

BOARD MEETING DATE: October 1, 2021

AGENDA NO. 19

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting remotely on Friday, September 17, 2021. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Ben J. Benoit, Chair  
Stationary Source Committee

JA:cr

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### **Committee Members**

Present: Mayor Pro Tem Ben J. Benoit (Chair)  
Supervisor Sheila Kuehl (Vice Chair)  
Senator Vanessa Delgado (Ret.)  
Board Member Veronica Padilla-Campos  
Vice Mayor Rex Richardson  
Supervisor Janice Rutherford

### **Call to Order**

Chair Benoit called the meeting to order at 12:10 p.m.

### **INFORMATIONAL ITEMS:**

#### **1. Annual Progress Report for AB 617 Community Emissions Reduction Plans**

Daniel Garcia, Planning and Rules Manager/Planning, Rule Development and Area Sources, provided an overview of the 2021 AB 617 Annual Progress Report for the 2018- and 2019-designated communities. Mr. Garcia summarized the actions implemented from each communities' Community Emission Reduction Plans (CERPs). Additionally, Mr. Garcia summarized the estimated emission reductions from CERP implementation, comments from Community Steering Committee members on the annual progress report, and staff responses.

Chris Chavez, Coalition for Clean Air, thanked staff for their work on the AB 617 process and recommended that the CERPs have a role in local decisions at other agencies.

**2. Summary of Proposed Rule 1109.1 – Emissions of Oxide of Nitrogen from Petroleum Refineries and Related Operations, Proposed Rescinded Rule 1109 – Emissions of Oxides of Nitrogen from Boilers and Process Heaters in Petroleum Refineries, Proposed Rule 429.1 – Startup and Shutdown Provisions at Petroleum Refineries and Related Operations, Proposed Amended Rule 1304 – Exemptions, and Proposed Amended Rule 2005 – New Source Review for RECLAIM**

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, presented an update of Proposed Rule (PR) 1109.1, which establishes NO<sub>x</sub> and CO emission limits for combustion equipment at petroleum refineries and facilities with related operations.

Michael Morris, Planning and Rules Manager/Planning, Rule Development and Area Sources, provided a summary for Proposed Amended Rule 429.1 – Startup and Shutdown Provisions at Petroleum Refineries and Related Operations. Mr. Morris summarized the proposed amendments that provide exemptions and provisions for startup, shutdown, and certain maintenance activities. He also provided a summary of Proposed Amended Rules 1304 and 2005, which provides a narrow BACT exemption for PM<sub>10</sub> and SO<sub>x</sub> emission increases that can occur from installation of pollution controls needed to meet NO<sub>x</sub> limits under PR 1109.1.

Michael Krause, Planning and Rules Manager/Planning, Rule Development and Area Sources, summarized potential environmental and socioeconomic impacts associated with implementation of the proposed and proposed amended rules and discussed key remaining issues. Rule 1109 is proposed to be rescinded, as it is no longer needed if PR 1109.1 is adopted.

Supervisor Kuehl expressed concern regarding the flexibility provided for refineries to implement less expensive options than BARCT and the long implementation timelines for BARCT. She expressed support for a stronger rule with fewer allowances for dirtier equipment but acknowledged the complexity of the rule and the importance of making compliance possible and developing a workable rule as expeditiously. Supervisor Kuehl and supports the adoption of these rules in November.

Public comments were provided by the following:

Elliot Gonzales, public commenter  
Grace Lorentzen, public commenter  
Alicia Rivera, Communities for a Better Environment -Wilmington Team  
Maria Serafin, public commenter  
Veronica Salazar, public commenter  
Mandeera, Pacific Environment  
Jan Victor, East Yard Communities for Environmental Justice  
Lilia Ocampo, public commenter  
Oscar Espino-Padron, Earthjustice  
Julia May, Communities for a Better Environment  
Maria Vargas, Communities for a Better Environment  
Maria Gonzales, Communities for a Better Environment  
Lidia Silva, public commenter  
Helen Haro, public commenter  
Sofia, public commenter

All expressed the need for a strong refinery rule by November 2021, with requirements to add control equipment. They stated that cost-effectiveness is less important than protecting public health. The rule has the potential to save lives, reduce health costs and create jobs. They expressed concern regarding long implementation timelines, the use of old polluting equipment at refineries, and that the rule was long overdue.

