

BOARD MEETING DATE: March 3, 2023

AGENDA NO. 19

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a remote meeting on Friday, February 17, 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
Senator Vanessa Delgado (Ret.)
Supervisor Holly J. Mitchell
Board Member Veronica Padilla-Campos

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 ITEMS:

- 1. 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 update on the key remaining issues discussed at the January Stationary Source Committee meeting.

Board Member Padilla-Campos inquired whether stakeholders were informed of the proposed grocery store food oven provisions. Mr. Krause confirmed that the proposals were discussed with grocery store representatives and the response was positive.

Rita Loof, RadTech International, commented that capture and control devices should be held to manufacturers' performance specifications rather than permitted specifications, and that industry cannot use the new exemption provision due to the requirement that a change in airflow in capture and control devices would require an engineering evaluation. Ms. Loof also commented that an engineering evaluation at a facility that had added an UV/EB/LED curing process to their existing coating line showed no changes in emissions.

Jason Aspell, Deputy Executive Officer/Engineering and Permitting, confirmed that the engineering evaluation showed no changes in emissions. Mr. Aspell stated that evaluations are necessary to demonstrate that such changes are done correctly, ensure emissions are being properly captured and vented to the air pollution control device, and that additional air introduced into an enclosure does not cause fugitive emissions. For additional details, please refer to the [Webcast](#) beginning at 3:06

2. Update on Proposed Rule 1110.3 – Emissions from Linear Generators and Proposed Amended Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines

Michael Morris, Planning and Rules Manager/Planning, Rule Development and Implementation, provided a summary on Proposed Rule 1110.3 and Proposed Amended Rule 1110.2.

Chair McCallon expressed interest in linear generator technology being utilized for microgrids.

Board Member Padilla-Campos requested more information on the current application of linear generators and types of fuels. Mr. Morris responded that linear generators are primarily being used at grocery stores and logistics centers for electricity during peak hours and that existing units run on natural gas, but linear generators have multi-fuel capabilities.

Corrie Zupo, Mainspring Energy, explained the benefits of linear generator technology and expressed appreciation for staff's efforts on the proposed rule. She also commented that the proposed monitoring requirements are onerous when compared to microturbines and fuel cells but looks forward to working with staff to address these concerns.

Chair McCallon reiterated concern over the source testing frequency. Mr. Krause replied that linear generators are a new technology, turbines have source testing requirements, and staff is considering a proposal to exempt from source test requirements if a CARB Distributed Generation certification is obtained. Mr. Krause also confirmed that linear generators are being considered for Santa Catalina Island. For additional details, please refer to the [Webcast](#) beginning at 8:50.

3. 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.

Chair McCallon inquired why there were no applications shown for the years 2026 and 2027, on slide nine. Mr. Chandan explained that there were no deadlines for submittal of applications in 2026 and 2027 under Rule 1109.1. The application submittal deadlines for Phase 1 ends by 2025 and once those projects are implemented, the applications for Phase 2 and Phase 3 of the rule implementation will come later after 2027.

Harvey Eder, Public Solar Power Coalition, commented on the scoping plan and the cost effectiveness of solar power.

For additional details, please refer to the [Webcast](#) beginning at 26:55.

4. Annual RECLAIM Audit Report for 2021 Compliance Year

Jason Aspell, Deputy Executive Officer/Engineering and Permitting, presented an overview of the RECLAIM NO_x and SO_x Annual Report for Compliance Year 2021, and the actions required under Rule 2002 - Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x) and Rule 2015 - Backstop Provisions resulting from NO_x RECLAIM Trading Credits (RTC) price threshold exceedances reflected in this most recent report. Staff is recommending to utilize the Rule 2002 and 2015 assessments from last year's audit to satisfy rule requirements; not make any changes to the RECLAIM program; and approve the Compliance Year 2021 RECLAIM audit.

There were no comments received by Committee members or from the public. For additional details, please refer to the [Webcast](#) beginning at 40:30.

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

There was no comment to report.

9. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, March 17, 2023 at 10:30 a.m.

