



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

HYBRID STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Pro Tem Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Chair Vanessa Delgado
Vice Chair Michael A. Cacciotti
Mayor José Luis Solache
Board Member Veronica Padilla-Campos

June 21, 2024 ♦ 10:30 a.m.

TELECONFERENCE LOCATIONS

Kenneth Hahn Hall of
Administration
500 W. Temple Street
HOA Conference Room 374-A
Los Angeles, CA 90012

Office of Senator (Ret.) Vanessa Delgado
944 South Greenwood Ave.
Montebello, CA 90640

Lynwood City Hall
Annex Conference Room
11350 Bullis Road
Lynwood, CA 90262

A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, June 21, 2024 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone.

Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

ELECTRONIC PARTICIPATION INFORMATION

(Instructions provided at bottom of the agenda)

Join Zoom Meeting - from PC or Laptop, or Phone

<https://scaqmd.zoom.us/j/94141492308>

Meeting ID: **941 4149 2308** (applies to all)

Teleconference Dial In: +1 669 900 6833

One tap mobile: +16699006833,94141492308#

**Audience will be allowed to provide public comment in person
or through Zoom connection or telephone.**

PUBLIC COMMENT WILL STILL BE TAKEN

Cleaning the air that we breathe...

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

CALL TO ORDER

ROLL CALL

ACTION ITEM (Item 1)

- 1. Authorize Rebate Fund to Incentivize Zero-Emission Appliances Through Building Appliances Rebate Program and Issue RFP for Third-Party Implementation of Program** (10 mins) Heather Farr
Planning and Rules
Manager
(Motion Required)

The 2022 AQMP includes control measures that are based on accelerated deployment of zero-emissions technologies. One hurdle to the implementation is the high upfront costs. To help mitigate the cost, the 2022 AQMP Resolution directed staff to incentivize the installation of zero-emission technologies. Staff proposes to establish the Building Appliances Rebate Program to provide incentives to consumers, multifamily property owners, and small business owners for the installation of zero-emission appliances, and to fund installer training. The program would be funded by mitigation fees collected under the alternative compliance options for residential space and water heating appliances maintained in the Air Quality Investment Fund (Fund 27). Staff recommends having a third-party contractor(s) administer the rebate program. This action is to 1) Authorize funding the Building Appliances Rebate Program with \$20,000,000 from Fund 27; and 2) Authorize the issuance of RFP #P2024-XX to solicit proposals for third-party contractor(s) to administer the rebate program for consumers who purchase and install zero-emission appliances in the South Coast AQMD.

(Written Material Attached)

INFORMATIONAL ITEM (Item 2)

- 2. 2023 Annual Report on AB 2588 Program and Updates to AB 2588 and Rule 1402 Supplemental Guidelines** (15 mins) Dr. Scott Epstein
Planning and Rules
Manager
(No Motion Required)

The Annual Report on AB 2588 Program is a requirement by the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (AB 2588). This report provides information regarding South Coast AQMD's implementation of AB 2588 through Rule 1402. This annual update describes the various activities, including quadrennial emissions reporting and prioritization, preparation and review of Air Toxics Inventory Reports, Health Risk Assessments, Voluntary Risk Reduction Plans, Risk Reduction Plans, and additional South Coast AQMD activities related to air toxics. Proposed updates to the AB 2588 and Rule 1402 Supplemental Guidelines will also be presented.

(Written Material Attached)

WRITTEN REPORTS (Items 3-6)

- 3. Monthly Permitting Enhancement Program (PEP) Update**
(No Motion Required)
This report is a monthly update of staff's PEP implementation efforts for the previous month.
(Written Material Attached)
- Jason Aspell
Deputy Executive Officer
- 4. Quarterly Permitting Update for Rule 1109.1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations**
(No Motion Required)
This report provides a quarterly update of permitting activities associated with the implementation of Rule 1109.1
(Written Material Attached)
- Bhaskar Chandan
Senior Engineering Manager
- 5. Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program**
(No Motion Required)
This is a monthly update on staff's work with U.S. EPA and CARB regarding New Source Review issues related to the RECLAIM transition.
(Written Material Attached)
- Michael Krause
Assistant Deputy Executive Officer
- 6. Notice of Violation Penalty Summary**
(No Motion Required)
This report provides the total penalties settled in May 2024 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)
- Bayron Gilchrist
General Counsel

OTHER MATTERS

- 7. 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)
- 8. Public Comment Period**
At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.
- 9. Next Meeting Date:** Friday, August 16, 2024 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Catherine Rodriguez at (909) 396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to crodriguez@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Catherine Rodriguez at (909) 396-2735, or send the request to crodriguez@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment. Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually. After each agenda item, the Chair will announce public comment. A countdown timer will be displayed on the screen for each public comment. If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of the screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.



Release Request for Proposal for Go Zero Rebate Program

Stationary Source Committee
June 21, 2024

Background

2022 AQMP control measures for building appliances proposed critical focus on zero-emission standards

- Staff currently in rulemaking for zero-emission space and water heaters
- One of the hurdles is high implementation cost

Staff is proposing to launch Go Zero, a zero-emission building appliance rebate program

- Pilot phase will incentivize zero-emission heat pumps for space and water heating

Seeking approval to issue Request for Proposals

- Solicit proposals for third-party contractor to administer the Go Zero rebate program

Key Elements in the Request for Proposals



The rebate program will have five components

- Rebate programs:
 - Single-family
 - Multifamily
 - Small businesses
- Installer training program
- Application assistance



Applicants can submit proposals for any or all components

Held Several Public Meetings to Solicit Public Feedback

Public Meetings

January 31, 2024:
PAR 1111 and PAR 1121 Working
Group Meeting #3

February 8, 2024:
Community Meeting

Board and Committee Meetings

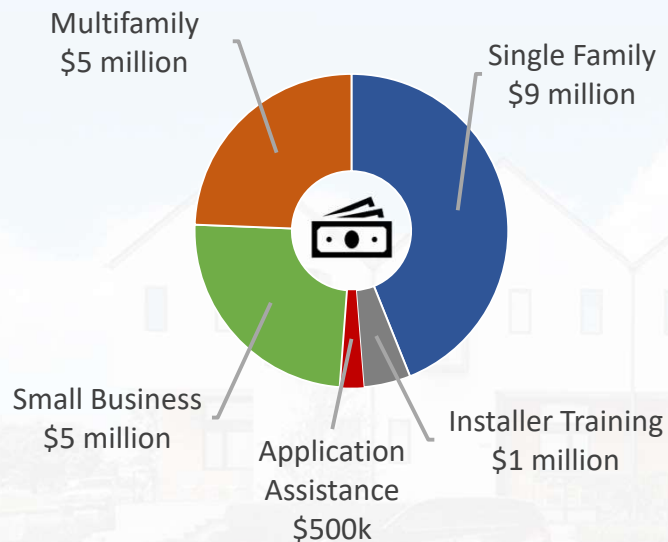
January 19, 2024:
Stationary Source Committee

May 10, 2024:
Governing Board Retreat

Other Meetings

- Association for Energy Affordability
- Energy Solutions (Administrator for TECH Clean California)
- A.O. Smith
- Bay Area AQMD
- City of Portland Bureau of Planning and Sustainability
- California Air Resources Board (CARB)

Pilot Phase Funding



Initial proposal to fund program with \$20.5 million

- Funded by Rule 1111 and Rule 1121 mitigation fees

Funds to be distributed on a first-come, first-served basis

75% of rebate funding for overburdened communities (identified by CalEnviroScreen)

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Rebate Program Incentives

Single Family Rebate: \$1,000 - \$3,000 per unit

- **Overburdened**
 - 3,000 space heaters or 4,500 water heaters
- **Non-overburdened**
 - 1,500 space heaters or 2,250 water heaters

Multi-Family Rebate: \$1,000 - \$4,000 per unit, up to \$300,000 cap

- **Overburdened**
 - 2,500 space/water heating units or up to 17 properties
- **Non-overburdened**
 - 625 space/water heating units or up to 4 properties

Small Business Rebate: \$4,000 per unit

- 1,250 space/water heating units

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Training Program



One hurdle is having a trained workforce to install zero-emission technologies, e.g., heat pumps



Training will familiarize installers with plumbing, HVAC, and electrical work needed to install heat pumps



Training will also provide bigger picture information on sizing and types of heat pumps for different applications



Selection of contractor will consider prior experience and cost to maximize installer training

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Application Assistance Program Summary

Provide further assistance to applicants

- Reach out to overburdened communities, including residents in mobile home parks and residents in AB 617 communities
- Offer application assistance to apply for South Coast AQMD rebate and to stack other incentive programs

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Next Steps

Release Request For Proposal – August 2024

Proposals due to South Coast AQMD – September 2024

Contract Execution – November 2024

Program Launch – November 2024

BOARD MEETING DATE: August 2, 2024

AGENDA NO.

PROPOSAL: Authorize Establishment of New Go Zero Rebate Program to Incentivize Installation of Zero-Emission Appliances and Issue RFP for Third-Party Implementation of the Program

SYNOPSIS: The 2022 AQMP includes control measures that are based on accelerated deployment of zero-emissions technologies. One hurdle to the implementation is the high upfront costs. To help mitigate the cost, the 2022 AQMP Resolution directed staff to incentivize the installation of zero-emission technologies. Staff proposes to establish Go Zero to provide incentives to consumers, multifamily property owners, and small business owners to install zero-emission appliances and to fund installer training. The program would be funded by mitigation fees collected under the alternative compliance options for residential space and water heating appliances maintained in the Air Quality Investment Fund (Fund 27). Staff recommends having a third-party contractor(s) administer the rebate program.

COMMITTEE: Stationary, June 21, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize funding Go Zero with \$20.5 million from Fund 27;
2. Authorize the Procurement Manager, in accordance with South Coast AQMD Procurement Policy and Procedure, to issue RFP #P2025-01 to solicit proposals for third-party contractor(s) to administer Go Zero to incentivize the purchase and installation of zero-emission appliances in the South Coast AQMD, to organize and conduct trainings for installers of zero-emission appliances, and to offer application assistance for consumers in overburdened communities; and
3. Authorize the Chair (or by the Chair's designation, the Executive Officer) to execute contracts, based on the results of the RFP, with the selected contractor(s) to implement the rebate program.

Background

The 2022 AQMP was adopted in December 2022 and includes control measures for industrial, commercial, and residential sectors that are based on deployment of zero-emission technologies, wherever feasible. South Coast AQMD is developing zero-emission NOx standards for space heating and water heating and will conduct a BARCT assessment on zero-emissions NOx standards for various appliances.

One challenge for the widespread implementation of zero-emission residential and commercial building appliances is the cost, particularly for residents in disproportionately impacted areas. Through the 2022 AQMP Resolution, the Governing Board directed staff to work with stakeholders to develop concepts for a funding program to incentivize the transition to zero-emission technologies with a strong emphasis on incentivizing zero-emission technologies in overburdened communities. Substantial incentive funds and programs are needed to address the potentially significant cost of adopting zero-emission appliances for these communities to implement zero-emission technologies in an equitable way.

Proposal

Staff is proposing to issue RFP #P2025-01 to solicit bids from qualified applicants to serve as third-party contractor(s) to: assist in outreach and promotion of compliant appliances with an emphasis on promoting the program in overburdened communities; receive and process rebate applications submitted by consumers who have purchased and installed compliant appliance(s) that are certified by the South Coast AQMD to meet the applicable emission limit; facilitate the integration of other federal, state, and local rebate programs (e.g., TECH Clean California); track program data (e.g., application distribution and fund dispensation) and make them available on a public website; provide installer training; and conduct specific outreach and application assistance to residents in overburdened communities.

The objectives of the program are divided into five subprojects. A third-party contractor can submit a bid for any or all sub-projects, which include: (1) Rebate program for single family space and water heating appliances, or other single family appliances included in future modified phase(s); (2) Rebate program for multifamily space and water heating appliances, or other multifamily appliances included in future modified phase(s); (3) Rebate program for small business water

heating appliances, or other small business appliances included in future modified phase(s); (4) Training program for installers of zero-emission space and water heating appliances; and (5) Targeted outreach and assistance to residents in overburdened communities.

The Go Zero rebate program will be established and funded with \$20.5 million from Fund 27. The \$20.5 million will be allocated as follows: \$9 million will be allocated to single family rebates and administration; \$5 million will be allocated to multifamily rebates and administration; \$5 million will be allocated to small business rebates and administration; \$1 million will be allocated to installer training; and \$500,000 will be allocated to outreach and assistance for residents in overburdened communities. Staff recommends allocating at least 75 percent of the rebate funding (single family, multifamily, and small business rebates) to those applying from overburdened communities, identified under Senate Bill 535 (De León, Statutes of 2012) (<https://oehha.ca.gov/calenviroscreen/sb535>).

Bid Evaluation

Proposals will be evaluated by a panel consisting of South Coast AQMD staff members and potentially an outside expert(s). Proposals will be evaluated based on: bidder's experience and background; how the contractor will administer and/or stack the rebate with other programs; how the contractor will conduct outreach; the ability to provide data and statistics on where and by whom the rebates are being used; and the administration fees. The panel will make recommendations and the final selection of a third-party contractor(s) may be subject to approval by the Board.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers.

