



**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
Councilmember Michael A. Cacciotti, Board Vice Chair
Senator Vanessa Delgado (Ret.), Board Chair
Board Member Veronica Padilla-Campos
Councilmember José Luis Solache

June 16, 2023 ♦ 10:30 a.m.

TELECONFERENCE LOCATIONS

Highland City Hall
27215 Base Line St.
Upright Conference Room
Highland, CA 92346

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, June 16, 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#

Spanish Language Audience Zoom Meeting ID: 932 0955 9643

Teleconference Dial In +1 669 900 6833

One tap mobile +16699006833,93209559643#

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

ACTION ITEM (Item 1)

- 1. Issue Program Announcement, and Execute Contracts for Paving Project Plan Within the Assembly Bill 617 Community of Eastern Coachella Valley (15 mins)** Uyen-Uyen Vo
Planning and Rules
Manager

(Motion Requested)

Through community-led incentives budgeting workshops in early 2021, the Assembly Bill 617 (AB 617) Eastern Coachella Valley (ECV) Community Steering Committee (CSC) prioritized \$4.57 million in Community Air Protection Program incentive funding for Paving Projects within the ECV community. These actions are to: 1) issue a Program Announcement (PA) and to Execute Contracts to implement paving projects in the ECV Community through the Paving Project Program; 2) issue a PA in an amount up to \$4.57 million from the Community Air Protection AB 134 Fund (77) to solicit paving project applications from applicants for the Paving Project Program; 3) reimburse the General Fund for administrative costs of up to \$279,667 from the Community Air Protection AB 134 Fund (77); and 4) transfer and appropriate up to \$25,000 from the Community Air Protection AB 134 Fund (77) into the Diversity, Equity, and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account for administrative costs to implement the Paving Project Plan.

(Written Material Attached)

INFORMATIONAL ITEMS (Item 2 through 4)

- 2. Update on Proposed Amended Rule 1405 - Control of Ethylene Oxide Emissions from Sterilization and Related Operations (10 mins)** Kalam Cheung, PhD
Planning and Rules
Manager

(No Motion Required)

Staff will present updates to PAR 1405, since the last update to Stationary Source Committee on April 21, 2023. Key remaining issues and staff responses will also be presented.

(Written Material Attached)

- 3. Summary of Proposed Amended Rule 1153.1 – Emissions of Oxides of Nitrogen From Commercial Food Ovens (10 mins)** Heather Farr
Planning and Rules
Manager

(No Motion Required)

Staff will provide a summary of Proposed Amended Rule 1153.1 which updates NOx emission limits to reflect BARCT for commercial food ovens at RECLAIM and non-RECLAIM facilities and includes future effective dates for zero-emission limits for some commercial food oven categories.

(Written Material Attached)

- 4. Update on Proposed Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities (10 mins)** Michael Morris
(No Motion Required) Planning and Rules
Manager
Staff will provide a summary of proposed rule amendments that will establish more stringent leak detection, requirements to dome crude oil storage tanks, installation of additional seals for certain tanks, and a higher control efficiency for emission control systems. Staff will summarize any key remaining issues.
(Written Material Attached)

WRITTEN REPORTS (Items 5 through 7)

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

OTHER MATTERS

- 8. 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)
- 9. 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.
- 10. Next Meeting Date:** Friday, August 18, 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.



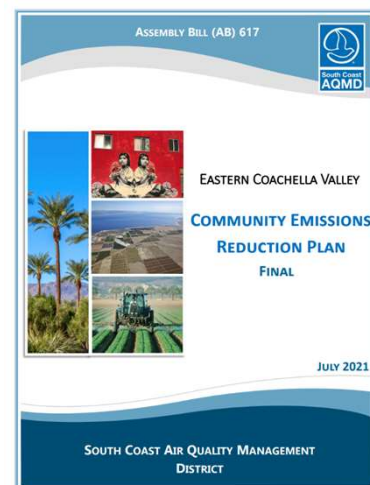
Issue Program Announcement (PA), and Execute Contracts for Paving Project Plan within the Assembly Bill 617 (AB 617) Community of Eastern Coachella Valley (ECV)



Stationary Source Committee
June 16, 2023

Overview

- AB 617 was approved on July 26, 2017 and invests resources and focuses on community driven actions to reduce air pollution in environmental justice communities
- South Coast AQMD has six AB 617 communities, including Eastern Coachella Valley (ECV)
- ECV Community Steering Committee (CSC) allocated \$4.57 million of CARB Community Air Protection Program (CAPP) Incentive funds to paving projects
- South Coast AQMD worked with ECV Budget Working Team (BWT) to develop a Paving Project Plan for CARB approval



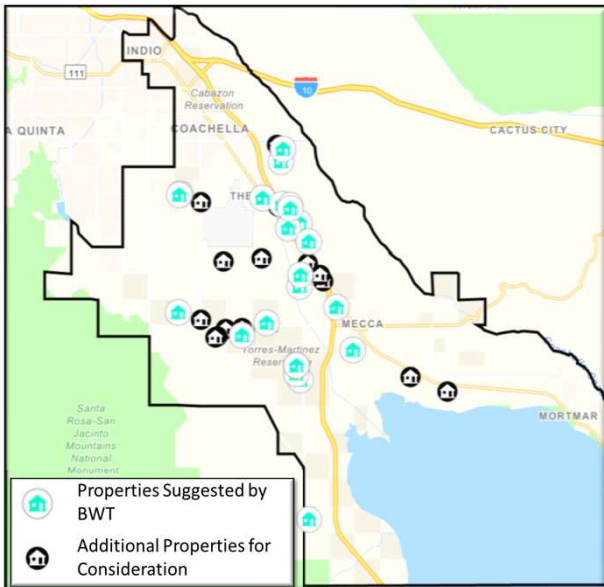
ECV Community Emission Reduction Plan Paving Projects



Air Quality Priority
Fugitive Road Dust and Off-Roading

Goal
Reduce emissions from fugitive road dust and off-roading

Action
Implement paving projects (e.g., unpaved roads and mobile home parks)



Benefits of Road Paving

Reduce Emissions of PM10

Improved respiratory and cardiovascular health

PM10: particulate matter of 10 microns or less

Estimated PM10 Reductions*

Current Controls: None
1,186 lbs/day

Current Controls: Gravel/Dust Suppressant
31.43 lbs/day

Co-Benefits

Enhanced quality of life

Improved visibility and safety

Reduced vehicle and vegetation damage

* Western Regional Air Partnership (WRAP) Fugitive Dust Control Handbook, CARB Miscellaneous Process Methodology 7.10 – Unpaved Road Dust, Non-Farm Roads, San Joaquin Valley Air Pollution Control District – Annual Average Daily Vehicle Trips of Selected Land Uses, 2016 AB 1318 Paving Projects

Paving Project Plan* Highlights

(developed in coordination with the Budget Working Team)



BWT Submits Properties

- Unpaved roads at mobile home and Polanco parks, public county roadways, and other unpaved areas located near sensitive receptors**

Properties prioritized and Prioritized List of Properties included in PA

- Prioritization by BWT and South Coast AQMD

South Coast AQMD Issues PA

Applicant(s) submits Paving Project Application(s)

- Applicants bid on the Prioritized List of Properties in PA

Applications selected

- Selected by BWT and South Coast AQMD

* <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/final-ecv-paving-project-plan.pdf?sfvrsn=8>

** Sensitive Receptors are children, elderly, asthmatics, and others whose are at a heightened risk of negative health outcomes due to exposure to air pollution. The locations where these sensitive receptors congregate are considered sensitive receptor locations. Sensitive Receptor locations may include hospitals, schools, and day care centers, and such other locations as the air district board or California Air Resources Board may determine (California Health and Safety Code § 42705.5(a)(5)).

