
<b>Control Technology Key</b>						
LNB: Low-NOx Burner						

**APPENDIX D: EMISSION REDUCTIONS AND COSTS AND COST-EFFECTIVENESS DETAILS**

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## EMISSION REDUCTIONS

A breakdown of the emission reductions profile for each pollution control technology are shown in Table D-1.

**Table D-1 – Emission Reductions**

<b>Equipment Category</b>	<b>Control Strategy</b>	<b>Baseline Emissions (tpd)</b>	<b>Emission Reductions (tpd)</b>	<b>Remaining Emissions (tpd)</b>	<b>Percent Reduction</b>
Metal Melting	Low NO <sub>x</sub> Burners	0.251	0.093	0.158	37%
	SCR		0.191	0.052	76%
	SCR and Low NO <sub>x</sub> Burners		0.218	0.043	85%
Metal Heat Treating: Low Temperature	Low NO <sub>x</sub> Burners	0.038	0.014	0.024	36%
	SCR		0.029	0.007	76%
	SCR and Low NO <sub>x</sub> Burners		0.032	0.006	84%
Metal Heat Treating: High Temperature	Low NO <sub>x</sub> Burners	0.074	0.011	0.063	15%
	SCR		0.055	0.015	74%
	SCR and Low NO <sub>x</sub> Burners		0.062	0.012	84%
Metal Heating and Forging: Low Temperature	Low NO <sub>x</sub> Burners	0.238	0.003	0.235	1%
	SCR		0.016	0.221	7%
	SCR and Low NO <sub>x</sub> Burners		0.019	0.219	8%
Heating and Forging: High Temperature	Low NO <sub>x</sub> Burners	0.201	0.055	0.151	25%
	SCR		0.154	0.038	77%
	SCR and Low NO <sub>x</sub> Burners		0.175	0.026	87%
Units with Radiant-Tube Burners	Low NO <sub>x</sub> Burners	0.018	0.005	0.013	28%
	SCR		0.014	0.003	78%
	SCR and Low NO <sub>x</sub> Burners		0.015	0.003	86%
Units ≥ 40 MMBtu/hr	SCR	0.391	0.319	0.063	82%
	SCR and Low NO <sub>x</sub> Burners		0.357	0.039	91%

## **COSTS AND COST-EFFECTIVENESS ANALYSIS**

A breakdown of the costs and cost-effectiveness for each pollution control technology is shown below for each equipment category.

### **Metal Melting Furnaces**

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

The costs for this combination technology control option are: SCR capital costs of \$56,579,200; Low NO<sub>x</sub> Burner retrofit costs of \$10,560,300; permitting costs of \$326,600; CEMS costs of \$13,490,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$4,260,000; periodic source testing costs of \$1,326,000; and stranded asset costs of \$2,472,800.

The average cost-effectiveness for units in this category for the combination technology control option to meet a NO<sub>x</sub> concentration limit of 10 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$89,014,900 and total NO<sub>x</sub> emission reductions of 0.137 tpd, or a total of 1,367 tons over a 25-year useful life for the SCR component and a 35-year useful life for the burner component, and a cost-effectiveness of \$65,100 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

The costs for this technology control option are: SCR costs of \$56,579,200; permitting costs of \$326,600; CEMS costs of \$13,490,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$4,260,000; and periodic source testing costs of \$1,326,000.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$75,981,800 and total NO<sub>x</sub> emission reductions of 0.117 tpd, or a total of 1,064 tons over a 25-year useful life. The cost-effectiveness is \$71,400 per ton NO<sub>x</sub> reduced. No units identified have a permit limit or source test result less than or equal to 15 ppmv and costs and emission reductions for all units are included in the cost-effectiveness analysis.

- *Low NO<sub>x</sub> Burner Retrofit*

Two burner retrofit implementation paths are provided for metal melting units.

The first implementation path is for units with a permit limit greater than 40 ppmv but less than or equal to 50 ppmv, established as of July 1, 2023 that may qualify for the alternative concentration limits. These units are required to submit permit applications to meet the 40 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 32 years old. It is assumed that approximately 30 months will be required for South Coast AQMD staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 35 years old. A total of 12 of the 70 metal melting units identified may qualify for the alternative concentration limits. Only permitting and periodic source testing costs are included as 35 years meets the average burner useful life of 35 years.

The second implementation path is for units that do not qualify for the alternative concentration limits and must submit permit applications to meet the 40 ppmv at 3% O<sub>2</sub>, dry, initial BARCT concentration limit on or before July 1 after the burner turns 12 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 15 years old. Retrofit costs are accounted for as 15 years is before a unit's average burner useful life of 35 years is reached. A total of 42 of the 70 metal melting units identified do not qualify for the alternative concentration limits.

The costs for this technology control option include: burner retrofit costs of \$6,971,700; permitting costs of \$248,400; periodic source testing costs of \$1,839,000; and stranded asset costs of \$1,850,400.

The average cost-effectiveness for units in this category for the burner retrofit control option to meet a NO<sub>x</sub> concentration limit of 40 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$10,909,500 and total NO<sub>x</sub> emission reductions of 0.033 tpd, or a total of 419 tons over a 35-year useful life. The cost-effectiveness is \$26,000 per ton NO<sub>x</sub> reduced. A total of 16 of the 70 metal melting units identified either have a permit limit or a source test result less than or equal to the 40 ppmv initial BARCT concentration limit and the costs for these units are not included in the cost-effectiveness analysis.