Additionally, potential bidders will be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Benefits to South Coast AQMD

The Go Zero rebate program will provide incentive funding to consumers, multifamily property owners, and small businesses replacing traditional NOx

emission appliances with zero-emission appliances; provide training to installers to help educate the workforce; and provide targeted outreach and assistance to residents in overburdened communities. Initiating the rebate program will help implement 2022 AQMP control measures for widespread adoption of zero-emission appliances, which is necessary to reduce NOx emissions and to meet the National Ambient Air Quality Standards for ozone.

Resource Impacts

To fund this incentive program, staff will rely on Fund 27, which maintains the mitigation fees collected under the alternative compliance options for residential space and water heating appliances subjected to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces and Rule 1121 – Control of Nitrogen Oxides from Residential Type, Natural Gas-Fired Water Heaters. These rules allowed manufacturers to pay a mitigation fee in lieu of meeting the lower NOx limits to allow time for technology development. Previously, the Board authorized \$6.5 million from this fund to implement the Clean Air Furnace Rebate Program in two phases, the first phase (2018 - 2019) incentivizing early deployment of ultra-low NOx furnaces (i.e., 14 ng/J NOx) and the second phase (2020 – 2023) incentivizing the replacement of gas furnaces with all-electric heat pumps. Currently, there is approximately \$75 million remaining in Fund 27. There is a clear nexus between the mitigation funds collected from delayed or forgone emissions from residential and commercial appliance sectors and incentivizing the accelerated adoption of zero-emission residential and commercial appliances.

Attachment

RFP # P2025-01



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
REQUEST FOR PROPOSALS

Administration of the Go Zero Rebate Program for Zero-Emission Appliances in Residential and Commercial Buildings

P2025-01

South Coast Air Quality Management District (South Coast AQMD) requests proposals for the following purpose according to terms and conditions attached. In the preparation of this Request for Proposals (RFP) the words "Proposer," "Contractor," "Consultant," "Bidder" and "Firm" are used interchangeably.

PURPOSE

The purpose of this RFP is to obtain proposals from potential Contractors with appropriate expertise and capabilities to administer a new rebate program for zero-emission building appliances, which includes: conducting program outreach and receiving and processing rebate applications from consumers purchasing zero-emission building appliances, facilitating with the integration of other local and state rebates programs for building appliances (e.g., TECH Clean California), tracking program data such as the amount and percentage of funds dispensed for projects located in overburdened communities, and making the program data available on a public website. The Go Zero rebate program, considered in full, will have five components, with each component considered as a sub-project. Section V provides more details regarding each sub-project. Applicants can submit proposals for any or all of these sub-projects. The rebate program will begin on the contract execution date with the selected Contractor(s)¹ and end on the date listed below.

| Equipment Category | Rebate End Date |
|--|--|
| Zero-Emission Appliances, Primarily All-Electric Heat Pump for Space and Water Heating | May 31, 2028, or until funding is exhausted, whichever is sooner |

¹ There may be a backlog of rebate applications due to the time differential between the beginning of the rebate program and the date on which the Contractor takes action on the program.

INDEX - The following are contained in this RFP:

| | |
|--------------|---|
| Section I | Background/Information |
| Section II | Contact Person |
| Section III | Schedule of Events |
| Section IV | Participation in the Procurement Process |
| Section V | Statement of Work/Schedule of Deliverables |
| Section VI | Required Qualifications |
| Section VII | Proposal Submittal Requirements |
| Section VIII | Proposal Submission |
| Section IX | Proposal Evaluation/Contractor Selection Criteria |
| Section X | Funding |
| Section XI | Sample Contract |

Attachment A - Participation in the Procurement Process

Attachment B - Certifications and Representations

SECTION I: BACKGROUND/INFORMATION

The South Coast AQMD is a regional government agency responsible for clean air in Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. Despite great strides in cleaning the air over the past several decades, the region is still exceeding federal public health standards for both ozone and particulate matter (PM); therefore, emission reductions, including NO_x reductions, are needed to achieve compliance with the ambient air quality standards. Combustion sources in residential and commercial buildings are one of the many sources of NO_x emissions in the region. The South Coast AQMD currently has the following rules regulating appliances in residential and commercial buildings.

Rule 1111 - Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, reduces emissions of NO_x from residential and some commercial gas-fired fan-type space heating furnaces with a rated heat input capacity of less than 175,000 Btu per hour or, for combination heating and cooling units, a cooling rate of less than 65,000 Btu per hour. This rule applies to manufacturers, distributors, sellers, and installers of such furnaces and currently requires the 14 ng/J NO_x limit for all furnaces except for downflow and large units (≥100 kBtu/hr) in high altitude areas that are subject to the 40 ng/J NO_x limit. Space heating furnaces with a rated heat input capacity between 175,000 and 2,000,000 Btu per hour are mainly used in commercial buildings. These units are currently exempt from South Coast AQMD NO_x rules but are addressed in the 2022 Air Quality Management Plan (AQMP) and are being proposed for inclusion in currently proposed amendments to Rule 1111.

Rule 1121 - Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters, applies to manufacturers, distributors, retailers, and installers of natural gas-fired water heaters with heat input rates less than 75,000 Btu per hour. This type of water heater is typically a tank type for residential water heating. Rule 1121, last amended in 2004, requires the implementation of a 10 ng/J NO_x emission limit, which currently remains one of most stringent NO_x standards for this appliance in the nation.

Rule 1146.2 - Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters, applies to manufacturers, distributors, retailers, resellers, installers, owners, and operators of units with a rating at or less than 2,000,000 Btu per hour, excluding

units regulated by Rule 1121. The NO_x emissions limits of Rule 1146.2 were amended in 2006 to require 14 ng/J (20 ppm), except for Type 1 units rated up to 400,000 Btu per hour installed prior to January 1, 2012, and pool heaters for which the NO_x limit was 55 ppm, and Type 2 units rated between 400,000 and 2,000,000 Btu per hour installed prior to January 1, 2010, for which the NO_x limit was 30 ppm. Rule 1146.2 was amended in June 2024 to require zero-emission limits based on future effective compliance dates.

The 2022 AQMP was adopted in December 2022 and includes control measures for industrial, commercial, and residential sectors that are based on accelerated deployment of the cleanest possible technologies available. For residential and commercial buildings, the South Coast AQMD would develop and propose zero NO_x emission standards, wherever feasible, for space heating, water heating, and cooking appliances for installation in new buildings and replacement at the end of useful life for units in existing buildings.

The South Coast AQMD is currently developing amendments to Rules 1111 and 1121 to require zero-NO_x emission standards, wherever deemed feasible, for space and water heaters at future effective dates. One hurdle for the residential and commercial building appliances control measures is the upfront cost of zero-emission technologies. The costs associated with widespread adoption of zero-emission appliances are significant, and substantial incentives or other approaches will be needed to implement these measures. Additional costs may be partially offset by utility companies and state agencies who have proposed incentives for heat pumps or electric panel upgrades, as well as federal tax credits. The South Coast AQMD is also proposing incentive programs to further lower the upfront cost. The 2022 AQMP notes the inequity concern for communities that are disproportionately impacted by pollution and are more vulnerable to the adverse health effects of pollution. Substantial incentive funds and programs are needed to address the potentially significant cost of adopting zero-emission appliances for these communities and implement zero-emission technologies in an equitable way.

Through the 2022 AQMP Resolution, the Board directed staff to work with stakeholders to develop concepts for a potential funding program to incentivize the installation and operation of zero-emission technology and seek opportunities to provide incentives to deploy zero-emission technologies in environmental justice and overburdened communities.

In 2018, the South Coast AQMD developed the Clean Air Furnace Rebate Program with a focus on lower or zero-emission residential space heating appliances associated with Rule 1111 compliance. Electric & Gas Industries Association (EGIA) was selected through a public process (RFP #P2018-05) as a third-party Contractor to implement the program utilizing an online rebate processing platform (<https://www.cleanairfurnacerebate.com/>). The program had two implementation phases. The first phase (2018-2019) was focused on incentivizing early deployment of 14 ng/J NO_x furnaces with the Board-authorized \$3,000,000 fund. The second phase started in September 2020, with a focus on incentivizing zero-emission heat pump deployment to replace NO_x emitting furnaces in existing homes with the Board-authorized \$3,500,000 fund. The Clean Air Furnace Rebate Program funding was exhausted in 2023, which concluded the program.

This RFP is for administrating a new program funding rebates to consumers replacing traditional NO_x-emitting appliances with zero-emission appliances at single-family and

multifamily buildings and small businesses, with the first phase focusing on space and water heating appliances. The rebate program will also provide funds to organize and conduct training for installers of zero-emission appliances and for application assistance for consumers in overburdened communities. Depending on performance in the first phase, the South Coast AQMD will consider providing additional funding for more phases of implementation and adjust the program as needed.

Staff is proposing the first phase of the Go Zero Rebate Program to be funded with \$20.5 million to incentivize consumers replacing traditional NOx emitting space and water heating appliances with zero-emission appliances at residential buildings and small businesses; fund an installer training program; and fund outreach and assistance for residents in overburdened communities. The \$20.5 million will be allocated as follows: \$9 million will be allocated to single family rebates and administration; \$5 million will be allocated to multifamily rebates and administration; \$5 million will be allocated to small business rebates and administration; \$1 million will be allocated to installer training; and \$500,000 will be allocated for outreach and assistance for residents in overburdened communities. Staff recommends allocating at least 75 percent of the rebate funding (single family, multifamily, and small business rebates) to those applying from overburdened communities, identified under Senate Bill 535 (De León, Statutes of 2012) (<https://oehha.ca.gov/calenviroscreen/sb535>).

SECTION II: CONTACT PERSON

Questions regarding the content or intent of this RFP or on procedural matters should be addressed to:

Emily Yen, Air Quality Specialist
 Planning, Rule Development and Implementation
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4182
 (909) 396-3206
 EYen@aqmd.gov

SECTION III: SCHEDULE OF EVENTS

| Date | Event |
|-------------------------------------|---|
| August 2, 2024 | RFP Released |
| August 28, 2024 | Bidder’s Conference* |
| September 13, 2024 | Proposals Due to South Coast AQMD - No Later Than 1:00 pm PST |
| September 17– September 27, 2024 | Proposal Evaluations |
| November 1, 2024 | Governing Board Consideration of Approval of Contractor Selection (if needed) |
| November 2024 | Anticipated Contract Execution |

* Participation in the Bidder's Conference is optional. Such participation would assist in notifying potential Bidders of any updates or amendments. The Bidders Conference will be virtual on Zoom at 1:00 p.m. on Wednesday, August 28, 2024. Please contact Emily Yen at EYen@aqmd.gov or (909) 396-3206 by close of business on Tuesday, August 27, 2024, if you plan to attend.

SECTION IV: PARTICIPATION IN THE PROCUREMENT PROCESS

It is the policy of South Coast AQMD to ensure that all businesses, including minority business enterprises, women business enterprises, disabled veteran business enterprises (DVBE), and small businesses, have a fair and equitable opportunity to compete for and participate in South Coast AQMD contracts. Attachment A to this RFP contains definitions and further information.

SECTION V: STATEMENT OF WORK/SCHEDULE OF DELIVERABLES

A. Objective

The objective of the proposed project shall be to (1) receive and process rebate applications submitted by consumers, or installers representing consumers, who have replaced traditional NOx emitting appliances with zero-emission appliances at single-family or multifamily buildings and small businesses, with a focus on space and water heating appliances; and (2) assist in the promotion of zero-emission appliances.

The program may be adjusted for future phase(s) by providing new funding, revising rebate amounts, expanding applicable appliances, or any adjustments approved by the South Coast AQMD Governing Board.

B. Statement of Work

The proposed project consists of five sub-projects:

- Sub-project 1: Rebate program for single-family space and water heating appliances, or other single-family appliances included in future modified phase(s);
- Sub-project 2: Rebate program for multifamily space and water heating appliances, or other multifamily appliances included in future modified phase(s);
- Sub-project 3: Rebate program for small business water heating appliances, or other small business appliances included in future modified phase(s);
- Sub-project 4: Training program for installers of zero-emission space and water heating appliances; and
- Sub-project 5: Outreach program specifically designed to reach and assist residential applicants from overburdened areas in the rebate application.

Sub-project 3 should apply to small businesses as defined by South Coast AQMD Rule 102 – Definition of Terms:

SMALL BUSINESS means a business which is independently owned and operated and meets the following criteria, or if affiliated with another concern, the combined activities of both concerns shall meet these criteria:

- (A) the number of employees is 10 or less; and*
- (B) the total gross annual receipts are \$500,000 or less; or*
- (C) not-for-profit training center.*

Tasks for Sub-Projects 1, 2, 3

Sub-projects 1, 2, and 3 should, at a minimum, include the tasks below.

