



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

March 17, 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
6055 E. Washington Blvd., Suite 495
Commerce, CA 90040

A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, March 17, 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/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Given health and safety concerns, seating may be limited, and the 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

In accordance with state and local public health department guidelines, wearing a mask is based on personal preference for people attending the meeting at South Coast AQMD Headquarters.

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

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/94141492308>

Zoom Webinar 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 4)

- 1. 2022 Annual Report on AB 2588 Program (10 mins)** Ian MacMillan
Assistant Deputy
Executive Officer
(No Motion Required)
The Air Toxics “Hot Spots” Information and Assessment Act of 1987 (AB 2588) requires local air pollution control districts to prepare an annual report and present it at a public hearing. This report provides information regarding the South Coast AQMD’s implementation of AB 2588 through Rule 1402. This annual update describes the various activities including quadrennial emissions reporting and prioritization, preparation and review of Air Toxics Inventory Reports, Health Risk Assessments, Voluntary Risk Reduction Plans, Risk Reduction Plans, and additional South Coast AQMD activities related to air toxics.
(Written Material Attached)
- 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 (10 mins)** Michael Krause
Assistant Deputy
Executive Officer
(No Motion Required)
At the March Board meeting, stakeholders provided comments on the permitting relief provisions for ultraviolet/electron beam/light emitting diode (UV/EB/LED) curing technologies. An update on this issue was requested before the April Board meeting.
(Written Material Attached)
- 3. Summary of Proposed Amended Rule 1135 – Emissions of Oxides of Nitrogen from Electricity Generating Facilities (10 mins)** Michael Krause
(No Motion Required)
Staff will provide a summary of Proposed Amended Rule 1135 (PAR 1135) that will establish NOx emission limits for electric generating units located on Santa Catalina Island to reflect current BARCT. PAR 1135 also includes monitoring, reporting, and recordkeeping requirements for electric generating units located on Santa Catalina Island and extends the compliance deadline for boilers and gas turbines to comply with Rule 1135 emission limits. Staff will summarize any key remaining issues.
(Written Material Attached)
- 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 (10 mins)** Michael Krause
(No Motion Required)
Staff will provide a summary of Proposed Amended Rules 463 and 1178 that addresses the U.S. EPA’s limited disapproval of CARB’s Oil and Gas Methane Rule requiring Rules 463 and 1178 to demonstrate compliance with reasonably available control technology. Staff will summarize any key remaining issues.
(Written Materials Attached)

WRITTEN REPORTS (Items 5-6)

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 (No Motion Required)

Michael Krause

This is a monthly update on staff's work with U.S. EPA and CARB regarding New Source Review issues related to the RECLAIM transition.

(Written Material Attached)

6. Notice of Violation Penalty Summary (No Motion Required)

Bayron Gilchrist
General Counsel

This report provides the total penalties settled in February 2023 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.

(Written Material Attached)

OTHER MATTERS

7. 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)

8. 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.

9. Next Meeting Date: Friday, April 21, 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 Chairman 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.

AB 2588 Toxic Hot Spots 2022 Annual Report

Stationary Source Committee March 17, 2023

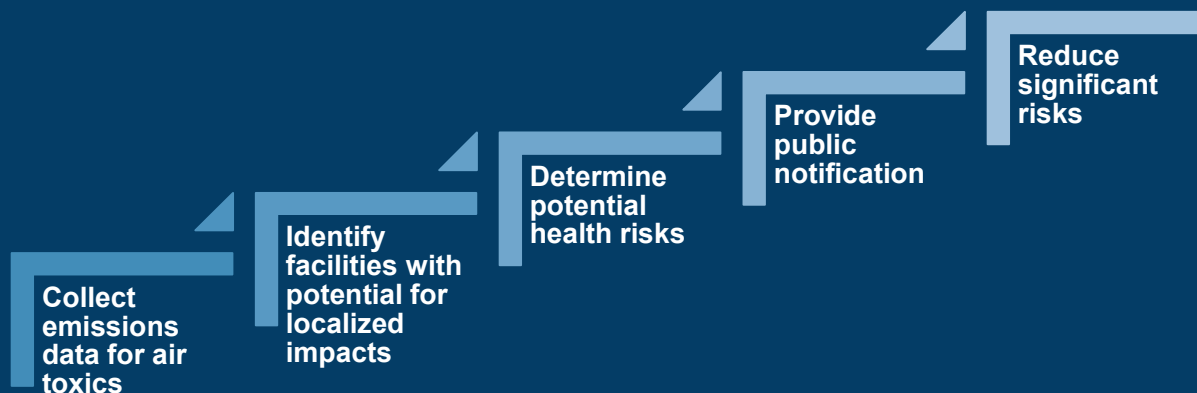


INTRODUCTION

- AB 2588 Program Annual Report for 2022 summarizes
 - Activities implemented under AB 2588 “Hot Spots Act” and South Coast AQMD Rule 1402
 - South Coast AQMD activities to reduce toxic air contaminants
 - Anticipated future activities relating to AB 2588
- H&S Code §44363 requires a public hearing to present results of Annual Report



