

BOARD MEETING DATE: July 12, 2019

AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, June 21, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:cr

Committee Members

Present: Council Member Ben Benoit/Chair (arrived at 10:42 a.m. via videoconference)
Senator Vanessa Delgado (Ret.)
Mayor Judith Mitchell
Supervisor V. Manuel Perez (videoconference)

Absent: Supervisor Janice Hahn
Supervisor Janice Rutherford

Call to Order

Chair Mitchell called the meeting to order at 10:31 a.m.

INFORMATIONAL ITEMS:

1. Determine That Proposed Amendment to Rule 301- Permitting and Associated Fees, Is Exempt from CEQA; Amend Rule 301; and Submit Rule 301 to CARB For Inclusion into SIP

Dr. Sarah Rees, Assistant Deputy Executive Officer/Planning, Rule Development, and Area Sources, made a brief presentation on a proposed amendment to Rule 301 – Permitting and Associated Fees.

In public comment on this item, Harvey Eder, Public Solar Power Coalition, recommended use of solar technology when applicable. He expressed general concern with CEQA exemptions.

2. Update on Implementation of Rule 1118 – Refinery Flares

Michael Krause, Planning and Rules Manager, presented an update on the implementation of Rule 1118 – Control of Emissions from Refinery Flares, including remote sensing testing, flare notifications and scoping plans for flare reduction.

Mayor Mitchell asked how optical sensing works and the cost to the refinery for such monitoring systems. Mr. Krause explained that optical sensing uses an infrared sensor that can measure heat from the flare to determine combustion efficiency. Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, stated that the pilot program for the Differential Absorption Light (DIAL) detection system would be \$3.5 million, but the equipment could cost \$1 million dollars depending on the configuration and the number of monitors per facility.

Senator Delgado (Ret.) asked how many facilities would use optical remote sensors. Mr. Krause responded that optical remote sensors would apply to five petroleum refineries subject to the rule.

In response to a question from Council Member Benoit, Wayne Nastri, Executive Officer, confirmed that the Flare Event Notification System (FENS) would be added to the South Coast AQMD web-based application. Dr. Fine mentioned that the U.S. EPA Office of Research and Development has worked closely with staff on fenceline monitoring and Mayor Mitchell was assured that the Scoping Plan documents were successfully submitted by July 2018.

In public comment on this item, Mr. Eder discussed the low carbon fuel standard and objected to allowing credits for use of renewable natural gas and expressed concern with electromagnetic fields, radiation, radon gas, and fifth generation (5G) cellular network technology.

Council Member Benoit joined the meeting [at 10:42 a.m.] while this item was in progress

WRITTEN REPORTS:

3. Monthly Update of Staff’s Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

The report was acknowledged by the Committee.

4. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

OTHER MATTERS:

5. Other Business

There was no other business.

6. Public Comment Period

Mr. Eder stated that stationary source NOx emissions can be reduced more than the South Coast AQMD estimate of two to three tons by converting all of the electric plants to solar energy. He suggested working with vehicle manufacturers to convert vehicles to solar energy to further reduce these emissions to meet federal and state laws.

7. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, July 26, 2019.

Adjournment

The meeting was adjourned at 10:58 a.m.

Attachments

1. Attendance Record
2. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition
3. Draft Notice of Violation Penalty Summary

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE Attendance – June 21, 2019

Council Member Ben Benoit (videoconference).....	South Coast AQMD Governing Board
Senator (Ret.) Vanessa Delgado	South Coast AQMD Governing Board
Mayor Judith Mitchell	South Coast AQMD Governing Board
Supervisor V. Manuel Perez (videoconference).....	South Coast AQMD Governing Board
Tom Gross	Board Consultant (Benoit)
Andy Silva	Board Consultant (Rutherford)
Curtis Coleman	Southern California Air Quality Alliance
Harvey Eder	Public Solar Power Coalition
Bill LaMarr	California Small Business Alliance
Rita Loof.....	RadTech
Bridget McCann	Western States Petroleum Association
Bill Pearce	Boeing
David Rothbart	Los Angeles County Sanitation Districts
Tammy Yamasaki.....	Southern California Edison
Derrick Alatorre.....	South Coast AQMD staff
Barbara Baird.....	South Coast AQMD staff
Amir Dejbakhsh.....	South Coast AQMD staff
Marian Coleman	South Coast AQMD staff
Philip Fine	South Coast AQMD staff
Bayron Gilchrist	South Coast AQMD staff
Michael Krause.....	South Coast AQMD staff
Terrence Mann.....	South Coast AQMD staff
Matt Miyasato.....	South Coast AQMD staff
Ron Moskowitz	South Coast AQMD staff
Susan Nakamura.....	South Coast AQMD staff
Wayne Nastri	South Coast AQMD staff
Sarah Rees.....	South Coast AQMD staff
Laki Tisopulos	South Coast AQMD staff
Jill Whynot	South Coast AQMD staff

June 2019 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018 Governing 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 over the past month.