Program Promotion

Program promotions will be conducted by both the South Coast AQMD and the selected Contractor(s). The selected Contractor(s) are expected to:

1. Develop a plan to promote the program with an emphasis on promoting the program in overburdened communities, including, but not limited to residents in mobile home parks; residents that are identified as living in disadvantaged community California Senate Bill 535 (CalEnviroScreen), and residents in AB 617 communities. The outreach may be conducted through distribution of point of purchase material, informational bulletins, written copy of program information to media including television, radio, newspaper and health/environmental advocacy groups, or others, provided that any written outreach information, including camera-ready originals, are submitted to South Coast AQMD for approval prior to distribution. South Coast AQMD resources (i.e., list serves, newsletters, and website) may also be used, as determined to be appropriate, to help promote the program.
2. Outreach shall be conducted in English and other languages spoken in the area, including but not limited to, Spanish for sub-projects 1,2, and 5 and Spanish and Korean for sub-project 3.

Rebate Funding Forms Design

Rebate funding forms will be used by the selected Contractor(s) to bundle and summarize the applications received and request funds from the South Coast AQMD to process those applications (see Task #5). The forms must:

1. Show a clear distinction between single-family residential, multifamily residential, and small business rebates.
2. Be approved by South Coast AQMD for the format prior to program implementation.
3. At a minimum, document:
 - a. If the customer is qualified for a product rebate after the Contractor's evaluation of the application;
 - b. The rebate category the customer qualifies for (single-family, multifamily, or small business)
 - c. If the installation occurred in an overburdened community;

- d. Information on the appliance being replaced, including product name, model number, serial number, capacity, manufactured date, or justification for missing any of that information;
- e. The date of new installation and the date of rebate application;
- f. Information on the new zero-emission appliance including product name, model number, serial number, capacity, and efficiency;
- g. Installation address;
- h. The owner/occupant’s signature and contact information; and
- i. The installer’s signature and contact information.

Program Design and Implementation

1. Design a rebate receiving and processing program for consumers and contractors. Implementation is expected to be initiated at the time of contract execution. Rebate amounts will reflect the following guide:

| Proposed Single Family Amounts | |
|---|---|
| Heat pump to replace gas or propane HVAC systems | <p>\$1,500 per heat pump for general (any)</p> <p>\$3,000 per heat pump for overburdened communities</p> <p>Include additional \$500 for Energy Star or other efficiency metric (variable or inverter driven)</p> |
| Heat pump to replace gas or propane water heating systems | <p>\$1,000 per heat pump for general (any)</p> <p>\$2,000 per heat pump for overburdened communities</p> <p>Include additional \$500 for Energy Star or other efficiency metric (variable or inverter driven)</p> |
| Proposed Multifamily HVAC Amounts | |
| Split or packaged rooftop/multi-position heat pump (ducted or ductless) to replace gas or | \$2,000 per heat pump |

| | |
|---|--|
| propane systems, serving individual apartments | |
| Packaged terminal heat pumps, single package vertical heat pump, or unitary through the wall/ceiling heat pump to replace gas or propane systems, serving individual apartments | \$1,000 per heat pump that is variable capacity/inverter-driven; \$500 per heat pump that is single or two-stage compressor |
| Heat pump to replace gas or propane systems, serving multiple apartments | \$1,000 per apartment served |
| Split or packaged rooftop/multi-position heat pump (ducted or ductless) to replace gas or propane systems, serving common areas | \$1,800 per heat pump |
| Packaged Terminal Heat Pumps, Single Package Vertical Heat Pump, or unitary through the wall/ceiling heat pump to replace gas or propane systems, serving common areas | \$800 per heat pump that is variable capacity/inverter-driven; \$300 per heat pump that is single or two-stage compressor |
| Proposed Multifamily Water Heating Amounts | |
| Heat pump to replace gas or propane systems larger than or equal to 55 gallons, serving individual apartments | \$2,100 per heat pump |
| Heat pump to replace gas or propane systems smaller than 55 gallons, serving individual apartments | \$1,400 per heat pump |
| Heat pump to replace gas or propane systems larger than or equal to 17 gallons per bedroom served, serving multiple apartments | \$1,800 per apartment served |
| Heat pump to replace gas or propane systems smaller than 17 gallons per bedroom served, serving multiple apartments | \$1,200 per apartment served |

| Proposed Small Business Amount | |
|---|-----------------------|
| Heat pump to replace gas or propane water heating systems | \$4,000 per heat pump |

For multifamily rebates, the total cap for each property will be \$300,000 or 30 percent of project cost for non-overburdened communities and 50 percent of project cost for overburdened communities.

There will be a reservation system for multifamily rebates and owners or contractors will submit applications prior to installation to reserve funds. The owners or contractors will submit increments of progress (e.g., purchase invoices, building permit applications) to hold their reserved funding. Funds will be made available to the owners or contractors upon completion. Reserved funding will return to the pool after a specified number of months if there is no progress on installation.

2. If an online tool is to be developed and launched more than one month after the contract execution, a manual process should be in place prior to the launch of the online tool.
3. The implementation, at a minimum, involves:
 - a. Receiving applications including sales receipts and any signatures required on the reimbursement forms;
 - b. Verifying or auditing installations;
 - c. An element to disincentivize contractor upcharging;
 - d. For the multifamily rebates, implementing a reservation system to hold funds with subsequent increments of progress reports on the zero-emission technology installation;
 - e. Assisting applicants in understanding and applying for other applicable rebates; and
 - f. Issuing rebates.

Rebate Funding and Administration Fee

1. Monitor the volume of applications received and communicate with South Coast AQMD to ensure that the applications to be processed will be funded.
2. Bundle the rebate funding forms and sales receipts for submittal to South Coast AQMD for funding in groups of at least 50 rebates or once a month.
3. Request for administration fee payment along with the submittal of the rebate funding forms.

Reporting

1. Prepare a report every three months that includes a spreadsheet summarizing the:
 - a. Date of installation or invoice date/number;
 - b. Cost of installation;
 - c. Equipment(s) installed;
 - d. Installation address;
 - e. Zip code; and
 - f. County.
2. The final report shall also include a discussion on topics about public acceptance of the program as specified and comments/suggestions for future program improvement.
3. The report should be made available to the public in an easily downloadable format.

Tasks for Sub-Project 4

Sub-project 4 should, at a minimum, include the following tasks.

Training Program Development

1. Develop a training program designed for a technically proficient audience of qualified installers of space and water heating appliances. The program should focus on differences in operation and installation of heat pump units, or other market available zero-emission units, compared with conventional gas combustion equipment.
2. Propose a schedule of classes, with at least one class every three months, to be held at the South Coast AQMD headquarters in Diamond Bar or at a location within the South Coast AQMD region provided by the Contractor. Classes should cover installation of different equipment types such as heat pump space and water heating for residential and commercial buildings, as well as best practices for permitting especially for heat pump water heaters.
3. The proposed training program shall, at a minimum, detail the:
 - a. Estimated total number of individuals that can be trained;
 - b. Estimated class size;
 - c. Mode of training (in-person, hybrid, or online); and
 - d. Estimated number of training classes.

Trainer Hiring

1. Hire at least one qualified trainer to teach the program. Qualifications should include:
 - a. Relevant contractor licenses;
 - b. Experience installing the equipment applicable to the rebate program; and

- c. Prior experience in teaching training classes.

Program Promotion

1. Develop a plan to promote the program with an emphasis on promoting the program in overburdened communities, including, but not limited to, residents in mobile home parks; residents near petroleum refineries and/or other chemical or industrial facilities; residents that are identified as living in a disadvantaged community per California Senate Bill 535 (CalEnviroScreen); and residents in AB 617 communities. The outreach may be conducted through distribution of informational bulletins, written copy of program information to media including television, radio, newspaper, trade publications and health/environmental advocacy groups, or others, provided that any written outreach information, including camera-ready originals, are submitted to South Coast AQMD for approval prior to distribution. South Coast AQMD resources (i.e., list serves, newsletters, and website) may also be used, as determined to be appropriate, to help promote the program.
2. Outreach shall be conducted in English and other languages spoken in the area, including but not limited to, Spanish.

Hold Classes

1. Hold at least two classes within six months after contract execution.
2. Classes should continue at a cadence of at minimum one every three months until funds are exhausted.

Reporting and Administration Fee

1. Prepare a report to be submitted to the AQMD after each class.
2. Report shall include:
 - a. Number of participants;
 - b. Names of participants and the license(s) of each participant;
 - c. Company or organization of participants; and
 - d. Contact information of each participant.
3. Request for administration fee payment for the reported training class(es).

Tasks for Sub-Project 5

Sub-project 5 should, at a minimum, include the following tasks.

Solicitation of Applicants

1. Reach out to overburdened communities identified with CalEnviroScreen, including, but not limited to residents in mobile home parks and residents in AB 617 communities. Contractor should outline how this outreach will be conducted.
2. Outreach shall be conducted at a minimum in English and Spanish as well as other languages spoken in the area.

3. Coordinate with Contractor for sub-projects 1 and 2 to inform applicants of the application assistance program through outreach materials (website, fliers, etc.)

Application Assistance

1. Offer application assistance in, at a minimum, English and Spanish for the application. Assistance should include individual sessions with the applicant(s) to resolve questions, help with filling out rebate forms, and seeking out equipment that meets the needs of the applicant and fulfills the requirements of the rebate program.
2. Application assistance should be provided to both applicants sought out through the solicitation process and applicants who learn of the assistance program through outreach materials.

Seek Out Other Rebates

1. Compile list of other applicable rebates, refunds, and/or programs that can be used in conjunction with the proposed Go Zero rebate program.
2. Inform applicants about other applicable rebates, refunds, and/or programs that can be used in conjunction with the proposed Go Zero rebate program.
3. Track upcoming applicable rebates, refunds, and/or programs that may be used in conjunction with the proposed Go Zero rebate program after deployment.

C. Schedule of Deliverables

In addition to any deliverables set forth in the above referenced Specific Tasks, successful bidders for sub-projects 1, 2, or 3, *following contract execution with South Coast AQMD*, are expected to adhere to the master schedule included below.

| Task Number: | Task Name | Schedule/Deliverable |
|---------------------|---------------------------------------|--|
| 1 | Program Promotion | Begin preparation of outreach material at the time of contract execution. Submit written outreach materials to South Coast AQMD for approval no later than 14 calendar days before distribution. Initial distribution of outreach materials shall occur within six weeks after contract execution. |
| 2 | Rebate Funding Forms Design | Submit project Rebate Funding forms to South Coast AQMD for approval no later than 14 days after contract execution. |
| 3 | Program Design and Implementation | Subsequent to successful completion of Task 2. |
| 4 | Application Monitoring | Provide updates within five days of a South Coast AQMD request. |
| 5 | Rebate Funding and Administration Fee | No sooner than the collection of at least 50 reimbursement forms and the accompanying sales receipts, or once a month. |
| 6 | Reporting | Every three months with the first report on February 1, 2025; The final report due no |

| | | |
|--|--|---|
| | | later than 45 days following notification by South Coast AQMD that all funding has been expended or the rebate end dates, whichever is earlier. |
|--|--|---|

Successful bidders for sub-project 4, *following contract execution with South Coast AQMD*, are expected to adhere to the master schedule included below.

| Task Number: | Task Name | Schedule/Deliverable |
|---------------------|----------------------------------|--|
| 1 | Training Program Development | Prepare outline of training program and submit program to the South Coast AQMD for approval within four weeks after contract execution. |
| 2 | Trainer Hiring | Provide qualifications of the trainer(s) hired subsequent to completion of Task 1. |
| 3 | Program Promotion | Begin preparation of outreach material at the time of contract execution. Submit written outreach materials to South Coast AQMD for approval no later than 14 calendar days before distribution. Initial distribution of outreach materials shall occur within six weeks after contract execution. |
| 4 | Hold Classes | Hold classes at minimum once every three months. |
| 5 | Reporting and Administration Fee | Within one week after each class. |

Successful bidders for sub-project 5, *following contract execution with South Coast AQMD*, are expected to adhere to the master schedule included below.

| Task Number: | Task Name | Schedule/Deliverable |
|--------------------------------|---|--|
| 1 – Solicitation of Applicants | Program Promotion | Begin preparation of outreach material at the time of contract execution. Submit written outreach materials to South Coast AQMD for approval no later than 14 calendar days before distribution. Initial distribution of outreach materials shall occur within six weeks after contract execution. |
| 1 – Application Assistance | Application Outreach and Assistance Development | Prepare outline of application outreach and assistance and submit outline to the South Coast AQMD for approval within four weeks after contract execution. Submit any written |

| | | |
|----------------------------|--|---|
| | | outreach materials to South Coast AQMD for approval no later than 14 calendar days before distribution. Initial distribution of outreach materials shall occur within six weeks after contract execution. |
| 2 – Application Assistance | Application Outreach and Assistance Progress | Provide summary of number of applicants assisted each month. |
| 3 – Seek Out Other Rebates | Summary | Provide summary each quarter of upcoming applicable rebates, refunds, and/or programs that may be used in conjunction with the proposed rebate program after deployment. |

SECTION VI: REQUIRED QUALIFICATIONS

- A. South Coast AQMD requests submittal of detailed expertise and capabilities from proposers who meet a combination of the technical qualifications listed below. Proposers may elect to bid for one or more sub-projects or bid for the project in its entirety. Individuals can team up to submit a joint bid if they have complementary expertise and qualifications that collectively meet the requirements. Statements of qualifications should include evidence documenting experience, expertise, and capabilities wherever possible.
- B. Bidder(s) will be selected for contract award based on the best combinations of qualifications. Qualifications that are of importance to this project include expertise and experience in public outreach and rebate administration for household appliances.

