

BOARD MEETING DATE: April 7, 2023

AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a remote meeting on Friday, March 17, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Holly J. Mitchell, Vice Chair
Stationary Source Committee

JA:cr

Committee Members

Present: Supervisor Holly J. Mitchell, Vice Chair
Councilmember Michael A. Cacciotti
Senator Vanessa Delgado (Ret.)
Board Member Veronica Padilla-Campos
Councilmember José Luis Solache

Absent: Mayor Larry McCallon, Chair

Call to Order

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

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

INFORMATIONAL ITEMS:

1. 2022 Annual Report on AB 2588 Program

Ian MacMillan, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, presented a summary of the 2022 AB 2588 Annual Report on the AB 2588 Program.

Councilmember Cacciotti asked how all of the toxics under the program are measured throughout the Basin. Mr. MacMillan and Jason Low, Deputy Executive Officer, Monitoring and Analysis, answered that permanent sites mainly measure criteria pollutants and that some select sites measure key toxics that are prevalent in the Basin. Further, additional toxics are monitored as part of MATES studies and some facilities also conduct source tests of their specific emissions. Wayne Natri, Executive Officer, added that community air monitoring is also conducted as part of AB 617 efforts.

Board Member Padilla-Campos asked if the ethylene oxide levels were still significant after the early action reduction measures were implemented. Mr. MacMillan answered that elevated levels were only found at businesses next to the commercial sterilizing facilities and not in residential areas. He added that elevated levels have decreased substantially, but facilities are still continuing to install additional controls so there is no backsliding and operators can meet thresholds.

Harvey Eder, Public Solar Power Coalition, commented that deaths to the homeless population need to be looked at and should be top priority.

For additional details, please refer to the [Webcast](#) beginning at 5:40.

2. Update on Proposed Amended Rule 219 – Equipment Not Requiring a Written Permit to Operate Pursuant to Regulation II and Proposed Amended Rule 222 - Filing Requirements for Specific Emission Sources Not Requiring a Written Permit to Operate Pursuant to Regulation II

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, presented an overview of the new permit exemption provisions on ultraviolet, electron beam and light emitting diodes (UV/EB/LED) and other low-emission curing technologies that are proposed in Proposed Amended Rule 219, which was previously presented before the Governing Board at the March Public Hearing.

Councilmember Cacciotti inquired about the \$7,000 engineering evaluation fee for a facility that added a UV/EB/LED process to their existing coating line, which stakeholders brought up in the March Public Hearing, and whether these fees could be reduced. Jason Aspell, Deputy Executive Officer, Engineering and Permitting, clarified that the engineering evaluation fees are based on the complexity of the equipment. Mr. Aspell stated that the permit in question encompasses a large, complex coating system with multiple emission sources and capture and control equipment, which is not representative of a typical coating process. He also explained that small businesses receive a 50 percent discount on permitting fees.

Rita Loof, RadTech International, commented that the materials being discussed do not contain VOCs, and that companies that want to add UV/EB/LED technology to their processes should not be subject to permitting requirements. She stated that the source test conducted at the facility in question took place before the UV/EB/LED system was added and that the tested emissions are not related to the UV/EB/LED system. Ms. Loof also commented that the focus on reducing VOC emissions reductions is not consistent with the AQMP, which prioritizes NOx emissions reductions.

Chris Chavez, Coalition for Clean Air, commented that his organization does not have a stance on the proposed rule amendments, however, they agree with the need to prevent unintended emissions. He also commented that the evaluation fees are outside the scope of the Stationary Source Committee's jurisdiction and should be discussed in the appropriate committee.

Kevin Joesel, AMS Spectral UV, commented that UV/EB/LED materials do not contain air pollutants, and that the cooling air systems used for UV/EB/LED lamps are isolated, and would not create additional airflow to control equipment.

Mr. Aspell reiterated that the control equipment for the coating process in question is used to control VOC emissions from non-compliant coatings that contain very high VOC content. He clarified that the proposed amendment would provide permitting relief when a low-emission curing technology is added to a coating process that uses compliant coatings and would not require capture and control equipment. Permitting relief would also be provided under the proposed amended rule if UV/EB/LED system cooling air and cooling exhaust stay completely within the permanent total enclosure.

