



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

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Council Member Ben Benoit, Chair
Supervisor Janice Hahn
Mayor Judith Mitchell
Supervisor V. Manuel Perez
Supervisor Janice Rutherford

**May 17, 2019 ♦ 10:30 a.m. ♦ Conference Room CC8
21865 Copley Dr., Diamond Bar, CA 91765**

TELECONFERENCE LOCATIONS

**Wildomar City Hall
City Council Chambers
23873 Clinton Keith Road
Wildomar, CA 92595**

**8575 Haven Ave.,
Suite 110
Rancho Cucamonga, CA 91730**

(The public may attend at any location listed above.)

*Call-in for listening purposes only is available by dialing:
Toll Free: 866-244-8528*

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In addition, a webcast is available for viewing and listening at:

<http://www.aqmd.gov/home/library/webcasts>

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). Please provide a Request to Address the Committee card to the Committee Secretary if you wish to address the Committee on an agenda item. If no cards are available, please notify South Coast AQMD staff or a Board Member of your desire to speak. All agendas for regular meetings are posted at District 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 each.

CALL TO ORDER

INFORMATIONAL ITEMS (Items 1 - 3)

- 1. RECLAIM Quarterly Report – 5th Update** (15 mins) Susan Nakamura
(No Motion Required) Assistant Deputy
Staff will provide an update on the transition of NO_x RECLAIM Executive Officer
facilities to a command-and-control regulatory program.
(Written Material Attached)
- 2. Summary of Proposed Amended Rules 2001- Applicability, and** (15 mins) Susan Nakamura
2015 – Backstop Provisions
(No Motion Required)
Proposed amendments to Rule 2001 will remove the opt-out
provision for RECLAIM. Amendments to Rule 2015 will add
an alternative backstop provision if emissions exceed allocations
and change the month the annual RECLAIM program audit
report is presented. Staff will provide a summary of the proposed
amended rules and any key issues.
(Written Material Attached)
- 3. Proposed Amendments to Regulation IX – Standards of** (15 mins) Sarah Rees
Performance for New Stationary Sources, and Assistant Deputy
Regulation X – National Standards for Hazardous Air Pollutants Executive Officer
(No Motion Required)
Regulations IX and X are periodically amended to incorporate
new or amended federal emission performance standards that
have been enacted by U.S. EPA for stationary sources. Staff will
review the following changes promulgated by EPA in 2016, one
new NSPS standard, and amendments to six existing provisions of
NSPS standards, three NSPS appendices, one NESHAP standard, and
one NESHAP appendix.
(Written Material Attached)

WRITTEN REPORTS (Items 4-5)

- 4. Home Rule Advisory Group- March 2019 Meeting Minutes**
(No Motion Required) Philip Fine,
This report summarizes the topics discussed at the March 2019 Deputy Executive
Home Rule Advisory Group meeting, and includes the first quarter Officer
attendance record for 2019.
(Written Material Attached)

- 5. Notice of Violation Penalty Summary (*No Motion Required*)**
This report provides the total penalties settled in April 2019 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(*Written Material Attached*)

Bayron Gilchrist
General Counsel

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, June 21, 2019 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. 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 prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

NOx RECLAIM Quarterly Update

STATIONARY SOURCE COMMITTEE
MAY 17, 2019

Previous Quarter Update “At a Glance”



**Monthly RECLAIM
Working Group Meetings**



Rule Development
• 7 Working Group Meetings



Rule 1134
Amended April 5, 2018

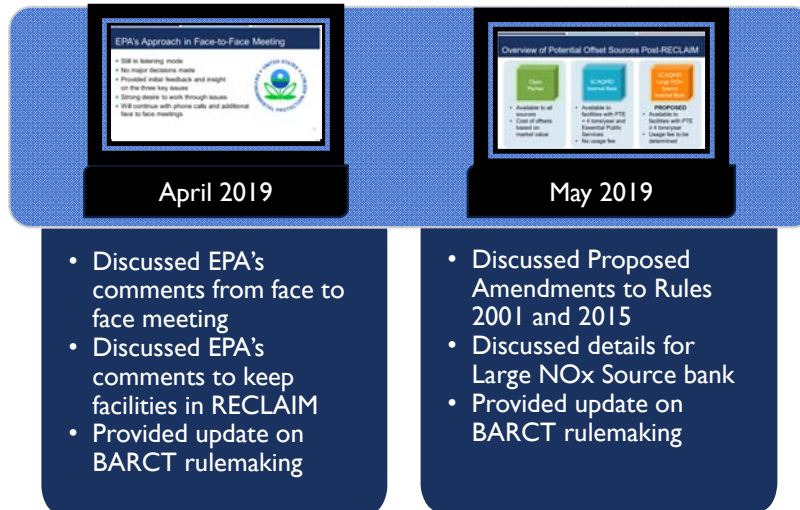


**2 facilities received Final
Determination
Notification and are out of
RECLAIM**



Discussions with EPA
• 4 conference calls
• Face to face meeting

RECLAIM Working Group Meetings



Road to Transitioning RECLAIM to Command and Control



NOx Reductions from Adopted Landing Rules



Rules 1146, 1146.1, and 1146.2 -
Boilers, heaters, and steam generators

0.27
tons per day*



Rule 1118.1 - Non Refinery Flares

0
tons per day*



Rule 1135 - Electric Generating
Facilities

1.9
tons per day*



Rule 1134 - Gas Turbines

1.8
tons per day*

3.97
tons per day of NOx*

*Sum of NOx reductions from RECLAIM facilities

Rulemaking Status

PAR 1110.2



Gaseous- and Liquid-Fueled Engines

- Ongoing site visits
- Discussed initial proposal for NOx emission limits based on BARCT assessment
- Working Group Meeting #4 April 24, 2019
- Public Workshop: 2nd Quarter 2019
- Public Hearing: September 2019