SECTION VII: PROPOSAL SUBMITTAL REQUIREMENTS

Submitted proposals must follow the format outlined below and all requested information must be supplied. Failure to submit proposals in the required format will result in elimination from proposal evaluation. South Coast AQMD may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website for updates (<http://www.aqmd.gov/grants-bids>). The cost for developing the proposal is the responsibility of the Contractor and shall not be chargeable to South Coast AQMD.

Each proposal must be submitted in three separate volumes:

- Volume I - Technical Proposal
- Volume II - Cost Proposal
- Volume III - Certifications and Representations included in Attachment B to this RFP, must be completed and executed by an authorized official of the Contractor.

A separate cover letter including the name, address, and telephone number of the Contractor, and signed by the person or persons authorized to represent the Firm should accompany the proposal submission. Firm contact information as follows should also be included in the cover letter:

1. Address and telephone number of office in, or nearest to, Diamond Bar, California.
2. Name and title of Firm's representative designated as contact.

A separate Table of Contents should be provided for Volumes I and II.

VOLUME I - TECHNICAL PROPOSAL

DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL VOLUME

Summary (Section A) - State overall approach to meeting the objectives and satisfying the scope of work to be performed, the sequence of activities, and a description of methodology or techniques to be used.

Program Schedule (Section B) - Provide projected milestones or benchmarks for completing the project (to include reports) within the total time allowed.

Project Organization (Section C) - Describe the proposed management structure, program monitoring procedures, and organization of the proposed team. Provide a statement detailing your approach to the project, specifically address the Firm's ability and willingness to commit and maintain staffing to successfully complete the project on the proposed schedule.

Qualifications (Section D) - Describe the technical capabilities of the Firm. Provide references of other similar studies or projects performed during the last five years demonstrating ability to successfully complete the work. Include contact name, title, and telephone number for any references listed. Provide a statement of your Firm's background and related experience in performing similar services for other governmental organizations.

Assigned Personnel (Section E) - Provide the following information about the staff to be assigned to this project:

1. List all key personnel assigned to the project by level, name and location. Provide a resume or similar statement describing the background, qualifications and experience of the lead person and all persons assigned to the project. Substitution of project manager or lead personnel will not be permitted without prior written approval of South Coast AQMD.
2. Provide a spreadsheet of the labor hours proposed for each labor category at the task level.
3. Provide a statement indicating whether or not 90% of the work will be performed within the geographical boundaries of South Coast AQMD.
4. Provide a statement of education and training programs provided to, or required of, the staff identified for participation in the project, particularly with reference to management consulting, governmental practices and procedures, and technical matters.
5. Provide a summary of your Firm's general qualifications to meet required qualifications and fulfill statement of work, including additional Firm personnel and resources beyond those who may be assigned to the project.

Subcontractors (Section F) - This project may require expertise in multiple technical areas. List any subcontractors that will be used, identifying functions to be performed by them, their related

qualifications and experience and the total number of hours or percentage of time they will spend on the project.

Conflict of Interest (Section G) - Address possible conflicts of interest with other clients affected by actions performed by the Firm on behalf of South Coast AQMD. South Coast AQMD recognizes that prospective Contractors may be performing similar projects for other clients. Include a complete list of such clients for the past three (3) years with the type of work performed and the total number of years performing such tasks for each client. Although the Proposer will not be automatically disqualified by reason of work performed for such clients, South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the proposal.

Additional Data (Section H) - Provide other essential data that may assist in the evaluation of this proposal.

VOLUME II - COST PROPOSAL

Name and Address - The Cost Proposal must list the name and complete address of the Proposer in the upper left-hand corner.

Cost Proposal – South Coast AQMD anticipates awarding a fixed price contract. Cost information must be provided as listed below:

1. Detail must be provided by the following categories:
 - A. Labor – The Cost Proposal must list the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. Costs should be estimated for each of the components of the work plan.
 - B. Subcontractor Costs - List subcontractor costs and identify subcontractors by name. Itemize subcontractor charges per hour or per day.
 - C. Travel Costs - Indicate amount of travel cost and basis of estimate to include trip destination, purpose of trip, length of trip, airline fare or mileage expense, per diem costs, lodging and car rental.
 - D. Other Direct Costs -This category may include such items as postage and mailing expense, printing, and reproduction costs, etc. Provide a basis of estimate for these costs.
 - E. Fixed-Percentage Cost – Not withstanding above categories A, B, C, and D, proposer may provide overall cost on a fixed percentage of the rebate processed.
2. It is the policy of South Coast AQMD to receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services. South Coast AQMD will give preference, where appropriate, to vendors who certify that they will provide “most favored customer” status to South Coast AQMD. To receive preference points, Proposer shall certify that South Coast AQMD is receiving “most favored customer” pricing in the Business Status Certifications page of Volume III, Attachment B – Certifications and Representations.

VOLUME III - CERTIFICATIONS AND REPRESENTATIONS (see Attachment B to this RFP)

SECTION VIII: PROPOSAL SUBMISSION

All proposals must be submitted according to specifications set forth in the section above, and this section. Failure to adhere to these specifications may be cause for rejection of the proposal.

Signature - All proposals must be signed by an authorized representative of the Proposer.

Due Date - **All proposals are due no later than 1:00 p.m. PST, September 13th, 2024, and should be directed to:**

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

Submittal - Submit four (4) complete copies of the proposal in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the Proposer and the words "Request for Proposals P2025-01." In addition, submit one (1) electronic copy of the proposal on a flash drive inside an envelope.

Late bids/proposals will not be accepted under any circumstances.

Grounds for Rejection - A proposal may be immediately rejected if:

- It is not prepared in the format described, or
- It is signed by an individual not authorized to represent the Firm.

Modification or Withdrawal - Once submitted, proposals cannot be altered without the prior written consent of South Coast AQMD. All proposals shall constitute firm offers and may not be withdrawn for a period of ninety (90) days following the last day to accept proposals.

SECTION IX: PROPOSAL EVALUATION/CONTRACTOR SELECTION CRITERIA

- A. Proposals will be evaluated by a panel of two (2) to five (5) South Coast AQMD staff members familiar with the subject matter of the project. The panel shall be appointed by the Executive Officer or his designee. In addition, the evaluation panel may include such outside public sector or academic community expertise as deemed desirable by the Executive Officer. The panel will make a recommendation to the Executive Officer and/or the Governing Board of South Coast AQMD for final selection of a Contractor and negotiation of a contract.
- B. Each member of the evaluation panel shall be accorded equal weight in his or her rating of proposals. The evaluation panel members shall evaluate the proposals according to the specified criteria and numerical weightings set forth below.

1. Proposal Evaluation Criteria

(a) R&D Projects Requiring Technical or Scientific Expertise, or Special Projects

Requiring Unique Knowledge or Abilities

| | |
|---|-----------|
| Experience/Background | 20 |
| Administration Approach | 20 |
| Outreach | 20 |
| Accountability and Statistics of Similar Projects | 10 |
| Administration Fees | <u>30</u> |
| TOTAL | 100 |

(b) Additional Points

| | |
|---|----|
| Small Business or Small Business Joint Venture | 10 |
| DVBE or DVBE Joint Venture | 10 |
| Use of DVBE or Small Business Subcontractors | 7 |
| Low-Emission Vehicle Business | 5 |
| Local Business (Non-Federally Funded Projects Only) | 5 |
| Off-Peak Hours Delivery Business | 2 |

The cumulative points awarded for small business, DVBE, use of small business or DVBE subcontractors, low-emission vehicle business, local business, and off-peak hours delivery business shall not exceed 15 points.

Self-Certification for Additional Points

The award of these additional points shall be contingent upon Proposer completing the Self-Certification section of Attachment B – Certifications and Representations and/or inclusion of a statement in the proposal self-certifying that Proposer qualifies for additional points as detailed above.

2. To receive additional points in the evaluation process for the categories of Small Business or Small Business Joint Venture, DVBE or DVBE Joint Venture or Local Business (for non-federally funded projects), the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets the requirements set forth in Section III. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses. To receive points as a Low-Emission Vehicle Business, the proposer must demonstrate to the Executive Officer, or designee, that supplies and materials delivered to South Coast AQMD are delivered in vehicles that operate on either

clean-fuels or if powered by diesel fuel, that the vehicles have particulate traps installed. To receive points as an Off-Peak Hours Delivery Business, the proposer must submit, at proposal submission, certification of its commitment to delivering supplies and materials to South Coast AQMD between the hours of 10:00 a.m. and 3:00 p.m. To receive points for Most Favored Customer status, the proposer must submit, at proposal submission, certification of its commitment to provide most favored customer status to South Coast AQMD. The cumulative points awarded for small business, DVBE, use of Small Business or DVBE Subcontractors, Local Business, Low-Emission Vehicle Business and Off-Peak Hour Delivery Business shall not exceed 15 points.

The Procurement Section will be responsible for monitoring compliance of suppliers awarded purchase orders based upon use of low-emission vehicles or off-peak traffic hour delivery commitments through the use of vendor logs which will identify the Contractor awarded the incentive. The purchase order shall incorporate terms which obligate the supplier to deliver materials in low-emission vehicles or deliver during off-peak traffic hours. The Receiving department will monitor those qualified supplier deliveries to ensure compliance to the purchase order requirements. Suppliers in non-compliance will be subject to a two percent of total purchase order value penalty. The Procurement Manager will adjudicate any disputes regarding either low-emission vehicle or off-peak hour deliveries.

3. For procurement of Research and Development (R & D) projects or projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, technical factors including past experience shall be weighted at 70 points and cost shall be weighted at 30 points. A proposal must receive at least 56 out of 70 points on R & D projects and projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, in order to be deemed qualified for award.
 4. The lowest cost proposal will be awarded the maximum cost points available and all other cost proposals will receive points on a prorated basis. For example, if the lowest cost proposal is \$1,000 and the maximum points available are 30 points, this proposal would receive the full 30 points. If the next lowest cost proposal is \$1,100 it would receive 27 points reflecting the fact that it is 10% higher than the lowest cost (90% of 30 points = 27 points).
- C. During the selection process the evaluation panel may wish to interview some proposers for clarification purposes only. No new material will be permitted at this time. Additional information provided during the bid review process is limited to clarification by the Proposer of information presented in his/her proposal, upon request by South Coast AQMD.
- D. The Executive Officer or Governing Board may award the contract to a Proposer other than the Proposer receiving the highest rating in the event the Governing Board determines that another Proposer from among those technically qualified would provide the best value to South Coast AQMD considering cost and technical factors. The determination shall be based solely on the Evaluation Criteria contained in the Request for Proposal (RFP), on evidence provided in the proposal and on any other evidence provided during the bid review process.

- E. Selection will be made based on the above-described criteria and rating factors. The selection will be made by and is subject to Executive Officer or Governing Board approval. Proposers may be notified of the results by letter.
- F. The Governing Board has approved a Bid Protest Procedure which provides a process for a Bidder or prospective Bidder to submit a written protest to South Coast AQMD Procurement Manager in recognition of two types of protests: Protest Regarding Solicitation and Protest Regarding Award of a Contract. Copies of the Bid Protest Policy can be secured through a request to South Coast AQMD Procurement Department.
- G. The Executive Officer or Governing Board may award contracts to more than one proposer if in (his or their) sole judgment the purposes of the (contract or award) would best be served by selecting multiple proposers.
- H. If additional funds become available, the Executive Officer or Governing Board may increase the amount awarded. The Executive Officer or Governing Board may also select additional proposers for a grant or contract if additional funds become available.
- I. Disposition of Proposals – Pursuant to South Coast AQMD’s Procurement Policy and Procedure, South Coast AQMD reserves the right to reject any or all proposals. All proposals become the property of South Coast AQMD and are subject to the California Public Records Act. One copy of the proposal shall be retained for South Coast AQMD files. Additional copies and materials will be returned only if requested and at the proposer's expense.
- J. **If proposal submittal is for a Public Works project as defined by State of California Labor Code Section 1720, Proposer is required to include Contractor Registration No. in Attachment B. Proposal submittal will be deemed as non-responsive and Bidder may be disqualified if Contractor Registration No. is not included in Attachment B. Proposer is alerted to changes to California Prevailing Wage compliance requirements as defined in Senate Bill 854 (Stat. 2014, Chapter 28), and California Labor Code Sections 1770, 1771, 1725, 1777, 1813 and 1815.**

SECTION X: FUNDING

Total available funding for this RFP is a fixed amount of \$20,500,000 for rebates and the third-party administration fee for the first phase. The bidders may propose their administration fee structure, which will be subject to the proposal evaluation for cost specified in Section X. Depending on the performance, staff may consider requesting additional funding for more phases of implementation if needed. The funding for the five sub-projects are listed in the following table:

| Sub-Project | Rebate Population | Funding amount (Rebates and Third-Party Administration Fee) |
|-------------|-------------------|---|
| 1 | Single-family | \$9,000,000 |
| 2 | Multifamily | \$5,000,000 |
| 3 | Small Business | \$5,000,000 |
| 4 | Training | \$1,000,000 |

| | | |
|---|------------------------|-----------|
| 5 | Application Assistance | \$500,000 |
|---|------------------------|-----------|

The rebate amount for each installation may vary depending on the type of appliance. Heating, ventilation, and air conditioning (HVAC) systems will have higher rebates as they are more expensive than water heating systems. The preliminary proposal for single-family rebates is \$1,500 - \$3,000 for the zero-emission HVAC system, \$1,000 - \$2,000 for the zero-emission water heaters, and other specified amounts for multifamily. At least 75 percent of the total funding will be allocated for overburdened communities identified under California Senate Bill 535, and higher rebates will be provided to those communities. The final proposed rebate amounts and other details will be listed in the contract.