Item	Discussion
Teleconference with U.S. EPA – May 28, 2019	<ul style="list-style-type: none">• Discussed calculation methodologies for NSR applicability and amount of offsets required• Staff discussed the supply and demand of NOx offsets in the South Coast AQMD Internal Bank
Teleconference with U.S. EPA – June 6, 2019	<ul style="list-style-type: none">• Continued discussion on calculation methodology• U.S. EPA clarified the federal requirements and flexibility to determine NSR applicability and the offsetting obligation for new or modified sources
RECLAIM Working Group Meeting – June 13, 2019	<ul style="list-style-type: none">• Discussed NSR issues regarding the RECLAIM transition• Presented potential revisions to Regulation XIII<ul style="list-style-type: none">○ Federal requirements for NSR applicability and offsetting obligations○ Change in calculation methodologies to implement federal requirements

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

DRAFT

May 2019 Settlement Penalty Report

<u>Total Penalties</u>	
Civil Settlements:	\$763,300.00
MSPAP Settlements:	\$19,550.00
Hearing Board Settlements:	\$26,000.00
Total Cash Settlements:	\$808,850.00
Total SEP Value:	\$0.00
Fiscal Year through 5 / 2019 Cash Total:	\$6,680,131.50
Fiscal Year through 5 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
176263	A & L CORONA AUTO BODY & PAINT	203(a)	5/2/2019	GV	P62921	\$2,000.00
165095	AMERICAN INTEGRATED RESOURCES, INC	1403	5/7/2019	BST	P65902	\$7,100.00
181167	ARAM CONSTRUCTION CO	1403	5/17/2019	KCM	P66409	\$5,200.00
13244	ARROYO HI SCH	1403	5/23/2019	BST	P67253	\$1,200.00
22911	CARLTON FORGE WORKS	402 H&S 41700	5/21/2019	DH	P65223	\$1,200.00
2526	CHEVRON USA INC	3002(c)(1) 463(c)(3)(B)	5/31/2019	TRB	P65604	\$3,500.00
3721	DART CONTAINER CORP OF CALIFORNIA	2004	5/29/2019	MJR	P64147	\$2,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800369	EQUILON ENTER.LLC , SHELL OIL PROD. U S	462(d)(1)(F) 3002	5/21/2019	BST	P60282 P60284 P67908	\$20,000.00
800089	EXXONMOBIL OIL CORPORATION	3002(c)(1)	5/10/2019	DH	P63405	\$268,500.00
12332	GATX CORPORATION	3002	5/14/2019	VKT	P64369	\$12,000.00
3885	JERRY L PETTIS MEMORIAL VETERANS HOSP	1146	5/8/2019	MJR	P64358	\$1,500.00
182131	NEW CENTURY BUILDERS	1403	5/15/2019	MJR	P64851	\$1,500.00
129660	NM MID VALLEY GENCO LLC	218 3002 1110.2	5/21/2019	BST	P66410	\$1,000.00
42218	PALM SPRINGS CITY (MUNICIPAL)	203	5/16/2019	MJR	P63139	\$17,000.00
118432	PRINCESS CRUISES	2202	5/3/2019	BST	P67011	\$109,000.00
128626	ROCK & ROLL CUSTOM PAINTWORKS	109 203(a)	5/30/2019	KCM	P56743 P56744	\$500.00
186520	SMARK COMPANY	1143	5/15/2019	WBW	P64828	\$25,000.00
110097	STUDIO STAR FOODMART	203	5/21/2019	BST	P67210	\$1,100.00
174655	TESORO REFINING & MARKETING CO, LLC	40 CFR 60 401(a)(1) 463(c)(3)(C)	5/8/2019	NSF	P58238 P58239 P58240	\$150,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
		1118			P65601	
		1173			P65607	
		1176(e)(1)				
		1178				
		1189				
		3002(c)(1)				
181667	TORRANCE REFINING COMPANY LLC	40 CFR 60	5/23/2019	DH	P65612	\$37,500.00
		1118				
		3002(c)(1)				
181667	TORRANCE REFINING COMPANY LLC	1303(a)(1)	5/23/2019	DH	P65608	\$20,750.00
		3002(c)(1)			P65609	
181667	TORRANCE REFINING COMPANY LLC	40 CFR 60	5/23/2019	DH	P65610	\$60,750.00
		463				
		1178				
		3002(c)(1)				
181667	TORRANCE REFINING COMPANY LLC	1173	5/23/2019	DH	P65613	\$15,000.00
		1176(e)(1)			P65614	

