



**South Coast
Air Quality Management District**
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

HYBRID STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Vice Chair Michael A. Cacciotti
Chair Vanessa Delgado
Board Member Veronica Padilla-Campos
Councilmember José Luis Solache

October 20, 2023 ♦ 10:30 a.m.

TELECONFERENCE LOCATIONS

Kenneth Hahn Hall of Administration
500 W. Temple Street
HOA Room 374-A
Los Angeles, CA 90012

Office of Senator Vanessa Delgado
944 South Greenwood Ave.
Montebello, CA 90640

Lynwood City Hall
11330 Bullis Road
(Council Chambers Conference Room)
Lynwood, CA 90262

A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, October 20, 2023 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 remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

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>

ELECTRONIC PARTICIPATION INFORMATION

(Instructions provided at bottom of the agenda)

Join Zoom Meeting - from PC or Laptop, or Phone

<https://scaqmd.zoom.us/j/94141492308>

Meeting ID: **941 4149 2308** (applies to all)

Teleconference Dial In: +1 669 900 6833

One tap mobile: +16699006833,94141492308#

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

PUBLIC COMMENT WILL STILL BE TAKEN

Cleaning the air that we breathe...

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEMS (Items 1 through 3)

- 1. RECLAIM Quarterly Report – 15th Update (15 mins)** Michael Morris
(No Motion Required) Planning and Rules
Staff will provide an update on the transition of NOx RECLAIM facilities to a Manager
command-and-control regulatory program.
(Written Material Attached)
- 2. Update on Proposed Amended Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations (10 mins)** Michael Krause
(No Motion Required) Assistant Deputy
Staff will provide responses to recent comments and recent proposed changes to Executive Officer
Proposed Amended Rule 1405.
(Written Material Attached)
- 3. Update on Proposed Rule 1110.3 – Emissions from Linear Generators (5 mins)** Michael Morris
(No Motion Required)
Staff will provide an update on revisions to Proposed Rule 1110.3 to address remaining key issue.
(Written Material Attached)

WRITTEN REPORTS (Items 4 through 5)

- 4. Twelve-month and Three-month Rolling Average Price of Compliance Years 2022 and 2023 NOx and SOx RTCs (June – September 2023) (No Motion Required)** Jason Aspell
Deputy Executive
The attached report summarizes the twelve-month and three-month rolling Officer
average prices of NOx and SOx RTCs.
(Written Material Attached)
- 5. Notice of Violation Penalty Summary (No Motion Required)** Bayron Gilchrist
General Counsel
This report provides the total penalties settled in September 2023 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

OTHER MATTERS

6. Other Business

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

7. Public Comment Period

At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

8. Next Meeting Date: Friday, November 17, 2023 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't 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 Catherine Rodriguez at (909) 396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to crodriguez@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Catherine Rodriguez at (909) 396-2735, or send the request to crodriguez@aqmd.gov.

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.

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 Chair will announce public comment. 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.

NOx RECLAIM Quarterly Update

STATIONARY SOURCE COMMITTEE
OCTOBER 20, 2023

Background

- REgional CLean Air Incentives Market (RECLAIM) was adopted in 1993
 - Includes NOx and SOx markets for facilities with historical emissions \geq 4 tons per year
 - Facilities were initially issued an allocation of RECLAIM Trading Credits (RTCs)
 - Facilities must hold RTCs that are equal to or greater than their actual emissions
- 2016 AQMP resolution directed staff to transition RECLAIM to a command-and-control regulatory structure requiring Best Available Retrofit Control Technology (BARCT) level controls
- AB 617 also required adoption of BARCT



General Overview of RECLAIM Sunsetting Process

Adopt 14 landing rules applicable to over 2,200 units

Amend an estimated eight New Source Review (Reg XIII) and RECLAIM (Reg XX) rules

Submit all landing rules, Reg XIII, and Reg XX to CARB and U.S. EPA for approval into the SIP

Update permits to include new rule requirements

U.S. EPA SIP Approval of landing rules, Regulation XIII, and Regulation XX

Transition RECLAIM Facilities (revise permits at 235 facilities)

3

Update "At a Glance" (September 2022 to October 2023)



- **Rule 1153.1 Amended August 4, 2023**



- **Rule Development**
 - **6 Working Group Meetings**














- **Discussions with CARB**
 - **2 virtual meetings**



- **Discussions with USEPA**
 - **4 virtual meetings**

4

LANDING RULE EMISSION REDUCTIONS (TONS PER DAY*)

	Rules 1146, 1146.1, 1146.2 – Boilers, Process Heaters, and Steam Generators	0.27		Rule 1135 – Electricity Generating Facilities	1.7
	Rule 1118.1 – Non Refinery Flares	0		Rule 1110.2 – Liquid-Fueled and Gaseous Engines	0.29
	Rule 1109.1– Refinery Equipment	7.7		Rule 1117 – Container Glass Melting/Sodium Silicate Furnaces	0.57
	Rule 1134 – Gas Turbines	1.8		Rule 1147.1 – Aggregate Facilities	0.04
	Rule 1147 – Miscellaneous Combustion Sources	0.54		Rule 1147.2 – Metal Melting and Heating Furnaces	0.47
	Rule 1153.1– Commercial Food Ovens	0.11			

Total NOx Reductions = 13.49 tons per day*

* Sum of NOx reductions from RECLAIM facilities only. Some NOx reductions may be attributed to the 2015 RECLAIM shave.