SECTION XI: SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on South Coast AQMD's website at <http://www.aqmd.gov/grants-bids> or upon request from the RFP Contact Person (Section II).

ATTACHMENT A

PARTICIPATION IN THE PROCUREMENT PROCESS

A. It is the policy of South Coast Air Quality Management District (South Coast AQMD) to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in South Coast AQMD contracts.

B. Definitions:

The definition of minority, women or disadvantaged business enterprises set forth below is included for purposes of determining compliance with the affirmative steps requirement described in Paragraph G below on procurements funded in whole or in part with federal grant funds which involve the use of subcontractors. The definition provided for disabled veteran business enterprise, local business, small business enterprise, low-emission vehicle business and off-peak hours delivery business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Women business enterprise" (WBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. a business that is at least 51 percent owned by one or more women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
 - b. a business whose management and daily business operations are controlled by one or more women.
 - c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
2. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
3. "Disabled veteran business enterprise" (DVBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. is a sole proprietorship or partnership of which at least 51 percent is owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
 - b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.

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PARTICIPATION IN THE PROCUREMENT PROCESS

- c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.

4. "Local business" as used in this policy means a company that has an ongoing business within geographical boundaries of South Coast AQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the geographical boundaries of South Coast AQMD and satisfies the requirements of subparagraph H below.

5. "Small business" as used in this policy means a business that meets the following criteria:
 - a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
 - A manufacturer with 100 or fewer employees.
 - b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 and 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.

6. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE or small business and owns at least 51 percent of the joint venture.

7. "Low-Emission Vehicle Business" as used in this policy means a company or Contractor that uses low-emission vehicles in conducting deliveries to South Coast AQMD. Low-emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, hydrogen and diesel retrofitted with particulate matter (PM) traps.

8. "Off-Peak Hours Delivery Business" as used in this policy means a company or Contractor that commits to conducting deliveries to South Coast AQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.

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9. "Benefits Incentive Business" as used in this policy means a company or Contractor that provides janitorial, security guard or landscaping services to South Coast AQMD and commits to providing employee health benefits (as defined below in Section VIII.D.2.d) for full time workers with affordable deductible and co-payment terms.
 10. "Minority Business Enterprise" as used in this policy means a business that is at least 51 percent owned by one or more minority person(s), or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more or minority persons.
 - a. a business whose management and daily business operations are controlled by one or more minority persons.
 - b. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
 - c. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native-American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific-American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
 11. "Most Favored Customer" as used in this policy means that South Coast AQMD will receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services.
 12. "Disadvantaged Business Enterprise" as used in this policy means a business that is an entity owned and/or controlled by a socially and economically disadvantaged individual(s) as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note) (10% statute), and Public Law 102-389 (42 U.S.C. 4370d)(8% statute), respectively;
 - a Small Business Enterprise (SBE);
 - a Small Business in a Rural Area (SBRA);
 - a Labor Surplus Area Firm (LSAF); or
 - a Historically Underutilized Business (HUB) Zone Small Business Concern, or a concern under a successor program.
- C. Under Request for Quotations (RFQ), DVBEs, DVBE business joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5% of the lowest cost responsive bid. Low-Emission Vehicle Businesses shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. Off-Peak Hours Delivery Businesses shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid. Local businesses (if the procurement is not funded in whole or in part by federal grant funds) shall be granted a preference in an amount

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equal to 2% of the lowest cost responsive bid. Businesses offering Most Favored Customer status shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid.

- D. Under Request for Proposals, DVBEs, DVBE joint ventures, small businesses, and small business joint ventures shall be awarded ten (10) points in the evaluation process. A non-DVBE or large business shall receive seven (7) points for subcontracting at least twenty-five (25%) of the total contract value to a DVBE and/or small business. Low-Emission Vehicle Businesses shall be awarded five (5) points in the evaluation process. On procurements which are not funded in whole or in part by federal grant funds local businesses shall receive five (5) points. Off-Peak Hours Delivery Businesses shall be awarded two (2) points in the evaluation process. Businesses offering Most Favored Customer status shall be awarded two (2) points in the evaluation process.
- E. South Coast AQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of South Coast AQMD contractual obligations.
- F. South Coast AQMD requires Contractor to be in compliance with all state and federal laws and regulations with respect to its employees throughout the term of any awarded contract, including state minimum wage laws and OSHA requirements.
- G. When contracts are funded in whole or in part by federal funds, and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit disadvantaged businesses. Contractor shall submit a certification signed by an authorized official affirming its status as a MBE or WBE, as applicable, at the time of contract execution. South Coast AQMD reserves the right to request documentation demonstrating compliance with the following good faith efforts prior to contract execution.
 - 1. Ensure Disadvantaged Business Enterprises (DBEs) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
 - 2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
 - 3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

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4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
 6. If the prime Contractor awards subcontracts, require the prime Contractor to take the above steps.
- H. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a certified MBE/WBE/DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.
- I. When contracts are not funded in whole or in part by federal grant funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an ongoing business within the geographical boundaries of South Coast AQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of South Coast AQMD shall be entitled to the local business preference.
- J. In compliance with federal fair share requirements set forth in 40 CFR Part 33, South Coast AQMD shall establish a fair share goal annually for expenditures with federal funds covered by its procurement policy.

ATTACHMENT B

AB 2588 Toxic Hot Spots 2023 Annual Report

Stationary Source Committee June 21, 2024



INTRODUCTION

- AB 2588 Program Annual Report summarizes
 - Activities implemented under AB 2588 “Hot Spots Act” consistent with state law
 - South Coast AQMD activities to reduce toxic air contaminants
 - Future activities relating to AB 2588
 - Updates to AB 2588 guidance documents
- H&S Code §44363 requires a public hearing to present results of Annual Report

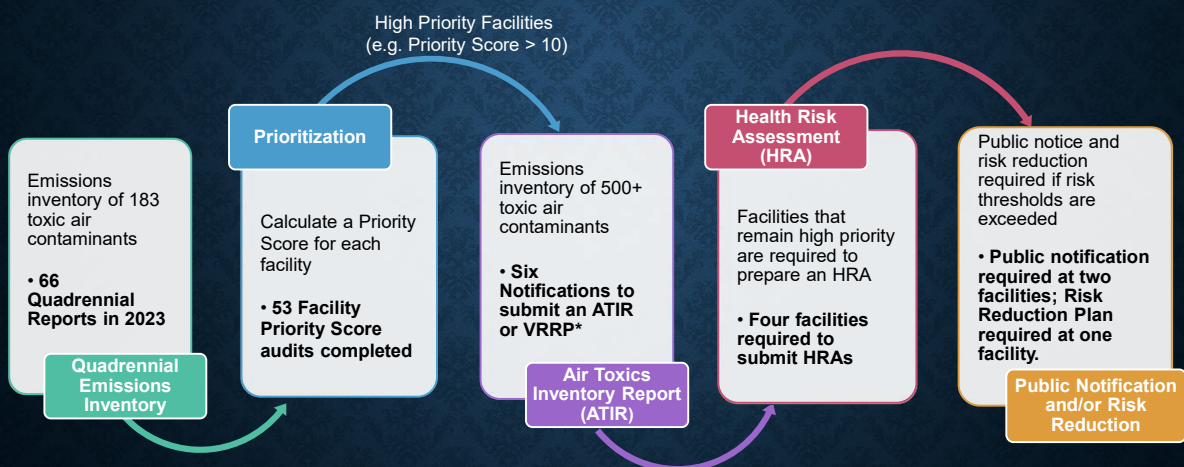


GOALS AND OBJECTIVES OF AB 2588



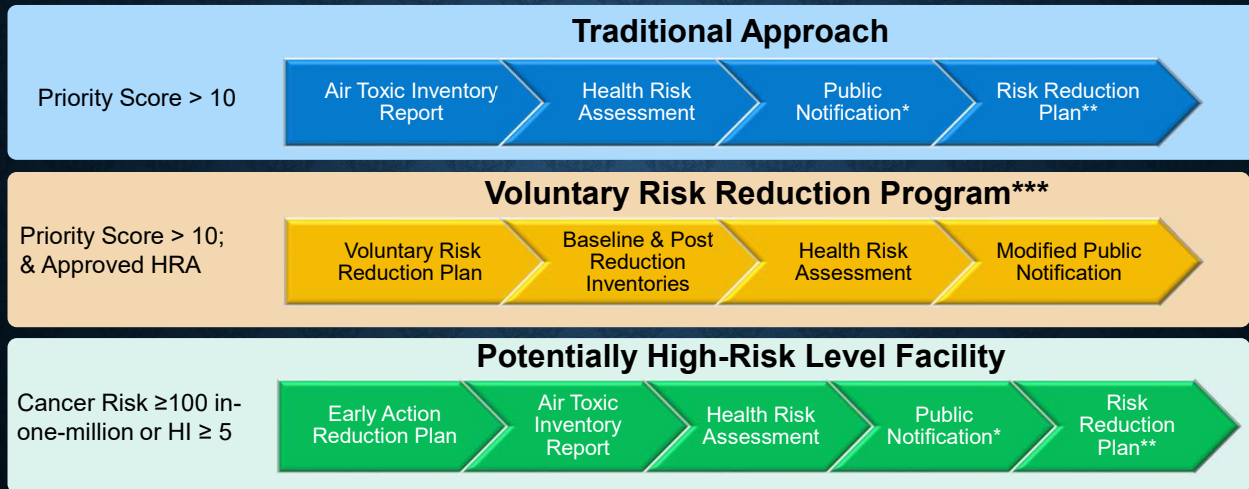
AB 2588 is one piece of South Coast AQMD's overall approach to air toxics

AB 2588 TRADITIONAL PROCESS FOR 'CORE' FACILITIES



*VRRP = Voluntary Risk Reduction Plan

PATHWAYS FOR FACILITIES IN RULE 1402



* Required if cancer risks ≥ 10 chances in-one-million or Hazard Index ≥ 1.0

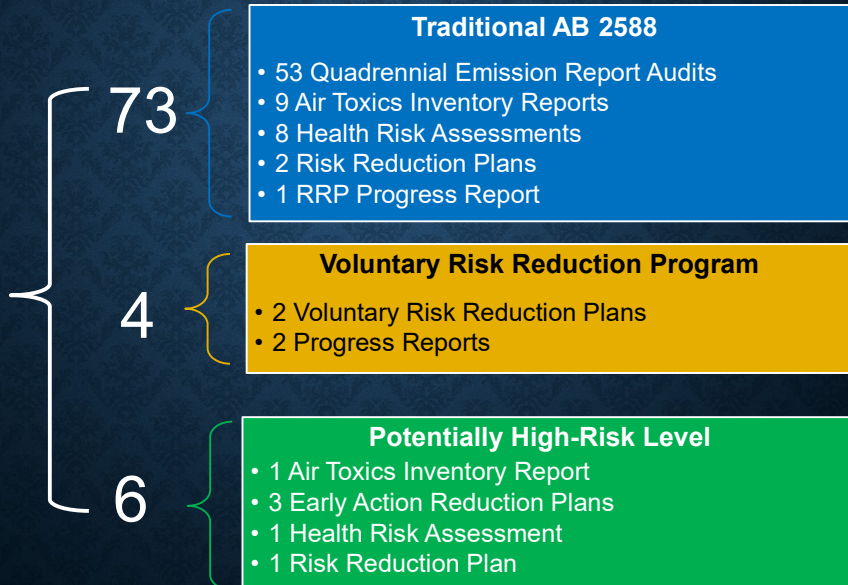
** Required if cancer risks ≥ 25 chances in-one-million or Hazard Index ≥ 1.0

*** Cancer risks must be < 10 chances in-one-million and Hazard Index < 1.0

REVIEWS IN 2023

83
Reviews

72 Total Facilities



OTHER KEY TOXICS-RELATED ACTIVITIES IN 2023

Rulemaking



- Amendment to Rule 1401.1 to extend health protection by expanding the definition of “school” and how it encompasses early learning programs
- Amended Rule 1405 to strengthen requirements for Ethylene Oxide (EtO) sterilization and storage facilities