Mr. Aspell clarified that the source test discussed by Ms. Loof was conducted for the same equipment, coatings, and capture and control system. The facility was not required to conduct another source test after the UV/EB/LED system was installed, as the past source test was still representative. After reviewing the permit application staff was able to evaluate the changes and confirm that the airflow balance within the capture and control equipment was maintained, and emissions continued to be effectively captured and controlled.

Mr. Nastri clarified that South Coast AQMD will continue to focus on VOC emissions reductions in order to avoid backsliding on the emissions reductions that have already been obtained.

Vice Chair Mitchell, Senator Delgado, and Councilmember Cacciotti stated that the proposed amendments would encourage the adoption of UV/EB/LED technology

and recommended that Proposed Amended Rule 219 and Proposed Amended Rule 222 be sent back to the Board with no changes.

For additional details, please refer to the [Webcast](#) beginning at 34:10.

3. Summary of Proposed Amended Rule 1135 – Emissions of Oxides of Nitrogen from Electricity Generating Facilities

Councilmember Solache recused himself from this item because of a campaign contribution from Southern California Edison within the past 12 months.

Board Member Padilla-Campos recused herself out an abundance of caution from this item because of a grant received from Southern California Edison.

Mr. Krause presented an update of Proposed Amended Rule 1135 (PAR 1135), including the BARCT assessment for the repower projects on Santa Catalina Island.

Vice Chair Mitchell requested confirmation that non-diesel alternatives reduced oxides of nitrogen (NOx) emissions while saving money and asked if an analysis would be conducted for diesel backup generators. Mr. Krause provided confirmation and replied that staff would conduct an analysis of cleaner alternatives to diesel backup generators, pursuant to the 2022 AQMP.

Corrie Zupo, Mainspring Energy, stated that linear generators are able to meet the requirements of PAR 1135. She also expressed concern with the proposed source testing requirements for linear generators in Proposed Rule 1110.3. Ms. Zupo suggested that a certification and associated source testing exemption could encourage linear generator adoption on Santa Catalina Island.

Anthony Hernandez, Southern California Edison (SCE), emphasized the need for reliable and resilient power to Santa Catalina Island. He stated that stage one in SCE's grid reliability study is complete and preliminary results were summarized in SCE's comment letter. Mr. Hernandez also expressed concern that the proposed NOx emission limit of 1.6 tons per year in 2026 is not achievable and requested more time to work with staff on rule development.

Mark Abramowitz, Community Environmental Services, expressed appreciation for Board Member Padilla-Campos, Councilmember Rodriguez, and staff, but urged actions to further reduce remaining emissions. He suggested that staff work with Los Angeles County to change land-use designations on Santa Catalina Island and include rule provisions to restrict and ultimately eliminate the use of diesel engines.

Chris Chavez, Coalition for Clean Air, encouraged staff to deploy the cleanest available technologies while utilizing clean fuels.

For additional details, please refer to the [Webcast](#) beginning at 1:05:04.

4. Update on Proposed Amended Rule 463 – Organic Liquid Storage and Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

Mr. Krause provided a summary on Proposed Amended Rule 463 (PAR 463) and Proposed Amended Rule 1178 (PAR 1178).

Vice Chair Mitchell sought clarification on the rules proposed to be amended in May and Mr. Krause clarified the amendments to be considered in May will only address the SIP deficiencies identified by the U.S. EPA. Vice Chair Mitchell asked that staff stay on target with the August timeline for bringing the additional amendments to PAR 1178 before the Board.

Councilmember Cacciotti stated that he had received a letter and a phone call from the Torrance Refinery regarding PAR 1178 and asked if staff would address it now or at a later date. Mr. Krause responded that the comment letter is regarding other amendments not pertaining to the SIP deficiencies, and those would be addressed at a later date.

Vice Chair Mitchell asked if staff has received comments from the AB 617 community advocates regarding the proposed amendments. Mr. Krause stated that staff has presented the AB 617 community updates on the progress of PAR 1178 and Wayne Nastri, Executive Officer, replied that community members expressed support that the proposed rule remain on schedule.

John Heintz, Latham & Watkins on behalf of Western States Petroleum Association and Regulatory Flexibility Group, supported staff's recommendation to bifurcate the amendments to the rules so as to allow stakeholders additional to work with staff on the proposed amendments.

Bill Quinn, California Council for Environment and Economic Balance (CCEEB), also supported to move forward with amendments to address the SIP deficiency and to delay the other amendments to Rule 1178 to allow stakeholders more time to evaluate measures under consideration.