### **Metal Heat Treating Furnaces: Low Temperature**

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

The costs for this combination technology control option are: SCR capital costs of \$18,128,200; Low NO<sub>x</sub> Burner retrofit costs of \$1,090,700; permitting costs of \$119,600; CEMS costs of \$4,940,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$1,560,000; periodic source testing costs of \$453,000; stranded asset costs of \$0; and temperature uniformity testing costs of \$4,200.

The average cost-effectiveness for units in this category for the combination technology control option to meet a NO<sub>x</sub> concentration limit of 10 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$26,295,700 and total NO<sub>x</sub> emission reductions of 0.020 tpd, or a total of 200 tons over a 25-year useful life for the SCR component and a 35-year useful life for the burner component, and a cost-effectiveness of \$131,500 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

The costs for this technology control option are: SCR costs of \$16,395,200; permitting costs of \$115,000; CEMS costs of \$4,750,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$1,500,000; periodic source testing costs of \$429,000; and temperature uniformity testing costs of \$4,200.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$23,193,300 and total NO<sub>x</sub> emission reductions of 0.017 tpd, or a total of 151 tons over a 25-year useful life. The cost-

effectiveness is \$153,800 per ton NO<sub>x</sub> reduced. One unit was identified to have a permit limit or source test result less than or equal to 15 ppmv. Costs and emission reductions for all remaining units are included in the cost-effectiveness analysis.

- *Low NO<sub>x</sub> Burner Retrofit*

Two implementation paths are provided for existing low-temperature metal heat treating units.

The first implementation path is for units with a permit limit greater than 40 ppmv but less than or equal to 50 ppmv, established as of July 1, 2023 that may qualify for the alternative concentration limits. These units are required to submit permit applications to meet the 40 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 32 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and submit the permit, by which time the unit's burners will be approximately 35 years old. A total of 1 of the 26 low-temperature metal heat treating units identified may qualify for the alternative concentration limits. Only permitting and periodic source testing costs are included as 35 years meets the average burner useful life of 35 years.

The second implementation path is for units that do not qualify for the alternative concentration limits and must submit permit applications to meet the 40 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 12 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 15 years old. Retrofit costs are accounted for as 15 years is before a unit's average burner useful life of 35 years is reached. A total of 8 of the 26 low-temperature metal heat treating units identified do not qualify for the alternative concentration limits.

The costs for this technology control option include: burner retrofit costs of \$637,100; permitting costs of \$55,200; periodic source testing costs of \$552,000; temperature uniformity testing costs of \$4,200; and stranded asset costs of \$276,700.

The average cost-effectiveness for units in this category for the burner retrofit control option to meet a NO<sub>x</sub> concentration limit of 40 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$1,525,100 and total NO<sub>x</sub> emission reductions of 0.006 tpd, or a total of 73 tons over a 35-year useful life. The cost-effectiveness is \$20,900 per ton NO<sub>x</sub> reduced. A total of 17 of the 26 low-temperature metal heat treating units identified either have a permit limit or a source test result less than or equal to the 40 ppmv initial BARCT concentration limit and the costs for these units are not included in the cost-effectiveness analysis.

### **Metal Heat Treating Furnaces: High Temperature**

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

The costs for this combination technology control option are: SCR capital costs of \$40,630,000; Low NO<sub>x</sub> Burner retrofit costs of \$3,744,400; permitting costs of \$271,400; CEMS costs of \$11,210,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$3,540,000; periodic source testing costs of \$1,047,000; stranded asset costs of \$0; and temperature uniformity testing costs of \$5,800.

The average cost-effectiveness for units in this category for the combination technology control option to meet a NO<sub>x</sub> concentration limit of 10 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$60,448,600 and total NO<sub>x</sub> emission reductions of 0.057 tpd, or a total of 560 tons over a 25-year useful life for the SCR component and a 35-year useful life for the burner component, and a cost-effectiveness of \$108,000 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

The costs for this technology control option are: SCR costs of \$40,630,000; permitting costs of \$271,400; CEMS costs of \$11,210,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$3,540,000; periodic source testing costs of \$1,047,000; and temperature uniformity testing costs of \$5,800.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$56,704,200 and total NO<sub>x</sub> emission reductions of 0.050 tpd, or a total of 460 tons over a 25-year useful life. The cost-effectiveness is \$123,100 per ton NO<sub>x</sub> reduced. No units identified have a permit limit or source test result less than or equal to 15 ppmv and costs and emission reductions for all units are included in the cost-effectiveness analysis.

- *Low NO<sub>x</sub> Burner Retrofit*

Two implementation paths are provided for existing high-temperature metal heat treating units.

The first implementation path is for units with a permit limit greater than 50 ppmv but less than or equal to 60 ppmv, established as of July 1, 2023 that may qualify for the alternative concentration limits. These units are required to submit permit applications to meet the 50 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 32 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and submit the permit, by which time the unit's burners will be approximately 35 years old. A total of 16 of the 60 high-temperature metal heat treating units identified may qualify for the alternative concentration limits. Only permitting and periodic source testing costs are included as 35 years meets the average burner useful life of 35 years.

The second implementation path is for units that do not qualify for the alternative concentration limits and must submit permit applications to meet the 50 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 12 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 15 years old. Retrofit costs are accounted for as 15 years is before a unit's average burner useful life of 35 years is reached. A total of 16 of the 60 high-temperature metal heat treating units identified do not qualify for the alternative concentration limits.

The costs for this technology control option include: burner retrofit costs of \$937,900; permitting costs of \$147,200; periodic source testing costs of \$1,278,000; temperature uniformity testing costs of \$5,800; and stranded asset costs of \$274,100.

