

BOARD MEETING DATE: March 4, 2022

AGENDA NO. 25

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting remotely on Friday, February 18, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben J. Benoit, Chair
Stationary Source Committee

JA:cr

Committee Members

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

Absent: Vice Mayor Rex Richardson

Call to Order

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

INFORMATIONAL ITEM:

**1. Summary of Proposed Amended Rule 1147 - NO_x Reductions from
Miscellaneous Sources**

Michael Krause, Assistant Deputy Executive Officer/Planning Rules Development and Implementation, provided a summary of Proposed Amended Rule including proposed emission limits, periodic monitoring requirements and the implementation schedule.

There were no committee or public comments.

2. Summary of Proposed Rule 1147.2 - NO_x Reductions from Metal Melting and Heating Furnaces

Michael Morris, Planning and Rules Manager/Planning Rules Development and Implementation, provided a summary on Proposed Rule 1147.2 including proposed emission limits, periodic monitoring requirements and implementation schedule.

Harvey Eder, Public Solar Power Coalition, commented that South Coast AQMD should include solar power technologies as part of the BARCT assessment.

3. Update on Implementation of Rule 415 - Odors from Rendering Facilities

Terrence Mann, Deputy Executive Officer/Compliance & Enforcement, presented an update on the implementation of Rule 415, the status of ongoing facility installations of enclosures, overview of Rule 402 and ongoing outreach and enforcement efforts. Statutory penalties for violations of air quality rules and potential improvement by legislative action were also discussed.

Board Member Padilla-Campos asked staff whether statutory penalty issues could be brought to the Legislative Committee. Executive Officer Wayne Nastri responded that the item could be brought before the Legislative Committee next month, as well as to members of the California Legislature now for a possible spot bill. Chair Benoit commented he would be meeting with the State Senator and would raise the issue.

Board Member Padilla-Campos asked whether six website complaints were needed for action or if complaint thresholds included both phone and website complaints. Mr. Mann clarified that the key is how many complaints can be verified in the field with community members.

Senator Delgado encouraged the committee to strengthen statutory penalties and expressed support in working to do so at the State level.

Chair Benoit asked if remote video monitoring would be helpful, such as through a recording requirement established by rulemaking. Chair Benoit asked if the next version of the South Coast AQMD Mobile App could include geotags for complaints. Mr. Nastri to report back on both inquiries.

Senator Delgado asked whether a complaint from school administrative staff superseded the general requirement for six verified complaints. Mr. Mann confirmed that a teacher, administrator, or maintenance staff member could serve as a proxy for all students at a school, and a single verified complaint by that school employee would be sufficient to establish a public nuisance.

Curtis Coleman expressed concerns about seeking higher penalties. He commented that pushback is expected from industry stakeholders and recommended that any consideration of increased penalties be limited to public nuisance actions.

4. Annual RECLAIM Audit Report for 2020 Compliance Year

Jason Aspell, Deputy Executive Officer/Engineering and Permitting, presented an overview of the RECLAIM NO_x and SO_x Annual Report for Compliance Year 2020, and the actions required under Rule 2002 - Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x) and Rule 2015 - Backstop Provisions resulting from NO_x RECLAIM Trading Credits (RTC) price increases reflected in this most recent report. He indicated that the annual report continued to show programmatic and high individual facility compliance for annual emission rates for both NO_x and SO_x and met all other requirements.

Supervisor Kuehl requested clarification on the Board's role relative to actions required under Rule 2002 and Rule 2015. Staff clarified that if a report is required to be submitted to CARB and EPA, any decisions would be presented to the Board.

Board Member Padilla-Campos requested clarification on the review of health risks under RECLAIM. Staff clarified that RECLAIM does not supersede the health protective requirements under separate toxic rules and regulations including Regulation XIV - Toxics and Other Non-Criteria Pollutants and AB2588 - Toxics Hot Spots.

There were no public comments.

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 to report.

8. Public Comment Period

Mr. Eder expressed concern about the health of workers at rendering plants and that the numbers of premature deaths from emissions in South Coast AQMD are under reported in the socioeconomic plan.

Rita Loof, RadTech, commented on the Rule 1115 amendments. She expressed concern that the proposal does not reflect the current state of their technology. She asked that staff incorporate past Board decisions that were made on other rules, such as graphic arts and adhesives into this amendment. She requested adding a definition for energy curable materials, providing incentives to businesses who voluntarily convert to lower emitting materials that would go above and beyond the rule's requirements, and specifying a test method for their materials.

9. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, March 18, 2022 at 10:30 a.m.