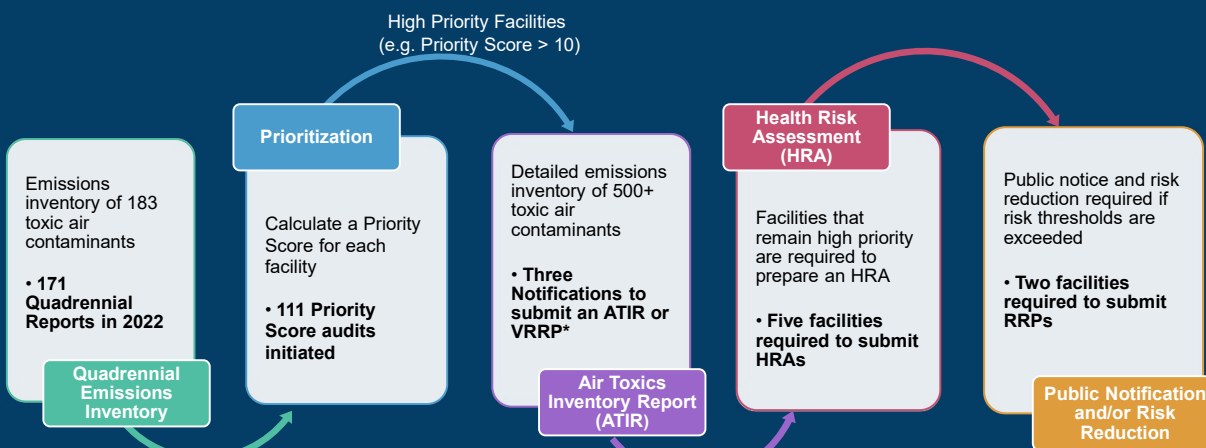
GOALS AND OBJECTIVES OF AB 2588



AB 2588 is one piece of South Coast AQMD's overall approach to air toxics

3

AB 2588 TRADITIONAL PROCESS FOR 'CORE' FACILITIES



*VRRP = Voluntary Risk Reduction Plan

4

PATHWAYS FOR FACILITIES IN RULE 1402

Traditional Approach

Facilities with Priority Score >10 and cancer risks <100 chances in-one-million

- Air Toxic Inventory Report
- Health Risk Assessment
- Public Notification (if cancer risks > 10 in-one-million)
- Risk Reduction Plan (if cancer risks > 25 in-one-million)

Voluntary Risk Reduction Program

Facilities with cancer risks <100 chances in-one-million and previously approved Health Risk Assessment

- Air Toxic Inventory Report
- Voluntary Risk Reduction Plan committing to reduce cancer risks below 10 in-one-million
- Modified Public Notification

Potentially High Risk Level

Facilities with cancer risks ≥100 chances in-one-million

- Early Action Reduction Plan
- Air Toxic Inventory Report (EARP)
- Health Risk Assessment
- Public Notification (if cancer risks ≥ 10 per million)
- Risk Reduction Plan (if cancer risks ≥ 25 per million)

5

DOCUMENTS REVIEWED IN 2022

142*
Reviews

129

Traditional AB 2588

- 111 Quadrennial Emission Report Audits
- 12 Air Toxics Inventory Reports
- 6 Health Risk Assessments

7

Voluntary Risk Reduction Program

- 4 Voluntary Risk Reduction Plans
- 3 Progress Reports

6

Potentially High Risk Level (PHRL) Facilities

- Three PHRL Facilities:
 - 1 Air Toxics Inventory Report
 - 3 Early Action Reduction Plans
 - 1 Health Risk Assessment
 - 1 Risk Reduction Plan

*Represents number of documents reviewed

6

ETHYLENE OXIDE STERILIZATION FACILITIES

- Ambient monitoring near some commercial sterilization facilities starting in mid-2022 showed elevated levels of ethylene oxide for nearby offsite workers
- Mobile monitoring conducted to identify sources of the elevated concentrations – three facilities found
- Two facilities were designated Potentially High Risk Level (PHRL) facilities
 - Sterigenics Vernon: June 2022 / Sterigenics Ontario: September 2022
- One facility (Parter Carson) notified of potential designation in August 2022 (no final designation)
- Monitored readings have decreased overall since facilities implemented some of the early action measures below to reduce emissions/risk:
 - Close all access doors when not in use and sealing all building draft openings
 - Installation of control equipment
 - Permanent total enclosures – capture of fugitive emissions
 - Improvements to existing exhaust stack systems
- Health Risk Assessments and Risk Reduction Plans for PHRL facilities anticipated in the coming months

