

BOARD MEETING DATE: June 4, 2021

AGENDA NO. 26

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting remotely on Friday, May 21, 2021. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben Benoit, Chair  
Stationary Source Committee

JA:reh

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### **Committee Members**

Present: Mayor Pro Tem Ben Benoit (Chair)  
Supervisor Sheila Kuehl (Vice Chair)  
Board Member Gideon Kracov  
Supervisor Janice Rutherford

Absent: Senator Vanessa Delgado (Ret.)  
Vice Mayor Rex Richardson

### **Call to Order**

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

### **INFORMATIONAL ITEMS:**

#### **1. Update on Eastern Coachella Valley Community Emissions Reduction Plan Amendments**

Daniel Garcia, Planning and Rules Manager, provided an overview of the Eastern Coachella Valley (ECV) Community Emissions Reduction Plan (CERP) community boundary and the air quality priorities identified by the ECV Community Steering Committee (CSC). Mr. Garcia presented the timeline to develop the ECV CERP amendment, public process, amendment highlights, and

key issues. He listed two key issues raised by some committee members in a recent comment letter to staff.

The key issues are that the proposed CERP amendment does not include a pesticide notification system or pursue a ban on agricultural burning. Mr. Garcia explained that the Department of Pesticide Regulation (DPR) has jurisdiction over pesticides under the Health and Safety Code; therefore, staff does not have the regulatory tools to implement a pesticide notification system. Mr. Garcia mentioned that the proposed CERP amendments commit DPR to share information on efforts for a pesticide notification system and support the exploration of a system. He stated that the California Code of Regulations prohibits South Coast AQMD from banning agricultural burning. He noted that staff believes Rule 444 – Open Burning is more effective than the state laws that ban open burning in San Joaquin Valley because Rule 444 does not allow for exceptions based on economic feasibility and includes daily burn limits. He emphasized that San Joaquin still burns 56 times more acreage annually than the Eastern Coachella Valley.

Chair Benoit inquired whether Rule 444 encourages the Greenleaf Desert View Power Plant to reduce agricultural burning while generating electricity and if any studies compare the environmental impacts from open burning and biomass burning power plants. He also asked if there are opportunities to make the facility cleaner and suggested conducting further research on this topic. He stated there may be an opportunity to work with the Coachella Valley Association of Governments (CVAG) and US EPA to use available funding to develop solutions. Mr. Garcia explained the San Joaquin Valley ban requires funding to be available to biomass facilities; otherwise, allowances for open burning can occur. He emphasized the community has advocated avoiding burning at the Greenleaf Desert View Power Plant and instead prefers soil integration. Mr. Garcia stated that the ECV CSC prefers not to provide AB 617 incentives for alternatives to open burning. He noted that US EPA requires controls at the facility and acknowledged some benefits to directing materials to biomass plants compared to open burning near residences and exposure. Jill Whynot, Chief Operating Officer, stated that staff would follow up on this item. Jason Aspell, Deputy Executive Officer / Engineering and Permitting, mentioned the facility is on tribal land, permitted by US EPA, and there is an enforcement agreement with South Coast AQMD. Dr. Jo Kay Ghosh, Health Effects Officer, added that staff had contacted US EPA.

Peter Whittingham, Whittingham Public Affairs Advisors, described the Greenleaf Desert View Power Plant, including its location, the type and amount of fuel processed, the electricity produced, a history of the facility, and how it benefits the community as a solution to open burning.

Harvey Eder, Public Solar Power Coalition, explained an opportunity to use solar steam repowering through agricultural waste burning.

Mariela Lorea, Leadership Council for Justice and Accountability (LCJA), requested that staff provide a progress report to the ECV CSC in English and Spanish at least twice a year. She recommended that the implementation of the ECV CERP should go hand in hand with community outreach and that the CERP should include language on how outreach will be done. She stated that actions related to emissions reductions should include quantifiable emission reduction goals and actions that go beyond incentives). She commented that the ECV CERP should have a more extensive timeline with specific milestones, information on actions related to funding, and next steps. She also suggested that actions should be added regarding agricultural burning, developing a pesticide notification system in the community, and replacing school buses with zero or near-zero emission buses.

Board Member Kracov thanked staff, the CSC, community advocates, and Supervisor Perez for their work on the ECV CERP during the last six months and committed to supporting the CERP. He stated CARB would need to approve the CERP. He mentioned that the Governor made revisions to the State budget that includes funding to implement the statewide pesticide notification system and continued funding for the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) program to replace agricultural diesel equipment. He emphasized continuing to engage the Riverside County Agricultural Commissioner and DPR and asked staff to continue outreach efforts for incentives in Coachella Valley.

Chair Benoit shared a personal experience regarding open burning and dust and recognized that the ECV community experiences impacts from many sources. He was supportive of additional funding for the replacement of agricultural equipment.

## **2. Update on Implementation of Rule 1111- Reduction of NOx Emissions from Natural-Gas-Fired, Fan Type Central Furnaces**

Michael Krause, Planning and Rules Manager, provided an update on implementation of Rule 1111. Supervisor Rutherford commented that there is a disconnect between the manufacturers and installers regarding product availability in high-altitude areas. She does not see the value of proceeding with this portion of the rule requirements. Supervisor Kuehl asked how the Rule 1111 mitigation fee has been utilized and suggested that staff ensure that the 25 percent of the rebates are used for disadvantaged communities. Mr. Krause explained that fees collected have been spent on financing the rebate program and NOx emission reduction projects. Approximately 16 percent of the funds have been used for low income to date, and staff can increase outreach efforts. The 2202 AQMP may include use of these funds for future residential incentive programs.

Jack Scarsi, US Air, Bruce Fuhrman, US Air, and Chris Forth, Johnson Controls, requested a two-month delay (for commercial weatherized furnace implementation) to address supply shortages experienced during COVID-19. Kory Griggs (installer) commented that distributors are not providing enough products for the high-altitude installations (e.g., large furnaces rated at 100,000 Btu/hr), and requested an extension for the high-altitude exemption. Mike Marcote, M&M Mechanical (installer), concurred that large size furnaces rated at 100,000 Btu/hr are needed for high altitude but will not be provided by manufacturers and noted the same concern for downflow units. Harvey Eder, Public Solar Power Coalition, suggested the application of solar thermal technology as a replacement for gas fired furnaces.

Supervisor Rutherford emphasized that more time is needed to solve the supply chain issue, and that staff should consider not regulating furnaces at the high altitude given the small amount of emissions reductions.

**3. Certification of Nonattainment New Source Review and Clean Fuels for Boilers Compliance Demonstration for 2015 8-Hour Ozone Standard**

Zorik Pirveysian, Planning and Rules Manager, presented a compliance demonstration that showed how South Coast AQMD's current SIP-approved rules and regulations meet the federal Clean Air Act requirements for nonattainment New Source Review and Clean Fuels for Boilers for the 2015 8-hour ozone standard. There were no committee member or public comments.

**WRITTEN REPORTS:**

**4. 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.

**5. 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**

Jan Victor Andasan, Carson resident, commented on Rule 1109.1 – NOx Reductions from Refinery and Refinery Related Equipment. He emphasized the need for the Board to pass Rule 1109.1 at the September Board meeting and encouraged the Board to pass a strong rule with the strongest emission controls.