Chris Chavez, Coalition for Clean Air, expressed support for a strong refinery rule and urged the South Coast AQMD to go even further in the rule development, especially with the positive socioeconomic impact report showing the economic benefits and public health benefits associated with passing this rule. Mr. Chavez expressed concerns about the proposed deadlines which will not achieve full implementation until 2031, which does not meet the AB 617 BARCT 2023 implementation deadline and that the region will struggle to meet the 2031 and 2037 deadlines for ozone; and expressed concern about the large amount of flexibility provided to refineries in the proposed rule.

Alicia Rivera, Communities for a Better Environment, commented that the rule has weakened over time, but still has the potential to achieve major NO<sub>x</sub> reductions. Ms. Rivera expressed support for rule adoption by November in a stronger form that would require the tightest standard applied to every piece of equipment at the refinery. She does not support allowing compliance plans where some equipment can have even higher limits, but if these are part of the rule, there should be public access and review of plans.

Oscar Espino-Padron, Earthjustice, commented on the long time for development of PR 1109.1, the various concessions provided to refineries in this process, and that implementation of PR 1109.1 has the potential to save hundreds of lives and improve the health and quality of life for thousands of residents in the region. He asked that the rule be finalized and adopted in November.

Julia May, Communities for a Better Environment, expressed concern about the flexibilities provided to refineries through conditional emission limits and an alternative compliance plans, especially in the B-Cap, where creative calculations can be used to hide large emissions, which has the potential to undermine public health. Ms. May asked for public access to review plan details and stated that community groups need technical support from the South Coast AQMD in the review.

Michael Carroll, Latham & Watkins, expressed opposition to the characterization that the rule is not a strong rule and has weakened over time. He stated the changes are part of the rule development process and sometimes initial proposals change as the information gets more accurate. He commented on the necessity of the flexibilities of mechanisms in the rule to meet the stringent NOx emission limits and that PR 1109.1 is establishing the most stringent NOx limits for major petroleum refineries in the country.

Patty Senecal, Western States Petroleum Association, commented on the long PR 1109.1 development timeline being proportionate to high complexity and cost of the proposed rule. She stated that the flexibility options in the proposed rule are critical to achieve the stringent standards in the proposed rule.

Harvey Eder, Public Solar Power Coalition, expressed the need for a conversion to solar technologies and to phase out fossil fuels.

Senator Delgado expressed support for staff and stakeholders effort. Board Member Padilla-Campos acknowledged the significant public health benefits, the high number of new jobs through implementation of PR 1109.1 and the need to protect the health and safety of the endangered frontline community. She further indicated that refineries are the largest stationary source of pollution in the Basin and encouraged the passing of the proposed rule in November 2021.

### **WRITTEN REPORTS:**

#### **3. 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 Notice of Violation Penalty Summary**

The report was acknowledged by the committee.

**4. Notice of Violation Penalty Summary**

The report was acknowledged by the committee.

**OTHER MATTERS:**

**8. Other Business**

There was no other business.

**9. Public Comment Period**

Mr. Eder expressed support for total solar conversion and concerns about climate change.

**10. Next Meeting Date**

The next Stationary Source Committee meeting is scheduled for Friday, October 15, 2021 at 10:30 a.m.

**Adjournment**

The meeting was adjourned at 1:54 p.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 –September 17, 2021**

