

BOARD MEETING DATE: July 6, 2018

AGENDA NO. 21

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, June 15, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Committee Members

Present: Mayor Ben Benoit/Chair (videoconference), Mayor Pro Tem Judith Mitchell, Supervisor Shawn Nelson (joined the meeting at 11:10 a.m. via videoconference), Supervisor Janice Rutherford (videoconference) and Supervisor Hilda L. Solis (videoconference)

Absent: Dr. Joseph Lyo/Vice Chair

Call to Order

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

INFORMATIONAL ITEMS:

1. RECLAIM Transition Quarterly Report

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, provided the quarterly update regarding transitioning the NOx RECLAIM program to a command-and-control regulatory structure, and highlighting recent activities. Mayor Pro Tem Mitchell asked staff to describe some of the issues for New Source Review (NSR) and the status of refineries' schedules to achieve BARCT compliance by 2023. Ms. Nakamura explained that the main concern with NSR is the availability of emission reduction credits (ERCs) for facilities transitioning out of RECLAIM. ERCs in the open market have limited availability and staff is currently exploring options that would still allow facilities to modernize and grow. In addition, issues regarding accounting for ERCs that were

converted to RECLAIM Trading Credits (RTCs) and other accounting issues as facilities transition from a market-based to a command-and-control regulatory program are being discussed with U.S. EPA. In response to refineries reaching BARCT by 2023, Ms. Nakamura stated that SCAQMD is working towards that goal, but is also mindful of refinery turnaround schedules. Staff has been meeting with refinery representatives to discuss projects that they are working on, as they are aware of the requirements of AB617 and BARCT compliance by December 2023.

2. Summary of Memorandum of Agreement Between CARB and SCAQMD to Implement and Enforce Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

Rafael Reynosa, Senior Enforcement Manager/Compliance and Enforcement, provided a briefing on the CARB Memorandum of Agreement (MOA) proposal. In addition, he also advised that staff will be seeking approval of the MOA, authorization for the Executive Officer to execute the MOA, and recognizing \$150,000 in revenue from CARB for FY2018-2019, and \$125,000 every year thereafter.

Mayor Pro Tem Mitchell advised for the record, that she is a CARB Board Member.

Supervisor Solis inquired regarding past monies received from CARB for this purpose and also asked what \$150,000 provides. Staff responded that this is a new program, so it is new funding that will cover some additional work at these facilities, which are already inspected by staff. The \$150,000 is approximately equivalent to one full-time employee, however, staff emphasized that the monies would be used to augment program development costs such as staffing, equipment, and/or administration. Additionally, Supervisor Solis requested a list of all oil and gas facilities in Los Angeles County. Staff committed to providing her the list.

3. Update on Assembly Bill 617 (AB 617)

Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, presented an update on the implementation of AB 617 and the work completed for identifying and prioritizing communities. He also provided draft recommendations for high-priority communities.

Supervisor Solis requested a list with the number of attendees at each community meeting and suggested additional resources to improve outreach. Executive Officer Wayne Nastri responded that staff would work with her office to expand outreach efforts.

Supervisor Solis asked staff to evaluate unincorporated Los Angeles County areas in the San Gabriel Valley that were not included in the list, and also inquired whether we can expand the first-year communities to include additional areas. Dr. Fine

mentioned that all areas were screened according to the same criteria, and that staff can take a look at the community boundary definitions.

Mayor Pro Tem Mitchell asked for clarification on the date of submission to CARB. Dr. Fine mentioned that the submission date is July 31 and emphasized the need to convey to CARB the basis of SCAQMD recommendations, including the technical assessment that was part of the community selection and prioritization process.

Mayor Benoit asked about the implementation schedule of a few communities in Riverside County. Dr. Fine responded that the implementation schedule and community profiles will be provided in the final submission to CARB in July. Mr. Nastri also clarified that only 3 to 4 communities will be considered for the first year of implementation, due to limited resources.

Mayor Pro Tem Mitchell asked for more information about the implementation schedule for Eastern Coachella Valley. Dr. Fine said that different metrics are used for this area and noted that there were several monitoring efforts in that community that are currently getting started. Dr. Fine suggested that AB 617 implementation efforts could occur in the next couple of years, with potential collaboration with Comite Civico del Valle to implement the program in that region.

Supervisor Nelson joined the meeting at 11:10 am via videoconference.

