

BOARD MEETING DATE: April 6, 2018

AGENDA NO. 19

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, March 16, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Committee Members

Present: Mayor Ben Benoit/Chair, Dr. Joseph Lyou/Vice Chair, Mayor Pro Tem Judith Mitchell, and Supervisor Hilda L. Solis

Call to Order

Chair Benoit called the meeting to order at 10:30 a.m.

INFORMATIONAL ITEMS:

1. RECLAIM Quarterly Report – 2nd Update

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development, and Area Sources, provided the quarterly update regarding transitioning the NOx RECLAIM program to a command-and-control regulatory structure, highlighting recent activities.

David Rothbart (Southern California Alliance of Publicly Owned Treatment Works), stated that his members were concerned with Proposed Amended Rule 1118.1 because there are no current RECLAIM facilities covered in Rule 1118.1. His other concerns were regarding the timing of the rule and BACT/LAER replacement requirements for existing flares. Ms. Nakamura responded that Rule 1118.1 would apply to both RECLAIM and non-RECLAIM facilities and there are RECLAIM facilities that operate flares, in addition to other equipment covered by other rules. Facilities will only transition out of RECLAIM if there is a command-and-control rule to cover all of their equipment. Regarding the BACT/LAER replacement as

compared to retrofits under BARCT, Ms. Nakamura responded that is not unusual for a source-specific rule to have a requirement for existing and replacement equipment. Rules 1146.2, 1111, 1121, and 1147 were cited as examples.

Cody Rosenfield (Coalition for Clean Air) stated that they support the transition of RECLAIM to command-and-control because it is the best way to protect public health and bring these facilities into the 21st century. He has heard a lot of concerns about RECLAIM Trading Credits (RTCs), but commented that some might be delay tactics. Mr. Rosenfield supports staff reviewing and making the RTC market data available to identify possible deficiencies and to address any problems.

Mayor Pro Tem Mitchell asked for an update on RTC trading. Dr. Laki Tisopulos, Deputy Executive Officer/Engineering and Permitting, responded that the most recent RECLAIM audit shows that the short-term/annual credit market is still robust because facilities are using these credits for quarterly and annual compliance purposes. However, the trading of long-term RTCs has declined sharply because facilities do not want to invest in these credits with the sunset of RECLAIM. Ms. Mitchell asked if the short-term RTCs expire. Dr. Tisopulos responded that RTCs expire at the end of each compliance year.

Harvey Eder (Public Solar Power Coalition) stated that there are solar power generators near the District that have been operating for 20 to 35 years which can be used to meet emission reduction needs. In addition, he commented that solar generation needs to be put into the Plan as an overall conversion as soon as possible. Ms. Mitchell mentioned that she read a March 5 news report stating that 50 percent of the power that comes to California is from renewables, including solar, and even with the shut-down of three natural gas power plants, California is selling power outside of the state. She added that we are moving in the direction that Mr. Eder is advocating. Mr. Eder agreed, and added that he is currently involved in litigation with SCAQMD and the state regarding this issue.

Dr. Lyou stated there has been tremendous progress since the last RECLAIM update in getting the Transition Plan done. The Transition Plan states that 50 percent of the NOx sources are not at BARCT. Ms. Nakamura stated that the figure is more than 50 percent. Dr. Lyou asked how much emission reductions are expected from BARCT rule updates. Ms. Nakamura stated that staff will assess the BARCT limit for each rule prior to estimating the reductions. Dr. Lyou asked if staff can provide a general estimate of what the emission reductions would be for each rule. Ms. Nakamura stated the largest emission reductions would likely be from refineries under an amended Rule 1109.1 because of the size of the equipment. Dr. Lyou would like to see the estimated breakdown of emission reductions that are expected per rule.

2. Summary of Proposed Amended Rule (PAR) 408

Michael Krause, Planning and Rules Manager/Planning, Rule Development and Area Sources, presented a summary of PAR 408 – Circumvention, and stakeholders' comments and concerns. He highlighted the public process, the main amendments to the rule, and how AB 617 monitoring may impact future rule implementation.

Dr. Lyou inquired about the reception of the proposal at the Public Consultation Meeting to which staff informed him it went well and the one comment received was subsequently addressed in the staff report.

Mr. Curt Coleman of Southern California Air Quality Alliance suggested developing guidelines containing various circumvention scenarios that could be updated periodically and made available to the regulated community. Bill LaMarr of the California Small Business Alliance commented that he had initial concerns, but appreciates staffs' effort to modify the language to satisfy stakeholders' concerns, and he thus supports the current proposal. Ms. Florence Gharibian of the Del Amo Action Committee supported an enforcement rule based on intentional circumvention adding that this rule is not meant to address every possible scenario. Mr. John Heintz of Latham and Watkins LLP appreciated the public process and supports the current proposal.

Supervisor Solis inquired about the ways in which staff responds to complaints and informs the public, especially in unincorporated areas, about compliance issues, odors, and emissions. She suggested mapping geographic areas of sources that could be contributing to the complaint. Ms. Yvonne Watson of the Sierra Club added that enforcement staff needs to improve the response to, and follow up with, complainants. Supervisor Solis recommended compliance staff contact city offices or her office to assist in providing air quality information to the public. Executive Officer Wayne Nastri discussed the current enforcement practices and agency goals in which compliance staff respond to complaints, and he supports Supervisor Solis' suggestions. He noted that there may be some ongoing enforcement cases in which staff cannot disclose certain information until the case is settled.