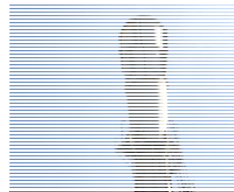
PR 1109.1



Refinery Equipment

- May 3, 2019 Board approved contracts for two third party consults for review of BARCT assessment
- Staff reviewing additional CEMS data from refineries
- Working Group Meeting #7 April 30, 2019
- Public Hearing: 4th Quarter 2019

PAR 218 & 218.1



Monitoring, Reporting, and Recordkeeping – Continuous Emissions Monitoring Systems

- Applicable to non-RECLAIM and RECLAIM facilities
- Specifying CEMS requirements and performance standards
- Surveys to CEMS operators
- Working Group Meeting #2 May 2, 2019
- Public Hearing: 4th Quarter 2019

PAR 1117



Glass Melting Furnaces

- Staff in data gathering phase
- Public Hearing: December 2019

Rulemaking Status (Continued)

PAR 1147



Miscellaneous Combustion Sources

- 1st Working Group April 17, 2019
- Facility surveys mailed March 22, 2019
- Public Hearing: 4th Quarter 2019

PR 1147.1



Large Miscellaneous Combustion Sources

- 1st Working Group April 17, 2019
- Facility surveys mailed March 22, 2019
- Public Hearing: 4th Quarter 2019

PR 1147.2



Metal Melting Facilities

- Data gathering and site visits
- 1st Working Group May 16, 2019
- Public Hearing: 1st Quarter 2020

P 1147.3



Aggregate Facilities

- Staff in data gathering phase
- Public Hearing: 2nd Quarter 2020

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Update on Discussions with EPA

- Face-to-face meeting with U.S. EPA Region IX on March 14, 2019
 - Still in listening mode
 - No major decisions made
 - Provided initial feedback and insight on the three key issues
 - Strong desire to work through issues

Key Issue #1 For new sources that are permitted in RECLAIM, what are the offset obligations as facilities transition out of RECLAIM?

OFFSETTING REQUIREMENTS

Key Issue #2 When and how pre-modification potential to emit (PTE) is calculated to determine if an emission increase occurs that triggers NSR after facilities transition out of RECLAIM?

PERMITTING

Key Issue #3 How will the SCAQMD ensure that sufficient offsets are available to satisfy NSR requirements?

OFFSET AVAILABILITY

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EPA Initial Feedback on Key Issue #1

Key Issue #1 For new sources that are permitted in RECLAIM, what are the offset obligations as facilities transition out of RECLAIM?

OFFSETTING REQUIREMENTS

- EPA agrees a programmatic on-going demonstration is needed
 - Ensure equivalency with SIP commitment of 12 ton per day shave
 - On-going NSR demonstration (new facilities in RECLAIM)
- Staff discussed concept for on-going demonstration of 12 tons per day shave
 - Begin demonstration January 2025 and every year thereafter
 - Establish procedures if exceedance of threshold
- EPA generally agrees that additional 5 tons per day associated with control measure CMB-05 from the 2016 AQMP would not be part of on-going demonstration

EPA Initial Feedback on Key Issue #2

Key Issue #2 When and how pre-modification potential to emit (PTE) is calculated to determine if an emission increase occurs that triggers NSR after facilities transition out of RECLAIM?

PERMITTING

- Staff discussed permitting approach with EPA
- Additional discussions needed

EPA Initial Feedback on Key Issue # 3

Key Issue #3

How will the SCAQMD ensure that sufficient offsets are available to satisfy NSR requirements?

OFFSET
AVAILABILITY

- Staff presented initial concepts for a Large NOx Source Bank that former RECLAIM facilities could purchase offsets for NSR
- Staff discussed using the South Coast AQMD's Internal Bank to seed Large NOx Source Bank
- EPA generally supports concept of a Large NOx Source Bank
 - Some initial reservations about the quality of the offsets from the South Coast AQMD's Internal Bank
 - EPA requested additional details about the Large NOx Source Bank

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Recent Recommendations from EPA

- EPA is recommending that all facilities stay in RECLAIM until the following rules and regulations are approved by EPA in the State Implementation Plan
 - Landing rules
 - Regulation XIII – New Source Review (as it pertains to the transition)
 - Regulation XX – RECLAIM
- As a result, staff is proposing Rules 2001 and 2015

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On-Going Efforts and Next Steps

- Monthly RECLAIM Working Group meetings
- Continue rulemaking activities
- Individual facility meetings
- Continue working with EPA, CARB and stakeholders on addressing NSR issues

PROPOSED AMENDMENTS TO RULE 2001 AND RULE 2015 (REGULATION XX)

STATIONARY SOURCE COMMITTEE
MAY 17, 2019

Background

- EPA is recommending that facilities remain in RECLAIM until the following rules related to the RECLAIM transition are approved in the State Implementation Plan
 - Regulation XX-RECLAIM,
 - Regulation XIII - New Source Review, and
 - Command-and-control rules (landing rules)
- Stakeholders have also raised concerns about market impacts from exiting facilities