5

Scoring Criteria for Prioritizing Properties

Scoring Criteria	Points Available
Exposure Reduction <ul style="list-style-type: none"> • Number of affected residents within the paving project property (if applicable) • Distance between the paving project area to the nearest resident within the paving project property • Number of sensitive receptor locations within 1000 feet surrounding the paving property boundary • Closest distance between the paving property boundary to the sensitive receptor location boundary 	0 – 40
Emission Reduction <ul style="list-style-type: none"> • Emissions reduced 	0 – 40
Property Readiness <ul style="list-style-type: none"> • Satisfy permit requirements 	0 – 20
Total Points Available:	100

6

Scoring Criteria to Select Applications

Scoring Criteria	Points Available
Cost-Effectiveness <ul style="list-style-type: none"> • Cost of paving per square feet of area • Cost sharing and other available funding 	0 – 40
Applicant's Qualifications <ul style="list-style-type: none"> • Applicant's previous experience in paving projects (experience paving mobile home or Polanco parks in ECV is preferred) 	0 – 25
Project Readiness <ul style="list-style-type: none"> • Timeliness and robustness of paving project application • Community Narrative and Support 	0 – 20
Other Benefits <ul style="list-style-type: none"> • Pre-paving property preparation design (e.g., land compaction) • Flood prevention elements (e.g., retention basin) • Accessibility improvements (e.g., wheelchair ramps, roundabout/hammerhead turnarounds, speed bumps) • Addition of a landscaping component, "cool pavement," or other climate resistance measure 	0 – 15
Total Points Available:	100

7

Staff Proposal

- Staff recommends approval for consideration at the August Board meeting
- Contingent upon Board approval, implement the program as follows:

Issue

ECV Paving Project Program Announcement

Execute

Contracts with selected applicant(s) to implement paving projects

Release

Allocated \$4.57 million CAPP funds for selected paving projects

Reimburse

\$304,667 to for program administrative costs and outreach

8

BOARD MEETING DATE: September 1, 2023

AGENDA NO. X

PROPOSAL: Issue Program Announcement, and Execute Contracts for Paving Project Plan Within the Assembly Bill 617 Community of Eastern Coachella Valley

SYNOPSIS: Through community-led incentives budgeting workshops in early 2021, the Assembly Bill 617 (AB 617) Eastern Coachella Valley (ECV) Community Steering Committee (CSC) prioritized \$4.57 million in Community Air Protection Program incentive funding for Paving Projects within the ECV community. These actions are to: 1) issue a PA and to Execute Contracts to implement paving projects in the ECV Community through the Paving Project Program; 2) issue a PA in an amount up to \$4.57 million from the Community Air Protection AB 134 Fund (77) to solicit paving project applications from applicants for the Paving Project Program; 3) reimburse the General Fund for administrative costs of up to \$279,667 from the Community Air Protection AB 134 Fund (77); and 4) transfer and appropriate up to \$25,000 from the Community Air Protection AB 134 Fund (77) into the Diversity, Equity, and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account for administrative costs to implement the Paving Project Plan.

COMMITTEE: Stationary Source Committee, June 16, 2023;
Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue PA to solicit paving project applications from applicants interested in implementing paving projects within the ECV Community, and based on the results of the Program Announcement (PA), authorize the Chair (or by the Chair's

designation, the Executive Officer) to execute subsequent contracts with the selected applicant(s) to implement the paving projects within the ECV Community;

2. Issue PA in an amount up to \$4.57 million from the Community Air Protection Program (CAPP) AB 134 Fund (77) to solicit paving project applications for the Paving Project Plan to implement paving projects within the ECV community;
3. Reimburse the General Fund up to \$279,667 from the Community Air Protection AB 134 Fund (77) for administrative costs to implement the Paving Project Program;
4. Transfer and appropriate up to \$25,000 from the Community Air Protection AB 134 Fund (77) into the Diversity, Equity, and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account for administrative costs to implement the Paving Project Plan.

Wayne Nastri
Executive Officer

AHJ:KH:UTV:PP:PM:RD

Background

Assembly Bill 617 (AB 617) was signed into state law in July 2017 and focuses on improving air quality and reducing exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 recognizes the disproportionate impacts environmental justice (EJ) communities experience from sources of air pollution near residences and seeks to address these impacts through community-driven actions focused on developing and implementing community emissions reduction plans (CERPs) and community air monitoring plans (CAMPs).

In early 2021, through a community-led incentive budgeting process, the Eastern Coachella Valley (ECV) Community Steering Committee (CSC) prioritized \$4.57 million in Community Air Protection Program incentive funding for implementing paving projects within the ECV community. The CSC is comprised of stakeholders (e.g., residents, businesses, community-based organizations, tribal communities, public agencies, elected officials, schools) with community knowledge that provide input, guidance, and recommendations for development and implementation of

the CERP¹ and CAMP². The ECV CERP includes implementing paving projects within the ECV community as an action to reduce emissions from fugitive road dust and off-roading. Since the beginning of engagement with the ECV community, health impacts from unpaved roadways and mobile home and Polanco parks have been a top priority for the community. CSC members expressed that roadway paving projects implemented in the past have improved PM10 levels for residents in the immediate area, but dust impacts from the surrounding desert areas continue to have an impact on their overall PM10 exposures.

In October 2022, the California Air Resources Board approved the Paving Project Plan; South Coast AQMD will submit amendments to the Paving Project Plan by July 2023. The Paving Project Plan allows South Coast AQMD to distribute the Community Air Protection Program (CAPP) incentive funds to implement selected paving projects within the ECV community.

Proposal

Staff proposes issuing a Program Announcement (PA) to solicit paving project applications from applicants for paving of unpaved county roadways, parking lots, and mobile home and Polanco parks within the ECV community through the Paving Project Plan. The PA will include a Prioritized List of Properties to be Paved, which is currently under development; which will be developed by a prioritization panel of South Coast AQMD staff members, CSC and/or Budget Working Team (BWT) members, and may include a subject matter expert from an external agency. The PA will also include Additional Properties Under Consideration, or applicants may submit their own properties to be paved. However, the scoring criteria in the PA includes preference for conformance to the Prioritized List of Properties to be Paved, as proposed by the BWT.

Applicant(s) selected through the PA process will be responsible for implementing the paving projects and maintaining the paved area(s) throughout the Project Life, which is five (5) years from the date of South Coast AQMD photo receipt of completed paving.

Paving project applications will be due October 6, 2023 at 5:00 pm. Following the results of PA, staff anticipates the selection of paving project applications and execution of contracts will occur in the first half of 2024. To expedite implementation of the Paving Project Plan, staff are requesting that the Chair

¹ <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/final-cerp/final-cerp-july-2021.pdf?sfvrsn=9>

² https://www.aqmd.gov/docs/default-source/ab-617-ab-134/camps/ecv/ecv-camp_11-13-2020_draft.pdf?sfvrsn=4

(or by the Chair's designation, the Executive Officer) execute contracts with qualified applicant(s) of the PA, based upon recommendations of the selection panel. Staff recommends using \$25,000 from the administrative portions of the Community Air Protection AB 134 Fund (77) for outreach support for implementation of the Paving Project Plan.

Bid Evaluation

Applicant(s) will be selected based on the criteria in the Paving Project Plan and PA, primarily based on their ability to implement paving projects in a cost-effective manner. Multiple applicants may be selected. Paving project applications will be evaluated by a selection panel based on the scoring criteria identified in the Paving Project Plan and PA. The selection panel will be established consisting of two (2) to three (3) South Coast AQMD staff members, two (2) to three (3) CSC and/or Budget Working Team members, and potentially one (1) external agency staff member. The selection panel will make recommendations to the Chair (or by the Chair's designation, the Executive Officer) for final selection of applicant(s).

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA will be published in Riverside County's Press Enterprise newspaper to leverage the most cost-effective method of outreach to the Coachella Valley. The PA will be available in both English and Spanish and South Coast AQMD will work with the CSC and/or Outreach Working Team to identify the most effective approach to conduct outreach and distribute the PA throughout the ECV community.

Additionally, potential applicants may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the PA will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Benefits to South Coast AQMD

Paving of unpaved roadways will reduce emissions of particulate matter of 10 microns or less (PM10) from these sources within the ECV community and will improve public health. Wind blowing and vehicular activities on unpaved roadways are major sources of fugitive dust, which primarily consists of PM10. Exposure to elevated levels of PM10 can cause various adverse health problems related to the lungs and heart, including premature death in people with heart or lung disease.

Upon distribution of the \$4.57 million allocated for paving projects, PM10 emission reductions are estimated to be up to 1,186 pounds per day, depending on the existing conditions of the properties selected for paving.

Resource Impacts

Up to \$4,570,000 from the Community Air Protection AB 134 Fund (77) Year 3 CAPP incentive funds will be used for implementing paving projects within the ECV community, a reimbursement of administrative costs of up to \$279,667, and a transfer of administrative costs into Diversity, Equity, and Inclusion with Community Air Programs Office's FYs 2023-24 and/or 2024-25 Budgets, Services and Supplies Major Object, Public Notice and Advertisement account of up to \$25,000. Any funds not expended after the budget cycles will be returned to the Community Air Protection AB 134 Fund (77). Sufficient funds are available in Community Air Protection AB 134 Fund (77).

Attachments

Program Announcement for Implementation of Paving Projects in the Assembly Bill 617 Community of Eastern Coachella Valley



Implementation of Paving Projects in the Assembly Bill 617 Community of Eastern Coachella Valley

SOUTH COAST AQMD PROGRAM ANNOUNCEMENT PA#2023-XX

The South Coast Air Quality Management District (South Coast AQMD) is seeking paving project applications from eligible applicants that seek funding for projects to pave unpaved roadways (e.g., mobile home and Polanco parks, public county roads). The primary purpose of this Paving Project Program (Program) is to reduce air pollution from inhalable particulate matter of 10 microns or less (PM10) in the Assembly Bill 617 (AB 617) community of Eastern Coachella Valley (ECV). This will implement the AB 617 ECV Paving Project Plan¹ to help fulfill an action in the AB 617 ECV Community Emissions Reduction Plan (CERP)².