Special Monitoring*



- Ethylene Oxide (EtO) special monitoring
- Continued air monitoring in Environmental Justice communities as part of AB 617

Other Activities



- Completed review of 2021 emissions data for EPA's AirToxScreen
- EPA finalized release of the 2020 AirToxScreen analysis

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OEHHA UPDATES

- OEHHA adopted new and revised health values for trimethylbenzenes, water-soluble cobalt compounds, and 1-bromopropane
 - Trimethylbenzenes found in petroleum, paints, and cleaning fluids; 1-bromopropane used in adhesives and as a cleaner; cobalt compounds used in alloys, pigments, and as catalysts in various industries
- Facilities must include these compounds in 2024 inventory report under Rule 1402*
- Permitting Impacts will be analyzed in PAR1401 – New Source Review of Toxics

| CAS # | Name | Chronic REL (µg/m ³) | 8-Hour Chronic REL (µg/m ³) | Acute REL (µg/m ³) |
|------------|-------------------|----------------------------------|---|--------------------------------|
| 25551-13-7 | Trimethylbenzenes | 4 | 8 | 2400 |
| 106-94-5 | 1-Bromopropane | 1.7 | 3.4 | 3300 |

| CAS # | Name | Inhalation Cancer Potency Factor (mg/kg-day) ⁻¹ |
|-------|--------------------------------|--|
| 1217 | Water-Soluble Cobalt Compounds | 35 |

*Except for one trimethylbenzene isomer, no prior reporting requirements for these compounds

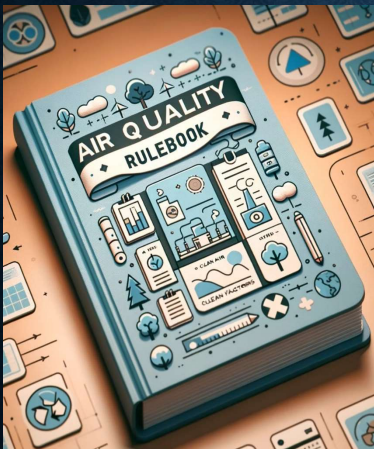
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PROJECTED 2024 TOXICS-RELATED ACTIVITIES

- Work with CARB and CAPCOA regarding:
 - Updates to CARB's AB 2588 guidelines, including review of additional chemicals to be added for evaluating risk
 - Diesel Engine Risk Guidelines
 - Amendments to Criteria and Toxics Reporting (CTR) guidelines
- Work with CARB to develop or update HRA guidance for Industry-wide Sources (i.e., autobody shops, diesel internal combustion engines)
- Train new staff on the expanded emissions reporting under amended Rule 301 and CARB's CTR regulation

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PROJECTED 2024 TOXICS-RELATED ACTIVITIES



- Continue coordination with U.S. EPA and CARB staff to ensure AirToxScreen incorporates the best available local emissions data
- Continue monitoring risk reduction progress for ethylene oxide sterilization facilities
- Continue tracking development of health risk value adoption and revisions by OEHHA, including potential revision to cancer risk from ethylene oxide
- Rule development activities for toxic rules such as Rules 1401 and 1445

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UPDATES TO AB 2588 SUPPLEMENTAL GUIDELINES

A South Coast AQMD supplementary guide to the existing State guidelines by OEHHA

Key Updates

- Provided additional clarification to ensure consistency with guidance in other AB 2588 documents
- Removed the health risk summary form and republished it as a detailed standalone form
- Updated the AB 2588 certification form to accommodate declarations of confidential information

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NEXT STEPS

- Present the report at the August 2, 2024 Public Hearing*
- Recommended Action:
 - Receive and File the 2023 AB 2588 Annual Report
 - Approve updates to the AB 2588 & Rule 1402 Supplemental Guidelines



*H&S Code Section 44363 requirement

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Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – June 21, 2024

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide monthly updates to the Stationary Source Committee to report progress made under the Permitting Enhancement Program (PEP). The Chair's PEP initiative was developed to enhance the permitting program and improve permitting inventory and timelines. This report provides a summary of the pending permit application inventory, monthly production, and other PEP related activities.

Summary**Pending Permit Application Inventory**

The permitting process consists of a constant stream of incoming applications and outgoing application issuances, rejections, and denials. The remainder of the applications are considered the pending application inventory. The inventory consists of applications that are being prescreened prior to being accepted, workable applications, and non-workable applications. Non-workable means that staff are unable to proceed with processing an application because it is awaiting actions to address various regulatory requirements or deficiencies. As an example, after staff issues a Permit to Construct to a facility, staff must wait for the facility to construct and test the equipment prior to issuing a final Permit to Operate. Once a final Permit to Operate is issued, the permit application is removed from the pending application inventory. Other examples include facilities that may be in violation of rules and cannot be permitted until a facility achieves compliance, staff awaiting additional information from facilities, or facilities that have not completed the CEQA process for their project. During the life of an application, it may switch several times between being workable and non-workable as actions are taken by facilities and staff. Attachment 1 contains more detailed descriptions of the categories of non-workable permit applications. Figure 1 below provides a monthly snapshot of the pending application inventory.

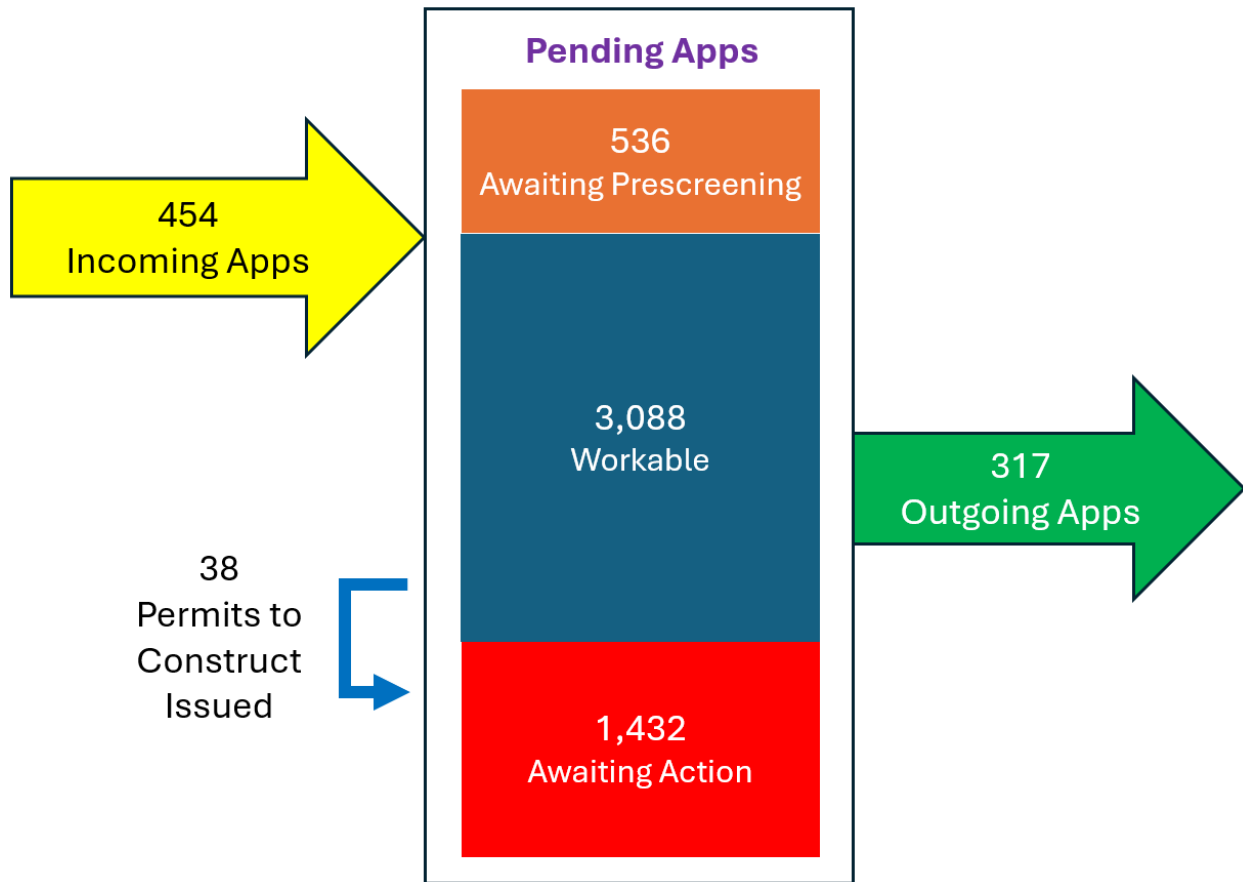


Figure 1: Application Processing Workflow – May 2024

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last month. Please note that Table 1 provides a snapshot of data and applications may change statuses several times before final action. Multiple categories may apply to a single application. (38 applications have dual statuses this month).

Table 1: Awaiting Action (Non-Workable) Applications Summary

| Awaiting Action (Non-Workable) Categories | March 2024 | April 2024 | May 2024 |
|---|------------|------------|----------|
| Additional Information from Facility | 235 | 223 | 249 |
| CEQA Completion | 25 | 27 | 34 |
| Completion of Construction | 770 | 794 | 866 |
| Facility Compliance Resolution | 17 | 19 | 22 |
| Facility Draft Permit Review | 92 | 91 | 86 |
| Fee Payment Resolution | 2 | 3 | 9 |
| Other Agency Review | 35 | 52 | 45 |
| Other Facility Action | 69 | 7 | 7 |
| Other South Coast AQMD Review | 100 | 0 | 0 |
| Public Notice Completion | 23 | 34 | 32 |
| Source Test Completion | 117 | 127 | 120 |

Please see Attachment 1 for more information on these categories.

In May, 454 incoming applications were submitted which was an increase of 97 incoming applications from the previous month. There were 317 outgoing applications which was a decrease of 92 applications from April (further information is provided in the “Production” section of this report). There was a noticeable increase of incoming applications last month as is expected due to the upcoming Rule 301 fee increases on July 1. Several applications changed status to Completion of Construction after Permits to Construct were issued. Staff will need to wait for construction of the equipment to be completed prior to moving forward on these applications. Since incoming applications (yellow arrow) exceeded outgoing applications (green arrow) this month, the pending application inventory increased.

The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending application inventory until a manageable working inventory is established. As stated above, looking ahead to the next reporting period in June, there historically has been a spike in incoming applications before fee increases take effect on July 1 for application fees. This typically results in a swell in the inventory as time is needed to address the surge of permit applications.

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ Engineers was vital since these positions are the review and approval stages of the permitting process. Seven Senior and Supervising AQ Engineer positions are in the process of being filled.

Production

Prior to staff retirements, permit production levels in 2020 were typically above 500 completions per month. Prior to PEP implementation, high vacancy rates resulted in decreased permit completions. Lower production rates nearing 400 completions per month occurred as the vacancy rate peaked. As the vacancy rate has been reduced and staff have been trained, production has increased. Figure 2 below shows a rolling 12-month average of application completions and the monthly production for the last three months. Recently, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below. The rolling 12-month average includes the monthly totals from the last year to visualize the trend over time, as production in individual months often fluctuates (in addition to fluctuations in incoming application submittals). The current rolling 12-month average production rate is 438 completions per month. In the coming months, staff anticipates production rates will return to 2020 levels. A higher rolling 12-month average will indicate sustained higher production levels. These higher production levels will begin to reduce the pending application inventory and improve permit processing times.

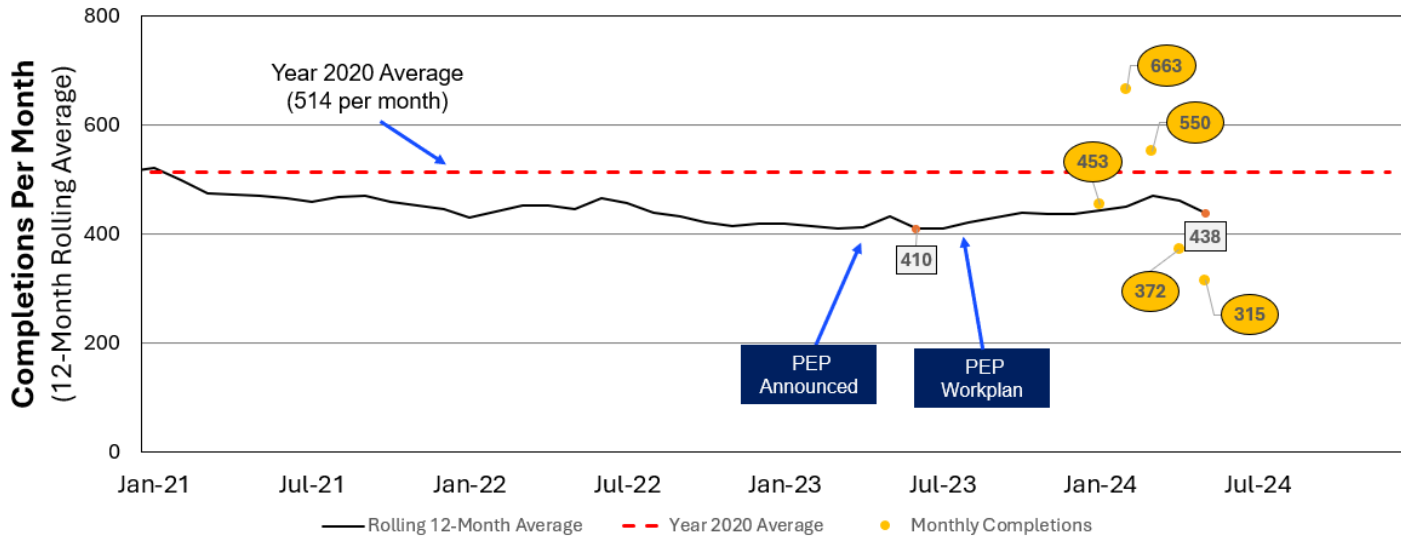


Figure 2: Application Completions - Rolling 12-Month Average and Recent Three Months

Production began to increase in the second half of 2023 as substantial promotional and hiring occurred. New engineering staff are currently being trained and production is expected to increase over the coming months and years as they become more experienced in their duties.