PAR 2001 – Remove Opt-Out Provision

- In October 2018 Rule 2001 was amended to:
 - Revise the criteria for facilities exiting RECLAIM; and
 - Add a provision to opt-out of RECLAIM
- PAR 2001 would remove the opt-out provision
- While in RECLAIM, facilities would be subject to:
 - Command-and-control rules
 - RECLAIM obligations (12 tons per day shave); and
 - RECLAIM New Source Review

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Rule 2015 Background

- Contains backstop provisions if actual emissions are more than 5% of the allocations
 - Backstop provisions focus on modifications to the RECLAIM program to prevent future exceedances
- Rule 2015 also includes provisions for an annual audit report each April

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Proposed Amended Rule 2015

- Proposes an alternative backstop provision that:
 - Allows demonstration that actual NOx emissions will not exceed 14.5 tons per day on or after January 1, 2024 based on implementation of command-and-control rules
 - 14.5 tons per day represents the remaining NOx emissions to achieve the 12 ton per day shave
 - Alternative backstop provision acknowledges development and implementation of command-and-control rules
- Proposes to change annual RECLAIM audit report from March to April
 - Provides staff additional time to compile information

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Rulemaking Schedule

- | | |
|-------------------------------|---------------|
| ■ Public Consultation Meeting | May 16, 2019 |
| ■ Set Hearing | June 7, 2019 |
| ■ Public Hearing | July 12, 2019 |

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Proposed Amended Regulations IX & X

Stationary Source Committee
May 17, 2019

Background

- ▶ Regulations IX & X
 - Periodically updated to reflect recent EPA actions
 - Incorporated by reference, standards already in effect
 - Delegated by U.S. EPA to South Coast AQMD for enforcement
 - In cases where South Coast AQMD rules are more stringent, most stringent requirements apply
 - Assists businesses with applicable requirements in one place

Regulation IX – New Source Performance Standards (NSPS)

- ▶ Overview
 - Code of Federal Regulation (CFR) 40 Part 60
 - NSPS – new, modified, or reconstructed source of air pollution
- ▶ Amendment Actions
 - Promulgation of one new standard
 - Actions to amend six existing standards and series of appendices

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NSPS

- ▶ Addition of One New Standard
 - **New Subpart XXX – Municipal Solid Waste Landfills**
 - Revised the Non-Methane Organic Compounds (NMOC) threshold for requiring landfill gas collection controls from 50 Mg/year to 34 Mg/year
 - Set the criteria for no controls
 - Finalized the alternative site-specific emission threshold determination methodology referred to as “Tier 4”
 - Revised other rule provisions

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NSPS (cont.)

- ▶ Amendments to Existing Standards
 - General Provisions (Subpart A)
 - Required specific emissions test data in test reports
 - Solid Waste Incineration Units (Subpart CCCC)
 - Amended the provisions of continuous emission monitoring systems during startup and shutdown, PM limits and definitions for kilns, kiln testing requirements, and emission limits for coal-burning energy recovery units

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NSPS (cont.)

- Compression Ignition Internal Combustion Engines (Subpart IIII)
 - Allowed auxiliary emission control device to be activated or reactivated during emergencies
- Spark Ignition Internal Combustion Engines (Subpart JJJJ)
 - Required specific QA/QC data when Method 320 and ASTM D6348-03 are used
- Oil and Natural Gas Sector (Subpart OOOOa)
 - Removed the requirements for delayed repair or replacement of fugitive emissions components to be completed during an unscheduled or emergency vent blowdown

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NSPS (cont.)

- Residential Hydronic Heaters and Forced-Air Furnaces (Subpart QQQQ)
 - Revised test methods for various emission sources

- ▶ Amendments to Appendices
 - Test Methods and Performance Specifications (Appendices A1 to A8, B and F)

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Regulation X – National Emission Standards for Hazardous Air Pollutants (NESHAP)

- ▶ Overview
 - Code of Federal Regulations (CFR) 40 Part 61
 - NESHAP – new and existing sources emitting HAPs

- ▶ Amendment Actions
 - Actions to amend one existing standard and one appendix

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NESHAP

- ▶ Amendments to Existing Standards
 - General Provisions per revisions to test methods (Subpart A)
 - Added Methods 30A and 30B to the lists not requiring audit samples
- ▶ Amendments to Appendix
 - Test methods (Appendix B)
 - Revised heading for Method 107

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Schedule

- ▶ Set Hearing – June 7, 2019
- ▶ Public Hearing – July 12, 2019

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South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP Wednesday, March 13, 2019 MEETING MINUTES

CHAIR: Dr. Joseph Lyou, South Coast AQMD Governing Board Member

MEMBERS PRESENT:

Marc Carrel (Breathe California of Los Angeles County); Curt Coleman (Southern California Air Quality Alliance); Carlo De LA Cruz (Sierra Club); Martin Hansberger (Holliday Rock Company); Bill LaMarr (California Small Business Alliance); Rongsheng Luo (SCAG); Bridget McCann (Western States Petroleum Association); Dan McGivney (Southern California Gas); Art Montez (AMA International); TyRon Turner (Dakota Communications); and Janet Whittick (California Council for Environmental & Economic Balance).