3. Update on Proposed Amended Rule (PAR) 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

Susan Nakamura provided a staff presentation that focused on the background and need for PAR 1469 and stakeholder issues raised at the March Board meeting.

In total, 14 speakers provided oral comments and 1 written comment was read into the record.

Florence Gharibian of the Del Amo Action Committee commented that the SCAQMD MATES IV identified hexavalent chromium as the seventh largest cancer

risk in the Basin, and that hexavalent chromium levels may be much higher near facilities than what was monitored in the ambient air. She believes that dangerous chemicals should be banned if an alternative is available for use. Small businesses should not be buffered from requirements as they have contributed to ground and soil contamination. She questioned whether SCAQMD can enforce the rule, which is complicated, and if there is adequate staffing. She stated that facilities located 100 feet from a school are the wrong thing. She believes that fines should be increased for facilities located near sensitive receptors, particularly when multiple violations occur. Based on her knowledge and experience, the facilities are committing Class I hazardous waste violations, such as throwing away a piece of carpet saturated with hexavalent chromium.

Executive Officer Wayne Nastri read an email from Felipe Aguirre, former mayor of Maywood who was representing himself, into the record requesting that SCAQMD place monitors at all schools that are 1,500 feet from a source of hexavalent chromium such as Heliotrope Elementary School in Maywood, that is located across the street from Cook's Induction Heating. Ms. Nakamura commented that Cook's Induction Heating is not a Rule 1469 facility, but is a heat treating facility that would be subject to a future rule (PR 1435) for heat treating.

Robina Suwol of California Safe Schools appreciated the work done by staff. She commented that there are at least 50 schools within 1,500 feet of PAR 1469 facilities, with half of those being within 1,000 feet, and one of them being within 200 feet. She commented on the lack of monitoring and the limitations on inspections. She provided an example of a chrome plater in San Fernando Valley near a preschool that had open windows and doors, which took 14 years to get under control by the Department of Toxic Substances Control. She stated that the rule should be protective of communities and students.

Brian Ward of AAA Plating commented that they have been working with staff and appreciate their professionalism. He commented that there is a fundamental disagreement with the science and studies of hexavalent chromium. Although this is an OEHHA issue, the studies that he has looked at indicate a much higher actual exposure level is tolerable. He stated that every proposed rule requirement does not have a quantification of its effect. He also commented that since the last rule amendment in 2008, 23 metal finishers/platers, which provided an estimated 640 jobs, closed their doors within two years. He also commented that the rule is complicated. The Metal Finishing Association of California (MFASC) needs to evaluate the feasibility of this provision to have opening requirements for facilities located within 1,000 feet of a school.

Brian Leiker of MFASC and a family metal finishing business spoke on behalf of small businesses that are essential to many large industries. He commented that workers are threatened with loss of income by unfair tactics and bullying. He stated that the industry represents 9,000 jobs and \$380 million in wages for working class people. Mr. Leiker commented that the monitoring equipment is not being used for the purpose that it was intended and manufacturers would not honor a warranty. He requested that the committee look at the nine months of monitoring done in Compton, which shows less than 1 ng/m³ prior to any rule amendment.

Laurie Guillen, a Council Member from the City of Paramount, appreciated the delay of the hearing for the proposed amended rule. She commented that there were other health impacts besides cancer. Ms. Guillen commented that there is a facility in Paramount that has been shut down five times. She thanked Supervisor Solis for acknowledging that SCAQMD should be more accommodating to the community, and questioned the SCAQMD complaint investigation procedure for odors.

John Lopez Jr., who is with a large anodizing facility, commented that the rulemaking and enforcement have been comingled for the last 12 months. He questioned the reliability of the survey conducted upwind of facilities and if they identified all the unpermitted operations that have no emission controls. He asked if the inspectors are trained to gather samples, use the correct filter media, and calibrate the machines. Mr. Lopez expressed concern with multi-agency inspections.

Wesley Turnbow, president of the MFASC, commented that questions asked by Mr. Lopez are based on information obtained via a public records request. He questioned what is driving this rulemaking process and concluded that it is driven by politics. He commented that there is no smell from hexavalent chromium. He acknowledged that hexavalent chromium is dangerous and that the industry knows it. He also commented that good companies put controls on sources that are a problem. When it was discovered that high temperatures created emissions from chrome 6 solutions, those tanks should have been controlled. He stated that this is a low-emitting industry and could be non-emitting with controls on sources. Mr. Turnbow requested additional examination of controls and economics. He commented that the requirements are not based on science, and that the proposed rule would destroy half of the shops in ten years.

Lisa Lappin, a teacher at Paramount Unified School District, commented that there are 18 children in Paramount who have cancer. She commented that this rule is not about politics and that it is about saving lives and is not asking to put this small industry out of business, just for them to be careful. She commented that if air monitors show there is no problem, then companies would not need to install controls. She commented that a petition has been signed by over a 1,000 people calling for continuous outdoor air monitoring and installation of state-of-the art

pollution control, if needed. She asked SCAQMD to consider incentives for facilities to use alternatives to hexavalent chromium as is being done in Europe. She requested that monitoring be done immediately by the schools and if the source testing shows no problem, air monitoring would not be required.

Yvonne Martinez Watson of the Sierra Club commented that two out of five water companies serving her city report hexavalent chromium in the water according to the environmental justice working group. She commented that companies will not protect public health until they are forced to do so. She also commented that members of environmental justice communities are impacted by multiple contaminants all at once. She urged taking more time on this rule.