The average cost-effectiveness for units in this category for the burner retrofit control option to meet a NO<sub>x</sub> concentration limit of 40 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$2,643,000 and total NO<sub>x</sub> emission reductions of 0.010 tpd, or a total of 133 tons over a 35-year useful life. The cost-effectiveness is \$19,800 per ton NO<sub>x</sub> reduced. A total of 28 of the 59 high-temperature metal heat treating units identified either have a permit limit or a source test result less than or equal to the 50 ppmv initial BARCT concentration limit and the costs for these units are not included in the cost-effectiveness analysis.

### **Metal Heating and Forging Furnaces: Low Temperature**

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

The costs for this combination technology control option are: SCR capital costs of \$13,026,300; Low NO<sub>x</sub> Burner retrofit costs of \$1,364,000; permitting costs of \$96,600; CEMS costs of \$3,990,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$1,260,000; periodic source testing costs of \$342,000; and stranded asset costs of \$235,000; and temperature uniformity testing costs of \$2,500.

The average cost-effectiveness for units in this category for the combination technology control option to meet a NO<sub>x</sub> concentration limit of 10 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$20,316,400 and total NO<sub>x</sub> emission reductions of 0.018 tpd, or a total of 176 tons over a 25-year useful life for the SCR component and a 35-year useful life for the burner component, and a cost-effectiveness of \$115,500 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

The costs for this technology control option are: SCR costs of \$13,026,300; permitting costs of \$96,600; CEMS costs of \$3,990,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$1,260,000; periodic source testing costs of \$342,000; and temperature uniformity testing costs of \$2,500.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$18,717,400 and total NO<sub>x</sub> emission reductions of 0.015 tpd, or a total of 140 tons over a 25-year useful life. The cost-effectiveness is \$133,900 per ton NO<sub>x</sub> reduced. No units identified have a permit limit or source test result less than or equal to 15 ppmv and costs and emission reductions for all units are included in the cost-effectiveness analysis.

- *Low NO<sub>x</sub> Burner Retrofit*

Two implementation paths are provided for existing low-temperature metal heating and forging units.

The first implementation path is for units with a permit limit greater than 40 ppmv but less than or equal to 50 ppmv, established as of July 1, 2023 that may qualify for the alternative concentration limits. These units are required to submit permit applications to meet the 40 ppmv initial BARCT

concentration limit on or before July 1 after the burner turns 32 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and submit the permit, by which time the unit's burners will be approximately 35 years old. A total of 8 of the 21 low-temperature metal heating and forging units identified may qualify for the alternative concentration limits. Only permitting and periodic source testing costs are included as 35 years meets the average burner useful life of 35 years.

The second implementation path is for units that do not qualify for the alternative concentration limits and must submit permit applications to meet the 40 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 12 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 15 years old. Retrofit costs are accounted for as 15 years is before a unit's average burner useful life of 35 years is reached. A total of three of the 21 low-temperature metal heating and forging units identified do not qualify for the alternative concentration limits.

The costs for this technology control option include: burner retrofit costs of \$364,900; permitting costs of \$50,600; periodic source testing costs of \$414,000; temperature uniformity testing costs of \$2,500; and stranded asset costs of \$110,900.

The average cost-effectiveness for units in this category for the burner retrofit control option to meet a NO<sub>x</sub> concentration limit of 40 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$942,900 and total NO<sub>x</sub> emission reductions of 0.003 tpd, or a total of 42 tons over a 35-year useful life. The cost-effectiveness is \$22,500 per ton NO<sub>x</sub> reduced. A total of 10 of the 21 low-temperature metal heating and forging identified either have a permit limit or a source test result less than or equal to the 40 ppmv initial BARCT concentration limit and the costs for these units are not included in the cost-effectiveness analysis.

### **Metal Heating and Forging Furnaces: High Temperature**

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

The costs for this combination technology control option are: SCR capital costs of \$84,337,100; Low NO<sub>x</sub> Burner retrofit costs of \$6,861,000; permitting costs of \$630,200; CEMS costs of \$26,030,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$8,220,000; periodic source testing costs of \$2,208,000; and stranded asset costs of \$0; and temperature uniformity testing costs of \$6,600.

The average cost-effectiveness for units in this category for the combination technology control option to meet a NO<sub>x</sub> concentration limit of 10 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$128,292,900 and total NO<sub>x</sub> emission reductions of 0.151 tpd, or a total of 1,537 tons over a 25-year useful life for the SCR component and a 35-year useful life for the burner component, and a cost-effectiveness of \$83,500 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

The costs for this technology control option are: SCR costs of \$84,337,100; permitting costs of \$630,200; CEMS costs of \$26,030,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$8,220,000; periodic source testing costs of \$2,208,000; and temperature uniformity testing costs of \$6,600.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$121,431,900 and total NO<sub>x</sub> emission reductions of 0.135 tpd, or a total of 1,232 tons over a 25-year useful life. The cost-effectiveness is \$98,600 per ton NO<sub>x</sub> reduced. No units identified have a permit limit or source test result less than or equal to 15 ppmv and costs and emission reductions for all units are included in the cost-effectiveness analysis.

- *Low NO<sub>x</sub> Burner Retrofit*

Two implementation paths are provided for existing high-temperature metal heating and forging units.

The first implementation path is for units with a permit limit greater than 50 ppmv but less than or equal to 60 ppmv, established as of July 1, 2023 that may qualify for the alternative concentration limits. Near-limit units are required to submit permit applications to meet the 50 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 32 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and submit the permit, by which time the unit's burners will be approximately 35 years old. A total of 15 of the 137 high-temperature metal heating and forging units identified may qualify for the alternative concentration limits. Only permitting and periodic source testing costs are included as 35 years meets the average burner useful life of 35 years.