Staff experienced decreased completions in April and May compared to the prior three months. However, in the first two weeks of June, production appears to be rebounding as staff have already acted on 300 completions. Regardless, staff are continuing to investigate this decrease and strategize plans to improve production. For April and May, the following extenuating circumstances were identified:

- Two days of offset sanctions which paused issuance of new permits
 - US EPA acted on Oil and Gas regulations resolving temporary sanctions
- Physical move of E&P staff workspaces which disrupted production
 - Decreased vacancy rates required movement of staff. Relocation was completed efficiently within one week
- Transfer of Supervisory staff member
 - One Supervising AQ Engineer transferred between teams in E&P on May 7. A replacement is expected to be selected in June.
- Focus on complex, aged applications
 - Staff acted on several of these applications which take more time and resources to resolve issues. Several more aged projects are targeted to be completed in June.
- PEP development
 - Electronic permit applications have been developed and are being tested by permit processing engineers. This effort involves resources that would typically be focused on permit evaluations but will result in operational efficiencies upon completion.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate is 9.7%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%.

Staff continued their ongoing efforts to maintain the vacancy rate. In May, one administrative position was filled to replace a departure from the previous month to reduce the vacancy rate below 10% again. An AQ Engineer 2 recruitment will conclude in June which is expected to further reduce the vacancy rate. Staff is in the process of conducting promotional recruitments which will result in another external AQ engineer recruitment around Q1 2025.

Key Activities This Month

- Staff presented their Permit Enhancement Program efforts at the Industry Environmental Association annual conference in San Diego. Other air agencies reached out to staff for more details to enhance their own permitting programs.
- Staff issued several aged permit applications in May. As part of PEP, staff have been focusing on aged applications and resolving complex compliance and permitting issues.
- Staff initiated an effort to distribute permitting public notices in lieu of facilities handling the distribution. This is a PEP initiative and is expected to reduce permitting timelines. Staff are starting this effort on a small scale to develop the process and collect data prior to the full roll out of the program. Facilities have been receptive to the new program.

Upcoming Meetings:

- Permitting Working Group (PWG) - June 18 – Focus on Waste Management Industry
- Permit Streamlining Task Force (PSTF) - July 17
- Staff are targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. A schedule of future PSTF and PWG meetings is under development.
- Staff will conduct PWG meetings that will be a collaborative public effort to discuss permitting requirements with various industry sectors and receive public input.
- A PEP update to the Board will occur in the third quarter of 2024.

Attachment 1

Explanation of Non-Workable Application Statuses

Workable applications are those applications where staff have the required information to process the permit application.

Non-workable applications are those applications where the application process has been paused while staff are awaiting the resolution of one or more related tasks or where the permit cannot be issued.

Description of Non-Workable/Awaiting Action Terms

Additional Information from Facility

During permit processing staff may need additional information from a facility that was not included in the original permit application package or a change of scope of the proposed project. Additional information may include items regarding materials used in the equipment (such as toxics), equipment information, or other items to perform emission calculations or determine compliance for the proposal in the application.

CEQA Completion

Prior to issuing permits, CEQA requirements are required to be evaluated and completed. South Coast AQMD can either be the Lead Agency that certifies or approves the CEQA document or the Responsible Agency that consults with the Lead Agency (typically a land use agency) on the CEQA document.

Completion of Construction

After a Permit to Construct is issued, the permit application file remains in the pending application inventory. Staff must wait for the facility to complete construction prior to completing other compliance determination steps before the permitting process can continue. Typically, a Permit to Construct is valid for one year, but it may be extended for various reasons if the facility demonstrates they are making increments of progress. For some large projects, construction may take years while the permit application remains in the pending application inventory.

Facility Compliance Resolution

Prior to issuing permits the affected facility must demonstrate compliance with all rules and regulations [Rule 1303(b)(4)]. Prior to the issuance of a Permit to Construct, all major stationary sources that are owned or operated by, controlled by, or under common control in the State of California are subject to emission limitations must demonstrate that they are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act. [Rule 1303(b)(2)(5)].

Facility Draft Permit Review

If a facility requests to review their draft permit, staff provides the facility a review period prior to proceeding with issuance. During the review period, staff do not perform any additional evaluation until feedback from the facility is received. Some projects include several permits or large facility permit documents which may take a substantial time to review.

Fee Payment Resolution

Prior to issuing permits, all fees must be remitted, including any outstanding fees from associated facility activities including, but not limited to, annual operating and emission fees, modeling or source testing fees, and permit reinstatement fees.

Other Agency Review

The Title V permitting program requires a 45-day review of proposed permitting actions by U.S. EPA prior to many permitting actions. During the review period, staff are unable to proceed with permit issuance. If U.S. EPA has comments or requests additional information, the review stage may add weeks or months to the process before staff can proceed with the project.

For Electricity Generating Facilities (Power Plants), CEC may provide a review of proposed permits prior to issuance.

Other Facility Action

Prior to issuing a permit, a facility may need to take action to address deficiencies or take steps to meet regulatory requirements. This may include acquiring Emission Reduction Credits after staff notifies a facility the project requires emissions to be offset, performing an analysis for Best Available Control Technology requirements, or conducting air dispersion modeling.

Other South Coast AQMD Review

Prior to proceeding with a permit evaluation, permit engineering staff may require assistance and support from other South Coast AQMD departments. For example, IM support for electronic processing due to unique or long-term project considerations or to complete concurrent review of separate phases or integrated processes for multi-phase projects is routinely needed.

Public Notice Completion

There are several South Coast AQMD requirements that may require public noticing and a public participation process prior to permit issuance. Rule 212 and Regulation XXX both detail public noticing thresholds and requirements which include equipment located near schools, high-emitting equipment, equipment above certain health risk thresholds, or significant projects or permit renewals in the Title V program. The public notice period is typically 30 days, and staff are required to respond to all public comments in writing prior to proceeding with the permitting process. Other delays in the public notice process may include delays in distribution of the notice by the facility, incomplete distribution which may require restarting the 30-day period, or requests for extension from the public.

Source Test Completion

Many rules require source testing prior to permit issuance. Source testing is the measurement of actual emissions from a source that may be used to determine compliance with emission limits, or measurements of toxic emissions may be used to perform a health risk assessment. Lab analysis of an air sample is often required as part of the process. The testing is performed by third party contractors who prepare a source test protocol to detail the testing program, and a source test report with the results of the testing and equipment operation. Both the protocol and report need to be reviewed and approved by South Coast AQMD staff.

June 2024 - Quarterly Permitting Update for Rule 1109.1 - Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations

Background

At the November 17, 2023, Stationary Source Committee meeting, the Committee directed staff to provide quarterly updates (in lieu of a presentation) of permitting activities associated with implementation of Rule 1109.1. Staff had presented five (5) quarterly updates on Rule 1109.1 permitting activities to the Stationary Source Committee since October 21, 2022. Starting with the previous report (Q1-2024), staff will provide written quarterly reports to the Committee during the first 3 quarters of each year followed by a presentation in the 4th quarter. This is the 2nd written report for Q2-2024 provided by staff.

Summary

This report covers key permitting activities associate with Rule 1109.1 since the last update in March 2024, as summarized below:

- 4 applications received for revision to previously approved I-Plans and B-Plan
- 7 applications approved and permits issued
- 63 applications in progress
- 2 applications submitted to EPA and pending their review
- 16 additional applications expected to be submitted in 2024

As shown in Tables 1 and 2 below, staff is making significant progress in issuing the permits for the applications received under Rule 1109.1. As of this quarter, 54 percent of the applications received under this rule have been issued, and 73 percent of the open applications are in the review stage. Staff is expected to make steady progress in issuing permits under this rule throughout the rest of this year.

Figure 1 provides the application count by year for the period covering Rule 1109.1 implementation and includes the anticipated applications and actual applications submitted.

Figure 1: Rule 1109.1 Application Count by Year

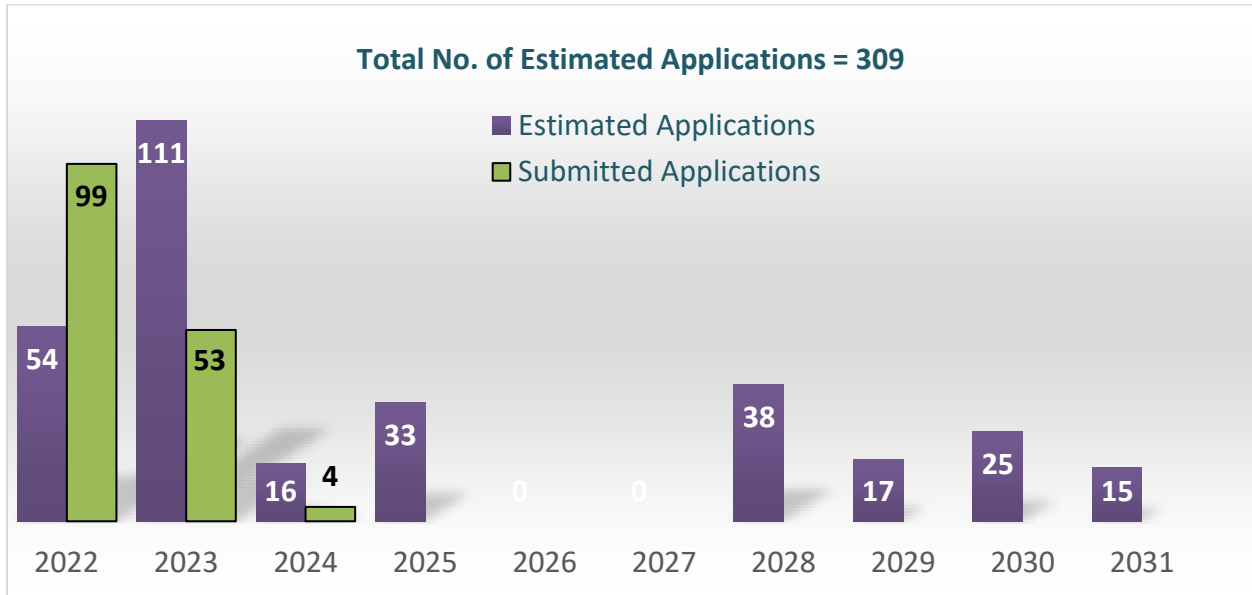


Table 1 provides a breakdown on the type of applications submitted under Rule 1109.1, and Table 2 provides the status of processing the applications:

Table 1: Rolling Total of Rule 1109.1 Permit Application Submittals

| | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|----------------------------------|------------|------------|------------|------------|
| BARCT Limits | 17 | 21 | 21 | 21 |
| Conditional Limits | 29 | 29 | 29 | 29 |
| Boilers/Heaters < 40 MMBtu/hr | 46 | 46 | 46 | 46 |
| Exemption Applications | 7 | 7 | 7 | 7 |
| Alternate BARCT Limits | 9 | 9 | 9 | 9 |
| Add Source Test Condition | 23 | 23 | 23 | 23 |
| Plan Applications | 17 | 17 | 17 | 21 |
| <i>B-Plan</i> | 3 | 3 | 3 | 4 |
| <i>B-Cap</i> | 4 | 4 | 4 | 4 |
| <i>I-Plan</i> | 10 | 10 | 10 | 13 |
| Total | 148 | 152 | 152 | 156 |

Note: The rolling total application count for the 4 quarters has not changed much because there are no application submittal deadlines in the rule between July 1, 2023 to July 1, 2024.