Jane Williams of California Communities Against Toxics submitted handouts to the committee on toxicity profiles. She commented that the industry is moving into C6 chemicals, which are more toxic and more stable than C8 and gets into the ground and air. She also commented that there are a number studies that indicate atmospheric emissions where these chemicals are used and manufactured. Ms. Williams commented that the regulatory efforts for hexavalent chromium have been a failure. She also commented that the chemicals used to keep hexavalent chromium in the tanks are more toxic than hexavalent chromium. She stated that she agreed with the industry that the rule does not make sense and to look at alternatives to move into a green industry.

Bill Pearce of the Boeing Company commented that staff has been willing to work with clarifications. He expressed concern that the allowable openings for permanent total enclosures is being reduced from 5 percent to 3 percent. He also commented that aerospace primes and companies that use the products have "Authorizations" under the regulation to continue the use of the banned materials in Europe. Under the EU REACH program "Authorizations" of 12 years were requested, but the recommendation came back at 7 years. He also commented that he would provide additional information to the SCAQMD regarding the process.

Ted Ventresca, President and Chief Operating Officer of Chemeon Surface Technology submitted handouts and discussed their alternative product to dichromate seals that can be used in the anodizing seal process. He also commented on a recent study that shows the safety of the product and that it is non-carcinogenic.

Ms. Nakamura commented that staff was aware of the Chemeon process and that PAR 1469 includes a provision that provides a process for companies to go to a hexavalent chromium-free process. Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, stated that it is used only for dichromate seal and that it would not replace chromic acid anodizing, to which Mr. Ventresca confirmed. Mr. Ward commented that the product could be used in conjunction with a hexavalent chrome free process. Mayor Pro Tem Mitchell asked

what was the cost differential. Mr. Ventresca replied that there is a cost savings due to energy savings from not using heaters. Dr. Lyou asked if the product required hazardous waste permits, to which Mr. Ventresca replied no and stated that it does not contain fume suppressants. Dr. Lyou requested that Mr. Ventresca send the report to staff to be forwarded to the committee; and he would like staff to go with Mr. Ventresca to Sacramento to continue the conversation with CARB.

Mayor Pro Tem Mitchell asked if this company was the only company that has this process, to which Mr. Ventresca replied that there are other companies that have this process.

Lidia Ursag of the Los Angeles Mayor's Office provided an update on what the City of Los Angeles is doing regarding wastewater. She provided an example of Valley Chrome, which switched from hexavalent chromium to trivalent chromium. She commented that they would continue to be a partner with SCAQMD, especially in the Clean Up Green Up communities (Boyle Heights, Wilmington, Pacoima) in order to identify the new technologies that are causing cumulative impacts in these highly impacted areas.

Charlene Contreras from the Los Angeles County Department of Public Health commented that hexavalent chromium should be closely regulated. She commented about gaps in the proposal, including exemptions from building enclosure requirements, the schedule for fume suppressants and the lack of fence line monitoring. She commented that they want to encourage alternatives and technology to replace hexavalent chromium, and that their department is conducting a study looking at alternatives and technologies and will report their findings in a couple of months.

Due to time constraints, Mayor Benoit recommended concluding public comments on this item and have further updates from staff, if there are any, and Board Member comments at the next Stationary Source Committee meeting. Dr. Lyou explained that the intent was not to delay the rulemaking by two months, but agreed to come back to the next Stationary Source Committee. He also commented that he would like to talk to staff about what he would like to propose regarding resolution language to explore alternatives.

Mr. Nastri asked for clarification regarding the committee's recommendation. Mayor Benoit clarified that the recommendation is for staff to first come back to the Stationary Source Committee in 30 days and then to the Board.

Supervisor Solis thanked the public for coming. She commented that she is very concerned, and wants to talk to staff regarding what was discussed today to better understand the implications.

Mayor Pro Tem Mitchell proposed an acceleration to convert to the new technology (Chemeon) if available and commercially in use, rather than the installation of controls. She expressed concern that there is no risk assessment for the fume suppressants and requested a risk assessment comparison between the fume suppressant and hexavalent chromium in order not to replace something bad with something that is worse. She commented that she did not want to delay the rulemaking too long, as it is important to get the controls and prevent uncontrolled emissions.

WRITTEN REPORTS:

4. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

5. Home Rule Advisory Group – January 2018 Meeting Minutes

The report was acknowledged by the Committee.

OTHER MATTERS:

6. Other Business

There was no other business.

7. Public Comment Period

There were no public comments.

8. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, April 20, 2018.

Adjournment

The meeting was adjourned at 12:20 p.m.

Attachments

1. Attendance Record
2. Notice of Violation Penalty Summary
3. Home Rule Advisory Group – January 2018 Meeting Minutes

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE Attendance Record – March 16, 2018

