



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765

(909) 396-2000, www.aqmd.gov

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Ben Benoit, Chair
Dr. Joseph Lyou, Vice Chair
Mayor Pro Tem Judith Mitchell
Supervisor Shawn Nelson
Supervisor Janice Rutherford
Supervisor Hilda L. Solis

**July 20, 2018 ♦ 10:30 a.m. ♦ CC8
21865 Copley Dr., Diamond Bar, CA 91765**

TELECONFERENCE LOCATIONS

8575 Haven Ave
Suite 110
Rancho Cucamonga CA

Kenneth Hahn Hall of Administration
500 W. Temple Street
Room 493-A
Los Angeles, CA 90012

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

Hall of Administration
Planning Commission Room
333 West Santa Ana Blvd.
Santa Ana, CA 92701

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

Call-in for listening purposes only is available by dialing:

Toll Free: 866-244-8528

Listen Only Passcode: 5821432

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

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

AGENDA

CALL TO ORDER

INFORMATIONAL ITEMS – Items 1-4

- 1. Update on Proposed Amended Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations (No Motion Required) (15 mins.)** Susan Nakamura, Assistant Deputy Executive Officer

At the May 4, 2018 Governing Board meeting, staff was directed to continue to work with stakeholders and return to Stationary Source Committee to provide an update on modifications to Proposed Amended Rule 1469.
(Written Material Attached)
- 2. Proposed Amendments to Rules 2001 (Applicability) and 2002 (Allocations for NOx and SOx) (No Motion Required) (15 mins.)** Tracy Goss, Manager

Staff will provide a briefing on Proposed Amended Rules 2001 and 2002 relative to transitioning RECLAIM to a command-and-control regulatory structure.
(Written Material Attached)
- 3. Update on the 2016 AQMP Control Measures for Underfired Charbroilers and Commercial Cooking Equipment (No Motion Required) (20 mins.)** Tracy Goss, Manager

Staff will provide an update on recent research efforts for underfired charbroilers and other commercial cooking equipment.
(Written Material Attached)
- 4. Summary of Proposed Amended Rule (PAR) 1135 – Emissions of Oxides of Nitrogen from Electric Power Generating Systems (No Motion Required) (15 mins.)** Michael Morris, Manager

PAR 1135 is being amended to update emission limits to reflect current Best Available Retrofit Control Technology (BARCT), establish provisions for monitoring, reporting, and recordkeeping, and provide implementation timeframes to facilitate the transition of the NOx RECLAIM facilities to a command-and-control regulatory structure. Staff will provide a summary of PAR 1135 and any key issues.
(Written Material Attached)
- 5. Status Report on Reg. XIII – New Source Review (No Motion Required) (10 mins.)** William Thompson, Manager

This report presents the federal Final Determination of Equivalency for January 2016 through December 2016. As such, it provides information regarding the status of Regulation XIII – New Source Review in meeting federal NSR requirements and shows that SCAQMD’s NSR program is in final compliance with applicable federal requirements from January 2016 through December 2016.
(Written Material Attached)

WRITTEN REPORTS

- 6. Notice of Violation Penalty Summary (*No Motion Required*)** Bayron Gilchrist,
This report provides the total penalties settled in June 2018 which includes Civil, General Counsel
Supplemental Environmental Projects, Mutual Settlement Assessment Penalty
Program, Hearing Board and Miscellaneous.
(*Written Material Attached*)
- 7. Twelve-month and Three-month Rolling Price of 2017 and 2018 Compliance Years RTCs (*No Motion Required*)** Laki Tisopulos,
The attached quarterly report summarizes the twelve-month and three-month Deputy Executive
rolling average prices of NOx and SOx RTCs. Officer
(*Written Material Attached*)
- 8. Home Rule Advisory Group – Bi-Monthly Report for May 2018 (*No Motion Required*)** Philip Fine,
This report summarizes the topics discussed at the May 2018 Home Rule Deputy Executive
Advisory Group Meeting and also includes the second quarter attendance record Officer
for 2018.

OTHER MATTERS

- 9. 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)
- 10. Public Comment Period**
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)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. 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. Speakers may be limited to three (3) minutes each.
- 11. Next Meeting Date: September 21, 2018**

ADJOURNMENT

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Evangelina Barrera at 909.396-2583 from 7:30 a.m. to 6:00 p.m., Tuesday through Friday, or send the request to ebarrera@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

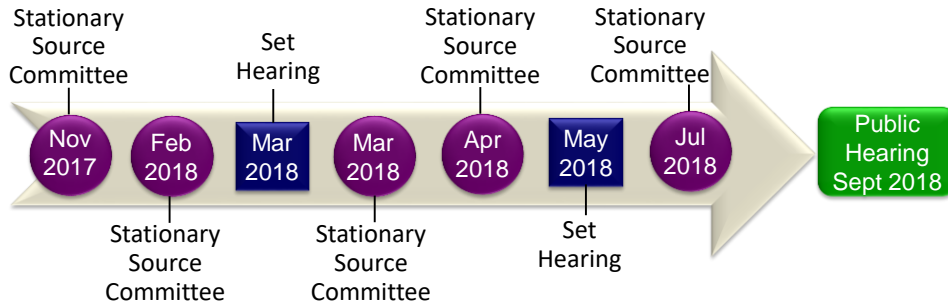


Background

- Rule 1469 regulates chromium electroplating and chromic acid anodizing tanks
- Substantial public process
 - 13 Working Group Meetings (2 in the community)
 - 3 Public Workshops
 - 5th briefing to the Stationary Source Committee
- 59 site visits*
- Set Hearing May 2018
 - Directed staff to work with stakeholders to resolve remaining key issues

* Multiple site visits for some facilities

Committee Briefings



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PAR 1469 Core Provisions

- New pollution controls for:
 - 40 heated sodium dichromate tanks that are currently 300% above proposed emission limit
 - 76 additional tanks will need pollution controls that are well above the proposed threshold (0.2 mg/hour)
- Building enclosure requirements to ensure fugitive emissions are not impacting communities
- Periodic source testing requirements
- Periodic monitoring of pollution controls to ensure continued compliance

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Input from Stakeholders

- Multiple meetings with the Metal Finishing Association of Southern California
- 10 site visits and meetings with operators in April 2018
- Staff made additional modifications to PAR 1469 (Feb version) to address variety of issues
- Core provisions maintained

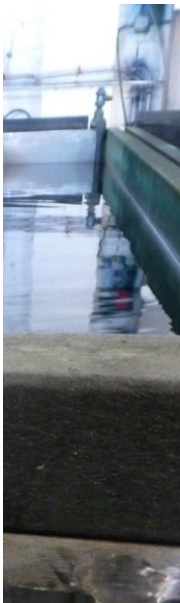
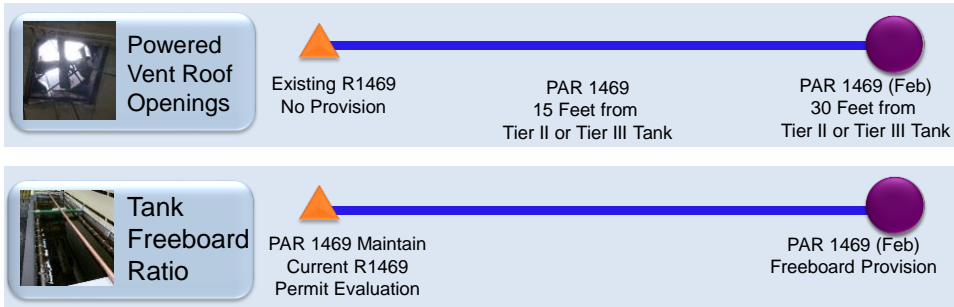


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Recent Key PAR 1469 Revisions



Recent Key PAR 1469 Revisions



Key Commitments for Resolution

- Include Resolution language commitment to
 - Conduct a pilot study and technology assessment for alternatives to hexavalent chromium for all applications
 - Support statewide efforts to phase-out hexavalent chromium, where appropriate
 - Seek funding for smaller facilities if chemical fume suppressants are not recertified to help offset costs of pollution controls or to transition out of hexavalent chromium



Socioeconomic Impacts

Revised Proposal and Data

- Reduced average annual cost per facility about 45%
- Reduced annual jobs forgone about 50%

PAR 1469 Facility Impacts Analysis

- Average annual cost per facility ranges from \$22,000 to \$36,000
- Includes capital, operating, and maintenance costs

PAR 1469 Job Impacts Analysis

- Approximately 37 to 63 to jobs forgone annually (jobs not created in the future)

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Next Steps

- Public Hearing September 2018



PROPOSED AMENDMENTS TO RULE 2001 AND RULE 2002 (REGULATION XX)