5

Landing Rule Under Development



PR 1159.1 – Nitric Acid Processing Tanks

Public Hearing: First Quarter 2024

BARCT analysis being reviewed due to updated cost-effectiveness threshold in 2022 AQMP

6

Status of Regulation XX (RECLAIM) Rule Development

- Preliminary rule language for Regulation XX amendments was released in July 2022¹
- All NOx RECLAIM facilities will exit at a fixed date
 - Tentative NOx RECLAIM sunset date is January 1, 2026
 - Compliance Year 2025 ends on December 31, 2025, for all NOx RECLAIM facilities
- U.S. EPA supports a fixed date approach to exit NOx RECLAIM facilities
- Facilities will still be required to reconcile Compliance Year 2025 emissions and be subject to RECLAIM annual audits for 2024 and 2025 compliance years

¹ <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/regulation-xx>

Challenge of Exiting RECLAIM Facilities

- Facilities will be subject to Regulation XIII for New Source Review upon exiting NOx RECLAIM
 - NOx RTCs will no longer be available to offset emission increases
- Open Market Emission Reduction Credits (ERCs) will be the only external source of offsets for most former RECLAIM facilities*
 - Concurrent facility modifications resulting in emission decreases may be used to offset emission increases from new projects if a facility chooses not to purchase Open Market ERCs
- If emission increases cannot be offset through ERCs, a permit cannot be issued
- Based on historic demand from RECLAIM facilities, staff found that there could be insufficient NOx ERCs in the Open Market after RECLAIM sunsets
- All facilities will find it challenging to generate NOx ERCs

**Some former RECLAIM facilities may qualify for credits in the Internal Offset Account because their permitted emissions are < 4 tons/year or are exempt from providing offsets pursuant to Rule 1304*

Purpose of New Source Review (NSR)

Ensures emission increases from new and modified sources do not interfere with progress towards state and federal air quality standards

Protects air quality while allowing for economic growth and facility modernization



Basic Concept of NSR



The purpose of NSR is to prevent and protect against further deterioration of air quality, especially in nonattainment areas



NSR analysis is conducted before issuing all South Coast AQMD permits



NSR applies if there is a net increase in emissions¹ from the installation of new equipment or modification to existing equipment



Installation of new or modification to existing equipment must meet **Best Available Control Technology (BACT)**

AND²

Emission increases must be **offset**

¹ Emissions increase of any non-attainment air pollutant

² Air quality modeling is also required for RECLAIM and non-RECLAIM, no modeling for VOC and SOx

Status of Regulation XIII (New Source Review) Rule Development

Preliminary New Source Review rule language is being developed to:

Transition NOx RECLAIM facilities into command-and-control program

Reconcile Regulation XIII with 2002 NSR Reform

Ensure compliance with Protect California Air Act of 2003 (SB 288)

Provide a long-term solution for offset availability post-RECLAIM

Preliminary rule language:

- Reflects working group discussions held over the past three years
- Further amendments may be necessary

11

Post-RECLAIM Offset Availability

- After RECLAIM sunsets, all facilities will be subject to Regulation XIII
- This topic was the main subject of past NSR Working Group meetings
- Staff is considering multiple options to address offset availability post-RECLAIM
- Key considerations
 - State and federal requirements
 - Resources impacts
 - Supply of offsets
- Staff will continue working with stakeholders and reinitiate working group meetings

12

Ongoing Efforts and Next Steps



Continue RECLAIM and Regulation XIII NSR Working Group meetings



Continue rulemaking activities



Continue working with U.S. EPA, CARB, and stakeholders



Proposed Amended Rule 1405



Control of Ethylene Oxide Emissions from Sterilization and Related Operations

Stationary Source Committee
October 20, 2023



Recent Rule Development Activity

September Governing Board Meeting

- Board approved a 90-day set hearing for a December Public Hearing

September Stationary Source Committee

- Provided updates on progress and information on key topics

October Working Group Meeting #8

- Presented revised rule language released in late September
- Reflective of feedback received from all stakeholders

One-on-one Stakeholder Meetings

- Continuing to meet periodically with sterilization facilities, vendors, and U.S. FDA to answer questions and hear concerns