The second implementation path is for units that do not qualify for the alternative concentration limits and must submit permit applications to meet the 40 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 12 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 15 years old. Retrofit costs are accounted for as 15 years is before a unit's average burner useful life of 35 years is reached. A total of 42 of the 137 high-temperature metal heating and forging units identified do not qualify for the alternative concentration limits.

The costs for this technology control option include: burner retrofit costs of \$1,007,500; permitting costs of \$312,800; periodic source testing costs of \$2,670,000; temperature uniformity testing costs of \$6,600; and stranded asset costs of \$353,100.

The average cost-effectiveness for units in this category for the burner retrofit control option to meet a NO<sub>x</sub> concentration limit of 40 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$4,350,000 and total NO<sub>x</sub> emission reductions of 0.043 tpd, or a total of 554 tons over a 35-year useful life. The cost-effectiveness is \$7,900 per ton NO<sub>x</sub> reduced. A total of 80 of the 137 high-temperature metal heating and forging identified either have a permit limit or a source test result less than or equal to

the 50 ppmv initial BARCT concentration limit and the costs for these units are not included in the cost-effectiveness analysis.

### **Units with Radiant-Tube Burners**

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

The costs for this combination technology control option are: SCR capital costs of \$6,138,800; Low NO<sub>x</sub> Burner retrofit costs of \$707,200; permitting costs of \$36,800; CEMS costs of \$1,520,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$480,000; periodic source testing costs of \$129,000; and stranded asset costs of \$0; and temperature uniformity testing costs of \$1,700.

The average cost-effectiveness for units in this category for the combination technology control option to meet a NO<sub>x</sub> concentration limit of 10 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$9,013,500 and total NO<sub>x</sub> emission reductions of 0.012 tpd, or a total of 120 tons over a 25-year useful life for the SCR component and a 35-year useful life for the burner component, and a cost-effectiveness of \$74,900 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

The costs for this technology control option are: SCR costs of \$6,138,800; permitting costs of \$36,800; CEMS costs of \$1,520,000; NO<sub>x</sub> Feed-Forward Analyzer costs of \$420,000; periodic source testing costs of \$129,000; and temperature uniformity testing costs of \$1,700.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$8,246,300 and total NO<sub>x</sub> emission reductions of 0.011 tpd, or a total of 100 tons over a 25-year useful life. The cost-effectiveness is \$82,100 per ton NO<sub>x</sub> reduced. No units identified have a permit limit or source test result less than or equal to 15 ppmv and costs and emission reductions for all units are included in the cost-effectiveness analysis.

- *Low NO<sub>x</sub> Burner Retrofit*

Two implementation paths are provided for existing units with radiant-tube burners.

The first implementation path is for units with a permit limit greater than 50 ppmv but less than or equal to 60 ppmv, established as of July 1, 2023 that may qualify for the alternative concentration limits. Near-limit units are required to submit permit applications to meet the 50 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 32 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and submit the permit, by which time the unit's burners will be approximately 35 years old. A total of three of the eight units with radiant-tube burners identified may qualify for the alternative concentration limits. Only permitting and periodic source testing costs are included as 35 years meets the average burner useful life of 35 years.

The second implementation path is for units that do not qualify for the alternative concentration

limits and must submit permit applications to meet the 50 ppmv initial BARCT concentration limit on or before July 1 after the burner turns 12 years old. It is assumed that approximately 30 months will be required for staff to review the permit application and issue the permit, by which time the unit's burners will be approximately 15 years old. Retrofit costs are accounted for as 15 years is before a unit's average burner useful life of 35 years is reached. A total of 2 of the 8 units with radiant-tube burners identified do not qualify for the alternative concentration limits.

The costs for this technology control option include: burner retrofit costs of \$935,500; permitting costs of \$36,800; periodic source testing costs of \$156,000; temperature uniformity testing costs of \$1,700; and stranded asset costs of \$184,800.

The average cost-effectiveness for units in this category for the burner retrofit control option to meet a NO<sub>x</sub> concentration limit of 40 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$1,314,800 and total NO<sub>x</sub> emission reductions of 0.002 tpd, or a total of 28 tons over a 35-year useful life. The cost-effectiveness is \$46,600 per ton NO<sub>x</sub> reduced. A total of three of the eight units with radiant-tube burners identified either have a permit limit or a source test result less than or equal to the 50 ppmv initial BARCT concentration limit and the costs for these units are not included in the cost-effectiveness.

#### **Units ≥ 40 MMBtu/hr**

A cost-effectiveness analysis was conducted for all units with a rated heat input capacity greater than or equal to 40 MMBtu/hr to meet several different NO<sub>x</sub> concentration limits, all corrected to 3% O<sub>2</sub>, dry: 15 ppmv (via the combination of both SCR installation and burner retrofit), 15 ppmv (via SCR installation), and 40 or 50 ppmv (via burner retrofit depending on whether the unit is a low-temperature or high-temperature unit).

A total of four units with a rated heat input capacity greater than or equal to 40 MMBtu/hr were identified, two of which have existing SCR installations.

- *SCR Installation and Low NO<sub>x</sub> Burner Retrofit Cost-Effectiveness*

Of the four units identified in this equipment category, one unit is equipped with regenerative burners.

All costs associated with a SCR installation, including annual electricity costs, reagent costs, and catalyst costs, were included for the two units without existing SCR installations. Costs for CEMS, NO<sub>x</sub> Feed-Forward Analyzer, periodic source testing, temperature uniformity testing, and burner retrofit costs were included.