## **7. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, June 18, 2021 at 10:30 a.m.

## **Adjournment**

The meeting was adjourned at 11:58 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 –May 21, 2021**

Mayor Pro Tem Ben Benoit .....	South Coast AQMD Board
Board Member Gideon Kracov .....	South Coast AQMD Board
Supervisor Sheila Kuehl .....	South Coast AQMD Board
Supervisor Janice Rutherford .....	South Coast AQMD Board
Ruthanne Taylor Berger .....	Board Consultant (Benoit)
Tom Gross .....	Board Consultant (Benoit)
Matthew Hamlett .....	Board Consultant (Richardson)
Lorraine Lundquist .....	Board Consultant (Kuehl)
Debra Mendelsohn.....	Board Consultant (Rutherford)
Mark Taylor.....	Board Consultant (Rutherford)
Ross Zelen .....	Board Consultant (Kracov)
Greg Busch .....	Marathon Petroleum Corporation
Curtis Coleman.....	Southern California Air Quality Alliance
Harvey Eder.....	Public Solar Power Coalition
Chris Forth.....	Johnson Controls
Bruce Fuhrman .....	US Air
Kory Gregg.....	HVAC Contractor
Frances Keeler .....	CCEEB
Bill LaMarr .....	California Small Business Alliance
Mike Marcote .....	M&M Mechanical
Noel Muyco .....	Southern California Gas Co
David Rothbart .....	SCAP
Jack Scarsi .....	US Air
Marshall Waller .....	Phillips 66 Company
Peter Whittingham.....	Whittingham Public Affairs Advisors
Derrick Alatorre.....	South Coast AQMD staff
Jason Aspell.....	South Coast AQMD staff
Barbara Baird.....	South Coast AQMD staff
Daniel Garcia.....	South Coast AQMD staff
Bayron Gilchrist .....	South Coast AQMD staff
Jo Kay Ghosh .....	South Coast AQMD staff
Mark Henninger.....	South Coast AQMD staff

**ATTACHMENT 1**

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

**Attendance –May 21, 2021**

Michael Krause..... 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  
Zorik Pirveysian ..... South Coast AQMD staff  
Sarah Rees ..... South Coast AQMD staff  
Lisa Tanaka ..... South Coast AQMD staff  
Anthony Tang..... 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

## May 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 – April 8, 2021	<ul style="list-style-type: none"> <li>• Reviewed presentations for the April RECLAIM and Regulation XIII Working Group Meetings</li> </ul>
RECLAIM and Regulation XIII Working Group Meetings – April 15, 2021	<ul style="list-style-type: none"> <li>• Provided updates on rulemakings for the RECLAIM transition</li> <li>• Discussed additional comments from U.S. EPA regarding the RECLAIM transition</li> <li>• Presented updated draft rule language for Proposed Rule 1304</li> </ul>
Video Conference with U.S. EPA and CARB – April 20, 2021	<ul style="list-style-type: none"> <li>• Discussed comments from U.S. EPA on the RECLAIM transition to ensure compliance with the Clean Air Act</li> </ul>
Video Conference with U.S. EPA and CARB – April 29, 2021	<ul style="list-style-type: none"> <li>• Discussed the RECLAIM transition</li> </ul>
Video Conference with U.S. EPA and CARB – May 6, 2021	<ul style="list-style-type: none"> <li>• Discussed the RECLAIM transition</li> </ul>
Video Conference with U.S. EPA and CARB – May 10, 2021	<ul style="list-style-type: none"> <li>• Reviewed presentations for the May RECLAIM and Regulation XIII Working Group Meetings</li> </ul>
RECLAIM and Regulation XIII Working Group Meetings – May 13, 2021	<ul style="list-style-type: none"> <li>• Provided updates on rulemakings for the RECLAIM transition</li> <li>• Presented initial concepts for a bridge between RECLAIM and command-and-control</li> <li>• Staff responded to a stakeholder comment letter regarding incremental cost-effectiveness</li> <li>• Provided rule development updates for Proposed Rule 1304</li> </ul>

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

**Settlement Penalty Report (04/01/2021 - 04/30/2021)**

**Total Penalties**

Civil Settlement :     \$137,450.00  
Hearing Board Settlement :     \$25,000.00  
MSPAP Settlement :     \$12,245.00