The following members participated by conference call: Brian Clerico (CARB) and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Ben Benoit (South Coast AQMD Governing Board Member); Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy); Jaelyn Ferlita (Air Quality Consultants); Dr. Clark Parker (South Coast AQMD Governing Board Member); David Rothbart (Los Angeles County Sanitation District); and Larry Rubio (Riverside Transit Agency).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Rita Loof (RadTech) and Susan Stark (Marathon Petroleum).

The following attendees participated by conference call: Gerhard Achtelik (CARB); Patrick Gaffney (CARB) and Andrew Martinez (CARB).

SOUTH COAST AQMD STAFF:

Khadeeja Abdullah (Air Quality Specialist); Philip Crabbe (Public Affairs Manager); Philip Fine (Deputy Executive Officer); Wei Li (Air Quality Specialist), Zorik Pirveysian (Planning & Rules Manager), Ann Scagliola (Administrative Secretary), William Wong (Principal Deputy District Counsel).

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:06 a.m. by Dr. Philip Fine.

APPROVAL OF JULY 2018 MEETING MINUTES

Dr. Fine asked for comments on the January 9, 2019 meeting minutes. Carlo De La Cruz indicated that he arrived late to the meeting, but he was present. Bill La Marr indicated on page 2, under CARB regulatory activities, he asked a question about the criteria and toxics reporting regulation and would like the whole acronym for CTR defined. With these indicated changes, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Amy Zimpfer provided an update on recent U.S. Environmental Protection Agency (EPA) and federal activities.

- Partial approval of the 2006 NAAQS for Fine Particulate Matter PM2.5 Plan was published on February 12, 2019.
- Targeted Air Shed Program application process closed and applications are being reviewed.
- Diesel Emissions Reduction Act (DERA) National Clean Diesel Funding Assistance Program application deadline was extended to March 26, 2019.

Discussion

Art Montez asked if Carl Moyer is included in the \$40M available through DERA, and what the money can be used for. Ms. Zimpfer responded that they are accepting applications from state and local air districts, to replace truck engines, purchase new trucks and other sources of heavy duty equipment. Mr. Montez further inquired if they can replace the small, medium size trucks and who can he get the application from. Ms. Zimpfer responded that he could partner with South Coast AQMD or talk directly with EPA, and the contacts could be provided.

Amy Zimpfer later provided the EPA contacts Francisco Donez donez.francisco@epa.gov and Penny McDaniel mcdaniel.penelope@epa.gov , along with the program link <https://www.epa.gov/cleandiesel/clean-diesel-national-grants>.

CARB REGULATORY ACTIVITIES

Brian Clerico and other CARB staff members provided updates on proposed and recent regulatory activities.

Patrick Gaffney provided an overview of the regulation for the reporting of criteria air pollutants and toxic air contaminants (CTR) and a summary of the proposed 15-day changes as a result of direction from the CARB Board and comments received from stakeholders and public meetings throughout the State. CARB is soliciting informal comments on the draft proposed updates, and expects to release the proposed 15-day revisions and open the formal comment period at the end of April (*this has been changed to mid-Spring*). The proposed draft regulatory 15-day text and materials from the recent workshops are available at <https://ww2.arb.ca.gov/our-work/programs/criteria-pollutant-and-toxics-emissions-reporting/meetings-workshops>.

Discussion

Bill LaMarr asked for clarification on the CTR comment period. Mr. Gaffney responded that after the workshops they will be asking for informal comments by March 20, 2019. Once the workshops are done there will be a 15-day comment period for formal comments. Mr. LaMarr further inquired if in-formal comments will be considered. Mr. Gaffney responded that all comments will be considered.

Dr. Lyou inquired if the inventory captures the illegal engines data. Mr. Gaffney responded that the regulation will only focus on permitted sources, except in very limited cases. Dr. Lyou responded that this is striking because the intent of the AB 617 language was to capture all sources. Dr. Fine commented that there is a parallel effort with AB 617 to capture such sources and develop comprehensive emissions inventories.

Bill LaMarr inquired if the Rule 219 and 222 unpermitted, but registered sources, will be included in the regulation. Mr. Gaffney responded that currently it only includes permitted and registered sources. Dr. Fine commented that as of now in year 1 of the regulation, those registered under

Rule 219 and 222 will not be required to apply. Mr. LaMarr indicated that CARB has indicated that they will accept the districts estimated data. Dr. Fine commented that SCAQMD can provide emissions estimates for many different sources. Mr. Gaffney responded that in the regulation there is room for gathering information from districts on gas stations and other sources.

Gerhard Achteлик and Andrew Martinez presented information on CARB's green infrastructure projects in the current state and growth prospects of fuel-cell and hydrogen refueling infrastructure in Southern California. This includes current and projected growth in the number and types of fuel cell vehicles and hydrogen refueling stations. AB 8 requires that CARB issue an Annual Evaluation in June/July that discusses updated projects of vehicle deployments, current vehicle deployment and station status with an analysis of where additional hydrogen stations are needed (and at what capacity) and recommendations for technical specifications. Also required is a joint agency staff report by CEC and CARB in December that updates current vehicle deployment and station status, and discusses the costs and timing of implementing the regulation's hydrogen requirements. The three main web sites for hydrogen and fuel cell electric vehicles (FCEVs) in California are:

- 1) CARB - (<https://ww2.arb.ca.gov/our-work/programs/hydrogen-fueling-infrastructure>)
- 2) CEC - (<https://www.energy.ca.gov/altfuels/>)
- 3) California Fuel Cell Partnership - (www.cafcp.org).

