

BOARD MEETING DATE: April 2, 2021

AGENDA NO. 21

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting remotely on Friday, March 19, 2021. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

JA:cr

Committee Members

Present: Mayor Pro Tem Ben Benoit (Chair)
Supervisor Sheila Kuehl (Vice Chair)
Senator Vanessa Delgado (Ret.)
Board Member Gideon Kracov
Vice Mayor Rex Richardson
Supervisor Janice Rutherford

Absent: None

Call to Order

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

ACTION ITEM:

- 1. Authorize the Executive Officer to Execute Agreement, Establish Special Revenue Fund, Recognize Revenue, Transfer Funds, Issue RFP and Execute Contract(s) to Develop a Real-Time Air Monitoring Network and Symptom and Incident Reporting System and Reimburse General Fund for Administrative Costs**

Dr. Andrea Polidori, Atmospheric Measurements Manager, provided an update on the Aliso Canyon Supplemental Environmental Project pertaining to the development and implementation of a real-time air monitoring network and symptom and incident reporting system in Porter Ranch and the communities

surrounding the SoCalGas Aliso Canyon natural gas storage facility. There were no committee member or public comments.

Moved by Kuehl; seconded by Rutherford; unanimously approved.

Ayes: Benoit, Delgado, Kracov, Kuehl, Richardson, Rutherford

Noes: None

Absent: None

INFORMATIONAL ITEMS:

2. Update on the Development of Proposed Rule 1109.1

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, presented an update on the development of Proposed Rule (PR) 1109.1 which establishes NO_x BARCT limits for combustion equipment at refineries and associated facilities, and highlighted key remaining issues.

Board Member Kracov asked for an explanation on the proposed b-Plan if the emission baselines were higher than the slide, and asked for confirmation that some units have more NO_x emissions than others and it was not size dependent.

Ms. Nakamura confirmed that the baselines are higher than the information on the slides, and that emissions are dependent on the amount of use, and capacity utilization of the equipment.

Supervisor Rutherford emphasized her request that a third-party conduct an independent economic analysis because the cost data provided by staff and the refineries differ substantially. Ms. Nakamura responded that staff will be using the revised cost data provided by the refineries. She explained that for units where refineries did not provide cost data, staff will incorporate the cost data provided by the refineries into the U.S. EPA Cost Estimator, along with Los Angeles labor costs, to estimate the cost for the units. All the cost data provided by the refineries will be used as input to Regional Economic Model by EPA (REMI).

Board Member Kracov inquired whether staff evaluates and vets the cost data provided by refineries to investigate its integrity. Ms. Nakamura stated that neither staff nor the third-party consultant will challenge whether the cost number provided is reasonable or not, and the third-party reviewer will assess whether the data includes extraneous costs.

Board Member Kracov asked about the different NO_x levels that selective catalytic reduction (SCR) units could achieve that result in the different “Alternative NO_x BARCT Limits” in the b-Plan. Ms. Nakamura responded that the difference is the NO_x concentration at the inlet to the control equipment from different units. She

added that some boilers and heaters will have challenges with ultra-low NOx burners due to spacing, age of units, and safety concerns.

Board Member Kracov inquired about the meetings with the regulated entities, whether staff received the necessary information and if September 2021 is a reasonable date for the public hearing. Ms. Nakamura confirmed that all five major refineries have submitted revised cost data.

Supervisor Kuehl stated that she has found the analyses provided by South Coast AQMD staff and the third-party analysts to be unbiased and impartial. She expressed support for the two new implementation approaches.

Chris Chavez, Coalition for Clean Air, Jan Victor Andasan, East Yard Communities for Environmental Justice, Byron Chan, Earthjustice, Julia May, Communities for a Better Environment, and Al Sattler, Sierra Club, expressed the need for a refinery rule that establishes a 2 ppm NOx limit, minimizes averaging times and stressed the importance of adopting and implementing PR 1109.1 for the communities around these facilities.

Mr. Chavez stated that state law requires BARCT by December 31, 2023 and disagreed with the concept of a facility-wide emissions budget.

Ms. May expressed concern that the alternative compliance plan will be established after rule adoption and emphasized that all units need basic and modern control technologies to be installed.