Adjournment

The meeting was adjourned at 11:32 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 –February 17, 2023

Senator (Ret.) Vanessa Delgado.....	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
Lorraine Lundquist.....	Board Consultant (Mitchell)
Laura Muraida	Board Consultant (Mitchell)
Amy Wong	Board Consultant (Padilla-Campos)
Mark Abramowitz.....	Community Environmental Services
Curtis Coleman.....	Southern California Air Quality Alliance
Harvey Eder.....	Public Solar Power Coalition
Bill LaMarr.....	California Small Business Alliance
Rita Loof	RadTech International
Peter Moore.....	Yorke Engineering
Bethmarie Quiambao	Southern California Edison
Patty Senecal	WSPA
Peter Whittingham.....	Whittingham Public Affairs Advisors
Corrie Zupo	Mainspring Energy
Derrick Alatorre.....	South Coast AQMD staff
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
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
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

February 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 February
- Next meeting scheduled for March 9, 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 (01/01/2023 - 01/31/2023)

Total Penalties

Civil Settlement: \$1,447,662.81
MSPAP Settlement: \$3,813.00

Total Cash Settlements: \$1,451,475.81

Fiscal Year through 01/31/2023 Cash Total: \$3,891,019.44

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs/Case Nbrs	Total Settlement
Civil						
141126	AM/PM OF DIAMOND BAR	461, HSC 41960.2	01/04/2023	GV	P69615	\$2,789.66
183832	AST TEXTILE GROUP, INC.	1100, 2004, 2005, 2012	01/26/2023	SH	P66126, P68659, P74253, P74256, P74259, P74261, P74268	\$98,500.08
117912	AVIBANK MANUFACTURING INC.	2202	01/20/2023	SH	P66977	\$1,000.00
800030	CHEVRON PRODUCTS CO.	40 CFR 63.670, 218, 401, 1118, 1173, 1176, 3002, HSC 41701	01/24/2023	BT	P65625, P65626, P65627, P65628, P65629, P65630, P67837, P67839, P75051	\$266,000.00
186899	ENERY HOLDINGS LLC	2004, 2012, 2012 Appendix A, 3002(C)(1)	01/06/2023	SH	P66066, P66072, P66076, P66173	\$12,000.00
124838	EXIDE TECHNOLOGIES	203, 221, 430, 1407, 1420, 2004, 3002, 3004, HSC 42401	01/20/2023	BTG	In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case); Delaware District Court, Case No.: 19-00891 (Appellate Case); United States Court of Appeals, Third Circuit, Case No. 20-1858	\$349,923.07
176901	FARHA ENTERPRISERS, INC.	203, 461	01/05/2023	RM	P67212, P70358, P70364	\$1,250.00
113160	HILTON COSTA MESA	2004	01/19/2023	JL	P70003	\$5,400.00
183591	INDY'S DEMOLITION	1403	01/06/2023	SH	P69433	\$5,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs/Case Nbrs	Total Settlement
Civil						
8547	QUEMETCO INC.	40 CFR 63.544, 1420.1, 2004, 3002(C)(1)	01/24/2023	JL	P67058, P76066	\$35,000.00
174591	TESORO REF & MKTG CO LLC, CALCINER	1155, 1158, 2004, 3002	01/26/2023	KCM	P67926, P67950, P74506	\$4,500.00
151798	TESORO REF & MKTG CO LLC CO.	221, 1118, 3002	01/24/2023	KCM	P67805, P67806, P68969, P68970, P68990	\$5,000.00
195521	TRANE TECHNOLOGIES	1111	01/24/2023	MR	SRV2020-00060	\$660,800.00
Total Civil Settlements: \$1,447,662.81						
MSPAP						
172792	EL SEGUNDO OIL, LLC	1173	01/06/2023	MT	P73352	\$2,477.00
156061	SAND CANYON SERVICE STATION, INC.	461	01/06/2023	MT	P69880	\$1,336.00
Total MSPAP Settlements: \$3,813.00						

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

REGULATION II - PERMITS

Rule 203 Permit to Operate
Rule 218 Continuous Emission Monitoring
Rule 221 Plans

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions
Rule 430 Breakdown Provisions
Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1100 Implementation Schedule for NOx Facilities
Rule 1111 NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces
Rule 1118 Emissions from Refinery Flares
Rule 1155 Particulate Matter Control Devices
Rule 1158 Storage, Handling and Transport of Petroleum Coke
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
Rule 1407 Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations
Rule 1420 Emissions Standard for Lead
Rule 1420.1 Emissions Standards for Lead from Large Lead-Acid Battery Recycling Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements
Rule 2005 New Source Review for RECLAIM
Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions
Appendix A Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions
Rule 2012

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 60, QQQ Standards for Total Enclosure for NESHAPs from Secondary Lead Smelting

CALIFORNIA HEALTH AND SAFETY CODE

41701 Restricted Discharges
41960.2 Gasoline Vapor Recovery
42401 Violation of Order for Abatement