- 4. Summary of 2017 Annual Report on AB 2588 Program and Updates to Facility Prioritization Procedures, supplemental Guidelines for AB 2588 Program, and Guidelines for Participating in Rule 1402 Voluntary Risk Reduction Program**
Dr. Jillian Wong, Manager/Planning, Rule Development and Area Sources, provided a summary of the AB 2588 program, overview of SCAQMD 2017 toxics activities, and updates to guidance documents for implementation of Rule 1402. Mayor Pro Tem Mitchell asked how staff selected the facilities to audit. Dr. Wong explained that a priority score is calculated based on the facility's emissions and staff ranks and sorts the priority scores to ensure the highest priority facilities are audited first. Mayor Pro Tem Mitchell asked what is included in an emissions inventory. Dr. Wong responded that it was based on their stationary source emissions, including diesel particulate emissions. Mr. Nastri added that emissions are reported through the Annual Emissions Reporting (AER) Program and Ms. Whynot added that other factors, such as compliance staff observations in the field or engineering review might also cause a facility to be pulled into AB 2588.

WRITTEN REPORTS:

5. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

OTHER MATTERS:

6. Other Business

There was no other business.

7. Public Comment Period

There were no public comments.

8. Next Meeting Date

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

Adjournment

The meeting was adjourned at 11:30 a.m.

Attachments

1. Attendance Record
2. Draft Notice of Violation Penalty Summary

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE

Attendance – June 15, 2018

Mayor Ben Benoit (videoconference)	SCAQMD Governing Board
Mayor Pro Tem Judith Mitchell	SCAQMD Governing Board
Supervisor Hilda L. Solis (videoconference)	SCAQMD Governing Board
Supervisor Shawn Nelson (videoconference)	SCAQMD Governing Board
Supervisor Janice Rutherford (videoconference)	SCAQMD Governing Board
David Czamanske	Board Consultant (Cacciotti)
Ron Ketcham	Board Consultant (McCallon)
Terry Allen	CARB
Tom Gross	Southern California Edison
Priscilla Hamilton	SoCalGas
Pat King	Morrell's Electro Plating
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech
Bill Pearce	Boeing
Susan Stark	Andeavor
Tammy Yamasaki	Southern California Edison
Philip Fine	SCAQMD staff
Bayron Gilchrist	SCAQMD staff
Rafael Reynoso	SCAQMD staff
Susan Nakamura	SCAQMD staff
Wayne Natri	SCAQMD staff
Laki Tisopulos	SCAQMD staff
Jill Whynot	SCAQMD staff
Jillian Wong	SCAQMD staff

DRAFT
INDEX OF DISTRICT'S RULES AND REGULATIONS

 [Back to Agenda](#)

REGULATION II - PERMITS

List and Criteria Identifying Information Required of Applicants Seeking A Permit to Construct from the South Coast Air Quality Management District

Rule 201 Permit to Construct

Rule 203 Permit to Operate

REGULATION III - FEES

Rule 314 Fees for Architectural Coatings

REGULATION IV - PROHIBITIONS

Rule 402 Nuisance

Rule 403 Fugitive Dust (*Pertains to solid particulate matter emitted from man-made activities.*)

Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1147 Nox Reductions From Miscellaneous Sources