The costs for this combination technology control option are: SCR capital costs of \$10,405,100; SCR annual costs of \$206,200 per year; permitting costs of \$18,400; CEMS costs of \$0 as each of the four units in this category are already equipped with a CEMS to measure NO<sub>x</sub>; NO<sub>x</sub> Feed-Forward Analyzer costs of \$60,000 for the one unit in this category with a batch process and that does not have an analyzer already installed; periodic source testing costs of \$96,000; temperature

uniformity costs of \$1,700; burner retrofit costs of \$32,081,000; and stranded asset costs of \$12,677,900.

The average cost-effectiveness for units in this category for the combination technology control option to meet a concentration limit of 10 ppmv at 3% O<sub>2</sub> includes total costs of \$58,561,900 and total NO<sub>x</sub> emission reductions of 0.199 tpd, or a total of 2,171 tons over a 25-year useful life for the SCR component and 35-year useful life for the burner component, and a cost-effectiveness of \$27,000 per ton NO<sub>x</sub> reduced.

- *SCR Installation Cost-Effectiveness*

Units in this category must submit permit applications to meet the 15 ppmv initial BARCT concentration limit on or before July 1, 2023 and full installation costs are accounted for.

The costs for this technology control option are: SCR capital costs of \$10,405,100; SCR annual costs of \$216,000 per year; CEMS costs of \$0 as each of the four units identified in this category are already equipped with a CEMS to measure NO<sub>x</sub>; NO<sub>x</sub> Feed-Forward Analyzer costs of \$60,000 for the 1 unit identified in this category with a batch process and that does not have an analyzer already installed; permitting costs of \$18,400; periodic source testing costs of \$96,000; and temperature uniformity costs of \$1,700.

The average cost-effectiveness for units in this category for the SCR control option to meet a NO<sub>x</sub> concentration limit of 15 ppmv at 3% O<sub>2</sub>, dry, includes total costs of \$13,955,100 and total NO<sub>x</sub> emission reductions of 0.186 tpd, or a total of 1,695 tons over a 25-year useful life. The cost-effectiveness is \$8,200 per ton NO<sub>x</sub> reduced. No units identified have a permit limit or source test result less than or equal to 15 ppmv and costs and emission reductions for all units are included in the cost-effectiveness analysis.

## **NEW UNIT LIMIT INCREMENTAL COST-EFFECTIVENESS ANALYSIS**

Chapter 2 notes staff's determinations of the technologically feasible NO<sub>x</sub> concentration limits for the metal heat treating, metal heating, metal forging, and radiant-tube burner categories. These limits were 30 ppmv @ 3% O<sub>2</sub>, dry, for low-temperature metal heat treating, metal heating, and metal forging; 40 ppmv @ 3% O<sub>2</sub>, dry, for high-temperature metal heat treating, metal heating, and metal forging; and 40 ppmv @ 3% O<sub>2</sub>, dry, for radiant-tube burners. Although these NO<sub>x</sub> concentration limits are technologically feasible, they would require extensive, difficult challenging, and expensive retrofits such as refractory redesign and air/fuel system replacements. Table D-2 shows the technologically feasible NO<sub>x</sub> concentration limit and NO<sub>x</sub> BARCT concentration limit for each category.

**Table D-2 – Technologically Feasible and BARCT NOx Concentration Limits**

<b>Category</b>	<b>Technologically Feasible NOx Concentration Limit (ppmv @ 3% O<sub>2</sub>, Dry)</b>	<b>NOx BARCT Concentration Limit (ppmv @ 3% O<sub>2</sub>, Dry)</b>
Metal Heat Treating: Low Temperature	30	40
Metal Heat Treating: High Temperature	40	50
Metal Heating and Forging: Low Temperature	30	40
Metal Heating and Forging: High Temperature	40	50
Units with Radiant-Tube Burners	40	40

Staff performed a cost-effectiveness analysis for units in these categories to meet these NOx concentration limits following the same methodology in Chapter 4. The cost basis used in this analysis was based on the same set of nine burner retrofit quotes received, as noted in the *COSTS AND COST-EFFECTIVENESS* section of Chapter 4. Of these nine burner retrofit quotes, three burner retrofit quotes were proposed to meet the technologically feasible NOx concentration limits of 30 ppmv @ 3% O<sub>2</sub>, dry, or 40 ppmv @ 3% O<sub>2</sub>, dry, as appropriate for the category. Each of these three burner retrofits was calculated as an average of retrofitting several furnaces within the quote, each furnace with different operating and equipment characteristics. The median cost of these three burner retrofit quotes was \$339,000.

The costs and cost-effectiveness for each of these categories to achieve the technologically feasible NOx concentration limits is shown below in Table D-3 and Table D-4.

**Table D-3 – Summary of Compliance Costs for Technologically Feasible NOx Concentration Limits**

<b>Category</b>	<b>Capital Costs</b>	<b>Permitting</b>	<b>Source Testing</b>	<b>Uniformity Testing</b>	<b>Stranded Asset Costs</b>	<b>Total Costs</b>
Metal Heat Treating: Low Temperature	\$2,034,000	\$119,600	\$552,000	\$5,000	\$1,055,700	\$3,766,300
Metal Heat Treating: High Temperature	\$5,085,000	\$271,400	\$1,278,000	\$12,500	\$2,518,300	\$9,165,100
Metal Heating and Forging: Low Temperature	\$3,051,000	\$73,600	\$414,000	\$7,500	\$1,801,500	\$5,347,600
Metal Heating and Forging: High Temperature	\$6,780,000	\$602,600	\$2,670,000	\$16,600	\$2,547,300	\$12,616,500
Units with Radiant-Tube Burners	\$1,695,000	\$36,800	\$156,000	\$4,200	\$910,500	\$2,802,400

