

BOARD MEETING DATE: June 2, 2023

AGENDA NO. 23

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, May 19, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Larry McCallon, Chair
Stationary Source Committee

JA:cr

Committee Members

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

Call to Order

Chair McCallon 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 ITEM:

1. Report on Notification Efficacy for Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers

Michael Morris, Planning and Rules Manager/Planning, Rule Development, and Implementation, provided an update on the cost and efficacy of direct paper mailing and electronic (email and texting) notifications. For additional details, please refer to the [Webcast](#) beginning at 3:07.

Richard Parks, Redeemer Community Partnership, supported keeping the direct paper mailing requirement in the rule and requested the mailing to also include a list and quantity of chemicals to be used and health effects of the chemicals. This statement was supported by Tyler Earl, Communities for a Better Environment, Maro Kakoussian, Physicians for Social Responsibility Los Angeles, and Tianna Shaw Wakeman, EJ Program Lead for Black Women for Wellness. For additional details, please refer to the [Webcast](#) beginning at 17:21.

Ivan Tether, California Independent Petroleum Association (CIPA), stated that the electronic system works well and recommended an opt-in approach for those who prefer direct paper mail notification. For additional details, please refer to the [Webcast](#) beginning at 20:28.

Ted Cordova, E&B Natural Resources, did not oppose electronic notification but recommended a general outreach program to notify communities about electronic notification and provide alternative options. For additional details, please refer to the [Webcast](#) beginning at 27:04.

Bill LaMarr, California Alliance of Small Business Associations on behalf of CIPA, questioned the relevancy of the national research findings regarding the need for direct mailing when locally he never observed the absence of cell phones and electronic devices with residents at AB 617 community meetings. He expressed his concern about costs and supported CIPA's proposal. For additional details, please refer to the [Webcast](#) beginning at 30:33.

Councilmember Solache asked if an opt-in for paper mail notifications is available, if mailers can be hand delivered to residents rather than to the homeowner of record, and how much of an awareness campaign was conducted by South Coast AQMD regarding notification options. For additional details, please refer to the [Webcast](#) beginning at 33:17.

Vice Chair Mitchell presented statistics regarding broadband internet accessibility in local low-income households, and expressed support for keeping the direct paper mailing requirement as adopted in the rule. For additional details, please refer to the [Webcast](#) beginning at 36:56.

Senator Delgado questioned the efficiency and costs with paper mail notifications and asked about having an opt-in option. Chair McCallon supported an opt-in provision for either electronic or direct paper mailing and suggested a one-time mailer sent to the community seeking their preference. For additional details, please refer to the [Webcast](#) beginning at 41:41.

Board Member Padilla-Campos asked for clarification about who monitors the opt-in option for notifications. Wayne Natri, Executive Officer, requested staff to clarify the notification procedures that currently exist and added that the current discussion has centered on the effectiveness of communication conducted by the agency and that several requests have been made to change the mode of communication. Mr. Natri stated that these changes would require a rule amendment for Board consideration. For additional details, please refer to the [Webcast](#) beginning at 49:59.

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development, and Implementation, and Mr. Morris provided additional information on the current notification requirements and responsibilities for operators subject to Rule 1148.2 and the South Coast AQMD. For additional details, please refer to the [Webcast](#) beginning at 52:30.

Senator Delgado suggested that staff should explore additional modes of communication to notify the public. Chair McCallon agreed that staff should look into this issue. For additional details, please refer to the [Webcast](#) beginning at 55:36.

Board Member Padilla-Campos mentioned the need for additional content as requested by community stakeholders. Mr. Krause noted operators are currently required to provide the type and quantity of chemicals used which are publicly available, however, typically not known before the activity takes place. With regard to health effects, a link to the OEHHA (Office of Environmental Health Hazard Assessment) website where chemical information and corresponding health impacts is accessible would be made available effective July 1, 2023. For additional details, please refer to the [Webcast](#) beginning at 56:39.