Rule 1173 Fugitive Emissions of Volatile Organic Compounds

Rule 1176 Sumps and Wastewater Separators

REGULATION XIV - TOXICS

Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems

Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO_x) Emissions

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

REGULATION XXX TITLE V PERMITS

Rule 3002 Requirements

Rule 3003 Applications

CALIFORNIA HEALTH AND SAFETY CODE

41700	Violation of General Limitations
41960.2	Gasoline Vapor Recovery
42401	Violation of Order for Abatement

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

<u>Total Penalties</u>	
Civil Settlements:	\$698,950.00
Self-Reported Settlements:	\$2,500.00
MSPAP Settlements:	\$18,900.00
Hearing Board Settlements:	\$32,500.00
 Total Cash Settlements:	 \$752,850.00
Total SEP Value:	\$0.00
Fiscal Year through 5/2018 Cash Total:	\$10,729,426.43
Fiscal Year through 5/2018 SEP Value Only Total:	\$2,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
57390	ADVANCE TRUCK PAINTING INC	3002(c)(1) 3003	5/11/2018	SH	P64456	\$750.00
179817	AIRPORT 76, 7-ELEVEN	203 (a) 461(e)(2) 41960.2	5/11/2018	BST	P61262 P65725 P65729 P65748	\$5,000.00
167066	ARLON GRAPHICS L.L.C.	2012	5/23/2018	ML	P62509	\$5,000.00
153992	CANYON POWER PLANT	2004	5/15/2018	SH	P60570	\$750.00
800030	CHEVRON PRODUCTS CO.	1173 2004(f)(1) 203 (b) 3002(c)(1) 1176(e)(1) 1176(e)(2)(B)	5/1/2018	NSF	P58232 P58233 P58235 P60561	\$43,500.00
2526	CHEVRON USA INC	3002	5/10/2018	NSF	P52628 P59380	\$5,000.00
143740	DCOR LLC	1173	5/25/2018	BST	P60281	\$3,000.00
156741	HARBOR COGENERATION CO, LLC	2012(c)(3)(A)	5/18/2018	WBW	P60578	\$5,100.00
158080	KARNAK CORP.	314	5/2/2018	WBW	P64814	\$3,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800075	LA CITY, DWP SCATTERGOOD GENERATING STN	2004(f)(1) 203(b) 3002(c)(1)	5/23/2018	NSF	P60560 P60574	\$10,800.00
127770	LA CO - CAMP KILPATRICK TREATMENT PLANT	42401	5/15/2018	NSF	P60534	\$25,000.00
86790	LA VERNE CAR WASH	203(b) 461(c)(2)(B)	5/31/2018	SH	P63107	\$4,000.00
27704	MILE SQUARE GOLF COURSE	402 41700	5/1/2018	NAS	P63858	\$2,500.00
10656	NEWPORT LAMINATES	3003	5/24/2018	BST	P63863	\$2,000.00
800409	NORTHROP GRUMMAN SYSTEMS CORPORATION	2004	5/31/2018	BST	P64377	\$1,800.00
12182	PARK LA BREA	3002	5/23/2018	ML	P60140	\$4,000.00
182451	REYES ENERGY	402 41700	5/1/2018	DH	P65213	\$3,250.00
161300	SAPA EXTRUDER, INC	2004	5/1/2018	WBW	P65374	\$1,000.00
14926	SEMPRA ENERGY (THE GAS CO)	2012(c)(2)(A) 3002(c)(1) 402 2004(f)(1) 2012 Appen A 203(b) 41700 203(a)	5/18/2018	NSF	P59387 P59389 P59393 P59395 P59397 P60288 P60292 P60293 P60567 P60586 P61740 P62953 P62959	\$550,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
					P62964	
					P63256	
					P63258	
					P63259	
					P63260	
					P66502	
					P67701	
166764	SHELL	203(b) 461(c)	5/15/2018	WBW	P64328 KC070096	\$2,000.00
800338	SPECIALTY PAPER MILLS INC	2004	5/10/2018	ML	P62062	\$500.00
18931	TAMCO	2004(d) 2011(c)(3)(A) 2012(c)(3)(A)	5/15/2018	NSF	P64419	\$20,000.00
24450	TREND MANOR FURNITURE MFG. CO., INC	3002(c)(1) 3003	5/1/2018	NSF	P59641 P64451	\$1,000.00

Total Civil Settlements: \$696,950.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Self-Reported Settlements						
156146	KAISER FOUNDATION HOSPITAL	1146	5/15/2018	RFL		\$2,500.00

Total Self-Reported Settlements: \$2,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
184940	GREYSTAR	403(d)(1) 403(d)(2)	5/10/2018	GC	P65259	\$2,600.00
119315	HOME DEPOT, USA INC	1470 203(b)	5/10/2018	GC	P65557	\$4,500.00
169463	INSTITUTE FOR ADVANCED HEALTH, NANT HOLD	1415	5/10/2018	GC	P63682	\$600.00
155794	LAX WHEEL REFINISHING INC	201 203(a) 203(b)	5/23/2018	TF	P65256	\$500.00
186340	MDM CONSTRUCTION CO	403(d)(2)	5/23/2018	TF	P65056	\$500.00
109396	NAVIZADEH MINIMART & GAS, K & F NAVI INC	461(c)(2)(B)	5/10/2018	TF	P60099	\$500.00
181537	PDQ RENTALS	461(e)(2)(C)	5/10/2018	TF	P66554	\$700.00
122529	SULLY MILLER CONTRACTING CO.	403(d)(1) 403(d)(2)	5/23/2018	GV	P63916	\$6,000.00
177862	THE MADISON CLUB	203	5/10/2018	TF	P63138	\$800.00
181801	UNITED PACIFIC #5695	203	5/3/2018	GV	P64980	\$1,600.00
131433	VALLEJO MINI MARKET & GAS STATION	41960.2 461	5/10/2018	TF	P64991	\$600.00

Total MSPAP Settlements: \$18,900.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
160245	GATEWAY CREMATORY, SMART CREMATION CA	1147	5/11/2018	BST	6095-1	\$32,500.00

Total Hearing Board Settlements: \$32,500.00