More info at: <http://www.aqmd.gov/home/eto>

7

OTHER KEY TOXICS-RELATED ACTIVITIES IN 2022

Rulemaking



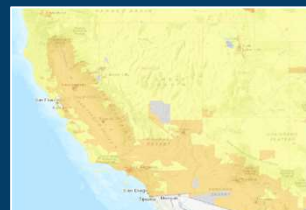
- Amended Rule 1168 to prohibit the sale and use of PCBTF and ter-Butyl Acetate (TBAC)
- Adopted Rule 1460 to minimize fugitive dust emissions from metal recycling and metal shredding facilities

Special Monitoring*



- Began EtO special monitoring
- Continued mobile monitoring campaign in the greater Los Angeles Area
- Concluded air monitoring in West Rancho Dominguez Area
- Continued air monitoring in AB 617 communities

Other



- Completed review of 2018 and 2019 emissions inventory data
 - EPA finalized both 2018 and 2019 AirToxScreen in 2022

**Details on additional AB 617 activities are reported in Community Emission Reduction Plan annual progress reports*

8

OEHHA UPDATES

- California Office of Environmental Health Hazard Assessment (OEHHA) adopted new noncancer acute and chronic RELs for trivalent chromium and inhalation cancer potency factor for 1-bromopropane
 - Both compounds are newly added TACs with no prior reporting requirements
- Facilities required to submit inventory reports under Rule 1402 will be required to report these compounds beginning with inventory year 2023
- Permitting impacts for the new toxics will be analyzed in an amendment to Rule 1401 – New Source Review of Toxics

Name	Chronic REL µg/m ³	8-Hour Chronic REL µg/m ³	Acute REL µg/m ³
Trivalent Chromium	0.06	0.12	0.48

Name	Inhalation Cancer Potency Factor (mg/kg-day) ⁻¹
1-Bromopropane	1.3 x 10 ⁻²

9

KEY PROJECTED 2023 TOXICS-RELATED ACTIVITIES

- Update South Coast AQMD AB 2588 Guidance Documents for consistency with CARB's *Emission Inventory Criteria and Guidelines* (EICG)
- Work with CARB and CAPCOA Toxics and Risk Managers Committee (TARMAC) regarding:
 - Updates to CARB's EICG, including review of additional chemicals to be added for evaluating risk
 - Amendments to Criteria and Toxics Reporting (CTR) guidelines
- Work with CARB to develop or update HRA guidance for industry-wide sources (i.e., autobody shops, diesel internal combustion engines)
- Train new staff on the expanded emissions reporting under amended Rule 301 and CARB's CTR regulation;
- Continue coordination with U.S. EPA and CARB staff to ensure AirToxScreen incorporates the best available local emissions data;

10

KEY PROJECTED 2023 TOXICS-RELATED ACTIVITIES

(CONTINUED)

- Track development of U.S. EPA proposed rulemaking for two National Emissions Standards for Hazardous Air Pollutants (NESHAPs) for Ethylene Oxide Commercial Sterilizers and Miscellaneous Organic Chemical Manufacturing
- Continue tracking development of health risk value adoption and revisions by OEHHA, including potential revision to cancer risk from ethylene oxide
- Continue ambient air monitoring near large sterilization facilities
- Rule development:
 - Rule 1405 (Ethylene oxide)
 - Rule 1401 (New Source Review for toxics)
 - Rule 1401.1 (Requirements for toxics near schools)
 - Rule 1435 (Metal heat treating)
 - Rule 1445 (Laser arc cutting)
 - Rule 1455 (Hexavalent chromium from torch cutting and welding)

11

NEXT STEPS

- Present the report at the April 7, 2023 Board Meeting*
- Recommended Action:
 - Receive and File the 2022 AB 2588 Annual Report

**H&S Code Section 44363 requires a public hearing*

12



Proposed Amended Rule 219 - Equipment Not Requiring a Written Permit Pursuant to Regulation II

Proposed Amended Rule 222 - Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

STATIONARY SOURCE COMMITTEE

March 17, 2023

1

Background

- March 3, 2023 Public Hearing for PAR 219
 - Presented to the Governing Board key changes and remaining issue on UV/EB/LED provision
 - Industry stakeholders expressed concerns related to permit relief provisions for UV/EB/LED curing equipment
 - Representatives from environmental and community groups expressed concerns that the proposed provisions would discourage adoption of cleaner emission technologies
 - Board directed staff to return to Stationary Source Committee
- Fourth Stationary Source Committee Briefing for PAR 219