SECTION I: OVERVIEW

South Coast AQMD is soliciting paving project applications for the following purpose according to terms and conditions attached. In this Program Announcement (PA), the words “Applicant” and “Contractor” are used interchangeably.

WHO: Eligible applicants that have previous experience implementing road paving projects, and are knowledgeable about federal, state, and local laws and regulations, California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) requirements, and permit requirements relating to implementation of paving projects. The eligible applicants can be the primary applicant or can be hired by public or private entities to implement paving projects. The primary applicant may decide to hire multiple subcontractors to implement paving projects.

WHAT: Paving of unpaved roadways (e.g., mobile home and Polanco parks, public county roads) in the AB 617 ECV community boundary.

HOW: Submit four (4) complete copies of the paving project application in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words "Program Announcement PA#20XX-XX." All paving project applications must be submitted to:

**Procurement Unit
South Coast Air Quality Management District
21865 Copley Dr., Diamond Bar
CA-91765-4178.**

¹ Paving Project Plan: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/final-ecv-paving-project-plan.pdf?sfvrsn=8>.

² AB 617 ECV Community Emissions Reduction Plan: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steeringcommittees/eastern-coachella-valley/final-cerp/final-cerp-july-2021.pdf?sfvrsn=9>

In addition, submit one (1) electronic copy of the paving project application to ab617@aqmd.gov.

All paving project applications must be submitted following the requirements in Section III – Paving Project Application Submittal Requirements. Failure to adhere to these requirements may be cause for rejection of the paving project application without evaluation.

WHEN: Solicitation opens on August 4, 2023 and closes on November 3, 2023 at 5:00 pm.

GENERAL PROGRAM INFORMATION

Signed into law on July 26, 2017, AB 617³ (Health and Safety Code Section §44391.2) is a California law that addresses the disproportionate impacts of air pollution in environmental justice (EJ) communities. Since 2018, California Air Resources Board (CARB) has designated six (6) AB 617 communities within South Coast AQMD’s jurisdiction. As directed by the bill, South Coast AQMD worked with each community to develop a CERP under the guidance of their respective Community Steering Committee (CSC). Each CSC is comprised of residents, community-based organizations, schools, public agencies, businesses, and other relevant community stakeholders. Each CSC identifies their top air quality concerns and actions to address them in their respective CERPs.

ECV was designated as a South Coast AQMD AB 617 community in 2019. During the CERP development process, one of the concerns expressed by CSC members was PM10 emitted from unpaved roadways. Wind blowing over and vehicular activities on unpaved roadways are major sources of fugitive dust, which primarily consists of PM10. Exposure to elevated levels of PM10 can cause various adverse health problems related to the lungs and heart, including premature death in people with heart or lung disease.

To address this concern, the ECV CSC identified an action in their CERP to pave unpaved roadways in the AB 617 ECV community. The action, specific to Paving Projects, is outlined below and can be found in Chapter 5d, Table 2, Action A of the ECV CERP:

“Pursue a collaborative partnership with appropriate entities (e.g., homeowners’ associations, mobile home park owners) and the County of Riverside to implement paving projects (e.g., unpaved roads and mobile home parks such as Polanco Parks) by:

- *Working with the CSC to specify a plan, including locations and timelines, for paving projects to reduce fugitive dust*
- *Evaluating the addition of a landscaping component to paving projects, where feasible*
- *Identifying funding opportunities to implement paving projects”*

As part of CERP implementation and to allocate Year 3 Community Air Protection Program (CAPP) incentive funds, South Coast AQMD conducted community-led incentives budgeting workshops. The ECV CSC allocated \$5.57 million, of which \$4.57 million were prioritized to implement paving projects. The AB 617 ECV Paving Project Plan was developed by South Coast AQMD and the Budget Working Team (BWT), a subset of ECV CSC members, and serves as the mechanism to distribute these CAPP Incentive funds for paving projects in the ECV community. The AB 617 ECV

³ Assembly Bill 617: https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB617

Paving Project Plan was approved by CARB in October 2022.

This PA seeks paving project applicants that propose implementing paving projects at property(ies) listed in Attachment A – Prioritized List of Properties to be Paved. The process used to develop this list is outlined in the AB 617 ECV Paving Project Plan. Attachment B – Additional Properties Under Consideration includes a list of properties that were not prioritized by the BWT but have been identified by County of Riverside Housing and Workforce Solutions for potential paving. Additional properties will be considered, but priority will be given to applicants that apply to implement paving projects on and follow the order of the Prioritized List of Properties to be Paved. Routine maintenance and rehabilitation projects, paving activities as part of new development projects, and private schools⁴ are not eligible for funding under this PA.

All paving project applications will be evaluated based on the criteria set forth in Section IV – Paving Project Application Evaluation/Contractor Selection Criteria of this PA. South Coast AQMD will evaluate and verify information submitted by the applicant. Multiple awards may be granted under this PA, subject to the approval of the BWT and/or CSC and the South Coast AQMD Governing Board Chair (or by the Chair’s designation, the Executive Officer).

PARTICIPANT ELIGIBILITY

Public and private entities, except private schools, are eligible to apply for and receive funding for paving projects within the ECV community⁵. The applicant(s) shall be able to demonstrate knowledge and experience from of past paving projects and be knowledgeable about federal, state, and local laws and regulations, California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) requirements, and permit requirements relating to implementation of paving projects. The eligible applicant(s) can be the primary applicant or can be hired by public or private entities to implement paving projects. The primary applicant may decide to hire multiple subcontractors to implement paving projects. Requirements for applicant(s) are outlined in Section III – Paving Project Application Submittal Requirements.

SECTION II: WORK STATEMENT/SCHEDULE OF DELIVERABLES

WORK STATEMENT

Implementation of paving projects will be conducted in two phases. The selected applicant(s) shall perform the work detailed in Phase 1 and Phase 2 and comply with each of the Schedules of Deliverables. Should the selected applicant(s) need a timeline extension for any of the listed deliverables, a written request for extension of the deliverables, including justification for the extension, must be received at least fifteen (15) days prior to the Submission Deadline. Failure to

⁴ Private schools are not eligible for funding. No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State (California Constitution Article 9 § 8). Further, Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI (California Constitution Article 16 § 5).

⁵ South Coast AQMD, ECV Community Boundary: <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/eastern-coachella-valley/community-map-feb-20-2020.pdf?sfvrsn=14>.

complete deliverables will result in non-payment. The selected applicant(s) will be compensated in accordance with the payment terms outlined in the applicant's Payment Schedule. For each paving project application, a detailed description of major tasks in Phase 1 and Phase 2 and a Schedule of Deliverables for both are outlined below.

PHASE 1 – GATHERING OF DOCUMENTATION

Phase 1 of the paving project will consist of the selected applicant(s) gathering required documentation for each of the properties to be paved. Upon contract execution, the selected applicant(s) will have three (3) months to gather the required documentation for each property prior to the commencement of any paving activities. Phase 2 is contingent upon Phase 1. The selected applicant(s) may proceed to Phase 2 after all Phase 1 deliverables (i.e., property documentation) have been approved by South Coast AQMD. Should any property(ies) be deemed ineligible due to failure to provide any of the required documentation, that property will be deprioritized and no longer eligible for funding under this PA. The selected applicant(s) will then have the opportunity to select additional property(ies) on the Prioritized List of Properties to be Paved, as approved by South Coast AQMD. The additional property(ies) will be given additional time to complete Phase 1. For each property to be paved, a detailed description of major tasks and a Schedule of Deliverables are outlined below.

Task 1 — Gathering Required Documentation for Each Property to be Paved

The selected applicant(s), in coordination with South Coast AQMD and County of Riverside Housing and Workforce Solutions, will work with each property owner listed in the paving project application to gather required documentation relating to: 1) status of property taxes and compliance with federal, state, and local requirements, 2) obtention of permits to conduct paving activities and status of existing permits for the project site, 3) compliance with California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA), and 4) authority to pave the property from the property owner(s).

PHASE 1 SCHEDULE OF DELIVERABLES:

Actions	Submission Deadline
<ul style="list-style-type: none"> • For each property: <ul style="list-style-type: none"> • Provide documentation demonstrating that property taxes are current and that the property is in compliance with all federal, state, and local requirements (Task 1) • Provide copies of all permits required to complete the paving project and copies of existing permits for the project site, or proof of exemption from permitting requirements (Task 1) • Provide documentation demonstrating compliance with the California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA), or proof of exemption (Task 1) • Provide documentation from the property owner that authorizes applicant to pave the project area (Task 1) 	Within 3 months of contract execution
<ul style="list-style-type: none"> • Provide the documentation listed above for each additional property as approved by South Coast AQMD 	Within 3 months of South Coast AQMD approval of additional property(ies)

PHASE 2 – PROJECT IMPLEMENTATION

Phase 2 of the paving project will consist of paving and maintaining each of the properties identified in the executed contract and any additional property(ies) as approved by South Coast AQMD. Phase 2 includes requirements to meet with South Coast AQMD on a biannual basis and provide biannual status reports.

Task 2 — Initial Meeting with South Coast AQMD and Project Implementation Plan

The selected applicant(s) shall meet with South Coast AQMD at the beginning of Phase 2 to discuss and outline project details. Selected applicant(s) are required to submit in writing a Project Implementation Plan, organized by property, which includes: 1) a step-by-step project completion schedule and project management contacts, 2) an itemized budget of materials and costs, 3) photos of each property prior to paving, and 4) other logistics.

Task 3 — Biannual Meetings and Biannual Status Report

Throughout the Project Completion period, the selected applicant(s) shall hold biannual meetings with South Coast AQMD to discuss progress of project implementation. Selected applicant(s) are required to submit in writing a Biannual Status Report, organized by property, which includes: 1) recent photographs, 2) a discussion on any matters impacting project implementation (e.g., challenges, logistical issues), and 3) records of all quotes and invoices for materials and subcontractors (if applicable).

Task 4 — Maintenance Plan and Project Life

At the end of Project Completion, the selected applicant(s) shall provide pictures of completed paving for each property and submit in writing a Maintenance Plan, which includes: 1) schedule of regular maintenance (e.g., street cleaning) and 2) protocol for as-needed maintenance (e.g., fixing potholes, lane re-striping). Throughout the Project Life period, the selected applicant(s) shall provide pictures and a description of each property to demonstrate adherence to the Maintenance Plan.

PHASE 2 SCHEDULE OF DELIVERABLES:

Actions	Submission Deadline
<ul style="list-style-type: none"> • Hold initial meeting with South Coast AQMD (Task 2) • Submit Project Implementation Plan to South Coast AQMD (Task 2) 	Within 3 months of Phase 1 completion
<ul style="list-style-type: none"> • Hold biannual meetings with South Coast AQMD (Task 3) • Submit Biannual Status Reports to South Coast AQMD (Task 3) 	Biannually throughout the Project Completion period
<ul style="list-style-type: none"> • Submit pictures of completed paving for each property to South Coast AQMD (Task 4) • Submit Maintenance Plan to South Coast AQMD (Task 4) 	Within 1 month of Project Completion
<ul style="list-style-type: none"> • Submit pictures and a description demonstrating adherence to the Maintenance Plan to South Coast AQMD (Task 4) 	Annually throughout the Project Life

SECTION III: PAVING PROJECT APPLICATION SUBMITTAL REQUIREMENTS

The following information is required as part of the paving project application:

- list of properties to be paved, paving cost for each property, and total cost of the project, including a breakdown of all eligible costs, anticipated expenses, and vendor quotes=;
- a commitment to provide documentation from the property owner that authorizes applicant to pave the project area;
- a Community Narrative and Support describing the community and population demographics, challenges and impacts living near unpaved roads, how the project will benefit the community, applicant's cultural competency, understanding of the ECV community, and fluency in English and Spanish;
- a commitment to comply with the most current versions of any applicable South Coast AQMD rules, including but not limited to, Rule 402 – Public Nuisance, Rule 403 – Fugitive Dust, and Rule 403.1 – Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources;
- a commitment detailing that all paving activities be conducted and all work performed in conformance with the California Uniform Building Code and all other applicable federal, state, and local statutes, rules, regulations, and ordinances;
- a commitment to provide documentation demonstrating that all property taxes are current before paving and that the property(ies) is(are) in compliance with all federal, state, and local requirements;
- a commitment to provide copies of all permits required to complete the paving project and copies of existing permits for the project site, permit application for property(ies) in the process of obtaining permits, or proof of exemption from permitting requirements;
- a commitment to provide documentation that demonstrates compliance with the California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA), or proof of exemption;
- a commitment to ensure regular and as-needed maintenance of the paved project area is conducted throughout the Project Life, and to submit and adhere to a Maintenance Plan;

- a commitment to making all paving project(s) available for inspection, if requested by South Coast AQMD and/or CARB during the Project Life;
- a Payment Schedule outlining the payment terms in accordance with the Schedules of Deliverables in Section II – Work Statement/Schedule of Deliverables;
- a narrative describing applicant’s paving experience, including a minimum of two examples for each applicant and/or subcontractor(s) demonstrating successfully implemented paving projects (e.g., photos and past completion reports); examples of paving projects in mobile home and Polanco parks are preferred;
- a list of personnel (e.g., project manager) who will be implementing the paving project(s) and their contact details;
- physical address of the applicant’s and/or subcontractor’s office location;
- document(s) demonstrating conflicts of interest, if any; and
- additional documents, if needed.

It is the responsibility of the applicant(s) to ensure that all information submitted is accurate and complete. If the applicant(s) hire(s) a subcontractor(s) to implement the paving project, it is the responsibility of the applicant(s) to submit all required information on behalf of the subcontractor(s) and ensure that all information submitted is accurate and complete. Applicant(s) will submit paving project applications based on the requirements laid out in this section.

PROJECT FUNDING PARAMETERS

The funding amount available for the implementation of paving project(s) in the AB 617 ECV community is \$4.57 million in Year 3 CAPP incentive funds. Multiple paving project applications may be awarded as agreed upon by South Coast AQMD and the BWT and/or CSC, depending on the paving project application(s) received, estimated paving project(s) cost(s), and various factors in the selection process.

The timeline to complete a paving project is twelve (12) months; extension of the project completion period is contingent upon South Coast AQMD approval. If the applicant(s) need(s) additional time to complete the paving project, a request for extension shall be submitted along with the paving project application justifying the extension of the project completion period. The applicant(s) need(s) to inform vendors of the time frame of the award process so that they can accurately quote costs based on the anticipated order/purchase date.

Up to 100 percent of eligible project costs will be provided. Additionally, up to ten (10) percent of the awarded grant may be budgeted for non-construction costs, including mobilization, traffic control, and administration. Another five (5) percent may be budgeted for contingency costs (i.e., unforeseen costs such as permitting delays, material acquisition, inflation).

The following costs are eligible for funding:

- Labor and construction (including contracted services);
- Materials, including materials required to comply with South Coast AQMD rules and regulations related to paving projects (e.g., water, shaker/wheel spreading device, cover, etc.); and
- Signs and interpretive aids communicating information about the paving project.

The following costs are ineligible to receive funding:

- All other permits not related solely to paving projects;
- Paving design; and
- Maintenance activities (e.g., pothole repair, lane re-striping, street sweeping).

No purchase orders may be placed, or work performed under this PA until after the date of award approval by the South Coast AQMD Governing Board Chair (or by the Chair's designation, the Executive Officer). Any orders placed or payments made in advance of an executed contract with the South Coast AQMD are done at the risk of the applicant. The South Coast AQMD has no obligation to fund the project until a contract is fully executed by both parties. All project costs shall be clearly indicated in the paving project application. In addition, the applicant(s) shall include any sources of co-funding and the amount of each co-funding source in the paving project application.

PAVING PROJECT APPLICATION SUBMISSION

All paving project applications must be submitted according to specifications set forth herein. Failure to adhere to these specifications may be cause for rejection of the paving project application without evaluation.

Grounds for Rejection:

A paving project application may be immediately rejected if the paving project application:

- does not include correct documentation and other forms required; or
- is not signed by an individual authorized to represent the contractor.

Certifications and Representations

Contained in this PA are six business forms, which must also be completed and submitted with the paving project application.

Methods of Delivery:

All paving project applications are due no later than 5:00 p.m., November 3, 2023, and should be directed to:

Procurement Unit
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178
(909) 396-3520

Submittal - Submit four (4) complete copies of the paving project application in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words "Program Announcement PA#20XX-XX." In addition, send one electronic version of the paving project application to AB617@aqmd.gov at the time of submittal.

Late paving project applications will not be accepted under any circumstances.Disposition of Paving Project Applications

The South Coast AQMD reserves the right to reject any or all paving project applications. All responses become the property of the South Coast AQMD. One copy of the paving project application shall be retained for South Coast AQMD files. Additional copies and materials will be returned only if requested and at the applicant's expense.

Modification or Withdrawal

Once submitted, paving project applications cannot be altered without the prior written consent of South Coast AQMD.

SECTION IV: PAVING PROJECT APPLICATION EVALUATION/CONTRACTOR SELECTION CRITERIA

- A. Paving project applications received during the PA solicitation period will be reviewed and scored by a selection panel of two (2) to three (3) South Coast AQMD staff members, and two (2) to three (3) BWT and/or CSC members. Additionally, a subject matter expert from an external agency may be included on the selection panel. Paving project applications received during the PA solicitation period will be scored according to the criteria detailed below, which was informed by input from the BWT. For some criteria, points will be scored on a relative basis. For example, the paving project application that is most cost-effective will receive the highest points available (i.e., 40 points for cost-effectiveness) and all other projects will receive a point value to scale (i.e., less than 40 points).
- B. After all paving project applications received have been reviewed, scored, and ranked by the selection panel, the resulting list of paving project applications will be provided to the CSC and/or BWT for their consideration and final approval. The selection panel will provide their recommendation informed by CSC and/or BWT input to the South Coast AQMD Governing Board Chair (or by the Chair's designation, the Executive Officer), for final selection of the paving project application(s) and execution of contract(s).
- C. Each member of the selection panel shall be accorded equal weight in his or her rating of paving project applications. The selection panel members shall evaluate the paving project applications according to the specified criteria and numerical weightings set forth below.