2. Quarterly Permitting Update for Rule 1109.1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations

Bhaskar Chandan, Senior Engineering Manager/Engineering and Permitting, presented the quarterly Rule 1109.1 permitting updates. For additional details, please refer to the [Webcast](#) beginning at 1:01:24

Councilmember Cacciotti inquired about the NO_x emissions reductions from the shutdown of the Marathon Calciner, and if the refinery would replace the shutdown equipment. Mr. Chandan explained that Marathon has permanently shut down the calciner. Mr. Natri explained that the coke from refineries is shipped out to other countries to be used a fuel. There were no comments received by the public. For additional details, please refer to the [Webcast](#) beginning at 1:12:25.

WRITTEN REPORTS:

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

The report was acknowledged by the committee.

4. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

5. Other Business

There was no other business to report.

6. Public Comment Period

Arnold Sax, commented that he read articles in the LA Times about how dirty the air is and asked what the process is for getting clean air. He expressed his concerns that nobody seems to want to go green. For additional details, please refer to the [Webcast](#) beginning at 1:18:29.

7. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, June 16, 2023 at 10:30 a.m.

Adjournment

The meeting was adjourned at 11:50 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 –May 19, 2023

Councilmember Michael A. Cacciotti South Coast AQMD Board Member
Senator Vanessa Delgado (Ret)..... South Coast AQMD Board Member
Mayor Larry McCallon 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

William Kelly Board Consultant (Cacciotti)
Ron Ketcham Board Consultant (McCallon)
Debra Mendelsohn Board Consultant (McCallon)
Uduak-Joe Ntuk..... Board Consultant (Kracov)
Mark Taylor..... Board Consultant (Rodriguez)

Mark Abramowitz..... Community Environmental Services
Ted Cordova E&B Natural Resources
Tyler Earl Communities for a Better Environment
Maro Kakoussian Physicians for Social Responsibility Los Angeles
Bill LaMarr California Alliance of Small Business Associations
Dan McGivney SoCalGas
Richard Parks Redeemer Community Partnership
Ivan Tether California Independent Petroleum Association
Tianna Shaw Wakeman Black Women for Wellness

Jason Aspell..... South Coast AQMD staff
Barbara Baird South Coast AQMD staff
Bhaskar Chandan 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
Kathryn Higgins 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
Sarah Rees South Coast AQMD staff
Catherine Rodriguez South Coast AQMD staff
Lisa Tanaka O'Malley South Coast AQMD staff
Mei Wang..... South Coast AQMD staff
Jillian Wong South Coast AQMD staff
Paul Wright South Coast AQMD staff
Victor Yip..... South Coast AQMD staff

May 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 May
- Next Working Group meeting scheduled for June 8, 2023 to discuss the latest considerations for proposed amendments to Regulation XIII and XX
- Next quarterly presentation to the Stationary Source Committee is scheduled for June 16, 2023

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

Settlement Penalty Report (04/01/2023 - 04/30/2023)

Total Penalties

Civil Settlement: \$272,811.50
Criminal Settlement: \$7,597.10
Hearing Board Settlement: \$2,000.00
MSPAP Settlement: \$7,715.00