For additional details, please refer to the [Webcast](#) beginning at 1:28:52.

WRITTEN REPORTS:

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

The report was acknowledged by the committee.

6. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

7. Other Business

There was no other business to report.

8. Public Comment Period

Ms. Zupo commented that Mainspring does not support Proposed Rule 1110.3 draft rule language that was released on March 7. She stated that the 30-day package doesn't include exemption provisions for CARB and South Coast AQMD certified linear generator units. She requested that staff return to working groups and work with Stakeholders to put these exemption provisions back into the rule.

Mr. Eder expressed concern about the scheduling of Committee meetings and the three-minute speaker time limit.

Dan McGivney, SoCalGas, supported Ms. Zupo's request to delay the implementation of Proposed Rule 1110.3. He also stated that there is difficulty in getting new, innovative technologies permitted and encouraged staff to find ways to facilitate the deployment of new technologies.

For additional details, please refer to the [Webcast](#) beginning at 1:35:47.

9. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, April 21, 2023 at 10:30 a.m.

Adjournment

The meeting was adjourned at 12:11 p.m.

Attachments

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

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
APRIL 28, 2006
ATTENDANCE ROSTER**

Councilmember Michael A. Cacciotti	South Coast AQMD Board Member
Senator Vanessa Delgado.....	South Coast AQMD Board Member
Supervisor Holly J. Mitchell	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos	South Coast AQMD Board Member
Councilmember José Luis Solache	South Coast AQMD Board Member

Ron Ketcham	Board Consultant (McCallon)
Debra Mendelsohn.....	Board Consultant (McCallon)
Mark Taylor.....	Board Consultant (Rodriguez)
Amy Wong	Board Consultant (Padilla-Campos)

Mark Abramowitz.....	Community Environmental Services
Joy Brooks.....	Southern California Edison
Melicia Charles.....	Mainspring Energy
Chris Chavez	Coalition for Clean Air
Curtis Coleman.....	Southern California Air Quality Alliance
Ernest Diaz	Southern California Edison
Harvey Eder.....	Public Solar Power Coalition
John Heintz.....	Latham & Watkins
Anthony Hernandez	Southern California Edison
Kevin Joesel	AMS Spectral UV
Bill LaMarr.....	California Small Business Alliance
Rita Loof	RadTech International
Dan McGivney	SoCalGas
Don Nguyen	OC Sanitation
Peter Moore.....	Yorke Engineering
Bethmarie Quiambao	Southern California Edison
Bill Quinn.....	CCEEB
Patty Senecal	WSPA
Corrie Zupo	Mainspring Energy
Matt Zents	Southern California Edison

Jason Aspell.....	South Coast AQMD staff
Barbara Baird	South Coast AQMD staff
Bayron Gilchrist	South Coast AQMD staff
Sheri Hanizavareh.....	South Coast AQMD staff
Anissa Heard-Johnson	South Coast AQMD staff
Mark Henninger.....	South Coast AQMD staff
Sujata Jain	South Coast AQMD staff
Aaron Katzenstein	South Coast AQMD staff
Michael Krause.....	South Coast AQMD staff
Jason Low.....	South Coast AQMD staff
Terrence Mann.....	South Coast AQMD staff
Michael Morris	South Coast AQMD staff
Ron Moskowitz	South Coast AQMD staff
Susan Nakamura	South Coast AQMD staff

ATTACHMENT 1

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

Attendance –March 17, 2023

Wayne Nastri	South Coast AQMD staff
Sarah Rees	South Coast AQMD staff
Catherine Rodriguez	South Coast AQMD staff
Lisa Tanaka O’Malley	South Coast AQMD staff
Jillian Wong	South Coast AQMD staff
Paul Wright	South Coast AQMD staff
Victor Yip.....	South Coast AQMD staff

March 2023 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. Key activities with U.S. EPA and CARB since the last report are summarized below.

- RECLAIM/NSR Working Group meeting was not held in March
- Next meeting scheduled for April 13, 2023 to discuss the latest considerations for proposed amendments to Regulation XIII and XX

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

Settlement Penalty Report (02/01/2023 - 02/28/2023)

Total Penalties

Civil Settlement:	\$248,939.66
Hearing Board Settlement:	\$3,500.00
MSPAP Settlement:	\$2,128.00

Total Cash Settlements:	\$254,567.66
--------------------------------	---------------------

Fiscal Year through 02/28/2023 Cash Total: \$4,145,587.71

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Settlement
Civil						
182589	AMERICAN FRUITS AND FLAVORS, LLC	203(b), 402, 41700	02/22/2023	JL	P65294, P73326, P73625, P74759, P75351	\$45,589.58
183832	AST TEXTILE GROUP, INC.	1100, 2004, 2005, 2012	02/03/2023	SH	P66126, P68659, P74253, P74256, P74259, P74261, P74268	\$98,500.08
190485	BROOKFIELD RESIDENTIAL INC SOUTH	REGIONS 403(d)	02/23/2023	EC	P65885, P65886, P65887, P65891, P65896, P68555, P69303, P69763, P69767, P69901, P69905, P69908, P69909, P73904	\$6,500.00
800181	CALIFORNIA PORTLAND CEMENT CO.	2004	02/01/2023	EC	P63811	\$4,500.00
190472	DEMOLITION SPECIALIST, INC.	40 CFR 61.145, 1403	02/03/2023	RM	P69457	\$1,200.00
191794	DEVAUL PAINT COMPANY	1113	02/08/2023	ND	P67028	\$28,700.00
11034	ENWAVE LOS ANGELES, INC.	2004, 2012 Appendix A	02/08/2023	MR	P66862, P66879	\$5,500.00
159879	ERICKSON HALL CONSTRUCTION CO.	40 CFR 61.145, 1403	02/03/2023	RM	P69456, P69458	\$1,600.00
189158	FULLMER CONSTRUCTION COMPANY	403(d)	02/03/2023	RM	P74144, P74147, P74765	\$14,400.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Settlement
29411	LA CO., SHERIFF'S DEPT.	461, 1146, 1415, 3002, 3004	02/03/2023	RM	P62776, P63933, P67584, P67737, P73028	\$20,840.00
191201	MIKE'S CUSTOM FLOORING, INC.	40 CFR 61.145, 1403	02/10/2023	RM	P70108, P70109	\$1,750.00
37781	MONROVIA CLEANERS	203(b), 1421	02/08/2023	JL	P62772	\$800.00
143749	RECHE CANYON REHABILITATION	2202	02/07/2023	EC	P64781	\$300.00
190183	RIO RANCH MARKET/RIO RANCH 7	1415	02/03/2023	SH	P64774	\$2,500.00
178749	SERVICE KING PAINT & BODY, LLC	203(b)	02/10/2023	SH	P69313	\$1,500.00
182138	SWIFT TRANSPORT	2202	02/01/2023	EC	P64785	\$300.00
174591	TESORO REF & MKTG CO, LLC, CALCINER	2004	02/23/2023	KCM	P66183	\$10,910.00
158258	TOPS AUTO BODY & COLLISION	1171	02/01/2023	JL	P69116	\$800.00
62617	WILLARD MARINE, INC.	3002	02/16/2023	ND	P70328	\$2,750.00
Total Civil Settlements: \$248,939.66						
Hearing Board						
112573	FREUND BAKING COMPANY	1153.1	02/22/2023	JL	6226-1	\$3,500.00
Total Hearing Board Settlements: \$3,500.00						
MSPAP						
115888	INTERNATIONAL FORKLIFT CO INC	203(b)	02/09/2023	GV	P74458	\$1,337.00
53153	SO CAL EDISON COMPANY	203(b)	02/23/2023	GV	P75652	\$791.00
Total MSPAP Settlements: \$2,128.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR FEBRUARY 2023 PENALTY REPORT**

REGULATION II - PERMITS

Rule 203 Permit to Operate

REGULATION IV - PROHIBITIONS

Rule 402 Nuisance

Rule 403 Fugitive Dust

Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1100 Implementation Schedule for NO_x Facilities

Rule 1113 Architectural Coatings

Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

Rule 1171 Solvent Cleaning Operations

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems

Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

Rule 2005 New Source Review for RECLAIM

Appendix A

Rule 2012 Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions

REGULATION XXII ON - ROAD MOTOR VEHICLE MITIGATION

Rule 2202 On-Road Motor Vehicle Mitigation Options

REGULATION XXX- TITLE V PERMITS

Rule 3002 Requirements

Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

41700 Prohibited Discharges