Mayor Pro Tem Ben J. Benoit .....	South Coast AQMD Board
Senator Vanessa Delgado (Ret.).....	South Coast AQMD Board
Supervisor Sheila Kuehl .....	South Coast AQMD Board
Board Member Veronica Padilla-Campos.....	South Coast AQMD Board
Vice Mayor Richardson.....	South Coast AQMD Board
Supervisor Janice Rutherford .....	South Coast AQMD Board
Tom Gross .....	Board Consultant (Benoit)
Loraine Lundquist .....	Board Consultant (Kuehl)
Debra Mendelsohn.....	Board Consultant (Rutherford)
Mark Taylor.....	Board Consultant (Rutherford)
Mike Buckantz.....	Quemetco
Michael Carroll.....	Latham & Watkins
Chris Chavez .....	Coalition for Clean Air
David Chetkowski .....	World Oil
Ramine Cromartie .....	WSPA
Harvey Eder.....	Public Solar Power Coalition
Oscar Espino-Padron .....	Earthjustice
Robert Glass .....	Goodman Manufacturing
Julia May .....	Communities for a Better Environment
Bridget McCann .....	Chevron
Dan McGivney .....	Southern California Gas Co
Bethmarie Quiambao.....	Southern California Edison
Alicia Rivera.....	Communities for a Better Environment
David Rothbart .....	LACSD
Patty Senecal .....	WSPA
Jan Victor.....	East Yard Communities for Environmental Justice
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
Mark Henninger.....	South Coast AQMD staff
Michael Krause.....	South Coast AQMD staff
Jason Low .....	South Coast AQMD staff
Terrence Mann.....	South Coast AQMD staff
Ian MacMillan .....	South Coast AQMD staff
Matt Miyasato.....	South Coast AQMD staff
Michael Morris .....	South Coast AQMD staff
Ron Moskowitz .....	South Coast AQMD staff

**ATTACHMENT 1**

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

**Attendance –September 17, 2021**

Wayne Nastri .....	South Coast AQMD staff
Susan Nakamura .....	South Coast AQMD staff
Lisa Tanaka O’Malley .....	South Coast AQMD staff
Sarah Rees .....	South Coast AQMD staff
Jill Whynot .....	South Coast AQMD staff
Jillian Wong.....	South Coast AQMD staff
Paul Wright.....	South Coast AQMD staff
Victor Yip.....	South Coast AQMD staff

## **September 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.

<b>Item</b>	<b>Discussion</b>
Video Conference with U.S. EPA and CARB – July 29, 2021	<ul style="list-style-type: none"> <li>• Discussed rule development concepts for Proposed Amended Rule 2005 and Proposed Rule 1109.1</li> </ul>
Video Conference with U.S. EPA and CARB – August 5 2021	<ul style="list-style-type: none"> <li>• Discussed rule development concepts for Proposed Amended Rule 2005 and Proposed Rule 1109.1</li> </ul>
Video Conference with U.S. EPA and CARB – August 6, 2021	<ul style="list-style-type: none"> <li>• Discussed co-pollutant strategies for Proposed Amended Rule 1304</li> </ul>
Video Conference with CARB – August 10, 2021	<ul style="list-style-type: none"> <li>• Discussed rule development concepts for Proposed Amended Rule 2005</li> </ul>
Video Conference with CARB – August 13, 2021	<ul style="list-style-type: none"> <li>• Discussed rule development concepts for Proposed Rule 1109.1</li> </ul>

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

**Settlement Penalty Report (07/01/2021 - 07/31/2021)**

**Total Penalties**

Civil Settlement:	\$172,664.00
MSPAP Settlement:	\$14,576.00
Hearing Board Settlement:	\$20,000.00
<b>Total Cash Settlements:</b>	<b>\$207,240.00</b>
<b>Fiscal Year through 07/31/2021 Cash Total:</b>	<b>\$207,240.00</b>