Mayor Ben Benoit	SCAQMD Governing Board
Dr. Joseph Lyou.....	SCAQMD Governing Board
Mayor Pro Tem Judith Mitchell	SCAQMD Governing Board
Supervisor Hilda L. Solis	SCAQMD Governing Board
David Czamanske	Board Consultant (Cacciotti)
Ron Ketcham	Board Consultant (McCallon)
Charlene Contreras	L.A. County Department of Public Health
Curt Coleman.....	Southern California Air Quality Alliance
Harvey Eder	Public Solar Power Coalition
Florence Gharibian	Del Amo Action Committee
Laurie Guillen.....	City of Paramount Council Member
John Heintz	Latham and Watkins LLP
Bill LaMarr	California Small Business Alliance
Lisa Lappin	Paramount Unified School District
Brian Leiker.....	Metal Finishing Association of Southern California
Rita Loof.....	RadTech
John Lopez Jr.....	an anodizing facility
Cody Rosenfield	Coalition for Clean Air
David Rothbart	L.A. County Sanitation Districts
Bill Pearce	Boeing
Robina Suwol	California Safe Schools
Wesley Turnbow	Metal Finishing Association of Southern California
Lidia Ursag	Los Angeles Mayor's Office
Ted Ventresca	Chemeon Surface Technology
Brian Ward	AAA Plating
Yvonne Watson	Sierra Club
Jane Williams	California Communities Against Toxics
Barbara Baird.....	SCAQMD staff
Philip Fine	SCAQMD staff
Bayron Gilchrist	SCAQMD staff
Michael Krause.....	SCAQMD staff
Susan Nakamura.....	SCAQMD staff
Wayne Natri	SCAQMD staff
Laki Tisopulos	SCAQMD staff
Jill Whynot	SCAQMD staff

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

General Counsel's Office

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February 2018 Settlement Penalty Report

Total Penalties

Civil Settlements: \$5,252,100.00

MSPAP Settlements: \$25,825.00

Total Cash Settlements: \$5,277,925.00

Total SEP Value: \$0.00

Fiscal Year through 2 / 2018 Cash Total: \$9,645,181.81

Fiscal Year through 2 / 2018 SEP Value Only Total: \$2,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
180945	ALLTECH, INC.	202(a) 402 41700	2/6/2018	SMP	P59539	\$6,000.00
138568	CALIFORNIA DROP FORGE, INC	2004	2/23/2018	SH	P64400	\$2,500.00
800030	CHEVRON U.S.A. INC	1118 2004 2004(f)(1) 203 203 (b) 3002 3002(c)(1) 401 41700	2/2/2018	TRB	P48747 P57247 P57248	\$5,137,250.00
69598	DELGADO BROTHERS CO	3003 3002(c)(1)	2/15/2018	SH	P62378	\$750.00
169170	EMERITUS OF YORBA LINDA	1146.2	2/15/2018	WBW	P60673 P60674	\$2,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
11818	HIXSON METAL FINISHING	1402	2/7/2018	NSF	P63556	\$25,000.00
46874	HOLLY STREET, LLC	1173 203 (b)	2/6/2018	SH	P60719	\$10,000.00
181997	JOHN KA WAH KWONG, BETTY LOK	1403 40 CFR	2/23/2018	BST	P64701	\$25,000.00
125015	LOS ANGELES TIMES COMMUNICATIONS LLC	2012	2/8/2018	BST	P64356	\$9,000.00
5887	NEXGEN PHARMA INC	3002(c)(1)	2/15/2018	SH	P60416	\$2,500.00
183415	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	461 (e) (2)	2/6/2018	BST	P64762	\$1,700.00
800183	PARAMOUNT PETR CORP	1173 1176(e)(1) 2004 2004(d)	2/7/2018	VKT	P53753 P61513 P61518 P61519 P61520 P64416	\$20,000.00
120948	PHILLIPS INDUSTRIES	1145	2/23/2018	KCM	P63917	\$2,800.00
53729	TREND OFFSET PRINTING SERVICES, INC	2004(f)(1) 2012 3002(c)(1)	2/6/2018	WBW	P54985	\$3,000.00
13990	US GOVT, VETERANS AFFAIRS MEDICAL CENTER	2202	2/23/2018	SH	P60347	\$3,000.00
118015	VILLAGE AUTO SPA,GALEN MOGTADERI	41954 41960.2 461(c)	2/23/2018	SH	P61267	\$1,100.00

Total Civil Settlements: \$5,252,100.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
7776	3-D POLYMERS	203 (a)	2/21/2018	TF	P66801	\$1,000.00
141000	GURUAAN LA II, LP	461	2/7/2018	GC	P64665	\$630.00
185373	LAGUNA BEACH COUNTY WATER DISTRICT	203 (a)	2/15/2018	TF	P64079	\$100.00
137767	MADISON MATERIALS INC	403	2/20/2018	TF	P63162	\$1,000.00
56547	MARCEL ELECTRONICS	203 (b)	2/6/2018	TF	P64083	\$2,695.00
118488	METROPOLITAN CLEANERS, G. GORODETSKY, DBA	1146.2	2/21/2018	TF	P63674	\$175.00
183029	MG OIL, INC	41960.2 461	2/21/2018	TF	P65737	\$700.00
154429	N. B. OIL CO., INC. #2	461	2/28/2018	TF	P65736	\$375.00
71791	SAFEWAY INC	1146.1 203 (b)	2/21/2018	GV	P64465	\$3,200.00
92495	SANTANA CYCLES INC	1107	2/22/2018	GV	P65366	\$2,000.00
16947	SERV-RITE MEAT COMPANY	1146 201 203 (a)	2/20/2018	GV	P64136	\$6,400.00
176964	ST. JOSEPH HEALTH	2202	2/20/2018	GV	P59486	\$800.00
184818	STATEN SOLAR	403	2/22/2018	GV	P63137	\$1,000.00
178085	WEST TO EAST COLLISION CENTER	109 203 (a)	2/21/2018	GV	P65151	\$1,600.00
145023	WHITE MEMORIAL MEDICAL CENTER	203 (b)	2/22/2018	GV	P64130	\$2,300.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
13613	WHITE MEMORIAL MEDICAL CENTER	1146 203 (b)	2/22/2018	GV	P64131	\$600.00
28165	WORLD AUTO SERVICE	201	2/22/2018	GV	P59398	\$250.00
161230	Z GAS, LLC	203 (b) 461(c)(2)(B)	2/22/2018	GV	P65024	\$1,000.00