Discussion

Art Montez commented that there has never been a comprehensive program that looks at hydrogen and electric vehicles stations in the communities of color, and where the stations would be located. Mr. Martinez indicated that the Energy Commission handles the siting of the hydrogen stations. He said that a tool was developed to analyze where hydrogen fueling cells will be placed, looking at many different factors. They have also determined that by 2030 the station access will equal the access provided to gasoline stations. That will allow 100% of disadvantaged communities to have access. Mr. Montez inquired what practices and actions have been implemented in these locations and would like information on the current site locations. Dr. Lyou indicated that the California fuel cell website has information on the stations.

Dr. Lyou commented that the infrastructure for heavy-duty vehicles is complicated. He asked if it is still the plan to complete 100 fuel cell stations and if there will be places where heavy-duty trucks can fill up. Mr. Martinez responded that most stations will be open by 2020, but there will be limitations for heavy-duty trucks at light-duty stations.

Dr. Lyou asked if reliability will be an issue with compressors going down at these stations. Mr. Martinez responded that the issue of reliability is dependent on hydrogen availability. Hydrogen storage is moving towards liquid storage, which allows for pumps that are cheaper and more reliable with lower maintenance costs.

Janet Whittick commented that at a recent CARB workshop, they projected very high ownership costs for hydrogen fuel cells vehicles (for medium-duty and heavy-duty applications) and asked if it was anticipated that these costs would come down. Mr. Achteлик responded that they expect the cost to decrease with scale, and in a recent study it showed that by having just 15 additional stations per year the price drops by 50 percent. Mr. Martinez responded that they were not involved with that workshop presentation, but they could find out what the assumptions were behind the numbers. Ms. Whittick added that it would be beneficial to build in communication around uncertainty. The numbers were dramatic and uncertainty could affect the efforts, because they do not look viable when compared to other options.

Art Montez asked for additional hard costs and facts on the hydrogen vehicle technology; indicating visions and concepts are not enough. He added that the priority should be for the public, government and legislative institutions, whose vehicles have license exemptions.

Bill LaMarr commented that his members include 2,700 gasoline stations. He indicated that no plans were provided to small businesses on what it would take to add these technologies. There needs to be a marketing plan and it should be approached as a profit motive, not an emissions reductions motive. Mr. Achtelek responded that those putting in the equipment are leasing the space from the station owner. Mr. Martinez commented that the hydrogen pumps have not replaced the gasoline pumps. He added that the initial adoption by gasoline stations was positive and stations owners want to advance environmental goals. There are permitting and operational hurdles to address, and the industry is working on this. Mr. LaMarr commented that he recognized that this could be an opportunity for a small business, but there is a need for a more user friendly plan to show the opportunities and incentives.

LEGISLATIVE UPDATE

Philip Crabbe reported on key legislative updates from the Legislative Committee meeting on Friday, March 8, 2019.

Update on Federal Legislative Issues

- South Coast AQMD's federal legislative consultants each provided a written report on various key Washington, D.C. issues.
- Some key verbal updates from the meeting were:
 - South Coast AQMD staff had a successful advocacy trip to Washington, D.C. Members of Congress and their staff, business representatives and other stakeholders were supportive of a timely and transparent rulemaking process for the U.S. EPA Ultra Low NOx Emission Standard for Heavy-Duty Trucks.
 - Mr. Andrew Wheeler was confirmed by the U.S. Senate as Administrator for the U.S. EPA.
 - President Trump's budget overview was presented on March 11, 2019, which will be followed by a more detailed document.
 - South Coast AQMD is working on annual appropriations requests to the Members of Congress.

Update on State Legislative Issues

- South Coast AQMD's state legislative consultants provided written reports on various key issues in Sacramento.
- Some key verbal updates from the meeting were:
 - The state bill introduction deadline recently passed, and overall the California state legislature introduced 2,621 state bills. This is a new record, about 500 more than were introduced in the last legislative year.
 - Also the California Assembly Natural Resources Committee will be have an information hearing on March 18th regarding an AB 617 Program implementation update.
 - In late February, the most recent cap and trade revenue auction was held and all 80 million allowances were sold at a price of \$15.73 each, which is approximately 11 cents over the floor price. This generated about \$850 million for the state's Greenhouse Gas Reduction Fund which could potentially provide more clean air funding for the South Coast region.
 - The next auctions will be in May, August, and November of this year, which project to generate \$800-\$900 million each.

Update on SCAQMD Sponsored Legislation Regarding Voting District Authorization for Clean Air

Mr. Crabbe stated that there is now an author for the bill, Senator Ben Allen, and a spot bill was introduced, SB 732, but it currently has no substantive content. South Coast AQMD recently submitted a new, more refined and streamlined version of the bill language to Legislative Counsel in Sacramento. Additionally, staff was in Sacramento recently to meet with Senator Allen and staff is continuing to actively communicate with electeds and a wide spectrum of interested stakeholders, in order to educate and firm up support for the bill.

Mr. Crabbe stated that feedback was received from various stakeholders regarding the tax cap issue. It is important to make clear that any potential future funding measures under this bill would be exempt from the sales tax cap, and would preserve existing tax cap space for cities, counties, transportation agencies, etc.