2

Emission Sources for Coating Operations

VOC Emissions from Coatings

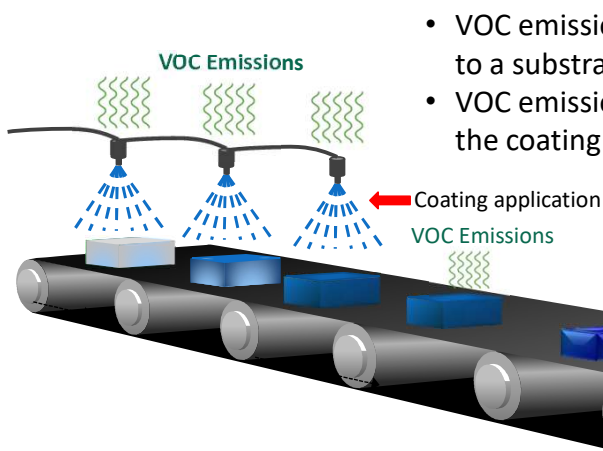
- VOC emissions occur from coatings that are applied to substrates
- VOC content in the coating can vary
- Operator must either:
 - Meet the VOC limit in South Coast AQMD's source-specific rule; or
 - Install pollution controls if using a non-compliant coating with a VOC limit higher than the rule limit

Possible NOx Emissions from Curing and Drying

- NOx emissions from combustion source such as an oven
- Other zero-emission NOx approaches for curing and drying of coatings

3

VOC Emissions from Coating Operation



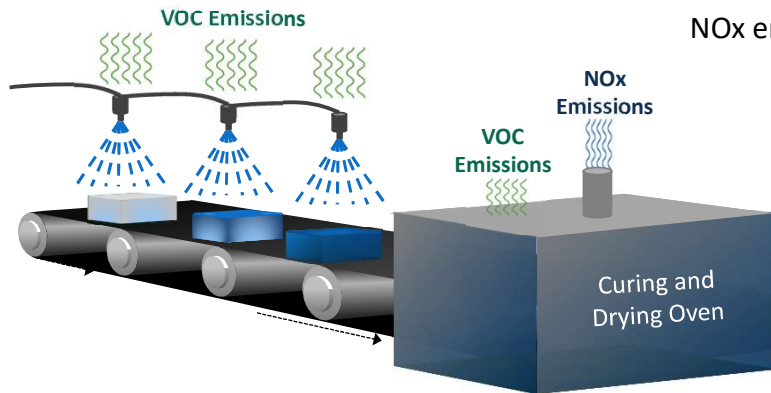
- VOC emissions occur from coating applied to a substrate
- VOC emissions continue to “flash off” as the coating is drying

Volatile Organic Compounds (VOCs)

- Emitted as gases from certain solids or liquids, such as paints and cleaning supplies
- VOC is emitted as paint cures or dries
- React to form smog

4

VOC Emissions from Coatings and NOx Emissions from Curing and Drying



- Combustion source is a source of NOx emissions

Nitrogen Oxides (NOx)

- Emitted as products of combustion when using fossil fuels
- React with VOCs to form smog

5

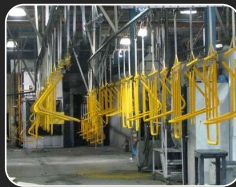
Coating Drying and Curing Approaches



Combustion Technology

- Oven or other combustion technology

- NOx Emissions



Air Drying

- Ambient air

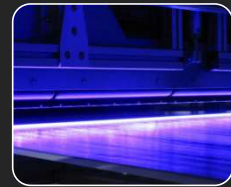
- Zero-Nox Emissions



Electric Technology

- Electricity

- Zero-Nox Emissions



UV/EB/LED

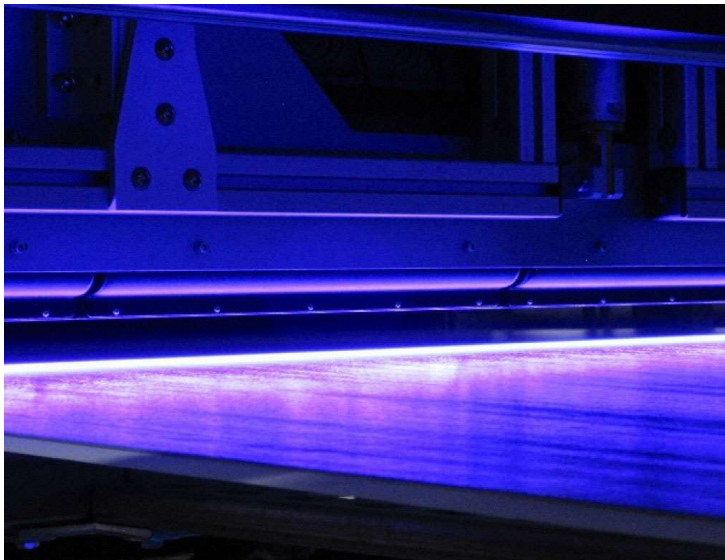
- Ultraviolet, electron beam or LED lights