Adjournment

The meeting was adjourned at 11:45 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 –February 18, 2022

Mayor Ben J. Benoit	South Coast AQMD Board
Senator Delgado (Ret.)	South Coast AQMD Board
Supervisor Sheila Kuehl	South Coast AQMD Board
Board Member Veronica Padilla-Campos.....	South Coast AQMD Board
Supervisor Janice Rutherford	South Coast AQMD Board
Teresa Acosta	Board Consultant (Delgado)
Ruthanne Taylor Berger	Board Consultant (Benoit)
Tom Gross	Board Consultant (Benoit)
Matthew Hamlett	Board Consultant (Richardson)
Loraine Lundquist	Board Consultant (Kuehl)
Debra Mendelsohn.....	Board Consultant (Rutherford)
Mark Taylor.....	Board Consultant (Rutherford)
Amy Wong	Board Consultant (Padilla-Campos)
Ross Zelen	Board Consultant (Kracov)
Mark Abramowitz	Community Environmental Services
Ramine Cromartie	WSPA
Curtis Coleman.....	Southern California Air Quality Alliance
Chris Chavez	Coalition for Clean Air
Harvey Eder.....	Public Solar Power Coalition
Bill Lamarr	California Small Business Alliance
Rita Loof.....	RadTech
Bethmarie Quiambao.....	Southern California Edison
Craig Sakamoto	PBF
Janet Whittick.....	CCEEB
Jason Henderson.....	CCEEB
Peter Whittingham.....	Whittingham Public Affairs Advisors
Jason Aspell.....	South Coast AQMD staff
Derrick Alatorre.....	South Coast AQMD staff
Barbara Baird.....	South Coast AQMD staff
Bayron Gilchrist	South Coast AQMD staff
Anissa Heard-Johnson	South Coast AQMD staff
Mark Henninger.....	South Coast AQMD staff
Aaron Katzenstein	South Coast AQMD staff
Michael Krause.....	South Coast AQMD staff
Terrence Mann.....	South Coast AQMD staff
Matt Miyasato.....	South Coast AQMD staff
Michael Morris	South Coast AQMD staff
Ron Moskowitz	South Coast AQMD staff
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

February 2022 Update on Work with U.S. EPA and CARB 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 CARB since the last report.

Item	Discussion
Video Conference with U.S. EPA and CARB – February 3, 2022	<ul style="list-style-type: none">• Reviewed presentations for the February RECLAIM and Regulation XIII working group meetings
RECLAIM and Regulation XIII Working Group Meetings – February 10, 2022	<ul style="list-style-type: none">• Provided updates on rulemakings for the RECLAIM transition• Reported NOx RTC threshold exceedances• Discussed Rule 2002 and Rule 2015 procedures to address NOx RTC prices• Discussed ensuring the availability of offsets post-RECLAIM• Presented concepts of Minor and Major Source Banks

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

Settlement Penalty Report (01/01/2022 - 01/31/2022)

Total Penalties

Civil Settlement: \$175,308.00
MSPAP Settlement: \$12,750.00
Hearing Board Settlement: \$10,000.00

Total Cash Settlements: \$198,058.00

Fiscal Year through 01/31/2022 Cash Total: \$2,466,592.35

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
800088	3M COMPANY	1155, 2004, 3002(c)(1)	01/13/2022	DH	P66058, P66065, P66071	\$30,000.00
187522	ACE ROOFING SYSTEMS	1403, 40 CFR 61.145	01/20/2022	NS	P66710	\$25,000.00
73339	MID VALLEY ANODIZING	203	01/13/2022	DH	P66438	\$9,000.00
143050	OLD MASTERS	1113(C)(1)	01/13/2022	JL	P69061	\$15,808.00
7427	OWENS-BROCKWAY GLASS CONTAINER INC	2004, 2011(c)(3)(A), 2012(c)(3)(A), 3002(c)(1)	01/13/2022	BT	P66921, P66931, P66937	\$92,000.00
173108	SILVER CREEK INDUSTRIES, INC	3002	01/14/2022	VT	P69108	\$1,000.00
62617	WILLARD MARINE INC	3003, 3004	01/05/2022	VT	P68906	\$2,500.00
Total Civil Settlements: \$175,308.00						
Hearing Board						
104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	01/20/2022	KCM	5400-4	\$10,000.00
Total Hearing Board Settlements: \$10,000.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
MSPAP						
176130	A AND B LONG BEACH INC	461(c)(3)(Q)	01/12/2022	GC	P67695	\$300.00
176237	ATLANTIC RETAIL, INC	461(c)(3)(Q)	01/12/2022	GC	P67696	\$300.00
189580	BROCO RANKIN	203(a)	01/12/2022	GC	P69363	\$800.00
180458	GRAND PETRO, INC.	203(b)	01/12/2022	GC	P69609	\$800.00
129728	NEW LIFE SERVICE CO. INC.	1151	01/12/2022	TCF	P65897	\$500.00
182054	R. J. AUTO BODY & DETAIL	109, 1151(e)(1), 1171(c)(1)	01/12/2022	TCF	P68616	\$2,400.00
175834	RICHARD MAINTENANCE	461	01/20/2022	TCF	P66387, P66391, P68137	\$1,400.00
190939	SHOLES, LUTILLER B TR	1403	01/12/2022	TCF	P69747	\$250.00
159348	TOP GUN PAINT AND BODY	1151, 1171	01/20/2022	TCF	P65394	\$2,000.00
165287	VICKERS CONSTRUCTION COMPANY	1403	01/12/2022	TCF	P69736	\$800.00
176325	WAYNE PERRY, INC	221, 1166	01/20/2022	TCF	P70408	\$3,200.00
Total MSPAP Settlements: \$12,750.00						

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR JANUARY 2022 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 221 Plans

REGULATION IV - PROHIBITIONS

Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1113 Architectural Coatings

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 1171 Solvent Cleaning Operations

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

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 for Title V Permits

Rule 3003 Applications

Rule 3004 Permit Types and Content

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for Demolition and Renovation