STATIONARY SOURCE COMMITTEE
JULY 20, 2018

Background

- Rule 2001 specifies inclusion criteria into NO_x and SO_x RECLAIM for new and existing facilities
- Rule 2002 establishes the methodology for calculating facility allocations and adjustments to RECLAIM Trading Credit (RTC) holdings for NO_x and SO_x
- Proposing amendments to add provisions to:
 - Allow facilities to exit RECLAIM (Proposed Amended Rule (PAR) 2001)
 - Allow facilities for a limited time to request to stay in RECLAIM (PAR 2002)

Summary of Proposed Amendments

PAR 2001 provides a pathway for facilities to exit RECLAIM, provided specific criteria are met

- Primarily for facilities that did not receive Initial Determination Notifications

PAR 2002 allows facilities to remain in RECLAIM for a limited time upon receiving an Initial Determination Notification

- Facilities may stay in RECLAIM while New Source Review and permitting issues are resolved

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Proposed Amendments to Rule 2001

- PAR 2001 would provide an option for facilities to opt-out of RECLAIM provided that they meet certain criteria:
 - No NOx emitting equipment; or
 - Only emissions from Rule 219 equipment; and/or
 - All applicable landing rules have been amended

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Proposed Amendments to Rule 2001 (continued)

A RECLAIM facility that meets the criteria would notify the Executive Officer with a request to exit and submit supporting information

The Executive Officer would review the request and verify that the facility meets the criteria for exit

If the facility meets the criteria, an Initial Determination Notification would be issued for exiting RECLAIM

Proposed Amendments to Rule 2002

- PAR 2002 would provide facilities with the option to remain in RECLAIM for a limited time while
 - New Source Review issues are resolved
 - Permitting issues are resolved
- Facilities that elect to remain in RECLAIM during the interim transition period must comply with BARCT requirements in adopted landing rules

Proposed Amendments to Rule 2002 (continued)

Upon receiving an Initial Determination Notification, a facility can submit a request to remain in RECLAIM to the Executive Officer

Facilities would also submit NO_x equipment information to the Executive Officer

The Executive Officer would notify the facility and temporarily suspend the transition process

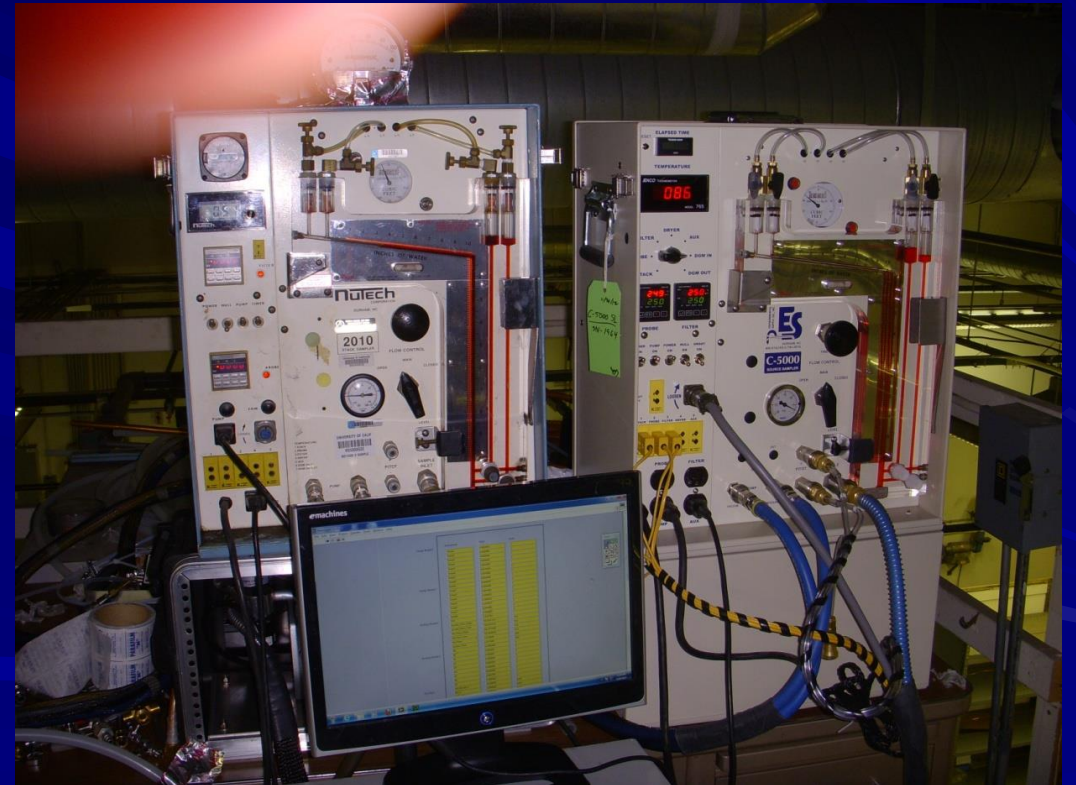
Rulemaking Schedule

- Public Consultation Meeting
 - August 9, 2018
- Set Hearing
 - September 7, 2018
- Public Hearing
 - October 5, 2018

**Update on the 2016 AQMP Control Measures
BCM-01 (PM) & CMB-04 (NOx)
for
Underfired Charbroilers and Commercial
Cooking Equipment**

**Stationary Source Committee
July 20, 2018**

Charbroiling Equipment (PM)



Background

Early studies

- Survey indicated more than 13,000 restaurants in Basin
 - Many are small businesses
- Conducted characterization of various restaurant equipment
- Emission factor development for various meats cooked on under-fired charbroilers
- Majority of direct PM emissions from underfired charbroilers cooking beef
- Rule 1138 adopted in 1997 for chain-driven charbroilers

Cost-effective and affordable control approaches were not available for underfired charbroilers

Other Regulatory Efforts

BAAQMD and SJVUAPCD adopted same chain-driven equipment requirements as SCAQMD Rule 1138

Underfired charbroiler requirements not adopted due to costs and impacts on restaurant profit margins

BAAQMD later adopted requirements for filterable emissions from larger underfired charbroilers, with exemptions (2007)

SJVUAPCD adopted registration and reporting requirements for underfired charbroilers (June 2018)

On-site demonstrations of controls inconclusive at this time

Early Efforts

Began rulemaking for underfired charbroilers in 2009



Cost-effective reductions remained elusive (scrubber system costs >\$50,000)



Decision to conduct more research

- Issued Program Opportunity Notice in 2012 to evaluate available or newer control technologies
 - Contract with CE-CERT to evaluate various control options
- Sub-contract with UCLA for health study
- Additional tests co-funded by BAAQMD and USEPA

CE-CERT Testing

Various control configurations tested consisting of:

- Electrostatic Precipitators (ESPs)
- Ceramic/microwave regeneration
- Centrifugal Separator
- Diesel PM-style filters
- Multi-stage filters
- In-hood options
- Under grate technologies
- Combination of technologies

Test Results

~95% of emissions are less than 1 micron

Emission control levels can range from 18% to 85%

Preliminary capital costs range from \$5,000 to \$50,000 depending on configuration

Retrofit options limited due to cost considerations and lack of in-field demonstration

New facility options more feasible

Key Cost Considerations

Main benefits
would derive from
retrofits of existing
underfired
charbroilers

Cost issues

Physical
ability to
retrofit an
existing
charbroiler
control

Hood size
and ducting,
as well as
control
location

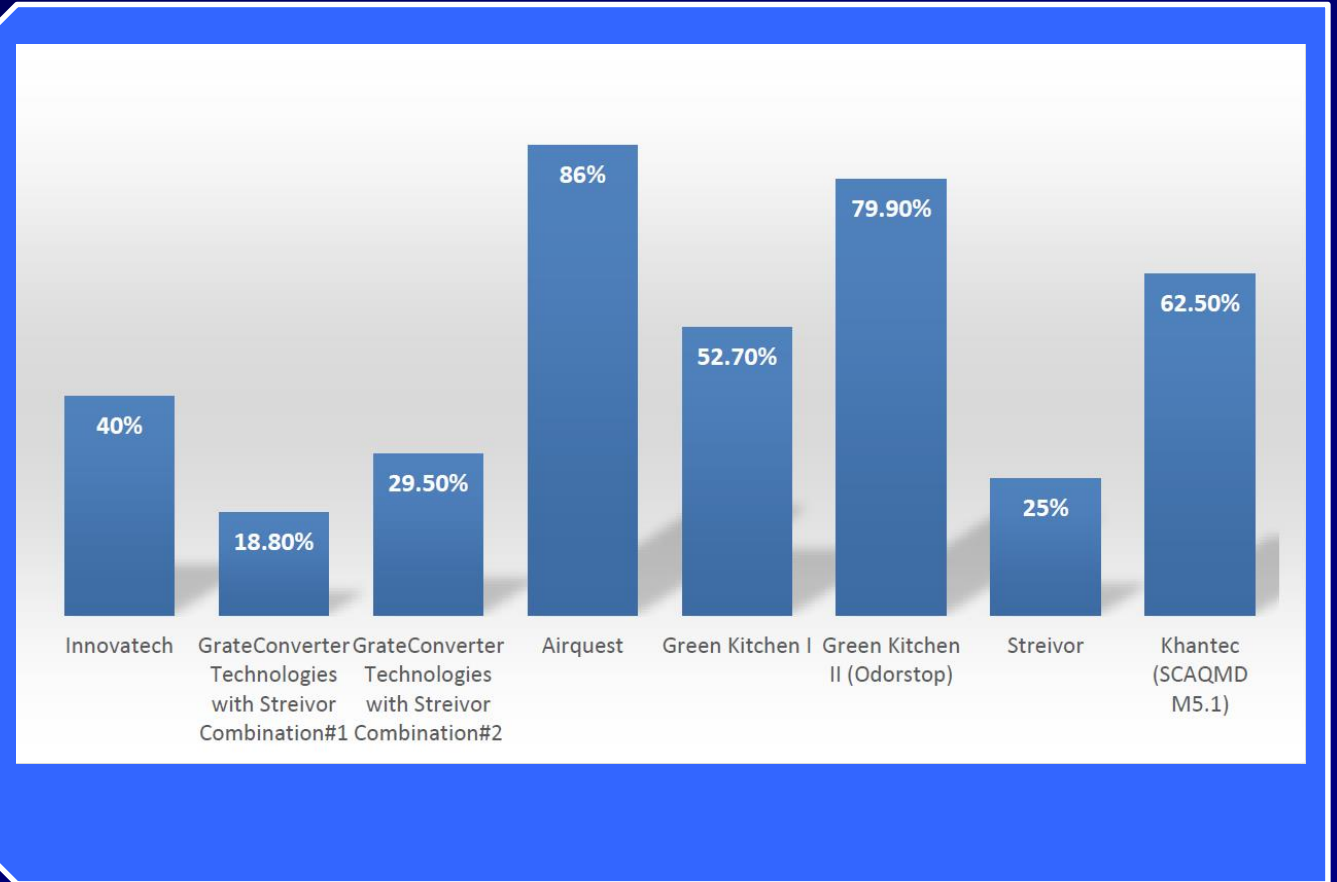
Capital costs
to operators
due to low-
profit margins
(mom-and-
pop
operations)

Operation
and
Maintenance
costs

Preliminary Findings

Staff Assessment:

There may be an opportunity to balance lower cost options with less control efficiency that combine technologies (i.e., under-grate and in-hood technologies)



Health Impacts Characterization (UCR & UCLA)

Evaluated particle size and further emissions characterization

Conclusions

- Emissions dominated by organic and elemental carbon
- Contains toxics (PAHs and nitrate-PAHs)
- Controls can significantly reduce:
 - PM emissions
 - Exposure to gaseous toxics (such as carbonyls)
 - Particle- and gas-phase PAHs



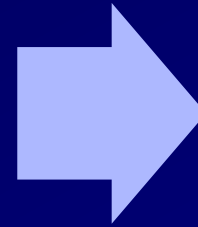
Other Commercial Equipment (NOx)



Commercial Cooking

2016 AQMP Control Measure CMB-04:

- Applies to retail and quick service restaurants
- Promotes and incentivizes the use & installation of low-NOx burner technologies
- May consider developing a manufacturer based rule to establish emission limits
- Will seek co-benefit reductions through existing or enhanced energy efficiency programs being implemented by other entities



Issued RFP to conduct NOx emissions characterization for various types of commercial equipment

- Develop test methods for measuring emissions from several types of equipment
- Perform tests on selected equipment to develop baseline NOx and CO emission rates

Scope of Work

Protocol development performed by :

- The Gas Company (Sempra Energy)
- SCAQMD

Emission testing performed by :

- The Gas Company (Sempra Energy)
- Frontier Energy, Inc. DBA Fisher – Nickel, Inc. contracted by SCAQMD (Jan 26, 2017 – June 30, 2018)

The units for testing:

- Boilers, fryers, griddles, and ovens (convection, combination, range, deck, conveyor, and rack)
- Total of 48 units, 27 assigned to the Gas Company and 21 assigned to Frontier Energy for testing
- Will investigate residential applications

Status of Test Protocol Development

Nine final draft test protocols developed for determining NOx emissions from:

Deep
fat fryer

Griddle

Underfired
broiler

Convection
oven

Rack
oven

Combination
oven

Conveyor
oven

Deck
oven

Range
oven

Status of Emission Testing

- Testing completed for 27 units by the Gas Company and for 13 units by Frontier Energy as below
- The contract with Frontier Energy ended on June 30, 2018

Equipment Type	the Gas Company		Frontier Energy	
	Standard	Efficient	Standard	Efficient
Boiler	4			
Fryer			3	5
Griddle			3	2
Oven – Combination	1	5		
Oven – Convection	2	4		
Oven – Conveyor	2	1		
Oven – Rack	1	1		
Oven – Deck	3			
Oven – Range	3			

- **Results under review**

Next Steps

Analyze testing
results and
approve final
report

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graph LR; A[Analyze testing results and approve final report] --> B[Determine if additional testing should be performed]; B --> C[Seek further collaboration with the food service industry and other entities for CMB-04];
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Determine if
additional
testing should
be performed

Seek further
collaboration
with the food
service industry
and other
entities for
CMB-04

Proposed Amended Rule 1135

Emissions of Oxides of Nitrogen from Electric Power Generating Systems

Stationary Source Committee

July 20, 2018

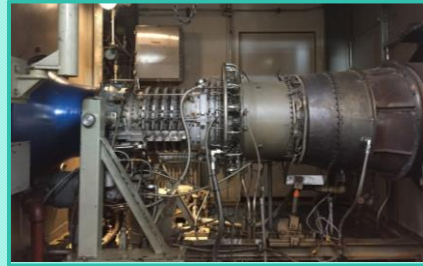
Regulatory Background for Electricity Generating Facilities (EGFs)

- Rule 1135 was adopted in 1989 – applies to electric power generating systems
- Most EGFs entered RECLAIM in 1993
- Rule 2009 – Compliance Plan for Power Producing Facilities adopted in 2001
 - Required installation of Best Available Retrofit Control Technology (BARCT) through compliance plans for EGFs in RECLAIM



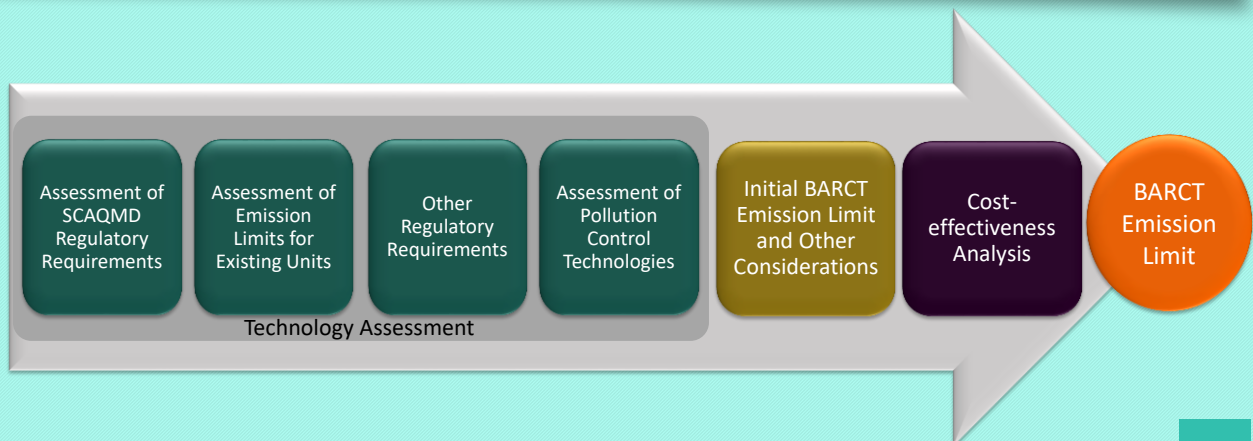
Proposed Amended Rule 1135 Applicability

- Applies to 37 electricity generating facilities that are owned or operated by:
 - Market participants of California Independent System Operator Corporation
 - Municipal or public electric utility
 - Electric utility on Santa Catalina Island
 - All but five are RECLAIM facilities
- Industry-specific rule, includes
 - Boilers
 - Combined cycle gas turbines
 - Simple cycle gas turbines
 - Internal combustion engines



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Best Available Retrofit Control Technology (BARCT) Assessment



BARCT analysis is conducted for each equipment category and fuel type

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Proposed NOx Emission Limits

Boilers	5.0 ppmv @ 3% O ₂
Turbines – Combined Cycle and Duct Burners	2.0 ppmv @ 15% O ₂
Turbines – Simple Cycle	2.5 ppmv @ 15% O ₂
Internal Combustion Engines (Diesel)	45 ppmv @ 15% O ₂ (Catalina Island only)

- Emission limit of 5.0 ppmv for ammonia slip when using selective catalytic reduction
- For internal combustion engines – incorporate VOC, CO, and PM emission limits
- Effective date: January 1, 2024 (excluding diesel engines and two once-through-cooling boilers)

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Special Considerations for BARCT Analysis

- Exempt units from NOx emission limit if close to BARCT emission limit – high cost-effectiveness (>\$50,000/ton)
 - Combined cycle gas turbines at 2.5 ppmv @ 15% O₂ (PAR 1135 limit is 2.0 ppmv @ 15% O₂)
 - Boilers at 7.0 ppmv @ 3% O₂ (PAR 1135 limit is 5.0 ppmv @ 3% O₂)
- Exempt low-use units from NOx emission limit – high cost-effectiveness (>\$50,000/ton)
 - Must remain below 25% annual capacity in single year and 10% annual capacity averaged over three years
 - Must incorporate low-use condition in permit

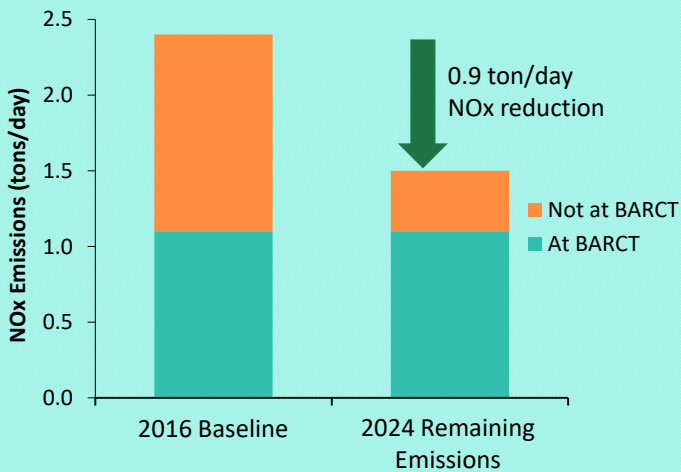
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Cost-Effectiveness

Boilers	<ul style="list-style-type: none"> • 21 of 24 (88%) already shutting down • Remaining 3 have average cost-effectiveness ~ \$50,000/ton NOx reduced
Turbines – Combined Cycle and Duct Burners	<ul style="list-style-type: none"> • 19 of 28 (68%) already meet proposed BARCT limit; 3 units at 2.5 ppmv • Remaining are low-use and exempt from proposed BARCT limit
Turbines – Simple Cycle	<ul style="list-style-type: none"> • 45 of 75 (60%) already meet proposed BARCT limit • Remaining are low-use and exempt from proposed BARCT limit
Internal Combustion Engine (Diesel)	<ul style="list-style-type: none"> • Unique to Catalina Island • Average cost-effectiveness is approximately \$27,000/ton NOx reduced

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Emission Reductions



- Initial inventory in 1986 was 25.6 tons per day of NOx
 - EGFs emitted 2.4 tons per day of NOx in 2016*
 - 1.1 tons per day from equipment at or below BARCT
 - PAR 1135 will reduce about 0.9 tons per day
 - 0.8 tons per day from boilers
 - 0.1 tons per day from internal combustion engines
 - Small amount from turbines that choose to forgo low-use provision
- * Based on 2016 fuel usage and permit limits

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Key Issue – BARCT Analysis

Comment:

- BARCT must be established for each class and category of equipment and may not apply to other equipment or industry groups within the category of equipment
- BARCT assessments should include both emission limits and effective dates

Response:

- BARCT analysis for PAR 1135 and other landing rules will evaluate each category of equipment to account for unique applications
- While data was provided showing cost by device, BARCT is being established for each equipment category
- Implementation schedule for PAR 1135 is January 2024 – accounting for implementation of BARCT at facilities

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Key Issue – Cost-Effectiveness

Comment:

- Some cost-effectiveness endpoints exceed \$50,000/ton NOx reduced and should not be considered

Response:

- PAR 1135 includes provisions that exempt units from the BARCT emission limit if unit is:
 - Low use; or
 - Near the BARCT emission limit

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Schedule

- September 7, 2018 Set Hearing
- October 5, 2018 Public Hearing



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Status Report on Regulation XIII – New Source Review

Stationary Source Committee
July 20, 2018



NSR Status Report Overview

Purpose:

Demonstrate SCAQMD's NSR program meets federal NSR offset requirements for Major Sources, as required by EPA, for sources that are exempt from offsets under SCAQMD's NSR rule



NSR Status Report History

- SCAQMD has produced Annual NSR Status Reports since 1990
- Around 2002-2004 EPA requested SCAQMD adopt a rule to memorialize equivalency demonstrations
- SCAQMD adopted Rule 1315 - Federal NSR Tracking System in 2006/2007 and adopted a revised Rule 1315 in February 2011
- EPA approved Rule 1315 into the SIP and it became effective on June 25, 2012



Rule 1315 Federal NSR Tracking System

- Rule 1315 established procedures to demonstrate equivalency with federal NSR offset requirements
 - Tracks debits from and credits to SCAQMD's federal internal offset account for each pollutant
 - Annual Preliminary Determination of Equivalency (PDE), Final Determination of Equivalency (FDE) and Projections
 - Balances in SCAQMD's federal offset account must remain positive
 - Cumulative Net Emission Increases must remain below Rule 1315(g) thresholds



SCAQMD's Federal NSR Offset Accounts Final Determination of Equivalency (FDE) (CY 2016)

DESCRIPTION	VOC	NOx	SOx	CO	PM10
2015 Final Ending Balance (tons/day)	101.20	24.82	4.10	15.75	14.96
2016 Total Credits (tons/day)	4.72	0.7	0.22	15.19	1.22
2016 Total Debits (tons/day)	-0.16	-0.09	0	-0.02	-0.03
2016 Total Discount of Credits for Surplus Adjustment (tons/day)	0.00	-2.73	0.00	0.00	0.00
2016 Final Ending Balance (tons/day)	105.76	22.70	4.32	30.92	16.15



Cumulative Net Emission Increase February 4, 2011 – December 31, 2016

DESCRIPTION	VOC	NOx	SOx	CO	PM10
2015 Net Emission Increase (tons/day)	-13.97	-2.30	-0.61	N/A	-0.15
2016 Increases in Potential to Emit (tons/day)	1.85	0.59	0.01	N/A	0.37
2016 Decreases in Potential to Emit (tons/day)	-5.90	-0.87	-0.27	N/A	-1.52
Cumulative Net Emission Increase (tons/day)	-18.02	-2.58	-0.87	N/A	-1.30
Rule 1315(g) Table B Threshold (tons/day)	7.58	0.61	0.18	N/A	1.09



SCAQMD's Projected Federal NSR Offset Accounts CY 2017

DESCRIPTION	VOC	NOx	SOx	CO	PM10
2016 Final Ending Balance (tons/day)	105.76	22.70	4.32	30.92	16.15
CY 2017 Total Projected Credits (tons/day)	5.19	0.88	0.19	7.03	0.82
CY 2017 Total Projected Debits (tons/day)	-0.35	-0.20	0.00	-2.09	-0.02
CY 2017 Total Projected Discount of Credits for Surplus Adjustment (tons/day)	-0.12	-1.58	0.00	-0.22	0.00
CY 2017 Projected Ending Balance (tons/day)	110.48	21.80	4.51	35.64	16.95

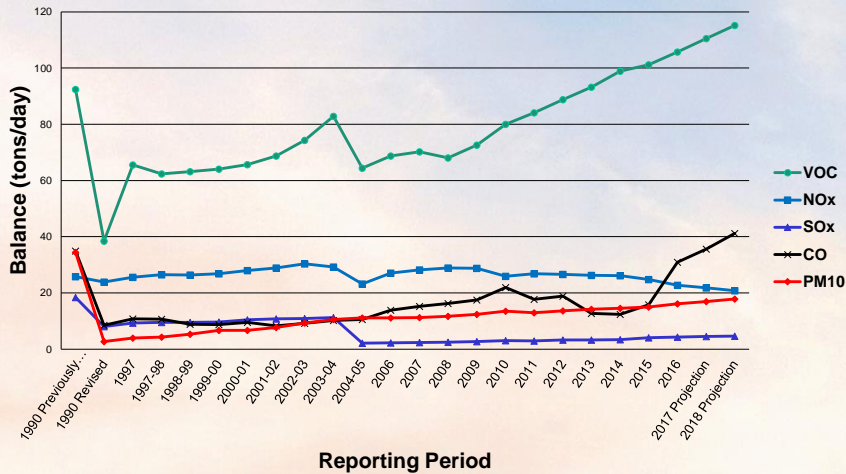


SCAQMD's Projected Federal NSR Offset Accounts CY 2018

DESCRIPTION	VOC	NOx	SOx	CO	PM10
CY 2017 Projected Ending Balance (tons/day)	110.48	21.80	4.51	35.64	16.95
CY 2018 Total Projected Credits (tons/day)	5.16	0.83	0.16	8.07	0.85
CY 2018 Total Projected Debits (tons/day)	-0.39	-0.14	0.00	-2.50	-0.02
CY 2018 Total Projected Discount of Credits for Surplus Adjustment (tons/day)	-0.03	-1.68	0.00	-0.05	0.00
CY 2018 Projected Ending Balance (tons/day)	115.22	20.81	4.67	41.16	17.78



SCAQMD's Federal Offset Account Balances (1990 – 2016, and 2017-2018 Projections)



Conclusions

- The Final Determination of Equivalency for CY 2016 shows SCAQMD's NSR program continued to be at least equivalent to the federal NSR offset requirements
- For CYs 2017 and 2018 it is also projected that SCAQMD's NSR program will continue to be at least equivalent to the federal NSR offset requirements
- The Cumulative Net Emission Increases for CY 2016 remained below the thresholds identified in Table B of Rule 1315(g)(4)
- Next Preliminary Determination of Equivalency for CY 2017 will be presented to the Governing Board in February 2019

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
DRAFT
June 2018 Settlement Penalty Report

Item #6

[Back to Agenda](#)

<u>Total Penalties</u>	
Civil Settlements:	\$3,480,691.50
(*Suspended Penalty amount included in Civil Settlements)	\$10,000.00
Self-Reported Settlements:	\$3,500.00
MSPAP Settlements:	\$7,400.00
Total Cash Settlements:	\$3,491,591.50
Total SEP Value:	\$0.00
Fiscal Year through 6 / 2018 Cash Total:	\$14,221,617.93
Fiscal Year through 6 / 2018 SEP Value Only Total:	\$2,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
186522	AMERICAN MEAT COMPANIES	1415.1	6/15/2018	DH	P64840	\$5,500.00
118379	ARROWHEAD REGIONAL MEDICAL CTR	3002	6/13/2018	NAS	P58094	\$5,000.00
132068	BIMBO BAKERIES USA INC	2004(f)(1) 2012 Appen A	6/13/2018	TRB	P60274	\$11,500.00
172638	C&D ZODIAC _ CYPRESS	1147 203 (a) 203 (b)	6/28/2018	NSF	P62803 P60668 P60672	\$2,500.00
800030	CHEVRON PRODUCTS CO.	1173 1176(e)(1)	6/15/2018	TRB	P64615 P64616 P64618	\$80,000.00
800030	CHEVRON PRODUCTS CO.	42400 2004	6/15/2018	TRB	P58236 P58237	\$8,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800030	CHEVRON PRODUCTS CO.	1118 3002(c)(1) 401(b)(1)(A) 41701	6/22/2018	TRB	P60971	\$15,000.00
141424	HOME DEPOT USA INC	1143	6/5/2018	WBW	P60330 P60338	\$2,394,862.50
24647	J. B. I. INC	3002 3003	6/20/2018	ML	P64014	\$400.00
164214	KIBRIYA ENTERPRISES, INC	203 (b) 461(c)(2)(A)	6/14/2018	WBW	P63022	\$400.00
800075	LA CITY, DWP SCATTERGOOD GENERATING STN	2004(f)(1) 2012(e)(2)(B) 203 (b) 3002(c)(1)	6/28/2018	NSF	P60584	\$133,500.00
143723	LOVIN OVEN, LLC	203 (b)	6/13/2018	NSF	P57695	\$300,000.00
185783	MC CARTHY	1113	6/5/2018	BST	P67001	\$1,200.00
185400	MOTHER'S MARKET <i>*Suspended penalty of \$10,000 suspended until June 21, 2019</i>	1415.1	6/13/2018	BST	P64832 P64833 P64834 P64835 P64837	\$60,000.00
52517	REXAM BEVERAGE CAN COMPANY	2004	6/7/2018	BST	P63720	\$1,300.00
139490	RUST-OLEUM CORP	314	6/15/2018	NAS	P60310	\$454,829.00
169882	SAN GABRIEL TRANSIT INC	201 203 (a)	6/26/2018	BST	P60543	\$1,100.00
24240	SERVICE PLATING CO INC	203 (b)	6/8/2018	RFL	P65036	\$1,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
144369	VERIZON WIRELESS	1470 203 (b)	6/13/2018	BST	P65567	\$4,000.00

Total Civil Settlements: \$3,480,691.50

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
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Self-Reported Settlements

134931	ARCONIC GLOBAL FASTENERS & RINGS, INC.		6/27/2018	NAS		\$3,500.00
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Total Self-Reported Settlements: \$3,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
154194	ARCO #00117- SRR, LLC	461(c)(3)(Q)	6/27/2018	GC	P70813	\$200.00
143433	C & R CLEANERS	203 (a)	6/13/2018	GC	P65201	\$800.00
177392	CW GOLF PARTNERS	461(c)(3)(Q)	6/22/2018	GC	P71060	\$200.00
168989	H & E EQUIPMENT SERVICES	461(c)(3)(Q)	6/22/2018	TF	P71022	\$200.00
151731	HILALIAN CORP	461(c)(3)(Q)	6/22/2018	TF	P70810	\$200.00
88327	JIFFY LUBE	461(c)(3)(Q)	6/7/2018	TF	P70658	\$200.00
146857	KAM'S AUTOMOTIVE INC	201 203(a)	6/7/2018	GC	P64012	\$800.00
27266	LA CO., DEPT PARKS & RECREATION	203(b) 461 (e) (2)	6/7/2018	TF	P60542	\$800.00
179116	OS OIL, INC.	461(c)(3)(Q)	6/7/2018	TF	P70677	\$200.00
159758	PETRO BRASS	461	6/22/2018	TF	P64995	\$400.00
127841	THE TEECOR GROUP, INC.	1403	6/22/2018	TF	P63083	\$3,400.00
Total MSPAP Settlements: \$7,400.00						

DRAFT
**DISTRICT'S RULES AND REGULATIONS INDEX
FOR JUNE 2018 PENALTY REPORT**

REGULATION II - PERMITS

Rule 201 Permit to Construct
Rule 203 Permit to Operate

REGULATION III - FEES

Rule 314 Fees for Architectural Coatings

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions
Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1113 Architectural Coatings
Rule 1118 Emissions From Refinery Flares
Rule 1143 Consumer Paint Thinners & Multi-Purpose Solvents
Rule 1147 Nox Reductions From Miscellaneous Sources
Rule 1173 Fugitive Emissions of Volatile Organic Compounds
Rule 1176 Sumps and Wastewater Separators

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems.
Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

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

REGULATION XXX TITLE V PERMITS

Rule 3002 Requirements
Rule 3003 Applications

CALIFORNIA HEALTH AND SAFETY CODE

41701 Violation of General Limitations

42400

Penalties

DRAFT



South Coast Air Quality Management District

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Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2017 and 2018 NOx and SOx RTCs

July 2018 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 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 ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	69.7	\$460,621	9	\$6,606
Feb-17	Feb-16 to Jan-17	94.7	\$610,693	11	\$6,446
Mar-17	Mar-16 to Feb-17	82.2	\$573,193	10	\$6,970
Apr-17	Apr-16 to Mar-17	125.3	\$824,493	12	\$6,581
May-17	May-16 to Apr-17	113.8	\$741,828	15	\$6,519
Jun-17	Jun-16 to May-17	113.8	\$741,828	15	\$6,519
Jul-17	Jul-16 to Jun-17	134.4	\$867,079	22	\$6,450
Aug-17	Aug-16 to Jul-17	144.8	\$920,041	29	\$6,355
Sep-17	Sep-16 to Aug-17	150.4	\$955,120	35	\$6,351
Oct-17	Oct-16 to Sep-17	151.2	\$956,005	36	\$6,323
Nov-17	Nov-16 to Oct-17	252.8	\$1,345,772	55	\$5,324
Dec-17	Dec-16 to Nov-17	267.1	\$1,376,674	58	\$5,155
Jan-18	Jan-17 to Dec-17	305.1	\$1,276,006	57	\$4,182
Feb-18	Feb-17 to Jan-18	693.2	\$1,888,755	94	\$2,724
Mar-18	Mar-17 to Feb-18	743.6	\$1,991,269	111	\$2,678
Apr-18	Apr-17 to Mar-18	705.6	\$1,746,469	110	\$2,475
May-18	May-17 to Apr-18	766.5	\$1,993,214	127	\$2,600
Jun-18	Jun-17 to May-18	778.0	\$2,050,015	129	\$2,635
Jul-18	Jul-17 to Jun-18	826.8	\$2,091,914	128	\$2,530

1. 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 RTC price exceeds \$15,000 per ton.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs
 (Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2018 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 Price¹ (\$/ton)
Jan-18	Jan-17 to Dec-17	91.6	\$974,592	3	\$10,639
Feb-18	Feb-17 to Jan-18	91.6	\$974,592	3	\$10,639
Mar-18	Mar-17 to Feb-18	100.7	\$1,041,091	4	\$10,337
Apr-18	Apr-17 to Mar-18	51.6	\$497,246	5	\$9,643
May-18	May-17 to Apr-18	56.6	\$527,075	8	\$9,320
Jun-18	Jun-17 to May-18	53.1	\$502,575	7	\$9,473
Jul-18	Jul-17 to Jun-18	72.6	\$625,883	14	\$8,618

1. 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 RTC price exceeds \$15,000 per ton.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
 (Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2017 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 (\$/ton)
Jan-17	Oct-16 to Dec-16	41.1	\$310,586	6	\$7,561
Feb-17	Nov-16 to Jan-17	66.1	\$460,658	8	\$6,971
Mar-17	Dec-16 to Feb-17	65.0	\$452,221	7	\$6,962
Apr-17	Jan-17 to Mar-17	68.1	\$401,372	4	\$5,897
May-17	Feb-17 to Apr-17	46.6	\$272,479	6	\$5,847
Jun-17	Mar-17 to May-17	46.6	\$272,479	6	\$5,847
Jul-17	Apr-17 to Jun-17	24.2	\$146,430	11	\$6,051
Aug-17	May-17 to Jul-17	31.0	\$178,213	14	\$5,753
Sep-17	Jun-17 to Aug-17	36.6	\$213,292	20	\$5,828
Oct-17	Jul-17 to Sep-17	17.9	\$97,616	15	\$5,468
Nov-17	Aug-17 to Oct-17	109.1	\$434,421	27	\$3,981
Dec-17	Sep-17 to Nov-17	118.9	\$438,682	25	\$3,689
Jan-18	Oct-17 to Dec-17	195.0	\$630,587	27	\$3,233
Feb-18	Nov-17 to Jan-18	506.5	\$1,003,641	47	\$1,981
Mar-18	Dec-17 to Feb-18	541.5	\$1,066,815	60	\$1,970
Apr-18	Jan-18 to Mar-18	468.5	\$871,835	57	\$1,861
May-18	Feb-18 to Apr-18	119.8	\$376,939	39	\$3,145
Jun-18	Mar-18 to May-18	81.0	\$331,226	24	\$4,092
Jul-18	Apr-18 to Jun-18	145.5	\$491,876	29	\$3,382

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2018 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 (\$/ton)
Jan-18	Oct-17 to Dec-17	38.1	\$400,092	1	\$10,500
Feb-18	Nov-17 to Jan-18	38.1	\$400,092	1	\$10,500
Mar-18	Dec-17 to Feb-18	9.1	\$66,499	1	\$7,300
Apr-18	Jan-18 to Mar-18	10.0	\$72,654	3	\$7,295
May-18	Feb-18 to Apr-18	15.0	\$102,483	6	\$6,855
Jun-18	Mar-18 to May-18	5.8	\$35,984	5	\$6,160
Jul-18	Apr-18 to Jun-18	24.6	\$153,137	10	\$6,235

Table V

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs
 (Report to Governing Board if rolling average price after 2018 is less than \$200,000/ton)

Twelve-Month Rolling Average Price Data for Infinite-Year Block 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 (\$/ton)
May-16	May-15 to Apr-16	805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	301.9	\$114,731,605	20	\$380,057
Feb-17	Feb-16 to Jan-17	183.0	\$46,520,577	10	\$254,172
Mar-17	Mar-16 to Feb-17	174.3	\$41,738,077	7	\$239,491
Apr-17	Apr-16 to Mar-17	174.3	\$41,738,077	7	\$239,491
May-17	May-16 to Apr-17	176.8	\$42,113,977	8	\$238,223
Jun-17	Jun-16 to May-17	175.3	\$41,588,977	7	\$237,266
Jul-17	Jul-16 to Jun-17	172.2	\$40,437,201	6	\$234,802
Aug-17	Aug-16 to Jul-17	10.8	\$2,311,624	4	\$213,249
Sep-17	Sep-16 to Aug-17	4.1	\$624,124	3	\$152,598
Oct-17	Oct-16 to Sep-17	4.1	\$624,124	3	\$152,598
Nov-17	Nov-16 to Oct-17	4.1	\$624,124	3	\$152,598
Dec-17	Dec-16 to Nov-17	4.1	\$624,124	3	\$152,598
Jan-18	Jan-17 to Dec-17	31.8	\$1,262,801	6	\$39,673
Feb-18	Feb-17 to Jan-18	58.8	\$1,579,801	9	\$26,853
Mar-18	Mar-17 to Feb-18	58.8	\$1,579,801	9	\$26,853
Apr-18	Apr-17 to Mar-18	58.8	\$1,579,801	9	\$26,853
May-18	May-17 to Apr-18	56.3	\$1,203,901	8	\$21,374
Jun-18	Jun-17 to May-18	57.8	\$1,233,901	9	\$21,339
Jul-18	Jul-17 to Jun-18	56.7	\$1,140,677	8	\$20,103

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTCs
 (Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 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 Price¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	0	0	0	-
Feb-17	Feb-16 to Jan-17	0	0	0	-
Mar-17	Mar-16 to Feb-17	0	0	0	-
Apr-17	Jan-17 to Mar-17	0	0	0	-
May-17	May-16 to Apr-17	0	0	0	-
Jun-17	Jun-16 to May-17	0	0	0	-
Jul-17	Jul-16 to Jun-17	0	0	0	-
Aug-17	Aug-16 to Jul-17	4.0	\$4,400	1	\$1,100
Sep-17	Sep-16 to Aug-17	14.0	\$19,400	2	\$1,386
Oct-17	Oct-16 to Sep-17	14.0	\$19,400	2	\$1,386
Nov-17	Nov-16 to Oct-17	14.0	\$19,400	2	\$1,386
Dec-17	Dec-16 to Nov-17	14.0	\$19,400	2	\$1,386
Jan-18	Jan-17 to Dec-17	14.0	\$19,400	2	\$1,386
Feb-18	Feb-17 to Jan-18	57.0	\$58,742	7	\$1,030
Mar-18	Mar-17 to Feb-18	57.0	\$58,742	7	\$1,030
Apr-18	Apr-17 to Mar-18	57.0	\$58,742	7	\$1,030
May-18	May-17 to Apr-18	57.0	\$58,742	7	\$1,030
Jun-18	Jun-17 to May-18	120.2	\$102,965	10	\$857
Jul-18	Jul-17 to Jun-18	120.2	\$102,965	10	\$857

1. 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 RTC price exceeds \$15,000 per ton.

Table VII

Twelve-Month Rolling Average Price Data for Compliance Year 2018 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2018 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 Price¹ (\$/ton)
Jan-18	Jan-17 to Dec-17	None	-	-	-
Feb-18	Feb-17 to Jan-18	None	-	-	-
Mar-18	Mar-17 to Feb-18	None	-	-	-
Apr-18	Apr-17 to Mar-18	None	-	-	-
May-18	May-17 to Apr-18	None	-	-	-
Jun-18	Jun-17 to May-18	34.2	\$23,974	3	\$700
Jul-18	Jul-17 to Jun-18	34.2	\$23,974	3	\$700

1. 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 RTC price exceeds \$15,000 per ton.



South Coast Air Quality Management District

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HOME RULE ADVISORY GROUP

Wednesday, May 9, 2018

MEETING MINUTES

CHAIR: Dr. Joseph Lyou, Governing Board Member

MEMBERS PRESENT:

Curt Coleman (Southern California Air Quality Alliance); Jaclyn Ferlita (Air Quality Consultants); Nan Harrold (Orange County Waste & Recycling); Bill La Marr (California Small Business Alliance); Bridget McCann (Western States Petroleum Association); Dan McGivney (Southern California Gas); Art Montez (AMA International); Lauren Nevitt (Southern California Gas); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Rongsheng Luo (SCAG); Johnnie Raymond (CARB); Larry Rubio (Riverside Transit Agency) and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy);-Dr. Clark Parker (SCAQMD Governing Board Member); Bill Quinn (California Council for Environmental & Economic Balance); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); Larry Smith (Cal Portland Cement); and Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Devin Richards (California Council for Environmental & Economic Balance); and Susan Stark (Andeavor).

SCAQMD STAFF:

Jill Whynot	Chief Operating Officer
Philip Fine	Deputy Executive Officer
William Wong	Principal Deputy District Counsel
Philip Crabbe	Community Relations Manager
Patricia Kwon	Air Quality Specialist
Pedro Piqueras	Air Quality Specialist
Ann Scagliola	Administrative Secretary

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF NOVEMBER 2018 MEETING MINUTES

Dr. Lyou asked for comments on the January 10, 2018 meeting minutes, after which the minutes were approved.

EPA AND FEDERAL ACTIVITIES

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

SCAQMD Related Actions

- EPA continues to review the various attainment plans incorporated into the 2016 Air Quality Management Plan (AQMP).
- On April 30, 2018, the EPA Administrator signed a final notice on the second and final round of designations for the 2015 National Ambient Air Quality Standard (NAAQS) for Ozone. The effective date will be 60 days from the publication of the action in the Federal Register.
- On March 9, 2018, the final classification rule was published and it is anticipated that Los Angeles South Coast area will be severe-15 and the Coachella area as moderate.
- EPA anticipates a SIP requirements rule, the framework for State Implementation Plans.
- The National Diesel Emission Reduction Act (DERA) Request for Proposals (RFP) are due by June 12, 2018.
- The Tribal DERA grant RFP opened on June 5, 2018 and will close on September 6, 2018.
- The 2018 Targeted Airshed Grant RFP is not yet announced and it is anticipated that \$40M will be awarded in grant funding nationally.
- The 2017 Targeted Airshed Grant program (closed in October 2017) funded grants were announced on May 2, 2018 and South Coast was awarded two grants that totaled \$6.4M.

National Update

- EPA continues to work on process improvements for the review of State Implementation Plans.

Discussion

Art Montez inquired if EPA is targeting mobile sources. Amy Zimpfer replied that DERA is for diesel vehicles. Art Montez also asked about options available for small urban school districts with very little funding. Ms. Zimpfer encouraged him to inquire with South Coast and CARB for available partnership opportunities. Art Montez further inquired about available funding at the federal level for energy efficient air conditioning upgrades for school district buildings. Ms. Zimpfer indicated that the Department of Energy has programs and that the contact information can be provided. Lauren Nevitt added that Southern California Gas also has many energy efficient programs for industrial equipment, as well as rebates.

Rongsheng Luo inquired about the publication date for the 2015 Ozone Standard SIP requirements. Amy Zimpfer indicated that she could not predict a date.

CARB REGULATORY ACTIVITIES

Johnnie Raymond provided a report on items scheduled to go to CARB's Board in May 2018 and recent regulatory activities.

- Consider approval of the 2016 PM2.5 SIP for Imperial County.
- Proposed amendments to the Consumer Products Regulation and Test Method 310.

Additional Activities

- CARB has conducted Climate Investment Guidelines meetings in the Bay Area, Los Angeles, and San Bernardino, with the final meeting to be held in Sacramento on May 11, 2018. Any input on the funding guidelines can be submitted through their website.
- CARB is holding the SB 1383 dairy and livestock working group meetings in May.

- CARB is embarking on an effort to work with the Natural Resources Agency, California Department of Food and Agriculture, CalEPA and the Strategic Growth Council to provide an implementation plan on carbon sequestration of the natural and working lands. The first meeting will be held on May 18, 2018.

LEGISLATIVE UPDATE

Philip Crabbe provided a recap of the April 2018 Legislative Committee meeting.

Update on Federal Legislative Issues

SCAQMD's federal legislative consultants reported on the 2018 omnibus spending bill which was passed by the House last month. It was stated that the Diesel Emission Reduction Act (DERA) program received a \$15 million increase (from \$60 to \$75 million) and the Targeted Airshed Grant program received a \$10 million increase (from \$30 to \$40 million) in nationwide funding in FY 2018.

The U.S. EPA determined that the greenhouse gas emission standards for model years 2022 through 2025 for light-duty vehicles should be revised; the U.S. EPA intends to file a Federal Register notice addressing Corporate Average Fuel Economy (CAFE) standards, and this will start a new rulemaking process. This development has implications for the California waiver because under the Clean Air Act, California is currently able to set its own standards. It was also reported that the Senate confirmed Andrew Wheeler as the Deputy Administrator for the U.S. EPA.

President Trump named Heidi King to be the next Administrator for the National Highway Traffic Safety Administration, an agency within the Department of Transportation. However, she will need to go through the confirmation process.

A memorandum from President Trump was issued on April 12, directing the U.S. EPA Administrator to reform the NAAQS program in a way to make it more efficient and cost-effective.

Our federal legislative consultants reported that the President was in the press recently regarding a rescissions package targeting up to \$60 billion from the recently passed omnibus bill. This would potentially slash foreign aid as well as nondiscretionary domestic programs.

The U.S. EPA granted three Southern California tribes approval to implement water and air programs under the Clean Water Act and the Clean Air Act: the Morongo Band of Mission Indians in Riverside, CA, and two tribes from San Diego.

Update on State Legislative Issues

Our state legislative consultant, gave an update on AB 2548 (Friedman) regarding a commuter benefit program. This bill, which initially made reference to SCAQMD in relation to a commuter benefit program, in terms of joint creation and administration, and conflicted with SCAQMD Rule 2202, has been amended and no longer mentions SCAQMD and does not conflict with SCAQMD rules. SCAQMD staff provided amendments to Assemblywoman Friedman's office that were accepted.

SCAQMD has had multiple meetings in Sacramento about AB 617 implementation funding needs and also the need for funding for incentives in this year's Budget, to mitigate air pollution.

Action Items / Recommend Position on State Bills:

AB 2091 (Grayson) Fire prevention: prescribed burns - This bill would require that the word “prevention” be added to the name of the State Board of Forestry and Fire Prevention and Protection; require at least one Board Member to be selected with a background in fire prevention, including prescribed fire; and require the Board to appoint a prescribed fire advisory committee, including a local air district representative.

Overall, this bill could have a positive effect on reducing air pollution within the South Coast by facilitating the use of controlled burns to reduce wildfires and the resulting severe air pollution. Staff recommends amendments to the bill that address an issue that complicates the granting of controlled burn permits at the local level. Current law only allows an air pollution control officer to permit equipment for controlled burns in counties with a population of six million or less. This provision complicates SCAQMD’s ability to issue controlled burn permits for fire hazard mitigation within Los Angeles County, which has a population that far exceeds six million.

Staff proposes an amendment to the bill that would remove the current reference to a county population restriction, so that SCAQMD can have clear authority to issue controlled burn permits within Los Angeles County. *The Legislative Committee adopted staff’s recommended position of SUPPORT WITH AMENDMENTS on this item.*

AB 2453 (E. Garcia) Air Pollution: schools - The bill would authorize modernization grants from state school facility bond funds, to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems. It would also provide that schools located in communities with facilities identified under AB 617 as toxic sources may work with air districts to identify school sites for air quality adaptation efforts; and provide that schools located near a facility designated by an air district as a high priority category may be eligible for grants as part of a community emissions reduction program adopted per AB 617. Staff recommended working with the author to identify more effective ways to implement air pollution mitigation efforts on impacted school campuses. Staff also recommends amending the bill to allow “modernization apportionments” to also be used for installation of air filtration systems.

Staff further recommends including a clarification in the bill that it does not limit air districts’ discretion in developing and implementing community emission reduction programs. Finally, staff recommends clarifying what types of grant funding sources would be applicable for funding the air pollution mitigation efforts sought in the bill, since AB 617 does not provide funding for grants as part of a community emission reduction programs. *The Legislative Committee adopted staff’s recommended position of SUPPORT WITH AMENDMENTS on this item.*

SB 210 (Leyva) State vehicle fleet: near-zero-emission vehicles - This bill would authorize CARB to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline heavy-duty on-road vehicles with a gross vehicle weight rating of more than 14,000 pounds, including, but not limited to, single-vehicle fleets and other vehicles that are registered in another state and operate in California. This would essentially be a smog check program for heavy duty diesel trucks. This program would require a motor vehicle to pass the test procedures in order to register or operate in the state.

The bill states that the program shall be developed in partnership between affected state agencies, the public, industry, and other stakeholders and is intended to be developed in a way that minimizes

costs to truck owners and fleets; and provides a level playing field for industry through effective enforcement.

The Committee agreed to recommend proposed amendments to the bill that would center on clarifying and potentially changing the “non-gasoline” terminology in the bill to ensure that clean vehicles are not affected by this bill, and to seek to have a portion of the fees generated by the bill’s proposed program to be directed to local air districts to help reduce air pollution. *Overall, the Legislative Committee recommended a position of SUPPORT WITH AMENDMENTS on this bill.*

Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives

After discussion, staff proposed language that would add the following to the federal Legislative goals: “Oppose legislation that conflicts with the District’s attainment goals.” *The Legislative Committee adopted staff’s recommendation to amend the SCAQMD 2018 federal legislative goals and objectives.*

Proposed amendments to the 2018 SCAQMD state legislative goals and objectives were also considered relating to “clean energy” goals. However, the Legislative Committee did not recommend adopting those proposed changes.

Discussion

Lauren Nevitt inquired if the staff recommended amendments for the Leyva bill seeking to exclude ultra-low NOx engines. Mr. Crabbe indicated that the amendments seek clarity as to what is meant by “non-gasoline” terminology and to ensure that cleaner vehicles are not hindered by the bill.

Bill LaMarr asked if the district has closed down any companies this year, as outlined in AB 1132. Mr. Crabbe replied no. Bill La Marr further inquired if the district plans to enforce acrylamide found in coffee. Dr. Lyou indicated no.

Bridget McCann inquired if AQMD received any feedback from the Governor’s office about the coalition efforts for funding AB 617. Mr. Crabbe indicated that AB 617 implementation funding for air districts was zeroed out in the 2018 Governor’s budget proposal, but a revised budget will be out on May 11th. Dr. Lyou commented that the expectation was that we were not going to have to fight for this money every year. Jill Whynot added that the Governor’s budget included money for CARB and we are making it very clear that we need the sustained funding to implement the program. Dr. Fine commented that we are making some progress.

Art Montez requested clarification on what funding is in jeopardy. Dr. Lyou replied the future funding for AB 617, beyond the initial year.

Lauren Nevitt asked how the AB 617 proposed money for next year will be split. Dr. Fine indicated that it has not been decided.

Bill La Marr inquired about a list of identified cities from a presentation at the last Board meeting. Dr. Lyou indicated that it is a preliminary consideration list for CARB. Dr. Fine added that staff’s final recommended list will be presented to the SCAQMD Board in July for their approval.

Public Comment

Susan Stark inquired how the potential identified communities would be split for the monitoring or emission reduction plans. Dr. Fine indicated that it is too premature to indicate.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong had no updates to report.

Public Comment

Susan Stark inquired about the next steps for the RECLAIM case (Litigation Report - Case 8). William Wong indicated that the SCAQMD is deciding how to proceed with the court decision.

ALTERNATIVE TECHNOLOGY INFRASTRUCTURE

Naveen Berry provided an overview of the electric vehicle supply equipment (EVSE) infrastructure projects in the South Coast, as well as the Home Charger Rebate program. The discussion also included funding opportunities available under California Energy Commission (CEC), CARB, VW Settlement programs, and Southern California Edison's (SCE) charge ready program.

Discussion

Bill La Marr inquired if DC fast charge (DCFC) stations are located on private property, such as local businesses, or on local government sites. Naveen Berry indicated that it is a combination of both.

Art Montez asked about the general cost to put in a charging station. Naveen Berry replied that costs can vary, due to the level of charger and infrastructure needs. Mr. Montez further inquired how long it takes to recover costs. Naveen Berry indicated that cost recovery would depend on when they are charging and how much charge is needed. Dr. Lyou added that some level 2 residential chargers are a few hundred dollars, depending on the amps.

Tyron Turner asked if there were plans to install Tesla's super chargers at AQMD. Naveen Berry indicated that there are ongoing discussions with Tesla about this.

Bill La Marr inquired about the average installation cost for a charging station. Naveen Berry replied that it varies, due to transformer upgrades and line installations.

Art Montez expressed his concern about the increased regulations for electric vehicles and the unknown implementation costs, especially for the public, businesses and stakeholders. Naveen Berry acknowledged the concerns and indicated that the district continues to work with other agencies to address the ancillary costs and infrastructure funding.

Dan McGivney inquired if the majority of the electric vehicles have the same type of battery charger. Naveen Berry indicated that except for Tesla, the electric vehicles have a standard charger.

Art Montez inquired if the pricing of the electric vehicles could be a deterrent for minority or low income communities, since it is about what you can afford. Naveen Berry indicated that there are rebates and a federal tax credit available for electric vehicle purchases, which make these vehicles more affordable. Dr. Lyou mentioned the Replace Your Ride Program and Mr. Berry explained the benefits of the program.

Action Item: Dr. Lyou asked for the statistics for the Replace Your Ride Program to be shared with the Advisory Group.

Lauren Nevitt asked if the Edison or DWP rebates can be layered with South Coast rebates. Naveen Berry replied no. Dr. Fine indicated that the CARB rebates can be layered.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

An update was provided on the following items.

- AQMD indirect source measures
- 2018 Advanced Clean Transportation (ACT) Expo
- Caltrans Freight Mobility Plan
- California Freight Advisory Plan Committee

B. Small Business Considerations (Bill La Marr)

An update was provided on the following item.

- Proposed Rule 1469 Working Group
- RECLAIM Working Group
 - RECLAIM Transition Seminar

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

An update was provided on the following items.

- CARB's Draft Community Selection Process - Explainer
- SCAQMD's Update on the AB 617 Community Identification Process: Preliminary List

Discussion

Dr. Lyou commented that SCAG has established an environmental justice working group, and also noted that the California Public Utilities Commission is establishing an environmental justice advisory group.

D. Climate Change (David Rothbart)

There was no report.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a summary of items on the April and May 2018 meeting agendas.

- Proposed Amended Rules 1111, 1146 and 1469
- AB 617 Identification Process

OTHER BUSINESS

Art Montez asked for SCAQMD or CAPCOA to participate in an educational conference in San Francisco to share information about grant opportunities that could benefit schools. Jill Whynot indicated that she would check into this.

Tyron Turner commented on the AQMD's press release the initiation of the Advisory Council to engage young adults and indicated that this is a step in the right direction for outreach and training and to bring awareness to what this agency does. Mr. Turner further asked for an update on outreach to disadvantaged communities. Dr. Lyou agreed and requested that Legislative and Public Affairs be added to the July agenda, for an update on outreach activities.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 11:58 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on July 11, 2018, and will be held at SCAQMD in Conference Room CC-8.

**South Coast Air Quality Management District
HOME RULE ADVISORY GROUP – Attendance Record – 2018**

	NAME (Term: 1/1/17 - 1/1/2019)	1/10	FEB	3/14	APR	5/9	JUN	7/11	AUG	9/12	OCT	11/14	DEC
	Board/Member, Business & Community Reps, SCAQMD Staff												
1	Dr. Joseph Lyou, Chair	X	dark	X	dark	X	dark		dark		dark		dark
2	Mayor Ben Benoit, Vice Chair												
3	Dr. Clark E. Parker, Sr., Governing Board Member			A		A							
4	Dr. Philip Fine (Agency Member) - SCAQMD	X		X		X							
5	Zimpfer, Amy (Agency Member) - EPA <i>Representing Elizabeth Adams</i>	T		T*		T							
6	Raymond, Johnnie (Agency Member) - CARB <i>Representing Richard Corey</i>	T*		T*		T							
7	Chang, Ping (Agency Member) - SCAG <i>Alternate – Rongsheng Luo</i>	T*		T*		T*							
8	Carroll, Mike (Business Representative) <i>Alternate – Robert Wyman</i>	A		A		A							
9	Coleman, Curtis (Business Representative) <i>Alternate – Susan Stark</i>	X*		X		X							
10	McCann, Bridget (Business Representative) <i>Alternate – Patty Senecal</i>	X*		X		X							
11	La Marr, Bill (Business Representative)	X		X		X							
12	McGivney, Dan (Business Representative) <i>Alternate – Lauren Nevitt</i>	X		X*		X							
13	Roberts, Terry (Environmental Representative)	X		X		A*							
14	Quinn, Bill (Business Representative) <i>Alternate – Janet Whittick</i>	T		T*		T*							
15	Downs, Michael (Community Representative - McCallon)	A		A		A*							
16	Ferlita, Jaclyn (Community Representative - Lyou)	A		A		X							
17	Harrold, Nan (Community Representative - Nelson)	X		A*		X							
18	Montez, Art (Community Representative - Lyou)	A		A		X							
19	Rothbart, David (Community Representative - Mitchell)	X		A*		A*							
20	Rubio, Larry (Community Representative - Ashley)	A*		T		T							
21	Smith, Larry (Community Representative - Benoit)	X		X		A							
22	Pawling Torres, Kristen (Community Representative - Kuehl)	A		X		A							
23	Turner, TyRon (Community Representative - Burke)	A		X		X							

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