- Zero-Nox Emission

Technology

Emissions

6



UV/EB/LED Cures and Dries Coatings

- UV/EB/LED is a Zero-Emission NO_x technology that cures and dries coatings
- Regardless of the curing and drying approach, coating process has VOC emissions
- Engineering evaluation needed to assess VOC emissions from coatings used with UV/EB/LED curing and drying processes

7

Permitting Coating Operations

- Operators that use a non-compliant coating, where the VOC content exceeds the rule limit, must install equipment to capture and control VOC emissions
- Permit evaluation needed to:
 - Calculate VOC emissions from the applied coatings
 - Establish operating conditions for capture and control equipment for non-compliant coatings
 - Evaluate coatings with toxic air contaminants
- Modifications to an existing process requires a new engineering evaluation
 - Must evaluate the new coating and/or the amount of coating in the original permit evaluation to assess the potential VOC increase
- UV/EB/LED can be used to accelerate the drying time which can increase throughput and increase VOC emissions

8

Regulatory Approach for UV/EB/LED Technologies

- Staff supports UV/EB/LED for curing and drying as it is a zero-emission NOx technology
- VOC emissions from **coatings** are the key air quality concern
- Over the years, Rule 219 has been amended to help the UV/EB/LED industry by providing permit relief for:
 - Low-VOC coatings used with UV/EB/LED
 - Low usage of coatings used with UV/EB/LED

New proposed provision in Rule 219 would provide ***additional permit relief*** when adding UV/EB/LED or other curing equipment to an existing permitted process provided specific criteria is met

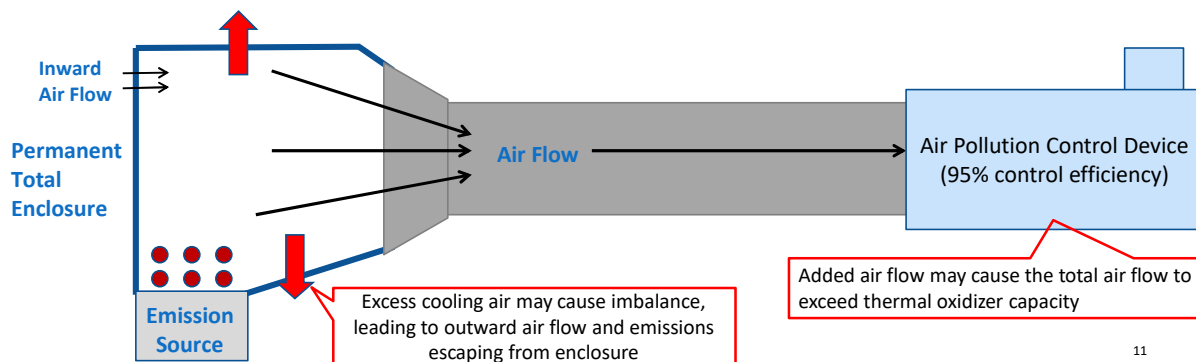
New Exemption Provides Permitting Relief

Exemption has three guardrails in place to ensure proper operations:

- 1) Facilities remain in compliance with existing permits
- 2) No physical changes to existing capture and control devices
- 3) UV/EB/LED materials are low-VOC and do not contain toxics

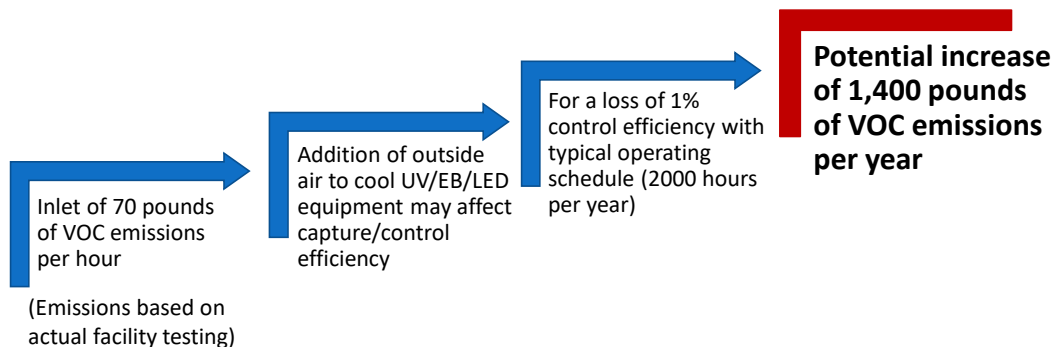
Changes to Capture/Control Efficiency Could Increase Emissions