Total Civil Settlements: \$763,300.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
173194	ARCO AM PM - SAFAR & SAFAR BROS, INC	461(c)(3)(Q)	5/22/2019	GV	P72576	\$300.00
155585	DOUBLETREE HOTEL	1415	5/23/2019	GC	P63867	\$800.00
22965	LA MIRADA CITY, YARDS DEPT	461(c)(3)(Q)	5/23/2019	TF	P65856	\$100.00
186807	LITWIN MANAGEMENT	40 CFR 60 1403	5/9/2019	TF	P66705	\$1,600.00
105544	LYNWOOD PETROLEUM, INC.	461 H&S 41960.2	5/24/2019	TF	P67673	\$1,600.00
2825	MCP FOODS INC	2004 2012 2012 Appen A	5/21/2019	TF	P67359	\$1,000.00
188560	NORMAN BURLINGAME	1403	5/9/2019	TF	P67455	\$1,600.00
186812	ORANGE BROOK LLC	40 CFR 60 1403	5/30/2019	TF	P66704	\$1,600.00
121318	SANTA CLARITA WATER COMPANY	203(b) 461(c)(3)(Q)	5/9/2019	TF	P65586	\$800.00
25786	SEVEN-UP/ROYAL CROWN BOTTLING CO OF SOCA	1146	5/30/2019	TF	P65269	\$800.00
177588	SIGNAL RESTORATION SERVICES	40 CFR 60 1403	5/24/2019	TF	P65411 P66291	\$1,600.00
175172	SLAUSON OIL INC. DBA AHN'S MOBIL	461	5/24/2019	TF	P67672	\$800.00
176677	SUKUT CONSTRUCTION, LLC	403	5/24/2019	TF	P63147	\$800.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
48716	SUNRISE COUNTRY CLUB	461(c)(3)(Q)	5/8/2019	GV	P71475	\$300.00
151999	TESORO REF & MKTG GRANADA HILLS #68539	461	5/24/2019	TF	P67217	\$250.00
124159	THROGMORTONS FRAME CLINIC INC	1151(e)(1)	5/30/2019	TF	P68059	\$400.00
187555	UNCOMMON DEVELOPERS	403(d)(2)	5/30/2019	TF	P65581	\$800.00
124770	UNITED RENTALS NORTHWEST, INC.	461	5/9/2019	TF	P65174	\$500.00
177508	VEN TERRA ENVIRONMENTAL INC	1403	5/30/2019	TF	P67454	\$500.00
82369	VONS # 2111, A SAFEWAY COMPANY	203(a) 1110.2	5/9/2019	TF	P65573	\$300.00
82357	VONS #2034	203(b) 1110.2	5/9/2019	TF	P68605	\$500.00
174521	WESTPORT CONSTRUCTION	403	5/24/2019	TF	P68058	\$1,000.00
26405	WORLD OIL CO	461	5/30/2019	TF	P64949	\$800.00
151281	YUCAIPA FOOD MART 76	461	5/24/2019	TF	P66366	\$800.00

Total MSPAP Settlements: \$19,550.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	5/30/2019	KCM	5400-4	\$25,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	5/15/2019	TRB	6128-1	\$1,000.00

Total Hearing Board Settlements: \$26,000.00

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR MAY 2019 PENALTY REPORT**

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 202 Temporary Permit to Operate
Rule 203 Permit to Operate
Rule 218 Continuous Emission Monitoring

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions
Rule 402 Nuisance
Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
Rule 461 Gasoline Transfer and Dispensing
Rule 462 Organic Liquid Loading
Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
Rule 1118 Emissions from Refinery Flares
Rule 1143 Consumer Paint Thinners & Multi-Purpose Solvents
Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators,
 and Process Heaters
Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens
Rule 1173 Fugitive Emissions of Volatile Organic Compounds
Rule 1176 Sumps and Wastewater Separators
Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities
Rule 1189 Emissions from Hydrogen Plant Process Vents

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- 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 RECLAIM Program Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions
- Appendix A
 - Rule 2012 Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions

REGULATION XXII - ON-ROAD MOTOR VEHICLE MITIGATION

- Rule 2202 On-Road Motor Vehicle Mitigation Options

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements for Title V Permits

CALIFORNIA HEALTH AND SAFETY CODE

- 41700 Violation of General Limitations
- 41960.2 Gasoline Vapor Recovery

CODE OF FEDERAL REGULATIONS

- 40 CFR 60, QQQ – Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater