

March 2, 2023

VIA ELECTRONIC MAIL ONLY

Michael Krause Heather Farr South Coast Air Quality Management District ("South Coast AQMD") 21865 Copley Dr. Diamond Bar, CA 91765 <u>mkrause@aqmd.gov</u> <u>hfarr@aqmd.gov</u>

Re: Proposed Rule 1153.1

Dear Mr. Krause and Ms. Farr:

On behalf of the undersigned organizations, we submit comments on the proposed amendments to Rule 1153.1. At the outset, we thank South Coast AQMD staff for taking the time and effort to reevaluate Best Available Retrofit Control Technology ("BARCT") for commercial ovens. It is encouraging to see a robust inclusion of zero-emission standards in line with the direction from the 2022 Air Quality Management Plan ("AQMP"). We look forward to continued engagement on this critical rule.

I. Commercial cooking is a prime place for electrification.

This is a perfect category to start advancing zero-emission technologies in the stationary source arena. We particularly appreciate reevaluating BARCT quickly. We encourage future rulemakings in the large combustion and commercial combustion categories to proceed with this speed in the coming years. We also appreciate places where South Coast AQMD identifies that

electric technologies are actually cheaper than methane-burning technologies (e.g., smokehouse ovens).

II. While grid capacity is an important topic, the small number of pieces of equipment at issue in this rule makes it an inappropriate place for broader discussions about grid capacity.

The 2022 AQMP process began in October 2019.¹ After three years of work, the Governing Board adopted the plan in December 2022. After myriad meetings, workshops, and Governing Board discussions, the Board landed on a direction that we must pursue zero emissions. The process even included a robust infrastructure working group. Importantly, the final approval happened in a bipartisan and overwhelming fashion. Nine Board Members voted for the plan, and two Board Members voted against the plan. Two Board Members were absent. Some of the discussion during the February working group meeting seemed to be a re-litigation of this plan, which is not a good use of time.

As a reminder on the grid capacity issue, Michael Carroll from Latham and Watkins, on behalf of the Western States Petroleum Association, proposed a resolution about the concept of grid capacity and having an annual report back to the Mobile Source Committee on this topic. Even though Mr. Carroll ultimately withdrew his resolution request, the Board Chair² stated that the agency would follow through on this desire to discuss grid capacity for zero-emission technologies at the Mobile Source Committee.

We encourage staff to follow the sage advice of then Chair Benoit and have these broader discussions at the Mobile Source Committee. It is not appropriate (and in fact inefficient) to have the broader discussion in each and every rule that is undergoing rulemaking. We agree that understanding additional power needs, infrastructure, and other considerations for this universe of equipment is needed for this rule. But, we do not need meandering debates about the entire grid for the complete conversion of the region to zero emissions during this rulemaking, which covers only a small and discrete universe of equipment.

III. Finalizing this rule is critical to transitioning away from reclaim.

As implementation of the 2016 AQMP continues, we really appreciate the Governing Board's wise decision to shift the Nitrogen Oxide (NOx) and Sulfur Oxide (SOx) RECLAIM program to a command-and-control system. Ensuring the largest stationary sources in the South Coast Air Basin actually install state-of-the-art and life-saving pollution controls is critical to providing cleaner air to millions of breathers in the region. With only two landing rules left, we are very close to wrapping up this transition.

And wrapping up is critical because we have consistently been critical of the RECLAIM program over the years. Indeed, our concerns have been substantiated as the evidence shows facilities in the RECLAIM program pollute our air more than they would if a command-and-

¹ SCAQMD, Final 2022 AQMP, at 9-4.

² SCAQMD, Agenda Item No. 2, January 6, 2023 Governing Board Meeting, *available at* <u>http://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2023/2023-jan6-002.pdf?sfvrsn=4</u>.

control system was in place. In fact, the South Coast AQMD staff's review of the permit database determined that "well over half of the equipment at RECLAIM facilities is currently **not at BARCT**."³ AQMD Staff's analysis shows that approximately 60% of the equipment in the RECLAIM program does not meet the Best Available Retrofit Control Technology (BARCT) standard. This means the most ozone-polluted basin in the country operates a pollution control system where more than half of the equipment does not even meet standards that staff has determined are achievable when taking into account costs and technological feasibility. Moving forward quickly to complete the RECLAIM transition work is therefore very important.

IV. Offramp mentioned in the PowerPoint must be narrowly tailored.

The presentation from the February 2, 2023 mentions the potential for an offramp where "zeroemission" is not feasible. First, it is not clear whether this is necessary. It seems like staff has already conducted the feasibility analysis and excluded zero-emission technologies that are not feasible. To the extent that AQMD staff feels it needs to be written into the rule, it is critical to write it narrowly. Any offramp must have a public process to ensure sufficient notice and feedback on whether an offramp is in fact warranted.

V. Future effective date.

We suggest that the future effective date not be drawn too far out into the future for zeroemission standards. Given that the rule will require the installation of zero-emission technologies at the end of equipment life, we suggest that a pace that could allow complete conversion before the attainment deadline for the 2008 8-hour ozone standard would be an appropriate end date.

Moreover, we suggest an even swifter conversion schedule for smokehouse ovens, given the cost savings of electric technologies compared to gas.

VI. Support for 30ppm interim limit.

While we do not support excessively long future dates for conversion to zero emissions, we support this interim 30ppm limit.

VII. Staggered implementation.

In developing staggered implementation, we suggest the South Coast AQMD staff proceed cautiously. Even for facilities with multiple ovens, coordinated planning likely has some benefits – especially if any electrical upgrades are needed. If staggered implementation is allowed, we suggest it be done in a way that allows any electrical upgrade work to be done to accommodate all future equipment required under the rule.

³ SCAQMD, RECLAIM Transition Plan Version 1.0, at p. vi (March 2018), *available at* <u>http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/regxx/draft-transition-plan-version1-final.pdf?sfvrsn=6</u> (emphasis added).

VIII. One pound or less exemption.

While we do not oppose the 1 lb or less exemption in this rule, we would like to understand the path to get this smaller equipment to zero emissions. Based on an initial analysis, we believe the universe of commercial ovens less than 1 lb may be substantial in the South Coast Air Basin. Given that this equipment could move to zero emissions quickly, it would be good to articulate where these ovens get covered in control measure(s) in the 2022 AQMP.

IX. Technology check-in.

We believe that while some equipment may not exist now (e.g., tortilla ovens and high-capacity nut roasters), we suggest the rule staff work with the incentives team to help obtain and solicit grants to develop these technologies. We suspect the California Energy Commission may be very interested in working with the South Coast AQMD to develop a zero-emission tortilla oven, for example. The technology is very similar to the other types of ovens considered, so this should be a reasonable task. Given that technology maturation is likely in this sector, we suggest a technology review relatively quickly (e.g., two years after rule adoption) to allow for changes to the rule if technology matures for tortilla ovens, roasters, and other equipment without a ZE requirement.

X. Conclusion.

We appreciate your consideration of these comments. We look forward to the passage of this first regulation that sets a zero-emission stationary source standard in the country.

Sincerely,

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