

BOARD MEETING DATE: September 5, 2014

AGENDA NO. 26

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, July 25, 2014.
Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Dr. Joseph Lyou, Vice Chair
Stationary Source Committee

EC:am

Attendance

The meeting began at 10:30 a.m. In attendance at SCAQMD Headquarters was Dr. Joseph Lyou. Mayor Pro Tem Ben Benoit and Supervisor Shawn Nelson attended via videoconference. Absent were Mayor Dennis Yates and Mayor Judith Mitchell.

INFORMATIONAL ITEMS

1. Report on 2013/2014 Check Before You Burn Program and Summary of the Wood Stove and Fireplace Change-Out Voucher Incentive Program

Joe Cassmassi, Planning and Rules Manager, provided the Committee with a summary of last winter's Check Before You Burn program and the ongoing wood stove/fireplace change-out incentive program. Mr. Cassmassi explained that the Check Before You Burn program is guided by Rule 445 provisions and that a total of 16 no-burn days were called during last winter (November through February). He also described that there are continuing efforts to improve the PM2.5 forecast models. Mr. Cassmassi then described that the current fireplace/wood stove incentive program is generally applicable to residences and businesses in inland, peak PM2.5 areas and that participants can work with a variety of participating retailers to install cleaner alternatives to traditional wood-burning devices. He noted

that the incentive program is effective but that Committee guidance was requested regarding SCAQMD staff's suggestions to expand program eligibility to a larger geographic area and to increase program outreach. There were no public questions or comments regarding this item. Mayor Pro Tem Ben Benoit stated that opening the program to all of western Riverside County would help the public to more easily understand program eligibility and also asked if product self installation could be allowed. Joe Cassmassi indicated that sufficient funds are available to expand the program area. Dr. Barry Wallerstein, Executive Officer, added that the retailer installation requirement needs to be considered in the context of ensuring that products are actually put into Basin residences, and SCAQMD's liability associated with product installation. Dr. Lyou agreed that it would be good to expand the program and mentioned that staff should consider targeting outreach based on wind patterns.

2. Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens

Joe Cassmassi gave a presentation on Proposed Rule (PR) 1153.1 which will remove food ovens, roasters and smokehouse ovens from Rule 1147 and place them in a new rule with higher emission limits and later compliance dates than Rule 1147. The proposal addresses comments raised at the Public Workshop on April 2, 2014. Dan McGivney of The Gas Company requested that the carbon monoxide (CO) limit in PR 1153.1 be removed because it is unnecessary – the SCAQMD is in compliance with the ambient air quality standard for CO. The CO limit could be added later after additional information is available from Rule 1147 implementation. Kelly Bowles of Bimbo Bakeries requested that mitigation fees previously paid for Rule 1147 compliance be refunded or credited towards other SCAQMD fees. She also requested that changes to permits to remove Rule 1147 permit conditions be charged an administrative change fee. Dr. Wallerstein stated that those requests would be considered.

3. Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Naveen Berry, Planning and Rules Manager, presented an overview of Proposed Amended Rule (PAR) 1151 to make administrative amendments to remove obsolete language and align transfer efficiency requirements with the implementation of the state suggested control measure. Bill LaMarr, representing the California Small Business Alliance, indicated that staff has addressed concerns raised during the rule development process. Dr. Joseph Lyou inquired about the completion of the tertiary butyl acetate (TBAC) use assessment included in the last amendment. Staff responded that no TBAC-containing automotive coatings were previously or currently used in the District. Dr. Lyou directed staff to ensure that a future technology assessment for TBAC-containing automotive coatings is conducted after

OEHHA's review is completed. Staff mentioned that PAR1151 contains another TBAC use assessment by December 31, 2016.

4. Rule 1110.2 Status Update on Biogas Engine Technology/Rule Implementation Assessment

Al Baez, Program Supervisor for the BACT group in the Technology Advancement Office, provided a status report of ongoing biogas control technology/rule implementation efforts, per the direction of the Board Resolution for the amendments to Rule 1110.2 on September 7, 2012. The items presented included on-going projects for the demonstration of selective non-catalytic emission reduction retrofit system on a biogas engine in addition to a nationwide survey of biogas clean-up systems and development of a toolkit to estimate costs which was made available to stakeholders for their review and feedback. Projects summarized included the NOxTech demonstration at Eastern Municipal Water District, Orange County Sanitation District's plans to retrofit the rest of their biogas engines with biogas clean-up and SCR/Oxidation catalysts and the Ox Mountain Landfill at Half Moon Bay, California experience regarding the retrofit of a biogas engine with clean-up system and SCR catalyst. Mr. Baez discussed other landfill biogas cleanup projects including Chiquita Canyon Landfill in Castaic, California and BMW Palmetto landfill in South Carolina as well as the SCAQMD's continued collaboration with EPA Region 9 California Biogas Wastewater Workgroup. Staff will continue reporting the status of on-going demonstration projects to the Committee at least annually.

Joe Cassmassi also reported to the Committee that the stakeholders are requesting an extension to the January 1, 2016 compliance deadline if they have already committed contractually to installing control equipment. Six speakers testified that they were seeking an extension of the compliance deadline.