- Stakeholder Comments
 - Physical changes to capture and control equipment would not contribute to emission increases
- Staff Responses
 - Even “minor” changes, such as changes to air flow, to capture and control equipment can impact air flow balance thereby impacting capture/control efficiency and result in emission increase
 - If the existing operation's coatings contain toxics, it may result in a substantial increase in health risk



11

Hypothetical Scenario of Potential Emissions Increase



- An engineering evaluation is necessary for this type of scenario to ensure no emission increase

12

Next Steps

- April 7, 2023 – Public Hearing



Proposed Amended Rule 1135

Emissions of Oxides of Nitrogen from Electricity Generating Facilities

Stationary Source Committee
March 17, 2023

Rule 1135 Regulatory Background

Adopted in 1989 to address NO_x emissions from electricity generating facilities (power plants)

January 2022 amendments revised requirements for Santa Catalina Island electricity generating facility

- Limits annual NO_x emissions by a certain date:

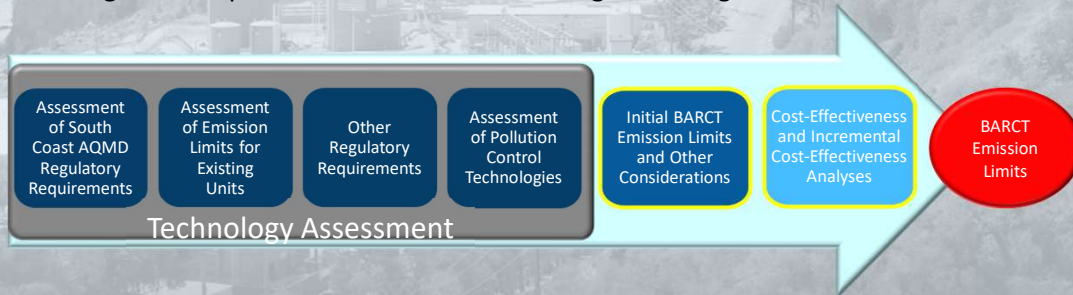
2024	2025	2026
50 tons per year	45 tons per year	13 tons per year

- Adopted resolution to conduct a revised Best Available Retrofit Control Technology (BARCT) assessment specific to this facility



BARCT Assessment

- Health and Safety Code (H&SC) Section 40406 defines BARCT 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 levels must adhere to H&SC Section 40920.6
 - Cost-effectiveness and incremental cost-effectiveness must be determined for each progressively more stringent potential control option
- BARCT assessment conducted to determine if near-zero-emission (NZE) and zero-emission (ZE) technologies can replace all or some of the existing diesel engines on Santa Catalina Island



3

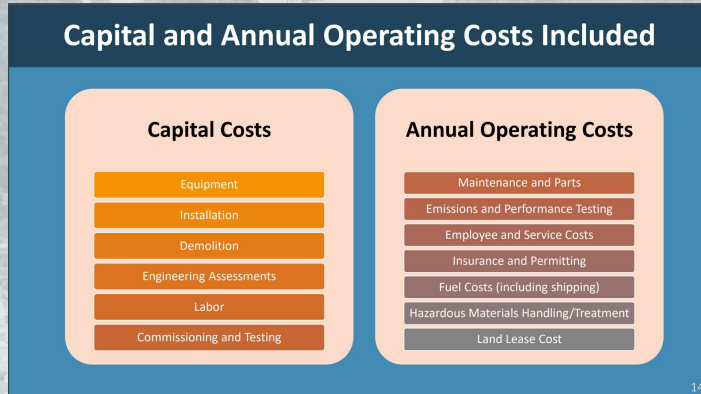
Update on Technology Assessment

- Summary of technology assessment provided to Stationary Source Committee in August 2022
- Analyses determined fuel usage, barge trips, and space required for each repower scenario
- Challenges for the deployment of ZE and/or NZE technologies on Santa Catalina Island include:
 - Fuel must be delivered by barge
 - Limited number of daily barge trips
 - Existing facility footprint is small
 - Acquiring additional land is challenging
 - SCE needs 30-day fuel storage as backup when barges unable to deliver fuel
- The most stringent repower scenario staff evaluated (95% ZE technology) was determined to be technologically infeasible due to the number of fuel deliveries and additional land needed for new fuel infrastructure