Update on Potential Congressional Field Hearings

It was reported that several Congressional Committees mentioned the possibility of holding field hearings in the future on topics of interest to South Coast AQMD, including transportation and infrastructure, climate change and air quality. A field hearing could be an excellent opportunity to highlight the SCAQMD's efforts, accomplishments and future challenges in the South Coast Air Basin. There is a possibility that such hearings could be held within the South Coast region.

ACTION ITEM - Recommend Positions on State Bills

SB 210 (Leyva) Heavy-Duty Vehicle Inspections and Maintenance Program - This bill would authorize CARB to adopt and implement "smog check" requirements for heavy-duty non-gasoline trucks by modernizing emissions control enforcement through a comprehensive inspection and maintenance program.

This bill would enhance compliance, and ensure a more even playing field for those maintaining their vehicle emission systems properly. Additionally, staff would like to work with the author to suggest a couple of adjustments to the bill:

- First, staff recommends clarifying that zero emission vehicles are exempt from the new smog check program created by the bill; and
- Staff recommends that penalty monies collected by CARB as part of the Program be designated as funds meant to assist local air districts in mitigating heavy-duty truck emissions. Penalty monies would be distributed to air districts based on where the penalty originated.

The Committee adopted a SUPPORT position on this item.

AB 210 (Voepel) Smog Check: exemption - The bill would exempt all motor vehicles manufactured prior to the 1983 model-year from the smog check program. This would be a change from current law that exempts vehicles prior to 1976.

The Committee adopted an OPPOSE position on this item.

AB 285 (Friedman) California Transportation Plan - This bill would require the Department of Transportation (CalTrans) to address in the California Transportation Plan on how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of GHG emissions of 40% below 1990 levels by the end of 2030.

Staff would like to work with the author to require CalTrans to address how the state will achieve maximum feasible criteria pollutant emissions reductions to attain state and federal ambient air quality standards by the upcoming federal deadlines. South Coast AQMD is currently analyzing recent amendments to this bill.

The Committee adopted a Work with Author position on this item.

Discussion

Bill LaMarr inquired when the bill language would be available. Mr. Crabbe responded that the new draft bill language was submitted to Legislative Counsel in Sacramento and we are waiting for their input. Mr. LaMarr asked if it would be up to the cities to put the measure on their ballot, or would the district initiate this. Mr. Crabbe indicated that the language would allow for a voter driven initiative. Dr. Lyou clarified that it would be a voter initiative or Governing Board vote. Mr. LaMarr asked if the tax would be the same for all cities. Marc Carrel commented that the tax would have to be the same.

Art Montez asked if the cap-and-trade money is going into one pot, for the Governor. Mr. Crabbe responded that the funds go into the greenhouse gas reduction fund, which is allocated as part of the budget process. Dr. Fine added that sixty percent of the funds are already going to set projects.

Art Montez inquired about the incentive to promote such an authorization, if public polling was conducted, and if a fuel tax be passed instead of a sales tax. Dr. Lyou responded that the intent is to meet federal and state standards for cleaner air, polling has been conducted and a possible funding measure could be on the ballot in 2020.

Carlo De La Cruz asked if this is the same ballot measure that Move LA has been talking about, and if there is a possibility of competing ballot measures. Dr. Lyou responded that it is a coordinated effort, and there is the possibility of competing ballot measures. Mr. Crabbe added that any competing ballot measure would have to be focused on funding the air quality management plan to reduce emissions, be within South Coast AQMD's jurisdiction and a purpose for the money. Dr. Lyou commented that the agency can put a measure on the ballot, but we cannot lobby voters.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong had no updates to the April 2019 status report.

TRENDS IN TRANSPORTATION EMISSIONS

Zorik Pirveysian provided a presentation on the on-road vehicle emissions trend in the South Coast Air Basin. He also provided a brief overview of the existing regulations for new vehicles, including the Low Emission Vehicle regulation for light and medium-duty vehicles and heavy-duty diesel engine standards.

Discussion

Bill LaMarr asked if South Coast AQMD is projecting less emissions and more trucks. Mr. Pirveysian responded that the population is increasing, but cleaner technology is also being employed.

Dr. Lyou noted that the 2023 chart is different than what was projected in the 2016 AQMP. Mr. Pirveysian responded that some of the category names have changed, but the data has not.

Art Montez asked if the vehicle inventory data is broken down by age. Mr. Pirveysian responded that there is inventory and for some of the categories it is broken down by age. Dr. Lyou added that CARB has models that are used for the on-road and off-road equipment data.

Marc Carrell inquired if the data includes registered and unregistered vehicles. Dr. Fine responded that CARB provides this data, which also includes out-of-state vehicles. Mr. Carrell further inquired if this data also included unregistered vehicles. Dr. Fine indicated that this is a question for CARB.

Art Montez asked what the difference is between light-duty and medium-duty. Dr. Lyou responded that light-duty are vehicles like pick-up trucks and vans. Medium-duty vehicles are commercial delivery vehicles, but they are not as big as a semi-truck.

Rongsheng Luo, SCAG Program Manager of Air Quality and Conformity, presented background information on SCAG's Regional Transportation Plan, transportation conformity, and transportation control measures.

Discussion

Bill LaMarr inquired if the conformity budgets are pre-determined by the Clean Air Act. Mr. Luo replied that they are determined by the allowable planning inventory.

Janet Whittick asked if congestion is considered positive or negative in regards to emissions reductions. Mr. Luo indicated both, because low speed emissions are high and congestion deters people from driving. Ms. Whittick further inquired if the modeling treats it in both directions. Mr. Luo replied that SCAG's objective is to reduce congestion and the model takes into account several factors.

Marc Carrell asked if telecommuting is going to become a key component to reduce congestion and air pollution. Mr. Luo replied that it already is. Mr. Carrell inquired if the South Coast AQMD has a telecommuting program. Dr. Fine replied that the South Coast AQMD has a telecommuting program and applications are being submitted by interested eligible employees.

Dr. Lyou inquired if there are 80% of the emissions coming from mobile sources, how does it work affectively as a program in regards to transportation control measures. Mr. Luo indicated that SCAG does not have authority over land use and the effective reductions will come from technology. Dr. Fine added that the South Coast AQMD is collaborating with SCAG in the development of their Regional Transportation Plan, to build incentives into the transportation network.

Bill LaMarr commented that encouraging maintenance on engines is something to look at, such as changing filters, and having an inspection criteria.

Marc Carrell inquired if SCAG is in discussions with other groups. Mr. Luo indicated yes, especially with new technology (e.g. Hyperloop).

Art Montez expressed concern about additional taxes and inequities that are being placed on working families, and encouraged looking at ports or airports for a port of entry tax. Dr. Lyou indicated that the port container fee was vetoed earlier by legislature, but staff is considering every idea possible.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

- Advanced Clean Transportation Expo, April 23-26, 2019.

B. Small Business Considerations (Bill LaMarr)

No report was provided.

Mr. LaMarr made a recommendation for CARB's Criteria and Toxics Emissions Reporting Regulation (CTR) as a possible future Advisory Group topic. Dr. Fine replied that he planned to do this, but is waiting for CARB's regulation language.

C. Environmental Justice and AB 617 Implementation (Curt Coleman)

An update was provided on the following items.

- Wilmington/Carson/West Long Beach AB 617 Community Steering Committee meeting, March 14, 2019.
- San Bernardino/Muscoy AB 617 Community Steering Committee meeting, March 21, 2019.
- Boyle Heights/East Los Angeles/West Commerce AB 617 Community Steering Committee meeting, March 28, 2019.

Discussion

Bridget McCann inquired if the AB 617 community meeting information will be posted on the website. Dr. Fine indicated that the plan is to provide the materials, when they are available. Ms. McCann requested a notification when the materials is available for interested parties.

Bridget McCann inquired if source apportionment will be discussed at the March 14th meeting. Dr. Fine replied that there will be discussions on the specific actions that will go into community reduction plans.

Bill LaMarr noticed the differences in the interactive maps for the communities. Pedro Piqueras indicated that each community provided different levels of specifics. Dr. Fine added that the same format was used to identify the sources, but the community steering committee concerns are varied.

Bridget McCann expressed concern about a public comment made at the AB 617 Technical Advisory Group meeting indicating how the agency's data should drive community action, and one of the staff members agreed with the comment. Ms. McCann further indicated that the agency's data should not be anyone's advocacy, it should be just data. Dr. Fine indicated there was a miscommunication.

D. Climate Change (David Rothbart)

No report was provided.

REPORT TO AND FROM THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a summary of items on the February and March 2019 meeting agendas.

- RECLAIM audit report and transition;
- Rules 1111, 1134 and 1106; and
- AB 617 update.

OTHER BUSINESS

Art Montez requested a printout of future agency meetings and conferences. Dr. Lyou indicated that there is a calendar on the South Coast AQMD website.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 12:47 pm. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on May 8, 2019, and will be held at SCAQMD in Conference Room CC-8.

**South Coast Air Quality Management District
HOME RULE ADVISORY GROUP – Attendance Record – 2019**

	(Term: 1/1/19 - 1/1/21)	1/9	FEB	3/13	APR	5/8	JUN	7/10	AUG	9/11	OCT	11/13	DEC
	Board/Member, Business & Community Reps, SCAQMD Staff												
1	Dr. Joseph Lyou, Chair	X	dark	X	dark		dark		dark		dark		dark
2	Council Member Ben Benoit, Vice Chair	A		A									
3	Dr. Clark E. Parker, Sr., Governing Board Member	A		A									
4	Dr. Philip Fine (Agency Member) - SCAQMD	X		X									
5	Zimpfer, Amy (Agency Member) - EPA <i>Representing Elizabeth Adams</i>	A		T									
6	Clerico, Brian (Agency Member) - CARB <i>Representing Richard Corey</i>	T		T									
7	Chang, Ping (Agency Member) - SCAG <i>Alternate – Rongsheng Luo</i>	T*		X*									
8	Carrel, Marc (Environmental Representative)	T		X									
9	Carroll, Mike (Business Representative) <i>Alternate – Robert Wyman</i>	A		A									
10	Coleman, Curtis (Business Representative) <i>Alternate – Susan Stark</i>	X		X									
11	De La Cruz, Carlo (Environmental Representative)	T		X									
12	McCann, Bridget (Business Representative) <i>Alternate – Patty Senecal</i>	A*		X									
13	LaMarr, Bill (Business Representative)	X		X									
14	McGivney, Dan (Business Representative) <i>Alternate – Lauren Nevitt</i>	A*		X									
15	Quinn, Bill (Business Representative) <i>Alternate – Janet Whittick</i>	T		X*									
16	Downs, Michael (Community Representative - McCallon)	A		A									
17	Ferlita, Jaclyn (Community Representative - Lyou)	X		A									
18	Hansberger, Martin (Community Representative - Rutherford)	X		X									
19	Montez, Art (Community Representative - Lyou)	A		X									
20	Rothbart, David (Community Representative - Mitchell)	X		A*									
21	Rubio, Larry (Community Representative - Ashley)	A*		A*									
22	Smith, Larry (Community Representative - Benoit)	A		A*									
23	Turner, TyRon (Community Representative - Burke)	A		X									

Attendance Codes					
X	Present	T	Teleconference	A	Absence
X*	Alternate in Attendance	T*	Alternate Teleconference Participation	A*	Absence Excused

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 General Counsel's Office
 DRAFT
 April 2019 Settlement Penalty Report**

<u>Total Penalties</u>	
Civil Settlements:	\$228,500.00
MSPAP Settlements:	\$10,600.00
Hearing Board Settlements:	\$51,000.00

Total Cash Settlements:	\$290,100.00
Total SEP Value:	\$0.00

Fiscal Year through 4 / 2019 Cash Total:	\$5,871,281.50
Fiscal Year through 4 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
143132	ABSOLUTE ABATEMENT & DEMOLITION	1403	4/30/2019	KCM	P64858 P65926 P66408	\$10,500.00
175403	ASBESTOS CONTROL TESTING, INC	1403	4/17/2019	BST	P66415 P67252	\$1,800.00
13618	BARRY AVE PLATING CO INC	203	4/23/2019	WBW	P63092	\$15,000.00
185342	BEATRICE BABUCH - DUPLEX BUILDING	1403	4/25/2019	KCM	P63308	\$1,000.00
146448	BEO-MAG PLATING INC	203 1469	4/25/2019	BST	P63065 P63070 P63075 P63096	\$7,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
42645	BRITE PLATING CO INC	1469	4/17/2019	DH	P64856	\$500.00
86587	CONTROLLED ENVIRONMENTAL SOLUTIONS	1403	4/9/2019	BST	P65925	\$2,300.00
50098	D&D DISPOSAL INC,WEST COAST RENDERING CO	2004	4/10/2019	TRB	P63560 P66156 P66160	\$5,000.00
800091	EXXONMOBIL OIL CORP	462 463 3002	4/2/2019	DH	P59384 P59386	\$7,500.00
183897	IC2NET	203(a)	4/17/2019	KCM	P64071 P64072	\$500.00
173290	MEDICLEAN	2004	4/25/2019	DH	P66909 P68251	\$25,000.00
95252	MISSION COMMUNITY HOSPITAL	222 1146 1415 H&S 42401	4/4/2019	KCM	P62176 P66770	\$27,500.00
14437	SAN ANTONIO REGIONAL HOSPITAL	218 1110.2 3002	4/23/2019	VKT	P62049 P65369 P66558	\$65,000.00
178448	SENSITIVE ENVIRONMENT	1403	4/17/2019	KCM	P65910	\$1,800.00
101977	SIGNAL HILL PETROLEUM INC	463(c) 1173 2004 2012	4/19/2019	NSF	P57096 P67901 P67903 P67904 P67905	\$41,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
174703	TESORO LOGISTICS,CARSON PROD TERMINAL	462	4/18/2019	NSF	P56574	\$16,500.00
		3002			P65312	
					P65313	
					P66503	

Total Civil Settlements: \$228,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
176159	6228 FRANKLIN LLC, DBA JOE'S SERVICE CEN	461(c)(3)(Q)	4/30/2019	GV	P72651	\$300.00
83138	BEAR CREEK GOLF CLUB, INC	461(c)(3)(Q)	4/30/2019	GV	P71551	\$300.00
129093	JERRY'S UNION 76, JERRY I MADAIN, DBA	461(c)(3)(Q)	4/30/2019	GV	P72027	\$300.00
159449	KECK HOSPITAL OF USC	1146 203(b)	4/26/2019	GC	P64138	\$4,000.00
175275	KHA INC	461(c)(3)(Q)	4/30/2019	GV	P72634	\$300.00
131295	RIO PETROLEUM, INC.	461 H&S 41960	4/30/2019	TF	P64946	\$800.00
14479	SKANSKA USA CIVIL WEST CA DISTRICT INC	461(c)(3)(Q)	4/30/2019	GV	P71345	\$300.00
137146	SOUTH CITY GAS	461 H&S 41960	4/30/2019	TF	P64940	\$500.00
25304	VALLEY PLATING WORKS, INC	201 203(a)	4/26/2019	TF	P67453	\$1,600.00
25751	WALNUT VALLEY WATER DIST	461(c)(3)(Q)	4/30/2019	GV	P71391	\$300.00
31696	WORLD OIL CO #38	203(a)	4/5/2019	TF	P68113	\$400.00
151281	YUCAIPA FOOD MART 76	461	4/5/2019	TF	P66365	\$1,500.00
Total MSPAP Settlements: \$10,600.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	4/4/2019	KCM	5400-4	\$50,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	4/19/2019	TRB	6128-1	\$1,000.00

Total Hearing Board Settlements: \$51,000.00

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR APRIL 2019 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

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 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- 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 1173 Fugitive Emissions of Volatile Organic Compounds

REGULATION XIII - NEW SOURCE REVIEW

- Rule 1303 Requirements

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 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 RECLAIM Program Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits

CALIFORNIA HEALTH AND SAFETY CODE

41960 Certification of Gasoline Vapor Recovery System

42401 Violation of Order for Abatement