David Rothbart, representing Southern California Association of Publicly Owned Treatment Works (SCAP), also stated that he is skeptical of biogas treatment technologies and manufacturer guarantees for biogas cleanup. Al Javier of the Eastern Municipal Water District (EMWD) provided an update to the NOxTech installation stating that the system is expected to be online any day now, although there have been some delays in procuring funding and installing the equipment, and more work is needed. Mr. Javier also discussed a Tecogen project that is in progress, but may not meet the Jan. 1, 2016 deadline.

Suparna Chakladar of Fortistar stated that she has contacted two vendors regarding controls for Fortistar's facilities. She claimed that NOxTech could not provide the proper engineering expertise and that the other vendor could not guarantee a controlled NOx level without installation. She has contacted another vendor to see if this technology will be suitable for Fortistar. Jesse Pompa of Inland Empire Utilities

Agency provided an update on its fuel cell operation citing difficulties with the biogas cleanup system that reduce power production.

Jennifer Shepardson of City of San Bernardino Water Department gave an update to its biogas engine demonstration project (hydrogen-assisted lean operation/partial oxidation gas turbine). Due to unexpected delays in funding and engineering problems, the project is now one year behind schedule. The system is expected to be online sometime in September. Lisa Rothbart of Orange County Sanitation District (OCSD) stated that the contracts to install controls to the remaining engines at its two wastewater treatment plants were behind schedule in that the contractor awarded the project was different than the original contractor and that it will take more time for the installations to be realized. She said that OCSD estimates a completion date of January 2015 for two engines and May 2016 for the remaining three engines.

Mayor Pro Tem Benoit inquired about the implications of providing additional time. Joe Cassmassi responded that the NOx reductions are necessary to attain the future 2023 8-hour ozone standard. Dr. Lyou and Supervisor Nelson commented that there needs to be a set of criteria to allow more time for the stakeholders. Elaine Chang, Deputy Executive Officer, proposed to come back to the Stationary Source Committee by January 2015 for an update after SCAQMD staff meets with the stakeholders to discuss potential criteria for recommending an extension to the compliance deadline.

5. Status Report on Reg. XIII – New Source Review

William Thompson, Senior Enforcement Manager gave a brief update. The report shows that SCAQMD is in compliance with the federal new source review program. This item will be presented to the full Board at the September 5th Board Meeting. There were no questions or comments.

6. Rule 1147 – NOx Reductions from Miscellaneous Sources

Joe Cassmassi gave a presentation on Rule 1147 implementation highlighting the actions that have been taken by staff to address technical feasibility issues with specific types of equipment, including rule amendments to Rules 219 and 222 and Proposed Rule 1153.1. The presentation included a summary of recent SCAQMD permit and compliance activities. Mr. Cassmassi also provided a summary of other categories of equipment with NOx emissions greater than one pound per day that staff will be evaluating because achieving the rule emission limits may be difficult. The evaluations of these categories need to be completed prior to the Rule 1147 technology assessment for sources with emissions less than one pound per day of NOx.

Linda Holcomb of the Southern California Auto Body Association stated that small auto body shops need relief and that spray booths should automatically be provided

a lifetime of at least 20 years before they must comply with Rule 1147. The vast majority have less than one pound per day of emissions and the cost to retrofit is too high. Bill LaMarr of the California Small Business Alliance stated that while staff has been better about meeting with stakeholders, the technology assessment should have already been started and it should not be delayed further. The cost of complying with Rule 1147 is too high. Staff should meet with stakeholders more often and involve them in the technology assessment process. In addition, a third party reviewer should be brought into the process soon. He requested that the Committee direct staff to report back to the Committee. Dr. Wallerstein stated that, as indicated in the presentation, staff has worked to address issues for many types of equipment and affected businesses and will continue to work with stakeholders.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

PUBLIC COMMENTS

There were no public comments.

Dr. Lyou announced that the next Stationary Source Committee meeting is scheduled for September 19, 2014 and adjourned the meeting at 12:00 p.m.

Attachment

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
July 25, 2014
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Dr. Joseph Lyou	SCAQMD Governing Board
Mayor Pro Tem Ben Benoit (VT)	SCAQMD Governing Board
Supervisor Shawn Nelson (VT)	SCAQMD Governing Board
Dr. Barry Wallerstein	SCAQMD Staff
Elaine Chang	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Jill Whynot	SCAQMD Staff
Naveen Berry	SCAQMD Staff
Joe Cassmassi	SCAQMD Staff
William Thompson	SCAQMD Staff
Alfonso Baez	SCAQMD Staff
Danny Luong	SCAQMD Staff
Sam Atwood	SCAQMD Staff
Edwin Pupka	SCAQMD Staff
Cher Snyder	SCAQMD Staff
Curtis Coleman	So. Calif. Air Quality Alliance
Daniel McGiveny	So. Cal Gas
Kelly Bowles	Bimbo Bakeries
Rodney Stoye	Bimbo Bakeries
Susan Stark	Tesoro
Bill Pearce	Boeing
David Rothbart	LA County Sanitation District
Bill LaMarr	California Small Business Alliance

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Vlad Kogan	Orange County Sanitation District
Jennifer Shepardson	City of San Bernardino Municipal Water Dept.
Al Javier	Eastern Municipal Water District
Jesse Pompa	Inland Empire Utilities Agency (IEUA)
Will Casolora	DCL International
Kris Flaig	City of Los Angeles/Sanitation