Table 2: Summary of Rule 1109.1 Application Processing Status

| | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Awaiting Additional Facility Info | 5 | 0 | 0 | 6 |
| In Process | 63 | 48 | 17 | 13 |
| Under Review | 26 | 37 | 46 | 42 |
| Final Review | 8 | 8 | 8 | 8 |
| Under U.S. EPA Review | 2 | 2 | 3 | 2 |
| Issued | 44 | 57 | 78 | 85 |
| Total | 148 | 152 | 152 | 156 |

June 2024 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018, Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. The table below summarizes key activities with U.S. EPA and California Air Resources Board (CARB) since the last report.

| Item | Discussion |
|--|---|
| Meeting with U.S. EPA (Region IX) – May 22, 2024 | <ul style="list-style-type: none"> Discussed options to address offset availability for RECLAIM facilities |

- A follow up meeting with U.S. EPA (Region IX) is planned for late June 2024 to continue discussions from May 22nd meeting
- RECLAIM/NSR Working Group meeting will not be held in June
- The next Working Group Meeting is planned for third quarter 2024 to provide an update on discussions with U.S. EPA regarding the New Source Review issues for the RECLAIM transition

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
Settlement Penalty Report (05/01/2024 - 05/31/2024)**

Total Penalties

Civil Settlement: \$712,525.75
Hearing Board Settlement: \$206,415.25
MSPAP Settlement: \$131,590.50

Total Cash Settlements: \$1,050,531.50

Total SEP Value: \$0.00

Fiscal Year through 05/31/2024 Cash Total: \$5,997,737.00

Fiscal Year through 05/31/2024 SEP Value Only Total: \$668,125.00

| Fac ID | Company Name | Rule Number | Settled Date | Init | Notice Nbrs | Total Settlement |
|--------------|--|-----------------------------------|--------------|-------|--|------------------|
| Civil | | | | | | |
| 180945 | ALLTECH, INC. | 203, 1155 | 05/21/2024 | SP | P73912 | \$40,000.00 |
| 195097 | ASHISH PATEL (AMERICAS BEST VALUE INN) | 1403, 40 CFR 61.145 | 05/02/2024 | RM | P70143 | \$850.00 |
| 800016 | BAKER COMMODITIES, INC. | 415, 2004, 3002 | 05/08/2024 | DH/ND | P63824, P65291, P65293, P67318, P67319, P67321, P72855, P72866, P72871, P72872 | \$400,000.00 |
| 174544 | BREITBURN OPERATING, LP | 2004, 3002 | 05/22/2024 | JL | P67379, P69280, P74356 | \$12,700.00 |
| 195737 | CARMART INC. | 203 | 05/07/2024 | EC | P78699 | \$1,000.00 |
| 42086 | CITY OF UPLAND-UPLAND LANDFILL | 1403, 40 CFR 61.145 | 05/17/2024 | SH | P76122 | \$2,500.00 |
| 187429 | DECKERS BRANDS | 2305 | 05/24/2024 | JL | O15005 | \$9,000.00 |
| 194292 | E&B NATURAL RESOURCES MANAGEMENT CORP. | 1166 | 05/22/2024 | RM | P73208 | \$6,900.00 |
| 156741 | HARBOR COGENERATION CO, LLC | 2004, 2012, 2012 Appendix A, 3002 | 05/22/2024 | DH | P66124, P66138, P66139, P76052, P76076 | \$34,650.00 |
| 9115 | JCI JONES CHEMICALS, INC. | 203 | 05/02/2024 | RL | P78321 | \$1,032.00 |
| 193011 | KERR FLOORS, INC. | 1403, 40 CFR 61.145 | 05/01/2024 | ND | P65545 | \$2,200.00 |
| 193248 | P&M OIL CO. | 203, 463, 1148.1, 1173 | 05/01/2024 | KCM | P73331, P74353, P74376, P75657 | \$8,100.00 |
| 193847 | RA JOHNSON COMPANY | 1403, 40 CFR 61.145 | 05/08/2024 | JL | P73632 | \$2,500.00 |

| Fac ID | Company Name | Rule Number | Settled Date | Init | Notice Nbrs | Total Settlement |
|--|---|---------------------------|--------------|--------|----------------|------------------|
| 800325 | TIDELANDS OIL PRODUCTION, CO. | 2004, 3002, 3004 | 05/08/2024 | DH | P63837, P66840 | \$10,493.75 |
| 149881 | TIDELANDS OIL PRODUCTION CO/PIER A WEST | 1173 | 05/08/2024 | DH | P74372 | \$4,800.00 |
| 800026 | ULTRAMAR, INC. | 1118, 3002, 40 CFR 63.670 | 05/21/2024 | DH | P75061 | \$175,800.00 |
| Total Civil Settlements: \$712,525.75 | | | | | | |
| Hearing Board | | | | | | |
| 140373 | AMERESCO CHIQUITA ENERGY, LLC | 203, 431.1, 3002 | 05/21/2024 | KER | 6143-4 | \$1,600.00 |
| 119219 | CHIQUITA CANYON, LLC | 402 | 05/16/2024 | KER/MR | 6177-4 | \$204,815.25 |
| Total Hearing Board Settlements: \$206,415.25 | | | | | | |
| MSPAP | | | | | | |
| 198952 | 220W 17TH ST, INC. | 461, H&S 41960.2 | 05/24/2024 | VB | P78773 | \$3,276.00 |
| 38429 | A & A READY MIXED CONCRETE, INC. | 403 | 05/03/2024 | CL | P75314 | \$1,774.00 |
| 151507 | A & P CORPORATION/ PORTOLA CHEVRON | 461 | 05/03/2024 | CL | P79067 | \$1,084.00 |
| 200428 | ALADDIN MOBILE HOME PARK | 1403 | 05/24/2024 | CR | P78508 | \$1,513.00 |
| 188324 | AMAZON.COM SERVICES, LLC | 203 | 05/03/2024 | VB | P79307 | \$1,942.00 |
| 176666 | AMAZON.COM SERVICES, LLC | 203 | 05/03/2024 | CL | P79308 | \$971.00 |
| 121448 | AMERICAN SERVICES GROUP OF CA, INC. | 1403 | 05/03/2024 | VB | P80307 | \$3,327.00 |
| 183387 | ANTHONY TORRES DEMOLITION CORP | 1403, 40 CFR 61.145 | 05/03/2024 | VB | P79152 | \$7,476.00 |
| 177982 | APRO LLC (DBA "UNITED OIL #176") | 461, H&S 41960.2 | 05/17/2024 | SW | P79076 | \$1,513.00 |
| 29349 | ARCHIE'S TIRE & TOWING | 461 | 05/24/2024 | VB | P70495 | \$2,990.00 |
| 174643 | ARCO (#42110) | 461, H&S 41960.2 | 05/10/2024 | VB | P77732 | \$929.00 |
| 183282 | ARNACO INDUSTRIAL COATING, INC. | 203, 1147 | 05/24/2024 | CL | P80403 | \$3,573.00 |
| 13618 | BARRY AVE PLATING CO., INC. | 1426, 1469 | 05/03/2024 | CL | P75263, P75272 | \$3,388.00 |
| 181055 | CANYON CARWASH PETROLEUMM, INC. | 461 | 05/24/2024 | CR | P79084 | \$847.00 |
| 148782 | CANYON FOOD & MINI MART | 461, H&S 41960.2 | 05/24/2024 | VB | P80555 | \$1,111.00 |
| 200968 | CFT NV DEVELOPMENTS, LLC | 222 | 05/10/2024 | CL | P78034 | \$2,342.00 |
| 107071 | CHARLIE'S AUTO CENTER, INC. | 201 | 05/17/2024 | CR | P79361 | \$1,009.00 |
| 181204 | CITY OF SAN GABRIEL - PUBLIC WORKS FACILITY | 203, 461 | 05/17/2024 | CL | P79851 | \$5,339.00 |
| 200277 | DSJ CONCRETE PUMPING | 203 | 05/03/2024 | CL | P78357 | \$632.00 |
| 186718 | EATON ALTADENA GOLF, LLC | 203, 461 | 05/03/2024 | VB | P75953 | \$1,171.00 |
| 199446 | ENVIRONMENTAL REMEDIES, INC. | 1403 | 05/10/2024 | CR | P72947 | \$959.00 |
| 105510 | ETIWANDA SCHOOL DISTRICT - MAINTENANCE YARD | 461 | 05/03/2024 | CL | P78453, P71024 | \$2,018.00 |
| 189790 | FLEISCHMANN'S VINEGAR COMPANY, INC. | 3002 | 05/24/2024 | CL | P80405 | \$3,022.50 |

| Fac ID | Company Name | Rule Number | Settled Date | Init | Notice Nbrs | Total Settlement |
|--|--|---------------------|--------------|------|------------------------|------------------|
| 159986 | FREEMAN MEDICAL BUILDING, LLC | 203 | 05/03/2024 | CL | P78406 | \$7,144.00 |
| 197130 | G&M OIL, CO. (#128) | 461 | 05/17/2024 | CL | P69887, P78756 | \$3,177.00 |
| 199489 | G&M OIL, CO. (#213) | 201 | 05/24/2024 | CR | P80604 | \$2,218.00 |
| 168073 | GAT AIRLINE GROUND SUPPORT | 203 | 05/17/2024 | CL | P62790 | \$1,021.00 |
| 194097 | GRACE TO YOU | 203 | 05/03/2024 | CL | P67749 | \$971.00 |
| 163901 | GVD-GUFFEY RIMFOREST, CLP | 461 | 05/03/2024 | CR | P76198 | \$1,579.00 |
| 96767 | LA CITY - RECREATION & PARKS DEPT. | 461 | 05/24/2024 | VB | P76548 | \$2,302.00 |
| 173904 | LAPEYRE INDUSTRIAL SANDS, INC. | 2004, 2012 | 05/10/2024 | CL | P68665, P68673, P68679 | \$6,045.00 |
| 200978 | LARGO CONSTRUCTION INC. | 1403, 40 CFR 61.145 | 05/24/2024 | CL | P78612 | \$1,438.00 |
| 167525 | LOMA LINDA UNI MEDICAL CENTER | 1146 | 05/10/2024 | CL | P78401 | \$7,282.00 |
| 169613 | LOS FELIZ OIL, INC. (DBA "ARCO LOS FELIZ OIL") | 461 | 05/17/2024 | CL | P73131, P80559 | \$3,082.00 |
| 104004 | MICROMETALS, INC. | 3002 | 05/17/2024 | CL | P75613 | \$6,045.00 |
| 27704 | MILE SQUARE GOLF COURSE | 203, 461 | 05/24/2024 | VB | P78591 | \$5,824.00 |
| 58495 | MOBIL DLR | 203, 461 | 05/24/2024 | VB | P77713 | \$1,492.00 |
| 120181 | NARMS BABA CORP - ALPINE SHELL & SUBWAY | 201 | 05/17/2024 | CL | P70489 | \$825.00 |
| 118089 | ORANGE CARWASH, INC. | 461, H&S 41960.2 | 05/17/2024 | CL | P79062 | \$4,134.00 |
| 114598 | ORANGE TREE FRESH FRUIT & NUTS INC. | 203 | 05/10/2024 | VB | P76185, P76200 | \$3,627.00 |
| 167819 | PALM TERRACE CARE CENTER | 203 | 05/10/2024 | CL | P74189 | \$3,177.00 |
| 202109 | PRO MANAGEMENT COMPANY, INC. | 1403 | 05/17/2024 | CL | P75878 | \$2,913.00 |
| 42499 | RABI, INC, (DBA "LOW P") | 461 | 05/17/2024 | CL | P79093 | \$1,976.00 |
| 190684 | RADC ENTERPRISES, INC. | 203 | 05/10/2024 | VB | P76195 | \$906.00 |
| 9961 | RIVERSIDE CITY, WATER QUALITY CONTROL | 203 | 05/24/2024 | VB | P76132 | \$959.00 |
| 800113 | ROHR, INC. | 2004 | 05/03/2024 | CL | P75323 | \$922.00 |
| 89710 | ROYAL CABINETS | 3002 | 05/24/2024 | CL | P73159 | \$1,588.00 |
| 116895 | THE HOME DEPOT U.S.A. INC | 203 | 05/24/2024 | VB | P78011 | \$2,018.00 |
| 126198 | TMP CORPORATION | 461, H&S 41960 | 05/24/2024 | VB | P75743 | \$2,789.00 |
| 190376 | VAN NUYS CHEVRON | 203, 461 | 05/03/2024 | CL | P74826 | \$2,342.00 |
| 109963 | WORLD OIL MARKETING CO. (SS #60) | 461, H&S 41960.2 | 05/17/2024 | CL | P77743 | \$1,588.00 |
| Total MSPAP Settlements: \$131,590.50 | | | | | | |

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR MAY 2024 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance
- Rule 403 Fugitive Dust
- Rule 415 Odors from Rendering Facilities
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1118 Emissions from Refinery Flares
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators,
- Rule 1147 NOx Reductions from Miscellaneous Sources
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1155 Particulate Matter Control Devices
- Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1426 Emissions from Metal Finishing Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions
- Rule 2012
- Appendix A Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR MAY 2024 PENALTY REPORT**

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

Rule 2305 Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waive) Program

REGULATION XXX- TITLE V PERMITS

Rule 3002 Requirements

Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for Demolition and Renovation

40 CFR 63.670 Requirements for flare control devices

CALIFORNIA HEALTH AND SAFETY CODE

41960 Certification of Gasoline Vapor Recovery System

41960.2 Gasoline Vapor Recovery