Total MSPAP Settlements: \$25,825.00

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DISTRICT'S RULES AND REGULATIONS INDEX
FOR FEBRUARY 2018 PENALTY REPORT

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions (*Amended 8/18/00*)

REGULATION II - PERMITS

Rule 201 Permit to Construct (*Amended 1/5/90*)
Rule 202 Temporary Permit to Operate (*Amended 5/7/76*)
Rule 203 Permit to Operate (*Amended 1/5/90*)

REGULATION IV – PROHIBITIONS

Rule 401 Visible Emissions (*Amended 9/11/98*)
Rule 402 Nuisance (*Adopted 5/7/76*)
Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*
Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1107 Coating of Metal Parts and Products (*Amended 11/17/00*)
Rule 1118 Emissions From Refinery Flares (*Adopted 2/13/98*)
Rule 1145 Plastic, Rubber and Glass Coatings (*Amended 2/14/97*)
Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)
Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 5/13/94*)
Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)
Rule 1173 Fugitive Emissions of Volatile Organic Compounds (*Amended 5/13/94*)
Rule 1176 Sumps and Wastewater Separators (*Amended 9/13/96*)

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REGULATION XIV - TOXICS

Rule 1402 Control of Toxic Air Contaminants from Existing Sources (*Amended 3/17/00*)
Rule 1403 Asbestos Emissions from Demolition/Renovation Activities (*Amended 4/8/94*)

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements (*Amended 5/11/01*)
Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION

Rule 2202 On-Road Motor Vehicle Mitigation Options (*Amended 10/9/98*)

REGULATION XXX TITLE V PERMITS

Rule 3002 Requirements (*Amended 11/14/97*)
Rule 3003 Applications (*Amended 3/16/01*)

CODE OF FEDERAL REGULATIONS

40 CFR – Protection of the Environment

CALIFORNIA HEALTH AND SAFETY CODE § 41700

41700 Violation of General Limitations
41954 Compliance for Control of Gasoline Vapor Emissions
41960.2 Gasoline Vapor Recovery



South Coast Air Quality Management District

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(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP

Wednesday, January 10, 2018

MEETING MINUTES

CHAIR:

Dr. Joseph Lyou, Governing Board member

MEMBERS PRESENT:

Nan Harrold (Orange County Waste & Recycling); Bill La Marr (California Small Business Alliance); Dan McGivney (Southern California Gas); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); Patty Senecal (Western States Petroleum Association); Larry Smith (Cal Portland Cement); and Susan Stark (Andeavor).

The following members participated by conference call: Rongsheng Luo (SCAG); Bill Quinn (California Council for Environmental & Economic Balance); and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy);-Jaclyn Ferlita (Air Quality Consultants); Art Montez (AMA International); Penny Newman (Center for Community Action and Environmental Justice); Larry Rubio (Riverside Transit Agency); Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office); and TyRon Turner (Dakota Communications).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou) and Johnny Raymond (CARB).

SCAQMD STAFF:

Philip Fine	Deputy Executive Officer
William Wong	Principal Deputy District Counsel
Philip Crabbe	Community Relations Manager
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 November 8, 2017 meeting minutes. Bill La Marr noted a minor correction needed on page five, Clean Community Program should be Clean Communities Program. With the correction noted, the meeting minutes were approved and finalized.

EPA AND FEDERAL ACTIVITIES

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

SCAQMD Related Actions

- In December 2017, EPA completed the distribution of the ozone designation letters to state governors to begin the 120-day notification process on designated nonattainment areas for the 2015 ozone standards. For California, EPA concurred with the state recommendation and South Coast Air Quality Management District (SCAQMD) will be included as a nonattainment area. Comment letters are due by February 5, 2018.
- In December 2017, a third round of State designation recommendations was completed for the 2010 Sulfur Dioxide (SO₂) National Ambient Air Quality Standard (NAAQS). For California, EPA agreed with the state recommendation to be designated as attainment/unclassifiable for the 2010 1-hour Sulfur Dioxide Standard.
- In December 2017, a letter was submitted to approve the adequacy of the motor vehicle emissions budgets in the 2016 PM_{2.5} South Coast Serious Area Plan and a Federal Register notice was also published on January 5, 2018. This action will allow transportation planning to move forward with budgets outlined in the South Coast Air Quality Management Plan (AQMP).
- Other components of the SCAQMD AQMP under review are the 2016 PM_{2.5} Plan, for possible action in the spring of 2018, and the Ozone plan for possible action before the end of the fiscal year.
- There were no challenges received for the recently approved reasonably available control technology (RACT), with RECLAIM components, so the approval stands.
- There have been ongoing meetings with SCAQMD as changes are being made to RECLAIM rules 2001 and 2002, and EPA expects these meetings to continue.
- EPA is working with CARB to withdraw SCAQMD Rule 1420.2 as a contingency measure.
- EPA continues to work with the Ports of Los Angeles and Long Beach and community members to develop a contract for a case study on the Clean Air Action Plan. They expect the study to be completed by fall 2018.

Federal Update

- On October 16, 2017, the Administration proposed the repeal of the Clean Power Plan (CPP) and, in accordance with the Executive Order, there has been a review to determine if it exceeds the authority delegated to EPA by Congress. There will be three additional CPP repeal public listening sessions in 2018. The formal notice will be released in the next couple of weeks.
- On December 28, 2017, the Administration released an advance notice of proposed rulemaking for a Clean Power Plan replacement guidelines. This notice does not propose any regulations but asks for input. Comments are due by February 26, 2018.
- Carbon pollution standards for new electric generating units are under review and no action has been taken to propose any revisions.
- The Administration has announced its review of the 2016 standards for the Oil and Gas New Source Performance Standards (NSPS).
- In 2017, EPA granted reconsideration of certain aspects of the 2016 landfill methane rules for new and existing landfills.
- The 2014 National Air Toxics Assessment (NATA) comprehensive review is ongoing, with the anticipated public release in the summer of 2018.
- The Federal Government continues to operate under a continuing resolution, which expires January 19, 2019. Funding is beginning to flow for Section 103 grants allocations, Diesel

Emission Reduction Act (DERA) grant awardees are expected to be announced in the next couple of weeks and some additional funding is expected in the next six months.

Discussion

Dr. Lyou indicated that he would be willing to provide comments to EPA on the Port of Los Angeles and Long Beach case study. Ms. Zimpfer replied she would make sure that he was part of this.

Rongsheng Luo inquired if there was a federal register notice for the 2015 Ozone NAAQS. Ms. Zimpfer replied that a notice was issued and that she could provide the link to the site.

<https://www.regulations.gov/document?D=EPA-HQ-OAR-2017-0548-0065>

Dr. Philip Fine inquired about the timing of when California's Ozone designation would be effective. Ms. Zimpfer indicated that EPA concurred with the State's recommendation, but there is a public comment period where additional data can be presented. Dr. Fine inquired if the effective date would be in the spring of 2018. Ms. Zimpfer answered yes. Dr. Lyou asked about the significance of this. Dr. Fine indicated that this would start the clock for the next AQMP and will also establish the attainment deadline.

Dan McGivney inquired if the anticipated funding is for DERA or EPA. Ms. Zimpfer replied that it would be for DERA, but they would not know for sure until they get a budget.

Bill La Marr inquired about a political appointee for Region IX. Ms. Zimpfer replied that Region IX is the only Region without a Regional Administrator, and Alexis Strauss continues to serve as the Acting Regional Administrator.

CARB REGULATORY ACTIVITIES

Johnnie Raymond provided an update on recent CARB regulatory activities.

- There is no Board Meeting scheduled for January 2018, but it sets the stage for the 50th anniversary celebration at the February 8, 2018 Board hearing.
- CARB's February Meeting will include the following items:
 - Presentation by the Executive Office to identify priorities for the agency; and
 - Phase 2 Greenhouse Gas Regulations (GHG) for medium- and heavy-duty engines and vehicles.
- Recent updates to activities from 2017:
 - December 2017 Board Meeting:
 - Approved \$663M in clean transportation incentives for clean cars, trucks, and buses with monies from the Cap-and-Trade auction proceeds, the Volkswagen settlement, the Air Quality Incentive Program and the Zero/Near Zero Emission Warehouse Program; and
 - Approved the 2017 Climate Change Scoping Plan, the strategy for achieving California's 2030 greenhouse gas target, and also the ongoing work to include AB 617.
 - Updated the Pollution Mapping Tool to include toxics.

Discussion

David Rothbart inquired if there is a process to follow with the local District to get the pollution mapping tool information updated, since his staff has seen some discrepancies. Mr. Raymond requested that his staff work directly with the inventory staff at each of the District's and David Edwards (917.323.4887) at CARB is spearheading the updating of the inventory. Dr. Fine indicated that if SCAQMD staff could be advised of discrepancies, we can help to sort out discrepancies.

Bill Quinn commented that over the past year they have worked closely with David Edwards on the mapping tool, and wanted to acknowledge him and his team's willingness to identify and fix problems.

Dr. Lyou indicated that an item to add to CARB's list of accomplishments is the certification of the Cummins Westport 12-liter natural gas engine. He offered congratulations on getting that done.

LEGISLATIVE UPDATE

Philip Crabbe provided a recap of the December 8, 2017 Legislative Committee meeting.

Federal Legislative Issues

SCAQMD's federal legislative consultants each provided a written report on various key Washington, D.C. issues, and they also provided verbal updates as well.

It was reported that a continuing budget resolution was passed by Congress that lasted through December 22, 2017, and that tax reform appeared to be on its way to completion. *UPDATE: We know the tax bill passed and the government has still been operating under a short-term budget extension, with the current continuing resolution is set to expire on January 19, 2018.*

The U.S. EPA proposal to repeal provisions that apply to the heavy-duty truck phase 2 emissions standards to the glider industry was discussed. A public hearing was held to receive public comment on this issue, during which SCAQMD staff, including our Executive Officer, Wayne Nastri, participated and testified. It was noted that an estimated 60 other individuals and groups testified, mostly in opposition to the U.S. EPA proposal, due to the negative impact on emissions that it would have.

SCAQMD staff met with the new U.S. EPA Assistant Administrator for Air and Radiation, Bill Wehrum in Washington. Also, Susan Bodine was just recently confirmed by the U.S. Senate as the U.S. EPA's Assistant Administrator for Enforcement and Compliance Assurance.

U.S. EPA on November 30, 2017 issued a final rule on the renewable fuel standard, which sets the volume requirements for ethanol, biofuel, biodiesel and how much of those should be blended into the fuel supply. This issue draws strong interest because it pits the farm states against the oil states. Through the rulemaking, U.S. EPA split the difference and neither side appeared fully happy with the result.

An update relating to the EPA Administrator, Scott Pruitt's testimony before the U.S. House Energy and Commerce Committee was provided. Two California congressional members raised questions relating to issues of interest to SCAQMD during the hearing. It was noted that Administrator Pruitt did not commit to maintaining the California waiver, and when asked about states' rights, he commented that one state cannot dictate to the rest of the country.

It was reported that the U.S. House is preparing a \$4.4 billion wildfire relief package for Northern California, so it is possible that there may be a future effort to help Southern California on this same issue through similar funding. And since air pollution is such a big consequence of these wildfires, SCAQMD will look for opportunities to help address related air quality issues within the South Coast region.

State Legislative Issues

SCAQMD's state legislative consultants provided written reports on various key issues in Sacramento and gave verbal updates as well.

It was noted that the Legislature returned from recess on January 3, 2018 and that former Speaker of the Assembly, Senator Toni Atkins will be the next President Pro Tem of the State Senate. It was noted that she will be the first female Pro Tem in the state's history. It was recently determined that Senator Atkins will be sworn in on March 21, 2018. Consequently, some changes in the Senate leadership team and in committees is expected, but many of the committee chairs will likely stay the same.

The expectation is that everything will start shifting over to Senator Atkins, due to current Senate President Pro Tem Kevin de Leon's focus on running for U.S. Senate.

Finally it was reported that the ongoing conversation about sexual harassment would likely continue for the next year or so, and that it will continue to be a hot topic and at the forefront in the Legislature. Assembly Members Raul Bocanegra and Matt Dababneh have already resigned, and Senator Tony Mendoza has taken a leave of absence pending an investigation. Assembly Member Sebastian Ridley-Thomas also resigned.

Action Item

The only action item taken up at the Legislative Committee was the recommendation of 2018 State and Federal Legislative Goals and Objectives.

It was stated that both the State and federal legislative goals and objectives focus on:

- Seeking increased funding sources for clean air programs that protect public health and ensure attainment of state and federal air quality standards, particularly incentive programs that support the 2016 AQMP;
- Working to ensure that the state and federal governments do their fair share to reduce air pollution by providing legislative funding, and regulatory support to the SCAQMD to implement the 2016 AQMP and meet national air quality standards by upcoming deadlines;
- Supporting policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles;
- Protecting and ensuring adequate SCAQMD authority for implementation of the Governing Board's clean air policies and programs, as required by state and federal law, including the 2016 AQMP;
- Supporting legislation, policies and administrative actions that encourage job retention and creation, and promote economic growth, while working toward attainment of clean air standards; and
- Supporting legislation and funding to promote environmental justice initiatives to reduce localized health risks from criteria pollutant and toxic air emissions, while developing and expanding access to clean air technology that directly benefits disproportionately impacted communities. In particular, this includes securing the necessary resources to fully implement local air districts responsibilities created by AB 617.

Overall, the Legislative Committee adopted staff's recommended position to APPROVE this item. The next Legislative Committee meeting will be January 12, 2018.

Discussion

Bill Quinn reported that the Governor just released the proposed state budget, and noted that he will make his recommendation for the use of the Greenhouse Gas Reduction Fund (GGRF) monies in the 2018 State of the State Address.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong provided an update to the litigation status report meeting handout.

- New Case – A demurrer was filed and a demurrer hearing is scheduled for January 12, 2018.
- Case #10 – The court has found that there was no evidence of a Board consideration of the changes made in the rule and the Board approved taking the appeal on that decision.
- Case #12 – The hearing was continued to January 31, 2018.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

An update was provided on the following items:

- To add to Dr. Lyou's report about CARB's certification of the Cummins Westport 12-liter natural gas engine, in addition to meeting the 0.02 standard it was also certified at 0.01; and
- CARB has released their proposal for the Innovative Clean Transit Rule.

Dr. Lyou added that the Annual State of the Port of Los Angeles is January 11, 2018 and the Annual State of the Port of Long Beach is January 19, 2018. In addition, the SCAQMD is expected to provide an update on Facility-Based Measures in March 2018. Dr. Fine added that there are working group meetings in mid-January and it is going to Mobile Source Committee in February 2018.

B. Small Business Considerations (Bill La Marr)

An update was provided on the following item.

- Mr. La Marr indicated in 2017 he was approached by CARB's Chairman's office to serve on their Small Business Opportunities Advisory Panel, and last week he was notified that he been approved as a Small Business Advisor to the Panel.

Dr. Lyou commented that at the January 2018 SCAQMD Governing Board meeting, the Board approved the release of a Request for Proposals for emissions mitigation, and encouraged Mr. La Marr to provide a copy of the RFP to the members of CARB's Small Business Opportunities Advisory Panel and other small businesses.

C. Environmental Justice (Curt Coleman)

Susan Stark indicated that the AB 617 implementation, community selection and emission reduction plans is an ongoing SCAQMD effort.

Dr. Phil Fine indicated that the first big task for SCAQMD is community identification and a nomination report that will be provided to CARB by August 2018. SCAQMD is currently working on the technical analysis to define communities and the related criteria to be considered for prioritization. An outreach plan is also being developed, including meetings within communities for input on the selection process.

Discussion

Bill La Marr inquired if staff is looking at the census tract data such as MATES, or at political boundaries. Dr. Fine responded that staff is looking at a variety of factors, such as CalEnviroScreen, the grid-based environmental justice and MATES modeling data, as well as other

data sources. When SCAQMD goes out to the communities, preliminary assessments will be provided for their feedback, along with other factors for their consideration and prioritization.

Dan McGivney inquired if the District, in the initial nomination round, is looking to nominate certain areas or environmental justice communities. Dr. Fine indicated SCAQMD will look to nominate a list of communities with prioritization for the next few years. Dan McGivney also inquired if it was a two-fold process to develop the community selection criteria and then to identify the communities that match up. Dr. Fine indicated that technical data is being evaluated for a possible rank or score, but there is also a subjective component that needs to be considered. Dan McGivney further inquired if this information will go to CARB and asked about the criteria at other Air Districts. Dr. Fine indicated Air Districts will have their own evaluation criteria because they will not have the same data sets and priorities.

David Rothbart asked about the possibility of a competition between the Districts for CARB's community selections. Dr. Fine indicated this is an active discussion at CAPCOA, but it is difficult to determine at this point what the priorities will be. David Rothbart further inquired if the District felt strongly about a community, would they be an advocate for that particular community or would the community need to go to CARB. Dr. Fine replied that he could see this happening, because of the difficulty to get 100 percent consensus on all aspects and that communities will have the option to nominate themselves. Dr. Lyou added that CARB is creating an Advisory Group, where communities can go to CARB directly.

Susan Stark asked if mobile source emissions and railroads are also being folded into the process. Dr. Fine explained how the MATES studies cover these areas.

Bill La Marr inquired if an Air Quality Management Plan (AQMP) will be developed for communities that need emission reductions. Dr. Fine indicated that a community emission reduction plan will need to be developed, and the state will provide guidance on what these plans must contain. Bill La Marr also inquired if these plans have to be in place before anything goes forward. Dr. Fine replied no, and provided an outline of the associated tasks and when a community emissions reduction plan might be needed. Mr. La Marr further inquired if there was a sunset on the funding from CARB. Dr. Lyou replied yes and indicated that the funds need to be spent or encumbered by June 30, 2019. Bill La Marr further inquired if SCAQMD and a community elected to go forward with a community emission reduction plan, would this decision be based on the number of stationary sources within the community or boundaries and would the sources of the emissions be identified. Dr. Fine indicated that SCAQMD is moving quickly on community identification, using the information that we have. Once communities are prioritized, there will be monitoring or a plan developed, or possibly both. Emissions data from the community or area will be used to determine where emissions reductions are needed and a community emissions reduction plan will be designed based on this information. This information will then go to the SCAQMD Governing Board for their approval. Dr. Lyou added that there will also be guidance from CARB on what should be in the plans.

Patty Senecal asked for additional information on the CARB Advisory Board, the selection process, who is on it and when it will start. Dr. Lyou indicated that there is a preliminary list but was unsure if it was made public. Bill Quinn indicated that Janet Whittick/CCEEB is on this Committee and the information was sent to their membership. Dr. Lyou asked for the list to be sent to Ann Scagliola, to be circulated to the Home Rule members.

ACTION ITEM – AB 617 Consultation Group Members List provided by Bill Quinn and forwarded to the Home Rule Advisory Group membership on January 16, 2018.

Larry Smith inquired about the separation of money for staff and the program enforcement. Dr. Lyou indicated that there was additional money set aside for needed AB 617 implementation staffing. Dr. Fine outlined the anticipated SCAQMD program staffing impacts.

Dan McGivney asked about the possibility of continued data evaluations, and for a community emissions reduction plan that revealed that the emissions came from a source outside of the selected community. Dr. Fine responded that CARB would have guidance on these situations.

D. Climate Change (David Rothbart)

It was reported that the latest Scoping Plan was approved in December 2017 by CARB.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a recap of items on the January 2018 agenda.

- Concurrence requested from the committee on the addition of Dr. Clark E. Parker, Sr. to the Home Rule Advisory Group membership. (*After the meeting it was decided that this request should go to the Administrative Committee for approval instead*);
- Presentation on new BACT guidelines;
- Contract to implement the Consumer Rebate Program for compliant furnaces;
- Updates on proposed amendments to Rules 1111 and 408;
- Updates on proposed Rule 120; and
- Update on tBac.

Discussion

Susan Stark asked what the decision was on tBac. Dr. Fine indicated that OEHHHA finalized their cancer potency factor and direction is needed from the committee on how to proceed. Mark Abramowitz added that it was determined that it was toxic, and that they made some minor modifications.

DRAFT 2017 ACCOMPLISHMENTS AND 2018 GOALS & OBJECTIVES

Dr. Lyou asked for comments on the provided Home Rule Advisory Group 2017 Accomplishments and the 2018 Goals and Objectives. Hearing none, the reports were approved.

There was also a discussion of topics of interest for future 2018 meetings.

- AB 617 – will become a standing item under the Environmental Justice update, with specific areas of interest on the following items:
 - CARB versus SCAQMD roles
 - Local agencies interaction and engagement with implementation
 - Emission reporting requirements at the state and local levels
- Facility-Based Measures – SCAQMD and CARB approaches
- Enforcement Issues (Federal Regulations, Title V)
- Portable Low-Cost Air Quality Sensors
- Alternative Technology Infrastructure
 - Charging and Fueling Station Developments and Activity
 - Small Business Implementation
- Local Government Initiatives

- Update on the Port of Los Angeles/Long Beach case study on the Clean Air Action Plan
(possibly at the September or November meeting)

OTHER BUSINESS

There were no comments.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 11:28 a.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on March 14, 2018, and will be held at SCAQMD in Conference Room CC-8.