Scoring Criteria for Paving Project Applications

Scoring Criteria	Points Available
Cost-Effectiveness <ul style="list-style-type: none"> • Cost of paving per square feet of area • Cost sharing and other available funding 	0 – 40
Applicant’s Qualifications <ul style="list-style-type: none"> • Applicant’s previous experience in paving projects (experience paving mobile home or Polanco parks in ECV is preferred) 	0 – 25
Project Readiness <ul style="list-style-type: none"> • Timeliness and robustness of paving project application⁶ • Community Narrative and Support 	0 – 20
Other Benefits <ul style="list-style-type: none"> • Pre-paving property preparation design (e.g., land compaction) • Flood prevention elements (e.g., retention basin) • Accessibility improvements (e.g., wheelchair ramps, roundabout/hammerhead turnarounds, speed bumps)⁷ • Addition of a landscaping component, “cool pavement,” or other climate resistance measure 	0 – 15
Total Points Available:	100

SECTION V: PAYMENT TERMS

For all paving projects, payment will be made in accordance with the payment terms outlined in the applicant’s Payment Schedule in the executed contract.

SECTION VI: LEGAL UPDATES AND DEFINITIONS

STATEMENT OF COMPLIANCE

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against any employee or applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause is included in all South Coast AQMD contracts.

⁶ Timeliness and robustness of the paving project application refers to the extent the paving project application is developed and ready for implementation. Applications that are complete and include all necessary permissions, documentation, details of paving activities (e.g., timelines, contracting entity), etc. will likely receive full points. South Coast AQMD will work with BWT and/or CSC members during the paving project application review period to further define how these criteria will be scored.

⁷ Accessibility may refer to several features that increase the project’s accessibility to community members with disabilities (e.g., wheelchair ramps, designated parking spots, clear signage, detectable warning for visually impaired), school buses (e.g., roundabouts, hammerhead turnarounds), and other benefits that provide improved accessibility to community members. South Coast AQMD will work with BWT and/or CSC members during paving project application review period to further define how these criteria will be scored.

COMPLIANCE WITH APPLICABLE LAWS

Applicants shall comply with all federal, state, and local laws, ordinances, codes and regulations. If the paving project application is eligible for funding, all grant-funded pavement shall be compliant with all applicable federal, state, and local air quality rules and regulations, and will maintain compliance for the full Contract term.

CONFLICT OF INTEREST

Applicant(s) shall address any potential conflicts of interest with other clients affected by actions performed by the contractor on behalf of the South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such contractors, the South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the paving project application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract.

ECONOMIC SANCTIONS (RUSSIA/UKRAINE)

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. Applicants who are considered eligible for Community Air Protection Program funds under this Program Announcement and received executed contracts from South Coast AQMD, are obligated to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine.

DEFINITIONS

1. **Budget Working Team:** Budget Working Team (BWT) is a subset of the AB 617 ECV Community Steering Committee (CSC).
2. **California Environmental Quality Act:** The California Environmental Quality Act (CEQA) was adopted in 1970 and incorporated in the Public Resources Code §21000-21177. Its basic purposes are to: inform governmental decision makers and the public about the potential significant environmental effects of proposed activities; identify ways that environmental damage can be avoided or significantly reduced; require changes in projects using alternatives or mitigation measures when feasible; and disclose to the public the reasons why a project was approved if significant environmental effects are involved. CEQA applies to projects undertaken, funded or requiring an issuance of a permit by a public agency (Additional details are available at: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook/frequently-asked-questions>).
3. **Community Emissions Reduction Plan:** Community Emissions Reduction Plan (CERP) is a document that outlines emission and exposure reduction goals and actions identified by the CSC, South Coast AQMD, and CARB to reduce air pollution in Assembly Bill 617 communities and improve public health.
4. **Community Steering Committee:** The Community Steering Committee (CSC) is a diverse

group of people who live, work, own businesses, or attend school, within the community. Local public health agencies, regulatory agencies, tribal organizations, and elected officials are represented on the CSC. The CSC guides the development and implementation of the CERP.

5. **National Environmental Policy Act:** The National Environmental Policy Act (NEPA) of 1969 established national policies and goals for the protection of the environment. NEPA directs all federal agencies to give appropriate consideration to the environmental effects of their decision making and to prepare detailed environmental impact statements (EIS) on recommendations or reports on paving project applications for legislation and other major federal actions significantly affecting the quality of the environment. NEPA is divided into two titles. Title I outlines a basic national charter for protection of the environment. Title II establishes the Council of Environmental Quality (CEQ) which monitors the progress made toward achieving NEPA goals, advises the president on environmental issues and provides guidance to other federal agencies on compliance with NEPA (Additional details are available at: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook/frequently-asked-questions>).
6. **Polanco Park:** A Polanco Park is an establishment of Employee Housing Facilities (mobile home park) on agricultural land use within the unincorporated areas of Riverside County. These facilities may house five (5) to twelve (12) employees and their families, and are considered agricultural (farm) uses in appropriate zones, where they are exempt from “Zoning” Permits. (Health & Safety Code Section 17020-17024).
7. **Project Completion:** Project Completion is the period between contract execution and South Coast AQMD receipt of photo documentation of completed grant-funded paved area. Project Completion must follow the schedule included in the executed contract.
8. **Project Life:** Project Life the time the applicant(s) is required to maintain the completed grant-funded paved area. The Project Life for this grant is five years from the date of Project Completion, which is consistent with the standard duration of CERP implementation. During this time, entities must conduct regular and as-needed maintenance (e.g., fixing potholes, lane re-stripping, street cleaning). Regular and as-needed maintenance may be conducted through professional services or completed by the property owner(s). Additionally, applicant(s) must provide annual photo documentation of maintained project site and make the project site available for inspection upon request by South Coast AQMD and/or CARB. Entity shall conduct maintenance as required by South Coast AQMD and/or CARB from inspections.
9. **Sensitive Receptor:** Sensitive Receptors are children, elderly, asthmatics and others whose are at a heightened risk of negative health outcomes due to exposure to air pollution. The locations where these sensitive receptors congregate are considered sensitive receptor locations. Sensitive Receptor locations may include hospitals, schools, and day care centers, and such other locations as the air district board or California Air Resources Board may determine (California Health and Safety Code § 42705.5(a)(5)).

CONTACT FOR ADDITIONAL INFORMATION

Questions regarding the content or intent of this PA, procedural matters, and/or sample contract can be addressed to:

Pedro Piqueras, Ph.D.
Diversity, Equity and Inclusion with Community Air Programs
South Coast AQMD
21865 Copley Drive
Diamond Bar, CA 91765
Phone: (909) 396-2024
E-Mail: ppiqueras@aqmd.gov



Proposed Amended Rule 1405



Control of Ethylene Oxide Emissions from Sterilization and Related Operations

Stationary Source Committee
June 16, 2023



Background

April SSC Meeting

Proposals included:

- New, stricter performance standards
- Continuous or semi-continuous stack monitoring (CEMS/SCEMS)
- Permanent total enclosure (PTE)
- Information gathering for warehouses

PAR 1405 originally scheduled for June Public Hearing

Delayed Set Hearing

Additional time to address issues raised in comments and revise PAR 1405

June SSC Meeting

Revised PAR 1405 to include:

- Adjustments to implementation schedule and performance standards
- Interim fenceline monitoring for large sterilization facilities
- Short-term fenceline monitoring for certain large warehouses



Feedback from April SSC Meeting

Comments from industry stakeholders

- Concern with feasibility of complying with stack performance standard
- More time is needed to implement stack and fugitive emission requirements
- Requested a 90-day delay to respond to modified drafts of PAR 1405, and to pause PAR 1405 for federal rulemaking (expected summer 2024 or later)

Comments from environmental and community groups

- Concern with effectiveness of the proposed requirements
- Lack of fence-line monitoring
- Requested a delay to include requirements for warehouses, and to pause PAR 1405 for updated OEHHA risk factors (expected late 2023/2024)

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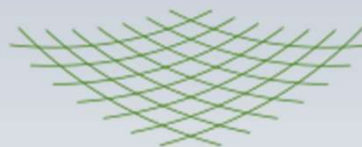
Two-Prong Regulatory Approach

Rule 1405

- Applies to ethylene oxide (EtO) sterilization facilities and related operations (industry-wide)
- Technology-based (independent of risk factors)

Rule 1402

- Applies to all existing facilities with toxic air contaminants
- Safety net for regulating toxics
- Risk-based