**Table D-4 – Summary of Cost-Effectiveness for Technologically Feasible NOx Concentration Limits**

<b>Category</b>	<b>Total Costs</b>	<b>Total Lifetime Emission Reductions (tons NO<sub>x</sub>)</b>	<b>Cost-Effectiveness (\$/ton NO<sub>x</sub> Reduced)</b>
Metal Heat Treating: Low-Temperature	\$3,766,300	116	\$32,400
Metal Heat Treating: High-Temperature	\$9,165,100	262	\$35,000
Metal Heating and Forging: Low-Temperature	\$5,347,600	95	\$56,300
Metal Heating and Forging: High-Temperature	\$12,616,500	785	\$16,100
Units with Radiant-Tube Burners	\$2,802,400	58	\$48,400

While all but one of these categories showed to be cost-effective, these results include emission reductions from those units that do not have any costs attributed to their retrofit due to either having burners older than 32 years or ability to opt for the alternative implementation schedule of 32 years of burner age.

To remove the effects of these units with emission reductions but no retrofit costs, staff calculated an incremental cost-effectiveness to apply to only those units that would incur a retrofit cost in achieving emission reductions. This incremental cost-effectiveness calculates the difference in costs and emission reductions between the technologically feasible limits of 30 ppmv @ 3% O<sub>2</sub>, dry, and 40 ppmv @ 3% O<sub>2</sub>, dry, and the NO<sub>x</sub> BARCT emission limits of 40 ppmv @ 3% O<sub>2</sub>, dry, and 50 ppmv @ 3% O<sub>2</sub>, dry. The incremental costs and incremental cost-effectiveness for each of these categories between these two sets of NO<sub>x</sub> concentration limits is shown below in Table D-5 and Table D-6.

**Table D-5 – Summary of Incremental Costs**

<b>Category</b>	<b>Capital Costs</b>	<b>Permitting</b>	<b>Source Testing</b>	<b>Uniformity Testing</b>	<b>Stranded Asset Costs</b>	<b>Total Costs</b>
Metal Heat Treating: Low Temperature	\$1,396,900	\$4,600	\$18,000	\$800	\$779,000	\$2,199,400
Metal Heat Treating: High Temperature	\$1,396,900	\$36,800	\$156,000	\$6,600	\$2,244,200	\$6,590,700
Metal Heating and Forging: Low Temperature	\$2,686,100	\$27,600	\$120,000	\$5,000	\$1,099,800	\$3,938,500
Metal Heating and Forging: High Temperature	\$5,772,500	\$55,200	\$240,000	\$10,000	\$2,194,300	\$8,271,900
Units with Radiant-Tube Burners	\$1,352,900	\$13,800	\$54,000	\$2,500	\$725,700	\$2,148,900

The incremental cost-effectiveness is shown in Table D-6.

**Table D-6 – Summary of Incremental Cost-Effectiveness**

<b>Category</b>	<b>Incremental Costs</b>	<b>Incremental Emission Reductions</b>	<b>Incremental Cost-Effectiveness</b>
Metal Heat Treating: Low Temperature	\$2,199,400	0.001	\$118,700
Metal Heat Treating: High Temperature	\$6,590,700	0.003	\$158,700
Metal Heating and Forging: Low Temperature	\$3,938,500	0.004	\$81,800
Metal Heating and Forging: High Temperature	\$8,271,900	0.007	\$87,400
Units with Radiant-Tube Burners	\$2,148,900	0.002	\$80,700

Due to the incremental cost-effectiveness for each category for those units that incur a cost to retrofit, the technologically feasible NO<sub>x</sub> concentration limits were not economically practical to require. The NO<sub>x</sub> BARCT concentration limits are both technologically feasible and cost-effective for each of these categories.

**APPENDIX E: RESPONSE TO PUBLIC COMMENT**

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Comment No. 1 (received as verbal statements during Public Workshop) – California Metals Coalition

For units on the multiple unit implementation schedule, may a unit remain non-operational and perform a retrofit and startup at a later time in lieu of decommissioning the unit?

**Response to Comment 1**

A unit is not allowed to remain non-operational past the date that the unit is required to either submit a permit application or submit a form to inactivate the unit's operating permit as there would be no way to ensure that the unit does not startup and operate out of compliance. The unit may, however, install a time or fuel meter and thus qualify for exemption via demonstration of NO<sub>x</sub> emissions of less than one pound per day, averaged over a calendar month, pursuant to subdivision (g). The unit can remain exempt under this subdivision (g) indefinitely as long as compliance with subdivision (g) and the recordkeeping and labeling requirements specified in subdivision (i) and (j), respectively, is maintained.

Comment No. 2 (received as verbal statements during Public Workshop) – Furnace Dynamics

**Comment 2-1:** Would staff consider a monthly monitoring requirement in lieu of the daily monitoring requirement for demonstration of NO<sub>x</sub> emissions of less than one pound per day specified in subdivision (g)?

**Comment 2-2:** Regardless of burner age, would a unit be required to retrofit as long as it is compliance with the applicable concentration limits?

**Comment 2-3:** Can additional time be provided for those units, so as to avoid fines, where the facility operator cannot find appropriate equipment that guarantees emissions to meet the rule requirements? There are many unique furnaces within the industry that may have a difficult time procuring equipment.

**Response to Comment 2-1**

The demonstration of NO<sub>x</sub> emissions of less than one pound per day in subdivision (g) is now based on a monthly average as requested.

**Response to Comment 2-2**

As long as a unit has an approved source test showing compliance with the rule limits, no retrofit is required. A permit modification may be necessary for such units that do not also have a permit condition limiting emissions to the rule limits.

**Response to Comment 2-3**

Throughout the rule development process, stakeholders were invited to provide information for any additional unique types of furnaces. Where provided, staff assessed the equipment and addressed all situations presented. Providing additional time beyond the implementation schedule included in the proposed rule is unwarranted.

Comment No. 3 (received as verbal statements during Public Workshop) – Solar Power Coalition

Solar should be considered in the BARCT process for this rule.

**Response to Comment 3**

Furnaces that are electrically-powered are exempt from PR 1147.2.

Comment No. 4 (received as verbal statements during Public Workshop) – AirKinetics

Is any additional flexibility available beyond testing within the month that the source test is due?

**Response to Comment 4**

Staff provided additional flexibility to allow testing within the month that the source test is due. Most units will be on a 3-year or 5-year source testing schedule, which staff believes provides sufficient time to schedule source tests. The source test frequency schedule specifies the deadlines by which source tests must be conducted. These deadlines, nor the allowance to conduct the source test anytime within the month that the source test is due, do not preclude a facility from conducting source tests earlier than the required deadlines.

ATTACHMENT H



**South Coast  
Air Quality Management District**

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

**SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**PROJECT TITLE: PROPOSED RULE 1147.2 – NOX REDUCTIONS FROM METAL MELTING AND HEATING FURNACES**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD), as Lead Agency, has prepared a Notice of Exemption pursuant to CEQA Guidelines Section 15062 – Notice of Exemption for the project identified above.

If the proposed project is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The Notice of Exemption will also be electronically filed with the State Clearinghouse of the Governor’s Office of Planning and Research for posting on their CEQAnet Web Portal which may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>. In addition, the Notice of Exemption will be electronically posted on the South Coast AQMD’s webpage which can be accessed via the following weblink: <http://www.aqmd.gov/nav/about/public-notice/ceqa-notice/notice-of-exemption/noe---year-2022>.

**NOTICE OF EXEMPTION FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

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<b>To:</b> County Clerks for the Counties of Los Angeles, Orange, Riverside, and San Bernardino; and Governor's Office of Planning and Research – State Clearinghouse	<b>From:</b> South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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**Project Title:** Proposed Rule 1147.2 – NOx Reductions from Metal Melting and Heating Furnaces

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**Project Location:** The proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

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**Description of Nature, Purpose, and Beneficiaries of Project:** Proposed Rule (PR) 1147.2 has been developed to reduce nitrogen oxide (NOx) emissions and limit carbon monoxide (CO) emissions from metal melting furnaces, metal heat treating furnaces, and metal heating and forging furnaces which require a South Coast AQMD permit at RECLAIM, former RECLAIM, and non-RECLAIM facilities. PR 1147.2 defines applicable equipment categories, updates NOx emission limits, and establishes a new CO limit. PR 1147.2 also includes compliance schedules with transition emission limits as well as provisions for monitoring, reporting, recordkeeping, and exemptions from specific provisions. To achieve the proposed NOx emission limits according to the compliance schedule set forth in PR 1147.2, the following physical changes are anticipated to require minimal construction activities, with most occurring in the first three years but lasting up to 35 years after PR 1147.2 is adopted: 1) approximately 62 burners may be replaced with Ultra Low NOx Burners (ULNBs) or Low NOx Burners (LNBs); 2) one new selective catalytic reduction (SCR) system with one new ammonia storage tank may be installed; and 3) two existing SCR systems may be modified. For all other units subject to PR 1147.2, the affected equipment would be either replaced or modified at the end of their useful life, or will qualify for an exemption from the emission limits if the NOx emissions are less than one pound per day. Upon full implementation, the proposed project is expected to achieve 0.5 ton per day of NOx emission reductions.

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<b>Public Agency Approving Project:</b> South Coast Air Quality Management District	<b>Agency Carrying Out Project:</b> South Coast Air Quality Management District
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**Exempt Status:** CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

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**Reasons why project is exempt:** South Coast AQMD, as Lead Agency, has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The analysis of the anticipated physical changes that may occur if the proposed project is implemented combined with the timing of compliance distributed over several years indicates that the construction emissions are expected to be minimal, and over time, will be offset by corresponding NOx emission reductions as each unit is either modified or replaced and operating. Thus, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

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**Date When Project Will Be Considered for Approval (subject to change):**  
South Coast AQMD Governing Board Public Hearing: April 1, 2022

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**Date Received for Filing:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ *(Signed and Dated Upon Board Approval)*  
Barbara Radlein  
Program Supervisor, CEQA  
Planning, Rule Development, and Area Sources