Health Effects and Uses of Ethylene Oxide (EtO)

Long-Term Health Effects

- Associated with blood cancers (non-Hodgkin lymphoma, myeloma, and lymphocytic leukemia) and, in women, breast cancer
- Also linked with reproductive harm to men and women
- U.S. EPA's revised inhalation cancer risk is 30 to 50 times higher than previously known

Children May be More Susceptible

- EtO is mutagenic, meaning it damages DNA
- Children are expected to be more susceptible to EtO's toxic effects because their bodies are growing and duplicating DNA

Key Use

- EtO is used to sterilize approximately 50% of all medical devices in the U.S

Key Challenge

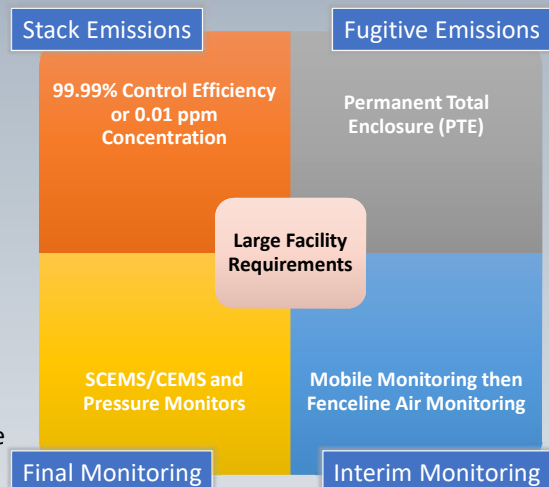
- Balancing competing public health goals of ensuring patient safety and protecting ambient air

3



Overview of Key Requirements of PAR 1405

- Large sterilization facility requirements:
 - Strict stack emission performance standards
 - Enhanced fugitive emission control (PTE)
 - Continuous monitoring of stacks and PTEs
 - Interim mobile then fenceline air monitoring
- Non-large sterilization facility requirements:
 - Enhanced stack and fugitive standards
- Curtailment based on elevated fenceline air measurements
- Additional study of warehouses receiving EtO sterilized pallets
 - Information would assist in assessment of warehouse emissions

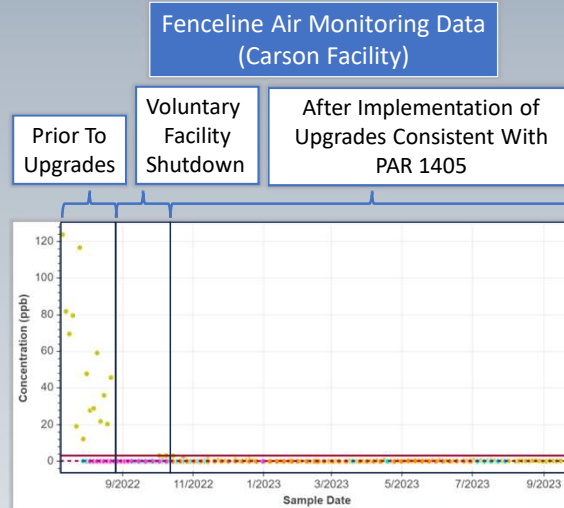


4



Recap of Fenceline Air Monitoring Results

- Fenceline air monitoring currently underway at three (3) facilities:
 - Vernon Facility
 - Ontario Facility
 - Carson Facility
- Carson Facility has fully implemented multilayer stack control and PTE fugitive control
 - Upgrades consistent with PAR 1405 requirements
 - Reduction in fenceline air EtO concentrations achieved (see graph)
 - Also demonstrates PAR 1405 requirements are feasible



Source: <https://www.aqmd.gov/home/news-events/community-investigations/partner>



PAR 1405 Key Revisions

July 2023 Version

- Single fixed mass emission rate and July 2025 compliance deadline
- PTE required for all post-aerators and sterilant gas storage areas
- PTE monitoring averaging time set at 1 minute
- Multiple curtailment triggers
- Only public health agencies may exempt curtailment for products with South Coast AQMD approval

September 2023 Version

- Added alternative facility-specific mass emission rate and updated with September 2025 compliance deadline
- Added alternatives for certain PTE requirements
- Averaging period updated to 15 minutes for PTE monitoring, consistent with other toxic rules
- Only elevated fenceline level triggers curtailment
- Streamlined exemption process with public health agencies and California hospital and medical centers identifying products to prevent supply chain issues