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>Civil</b>						
191364	4021 ROYAL OAKS PLACE LLC	1403	07/27/2021	NS	P72951, P72954, P72956, P72959	\$7,500.00
107011	ACTIVE PLATING INC	203	07/27/2021	WW	P65417, P66294	\$4,800.00
800030	CHEVRON PRODUCTS CO.	1118, 1173, 1176, 3002	07/21/2021	BT	P64042, P64046, P65617, P67818, P67822, P67823	\$104,000.00
101530	COACHELLA VALLEY WATER DIST	203, 461	07/27/2021	SH	P63146	\$4,500.00
183441	JBS SWIFT FOODS	2202	07/27/2021	DH	P67014, P67016	\$3,789.00
151909	JONES COVEY GROUP, INC	221, 1166	07/27/2021	SH	P67423	\$3,000.00
186629	KB HOME SOUTHERN CALIFORNIA	203(a)	07/27/2021	SH	P67151, P67153, P67352	\$2,800.00
800236	LA CO. SANITATION DIST	1146.1, 3002	07/27/2021	WW	P66470	\$6,000.00
113873	MM WEST COVINA LLC	3002(c)(1)	07/27/2021	SH	P67508	\$500.00
139446	PROJECT NAVIGATOR/ASCON LANDFILL SITE RP	221(b), 402, 1166, H&S 41700	07/27/2021	NS	P65516, P65518	\$15,000.00
7371	SAN BER CNTY SOLID WASTE MGMT-MILLIKEN	221, 1150.1, 3002	07/27/2021	DH	P70415	\$650.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
175264	SYNERGY OIL AND GAS, LLC	203(b), 402, 463, 1176(e)(1), H&S 41700	07/27/2021	NS	P66540, P66545, P67916, P67927, P67931, P67937, P67947, P67948, P72965, P74333, P74336	\$20,125.00

**Total Civil Settlements: \$172,664.00**

#### Hearing Board

104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	07/21/2021	KCM	5400-4	\$10,000.00
104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	07/27/2021	KCM	5400-4	\$10,000.00

**Total Hearing Board Settlements: \$20,000.00**

#### MSPAP

189850	CUDAHY FUEL STOP	203(a)	07/29/2021	GC	P69022	\$800.00
144430	DOWNEY SHELL	203(b)	07/29/2021	TCF	P69620	\$2,500.00
127861	EXPERIAN INFORMATION SOLUTIONS INC	1146.1	07/29/2021	GC	P68564	\$3,251.00
116304	HIGHRIDGE CAR WASH	461(c)(3)(Q)	07/29/2021	GC	P69024	\$300.00
152386	JERRY'S AUTO SERVICE, INC	461	07/29/2021	GC	P68448	\$300.00
180676	KOMAL OIL INC	203(b), 461	07/29/2021	GC	P66383	\$300.00
185717	MENIFEE COLLISION CENTER	1151(d)(1)	07/29/2021	TCF	P68354	\$250.00
180366	NATROL LLC	1155, 203(a), 203(b)	07/29/2021	TCF	P68609	\$3,200.00
3578	PRUDENTIAL OVERALL SUPPLY	1146.1	07/29/2021	TCF	P69512	\$1,600.00
108901	QWIK STOP #5 "YASIN"	461(e)(2)	07/29/2021	TCF	P66382	\$1,200.00
29454	REDLANDS CITY, GARAGE	203(b), 461(e)(2)	07/29/2021	TCF	P69111	\$375.00
153542	SHELL STN, PALM SPGS SVC, M HOFFMAN	461(c)(3)(Q)	07/29/2021	TCF	P70154	\$500.00

**Total MSPAP Settlements: \$14,576.00**

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

**REGULATION II - PERMITS**

Rule 202 Temporary Permit to Operate  
Rule 203 Permit to Operate  
Rule 221 Plans

**REGULATION IV - PROHIBITIONS**

Rule 402 Nuisance  
Rule 461 Gasoline Transfer and Dispensing  
Rule 463 Storage of Organic Liquids

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1118 Emissions from Refinery Flares  
Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters  
Rule 1150 Excavation of Landfill Sites  
Rule 1150.1 Emissions from Active Landfills  
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 1155 Particulate Matter Control Devices  
Rule 1166 Volatile Organic Compound Emissions from Decontamination of Soil  
Rule 1173 Fugitive Emissions of Volatile Organic Compounds  
Rule 1176 Sumps and Wastewater Separators

**REGULATION XIII - NEW SOURCE REVIEW**

Rule 1303 Requirements

**REGULATION XIV - TOXICS**

Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

**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

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

**Settlement Penalty Report (08/01/2021 - 08/31/2021)**

**Total Penalties**

Civil Settlement:       \$54,000.00  
Criminal Referral Settlement:   \$13,463.86  
MSPAP Settlement:       \$12,330.00