Michael Carroll, Latham & Watkins, commented that he appreciates that staff collected revised cost data, recommends that staff ask refineries if there are questions with the data, and encourages staff to take the time to conduct the necessary analyses. He commented that RECLAIM is SIP approved and already provides a mechanism to demonstrate BARCT which will satisfy the December 31, 2023 requirement. Mr. Carroll stated that according to U.S. EPA, RECLAIM will need to be in place until rules are fully implemented, so staff should not feel rushed.

Curt Coleman, Southern California Air Quality Alliance, and Mr. Carroll commented that they support alternative implementation approaches to achieve the NOx emission limits. Mr. Coleman expressed concern about localized impacts of PM from ammonia slip.

Board Member Kracov asked staff about the AB 617 BARCT schedule required and implementation date of December 31, 2023. Barbara Baird, Chief Deputy Counsel, explained that AB 617 requires implementation as soon as feasible but not later than December 31, 2023. Ms. Baird stated the schedule was already adopted

by the deadline as required, but if BARCT cannot be achieved by December 31, 2023, achieving the reductions as soon as feasible complies with the legislative intent.

Senator Delgado expressed support for staff's efforts to craft a rule that can be implemented and adopted.

3. Summary of Proposed Amended Rule 1469.1

Dr. Jillian Wong, Planning and Rules Manager, presented a summary of Proposed Amended Rule (PAR) 1469.1 – Spraying Operations Using Coatings Containing Chromium.

Bill Pearce, The Boeing Company, thanked staff for listening and addressing their comments.

There was a question from a public commenter on affected facilities. In response, staff will identify affected facilities on a map in the staff report.

Mr. Sattler supported the rule and stated that facilities should be conducting housekeeping provisions, and be penalized if they are not.

In response to comments regarding monitoring from Board Member Kracov, Dr. Wong explained that PAR 1469.1 requires parameter monitoring of the spray booth and that operators maintain records of parameter monitoring results. She clarified that fence-line monitoring is not part of the proposed amendments but is addressed in Rule 1480.

4. Summary of Proposed Amended Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants

Uyen-Uyen Vo, Program Supervisor, presented a summary of Proposed Amended Rule (PAR) 1466 – Control of Particulate Emissions from Soil with Toxic Air Contaminants.

Bill LaMarr, California Small Business Alliance, asked staff who is responsible for the monitoring requirements and if there are provisions that ensure the responsible party understands the monitoring requirements. Ms. Vo and Ms.

Nakamura responded that the owner, operator, or contractor conducting the earth-moving activities is responsible for conducting the monitoring requirements.

Mr. Sattler commented that dust monitoring might not be sufficient for controlling toxic air contaminants and when there are high winds there should be extra efforts for dust suppression. Ms. Vo responded that PAR 1466 requires earth-moving activities to stop when wind speeds reach a certain level.

Mr. Pearce thanked staff for listening and addressing their comments and concerns in the proposed rule language.

Council Member Benoit asked staff if schools districts were involved in the rulemaking. Ms. Vo responded that the school districts were invited and participated in the rulemaking process.

WRITTEN REPORTS:

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

The report was acknowledged by the committee.

6. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

7. Other Business

There was no other business.

8. Public Comment Period

Harvey Eder, Public Solar Power Coalition, commented that according to the Centers for Disease Control (CDC), 40 percent of school ventilation systems need replacing and recommended that this be done by South Coast AQMD. He commented on difficulties he experienced retrieving copies of legal documents that were submitted to EPA Region 9. He expressed concerns about the public comment period being at the end of the committee meeting and the three-minute speaker limit.

9. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, April 16, 2021 at 10:30 a.m.

Adjournment

The meeting was adjourned at 11:55 a.m.