4

Cost-Effectiveness Assumptions

- Cost estimates provided by Southern California Edison (SCE) and various vendors
- Cost-effectiveness assumptions:
 - Equipment life of 20 or 25 years depending on equipment type
 - No stranded asset costs because all existing diesel engines are over 25 years old
- All repower scenarios included three diesel engines to provide reliability
- 2022 Air Quality Management Plan established a cost-effectiveness threshold of \$325,000/ton NOx reduced



5

Cost-Effectiveness Analysis

- The most stringent technologically feasible repower scenario (30% ZE, 65% NZE, 5% diesel engines) results in a cost-savings of (\$12,000)/ton NOx reduced
- Staff anticipates a revised cost-effectiveness analysis pending discussions with SCE on updated land lease costs

	All Tier IV Final Diesel Engines	50% NZE	30% ZE ¹ , 50% NZE	95% NZE	30% ZE ¹ , 65% NZE
Net Annual Costs (includes annualized capital and O&M costs)	\$2.3 MM	\$3.2 MM	\$(637,000)	\$3.7 MM	\$(859,000)
NOx Emission Reductions (Tons/Year)	54.66	62.70	67.39	69.48	69.78
Cost-Effectiveness (\$/Ton of NOx Reduced)	\$42,000	\$51,000	\$(9,000)	\$53,000	\$(12,000)

¹ Requires the acquisition of land outside of the PBGS existing footprint

6

Proposed Mass Emission Limits

- Proposed BARCT limit of 1.6 tons per year of NO_x (98% reduction)
- Proposed BARCT limit was based on a combination of technologically feasible technologies comprised 30% ZE, 65% NZE and 5% diesel engines

	Current Rule 1135 NO _x Emission Limits	Proposed Rule 1135 NO _x Emission Limits
January 1, 2024	50 tons per year	Removed due to installation delays
January 1, 2025	45 tons per year	45 tons per year
On and after January 1, 2026	13 tons per year	1.6 tons per year

7

Prohibitions and Other Requirements

Prohibitions on Santa Catalina Island

Extended prohibition deadline to install diesel internal combustion engines to July 1, 2025

Prohibiting the installation of non-NZE or non-ZE electric generating units after July 1, 2025

Extension for Boilers and Turbines

Deadline for boilers and gas turbines to meet emission limits extended from January 1, 2024 to April 1, 2024

South Coast AQMD is only aware of two units possibly needing the extended deadline

Monitoring and Recordkeeping for Units on Santa Catalina Island

Included alternative monitoring requirements for NZE electric generating units ≤ 0.4 MW

8

Key Issues – Grid Stability and Public Process for Extension

Stakeholder Comments

Upcoming SCE grid stability analyses could impact the proposed BARCT limit



Request for a public process requirement if SCE seeks 3-year extension currently to comply with the proposed BARCT limit



Staff Responses

South Coast AQMD will consider the grid stability analyses when establishing the proposed BARCT limit

South Coast AQMD will consider adding rule provisions to require a public process if SCE seeks an extension

9

Key Issues – Reducing and Eliminating Use of Diesel Engines

Stakeholder Comments

Request for a provision to only allow diesel engine operation when other fuel is unavailable



Request to ultimately require all ZE electric generating units at Catalina Island



Staff Responses

- Facility mass emission limit will, in practice, limit the use of diesel engines
- Further restrictions could jeopardize reliability

- Proposed BARCT limit must be technologically feasible
- Due to fuel delivery schedules and additional land needed, an all ZE repower scenario is currently not technologically feasible

10

Next Steps

**Ongoing
meetings with
stakeholders**

**Set Hearing
scheduled
April 7, 2023**

**Public Hearing
scheduled
May 5, 2023**

Proposed Amended Rule 463 Organic Liquid Storage



Proposed Amended Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

STATIONARY SOURCE COMMITTEE
MARCH 17, 2023

Background

- Rule 463 regulates VOC emissions from organic liquid storage tanks and includes requirements for tank controls, inspections, reporting and recordkeeping
- Rule 1178 regulates VOC emissions from storage tanks located at larger emitting petroleum facilities and contains more stringent control requirements
- Proposed Amended Rules (PAR) 463 and 1178 will address a RACT deficiency identified by U.S. EPA
- PAR 1178 will also implement actions specified in the Wilmington, Carson, and West Long Beach (WCWLB) Community Emission Reduction Plan (CERP)



PARs 463 and 1178

U.S. EPA Limited Disapproval

- U.S. EPA issued a limited disapproval of CARB's Oil and Gas Methane Rule which partially relies on Rules 463 and 1178
- Disapproval identified need to demonstrate compliance to RACT for tanks covered by U.S. EPA's 2016 Control Techniques Guidelines (CTG) for Oil and Natural Gas Industry
- CARB requesting amendments to address RACT deficiency no later than June 2023 to avoid possible sanctions