**Total Cash Settlements:**       \$79,793.86

**Fiscal Year through 08/31/2021 Cash Total:**   \$287,033.86

<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>						
108730	AVALON PREMIUM TANK CLEANING	402	08/18/2021	DH	P65060	\$2,250.00
184849	CLOUGHERTY PACKING, LLC	2012	08/18/2021	SH	P67366	\$4,500.00
170117	GLEN HELEN PARKWAY, LLC	203	08/25/2021	DH	P68256	\$1,250.00
84007	L.A.UNIF SCH DIST- SELLERY SPEC ED	1403	08/24/2021	WW	P65050	\$100.00
12428	NEW NGC, INC.	2012 Appendix A	08/27/2021	SH	P66856	\$2,000.00
188194	PAMA MANAGEMENT COMPANY	40 CFR 61.145, 1403	08/20/2021	WW	P66439	\$25,000.00
126060	STERIGENICS US, LLC	203(B), 1405	08/27/2021	JL	P66448, P70401	\$16,500.00
165192	TRIUMPH AEROSTRUCTURES, LLC	2004	08/20/2021	JL	P66911	\$900.00
188974	YOSI GABAY	1403	08/24/2021	BT	P67603	\$1,500.00
<b>Total Civil Settlements: \$54,000.00</b>						
<b>Criminal Referral</b>						
189394	VISTA GENERAL ENGINEERING CO. INC	1403	08/13/2021	TCF	P65431, P65432	\$13,463.86
<b>Total Criminal Referral Settlements: \$13,463.86</b>						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>MSPAP</b>						
169992	ALPHA ENERGY INC.	203(b), 461, H&S 41960.2	08/13/2021	GC	P69621	\$1,320.00
180417	CALPORTLAND COMPANY	13 CCR 2460	08/13/2021	GC	P63268	\$800.00
150796	CITY OF GARDENA	203(b)	08/10/2021	GC	P69502	\$2,400.00
151491	FIX AUTO MORENO VALLEY	203(b)	08/13/2021	GC	P69114	\$450.00
133524	GRANITE CONSTRUCTION COMPANY INC.	403, 403.1	08/27/2021	GC	P68270	\$1,700.00
55539	IMPERIAL BODY SHOP	203(b)	08/27/2021	GC	P65895	\$480.00
62862	IMPERIAL IRRIGATION DISTRICT/ COACHELLA	3002	08/27/2021	GC	P68264	\$850.00
180672	INFINEON TECHNOLOGIES AMERICAS CORP.	203	08/27/2021	GC	P69109	\$680.00
147201	JUNGHEE ENTERPRISE INC,ELEGANCE CLEANERS	1421	08/27/2021	GC	P69556	\$400.00
182036	MAXUM MARINE FUELS	203(b)	08/10/2021	TCF	P63889	\$1,600.00
103877	THE HERTZ CORPORATION	203(b)	08/27/2021	GC	P69551	\$850.00
175500	WHISPERING LAKES GOLF COURSE	461	08/13/2021	TCF	P69362	\$800.00
<b>Total MSPAP Settlements: \$12,330.00</b>						

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

**REGULATION II - PERMITS**

Rule 203            Permit to Operate

**REGULATION IV - PROHIBITIONS**

Rule 402            Nuisance  
Rule 403            Fugitive Dust  
Rule 403.1         Wind Entrainment of Fugitive Dust  
Rule 461            Gasoline Transfer and Dispensing

**REGULATION XIV - TOXICS**

Rule 1403         Asbestos Emissions from Demolition/Renovation Activities  
Rule 1405         Control of Ethylene Oxide and Chlorofluorocarbon Emissions from Sterilization or Fumigation Processes  
Rule 1421         Control of Perchloroethylene Emissions from Dry Cleaning Operations

**REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004         Requirements  
Rule 2012         Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions  
Appendix A        Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions  
Rule 2012

**REGULATION XXX - TITLE V PERMITS**

Rule 3002         Requirements for Title V Permits

**CALIFORNIA CODE OF REGULATIONS**

13 CCR 2460      Portable Equipment Testing Requirements

**CALIFORNIA HEALTH AND SAFETY CODE**

41960.2           Gasoline Vapor Recovery

**CODE OF FEDERAL REGULATIONS**

40 CFR 61.145    Standard for Demolition and Renovation