Attachments

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

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE

Attendance –March 19, 2021

Mayor Pro Tem Ben Benoit	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret.)	South Coast AQMD Board Member
Board Member Gideon Kracov	South Coast AQMD Board Member
Supervisor Sheila Kuehl	South Coast AQMD Board Member
Vice Mayor Rex Richardson	South Coast AQMD Board Member
Supervisor Janice Rutherford.....	South Coast AQMD Board Member
Tricia Almiron	Board Consultant (Benoit)
Ruthanne Taylor Berger.....	Board Consultant (Benoit)
Thomas Gross	Board Consultant (Benoit)
Matthew Hamlett	Board Consultant (Richardson)
Loraine Lundquist.....	Board Consultant (Kuehl)
Debra Mendelsohn	Board Consultant (Rutherford)
Ross Zelen.....	Board Consultant (Kracov)
Whitney Amaya	East Yard Communities for Environmental Justice
Jan Victor Andasan.....	East Yard Communities for Environmental Justice
Erin Berger.....	Southern California Gas Co
Greg Busch.....	Marathon Petroleum Corporation
Michael Carroll	Latham & Watkins
Byron Chan	Earthjustice
Chris Chavez.....	Coalition for Clean Air
Curtis Coleman	Southern California Air Quality Alliance
Jerry Desmond	Metal Finishing Association of Southern California
Harvey Eder	Public Solar Power Coalition
Frances Keeler	CCEEB
Bill LaMarr	California Small Business Alliance
Julia May.....	Communities for a Better Environment
Dan McGivney.....	Southern California Gas Co
Bill Pearce.....	The Boeing Company
David Petit	Natural Resources Defense Council
David Rothbart.....	SCAP
Patty Senecal.....	WSPA
Al Sattler	Sierra Club
Marshall Waller	Phillips 66 Company
Scott Weaver.....	Ramboll
Peter Whittingham	Whittingham Public Affairs Advisors
Jason Aspell	South Coast AQMD staff
Barbara Baird.....	South Coast AQMD staff
Bayron Gilchrist.....	South Coast AQMD staff
Sheri Hanizavareh.....	South Coast AQMD staff
Anissa Heard-Johnson	South Coast AQMD staff

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance –March 19, 2021

Mark Henninger South Coast AQMD staff
Jason Low 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
Andrea Polidori South Coast AQMD staff
Sarah Rees South Coast AQMD staff
Nicholas Sanchez South Coast AQMD staff
Anthony Tang South Coast AQMD staff
Uyen-Uyen Vo South Coast AQMD staff
Jill Whynot South Coast AQMD staff
Jillian Wong South Coast AQMD staff
William Wong South Coast AQMD staff
Paul Wright South Coast AQMD staff
Victor Yip South Coast AQMD staff

February 2021 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
Video Conference with U.S. EPA and CARB – March 11, 2021	<ul style="list-style-type: none">• Reviewed presentations for the March RECLAIM and Regulation XIII Working Group Meetings
RECLAIM and Regulation XIII (New Source Review) Working Group Meeting – March 18, 2021	<ul style="list-style-type: none">• Staff responded to stakeholder comment letters regarding the Transition Plan

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

Settlement Penalty Report (02/01/2021 - 02/28/2021)

Total Penalties

Civil Settlement: \$18,900.00
Hearing Board Settlement: \$25,000.00

Total Cash Settlements: \$43,900.00

Fiscal Year through 02/28/2021 Cash Total: \$3,705,777.59

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
173290	MEDICLEAN	2004, 2012 Appendix A	02/23/2021	DH	P66919	\$10,000.00
800409	NORTHROP GRUMMAN SYSTEMS CORPORATION	2004	02/11/2021	BT	P66914	\$2,300.00
800417	PLAINS WEST COAST TERMINALS LLC	3002(c)(1)	02/11/2021	MR	P67924	\$500.00
172840	R & R DEMO & GRADING CORPORATION	1403	02/19/2021	SH	P66406	\$1,000.00
160259	THE IRVINE COMPANY	1403, 40 CFR 61.145	02/19/2021	BT	P65510	\$5,100.00
Total Civil Settlements: \$18,900.00						
Hearing Board						
104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	02/19/2021	KCM	5400-4	\$25,000.00
Total Hearing Board Settlements: \$25,000.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR FEBRUARY 2021 PENALTY REPORT**

REGULATION II - PERMITS

Rule 202 Temporary Permit to Operate
Rule 203 Permit to Operate

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV - TOXICS

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

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

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for demolition and renovation