Addressing U.S. EPA's Disapproval

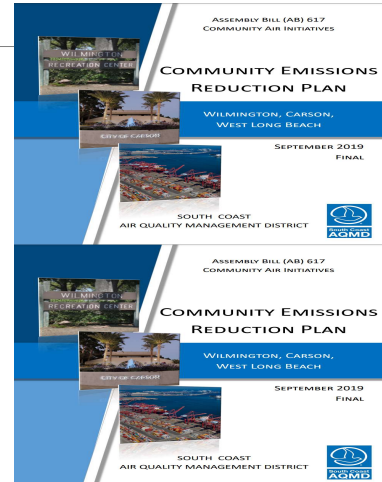
- U.S. EPA's 2016 CTG applies to storage tanks with potential to emit 6 tons of VOC or more per year and are used in the Oil and Natural Gas Sector
- Current applicability for Rules 463 and 1178 based on tank capacity and true vapor pressure of the liquid stored
- A tank may be subject to U.S. EPA's 2016 CTG but not applicable to Rules 463 and 1178
 - Staff estimates that no tanks will require further controls

Proposed Amendments to Rules 463 and 1178

- *Applicability to include tanks with potential for VOC emissions of 6 tons per year or more used in crude oil and natural gas production*
 - *Potential for VOC emissions based on permitted or maximum throughput*

Wilmington, Carson, West Long Beach (WCWLB) Community Emission Reduction Plan (CERP)

- WCWLB CERP identified amending Rule 1178 as strategy to reduce emissions from refineries
 - Identified need for improved leak detection and more stringent controls in Rule 1178
- Staff conducted BARCT assessment on leak detection and control technologies for storage tanks



Proposed Amendments to Rule 1178

Leak Detection



Current requirement: Optical gas imaging not required

- Semi-annual visual inspections or gap measurements for floating roof tanks
- Quarterly Method 21 measurements for fixed roof tanks

Proposed requirement: Weekly tank farm optical gas imaging (OGI) inspections and quarterly OGI component inspections for floating roof tanks

Doming

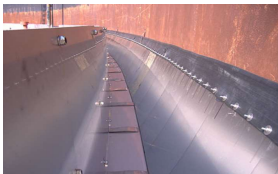


Current requirement: Doming for all tanks storing liquid with true vapor pressure of ≥ 3 psia, including crude oil tanks, crude oil tanks exempt

Proposed requirement: Doming for all tanks storing liquid with true vapor pressure of ≥ 3 psia, including crude oil tanks

Proposed Amendments to Rule 1178 (continued)

Seals



Current requirement: Secondary seals not required for internal floating roof tanks; gap allowances for primary seals up to 30% or 60% of tank circumference, depending on gap size

Proposed requirement: Secondary seals on all floating roof tanks; gap allowances for primary seals up to 10% or 30% of tank circumference, depending on gap size

Emission Control Systems



Current requirement: Control efficiency of at least 95% by weight

Proposed requirement: Control efficiency of at least 98% by weight

7

Other Proposed Amendments to Rule 1178

Additional testing

- Require testing of stored liquid's true vapor pressure on semi-annual basis to confirm qualification for exemption from rule requirements

Additional reporting and recordkeeping

- Require notification to Executive Officer by phone within 8 hours of determining tank is not meeting all leak requirements of the rule
- Require recordkeeping for optical gas imaging inspections
- Require digital recordings of VOC vapors detected



8

Cost-Effectiveness and Emission Reductions

- No costs or emission reductions are expected as a result of amending applicability to address RACT deficiency
- Leak detection and control requirements of PAR 1178 expected to result in VOC emission reductions of 0.76 tons per day

Proposed Requirement	Cost-Effectiveness (\$/ton)	Reductions (tpd)
Weekly OGI inspections	\$18,200	0.45
Doming crude oil tanks	\$35,800	0.27
Increased emission control efficiency	Meeting proposed requirement	0.03
Additional secondary seals	\$22,100	0.01
Seal gap requirements	Meeting proposed requirement	0.01

Remaining Key Issues

- WSPA and other stakeholders have requested additional time to work with staff on:
 - Compliance schedules for doming
 - Requirements for OGI inspections
- Staff proposing to bifurcate schedule to allow staff additional time to work with regulated community on proposed requirements in PAR 1178
- To address RACT deficiency PARs 463 and 1178 on expedited schedule, staff recommends addressing only this issue at the May 2023 Board meeting



Next Steps

- ☐ Set Hearing April 7, 2023
- ☐ Public Hearing May 5, 2023 to address RACT deficiency
- ☐ Public Hearing August 4, 2023 (tentative) to address WCWLB CERP actions

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