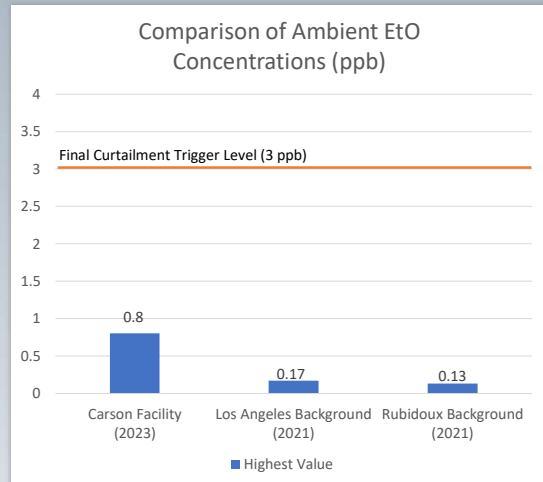
Key Remaining Issue – Background EtO Levels

Stakeholder comments

- Background EtO and other sources of EtO are not considered and may contribute to fenceline levels

Staff responses

- Background levels of EtO are present and detectable, but *much* lower than fenceline air concentrations near some sterilization facilities
- Background levels are well below the interim (17.5/25 ppb) & final (3 ppb) curtailment thresholds
- Carson Facility, after PTE and controls, is below 3 ppb threshold, below 1 ppb for 2023 (see slide 5)
- Background EtO investigation is ongoing and independent of PAR 1405 rulemaking


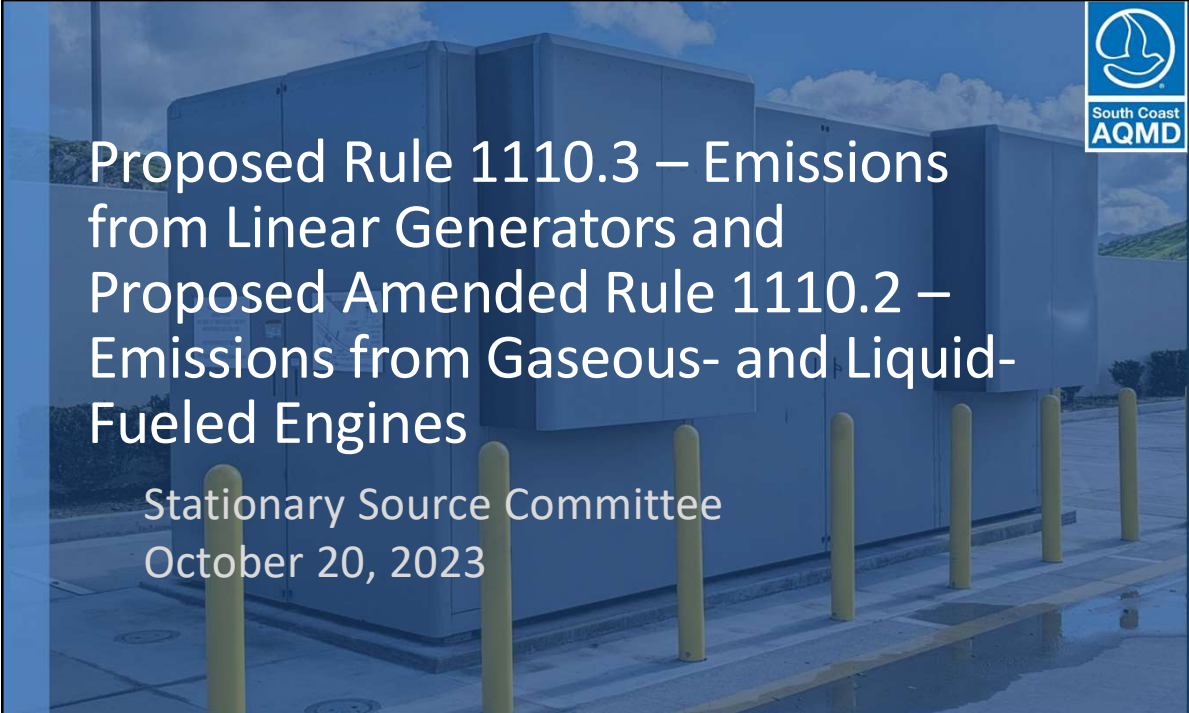


Next Steps

Actions/Public Meetings	Date
Release Draft Staff Report and Draft Rule	Late October 2023
Stationary Source Committee Meeting	November 17, 2023*
Public Hearing	December 1, 2023**

*If requested

**Set for 90 days at the September 1, 2023 Governing Board Meeting

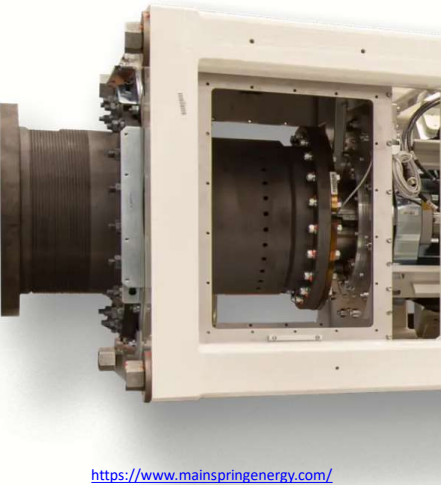


**Proposed Rule 1110.3 – Emissions
from Linear Generators and
Proposed Amended Rule 1110.2 –
Emissions from Gaseous- and Liquid-
Fueled Engines**

Stationary Source Committee
October 20, 2023

1

Background



- Rule 1110.2 regulates emissions from engines rated over 50 bhp
 - As requested by a manufacturer, the 2019 amendment to Rule 1110.2 established emission limits for linear generators
- Due to the unique characteristics of linear generators, Proposed Rule 1110.3 (PR 1110.3) will establish requirements specific to linear generators
- Staff provided an update of PR 1110.3 and Proposed Amended Rule 1110.2 (PAR 1110.2) at the September 2023 Stationary Source Committee meeting

<https://www.mainspringenergy.com/>

2

Key Issue – Source Testing Costs

- Concerns raised regarding the costs associated with source testing

	Rule 1110.2	PR 1110.3
Source Test Frequency	2 years/ 8,760 hours	5 years
Pooled Source Testing Option	No	Yes
Cost per unit (10 years)	\$50,000	\$20,000

Staff is proposing a reduced source testing frequency in PR 1110.3

- PR 1110.3 will reduce source testing costs by approximately 60%* compared to Rule 1110.2
- Pooling units will reduce source test costs even further

*Based on non-pooled units

3

Update on Proposed Rule 1110.3

Staff pursued certification pathways to further minimize source testing costs

- California Air Resources Board (CARB) Distributed Generation (DG) Certification Program
- South Coast AQMD certification program

Staff also received new certification rule language from a stakeholder for consideration and discussed the proposed language with U.S. EPA

U.S. EPA indicated that including certification provisions without first establishing a certification program would likely result in a rule disapproval

Proposed Rule 1110.3 does not contain any provisions for certification or exemptions for certified units

4

Proposed Resolution to Develop Certification Program

Staff drafted resolution language to develop a South Coast AQMD certification program for linear generators

Begin development of the certification program within 90 days of rule adoption



Initiate rule development process after finalizing a certification program

Stakeholders support this concept – no key issues remain

5

Next Steps

Public Hearing

November 3, 2023

6



South Coast Air Quality Management District

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

Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2022 and 2023 NOx and SOx RTCs (June – September 2023)

October 2023 Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2022 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)¹

Twelve-Month Rolling Average Price Data for Compliance Year 2022 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-22	Jan-21 to Dec-21	165.4	\$5,473,709	18	\$33,085
Feb-22	Feb-21 to Jan-22	165.4	\$5,473,709	18	\$33,085
Mar-22	Mar-21 to Feb-22	165.4	\$5,473,709	18	\$33,085
Apr-22	Apr-21 to Mar-22	193.6	\$6,611,522	22	\$34,146
May-22	May-21 to Apr-22	194.6	\$6,656,124	24	\$34,198
Jun-22	Jun-21 to May-22	176.4	\$6,227,716	22	\$35,311
Jul-22	Jul-21 to Jun-22	174.8	\$6,373,786	24	\$36,457
Aug-22	Aug-21 to Jul-22	176.3	\$6,434,733	32	\$36,489
Sep-22	Sep-21 to Aug-22	174.6	\$6,443,413	33	\$36,894
Oct-22	Oct-21 to Sep-22	151.8	\$5,960,928	31	\$39,280
Nov-22	Nov-21 to Oct-22	155.6	\$6,005,989	44	\$38,611
Dec-22	Dec-21 to Nov-22	105.6	\$4,005,989	42	\$37,953
Jan-23	Jan-22 to Dec-22	87.8	\$3,238,965	41	\$36,871
Feb-23	Feb-22 to Jan-23	286.8	\$6,212,543	77	\$21,659
Mar-23	Mar-22 to Feb-23	356.0	\$7,298,709	93	\$20,501
Apr-23	Apr-22 to Mar-23	327.8	\$6,160,896	89	\$18,792
May-23	May-22 to Apr-23	353.9	\$6,671,187	106	\$18,852
Jun-23	Jun-22 to May-23	354.2	\$6,679,467	107	\$18,857
Jul-23	Jul-22 to Jun-23	339.3	\$5,952,322	105	\$17,543
Aug-23	Aug-22 to Jul-23	471.6	\$7,539,742	120	\$15,986

Twelve-Month Rolling Average Price Data for Compliance Year 2022 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Sep-23	Sep-22 to Aug-23	556.8	\$7,989,356	139	\$14,349
Oct-23	Oct-22 to Sep-23	Compliance Year 2022 RTCs can no longer be traded after August 2023			

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2023 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)¹

Twelve-Month Rolling Average Price Data for Compliance Year 2023 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-23	Jan-22 to Dec-22	40.8	\$1,954,673	5	\$47,864
Feb-23	Feb-22 to Jan-23	40.9	\$1,956,548	6	\$47,866
Mar-23	Mar-22 to Feb-23	40.9	\$1,956,548	6	\$47,866
Apr-23	Apr-22 to Mar-23	40.9	\$1,956,548	6	\$47,866
May-23	May-22 to Apr-23	60.7	\$2,386,163	10	\$39,311
Jun-23	Jun-22 to May-23	51.7	\$1,468,779	11	\$28,422
Jul-23	Jul-22 to Jun-23	72.8	\$2,130,599	14	\$29,269
Aug-23	Aug-22 to Jul-23	73.8	\$2,152,599	15	\$29,171
Sep-23	Sep-22 to Aug-23	82.7	\$2,290,774	20	\$27,711
Oct-23	Oct-22 to Sep-23	73.7	\$1,931,554	19	\$26,213

Table III

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)¹

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-22	Oct-21 to Dec-21	97.4	\$3,780,324	10	\$38,803
Feb-22	Nov-21 to Jan-22	79.5	\$3,110,524	7	\$39,114
Mar-22	Dec-21 to Feb-22	29.5	\$1,110,524	5	\$37,614
Apr-22	Jan-22 to Mar-22	28.2	\$1,137,813	4	\$40,372
May-22	Feb-22 to Apr-22	29.2	\$1,182,415	6	\$40,506

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jun-22	Mar-22 to May-22	29.2	\$1,182,415	6	\$40,506
Jul-22	Apr-22 to Jun-22	21.3	\$852,942	6	\$40,000
Aug-22	May-22 to Jul-22	24.3	\$962,009	13	\$39,531
Sep-22	Jun-22 to Aug-22	25.1	\$998,189	15	\$39,706
Oct-22	Jul-22 to Sep-22	4.8	\$189,849	11	\$39,359
Nov-22	Aug-22 to Oct-22	22.5	\$751,041	18	\$33,377
Dec-22	Sep-22 to Nov-22	21.7	\$714,861	16	\$32,946
Jan-23	Oct-22 to Dec-22	33.5	\$1,058,361	20	\$31,577
Feb-23	Nov-22 to Jan-23	210.8	\$3,317,078	40	\$15,735
Mar-23	Dec-22 to Feb-23	280.0	\$4,403,244	56	\$15,726
Apr-23	Jan-23 to Mar-23	268.2	\$4,059,744	52	\$15,138
May-23	Feb-23 to Apr-23	96.2	\$1,641,059	35	\$17,053
Jun-23	Mar-23 to May-23	27.4	\$563,174	20	\$20,562
Jul-23	Apr-23 to Jun-23	32.8	\$644,369	22	\$19,658
Aug-23	May-23 to Jul-23	142.1	\$1,830,563	27	\$12,882
Sep-23	Jun-23 to Aug-23	227.7	\$2,308,077	47	\$10,136
Oct-23	Jul-23 to Sep-23	Compliance Year 2022 RTCs can no longer be traded after August 2023			

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2023 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)¹

Three-Month Rolling Average Price Data for Compliance Year 2023 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-23	Oct-22 to Dec-22	14.4	\$545,813	3	\$38,000
Feb-23	Nov-22 to Jan-23	14.4	\$547,688	4	\$38,031
Mar-23	Dec-22 to Feb-23	14.4	\$547,688	4	\$38,031
Apr-23	Jan-23 to Mar-23	0.04	\$1,875	1	\$50,000
May-23	Feb-23 to Apr-23	19.8	\$429,615	4	\$21,671
Jun-23	Mar-23 to May-23	28.3	\$561,871	6	\$19,857
Jul-23	Apr-23 to Jun-23	49.4	\$1,223,691	9	\$24,765
Aug-23	May-23 to Jul-23	30.6	\$816,076	6	\$26,680
Sep-23	Jun-23 to Aug-23	31.0	\$821,995	9	\$26,524
Oct-23	Jul-23 to Sep-23	9.9	\$160,175	6	\$16,221

¹ District Rule 2002 (f)(1)(H) requires that any rolling average price greater than the threshold triggers a report to the Governing Board. The Governing Board determined at the March 3, 2023 meeting that the requirements of Rule 2002 (f)(1)(H) are no longer applicable to the RECLAIM program, therefore this information is provided as a courtesy.

² District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average annual RTC price reported in the RECLAIM Annual Audit Report exceeds \$15,000 per ton. The average annual RTC price is reported to the Governing Board in March of each year. The Governing Board determined at the March 3, 2023 meeting that no additional analysis or action was required in response to the price threshold exceedance from the most recent report.

Table V

Twelve-Month Rolling Average Price Data for Compliance Year 2022 SOx RTCs
 (Report to Governing Board if rolling average price greater than \$50,000/ton)³

Twelve-Month Rolling Average Price Data for Compliance Year 2022 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ⁴ (\$/ton)
Jan-22	Jan-21 to Dec-21	None	-	-	-
Feb-22	Feb-21 to Jan-22	None	-	-	-
Mar-22	Mar-21 to Feb-22	None	-	-	-
Apr-22	Apr-21 to Mar-22	None	-	-	-
May-22	May-21 to Apr-22	None	-	-	-
Jun-22	Jun-21 to May-22	None	-	-	-
Jul-22	Jul-21 to Jun-22	None	-	-	-
Aug-22	Aug-21 to Jul-22	None	-	-	-
Sep-22	Sep-21 to Aug-22	None	-	-	-
Oct-22	Oct-21 to Sep-22	None	-	-	-
Nov-22	Nov-21 to Oct-22	None	-	-	-
Dec-22	Dec-21 to Nov-22	None	-	-	-
Jan-23	Jan-22 to Dec-22	131.5	\$262,908	6	\$2,000
Feb-23	Feb-22 to Jan-23	135.3	\$273,999	8	\$2,025
Mar-23	Mar-22 to Feb-23	135.3	\$273,999	8	\$2,025
Apr-23	Apr-22 to Mar-23	135.3	\$273,999	8	\$2,025
May-23	May-22 to Apr-23	135.3	\$273,999	8	\$2,025
Jun-23	Jun-22 to May-23	135.3	\$273,999	8	\$2,025
Jul-23	Jul-22 to Jun-23	136.7	\$276,765	9	\$2,024
Aug-23	Aug-22 to Jul-23	136.7	\$276,765	9	\$2,024
Sep-23	Sep-22 to Aug-23	136.7	\$276,765	9	\$2,024
Oct-23	Oct-22 to Sep-23	Compliance Year 2022 RTCs can no longer be traded after August 2023			

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)³

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price⁴ (\$/ton)
Jan-23	Jan-22 to Dec-22	None	-	-	-
Feb-23	Feb-22 to Jan-23	None	-	-	-
Mar-23	Mar-22 to Feb-23	None	-	-	-
Apr-23	Apr-22 to Mar-23	None	-	-	-
May-23	May-22 to Apr-23	None	-	-	-
Jun-23	Jun-22 to May-23	None	-	-	-
Jul-23	Jul-22 to Jun-23	None	-	-	-
Aug-23	Aug-22 to Jul-23	None	-	-	-
Sep-23	Sep-22 to Aug-23	None	-	-	-
Oct-23	Oct-22 to Sep-23	None	-	-	-

³ Pursuant to District Rule 2002(f)(1)(Q), the requirement to report 12-month rolling average SOx RTC price ended February 1, 2020. This table is provided as a courtesy.

⁴ District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average annual RTC price reported in the RECLAIM Annual Audit Report exceeds \$15,000 per ton. The average annual RTC price is reported to the Governing Board in March of each year.

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

Settlement Penalty Report (09/01/2023 - 09/30/2023)

Total Penalties

Civil Settlement: \$248,575.50

MSPAP Settlement: \$54,009.00

Total Cash Settlements: \$302,584.50

Fiscal Year through 09/30/2023 Cash Total: \$1,116,314.50

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
191080	ASBESTOS ABATEMENT, INC.	1403	09/07/2023	JL	P74596, P76201	\$7,026.00
70343	BREA MALL MGMT OFFICE	201, 1415	09/13/2023	SH	P65773, P65796	\$6,500.00
153992	CANYON POWER PLANT	2004, 3002	09/06/2023	KER	P66140	\$4,392.00
143741	DCOR, LLC	463, 1148.1, 1173, 2004, 2012	09/15/2023	JL	P69300, P72860, P74512, P74518	\$31,664.00
136539	DEL ROSA FUEL	461	09/06/2023	MR	P64975, P76171	\$1,000.00
171049	E&B NATURAL RESOURCES MGMT. CORP.	203, 1148.2	09/01/2023	RM	P69274, P73353	\$29,309.00
117560	EQUILON ENTER, LLC-SHELL OIL PROD. US	221, 3002	09/05/2023	EC	P73260, P74083, P75504	\$7,450.00
196900	EXPRESS DISPOSAL, INC.	403	09/20/2023	RM	P74769, P74770, P74771	\$3,975.00
62862	IMPERIAL IRRIGATION DISTRICT/ COACHELLA	3002	09/20/2023	ND	P64795	\$5,269.50
175733	JAUREGUI & CULVER, INC.	1166	09/22/2023	ND	P66022	\$4,684.00
186629	KB HOME SOUTHERN CALIFORNIA	403	09/07/2023	SH	P74134, P74135, P74139, P74148, P75217	\$7,500.00
197755	KB HOMES/COUNTRY VIEW	403	09/06/2023	JL	P76463	\$11,710.00
800170	LA CITY, DWP HARBOR GENERATING STATION	218.1, 2004	09/14/2023	DH	P63823, P63833, P66226	\$7,728.00
800193	LA CITY, DWP VALLEY GENERATING STATION	2004, 3002	09/14/2023	DH	P66146, P76058	\$7,377.00
61962	LA CITY, HARBOR DEPT	461, 2004	09/15/2023	EC	P70010, P70017, P70019	\$5,900.00
141295	LEKOS DYE AND FINISHING, INC.	1146, 2004, 2005, 2012, 2012 Appendix A	09/14/2023	KCM	P57883, P66074, P66081, P66084, P66086, P66087, P66093, P66095, P66100, P68318, P68329	\$15,000.00
130156	LEYMASTER ENVIRONMENTAL CONSULTING, LLC	221, 1166	09/08/2023	EC	P73404	\$10,850.00
131425	MATRIX OIL CORPORATION-RIDEOUT HEIGHTS	203, 1173	09/06/2023	JL	P73324	\$10,831.00
173747	NORTHGATE JEFFERSON ARCO AM/PM	461, 41960.2	09/13/2023	ND	P70167	\$15,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
145553	PETER'S FAMILY CLEANER, PALACE CLEANER	203, 1102, 1402, 1421	09/12/2023	BT	P62763, P62765, P62770, P62771	\$1,000.00
126498	STEELSCAPE, INC.	2004, 2012 Appendix A, 3002	09/06/2023	EC	P67382, P67394, P74608, P74621	\$11,400.00
182752	TORRANCE LOGISTICS COMPANY, LLC	203, 462, 3002	09/21/2023	DH	P66839, P74362	\$37,741.00
166440	WEST COAST ARBORIST	203, 13 CCR 2460	09/08/2023	EC	P73901, P75220, P75225	\$5,269.00
Total Civil Settlements: \$248,575.50						

MSPAP						
114854	AUTO SPA CONNECTION, INC.	203, 461	09/15/2023	CL	P75703	\$1,942.00
183567	GS II, INC.	3002	09/08/2023	CL	P73699	\$2,142.00
126222	JENAL ENGINEERING CORP	1166	09/15/2023	CL	P70199	\$937.00
190612	LA GLORY 661 INC	461	09/01/2023	CL	P77651	\$1,456.00
197779	LENNAR AT THE FARM	403	09/01/2023	CL	P76406	\$4,605.00
183723	LOS ANGELES ENGINEERING, INC	403	09/01/2023	CL	P63478	\$5,747.00
95067	MESA WATER DISTRICT	203	09/08/2023	CL	P73822	\$971.00
174480	PHENOMENEX, INC.	203	09/08/2023	VA	P78309	\$11,928.00
156312	ROSECRANS ENERGY	1118	09/01/2023	CL	P73266	\$3,845.00
178674	SOIL MIXING SERVICES, INC.	403, 1466	09/01/2023	CL	P73507	\$4,144.00
145795	SOUTHLAND DISPOSAL COMPANY	403	09/08/2023	VA	P74781	\$3,747.00
169250	UNIVERSAL SERVICE STATION INC	461	09/01/2023	CL	P72984	\$6,440.00
128898	VONS CO INC NO 2155	201, 203	09/15/2023	CL	P73162	\$1,842.00
101196	WARREN DUNCAN CONTRACTING	1166	09/06/2023	GV	P69159, P69162	\$1,961.00
23506	WEST LOS ANGELES COLLEGE	203, 461	09/01/2023	CL	P77801	\$2,302.00
Total MSPAP Settlements: \$54,009.00						

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

REGULATION II - PERMITS

Rule 201 Permit to Construct
Rule 203 Permit to Operate
Rule 218.1 Continuous Emission Monitoring Performance Specifications
Rule 221 Plans

REGULATION IV - PROHIBITIONS

Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
Rule 461 Gasoline Transfer and Dispensing
Rule 462 Organic Liquid Loading
Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1102 Petroleum Solvent Dry Cleaners
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 1148.1 Oil and Gas Production Wells
Rule 1148.2 Hydraulic Fracturing of Oil and Gas Wells
Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil
Rule 1173 Fugitive Emissions of Volatile Organic Compounds

REGULATION XIV - TOXICS

Rule 1402 Control of Toxic Air Contaminants from Existing Sources
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
Rule 1466 Control of Particulate Emissions from Soils with Toxic Air Contaminants

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
Rule 2012 Appendix A
Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

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

REGULATION XXX- TITLE V PERMITS

Rule 3002 Requirements

CALIFORNIA HEALTH AND SAFETY CODE

41960.2 Gasoline Vapor Recovery

42402 Violation of Emission Limitations – Civil Penalty

42411 Annual increase in maximum penalties

CALIFORNIA CODE OF REGULATIONS

13 CCR 2460 Portable Equipment Testing Requirements