# Proposed Rule 1147.2

NOx Reductions from Metal Melting and Heating Furnaces

Board Meeting

April 1, 2022

# Background

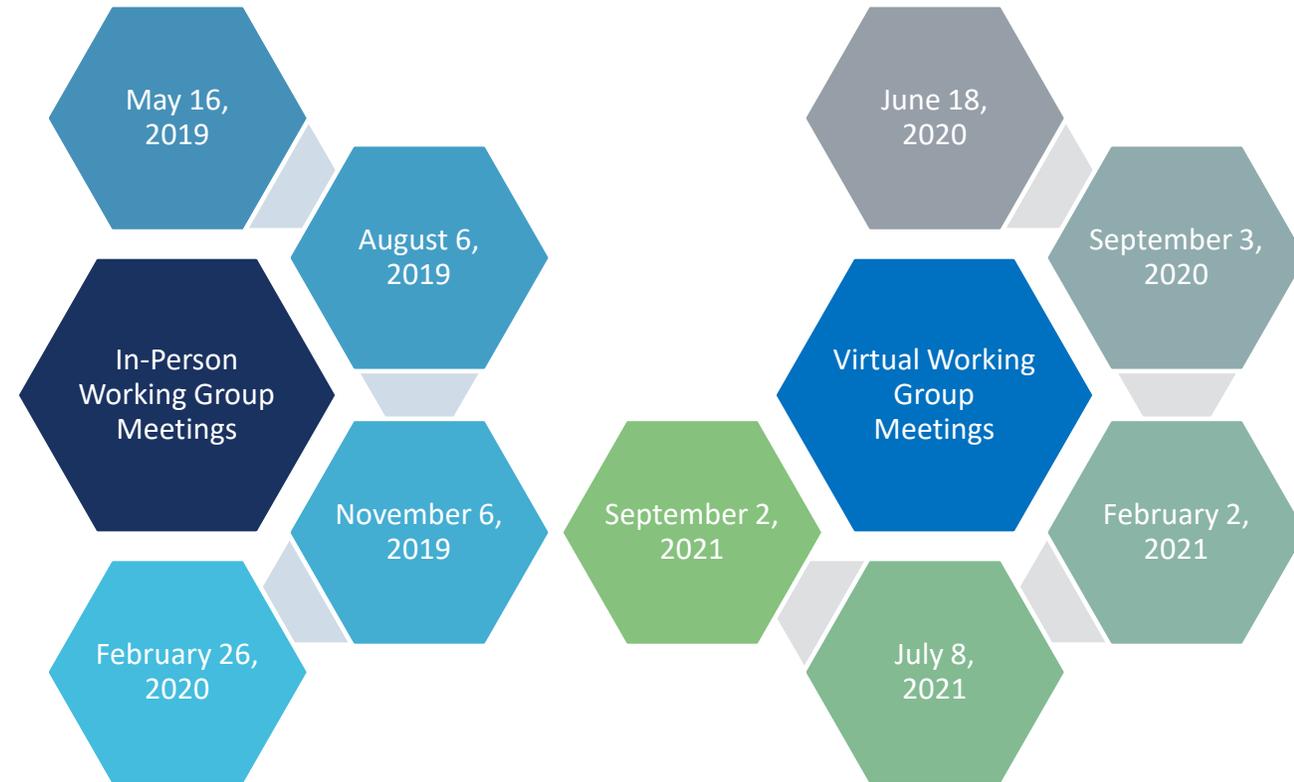
- Proposed Rule 1147.2 applies to metal melting, heating, heat treating, and forging furnaces<sup>1</sup>
- Affects approximately 85 non-RECLAIM, RECLAIM, and former RECLAIM facilities representing about 600 furnaces
- Partially implements CMB-05 – *Further NOx Reductions from RECLAIM Assessment* from Final 2016 Air Quality Management Plan
- Needed for the RECLAIM transition
- Establishes BARCT requirements consistent with AB 617



<sup>1</sup> Non-RECLAIM furnaces were previously regulated under Rule 1147 – NOx Reductions from Miscellaneous Sources

# Public Process

- Nine working group meetings
  - Four in-person meetings
  - Five virtual meetings (COVID-19)
- Multiple meetings with stakeholders, vendors, and equipment manufacturers
- Working groups include affected facilities, consultants, government agencies, environmental and community groups, and members of the public



# Proposed Emission Limits and Implementation Schedule

## Proposed Emission Limits

- **Interim limits**
  - Non-RECLAIM: lower of 60 ppmv or permit limit
  - Former RECLAIM: lower of 102 ppmv or permit limit
- **NOx emission limits**
  - SCR Installation: 15 ppmv
  - Burner Retrofit: 40 ppmv or 50 ppmv
- **CO emission limit:** 1,000 ppmv
- **Exemption:** Units that emit an average of less than one pound NOx per day, averaged over a calendar month

## Implementation Schedule

- **Units  $\geq$  40 MMBtu/hr:** SCR installation schedule based on fixed-date
  - July 1, 2023: permit application submittal deadline
- **Units  $<$  40 MMBtu/hr:** burner retrofit schedule based on burner age
  - 12 years: units not meeting proposed limits
  - 32 years: units meeting alternative limits
- **Staggered implementation schedule:** available for facilities with multiple furnaces

# Monitoring and Reporting

## Periodic Source Testing

- Units < 40 MMBtu/hr: source test every three or five years based on unit size
- Existing units required to source test within 24 months of rule adoption

## Continuous Emissions Monitoring Systems (CEMS)

- CEMS required for units  $\geq$  40 MMBtu/hr
- Startup and shutdown provisions pursuant to the requirements of Rule 429

# Emission Reductions and Cost-Effectiveness

## NOx Emission Reductions

0.50 tons per day

## Cost-Effectiveness<sup>1</sup>

Ranges from \$7,900 to \$26,000 per ton of NOx reduced

Some categories meet proposed NOx limit with no additional cost to comply

## Socioeconomic Assessment

- \$2,800,000 - \$3,200,000 annual compliance cost aggregated across 86 facilities
- 69 jobs foregone annually

<sup>1</sup> An incremental cost-effectiveness was conducted for each equipment category and determined to be not incrementally cost-effective

# Recommended Actions



Staff has worked closely with stakeholders and is not aware of any remaining key issues

## **Recommendation is to adopt the Resolution:**

- Determining that Proposed Rule 1147.2 is exempt from the requirements of the California Environmental Quality Act; and
- Adopting Proposed Rule 1147.2