Total Cash Settlements: \$290,123.60

Fiscal Year through 04/30/2023 Cash Total: \$4,702,368.31

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
191631	341 GRAMERCY LOS ANGELES RG	40 CFR 61.145, 1403	04/07/2023	RM	P67518, P72963	\$6,000.00
38429	A & A READY MIXED CONCRETE	203, 403	04/21/2023	RM	P69539, P69540, P69541, P74337, P74338, P74339, P74340, P74342, P74343, P76351, P76352, P76353	\$18,100.00
107884	ALLIANCE ENVIRONMENTAL GROUP	1403	04/26/2023	SP	P65914, P69425, P69437, P76208, P76214	\$90,000.00
163177	FLEETWOOD HOMES, INC.	3002	04/11/2023	BT	P68713, P68749, P74656	\$10,400.00
175638	KB ENVIRONMENTAL, INC.	1403	04/21/2023	RM	P69415, P69424, P69427, P69436, P70510, P76226	\$8,010.00
144455	LIFOAM INDUSTRIES, LLC	2004, 3002	04/11/2023	SP	P61613, P66301, P68664	\$2,500.00
124904	LOS ANGELES TIMES COMMUNICATIONS	2202, 3002	04/21/2023	KER	P66978, P73873, P73883	\$7,250.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
29110	ORANGE COUNTY SANITATION DISTRICT	40 CFR 61.145, 430, 1110.2, 1146, 1403, 3002	04/26/2023	KCM	P63088, P63093, P63094, P65523, P65524, P65548, P65549	\$7,000.00
193192	SITE ONE LANDSCAPE SUPPLY	403	04/11/2023	JL	P74022	\$4,098.50
165847	SPEED AUTO BODY ENTERPRISE	1151	04/05/2023	ND	P63798	\$2,000.00
135809	TEG OIL AND GAS USA, INC.	203, 463, 1148.1, 1173	04/25/2023	DH	P67702, P67703, P67706, P73255, P73259	\$14,853.00
120620	TERMO COMPANY	203, 1148.1	04/11/2023	BT	P73332, P75651, P75659	\$14,800.00
174655	TESORO REFINING & MARKETING CO.	1173, 1176, 3002, 402, 41700	04/25/2023	KCM	P65112, P65113, P65122, P65615, P67804	\$4,400.00
800436	TESORO REFINING & MARKETING CO.	1173, 1176	04/20/2023	DH	P65110, P65111, P65120, P65121	\$16,800.00
83508	THE TERMO COMPANY	463, 1173, 3002	04/11/2023	BT	P69254, P73305	\$13,600.00
113234	TORRANCE CAR WASH & GASOLINE	461	04/11/2023	JJ	P69047	\$500.00
181667	TORRANCE REFINING COMPANY	221, 1118, 1173, 1176, 3002	04/20/2023	DH	P67953, P67954, P67955	\$52,500.00

Total Civil Settlements: \$272,811.50

Criminal Referral

190076	DAVIS BROTHERS CONSTRUCTION	1403	04/25/2023	GV	P69416, P69417	\$7,597.10
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Total Criminal Referral Settlements: \$7,597.10

Hearing Board

112573	FREUND BAKING COMPANY	1153.1	04/19/2023	JL	6226-1	\$2,000.00
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Total Hearing Board Settlements: \$2,000.00

MSPAP

143710	LAUREL CANYON CHEVRON	461	04/19/2023	GV	P74845	\$633.00
47046	O'DONNELL OIL, CO.	203, 463	04/19/2023	GV	P73330	\$3,964.00
45643	O'DONNELL OIL, LLC	203, 463	04/19/2023	GV	P75502	\$3,118.00

Total MSPAP Settlements: \$7,715.00

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

REGULATION II - PERMITS

Rule 203 Permit to Operate
Rule 221 Plans

REGULATION IV - PROHIBITIONS

Rule 402 Nuisance
Rule 403 Fugitive Dust
Rule 430 Breakdown Provisions
Rule 461 Gasoline Transfer and Dispensing
Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
Rule 1118 Emissions from Refinery Flares
Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators,
and Process Heaters
Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators,
and Process Heaters
Rule 1148.1 Oil and Gas Production Wells
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 1173 Fugitive Emissions of Volatile Organic Compounds
Rule 1176 Sumps and Wastewater Separators

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

REGULATION XXII ON - ROAD MOTOR VEHICLE MITIGATION

Rule 2202 On-Road Motor Vehicle Mitigation Options

REGULATION XXX- TITLE V PERMITS

Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

41700 Prohibited Discharges