**Total Cash Settlements:**     \$174,695.00

**Fiscal Year through 04/30/2021 Cash Total :**     \$4,232,541.19

<b>Fac ID</b>	<b>Company Name</b>	<b>Rule Number</b>	<b>Settled Date</b>	<b>Init</b>	<b>Notice Nbrs</b>	<b>Total Settlement</b>
<b>Civil</b>						
181510	AVCORP COMPOSITE FABRICATION, INC	2004, 2012, 2012 Appendix A	04/30/2021	WW	P66864, P66865	\$4,150.00
58076	BARTO SIGNAL PETROLEUM INC.	1173(c)	04/13/2021	DH	P62967	\$10,000.00
800387	CAL INST OF TECH	3002(c)(1)	04/30/2021	WW	P66838	\$5,000.00
23194	CITY OF HOPE MEDICAL CENTER	461, 1146, 1415, 3002	04/20/2021	SH	P66762, P66782, P66796	\$9,500.00
188558	LANG CONSTRUCTION & DEVELOPMENT, INC.	1403, 40 CFR 61.145	04/27/2021	DH	P69704	\$6,500.00
117297	MM PRIMA DESHECHA ENERGY, LLC	218, 1110.2, 3002	04/30/2021	SH	P63081, P63087, P65519, P65541,	\$37,500.00
186652	STS CONSTRUCTION SERVICES	1403	04/30/2021	SH	P66267	\$800.00
83508	THE TERMO COMPANY	1148.1, 3002	04/30/2021	BT	P66544, P67705, P69275	\$26,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
105368	VIRCO MFG CORP	203, 1147	04/15/2021	WW	P69513	\$38,000.00

**Total Civil Settlements : \$137,450.00**

#### Hearing Board

104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	04/20/2021	KCM	5400-4	\$25,000.00
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**Total Hearing Board Settlements : \$25,000.00**

#### MSPAP

109968	ALUMAFOLD PACIFIC, INC.	201, 203(a), 1147	04/14/2021	GC	P65857	\$1,275.00
177412	AMERICAN GOLF CORP	461(c)(3)(Q)	04/13/2021	GC	P65877	\$300.00
189057	CENTURION ELITE ENTERPRISES LLC	1403	04/14/2021	GC	P65420	\$1,400.00
179412	CHAMPION CABINET CORPORATION	203	04/13/2021	GC	P65200	\$1,820.00
115566	CHEVRON DLR, AMINDER RANDHAWA	461, H&S 41960	04/13/2021	GC	P68408	\$600.00
99869	J & R SERVICE STATION, BOUQUET MOBIL	203(b), 461	04/13/2021	GC	P67232	\$1,150.00
129478	N.B. OIL CO., INC.	201, 203(a)	04/14/2021	TCF	P68147	\$1,700.00
87180	PAREX USA INC.	203(b), 1157	04/13/2021	TCF	P69369	\$1,600.00
181393	QCM INC. DBA VERIS MFG.	203(a)	04/14/2021	TCF	P69761	\$800.00
134112	ROBERTSON'S READY MIX	403	04/13/2021	TCF	P69582	\$800.00
142012	TRAMMEL CROW RESIDENTIAL	203	04/13/2021	TCF	P66974	\$800.00

**Total MSPAP Settlements : \$12,245.00**

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

**REGULATION II - PERMITS**

- Rule 201 Permit to Construct
- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate
- Rule 218 Continuous Emission Monitoring

**REGULATION IV - PROHIBITIONS**

- 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 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- 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 1148.1 Oil and Gas Production Wells
- Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens
- Rule 1157 PM10 Emission Reductions from Aggregate and Related Operations
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds

**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

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

**REGULATION XXX - TITLE V PERMITS**

- Rule 3002 Requirements for Title V Permits

**CALIFORNIA HEALTH AND SAFETY CODE**

41960 Certification of Gasoline Vapor Recovery System

**CODE OF FEDERAL REGULATIONS**

40 CFR 61.145 Standard for Demolition and Renovation