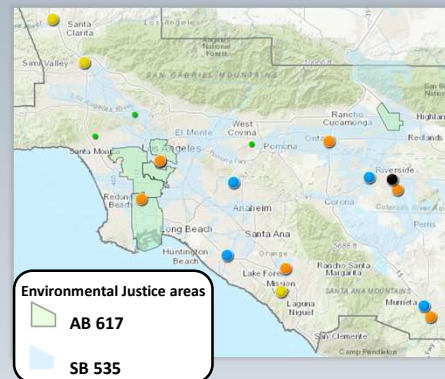


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Why PAR 1405 Is Important

- Rule 1405 last amended in 1991 and regulates 15 EtO sterilization facilities in South Coast AQMD
 - Two facilities currently designated as Potentially High Risk Level Facilities under Rule 1402
 - Many of these sterilization facilities are located in or upwind of Environmental Justice areas under AB 617 or SB 535
- EtO is more carcinogenic than previously known
 - U.S. EPA risk values 30 to 50 times higher
 - California's proposed OEHHA values are about 40 times higher
- Action is needed now to reduce EtO emissions



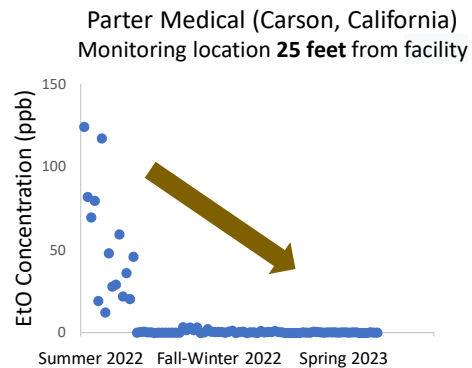
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Approach to PAR 1405

PAR 1405 is technology-based

- Requires the most stringent performance standards based on technology achieved-in-practice
 - Carson sterilization facility implemented many of the proposed strategies – fence-line readings are at background levels
- While PAR 1405 is not risk-based, it reduces emissions and results in risks below Rule 1402 risk threshold (25 in one million)
 - Based on preliminary risk evaluations using permitted throughput, proposed performance standards and proposed OEHHA risk factors



6



Overview of PAR 1405 Key Revisions

Requirement	Presented at April SSC	Updates
Compliance Timeline	December 31, 2024 for Large Facilities and July 1, 2025 for Medium Facilities	Additional 6 months to comply
Stack Emission Requirements		
<i>Control Efficiency</i>	99.99% for Large Facilities, 99.9% for others	No changes
<i>Concentration Alternative</i>	0.01 ppm, averaged over calendar day*	0.01 ppm, rolling 30-day average*
<i>Mass Emission Rate</i>	0.025 lb/hr, averaged over calendar day*	0.015 lb/hr, rolling 30-day average*
<i>CEMS/SCEMS</i>	Required for Large Facilities	No proposed changes
Fugitive Emission Requirements		
<i>PTE</i>	Required for Large Facilities and certain areas of Medium Facilities	No changes
<i>Leak Detection and Repair</i>	Daily/monthly checks	Daily/bimonthly checks
Fenceline Monitoring	None	Interim requirement for Large Facilities
Warehouses	Tracking and reporting	Add fenceline monitoring provisions

*Averaging period only applicable to CEMS/SCEMS performance standard

7



Comparison of PAR 1405 and Proposed U.S. EPA NESHAP¹ on EtO

PAR 1405 is equally or more stringent than proposed NESHAP

Requirement	PAR 1405	Proposed NESHAP
Stack Emissions	99.9 to 99.99% or 0.01 ppm	Less Stringent
Facility-wide Mass Emission Rate	0.015 lbs/hr for Large Facilities	None
CEMS/SCEMS	Required for Large Facilities	Optional
PTE	Yes	Yes
Fenceline Monitoring	Yes	None
Preliminary Risk Analysis	Less than 25 in one million ²	Less than 100 in one million ³

1 National Emission Standards for Hazardous Air Pollutants for EtO Sterilization Facilities

2 Using proposed OEHHHA risk values

3 U.S. EPA risk values

8



New Rule Concept – Fenceline Monitoring for Large Sterilization Facilities

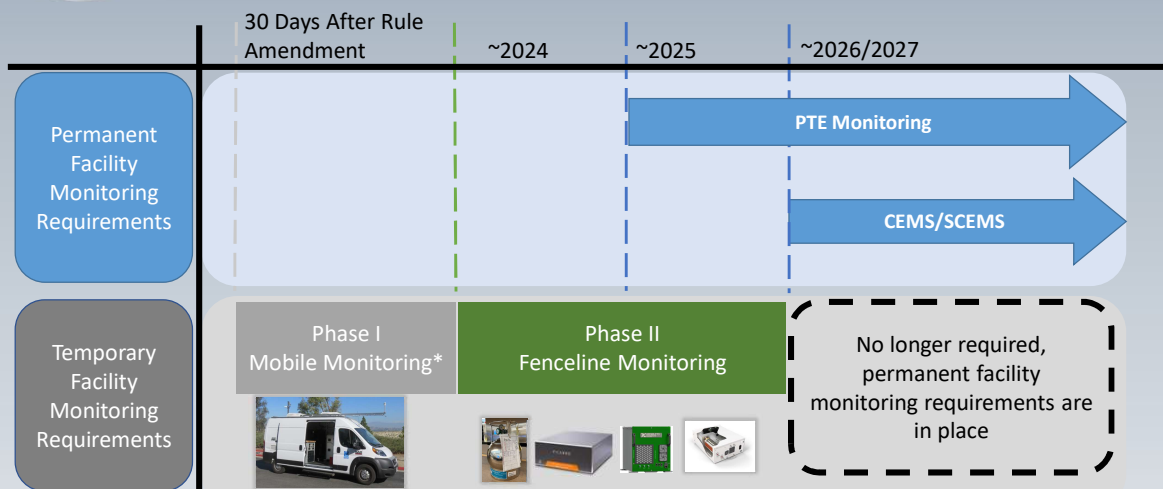
- Applicability: Large sterilization facilities
- Require fenceline monitoring until stack monitoring requirements are fully implemented
 - Phase I - Mobile monitoring (can be implemented relatively quickly)
 - Phase II - Fenceline monitoring (to start within 6-12 months)



9



New Rule Concept – Fenceline Monitoring for Large Sterilization Facilities – Requirements



*South Coast AQMD would be available as a potential service provider (with cost recovery)

10



New Rule Concept – Fenceline Monitoring for Certain Large Warehouses

- Added fenceline monitoring provisions for warehouses to assess EtO levels at warehouses with high emissions potential
- Applicability: Warehouses that are
 - (1) registered with U.S. FDA;
 - (2) receive EtO sterilized products directly from sterilization facilities; and
 - (3) at least 250,000 square feet
- Require applicable warehouses to submit a monitoring plan and conduct monitoring for 12 months
 - A warehouse demonstrating emissions are no more than 4 lbs per year would be exempt from monitoring
 - 4 lbs per year is the existing threshold in Rule 1405 where facilities are exempt from controls



11



Remaining Issue – EtO Alternatives/Phase-out

Stakeholder comments

- South Coast AQMD should require switching to safer sterilization alternatives
- Sterilization facilities may move to other areas

Staff responses

- EtO is used to sterilize 50% of medical devices in the U.S., about 20 billion medical devices annually
- EtO, with its lower heat and lower humidity, can sterilize some devices no other technology can at this time
- Some sterilization facilities use both EtO and radiation
- A mandatory phase-out would cause disruptions to the worldwide medical device supply chain and potential shortage of life saving medical devices
- U.S. FDA leads initiatives to 1) encourage alternatives and 2) reduce EtO usage



12



Remaining Issue – Implementation Timeline

Stakeholder comment

- Shorter implementation timeline

Staff responses

- PAR 1405 implementation schedule is based on feasible timelines; a more aggressive timeline would not be achievable
 - Factors that impact timelines include supply chain issues, potential long lead time to get building construction permits for PTE installation, and surge of demand for control and monitoring equipment with U.S. EPA's rulemaking



13



Remaining Issue – Feasibility and Concerns on Performance Standards

Industry stakeholder comments

- Permanent Total Enclosure (PTE) could increase onsite worker exposure

Community/Environmental stakeholder comment

- Performance standards should be more stringent

Staff responses

- A properly designed PTE would provide adequate ventilation within the enclosure and potentially provide more air exchanges
- Proposed requirements are the most stringent based on levels achieved-in-practice

14



Remaining Issue – Warehouses

Stakeholder comments

- PAR 1405 should be delayed for evaluation on warehouses
- PAR 1405 should include emission limits for warehouses

Staff responses

- Unlike sterilization facilities, there is not enough information for a complete rule development to address emissions from warehouses (e.g., thresholds, emission factors, control requirements)
- PAR 1405 should proceed to address known issues from sterilization facilities
- Staff would initiate rulemaking to address EtO emissions from warehouses within 12 months after sufficient information has been obtained (e.g., emissions studies, monitoring data, etc.)



15



Next Steps

- Continue working with stakeholders to address issues
- Release revised rule language in late June
- Conduct a Public Consultation Meeting in late June/early July
- September Public Hearing

16

PROPOSED AMENDED RULE 1153.1 – EMISSIONS OF OXIDES OF NITROGEN FROM COMMERCIAL FOOD OVENS



STATIONARY SOURCE COMMITTEE
June 16, 2023

Background



Rule 1153.1 was adopted in November 2014

- Established NO_x limits for commercial food ovens at non-RECLAIM facilities
- Prior to Rule 1153.1, commercial food ovens were subject to Rule 1147 – Miscellaneous Combustion Sources



Proposed Amended Rule 1153.1 (PAR 1153.1) is necessary for:

- RECLAIM transition*
- BARCT assessment under AB 617**
- Meeting zero-emission goals of the 2022 AQMP



Public Process

- 8 working group meetings and two Public Workshops
- Multiple meetings with stakeholders, vendors, and oven manufacturers

*As required by the 2016 AQMP

**California Health and Safety Code Section 40406 and 40920.6

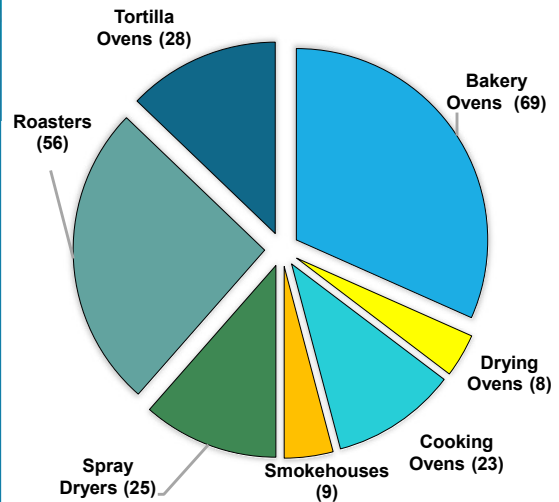
BARCT Assessment and Universe of Equipment



- Comprehensive BARCT assessment conducted for all equipment categories
 - 6 RECLAIM facilities with 51 units
 - 91 non-RECLAIM facilities with 167 units
- Conducted assessment of zero-emission technologies for all categories

3

Number of Units by Category
(97 facilities with 218 Total Units)



Zero-Emission Technologies

- December 2, 2022, Board adopted the 2022 AQMP
 - Requires **zero-emission or near-zero-emission technologies across all sectors** in order to meet federal air pollution standards
- With the adoption of the 2022 AQMP, PAR 1153.1 pivoted to further evaluate zero-emission technologies
 - Evaluation included technologies that are not widely commercially available, e.g., technology forcing
 - Technology forcing regulations provide a future emission target for vendors and facilities to encourages future technology development
- PAR 1153.1 would be the first South Coast AQMD rule to require zero-emission limits

4

Proposed NOx Limits and Phases

Phase I Limits – Effective upon rule adoption

- All units must meet 30 – 15 ppm NOx based on category
- Achievable with commercially available low-NOx burners
- Must meet limit when burners reaches 10 years

Existing limits: 40 – 60 ppm
depending on operating temp

Phase II Limits – Effective date January 1, 2027

- Establishes zero-emission limits for smaller oven categories
 - Baking and Cooking Ovens less than 3 MMBtu/hour
 - Indirect Baking Ovens
 - Smokehouses
- Technology is commercially available but not widely in use
- Cost effective due to lower energy demand
- Lack of available technically feasible zero emission equipment and higher cost to operate units impacted ability to transition more categories to zero emissions

5

Compliance Schedule for Phase II

Phase II Zero Emission Limit – Compliance schedule

- Effective after January 1, 2027
- Required at end of equipment useful life but includes backstop date
 - Unit age 25 years and burner age 10 years
 - Backstop date: January 1, 2036

Considerations for compliance schedule and backstop date

- Further development of zero-emission ovens
- Required electrical grid upgrades
- Adjustments and product testing at commercial bakeries

Alternative Compliance Schedule Included

- Provides additional time (not to exceed 24-months) for facilities where utility cannot provide necessary power for zero-emission technology

6

Status Update/ Technology Check-in



Staff will evaluate the status of the technology, availability, costs, and utility rates etc., prior to future effective zero-emission date to evaluate the progress of technology forcing limits and to evaluate categories where zero emission limits were not included



Staff will present findings and make recommendations to Committee or Governing Board



Depending on results of the evaluation, staff may propose a rule amendment to allow more time before emission limits go into effect and/or require additional oven categories to transition to zero-emission

7

Cost-Effectiveness and Emission Reductions (continued)

Phase I Limits

- Cost-Effectiveness ranged from \$18,000 to \$93,000 per ton of NOx

Phase II

- Cost-Effectiveness ranged from \$60,000 to \$290,000 per ton of NOx reduced
 - Below \$325,000 threshold established in 2022 AQMP

Commercial Food Ovens

Baseline Emissions: 0.26 tons per day

Emission Reductions:

- Phase I: 0.03 tons per day (2027)
- Phase II: 0.08 tons per day (2036)

Emission Reductions at Full Implementation: 0.11 tons per day

8

Key Issue #1

- Zero-emission technology may not be commercially available

- Staff proposing a status update/technology check-in prior to Phase II future effective date
 - Will evaluate the status and development of zero-emission technology for all categories
- Report to Stationary Source Committee on the status of the zero-emission technology
 - If necessary, staff will initiate a rule amendment for the Board's consideration
 - May recommend amended emission limits or compliance schedule
 - In addition, staff will evaluate if additional categories are technically feasible and cost-effective to transition to zero-emission technologies

Key Issue #2

- Concerns electrical grid cannot meet energy demands of zero-emission units

- Utilities are aware of local regulations and need for future demand
 - Working to meet that demand
- Compliance schedule provides phased-in approach (end of equipment useful life) to mitigate impacts on electrical grid
 - Allows time for gradual electrical grid upgrades
- Proposed amendment only requires smaller units to comply with zero-emission limits
 - Limits impacts to the grid
- Alternative Compliance Schedule allows facilities to apply for a longer compliance schedule if utility cannot provide required power to comply with rule deadline

Key Issue #3

- Concerns implementation timeline is too slow to meet air quality goals

- Staff is proposing technology forcing zero-emission limits
 - Adequate time is needed for the technology to fully emerge
- Implementation timeline necessary for:
 - Facilities to adjust and test recipes using new technology
 - Minimize operational disruptions
- Timeline allows for gradual grid upgrades to meet future electrical demand and mitigate overall impacts
- Proposal includes backstop date to require emission reductions before 2037 8-hour ozone NAAQS attainment date

11

Key Issue #4

- Propose zero emission limits for all commercial food ovens regardless of cost-effectiveness

- PAR 1153.1 requires 57 units (out of ~200) to transition to zero-emissions achieving 42% NOx emission reduction
 - ZE technology is technically feasible
 - Some cases, ZE technology is available and in use
- Staff conducted a technology assessment and determined that
 - Zero-emission technology does not exist for larger oven categories
 - Some cases, ZE technology might not be technologically feasible
 - High cost-effectiveness for some categories
- Resolution will include commitment to conduct future check-in on technology developments

12

PAR 1153.1 Impacts

California Environmental Quality Act

- CEQA staff will evaluate potential impacts of PAR 1153.1 and will prepare appropriate document

Socioeconomic Impact Assessment

- Socioeconomic staff will evaluate cost impacts from the implementation of PAR 1153.1 and prepare an assessment

13

Next Steps

- **Release Draft Rule Language and Staff Report:**
July 5, 2023
- **Public Hearing:**
August 4, 2023



14

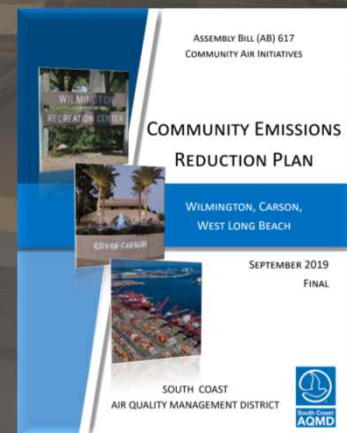
Proposed Amended Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities



Stationary Source Committee
JUNE 16, 2023

Background

- Rule 1178 adopted in 2001 and regulates VOC emissions from storage tanks located at petroleum facilities that have emitted more than 20 tons VOC per year
 - Contains more stringent control requirements than Rule 463 that also regulates VOC emissions from tanks
- Recently amended (May 2023) to address SIP deficiency
- Proposed Amended Rule 1178 (PAR 1178) affects 27 facilities and 1,059 tanks including 53 crude oil tanks
- Rulemaking initiated in response to actions contained in the Wilmington, Carson, and West Long Beach (WCWLB) Community Emission Reduction Plan (CERP)
 - Identified need for improved leak detection and more stringent controls to reduce emissions from refineries



Public Process

- PAR 1178 developed through public process
- 7 Working Group Meetings
 - Next Working Group Meeting tentatively scheduled for early July
- 1 Public Workshop
- Conducted 13 site visits
- Individual meetings with stakeholders including facilities, environmental groups including AB 617 community



3

Proposed Amendments to Rule 1178

- Leaks from tanks have potential to result in significant VOC emissions
- Proposed amendments will require stringent leak detection and implement best available retrofit control technology (BARCT)



Enhanced Leak Detection Requirements:

- Quarterly and semi-annual inspections currently required
 - Optical gas imaging devices not used for current inspections
- Proposed requirement: Weekly inspections using optical gas imaging devices conducted in addition to current leak detection requirements



Additional Doming

- Domes are not vapor tight controls- designed only to reduce emissions from seals by eliminating a “wind effect” that pulls vapors from seals
- Crude oil tanks currently exempt from doming
- Proposed requirement: Remove exemption from doming for crude oil tanks

4

Proposed Amendments to Rule 1178 (cont.)



Additional Secondary Seals and More Stringent Gap Requirements

- Secondary seals currently not required for internal floating roof tanks
- Proposed requirement: Secondary seals on all floating tanks
- Proposed more stringent gap requirements for rim seals



Increased Emission Control

- 95% emission control currently required for fixed roof tanks
- Proposed requirement: 98% emission control efficiency for fixed roof tanks

Additional reporting and recordkeeping

- Notification by phone when leaks detected during a tank farm inspection
- Written and digital recordkeeping for optical gas imaging inspections

True vapor pressure testing

Periodic testing to confirm qualification for exemption from doming or other rule requirements

5

Cost-Effectiveness and Emission Reductions

- PAR 1178 expected to result in VOC emission reductions of 0.76 tons per day

Proposed Requirement	Cost-Effectiveness (\$/ton)	Reductions (tpd)	Implementation Date
Weekly/semi-annual OGI inspections	\$27,300	0.45	July 1, 2024
Doming crude oil tanks	\$37,200	0.27	2038 (full implementation)
Increased emission control efficiency	Meeting proposed requirement	0.02	Date of adoption
Additional secondary seals	\$22,800	0.01	When tank next emptied-no later than 10 years
Seal gap requirements	Meeting proposed requirement	0.01	Date of adoption

- Incremental cost-effectiveness calculated for requiring proposed controls for all tanks
 - Controls proposed only for tanks storing material with true vapor pressure (TVP) >0.1 psia
 - Controls for tanks storing material with TVP 0.1 psia or less incrementally not cost-effective (>\$69,000 to \$1.8 million per ton)

6

Remaining Key Issue – Doming Compliance Schedule

- One facility requesting more time to dome tanks
 - End of 2043 for 12 tanks to avoid more than one tank out of service
- Staff proposing doming schedule fully implemented by 2038
 - Results in cost-effectiveness of \$37,200/ton
 - \$36,000/ton cost-effectiveness guideline for VOC reduction approved by the South Coast AQMD Governing Board
 - Cost-effectiveness reduced if compliance schedule extended

Compliance Date	Cost-effectiveness
2038	\$37,200
2041	\$35,200

- With 2038 schedule, concerned facility has over 1 year per tank project – doming projects should not overlap
- 0.14 tons per day achieved 5 years earlier with proposed 2038 implementation schedule

7

Next Steps

- Set Hearing August 4, 2023
- Public Hearing September 1, 2023

8



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 (April – May 2023)

June 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

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

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
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

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-23	Mar-23 to May-23	27.4	\$563,174	20	\$20,562

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

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

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 Price ⁴ (\$/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	-	-	-

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)
May-23	May-22 to Apr-23	None	-	-	-
Jun-23	Jun-22 to May-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.

June 2023 Update on Work with U.S. EPA and California Air Resources Board 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. The table below summarizes key activities with U.S. EPA and California Air Resources Board (CARB) since the last report.

Item	Discussion
Video Conference with CARB – May 31, 2023	<ul style="list-style-type: none">• Discussed potential SB 288 exemptions to address offset availability post-RECLAIM

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

Settlement Penalty Report (05/01/2023 - 05/31/2023)

Total Penalties

Civil Settlement: \$1,271,767.00
Hearing Board Settlement: \$3,500.00
MSPAP Settlement: \$2,807.00

Total Cash Settlements: \$1,278,074.00

Fiscal Year through 05/31/2023 Cash Total: \$5,980,442.31

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
47084	ADVANCE PAPER BOX, CO.	1415, 3002	5/17/2023	JL	P69571, P73657, P73818	\$8,400.00
187165	ALTAIR PARAMOUNT, LLC	40 CFR 60,QQQ, 401, 1118, 1173, 1176, 1178, 3002, 41701	05/26/2023	BT	P65086, P65087, P65088, P65089, P65091, P65099, P65100, P65642, P67811, P67812, P67821, P67827, P67844, P67845, P67846, P68971, P74082	\$125,000.00
177658	BURNS ENVIRONMENTAL SERVICES	40 CFR 61.145, 1403	05/26/2023	BT	P69438, P69812, P74447, P74448, P74557, P74558, P74563, P76203, P76207, P76222	\$46,000.00
800022	CALNEV PIPE LINE, LLC	463, 1178, 3002	05/25/2023	MR	P63266, P73311, P74055	\$3,500.00
191119	E&B NATURAL RESOURCES MANAGEMENT CORP	203, 430, 1148.1, 1173	05/10/2023	JL	P73327, P73334	\$9,098.50
192295	EMPIRE EXCHANGE, INC	1403	05/05/2023	RM	P74302	\$3,100.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
191989	EVOQUA WATER TECHNOLOGIES, LLC	203	05/24/2023	JL	P73309	\$5,000.00
157363	INTERNATIONAL PAPER CO	1100, 1146, 2004	05/23/2023	KCM	P70002	\$45,673.00
191446	KINGDOM BUILDERS PROPERTIES, LLC	1403	05/11/2023	RM	P74307	\$3,700.00
800234	LOMA LINDA UNIV	3002	05/11/2023	RL	P74132, P74651, P75204	\$5,500.00
800080	LUNDAY-THAGARD COMPANY	40 CFR QQQ, 218.1, 463, 1173, 1178, 2004, 2011, 2011 Appendix A, 3002,	05/05/2023	MR	P61515, P64023, P64027, P64030, P64032, P65085, P65097, P65098, P65396, P66926, P66933, P66940, P67803, P74061, P74062, P74064, P74073, P74074, P74075, P74081, P74085, P74086, P78704	\$115,500.00
193110	MISS HAIRCUT OF WESTCHESTER	40 CFR 61.145, 1403	05/19/2023	RM	P74223	\$500.00
42630	PRAXAIR, INC.	2004, 2012	05/26/2023	BT	P67377, P67384, P67400, P74624	\$11,100.00
139446	PROJECT NAVIGATOR/ASCON LANDFILL SITE RP	221, 1166	05/26/2023	EC	P69170	\$3,750.00
191463	REFLECTIONS AUTO BODY	109	05/17/2023	GV	P69587	\$1,500.00
800128	SO CAL GAS CO	17 CCR 95669	05/17/2023	JL	P74502, P74503, P74509	\$28,104.00
5973	SOCAL GAS CO	17 CCR 95669, 3002	05/17/2023	JL	P73265, P73267, P73276	\$48,596.50
181667	TORRANCE REFINING COMPANY LLC	3002	05/04/2023	DH	P68206	\$736,845.00
21872	TROJAN BATTERY COMPANY, LLC	203, 221, 1420.2	05/25/2023	BT	P69815, P69823	\$70,900.00
Total Civil Settlements : \$1,271,767.00						
Hearing Board						
112573	FREUND BAKING COMPANY	1153.1	05/10/2023	JL	6226-1	\$1,500.00
112573	FREUND BAKING COMPANY	1153.1	05/24/2023	JL	6226-1	\$2,000.00
Total Hearing Board Settlements : \$3,500.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
MSPAP						
196096	CALTRANS	403	05/26/2023	GV	P68788	\$2,807.00
Total MSPAP Settlements : \$2,807.00						

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

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 203 Permit to Operate

Rule 218.1 Continuous Emission Monitoring Performance Specifications

Rule 221 Plans

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions

Rule 403 Fugitive Dust. Pertains to solid particulate matter emitted from man-made activities.

Rule 430 Breakdown Provisions

Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1100 Implementation Schedule for NO_x Facilities

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 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil

Rule 1173 Fugitive Emissions of Volatile Organic Compounds

Rule 1176 Sumps and Wastewater Separators

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

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 1420.2 Emission Standards for Lead from Metal Melting Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) Emissions
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXX- TITLE V PERMITS

- Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

- 40 CFR 60, QQQ Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater
- 40 CFR 61.145 Standard for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

- 41701 Restricted Discharges

CALIFORNIA CODE OF REGULATIONS

- 17 CCR 95669 Air Resources Board – Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities